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HEARING

ON

NATIONAL DEFENSE AUTHORIZATION ACT
FOR FISCAL YEAR 2017

AND

OVERSIGHT OF PREVIOUSLY AUTHORIZED
PROGRAMS

BEFORE THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
ONE HUNDRED FOURTEENTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON READINESS HEARING

ON

**THE U.S. TRANSPORTATION COMMAND
FISCAL YEAR 2017 READINESS POSTURE**

HEARING HELD
MARCH 15, 2016



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**THE U.S. TRANSPORTATION COMMAND FISCAL YEAR
2017 READINESS POSTURE**

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
SUBCOMMITTEE ON READINESS,
Washington, DC, Tuesday, March 15, 2016.

The subcommittee met, pursuant to call, at 10:17 a.m., in room 2118, Rayburn House Office Building, Hon. Robert J. Wittman (chairman of the subcommittee) presiding.

OPENING STATEMENT OF HON. ROBERT J. WITTMAN, A REPRESENTATIVE FROM VIRGINIA, CHAIRMAN, SUBCOMMITTEE ON READINESS

Mr. WITTMAN. I will call to order the Subcommittee on Readiness of the House Armed Services Committee.

I want to welcome everybody and thank you for being here today with us for the Readiness hearing on the U.S. Transportation Command [TRANSCOM] fiscal year 2017 readiness posture.

This is the only hearing in front of this committee by TRANSCOM and it has been 2 years since we have had the opportunity for the Transportation Command to present its readiness posture.

In the past 3 months, the services testified on increased readiness risks due to reduced investments in installation infrastructure, training, and equipment. Today I look forward to hearing how the Transportation Command's budget request enables a readiness recovery plan and where we continue to take risk.

I would like to welcome all of our members and our distinguished Air Force expert. This morning we have with us General Darren McDew, U.S. Air Force, Commander, United States Transportation Command, distinguished VMI [Virginia Military Institute] graduate.

Thank you for testifying today. We look forward to your thoughts and insights on these important issues. The purpose of this hearing is to clarify Transportation Command's posture to address readiness priorities, mitigation strategies, and to gather more detail on the current and future impacts of these decisions on operations and training.

Once again, I want to thank our witness for participating in our hearing today, and I look forward to discussing these important topics.

And now I would like to turn to our ranking member, Madeleine Bordallo, for any remarks that she might have upon her return from Guam.

[The prepared statement of Mr. Wittman can be found in the Appendix on page 21.]

STATEMENT OF HON. MADELEINE Z. BORDALLO, A DELEGATE FROM GUAM, RANKING MEMBER, SUBCOMMITTEE ON READINESS

Ms. BORDALLO. Thank you very much, Mr. Chairman, for calling this hearing today and, General McDew, I welcome you and your entourage.

I am glad that we are able to hold this meeting, and I thank you for being here and for your service to our Nation.

Transportation Command as a functional combatant command plays an integral role in the central planning and the execution for the movement of our forces and their equipment. As the only command with operational requirements on each of the seven continents, TRANSCOM is asked to carry out land, sea, and air mobility missions around the world. It enables our military to project force in a timely and an efficient manner in response to both planned and unforeseen contingency operations.

We have heard from several of the services and combatant commands [COCOMs] already this year about the funding unpredictability levied by sequestration and years of continuing resolutions [CRs]. So I hope that you help us better understand how these fiscal conditions have affected readiness within TRANSCOM, and where our committee in Congress, as a whole, can stop the damage and begin to repair our force.

I thank you again for being here today, General, and we look forward to hearing from you.

And I yield back.

Mr. WITTMAN. Thank you, Ms. Bordallo.

General McDew, we will go to you for your opening statement and want you to know, too, that your written statement will be entered into the record.

STATEMENT OF GEN DARREN W. McDEW, COMMANDER, USAF, UNITED STATES TRANSPORTATION COMMAND

General McDEW. Thank you, Chairman Wittman, and since you opened it up, a hearty, "Rah Virginia Mil!"

Chairman Wittman, Ranking Member Bordallo—I hope I didn't butcher that, ma'am—and distinguished members of this committee, it is an honor to be with you today representing the men and women of the United States Transportation Command. I would like to thank you for the opportunity to address the committee and I would like to thank you for the unwavering support you give to the men and women who serve this mighty Nation.

I value the time I get to speak to you, and I would like to start by highlighting a true American hero with whom I have had the pleasure to serve, my senior enlisted leader, Chief Master Sergeant William W. Turner. Bill enlisted in July of 1986 in Shelbyville, Tennessee, and after 30 years of faithful service, this impeccable leader, this airman, his wife, Stacey, and his children, Regan, Tyler, Haley, and Jacey, are retiring in May. It is a tough, tough thing for him to do.

Chief Turner is a true American hero who has served with distinction, participating in contingency operations around the globe, including nine deployments in support of Operations Enduring Freedom and Iraqi Freedom. He deserves all the respect and appreciation our Nation can possibly bestow and he is emblematic of those men and women I represent today. But Bill Turner will be sorely missed. And he stands right behind me.

As I appear before you today, I assure you that those men and women that he represents in U.S. Transportation Command stand ready to deliver this Nation's objectives anywhere at any time. I am in awe every day of what its members are capable of, and I am proud to serve next to them.

I am confident our organization is ready to respond when our Nation calls. However, there are several trends that concern me. First, the current pace of today's operations requires the full effort of our non-mobilized air refueling and airlift fleets. Should the need arise to respond elsewhere in the world, the mobility resources required could exceed existing capacity.

Additionally, I am concerned about our ability to operate in increasingly contested environments, including the cyber domain where nearly 90 percent of our traffic flows on unclassified networks to and from our commercial providers.

Finally, we must remain vigilant and meet the long-term recapitalization needs of tomorrow. Highest among these priorities are the development of a viable, strategic sealift recapitalization plan and the on-time delivery of the KC-46 Alpha.

To address these concerns, I have established the following priorities for the command. Ensuring today's readiness while advocating for tomorrow's capabilities, advancing our cyber domain capabilities, evolving to remain relevant in tomorrow's world, and championing an innovative workforce. These priorities balance today's readiness while ensuring our focus remains clearly on the future.

In closing, I am committed to working closely with Congress and the services to retain the flexibility we require while partnering in and out of DOD [Department of Defense] to ensure we are always ready to deliver the Nation's objectives in time of need.

Chairman Wittman, Ranking Member Bordallo, and distinguished members of this committee, thank you again for your time and your support to U.S. Transportation Command and our total force, and I stand ready for your questions.

[The prepared statement of General McDew can be found in the Appendix on page 22.]

Mr. WITTMAN. Thank you, General McDew. I appreciate your opening statement and your perspective on both the opportunities and challenges there before TRANSCOM.

I want to begin by exploring the challenges that TRANSCOM faces in the cyber realm. And you spoke to those and that you were in the unique situation versus other COCOMs and even other elements of our Nation's military and the interconnectivity between your systems and systems of the industry and systems of customers and how that has to be addressed, obviously, in today's threat world.

Give us your perspective on what, first of all, TRANSCOM is doing in addressing those threats.

And then secondly, what type of support are you getting from U.S. Cyber Command? And more specifically, do they understand the variety of threats that you face because of the uniqueness of your systems, and are they, number one, cognizant of that? And number two, are they allowing you the flexibility you need to make sure that you are properly defending TRANSCOM's digital systems?

General McDEW. Thank you, Chairman.

On the first, on what is U.S. Transportation Command doing, the cyber threat—I believe we are in our infancy as a nation in dealing with the cyber threat. All of us would probably agree that we couldn't foretell where we would be today with a cyber threat versus where we were just 10 years ago. And I am concerned, as will all of us—where we will be 10 years from now.

U.S. Transportation Command is doing an exceptional job of defending our own network and our enclave. As we talked earlier this morning, we have some great cyber professionals who won awards in how well we defend our network.

On the periphery of that defense though lies 90 percent of what we do, which is on the unclassified commercial networks and outside of that we have commercial providers that are under attack every single day. So you might not necessarily have to attack my strong position inside USTRANSCOM, but go after someone who provides us a service.

With that I am concerned about some definitions that we need to get after and that is when I defend my network, how far out can I defend? What constitutes an attack on a commercial provider? What do they have to report as an attack, because the definition may be not as clear with every single person. Those are just a few.

Because of that I believe we are uniquely postured as U.S. Transportation Command to work both inside the military and outside with Homeland Security in bridging the gap between military capabilities and commercial capabilities.

And that is where Cyber Command squarely fits. And Admiral Rogers and I, the Cyber commander, are tied at the hip. He fully understands our dilemma. His team is completely linked with ours and they are great supporters.

Mr. WITTMAN. Thank you. I know that it certainly provides you a number of challenges that you must deal with and we want to make sure that Cyber Command is cognizant of those and is there to help you. I think yours is a unique situation and one that we want to make sure that you have the tools necessary to defend your systems as well as understanding where the threats are from your customers and also from the industry that you work with.

