

Your Dollars, Spent Responsibly

Establishing Stronger Financial Accountability

Alan "Keith" Bentley, USTRANSCOM Director,
Program Analysis and Financial Management

A photograph of Alan "Keith" Bentley, a middle-aged man with short grey hair, wearing a light blue and white striped dress shirt and a dark patterned tie. He is sitting in a black leather office chair behind a dark wood desk. On the desk, there is a multi-line office phone, a printer, a small speaker, and several papers, including one that appears to be a calendar or schedule. The background shows a dark wood office cabinet and a framed picture on the wall.

The U.S. Transportation Command oversaw \$12.3 billion in fiscal year 2008 revenue. If USTRANSCOM was ranked on the Fortune 500 list of America's largest corporations, that amount would place it as number 216 on the list. During an average week, the command conducts more than 1,900 air missions, with 25 ships under way and 10,000 ground shipments operating in 75 percent of the world's countries. USTRANSCOM represents enormous military assets, valued in excess of \$52 billion, that include 87 ships, 1,269 aircraft, 2,150 railcars and assorted equipment, and \$1.4 billion in infrastructure, as well as access through commercial partners to more than 1,000 aircraft and 360 vessels in the Civil Reserve Air Fleet and Voluntary Intermodal Sealift Agreement. Financial accountability for all its missions is extremely important, as the funds for which USTRANSCOM has responsibility come from the warfighter and the taxpayer. In December 2008, *Defense AT&L* spoke with Alan "Keith" Bentley, USTRANSCOM director of program analysis and financial management, about his role in managing such an enterprise and ensuring prudent oversight, growth, and cutting-edge responsiveness.

Q Can you describe how your role as director for program analysis and financial management fits into the USTRANSCOM structure?

A USTRANSCOM is operating at a very high operations tempo, supporting all the geographic combatant commands in the Global War on Terrorism with their everyday exercises and sustainment. While the Department of Defense distribution bus is rolling along at 65 miles an hour, the command is improving distribution and sustainment practices, tools, and techniques—changing the tire on the bus while it is under way. My primary role is to ensure USTRANSCOM is adequately funded to operate our forces in a timely and effective manner. We provide the financial policy and tools via the Transportation Working Capital Fund to give the commander financial flexibility to lean forward and respond rapidly to contingencies and humanitarian crises. The TWCF gives us the tools to do this in a fiscally sound, efficient, and auditable manner.

USTRANSCOM has made distribution improvements under its authority as the DoD distribution process owner. The DPO neither owns nor funds the assets of the Services; however, to influence Service practices and achieve desired effects, we still require funding. We manage several colors of money to administer the DPO processes, which keeps my folks very busy. Speaking of Service assets, my staff also plays heavily in the various programming and planning events sponsored by the Joint Staff/Office of the Secretary of Defense to ensure the Services support our high-priority mobility infrastructure and operational capability needs. We tie all this financial management activity together with periodic TWCF performance reviews and financial status briefings to the USTRANSCOM commander, the DoD comptroller, and the Office of Management and Budget.

I also co-chair an internal board with our Command, Control, Communications, and Computer Systems Directorate, which manages priorities within our information technology portfolio. This has been a highly effective process through which we have not only achieved streamlined and integrated joint IT solutions but also cut duplication and waste across DoD.

Q USTRANSCOM controls a fleet of about 1,300 aircraft, 2,200 railcars, 90 ships, and \$1.4 billion in infrastructure, valued in



excess of \$52 billion. As the man directly responsible for the development and integration of budget formulation and the execution and programming of resources for the Defense Transportation System, can you describe your primary objectives for your organization?

A In simple English, I ensure funds are available to support the warfighter! We get the warfighter to the fight, we sustain the warfighter during the fight, and we bring the warfighter home.

