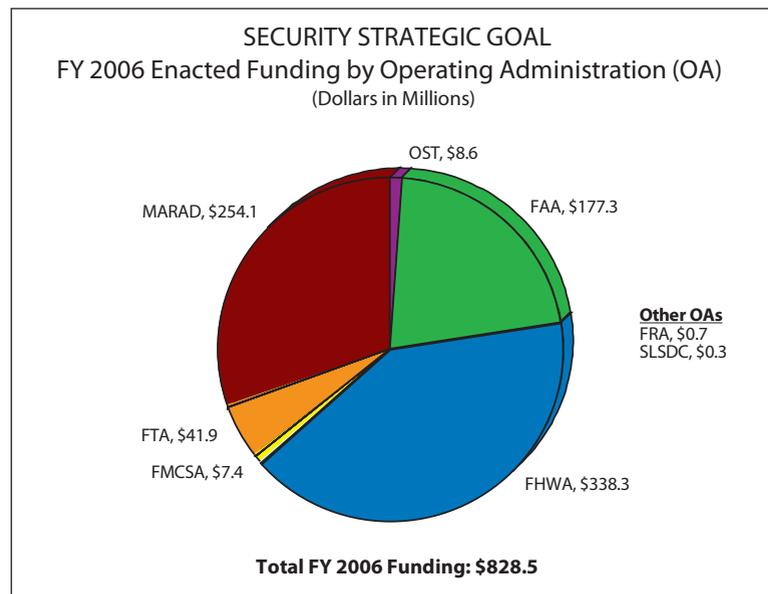




SECURITY STRATEGIC GOAL

BALANCE HOMELAND AND NATIONAL SECURITY TRANSPORTATION REQUIREMENTS WITH THE MOBILITY NEEDS OF THE NATION FOR PERSONAL TRAVEL AND COMMERCE

FY 2006 ENACTED FUNDS: \$828.5 MILLION



STRATEGIC OUTCOMES

- All modes have implemented steps that would prepare them for a rapid recovery of transportation from international harm and natural disasters
- The U.S. transportation system meets National security requirements

PERFORMANCE MEASURES

- Percent of DoD-required shipping capacity complete with crews available within mobilization timelines.
- Percent of DoD-designated commercial ports available for military use within DoD established readiness timelines.
- Transportation Capability Assessment for Readiness Index Score (New measure in FY 2005).



STRATEGIC MOBILITY

**FY 2006 ENACTED FUNDS
\$254.1 MILLION**

The Department of Defense (DoD) relies heavily on the U.S. commercial sector for surface cargo movement and sealift in order to maximize its logistics capabilities and minimize cost. The ability of the United States to respond to military contingencies requires adequate commercial and government-owned U.S.-flag sealift, the use of associated maritime infrastructure and skilled U.S. maritime labor. DOT manages four programs that help make these resources available to DoD.

DOT, through the Maritime Administration (MARAD), operates the Voluntary Intermodal Sealift Agreements (VISA) program as the means used by the Department of Defense (DoD) to pre-plan the availability of militarily useful commercial vessels for DoD use in times of emergency. VISA constitutes DoD's official emergency preparedness program for sealift. Approximately 77 percent, of the ship capacity enrolled in VISA is from the 60 U.S.-flag commercial vessels receiving Maritime Security Program (MSP) payments, managed by DOT. The remaining component of vessels enrolled in VISA is made up of ship operators transporting Federal Government preference cargoes and domestic cargoes. These operators are required to provide varying levels of ship capacity to VISA. All ships enrolled in VISA must commit certain percentages of their vessel capacity and use of their related intermodal transportation resources to DoD. In 2006, MARAD implemented the newly reauthorized MSP. The reauthorization expanded the program from 47 to 60 ships and increased the payment levels to MSP ship operators.

The Ready Reserve Force (RRF) is a fleet of 48 government-owned, militarily useful cargo ships that are owned and maintained by DOT and made available to DoD to support the rapid, massive movement of military unit equipment and supplies in times of emergency or war. These ships are also available for emergency response after domestic natural disasters. During 2006, the number of vessels assigned to the RRF fleet decreased by 10 ships. The Department of Defense determined that the RRF should reduce to 48 ships due to changing sealift requirements and shifting funding priorities. This resulted in the shift of two Lighter Aboard Ship (LASH) vessels, four crane ships (TACS) and four small Roll-On/Roll-Off (RO/RO) vessels out the RRF.