Let me talk about the Maritime Security Program [MSP]. And I want to go to the Merchant Marine Act and the U.S. policy there states that the vessels of the Merchant Marine shall be operated by highly trained and efficient citizens in the United States.

And I understand that as you implement the Maritime Security Program, there are about 60 ships there of the 78 total that are available to provide that sealift, to provide that ability for us to move things around as necessary to preposition supplies. All those things are extraordinary critical and I can go through the numbers of what was moved during the conflicts in the Middle East. And it

is mind-boggling what has been done there, the logistics of what you all have done both in Iraq and especially in Afghanistan with sometimes challenges to the lines of communication and trying to get our military hardware to ports in places like Karachi and others.

A couple of questions that I have is concerning the MSP. To what extent are you looking at the program—not just today in the capability but what the program needs to provide in the future, understanding the challenges that the industry faces both with capacity that is in the ships but also capability and that is in the merchant mariners that run those ships?

Give me your perspective on where you see us today but also what TRANSCOM needs to do to make sure the future is such that both the capacity and capability are there in necessary quantities to meet United States military needs.

General MCDEW. Yes, Chairman. The Nation is still a maritime nation. And our reliance on the maritime force to deliver what we call a decisive force. I can deliver an immediate force anywhere on the planet tonight. But to deliver a decisive force it takes a fully fledged, competent, maritime fleet. And that is what the MSP provides us.

And in the future of the program, in the number of ships and in mariners both are concerns. First with ships. The 60 ships of the 78 is telling because we only have 78 in the entire international market for the United States—a maritime nation. That is, I believe, a challenge. We ought to have a dialogue about how important is a U.S. international fleet to the United States of America. I believe it is vital to moving military goods and hardware.

And as you articulated quite well, we could not have done the last wars we had without that decisive force being delivered by our maritime partners. As a matter of fact as an airman, as a career airman it kind of daunts me to tell you that it is the maritime force that provides that decisive army to provide force around the world.

And we are working very closely with the Department of the Navy to come up with a balanced program that will get after ship recapitalization and whether or not and how we recapitalize those ships and how long it will take. What we don't want to do is take away from the building of other ships. And so we got to have some leverage. Is there a part of it that will be—maybe we buy some foreign-built ships to bridge the gap? Do we build new ships? All of it has to be factored in to what the U.S. Navy is doing as well.

On the mariners—without mariners we don't have a capability. And I believe that U.S. credentialed mariners is important too. So I have been visiting some of the maritime colleges to ensure that those young men and women understand how much we need them, how much we value their credentials they come out of college with and we need them to go to sea. And we need them to stay with us.

And so it is important that we keep about 11,000 plus is what MARAD [U.S. Maritime Administration] tells me, mariners in the fleet.

Mr. WITTMAN. Very good. Well thanks for your perspective on where we are today but also what we need to do in the future and I agree with you, we need to have some soul-searching conversations about what—both capacity and capability we need to build for

the future. We know today it seems to be in somewhat a state of atrophy, and we need to make sure we are anticipating the needs in the future.

So General McDew thank you so much. And Chief Turner thank you, thanks for your service to our Nation. Thanks for all that you have done. We wish you all the best in your retirement. Please give our best to your wonderful family. I know they sacrifice as you serve. Please thank them. We know that service to our Nation is indeed a family affair and we appreciate your stellar performance and your dedication to this Nation. Thank you.

Now we will go to Ms. Bordallo.

Ms. BORDALLO. Thank you very much, Mr. Chairman. General McDew, every service that has come before our committee has talked about the delicate balance between readiness and modernization in today's atmosphere of fiscal constraint.

What primary, secondary, or other affects have fiscal constraints put on TRANSCOM readiness, whether in terms of personnel or equipment?

General MCDEW. Ms. Bordallo, the services have a daunting challenge. The first, which—our Secretary of Defense has laid out some priorities of what the challenges are that face this Nation. I would put at the top of the list—fiscal.

The threat of sequestration threatens directly the services, which directly threatens every single—every single combatant command because we are organized, trained, and equipped by the services. We have great partnership with the services. But their ability to modernize and project that modernization forward and plan forward has been challenged by the up and down of the fiscal environment. I will put it that way.

So going forward, we have got to provide a stable budget, then we work on the size of that budget. But a stable budget, a predictable budget, is very, very, very important.

I am concerned that if they have to make tough choices, ma'am—honestly—a tough choice between a new aircraft carrier or a new sealift vessel—that is going to be an interesting challenge that will impact our ability to transport.

They understand how important what we do here at the Transportation Command is, but they have to make some tough choices, and I don't want to have to pit one against the other.

Ms. BORDALLO. Thank you. Your command, General, has experienced a decreased OPSTEMPO [operations tempo] from the height of the war in Afghanistan. Now if the demand for global transportation does continue to decline, how will the reduced workload affect overall readiness in TRANSCOM and will our forces benefit from increased time to recover in time or will the reduced contributions to the Transportation Working Capital Fund adversely affect readiness?

General MCDEW. Yes and no. The decreased OPSTEMPO can't be felt across the entire enterprise. I will tell you that we have some areas that are still hitting a high OPSTEMPO and that is our tanker fleet. Our KC-135 and KC-10 refueling fleet is stressed at a point that—near bending.

And I am concerned our ability to flex that force to another region of the world if we needed to. So that is still at a very, very high OPTEMPO, as are some other smaller areas in the command.

There have been a decrease of cargo flow throughout the enterprise and that has been documented. And I am concerned that we need to have enough cargo flow to ensure that our airlift industry, our gray-tailed—both gray-tail and gray-hulled fleet that we own inside the services, and our maritime fleet have enough business to keep the capacity we will need in the next conflict.

Because as you know the world is more volatile and we are going to have a conflict somewhere and we just need to make sure we can have that capacity that we will need and I am concerned that too low a flow on the cargo will keep us from keeping that at capacity.

Ms. BORDALLO. That is right. All right and I have a third question. As we continue the Pacific rebalance strategy, what opportunities does this provide to broaden the skills and experience of our mobility force? Will the increase in transportation need throughout the Pacific provide any additional challenges to TRANSCOM?

And lastly, does TRANSCOM foresee the need for any increased infrastructure or capabilities in the region to help facilitate transportation operations?

General MCDEW. You earlier acknowledged that the fact that U.S. Transportation Command is a functional component command. I sometimes like to play with the words a little bit. We are a functional command, yes, but we have a global responsibility and global reach. And we are already in the Pacific. And we are working very closely with U.S. Pacific Command [USPACOM].

We know that there are challenges with distance and time in that region. We know that we have some volatile actors in that region so we are very, very closely aligned with USPACOM and what they are trying to do in the region.

There are some challenges there but I believe the PACOM team is doing some amazing things in the region with partners and allies to give us bed-down options and access to ports.

The challenges of cyber and the challenges of a malign actor forcing attrition upon us are sums that we have to continue to concern ourselves with but I will tell you, U.S. Transportation Command is already in the Pacific and we understand the region and our crews are ready to operate there.

Ms. BORDALLO. I am pleased to hear that. Thank you.

And I, too, would like to go on record as wishing Chief Turner the best in the future. Thank you for your service.

And I yield back.

Mr. WITTMAN. Thank you, Ms. Bordallo.

And now I go to Mr. LoBiondo.

Mr. LOBIONDO. Thank you, Mr. Chairman.

General, thanks to you and your team for the outstanding work and service to our country. As you can tell probably from some of the questions from the chairman and ranking member that the Maritime Security Program is something on our minds, very keen that many of us are concerned that if we don't pay attention to this program, not something that probably a lot of people in America know much about, probably don't care much about. But if the wrong thing happens and some conflict breaks out and we don't

have the proper infrastructure, we are in pretty serious—pretty serious problems.

So you have talked a little bit about it, you have answered some of the chairman and the ranking member's questions, but is there anything else you can suggest that we can do to ensure the health of the Maritime Security Program while right now not a lot of people are paying a lot of attention to it?

General MCDEW. Congressman, I believe that MARAD, the MARAD administration probably summed up the Maritime Security Program and the interest in the fleet best when he refers to it as a three-legged stool. And there are three things that really can strengthen and underpin our maritime force.

One is the stipend, the MSP that we are talking about. One is cargo preference, and we have seen some things over the last few years that have decreased the amount of cargo preference some of these industries have had. And the other is a robust international trade.

The problem we have is, from my perspective, the only lever we have in the Department and inside of MARAD is the stipend. That is the only lever that we can actually control. And so right now that stipend of \$3.1 million which we ought to look at increasing over time is keeping 60 ships of only 78 with us. And I am behind anything that further increases our ability to make sure that we have the capacity we need to go to war.

And I think that is a leg of the stool that we have got to continue to keep an eye on.

Mr. LOBIONDO. Thank you, Mr. Chairman.

Mr. WITTMAN. Thank you, Mr. LoBiondo.

And I go to Mr. Nugent.