My primary objectives are to maintain the financial solvency of the TWCF and ensure resources are available for USTRANSCOM to successfully carry out its mission. The TWCF is a multibillion dollar program. The \$12.3 billion in fiscal year 2008 revenue would place USTRANSCOM 216 on the Fortune 500 list of America's largest corporations. I have direct control of the TWCF budget and work directly with the DoD comptroller on budget formulation and execution. As with any business, I have to maintain adequate cash to pay bills. Working Capital Fund policy is to maintain 7 to 10 days of cash, or \$400 million to \$600 million, for TWCF. Maintaining this level of cash has been very difficult to manage for the past several years because of volatile fuel prices and past congressional budget marks. Fortunately, the Air Force has helped by raising the cash management level to the Air Force WCF level—TWCF is a subset of the Air Force WCF. Maintaining cash is the key enabler to giving the USTRANSCOM commander the flexibility to respond to a crisis at a moment's notice, even before supplemental funds become available.

We also receive funding for missions that are USTRANSCOM responsibilities but fall outside of the scope of TWCF funding. These funds include about \$60 million for DPO respon-

Alan "Keith" Bentley

*Director, Program Analysis and Financial Management,
U.S. Transportation Command*

Alan "Keith" Bentley is director of program analysis and financial management, U.S. Transportation Command, Scott Air Force Base, Ill. In that position, he is responsible for developing and integrating budget formulation, execution, and programming of resources for the Defense Transportation System. After a tour in the Navy, he obtained a bachelor's degree in accounting and a master's degree from Central Michigan University. He is a certified public accountant, a certified defense financial manager, a graduate of the Education-with-Industry Program, is Level III certified in financial management, and is a graduate of the Professional Military Comptroller School, Maxwell Air Force Base, Ala.

Bentley entered civil service in 1981 as a staff auditor for the Air Force Audit Agency, rising to the position of audit manager. His audit responsibilities included foreign military sales, contract depot maintenance, and certified Financial Officer Act compliance audits. In 1989, Bentley joined the budget office at Aeronautical Systems Center, Air Force Systems Command, where he supported several system program offices. In 1992, he became chief of budget policy, Office of Financial Management and Comptroller, Headquarters, Air Force Materiel Command. In that position, Bentley was responsible for the command's propriety of fund determinations for all appropriated fund types and working capital funds. While at the Air Force Materiel Command, he served as the technical adviser to the chief for budget and comptroller plans, the chief of the systems branch within the Financial Services and Systems Division, and as the chief of the Financial Services and Systems Division.

He became the chief of the Air Force Financial Systems Management Office, Air Force Materiel Command, in 2001, and in that position, he oversaw the development, deployment, training, and maintenance of Air Force comptroller systems. In 2002, he became the senior financial adviser, Directorate of Financial Management and Comptroller, Air Force Materiel Command. In that position, he served as the principal adviser and leading technical authority for financial and cost analysis in support of the command mission. In December 2004, Bentley was appointed to the U.S. Air Force Senior Executive Service and was assigned to his present position.

sibilities, \$30 million for research and development, and \$14 million for work as lead proponent for radio frequency identification. These funds enable USTRANSCOM to fix capability gaps such as end-to-end in-transit visibility, a long-standing material weakness in DoD. The DPO funds also support USTRANSCOM as the distribution portfolio manager, including more than 200 distribution and distribution-related systems across DoD. One distribution portfolio manager initiative will save DoD \$35 million by leveraging capabilities in the Air Force's Cargo Movement Operations System to meet theater distribution and traffic management requirements originally planned in the Army's Transportation Coordinator's Automated Information Management System II.

Ensuring adequate resources for programs I don't directly control is difficult and requires a lot of collaboration with the Services and defense agencies. For example, USTRANSCOM does not receive funding to buy transportation assets or for military construction. Instead, we advocate funding for these requirements primarily through the combatant commanders' integrated priority list and by nominating issues through the DoD program and budget review. I'm glad to say that this year, we were very successful with the funding of \$251 million for USTRANSCOM's high-priority issues.