MARAD also supports mariner education programs to help produce new merchant marine officers. In 2006, approximately 40 percent of these new mariners had an obligation to serve in the U.S. Navy Reserve/Merchant Marine Reserve for a period of six years. All of these graduates help to replenish the "pool" of mariners available to crew the RRF in times of need and to crew U.S.-flag commercial ships.



The ability of the United States to respond to military contingencies also requires the availability of adequate U.S. commercial port facilities. DOT, through MARAD, is responsible for establishing DoD's prioritized use of port facilities and related intermodal services and facilities during DoD mobilizations to ensure the safe, secure, and smooth flow of military cargo through the commercial U.S. transportation system while minimizing commercial cargo disruptions.

DoD, in conjunction with MARAD, negotiates a Port Planning Order with each designated strategic port, specifying which facilities will be needed to conduct a military deployment. The port is expected to be able to make these facilities available to the military within 48 hours of written notification. If a port forecasts that it will be unable to provide the specific facilities, or



© AP Photo/Elaine Thompson

provide acceptable alternative facilities within 48 hours, it will report that it is not available. MARAD conducts strategic commercial port planning and readiness activities to help ensure the availability of these ports for DoD use in times of emergency. These port planning and readiness activities include chairing the National Port Readiness Network (NPRN), monitoring port facility availability, maintaining security clearances at the strategic ports, maintaining security communication equipment at the strategic ports, participating in port readiness committee meetings and port readiness exercises, completing semi-annual enhanced port

readiness assessment reports, participating in area maritime security committee meetings, participating in American Port Authority Association (AAPA), Transportation Research Board (TRB), and National Defense Transportation Association (NDTA) activities, and leading the NPRN strategic port study. The port planning and readiness activities continue to train commercial port employees and help coordinate military deployment and redeployment moves through the strategic ports. DoD did not experience any strategic port delays in 2006.

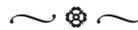
2006 Results. DOT did not meet the performance target. In April 2006, MARAD was directed by the Commander of the United States Transportation Command (USTRANSCOM) to remove ten vessels from the RRF to the NDRF by July 27, 2006. Prior to this direction, the vessels had been maintained and kept in good repair to successfully activate in accordance with their prescribed time frames. With the concurrence of USTRANSCOM, MARAD immediately ceased all maintenance and repair in April on these vessels and commenced preparation for long term storage at the National Defense Reserve Fleet site.

Performance Measure				
Percent of DoD-required shipping capacity complete with crews available within mobilization timelines				
	2003	2004	2005	2006
Target	94	94	94	94
Actual	96	94	95	93



By immediately discontinuing the preventative maintenance programs and ongoing repairs on these vessels, MARAD was able to avoid approximately \$6.0 million in planned costs for the management and repair of these ten vessels. These savings were applied to the necessary actions for long term lay-up of the vessels at the NDRF sites and to pay for cancellation of the Ship Manager Contracts on these vessels. Additional savings were applied to deferred maintenance and service life extension projects on the balance of current RRF vessels.

FY 2007 Performance Forecast. DOT expects to meet the FY 2007 target.



2006 Results. DOT met the performance target. From 2003-2006, DoD has not experienced any port related delays in its execution of the deployment and redeployment of Operation Enduring Freedom/Operation Iraqi Freedom troops and equipment. However, current congestion and the impact of anticipated trade growth on the

Performance Measure				
Percent of DoD-designated commercial ports available for military use within DoD established readiness timelines				
	2003	2004	2005	2006
Target	92	92	93	93
Actual	86	93	87	100

exhausted and limited physical capacity of strategic ports may make it difficult for DOT to meet this performance measure in the future. A draft NPRN report nearing completion reviewed the strategic port system, military requirements, and readiness timelines. The report is expected to conclude that all the strategic ports are necessary to meet the national military objectives and provide operational flexibility and redundancy and that, based upon industry views and independent data, congestion and lack of port infrastructure will continue to challenge the strategic ports' ability to meet both commercial and military surge requirements without commercial disruption. The NPRN draft report provided data to a DoD report that was requested by Congress after strategic ports expressed concerns about congestion and their future ability to meet military deployment requirements in a more congested transportation system. The expected completion date for the DoD report is October 2006. DOT will incorporate study findings into future planning and continue working with DoD to identify other possible solutions that better match requirements with availability at the individual port facilities.

FY 2007 Performance Forecast. DOT expects to meet the FY 2007 target. During FY 2007, MARAD will work with DoD and the industry to insure that every effort is made for clarifying and anticipating requirements to minimize the impact on commercial cargo flow while providing timely and sufficient port facilities for military deployments.