Mr. NUGENT. Thank you, Mr. Chairman, and, General, thank you for being here and your staff and to the Chief Master Sergeant, congrats. It is a good feeling when you know you are going to retire. This is my last year, too, so it is a good thing.

And I think you hit on it particularly, you know, we talk about the rebalance to the Pacific but right now what is going on in Europe and we are looking at, you know, prepositioning forces there but trying to surge people there. You know, without maritime lift capacity, my sons that are all in the Army are going to be kind of hard-pressed just because you can't put a Paladin or an Abrams—you can't carry very many on an aircraft. But you sure as heck can on a ship.

You mentioned 78 ships. What do you think the realistic—or what numbers should we really be striving to get to to be able to meet the surge command, you know, possibilities that we may have to face in the future?

General MCDEW. You are right, Congressman Nugent.

On the ability to provide that decisive force, your sons in the Army want ships to be able to do that. The 60 ships that we have in the Maritime Security Program provide us that ability to have capacity in the time of need.

What we owe is a continual look at what those numbers look like, and we work with MARAD who really runs that program for us to see what the industry will allow and what portion of the industry we can have in the program.

Will we need all the ships in the program? Maybe not. But we need enough in the program to move those critical pieces of equipment. There are some that believe that we can rely on nations around the world to help us. And maybe we can, but history has shown us that—and the law tells us—that we must be able to move those critical components with our own indigenous forces. And so that is what the 60 gives us and I am willing to continue to work with MARAD and the services to ensure that we have what—the right capacity going forward.

Mr. NUGENT. Okay, so you really didn't answer the question. I am sorry, General, but I was trying to get at, what do you think the force should look at? I understand, you know, the 60 and the 78, but where do you think we should be striving to get to as we look forward in regards for this committee and regards to appropriations in the future?

General MCDEW. Sorry for—

Mr. NUGENT. Okay.

General MCDEW [continuing]. Kind of skating a little.

I don't have an actual number in mind but the team right now is—we got—we have a mobility review coming up in the fall that will try to get after those numbers. I am concerned that we may need additional numbers only because we have had free movement through the oceans for the last few conflicts. We have not had to worry about attrition and we have not had to worry about access to ports and those threats that now can put the 60 ships in jeopardy.

So 60, although provides the amount of capacity we will need, will also provide the insurance against attrition.

Mr. NUGENT. Right.

General MCDEW. And so those—that study—that exercise we are going to do in the fall is going to try to get after some of those numbers. I don't have an actual number—

Mr. NUGENT. Okay, I appreciate your candor on that.

We talk about sealift but then we also need to talk about the ability to get our troops into theater, and I know the Air Force has limited capacity and so we rely upon our civilian fleet to do that.

My concern is that we are starting—correct me if I am wrong—that we have started to depend upon foreign aircraft or transportation for our troops and, you know, my kids have flown on a number of different service-provided aircraft to get to Afghanistan and to Iraq.

Is that true that we are having to rely upon foreign aircraft carriers or aircraft?

General MCDEW. I would never say never but we have a very robust Civil Reserve Air Fleet—

Mr. NUGENT. Right.

General MCDEW [continuing]. That is U.S. air carriers.

Mr. NUGENT. Right.

General MCDEW. A very robust industry and we have been using them to the max extent possible. There are some probably sub-contracts that may be going on out there inside of the CRAF [Civil Reserve Air Fleet] program—

Mr. NUGENT. Right.

General MCDEW [continuing]. That we may be using to augment that capability. But I don't believe that there is any lack of capacity in our craft program right now that we ought to be concerned about.

Mr. NUGENT. So is that a problem for us, so if they subcontract—if an American carrier subcontracts to a non-U.S. carrier that is not certified as CRAF.

General MCDEW. They will not necessarily be certified as CRAF but they have their own certifications in order to be part of our program. In order to be used by that as a subcontractor, they have to meet certain criteria. I don't have it off the top of my head right now but I am not concerned about the carriers that are being used in the system today.

Mr. NUGENT. Okay, because I do—like I said, I have three sons that are in the military, in the Army, and I want to make sure that when they are transported—not my sons, alone—but all of our sons and daughters that get put in a theater that we make sure that their ride there is as risk-free as possible. So I appreciate it.

General MCDEW. The vast majority is done—

Mr. NUGENT. Okay.

General MCDEW [continuing]. On U.S. carriers as part of our CRAF program. And it is rare that we will use otherwise. And so I would have to look at those circumstances.

Mr. NUGENT. I appreciate that, General, and Mr. Chairman, thank you very much.

Mr. WITTMAN. Thank you, Mr. Nugent.

Mrs. Hartzler. Okay, all right.

General McDew, I wanted to drill down a little bit about some of the comments that you made talking about capacity, we talk about the 78 ships, 60 of which are obligated to TRANSCOM in the efforts that they have going forward.

You spoke about the possibility if the need was there for the use of foreign ships. I want you to elaborate on that a little bit. Obviously, knowing that they would have to be manned by U.S. merchant mariners, citizens of the United States, and so I want to get your perspective on how MSP would work if you were to—I am assuming contract with foreign ships.

Give us your perspective, too, on the Jones Act. There is many times there is discussion about the Jones Act, whether it should stay in place or whether it should not. I think the Jones Act has a tremendous amount of utility, especially in situations as we face potentially with capacity within our sealift ability.

So give me your perspective there on foreign ships versus U.S.-flag ships, the Jones Act, and then how do you manage within that realm, again, merchant mariners with—to establish that capability?

General MCDEW. I may have been a little unclear—

Mr. WITTMAN. Sure.

General MCDEW [continuing]. What I first transmitted.

In the MSP it is all U.S. flag—U.S. crewed ships. I posited that we ought to have a conversation as a country about whether or not we believe that is the way to go forward. I am not advocating. But if we don't keep an eye on our capability and our capacity, we may find ourselves there by default. And I am not advocating that ei-

ther. But I mentioned that as something we ought to be concerned about as a nation—a maritime nation.

So thank you for letting me clarify that a little bit.

Mr. WITTMAN. Sure.

General MCDEW. I am not advocating—

Mr. WITTMAN. Got you.

General MCDEW [continuing]. That at all.

I am advocating potentially as a bridge to capacity and the ships that we have in some of our gray-hull fleet and how we recapitalize some of those ships is—maybe we can have some foreign-built capacity in those ships as we work—these are the ones we keep in reserve, our Ready Reserve Force. Can we have foreign-built ships?

The stipend, as we have talked about before, provides our maritime industry a little bit of defraying of the cost of the difference between what it costs to run a U.S. flag organization versus a foreign flag. And the numbers that MARAD tells me recently—I don't want to be completely quoted—

Mr. WITTMAN. Sure.

General MCDEW [continuing]. But the \$3.1 [million] just defrays the cost of that difference, it doesn't cover the cost of that difference. And some would say that that difference is upwards of \$5 million today. And it may be going up to \$6 million, \$7 million, \$8 million in the out-years, that difference in costs.

And so that is where the true conversation about MSP and the stipend gets to.

Mr. WITTMAN. Well, thanks for clarifying that because I do think it is a discussion we need to have concerning how do we make sure we have that capacity. How do we make sure too that we have the capacity going in the future, obviously—aging fleet, as you spoke of the capability there to make sure we have U.S. merchant mariners to man those ships. I think it is extraordinarily important, so definitely an issue we have to talk about.

We put a lot of focus now on amphibious lift, sealift as an important component—in fact there is an element of amphibious lift that is indeed a sealift component, although it is a military ship, per se, it assumes the same role as a sealift ship would be in prepositioning supplies and making sure that we can move things in the right way in the timely ways that we need to.

So I agree, I think that your perspective there is extraordinarily important and one that we need to address on the House Armed Services Committee.

Ms. Bordallo.

Ms. BORDALLO. Thank you Mr. Chairman. General McDew, question for you.

TRANSCOM recently released the CRAF Report in response to the fiscal year 2016 NDAA [National Defense Authorization Act]. Can you relate how TRANSCOM engaged with industry in developing the inputs in this report to Congress? And was there agreement generally or are there still areas of disagreement?

General MCDEW. Thank you for the opportunity to talk about that a little bit, the CRAF report.

If I may step back just a second and talk about the industry, I believe that U.S. Transportation Command and our international, our commercial aircraft industry in this country have a good rela-

tionship. There is no universal agreement in that industry about anything.

However, I believe—I am being a bit facetious, but if you get 20-some-odd carriers in a room you may get a little bit of disagreement. So I don't believe we have universal agreement but I think we have good agreement that the report addresses their concerns.

I think that we can always improve communication. The disagreement we had going into—that caused us to have to do the report in the first place, I think, was purely a lack of communication, a lack of understanding about terms.

In the report, we talk about block hours, and that is what the commercial industry uses to do their training, do a lot of the financing—we don't typically use that term in our business. So we may have been talking past each other when we talk about readiness of that fleet compared to the readiness of our Air Force fleet and the fleets we use.