Q *There is a current focus in DoD on financial accountability. What is USTRANSCOM doing to ensure the wise use of taxpayer money? Are there new initiatives in place to ensure good stewardship? How is USTRANSCOM working to balance the books?*

A We are working to improve the distribution system to save taxpayer money and to help balance the books. On Sept. 16, 2003, the secretary of defense designated the commander of USTRANSCOM as the DoD DPO. Working with the DoD, regional combatant commands, joint agencies, and the Services, USTRANSCOM leads the collaborative effort to make joint logistics a reality by leveraging experience and using information technology to consolidate logistics requirements in real time, compress the decision cycle, and empower smarter decisions. USTRANSCOM synchronizes the deployment, distribution, and sustainment of forces to achieve maximum efficiency and interoperability by eliminating duplication and nonstandard practices. As the DPO, USTRANSCOM directs and supervises the execution of the distribution system and has improved financial procedures to enhance efficiency and effectiveness through process improvements. From fiscal year 2004 through 2008, USTRANSCOM has avoided or saved \$2.2 billion in cost. The largest share of DPO cost avoidance to date has resulted from improvements to transportation and the stockage process, which allows us to shift cargo from one mode of transport to a less expensive mode (e.g., from air to surface, or from truck to rail) while still getting the warfighters what they need when they need it.

Because we operate a WCF, our customers scrutinize our rates and often ask how much overhead is in TWCF rates. At the direction of the USTRANSCOM commander, we performed a review that resulted in greatly improved visibility of overhead cost as well as our ability to explain and control rates. What we found is that our overhead applied to rates is about 10 percent, which compares favorably with other WCFs. Still, we remain constantly vigilant to control and reduce our overhead. For example, we are engaged in a truly transformational base realignment and closure transition that will save DoD \$1.2 billion by reducing overhead in USTRANSCOM and its components.

One way we ensure the wise use of taxpayer money is through proper application of management internal controls programs. The MIC is a way to help identify fraud, waste, and abuse. We developed a checklist to help identify various checkpoints to ensure we are abiding by the laws and to help prevent fraud, waste, and abuse. Every quarter, USTRANSCOM directorates review, annotate any comments, suggest changes, and then sign that checklist. Each directorate also produces an annual statement of assurance to identify any material weaknesses and improvements and to provide assurances of how well the directorate is doing. Directorates provide the status of their material weaknesses, what is being done to get them corrected, and a "get well" date. Using that process, this year, we corrected a weakness in the use of commercial sealift that will help ensure more efficient use of activated government vessels, chartered service, and commercial liner service

Q Can you describe what business and industry approaches you are applying to the business of USTRANSCOM?

A We get most of our transportation funding by selling transportation services to DoD customers rather than by direct appropriation. Our conduit for selling our services is the TWCF. The WCF incorporates business practices that are similar, in many ways, to a free-market approach used by commercial industry. Basically, just like commercial industry, we recover our operational costs through a rate structure.

The TWCF provides great benefit to the department because it motivates DoD Services and agencies to consider cost when determining the mode of transportation—efficiency becomes part of their decision matrix along with effectiveness. Our faster premium service is more expensive to the department, and those higher costs are passed on to customers through higher rates.

The WCF motivates our customers to make the best decisions. Do they *really* need their cargo right away, and which is more expensive to them? Or can they wait a bit longer and pay less? Choice of transportation mode can have huge

operational and financial ramifications. For example, let's assume you want to move 125 containers of tank tracks. If you airlift the tracks to U.S. Central Command's area of operations, you'll probably get them in a few days, but it will cost you \$17.5 million. Shipping by sea takes weeks rather than days, but will cost only \$364,000. Obviously, proper planning and communication are essential to prudent management.

In addition to the overarching benefits derived from the WCF model, USTRANSCOM works many initiatives to provide better service and achieve financial efficiencies. One of these areas is land transportation within the continental United States. The Defense Transportation Coordination Initiative is transforming the way DoD domestic freight is managed and moved. That initiative leverages current commercial capabilities and proven best practices. The DTCI will increase operational effectiveness through load optimization and consolidation, provide better customer support through a centrally managed distribution process, reduce costs, and achieve efficiencies. We expect DTCI-driven savings to be in the range of \$40 million to \$60 million each year.