So we did engage heavily with industry, we let them see the advance reports, which I think upset a few. We then changed the report and modified it to address some of their concerns. And I believe the final report we included letters from many of the carriers. A couple of them still disagree with what is in the report but many of them are supportive.

Ms. BORDALLO. Well thank you. That is good news.

And I yield back, Mr. Chairman.

Mr. WITTMAN. Thank you, Ms. Bordallo. We will now go to Mrs. Hartzler.

Mrs. HARTZLER. Thank you Mr. Chairman. General, it is nice to meet you. I feel like fellow neighbor, here, being from Missouri, and appreciate what you do. Of course we are very proud of Rosecrans there, and the C-130s and the airlift they provide there. I hope some day to get over and see your base personally and tour it. But appreciate what you do.

I guess my question is, as it relates to the planned Air Mobility Command airlift force structure, what is your greatest concern in providing airlift capabilities to support the Defense Strategic Guidance and contingency operations to other combatant commanders?

General MCDEW. First, you are welcome to visit anytime. I have had a chance to go to Rosecrans on a number of occasions. The amount of training, the professionalism, and what they bring back to—particularly the C-130 fleet—is remarkable. There have been many folks that have said that the training they have gotten there is the best training they have ever received in their entire careers.

So please come out and visit us in the cornfields of Illinois anytime.

Mrs. HARTZLER. I will pass that on. Thank you.

General MCDEW. The Air Mobility Command force structure is of concern in a couple of regards, and I am a little bit removed from my last job as Air Mobility Command commander, but the capacity for the C-17, which has been a remarkable weapons system, the C-130, but more importantly I believe the tanker refueling fleet is where our greatest need is.

That airplane is 50-plus years old, the KC-135. It was old when I flew it, three decades ago, so it is a bit older now. We will be flying it for several more decades. We built 700 of those airplanes be-

tween 1957 and 1964. It is going to take us till the mid- to late-1920s to build the next 179. So that recapitalization effort must stay on track, and at the rate they are doing it we are going to have to fly the current fleet of KC-135s 30 more years. So that is a potential problem.

On the airlift fleet, I believe that our capacity is adequate, and we are just below what we need in capacity-wise by about a few airplanes. The Air Force is partnering with us to buy back some additional airplanes that they put in backup inventory, to bring them back to active inventory. We believe that will get us back to the numbers we think we will need in most contingencies.

Of course as an aviator and a commander I can use as many as I can get my hands on, but I think that capacity will be sufficient with a manageable amount of risk.

Mrs. HARTZLER. It is very, very important, what you do to support the other aircraft and the missions being carried out. How has sequestration and future defense budget uncertainty affected MSC's [Military Sealift Command's] commercial partners if they are needed for a contingency or surge?

General MCDEW. I believe sequestration impacts all of us. The biggest concern for sequestration is on, for me, it does impact MSC, it does impact most of our command, but mostly because it impacts the services. We rely on the services to organize, train, and equip the forces that we will need, all the combatant commanders will need in time of war.

Anything that provides the services with unpredictable budgets, anything that decreases their ability to modernize, decreases their ability to plan for a new C-17 replacement, to keep the KC-46 on track, any of those things adversely impacts not only me, but then through me all of the combatant commands. So sequestration is not our friend.

Mrs. HARTZLER. Absolutely. I am a member of the Budget Committee as well as, and we are working very hard to try to make sure that you have what you need and that we make sure and replace the defense cuts that were scheduled a few years ago.

Thank you very much for your service.

Mr. WITTMAN. Thank you, Mrs. Hartzler.

Now we will go to Mr. Gibson.

Mr. GIBSON. Thank you, Mr. Chairman.

And General, thank you very much for your leadership. Congratulations and thank you for your service, sacrifices of your family, and I also see your hardworking staff behind you, and I appreciate them as well.

A couple of questions in terms of this budget. I'm interested to know the commitment from the command in terms of revitalizing the Global Response Force [GRF], and then if you could also talk to the European Reassurance Initiative, concerns you have with regard to your command's responsibilities thereof.

General MCDEW. I just have to scramble to write because I have no memory any more. First note, hardworking staff, they are more than hardworking, they are brilliant, and they underpin anything I am able to do. There are some great men and women at U.S. Transportation Command that underpin, I think, the power of this

Nation and I always will take an opportunity to brag about them when I get a chance. So thank you.

Revitalizing the Global Response Force—it is something that concerns me because I have told my other combatant commander friends, whatever they do is what we do. And how they do it, how they plan for it, impacts what we can help them with.

If they go into a cloak-filled room to provide a Global Response Force but can't make sure it is transportation feasible, then we don't have a Global Response Force. Our ability to project an immediate force tonight and a decisive force tomorrow is underpinned in the cornfields of Illinois, in this country.

I think all of them understand that, and we are working very closely with each and every one of them to do it, including my friend at European Command [EUCOM]. That initiative is going to be transportation-heavy to be able to move back and forth the forces we will need to provide reassurance to our allies and we are ready to do it.

I think we will also provide some cargo capacity to keep capacity in our maritime fleet, which is also important to this Nation.

Mr. GIBSON. Just to follow up, in terms of the rotating armored brigade combat team, do you feel you have good numbers now in terms of what impact that is gonna be, how that is gonna affect your ability to accomplish your worldwide mission in view of this new requirement?

General McDEW. I don't believe we have all of the numbers that we will need until we fully understand the size, scope, and periodicity of those rotations. I do believe we have the capacity to take care of it and the rest of the world but it depends on what the rest of the world looks like. If the rest of the world stays relatively calm, and we are not putting large troop rotations through another region of the world, yes. If we have the capacity we have right now in the Middle East and we had to swing to another massive thing while doing those troop rotations we would just have to make sure that we time it appropriately and see where we might assume some risk with some limited assets.

The first one that will come to be a limiting factor is our air refueling fleet. That fleet will be a lim fac [limiting factor] very, very quickly if we are swinging from one region of the world to the other, because we are using it so heavily right now in the Central Command [CENTCOM] region.

Mr. GIBSON. I am not surprised. I expected that and I appreciate the comment very much. I think that is really where the risk is. I support where we are heading on this. I think it is important for the reassurance, but when you consider the other requirements that we have from the other combatant commanders, and the uncertain environment, the volatile and uncertain environment, I am concerned as far as commitments we are making, and then if we should have to do something in the Pacific that is rather significant, would we still be able to accomplish our reassurance in Europe.

Some of this we probably don't want to go into now, it would rather be classified, but just know that this committee from a readiness standpoint, that is one of the issue areas and concerns we

have and so we very much look to you and your staff to give that fine-point analysis on this going forward.

Anything else, sir, that you wanted to mention?

General MCDEW. No, it is something that my staff back at Scott [Air Force Base] works on almost daily. We are in constant contact with each of the combatant commands. We have asked, though, that we look at some of the timing to ensure that we don't try to put all of it out all at once. If we can smooth flow it out and at least be as predictable as we can, I believe that we can accomplish most of what the European Reassurance Initiative will get for us and still underpin the deployments around the world.

Mr. GIBSON. Thank you very much, General.

And with that, Chairman, I yield back.

Mr. WITTMAN. Thank you very much, Mr. Gibson.

Why don't I go to Mr. Peters.

Okay, thank you.

General, I wanted to talk a little bit about the DP3 [Defense Personal Property] program as we had spoken at a little bit earlier.

I know the transition from the previous contractor to the new contractor didn't get off on the best foot. We got a lot of calls, as well as others, about personal property and the timeliness of it getting back stateside or even getting to forward-deployed areas wherever those folks may be.

Can you give us an up-to-date perspective on where the DP3 program is now with current carrier, the timeliness, the performance standards that are required on the contract, and how this contractor is performing?

General MCDEW. Our global privately owned vehicle contract, the GPC-3, was something that I had to learn quickly about when I took command of U.S. Transportation Command because as I tell my staff—you move goods and services for the military all the time but when you move a family, that is something that really is extremely emotional and we all understand it because we all have families who have moved around the world.

And so this particular contract did not get off to a good start. But the movement from a vendor who had it for 15 years, transitioning to a new one is always going to have some challenges. But there was also a period of time where the new contractor wasn't allowed to get started because of a protest. So that further hampered their ability.

And there is no other way to describe it but abysmal is how it started.

But last year, this contractor moved 72,000-plus vehicles. They had four quarters of work. Their lowest quarter of on-time delivery was 86 percent. They had two quarters above 99 percent. I believe they have turned the corner.

I have challenged my staff to say one day we will recompetete this contract. We don't want to have this happen again. So we are—I am taking a briefing every single peak season, I will take a briefing. We should never be surprised that the peak season for moving people is the summertime. And surprisingly, Christmas happens on the 25th of December. We shouldn't be shocked by that at any time in the future. And I don't think we will be.

Mr. WITTMAN. Thank you, General McDew.

Are there any other questions? Mr. Peters.

Mr. PETERS. I want to thank you, General. I apologize. They scheduled two hearings at the same time for me so I am trying to run between both.

And what I would like to do, Mr. Chairman, if it is all right, I have a couple questions having to do with strategic ports and the use of them that I will submit for the record. And I appreciate, Mr. Chairman, your having this hearing.

Mr. WITTMAN. Thank you, Mr. Peters. We will gladly do that.

Any other questions that you might have, General McDew will submit them for the record, and as well as any other committee members.

So if there are no further questions before this hearing, I will adjourn.

General McDew, thank you very much. Thank you.

[Whereupon, at 11:03 a.m., the subcommittee was adjourned.]

A P P E N D I X

MARCH 15, 2016

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

MARCH 15, 2016

**Statement of the Honorable Robert J. Wittman
Chairman, Readiness Subcommittee
“The U.S. Transportation Command Fiscal Year 2017 Readiness Posture”
March 15, 2016**

Good morning. Thank you all for being here today for our Readiness hearing on the “The U.S. Transportation Command Fiscal Year 2017 Readiness Posture.” This is the only hearings in front of this Committee by TRANSCOM, and it has been two years since we have had the opportunity for the Transportation Command to present its readiness posture. In the past three months, the Services testified on increased readiness risks due to reduced investments in installation infrastructure, training and equipment. Today, I look forward to hearing how the Transportation Command’s budget request enables a readiness recovery plan and where we continue to take risks.

I would like to welcome all of our members and our distinguished Air Force expert.

This morning we have with us:

- General Darren McDew, USAF
Commander
United States Transportation Command

Thank you for testifying today and we look forward to your thoughts and insights on these important issues.

The purpose of this hearing is to clarify Transportation Command’s posture, to address readiness priorities, mitigation strategies, and to gather more detail on the current and future impacts of these decisions on operations and training.

Once again, I want to thank our witness for participating in our hearing this morning and I look forward to discussing these important topics.

Statement of
General Darren W. McDew, United States Air Force
Commander, United States Transportation Command



Before the House Readiness Subcommittee

On the State of the Command

15 March 2016

UNITED STATES TRANSPORTATION COMMAND 2016**Introducing the Command**

It is an honor to represent the men and women of the United States Transportation Command (USTRANSCOM). Our Total Force team of Active Duty, Guard, Reserve, civilians, commercial transportation partners and other contractors operate a world-class Joint Deployment and Distribution Enterprise (JDDE) that delivers the Nation's objectives worldwide. Our service component commands, the Army's Military Surface Deployment and Distribution Command (SDDC), the Navy's Military Sealift Command (MSC), the Air Force's Air Mobility Command (AMC), our subordinate joint force command, the Joint Enabling Capabilities Command (JECC), and our reserve force provider, the Joint Transportation Reserve Unit (JTRU), in conjunction with the transportation industry, provide reliable and seamless logistical support and enabling capabilities to the Nation, our forces, their families, and coalition partners around the globe.

It is important to mention the U.S. commercial transportation industry, as it is hard to overstate their value when it comes to our success as a global combatant command. This industry, which we often refer to as our fourth component, provides the majority of lift capacity for every operation and is essential for sustaining forces around the globe. Our industry partners have always answered the call.

Operating Environment

USTRANSCOM stands ready to deliver the Nation's objectives anywhere and anytime. When the Nation deems necessary, we can respond immediately to a contingency or deliver disaster relief the world over. Additionally, with acceptable risk, we can support the mobility requirements of any combatant commander (CCDR) while retaining the ability to support

homeland defense, ongoing efforts to counter violent extremist organizations (VEO), or other lesser contingencies. Our capacity, however, is not unlimited. Should the need arise to respond to a second, major contingency in an overlapping timeline, the mobility resources required could exceed existing capacity. This shortfall would be most acute for sealift and air refueling tanker capabilities, resulting in increased timelines for meeting CCDR force mobility requirements.

As future conflicts become increasingly dynamic, U.S. forces must have the agility to respond quickly, across traditional regional boundaries with a variety of strategic capabilities. USTRANSCOM currently has the ability to meet the challenges of this dynamic environment, but the military and commercially-provided capabilities that comprise this global distribution and transportation network are approaching their capacity limits. Over the next five to ten years, these capabilities will be increasingly stressed.

Emerging contested environments, to include cyber, pose a significant challenge to the transportation and distribution networks in the mid- to long-term range, and will require careful consideration of how to protect those networks. Sea-lanes, for example, have not been contested for U.S. forces since World War II, yet those lanes will likely be contested in the next major contingency. In the past, our anti-access area denial problem set was focused primarily on en route nodes and infrastructure. However, the assumption that we will have uncontested access to international airspace and sea-lanes between these nodes in the future is likely no longer valid. To address this threat, we are working with the Services and geographic combatant commanders to determine ways to protect those crucial strategic lanes.

Cyber threats remain a major concern for USTRANSCOM. Because of our extensive use of commercial capabilities, nearly 90 percent of our missions are executed over unclassified and commercial networks. Advancing and maturing our cyber capabilities will allow us to operate

with less risk in this increasingly contested environment. Continuous evaluation of our vulnerabilities, while identifying and advocating for critical cyber capabilities, policies and procedures, will enable success in executing our global mission.

State of Our Readiness

Ensuring the Nation's ability to fight at the time and place of our choosing will require enhancing our readiness, while improving our future capabilities. The ability to project rapid power anywhere on the globe at any time sets the U.S. apart from the world. To maintain this strategic advantage, we must ensure we have the appropriate personnel, platforms, systems and training to continue providing this unique capability. Continuous enhancement of our readiness will require investments in our cyber, air, surface and sea assets, which will ensure the capability to support the Nation's objectives. Readiness of our forces – military and commercial – remains my top priority.

Airlift and Aerial Refueling – An Immediate Force Tonight

The mobility force needed to deliver national objectives includes a fleet of ready, modernized aircraft capable of rapidly deploying personnel and cargo, and a ready total force of dedicated, professional aircrews. Airlift forces move critical cargo and people to the point of need, while air refueling capabilities enable projection of forces across great distances to any location at any time.

The Air Force's primary airlift workhorse, the C-17, remains the backbone of our national strategic airlift capability. To continue its airworthiness, and meet Federal Aviation Administration (FAA) 2020 mandates, a series of modifications are planned for the early 2020s. Additionally, the Air Force is pursuing a mitigation plan to restore 16 of their C-17 aircraft from

Backup Aircraft Inventory to Primary Mission Aircraft Inventory in order to enhance operational readiness and reduce risk within the inter-theater airlift fleet.

The C-5 fleet is currently undergoing a Reliability Enhancement and Re-engining Program modification through April 2018, which has delivered increased mission capable rates and will extend service life past 2040. The C-5's tremendous lift capability and range make it a critical resource for decades to come.

The KC-46A will be critical to the entire joint and coalition team's ability to project combat power worldwide and give America and our allies an unparalleled rapid response capability for combat and disaster relief operations alike. The enhanced capabilities, reliability, and flexibility of the KC-46 provide the Nation the ability to move forces rapidly, across great distances, to locations of our choosing. These capabilities are essential to operating in a dynamic environment where varying types of air assets will be needed across regional boundaries potentially in support of multiple mission requirements. With Congress's continued support, the KC-46A program will remain on track and ultimately mitigate risks in our highly-stressed air refueling fleet.

We appreciate the support of Congress to right size the C-130 fleet to 300 total aircraft, which combined with the Air Force's modernization and recapitalization plans for C-130H and C-130J aircraft, will ensure the entire Total Force intra-theater airlift fleet remains capable of supporting the National Military Strategy.

With regard to civilian airlift, we are implementing initiatives through the Civil Reserve Air Fleet (CRAF) contract that is designed to ensure wartime readiness capability while simultaneously offering best-value services for steady-state peacetime commercial augmentation. We recently provided Congress a report on how we measure readiness of the CRAF and how we

will continue to ensure the fleet remains ready for future contingencies consistent with the guidelines of the National Airlift Policy.

Additionally, USTRANSCOM is building partnership capacity with other nations possessing air refueling competencies. Greater interoperability among nations will strengthen coalition partnerships and provide additional capability to the combatant commands.

Surface

Civil sector transportation infrastructure enables the movement of military forces, so we continue to maintain an enduring interest in this area. Our national defense programs work in close partnership with the Department of Transportation, and numerous other public agencies and private entities, to assess and sustain the civil sector infrastructure that connects our military installations and ports, which play a key role in ensuring our ability to conduct rapid force deployment.

We also recognize there is a face and a family behind every household goods move, so we continually strive to improve our interface with DoD's most precious resource – our people. The Defense Personal Property Program (DP3), administered by SDDC, enables the movement and storage of Service member, DoD employee, and U.S. Coast Guard (USCG) employee personal property and privately-owned vehicles, by leveraging best-value transportation decisions and traffic management expertise in accordance with the Defense Transportation Regulation. DP3, in collaboration with Transportation Service Providers (TSP), manages over 550,000 personal property shipments for DoD and USCG customers at an annual cost of \$2 billion. As a primary customer of the nation's TSPs, we continue to work closely with industry to ensure our policies are congruent with industry standards while driving toward increased efficiency for every dollar spent.