Q A major success of your office has been the introduction of the Defense Enterprise Accounting and Management System, or DEAMS, which is a financial management initiative expected to transform business and financial management processes and systems to provide accurate, reliable, and timely business information to support effective business decision making for USTRANSCOM, the Defense Finance and Accounting Service (DFAS), and the U.S. Air Force. Can you describe this system?

A Any description of DEAMS is better understood in the context of the problem it was designed to solve. The complicated state of today's government financial management systems is the natural result of stovepiped planning and evolution spanning more than five decades. Government accounting procedures and processes that evolved through the Cold War era were narrowly focused. Leaders identified specific programmatic requirements, and experts designed unique processes or systems to meet those objectives. Interaction between systems was facilitated with even more unique and inefficient systems, or simply hand-massaged. Today's financial managers struggle daily to make processes and systems, born in the era of green eye shades and mechanical adding machines, perform to 21st century standards. Unfortunately, heroic efforts and innovation can only carry outdated systems so far.

In 2002, experts from USTRANSCOM, the Air Force, and the Defense Finance and Accounting Service agreed to jointly sponsor an enterprise resource planning solution. DoD approved the formation of DEAMS in August 2003 to address these concerns and give all of the nation's warfighters more timely, accurate, and reliable financial information

to facilitate better decision making—and we've been very busy ever since.

The DEAMS is re-engineering financial management activities across the board with a unified enterprise architecture. It rests on the three pillars of proven commercial off-the-shelf Oracle® software, standardized business rules and processes, and a common language—the first implementation of the new DoD Standard Financial Information Structure, which establishes a common financial language. Altogether, this makes DEAMS the first truly joint accounting system initiative within DoD.

DEAMS replaces outdated, unreliable legacy systems and processes with state-of-the-art, proven software to manage financial transactions and produce fully auditable financial reports. That sounds simple, but it has proven to be a daunting task involving detailed examination of hundreds of different existing processes to ensure that DEAMS can replace or coordinate with them. It is designed as an enterprise-wide solution that will replace or bridge across disparate programs and requirements—one stop-shopping for financial managers and their customers.

The DEAMS Program Management Office at Wright-Patterson Air Force Base and our functional management office here at Scott Air Force Base spent the first year defining the requirements—no easy task! The program really got rolling with the selection of the Oracle software in 2005 and Accenture's designation as the systems integrator in March 2006. We are implementing DEAMS in two increments with five spirals. Spiral 1 is a technology demonstration of DEAMS commitment accounting capability applied to USTRANSCOM; Headquarters, Air Mobility Command; and Air Force active duty, Air National Guard, and Air Force Reserve tenant organizations on or associated with Scott AFB. With our partners with the Air Force and at DFAS, that successful deployment in July 2007 was a major step forward for the command. We completed Spiral 1 deployment to all affected organizations in June 2008, but we continue to test and refine the program while we develop Spiral 2. Spiral 2 will provide the full Oracle accounting capability to those same organizations. Once implemented and proven at Scott AFB, DEAMS will move on to Spiral 3, extending the full Oracle capability to the remaining Air Mobility Command bases and USTRANSCOM components. Spirals 4 and 5 cover the rest of the Air Force.

When fully fielded, DEAMS will transform financial management and set a new standard for effective and efficient stewardship of our nation's defense resources.

Q *The DEAMS Increment 1, Spiral 1, was delivered on time and on cost. What collaboration enabled this success? What will subsequent spirals in DEAMS Increment 1 and Increment 2 provide?*

A In a nutshell, two-way communication and respect for each other enabled our successful deployment of Spiral 1. We did deliver DEAMS when we said we would, but the road has not always been direct or easy. Success began with effective leadership and decision making. As the lead agent, the USTRANSCOM commander provided the vision while a strong senior executive service governance team ensured clear and decisive decisions were made as needed. Program managers from both government and industry have worked hard to create a sense of teamwork and mission. Accenture, as the lead systems integrator, provided a wealth of experience in system implementation and business process re-engineering. Government acquisition experts from the Air Force Materiel Command combined with a strong functional team assembled from USTRANSCOM, Air Force, and DFAS to form the basis of a successful implementation effort. The glue that has brought all of these various interests together is communication. We have taken the time to embrace a wide range of opinions and learned how important it is to be receptive to both positive and negative messages. The success DEAMS has had to date attests to a lot of hard work by many very talented people.