The Defense Personal Property System (DPS) and its associated Program Management Office provide a centralized, web-based, single-point interface system for worldwide shipment of personal property. The DPS is a self-service system, offering real-time access for government, industry and customer users to input and retrieve data supporting the entire movement process – from pick-up to delivery of household goods. The DPS provides Service members 24-hour access via the internet to information regarding personal property moves. In efforts to increase Service member quality of life, this 24-hour access provides on-line move counseling, status of their personal property shipments, as well as flexibility when providing post-move claims and service surveys.

While development and implementation of DPS has not been without challenges, USTRANSCOM and SDDC are examining innovative solutions to improve user interface capabilities, enhance system security, and modernize technical architecture with the ultimate goal of achieving a modern, user-friendly system that ultimately enhances Service member relocations and quality of life.

The U.S. Army's Military Ocean Terminal Sunny Point (MOTSU) in Southport, North Carolina and Military Ocean Terminal Concord (MOTCO) in Concord, California, each provide critical and irreplaceable organic seaport capabilities, ultimately supporting the movement of large quantities of containerized ammunition. Together these two unique national assets support operational plans and power projection capabilities throughout the world. MOTSU is essential to conducting operations in Europe, Africa, and the Middle East, while MOTCO critically underpins operations in the Pacific.

Substantial and needed investments to restore the aging infrastructure at these unique installations have largely mitigated near-term risks to our ability to execute potential mission

requirements; however, the older and more deteriorated infrastructure at MOTCO still requires continued attention and additional investment. We are working diligently within the DoD to find necessary resources to prevent capability gaps, while adequately filling both the personnel authorizations and equipment requirements critical to force protection.

Sealift – A Decisive Force When Needed

Sealift moves roughly 90 percent of all DoD cargo and is critical to our ability to deliver a decisive force on behalf of the Nation. As such, maintaining the readiness of the entire strategic sealift portfolio, both commercial and organic, is a top priority for USTRANSCOM.

Per the National Sealift Policy, we rely on the U.S.-flag commercial shipping industry, to the extent it is available, to provide sealift in peace, crisis and war, and the government-owned organic fleets to provide unique national defense capabilities not resident or available in sufficient numbers in commercial industry. At the start of a major contingency operation or a crisis requiring an immediate surge response, organic vessels managed by the Maritime Administration (MARAD) and MSC will likely be the first vessels available and activated to deploy combat power in the critical initial phase. These vessels can provide millions of square feet of cargo carrying capacity under short response timelines. As commercial industry vessels become available, they augment the initial surge response, and provide additional capacity to meet sustained logistics requirements. USTRANSCOM depends on the entirety of the fleets and must ensure each portion of the sealift portfolio is ready to assume its role.

Our relationships with our U.S.-flag commercial sealift partners are formalized through agreements such as the Voluntary Intermodal Sealift Agreement (VISA), the Maritime Security Program (MSP) and the Voluntary Tanker Agreement (VTA). Since their establishment in 1996, participation in these programs by privately-owned U.S.-flag commercial shipping has proven an

extremely cost-effective means to acquire significant sealift capacity to meet the Nation's requirements.

However, the U.S.-flag commercial international trading sector is declining. Reductions in government-impelled and DoD cargo have exacerbated this decline. In the past year, fourteen U.S.-flag internationally trading vessels within the VISA program were either reflagged to a foreign country or scrapped without replacement due, in large part, to the reduction in demand. This loss of U.S.-flag vessels represents a net decrease of over 327,000 square feet of roll-on/roll-off force projection capacity and over 600 U.S. merchant mariner jobs. The impact of losing these jobs cannot be overstated; the U.S. mariners who move our military cargo come from the same pool that move our international trade. Additionally, the reduction of U.S.-flag vessels is forcing our commercial sealift partners to make adjustments to the services they provide by either removing liner capacity or expanding alliances with other carriers to take advantage of larger vessels.

Congress' recent efforts to enhance the MSP by authorizing a higher annual stipend will help stabilize the U.S.-flag fleet, and ensure continued commercial industry participation and DoD access to sealift capacity in the near term. We will continue to work closely alongside the Department of Transportation, MARAD, and our industry partners to understand the impact of declining demand for cargo on MSP participants and how to ensure they can provide sufficient capacity for DoD requirements over the long term.

The government-owned organic fleets are also facing challenges. Due to the age of vessels in MARAD's Ready Reserve Force, this fleet will begin to lose capacity in the mid to late-2020s, with significant losses in the 2030s. Replacing vessels to sustain this capacity would likely require a multi-billion dollar effort. We are working closely with the U.S. Navy to

develop a plan which meets combatant command requirements and is compatible with future Service force development and budget constraints.

Similar to commercial industry, the reduction of cargo requirements and associated workload adversely affects the readiness of the organic fleets. USTRANSCOM will continue to work closely with MARAD, the U.S. Navy, and MSC to find means to ensure the organic fleet can get underway, meet its readiness timing, and remain proficient in its force deployment surge role.

Cybersecurity

USTRANSCOM information and network systems are essential elements in accomplishing our global mission; accordingly, global cyber mission assurance requires extensive collaboration. External partners such as U.S. Cyber Command and Joint Force Headquarters Department of Defense Information Network play a critical role in threat awareness, detection, and mitigation. Notably, because USTRANSCOM is a supporting command, all other combatant commanders share our risk to operations. This shared risk demands that we mitigate our cyber vulnerabilities in all phases of operational planning.

Information technology service companies and transportation commercial partners are also essential contributors in accomplishing our mission. These partners are critical to our operations, as commercial companies carry the majority of DoD personnel and cargo. Coordination, tracking and billing activities with these companies are accomplished via commercial telecommunications networks requiring a focused, deliberate effort to ensure data integrity and to defend against cyber intrusions.

Additionally, the growing connectivity among information systems creates increased opportunities for adversaries to take advantage of vulnerabilities and disrupt our cyber key

terrain, critical systems, and infrastructure. Adversaries continue to expand and develop capabilities to deny, manipulate and exploit national security-related information, as well as use cyberspace operations to impact physical systems. In an effort to mitigate these threats, our Joint Cyber Center (JCC) established a repeatable approach to identifying cyber key terrain and assessing the associated threats and levels of risk. This approach, also known as the Cyber Staff Estimate, allows us to assess risk, adjust defensive posture, and adopt operational or technical mitigations in performance of key missions.

We have also improved our cyber posture by integrating cyber security language into a majority of our commercial contracts. We continue to include this language in new contracts while synchronizing the language we use with the revised Defense Federal Acquisition Regulation Supplement.

Finally, USTRANSCOM is a co-chair for the National Defense Transportation Association Cybersecurity Committee. In this capacity, we endeavor to strengthen our partnership with industry as we promote a culture where effective information sharing occurs among members in a rapid, robust, and resilient manner. Through sharing and education, we seek the widest possible application of appropriate cybersecurity best practices within available resources.

Enabling Capabilities

USTRANSCOM provides direct enabling capabilities through our subordinate joint force command, the JECC. Created through the consolidation of joint billet authorizations from the closure of Joint Forces Command and the elimination of similar capabilities from the other

geographic combatant commands, the JECC bridges capability gaps by providing rapidly-deployable, tailored, enabling packages of key joint planning, public affairs, and communications capabilities in support of geographic combatant commands. These capabilities are unique to the JECC and indispensable to the DoD and geographic combatant commands. The JECC stands ready to respond to simultaneous demands for these essential capabilities across multiple geographic regions.

Global Distribution Network (GDN)

As the DoD Distribution Process Owner (DPO), USTRANSCOM is responsible for coordinating and overseeing the DoD distribution system with the goal of ensuring interoperability, synchronization, and alignment. Additionally, we are responsible for synchronizing movement planning and operations in coordination with the geographic and functional combatant commands, the Services, and other government agencies as directed. We achieve this synchronization through our Campaign Plan for Global Distribution and we continue to implement process improvements to achieve greater effectiveness while preserving and enhancing an efficient and flexible GDN.

Our national security interests depend upon an agile, scalable, and resilient GDN. The GDN enables joint force deployment, sustains it through all phases of operations, and brings it home. The GDN is a complex array of U.S. organic and commercial transportation capabilities directed by multiple commands and agencies. These organizations operate in the air, land, and sea domains utilizing the infrastructure of allied, friendly, and cooperating nations. Additionally, the usefulness of the GDN is dependent upon our ability to move about the global commons without interference from state and non-state actors. The U.S. must continue to exercise freedom of navigation around the globe if we are to maintain the access we require.

Updated annually, our En Route Infrastructure Master Plan (ERIMP) assesses the various risks and identifies global infrastructure requirements essential to our operations. This plan is complementary to other products and processes we use to ensure the access and maintenance of the capable, resilient, transportation infrastructure that is so paramount to our ability to project and sustain national power. It is important to note, however, that our success in this realm would not be possible without the enduring relationships we have established with partner countries around the globe. These logistics-focused international engagements provide a valuable and nonthreatening means of fostering military-to-military relationships.