DEAMS was born and is inspired by a very real desire by everyone involved to solve the long-standing shortcomings in our accounting systems. Simply put, we want to be better stewards of our nation's resources and give better support to those who defend America. That shared inspiration counts for a lot in the quest for success. From the very beginning, DEAMS has been a collaborative effort among not only the three main partners—USTRANSCOM, the Air Force, and DFAS—but at the working level, a great working relationship for many different agencies such as the Business Transformation Agency, the Joint Interoperability Test Command, and the Office of the Secretary of Defense—Operational Test and Evaluation. Our team believes in this program and is committed to making sure it succeeds.

Spiral 2 will deploy in late 2009, taking the full Oracle I-procurement functionality to the same units at or supported by Scott AFB that participated in Spiral 1. This means that DEAMS will provide not only commitment accounting, but the full range of timely, accurate financial management tools: general accounting, accounts receivable and payable, billing, as well as time keeping. Increment 2 extends those same capabilities to the remaining Air Mobility Command bases; the Surface Deployment and Distribution Command and the Military Sealift Command in Spiral 3; and then to all remaining Air Force major commands in two additional spirals over a period of three years. The final spiral, Spiral 5, will apply to the Air Force WCF. The result will be a fully integrated system that provides real-time, high-quality information to decision makers at all levels, giving customers access to detailed billing information, and which complies with all applicable federal laws. In addition, the DEAMS Component Billing System consolidates the billing functions of both Air

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and, when taken as a whole, are natural partners. Both are ERP projects intended to replace disparate processes and data of many legacy systems with a single integrated solution; both use the same commercial off-the-shelf Oracle software; and both are working to transform business processes, personnel roles, and organizational structures across the spectrum of the Air Force community. When they converge into one end-to-end system spanning logistics, supply, and financial management in 2015, it will be a major step toward DoD's objective of an integrated balance sheet, total asset visibility, and a clean audit.

Mobility Command and the Surface Deployment and Distribution Command, creating a single point of contact for customer service.

Q You commented in an article you wrote for the Federal Times that the existing financial management programs in DoD lack the ability to interact and a lack common financial language. How will DEAMS remedy this problem? Are there any other initiatives for the future that will remedy this problem?

A One of the unique features of DEAMS is that it will be the first application of DoD's new Standard Financial Information Structure.

For your readers who may not be familiar with SFIS, it is a comprehensive, common business language that supports information and data requirements for budgeting, financial accounting, cost/performance management, and external reporting across the DoD enterprise. The SFIS standardizes financial reporting across DoD, reducing the cost of auditability. It allows revenues and expenses to be reported by programs that align with major goals versus by appropriation categories. It enables decision makers to efficiently compare programs and their associated activities and costs across DoD. And it provides a basis for common valuation of DoD programs, assets, and liabilities. DEAMS is the point of the spear and test bed for launching this new language, and will show the way for others as SFIS becomes the standard across the department.

On the subject of interaction, another important point not yet mentioned is how DEAMS is coordinating with another vital Air Force initiative: the Expeditionary Combat Support System. The ECSS and DEAMS are similar in many ways

Q USTRANSCOM has three commands under its domain: the Air Force's Air Mobility Command, the Navy's Military Sealift Command, and the Army's Surface Deployment and Distribution Command. How is your office working to re-engineer business processes and demonstrate fiscal fitness for all those commands? How is financial information shared between commands?