Beyond planning for the infrastructure we need, we also developed a capability to account for those cases when the full infrastructure demanded by our operations is unavailable. Known as Joint Task Force-Port Opening (JTF-PO), this capability is designed to rapidly open and establish initial aerial and seaport operations, ultimately facilitating the distribution of materiel in an area of operations. This operational construct of air, surface, and maritime elements establishes the initial framework for expeditionary port opening, providing that critical first response for the supported geographic combatant commander during contingency or disaster relief operations.

Our ability to rapidly deploy JTF-PO forces to operate two aerial ports in Liberia and Senegal during Operation UNITED ASSISTANCE proved a powerful example of the importance of this capability. Our JTF-PO teams successfully enabled USAFRICOM's Joint Task Force to receive and distribute vital medical equipment and supplies to stem the outbreak of the Ebola virus across West Africa. Because of lessons learned from this operation, and subsequent joint exercises, we partnered with the Defense Logistics Agency (DLA) to integrate

their Rapid Deployment Initiative into our JTF-PO capability to provide rapid initial theater distribution support to the supported geographic combatant commander.

Efforts are also underway to develop a base plan for all phases of USTRANSCOM operations. This plan will document how we fulfill our Unified Command Plan responsibilities and meet the tasks assigned to USTRANSCOM. This planning effort will result in an overarching global plan that articulates how we coordinate, synchronize, and execute our JDDE responsibilities, and will describe our approach to operations in a contested environment. This plan will also set the conditions for effectively utilizing the JDDE, allowing the U.S. to project power, extend operational reach, and maximize flexibility for the joint force.

Training and Exercises

Our Joint Training and Education Program ensures USTRANSCOM maintains strategic agility and dynamic presence. Leveraging approximately 155 exercises annually, including our own USTRANSCOM-sponsored joint exercises, we meet training requirements that directly contribute to assuring assigned mission success. These exercises deliver strategic value by providing a global presence that helps ensure freedom of action and uninhibited access to global mobility infrastructure. They also foster interagency, regional, and coalition partnerships.

In addition to demonstrating and testing our capabilities like JTF-PO, Joint Logistics Over-the-Shore, the Joint Distribution Enabling Team, and the Offshore Petroleum Discharge System and Inland Petroleum Distribution System, the Joint Exercise Program offers us opportunities to work with the other combatant commands in their high-priority exercises. These venues allow us to practice the full range of our capabilities from the simplest deliveries to high-end, joint forcible entry exercises.

Preparing for Tomorrow

Financial Health

As good stewards of taxpayer dollars, USTRANSCOM and our Service Component Commands are committed to being prepared for a fiscal year (FY) 2017 financial audit in accordance with the guidelines set forth in the FY 2010 National Defense Authorization Act. Financial Improvement and Audit Readiness (FIAR) permeates all facets of operations. Our financial environment is complex with three separate accounting systems, one for each of the Service Component Commands. There are many challenges to overcoming long-standing business processes that are not audit compliant, and legacy computer systems that cannot trace a transaction from inception to the financial statement. As we move toward Integrated Multi-Modal Operations, however, we are imbedding FIAR throughout our new processes. Beyond auditability, our FIAR efforts also support sustainment readiness through internal controls that culminate annually in our Statement of Assurance.

Additionally, maintaining a healthy Transportation Working Capital Fund (TWCF) ensures our ability to provide timely transportation services on behalf of the Nation. To that end, we are striving to provide our customers greater transparency on costs while maintaining a cost-competitive model that incentivizes customer participation within the enterprise.

We continue to engage with the Army and Air Force Exchange Service and the Defense Commissary Agency to create greater efficiencies within the DTS by increasing container utilization, combining loads on shared lanes with other DoD shippers, and using airlift only when appropriate and cost effective. Additionally, we continue to strengthen our partnerships with the Defense Security Cooperation Agency (DSCA), DLA, the United Nations and foreign partners. These partnering efforts have led to increased workload by offering best-value solutions that

promote a whole-of-government approach, military-to-military cooperation, and service interoperability.

In coordination with the DSCA and DLA, we now also offer integrated transportation and distribution services for Foreign Military Sales (FMS) customers. The Distribution Services solution provides customers with a single point of entry, pay-as-you-go capability that leverages the infrastructure and backbone of the DTS, as well as the secure storage and consolidation inherent in DLA's core mission. To increase efficiency, we continue to encourage partner nations, through the geographic combatant commands, to use the Joint Planning and Execution System for the movement of their FMS cargo.

Enhancing the Joint Force

We are enhancing our human capital strategies to leverage best practices from industry, government and academia. We are also refining our efforts to sustain, motivate and retain a high-performing, mission-ready team.

With more millennials entering the DoD workforce, and a need to better utilize existing talent networks, we are considering new approaches to workforce management. Some of these approaches include a paradigm shift from talent "management" to talent "engagement." This means tapping into a broad workforce outside traditional boundaries, and examining innovative concepts such as partnership as well as freelance and open-source talent, to take advantage of talent pools not available through routine personnel management. With our unique position as a link between DoD and commercial industry, we intend to serve as an incubator for new workforce management initiatives that will ultimately benefit the entire DoD.

We also recognize the need for Defense reform to posture the DoD to meet the security challenges of the future. I applaud the Congressional initiative in considering revisions to the

30-year-old Goldwater-Nichols Act. This will be a daunting and lengthy task that will require extensive collaboration between the executive and legislative branches. Such a transformational effort is necessary to address how the DoD is organized to meet the challenges of today's strategic environment and reassess how DoD is developing the joint force of tomorrow. The force we needed to win the Cold War is not the force we need to address tomorrow's diverse range of future threats. I am ready to work with DoD and Congress to address key policy changes for consideration this year.

Our Commitment

Upon taking command seven months ago, I provided my initial assessment of USTRANSCOM to Secretary Carter. As I closed that assessment, I made a commitment to him and I would like to make that same commitment to Congress and the American people.

"USTRANSCOM stands ready to deliver the Nation's objectives. We will advocate for and address all challenges and vulnerabilities to ensure we can deliver an immediate force tonight and a decisive force when needed. We promise!"

GENERAL DARREN W. McDEW

Gen. Darren W. McDew is the commander, U.S. Transportation Command, Scott Air Force Base, Illinois. USTRANSCOM is the single manager for global air, land and sea transportation for the Department of Defense.

General McDew was commissioned in 1982 following his graduation from Virginia Military Institute. He began his flying career at Loring AFB, Maine. His staff assignments include serving as a member of the Air Force Chief of Staff Operations Group, Air Force aide to the President, chief of the Air Force Senate Liaison Division and the director of Air Force Public Affairs. General McDew served as vice director for strategic plans and policy for the Chairman of the Joint Chiefs of Staff. He also served as the commander of 18th Air Force, Scott AFB, and commanded at the squadron, group and wing levels as well as at an Air Force direct reporting unit. He deployed in support of ongoing operations in Central and Southwest Asia as an air expeditionary group commander and later as the director of mobility forces. Prior to his current assignment, General McDew was the commander of Air Mobility Command, Scott AFB.

ASSIGNMENTS

1. October 1982 – October 1983, student, undergraduate pilot training, Williams AFB, Arizona
2. March 1984 – June 1989, standardization and evaluation copilot, Aircraft commander, instructor pilot and flight commander, 42nd Air Refueling Squadron, Loring AFB, Maine
3. July 1989 – June 1992, combat crew training school examiner and instructor pilot, assistant deputy wing inspector and wing executive officer, 93rd Bomb Wing, Castle AFB, California
4. July 1992 – April 1994, rated force planner, Directorate of Personnel Plans; member, Air Force Chief of Staff Operations Group, Headquarters U.S. Air Force, Washington, D.C.
5. April 1994 – June 1996, Air Force aide to the President, White House, Washington, D.C.
6. October 1996 – June 1997, assistant operations officer, 14th Airlift Squadron, Charleston AFB, South Carolina
7. June 1997 – June 1999, commander, 14th Airlift Squadron, Charleston AFB, South Carolina
8. August 1999 – July 2000, Secretary of Defense Corporate Fellow, Sun Microsystems Inc., Palo Alto, California
9. July 2000 - January 2002, commander, 62nd Operations Group, McChord AFB, Washington (September 2001 – December 2001, commander, 60th Air Expeditionary Group, Southwest Asia)
10. January 2002 – July 2003, commander, 375th Airlift Wing, and Installation Commander, Scott AFB, Illinois
11. July 2003 – January 2005, chief, U.S. Air Force Senate Liaison Division, Secretary of the Air Force, Washington, D.C.
12. January 2005 – July 2006, commander, 43rd Airlift Wing, and installation commander, Pope AFB, North Carolina (January 2006 - May 2006, Director of Mobility Forces, Southwest Asia)
13. July 2006 – November 2007, vice commander, 18th Air Force, Scott AFB, Illinois
14. November 2007 – February 2009, director of public affairs, Office of the Secretary of the Air Force, the Pentagon, Washington, D.C.
15. February 2009 – December 2010, vice director for Strategic Plans and Policy, Joint Staff, the Pentagon, Washington, D.C.
16. December 2010 – August 2012, commander, Air Force District of Washington, Andrews AFB, Maryland
17. August 2012 – April 2014, commander, 18th Air Force, Scott AFB, Illinois
18. May 2014 – August 2015, commander, Air Mobility Command, Scott AFB, Illinois
19. August 2015 – present, commander, U.S. Transportation Command, Scott AFB, Illinois