A The relationship between these commands was at the very heart of the problem that led to the creation of DEAMS five years ago. As the commander of USTRANSCOM at the time, Gen. John Handy was also commander of Air Mobility Command, and he could see both sides of the problem—first as a customer, then as a provider of transportation services. A joint perspective gives senior leaders a unique view of the problems created when the need for timely and accurate financial information cannot be met.

As forerunners of the DEAMS program, both the Military Sealift Command and Army's Surface Deployment and Distribution Command previously implemented Oracle-based financial systems. Those successful implementations provided the basis for the DEAMS program, and in Spiral 3, the capabilities will be combined into a single financial system achieving for the first time an integrated financial planning capability that supports real-time decision making for the DoD transportation customer. The delivery of this capability will be a vision, first conceived and now realized under USTRANSCOM leadership. The benefits derived from that capability cannot be overstated.

In addition, we publish and distribute to our components, national partners, stakeholders, and other interested agencies and institutions a Fortune 500-like annual report containing



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to DoD's ability to prosecute missions abroad. As an incentive for committing aircraft to the program and to ensure adequate airlift reserves, Air Mobility Command makes peacetime airlift business available to CRAF participants. The USTRANSCOM commander can request to activate three incremental stages of CRAF, which can be further tailored to accommodate the situation. In the highest stage of CRAF activation, commercial partners will carry almost 40 percent of cargo and more than 90 percent of the passengers to forward staging bases.

fiscal year-end operational and financial results. A portion of the report presents operational results focusing on the outcomes of the commander's strategic plan and accompanying guidance. The annual report summarizes the state of the Joint Deployment and Distribution Enterprise, describes the status of on-going JDDE initiatives, and presents year-end air mission results. The financial results focus on the performance and operating results of our components' various business areas. Those business areas are aligned with the components' operational mission and include passenger/cargo movement, traffic management, port operations, and prepositioning of military equipment and supplies. The report also contains the consolidated statements of financial condition and revenue and expense.

Q *USTRANSCOM relies on its commercial partners to meet 88 percent of continental U.S. land transport, 50 percent of global air movement, and 64 percent of global sealift. How does your organization foster these important relationships with your commercial partners?*

A From a financial perspective, we foster those relationships by ensuring we provide our commercial partners adequate business and ensure timely payment. An important aspect of fostering relationships with our commercial partners is reflected in USTRANSCOM's Civil Reserve Air Fleet (CRAF) and Voluntary Intermodal Sealift Agreement (VISA) programs.

The CRAF is a voluntary contractual partnership between DoD and U.S. commercial air carriers. It is intended to provide both commercial aircraft and crews to augment military airlift during times of crisis and high-operations tempo. This additional strategic mobility capability is absolutely critical

VISA represents a success achieved between USTRANSCOM and commercial industry to cooperatively meet our nation's sealift contingency requirements. It provides DoD with time-phased access to U.S.-flagged commercial dry cargo vessels, intermodal systems, and infrastructure that are useful to the military in return for peacetime business preference. When needed, the program is activated in three stages of increasing levels of commitment, depending upon the severity of the contingency. All major U.S.-flagged carriers participate in VISA, and more than 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.

Timely payment of vendor invoices is an important aspect of our relationship with our customers and a high-focus item for both USTRANSCOM and DFAS. DFAS tracks aged/late invoices, averaging 1.5 percent of the total unpaid invoices at any given point in time, exceeding the DFAS goal of 2 percent. As an example of DFAS's timeliness, our CRAF commercial airlift partners are paid within a seven-day period, for a total of approximately \$3.7 billion annually.

Q *Recently, USTRANSCOM earned a first place award in the DoD Check It Campaign. The Check it Campaign is an effort to heighten awareness on the importance of effective internal management controls. Can you describe this campaign further, and explain how it has impacted USTRANSCOM?*

A First, let me say that I'm very proud of my staff and the USTRANSCOM staff for winning this award. Winning the Check It Campaign has brought visibility and heightened awareness of the MIC program within the command. This has generated interest, unrivaled enthusiasm, and increased understanding of the importance of the MIC program.