SUMMARY OF JOINT ASSIGNMENTS

1. April 1994 – June 1996, Air Force aide to the President, White House, Washington, D.C., as a major

2. February 2009 – December 2010, vice director for Strategic Plans and Policy, Joint Staff, the Pentagon, Washington, D.C., as a major general

FLIGHT INFORMATION

Rating: command pilot

Flight hours: more than 3,300

Aircraft flown: T-37B, T-38A, KC-135A/R, C-17A, C-141B, C-9, C-21, C-130E/H, C-37 and UH-1N

MAJOR AWARDS AND DECORATIONS

Distinguished Service Medal

Defense Superior Service Medal with oak leaf cluster

Legion of Merit with two oak leaf clusters

Meritorious Service Medal with four oak leaf clusters

Army Commendation Medal

Air Force Achievement Medal

Joint Meritorious Unit Award with oak leaf cluster

Air Force Outstanding Unit Award with nine oak leaf clusters

Air Force Organizational Excellence Award with three oak leaf clusters

Combat Readiness Medal with three oak leaf clusters

National Defense Service Medal with bronze star

Armed Forces Expeditionary Medal

Kosovo Campaign Medal with bronze star

Global War on Terrorism Expeditionary Medal

Global War on Terrorism Service Medal

Armed Forces Service Medal

EFFECTIVE DATES OF PROMOTION

Second Lieutenant May 15, 1982

First Lieutenant May 15, 1984

Captain July 13, 1986

Major March 1, 1994

Lieutenant Colonel Jan. 1, 1997

Colonel April 1, 2000

Brigadier General Sept. 2, 2006

Major General Dec. 9, 2008

Lieutenant General Aug. 6, 2012

General May 5, 2014

(Current as of December 2015)

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

MARCH 15, 2016

QUESTIONS SUBMITTED BY MR. WITTMAN

Mr. WITTMAN. Do you agree that the 60 Maritime Security Program ships provide USTRANSCOM with assured access to an effective, national defense sealift capability?

General McDEW. Yes, the capacity and vast intermodal capabilities offered by Maritime Security Program (MSP), and assured through our Voluntary Intermodal Sealift Agreement Contingency Contracts, enable USTRANSCOM to project and sustain forces across the globe and meet the most demanding wartime requirements. The MSP ships provide approximately 20% of our entire force projection capacity and almost all of our sustainment capacity. Additionally, MSP provides over 2,400 mariners that contribute to the current pool of 11,280 mariners that presently crew both the government-owned and commercial ships.

Mr. WITTMAN. If the Maritime Security Program's effectiveness is minimized and U.S. flag is reduced, what would be the impact on our military's ability to fully activate, deploy and sustain forces?

General McDEW. Reductions to the number of vessels participating in Maritime Security Program (MSP) would result in USTRANSCOM's inability to fully activate, deploy and sustain forces across the globe. The pool of U.S. mariners need to crew the U.S. flag commercial fleet as well as the government-owned surge fleet is at a point where additional vessel losses will jeopardize our ability to project power to meet wartime requirements.

Today there are 78 U.S. flag ships trading internationally of which 60 participate in the MSP program and receive a stipend to offset the cost of operating a U.S. flag vessel. Reductions to government impelled and commercial cargo would likely result in losses to MSP vessels and other U.S. flag ships trading internationally. These reductions would further degrade USTRANSCOM's ability to crew the surge fleet upon activation.

QUESTIONS SUBMITTED BY MR. HUNTER

Mr. HUNTER. I reviewed with great interest the report prepared by the U.S. Transportation Command (TRANSCOM) in response to section 1085 of the FY 2016 NDAA (hereinafter, "the Report"). The purpose of the Report is to foster a data-driven process for determining the level of peacetime airlift augmentation necessary to ensure CRAF readiness and interoperability. I recognize that TRANSCOM currently projects relatively high levels of CRAF airlift augmentation due to current world events, but we have seen CRAF augmentation fluctuate in the past (e.g., following the post-OIF/OEF drawdown). Would you agree that it is important for TRANSCOM to develop a systematic process for determining the level of airlift augmentation necessary to maintain CRAF readiness and interoperability?

General McDEW. CRAF is an exceptionally important part of the National Defense transportation capacity. We depend on our CRAF partners to routinely augment airlift especially if we need to mobilize for war. We agree that it is important that USTRANSCOM maintains a systematic process to ensure CRAF carriers are able to operate within the military airlift system. We believe USTRANSCOM's current plans and our forecasted workload over the next several years will be sufficient to maintain interoperability throughout the airlift system.

USTRANSCOM defines CRAF readiness and interoperability as the ability for CRAF carriers to operate within the military airlift system. In the Report, USTRANSCOM, using a systematic process, defined the minimum level of airlift augmentation as a combination of flying, and particularly ground activities, which preserve CRAF readiness and interoperability.

USTRANSCOM previously employed, and continues to employ, a systematic process for determining the level of commercial airlift augmentation, as required by the National Airlift Policy, which it shares during executive engagements with industry throughout the year, and which was affirmed by the CRAF Study, Phase II Report, in 2014.

Mr. HUNTER. I was struck by the Report's assertions that: (i) "ground activities and engagements," such as board meetings and industry group gatherings, are suffi-

cient to maintain interoperability between CRAF carriers and the military airlift system; and (ii) that there is “little correlation between hours flown by CRAF participants on DOD missions and their ability to operate within DOD networks.” The National Airlift Policy, signed by President Reagan and still in force today, requires DOD to “establish appropriate levels for peacetime cargo airlift augmentation in order to promote the effectiveness of the Civil Reserve Air Fleet and provide training within the military airlift system.” Please explain how TRANSCOM’s reliance on ground activities is consistent with the National Airlift Policy’s directive to ensure CRAF readiness and interoperability by “establish[ing] appropriate levels for peacetime cargo airlift augmentation”?

General McDEW. USTRANSCOM defines CRAF readiness and interoperability as the ability for CRAF carriers to operate within the military airlift system. This includes the ability of the carriers to successfully interface with DOD’s command and control activities as well as the ability of commercial crews to safely operate at military airfields. In the report, USTRANSCOM, using a systematic process, established an appropriate level of airlift augmentation which accounted for the military airlift system training provided by ground activities.

Ground activities and engagements alone are not sufficient to ensure readiness and interoperability. It also requires an appropriate number of touch points between commercial aircraft and military aerial port personnel which occur when CRAF participants operate DOD missions. However, it is the number of these touch points versus the number of hours flown that are important when determining the minimum level of airlift augmentation required to meet National Airlift Policy objectives. For example, a greater contribution to CRAF readiness and interoperability is achieved by two CRAF cargo flights originating at Dover AFB and flying five hours to Keflavik, Iceland, than a single flight flying 20 hours to Al Udeid AB, Qatar. Although the “block hours” are half as much for the two flights to Keflavik, arguably twice as much experience is gained by both DOD and the carriers on those two flights compared to the single flight to Al Udeid. The National Airlift Policy requires the DOD to (1) promote the effectiveness of the CRAF and (2) provide training within the military airlift system. USTRANSCOM accomplishes the first task via CRAF/commercial augmentation contracts and accomplishes the second task through systemic ground-based activities/engagements and aerial port touch points.

Mr. HUNTER. All DOD assets (e.g., aircraft, ground vehicles, ships, submarines, and weapons) are required to be exercised within a military operating environment. The Report suggests that CRAF is an exception because pilots are already routinely flying in commercial activities. Would you agree that strategic airlift readiness requires exercising the entire network and enterprise (including military ground personnel), not just pilots? If so, how does TRANSCOM ensure the readiness and interoperability of the entire network with such low levels of peacetime airlift augmentation?

General McDEW. USTRANSCOM ensures the readiness of CRAF participants with respect to interoperability within the military airlift system in accordance with the guidance in the NAP. There is a corresponding spectrum of activities and engagements that provide the touch points necessary for CRAF participants to successfully operate within DOD networks. These include a minimum level of commercial aircraft activity at AMC aerial ports, certifications and CRAF participant inspections, table-top CRAF activation exercises and key leader interfacing between the military and industry at various echelons.

USTRANSCOM’s assessment determined there is little correlation between increased hours known by CRAF participants on DOD missions and their ability to operate within DOD networks. Pilot seasoning is a responsibility of the airline and a prerequisite for participation in the CRAF program. Interoperability between carriers and the military airlift system is a function of aerial port activity, exercises, inspections, and interface at various echelons.