On July 28, 2006, DoD launched the Check It Campaign to heighten awareness on the importance of effective internal management controls. The program's slogan is "Check it. What gets checked gets done." The Check It Campaign enhances our MIC program by aiding in the recognition of MIC issues and improvements made throughout the year to be included in our annual statement of assurance to the Office of the Secretary of Defense.

During Phase One of the Check It Campaign, DoD concentrated on communicating awareness each month for various functional areas. Phase Two focused on process improvements. DoD developed a biannual (February and August) contest starting in February 2008 to recognize components that can provide the best evidence of improvements to a process as a result of checking it.

The designation of USTRANSCOM as the DPO in September 2003 by then-Secretary of Defense Donald Rumsfeld was the principal event leading to groundbreaking advancements in developing improved distribution solutions.

USTRANSCOM provided input for the August 2008 Check It Campaign and tied for first place out of 26 applications received by the DoD Comptroller. To merit this esteemed recognition, we focused on USTRANSCOM'S continued efforts and innovations as the DPO and our national partners in the JDDE.

Specifically, our Check It Campaign submission included the following:

- Summarized the DoD distribution problem (from the Joint Logistics [Distribution] Joint Integrating Concept)
- Identified the Distribution Transformation Task Force and its members as the actors involved in solving the problem
- Described the Joint Deployment Distribution Operations Center and Joint Task Force-Port Opening as examples of world-class solutions
- Exhibited the USTRANSCOM strategic plan as the road-map of ongoing improvement actions
- Documented DPO cost savings as a quantitative measure of improvement.

Q *During an average week, USTRANSCOM conducts more than 1,900 air missions, with 25 ships under way and 10,000 ground shipments operating in 75 percent of the world's countries. How do you enable your organization to maintain the increased current operational tempo while also keeping focused on long-term issues?*

A USTRANSCOM is always focused on its operational readiness to perform its core missions, and in particular, to globally project strategic national security capabilities. The TWCF is a very important tool in maintaining this

readiness, as it helps us to perform our wartime mission every day. The TWCF allows USTRANSCOM the flexibility to surge when necessary. The key is maintaining the minimum cash balance.

Further, whether the nation is at peace or at war, the buyer-seller relationship established between USTRANSCOM and our customers is good for our customers and the American taxpayer. It allows USTRANSCOM to focus on developing a wartime transportation system with peacetime utility seamlessly built in—using the same tax dollar to train for war and provide a peacetime by-product. It also allows customers to more accurately plan and budget for transportation requirements, as rates generally remain stable throughout the fiscal year.

Over the long term, as our heavy footprint in U.S. Central Command is reduced, the TWCF will face the same conundrum it faced in the pre-Global War on Terrorism days. Workload in the Defense Transportation System—the demand side of the TWCF—will undoubtedly drop significantly. If TWCF was a no-kidding business, we would respond by reducing our transportation capacity—the supply side of the equation—in concert with the demand drop. However, unlike a primarily demand-driven commercial business, we are driven by supply. No matter how much the workload in DTS goes down, we are limited in our ability to reduce transportation capacity because of our responsibility to maintain a wartime surge capability. Military aircrews must be seasoned, and commercial air and surface carriers must receive enough peacetime business to remain committed to us in wartime. From a DoD big-picture perspective, it is most cost-effective for the Services and agencies to take advantage of this capacity by keeping workload in the DTS, rather than abandoning it. We are working aggressively to minimize the supply-demand gap. We've made smart (but safe) reductions to our flying hour requirements (supply), and are reaching out to new customers—such as foreign military sales. But ultimately we must keep our meat-and-potato customers in the DTS.

Q *Are there any other areas that you would like to discuss with our readers?*

A We don't try to measure our value to the warfighter by our proximity to the battle—we are physically far removed. However, we do measure our value by how well we enable warfighters to succeed at their mission—and we are very proud of our soldiers, sailors, airmen, and Marines engaged worldwide, not only those fighting in the Global War on Terrorism but also the men and women posted where our national interests require us to stand.

Q *Mr. Bentley, thank you for your insights and for your time.*