

Extending the 1st Theater Sustainment Command's Reach Into Central Asia

The Surface Tender U.S. Central Command Region program enabled the 1st TSC to increase cross-border commerce between Afghanistan and its neighboring countries.

■ By Lt. Col. Tim Hansen

The 1st Theater Sustainment Command (TSC), a key Army logistics unit managing sustainment and retrograde operations in Afghanistan, successfully expanded an economic development initiative aimed at increasing cross-border commerce between Afghanistan and its neighboring countries in Central Asia.

The Surface Tender U.S. Central Command (CENTCOM) Region (STCR) program provides transportation for locally purchased goods and materials through locally hired commercial truck companies. The program is designed to create a basic transportation procurement system that enables direct participation by regional and local carriers. The main customers of the program are the Defense Logistics Agency, the General Services Administration, and other U.S. government entities.

Background

In September 2011, Marine Corps Gen. James N. Mattis, then CENTCOM commander, signed and issued Command Policy Letter 40 concerning the economic development of Central Asia in support of U.S. security cooperation and engagement missions. The policy letter specifically addressed the capacity expansion of the Northern Distribution Network (NDN), the system of highways and railways extending from Riga, Latvia, to Afghanistan.

This policy letter provided a way for the U.S. government to shift its focus from military actions in Afghanistan

to regional economic development. As part of a more comprehensive and strategic policy toward Central Asia, this letter provided the foundation for initiatives such as the STCR program. Key to STCR is the imperative of directly supporting the CENTCOM and International Security Assistance Force goal of transporting 75 percent of supplies into Afghanistan via the NDN.

According to the CENTCOM Deployment and Distribution Operations Center (CDDOC), the purpose of the STCR program was to address "the sub-optimal local purchase performance resulting from an elevated transportation rate structure above commercial market pricing." In other words, the rates of local carriers are known to be considerably more reasonable than international carriers. Cost effectiveness is a critical element to 1st TSC operations because the command takes pride in its good stewardship and conservation of resources.

Concept of Operation

CENTCOM implemented the STCR program in three phases. This incremental approach allowed local trucking companies the time to learn the rules and standards of commercial transportation and the expectations of the U.S. government.

The outcomes of the STCR initiative included:

- Establishment of accepted trade and transit practices.
- Development of an adequate road and highway infrastructure.

- Support of local procurement.
- Lower shipping costs.

Phase I. In the first phase, the CENTCOM J-4 defined STCR policy and the CDDOC ran a pilot program supporting local purchases. The CDDOC captured lessons learned for the essential program management capabilities needed in the subsequent phases. This pilot program ran from April through September 2011 and served as a proof of principle for the program's feasibility. The total cost of Phase I deliveries was \$103,000.

Phase II. The second phase involved transition and expansion and ran from October 2011 to January 2012. CDDOC acted as the program manager. Third Army/U.S. Army Central executed the program and assigned the 1st TSC to increase capability to handle local trucking companies and related services in support of all U.S. government agencies. During this phase, local companies successfully made three deliveries at a cost of \$250,000. According to the Defense Logistics Agency, the STCR transportation costs were an average of \$155 less per kilometer than previous shipping contract costs.

Phase III. The third phase is enduring operations that began in February 2012 and will last beyond the completion of the U. S. and coalition retrograde. The desired end state of this phase is the continuation of cross-border commerce between

Afghanistan and its Central Asian neighbors. This phase is event-driven because changes in the operation dictate force realignments and repositioning. Despite the fluidity of this phase, as of July 22, 2012, 14 tenders had transited the NDN through the STCR program. The program's initial funding was \$1.3 million and may increase to \$4.3 million.

The Bidding Process

The STCR program is a one-time bid for local trucking companies that are registered with the program. Before registering, all carriers must sign a generic tender, a written statement of expectations. The carriers also must provide two points of contact and be available 24 hours a day by email or telephone.

STCR releases the tender for bid and has one day to vet and award the carrier a mission. All valid bids are evaluated according to two criteria: price and past performance. The carrier receives a completed tender to sign and has 24 hours to respond with acceptance.

Essential Paperwork

The driver must have the following paperwork before heading to pick up cargo: a customs clearance request, a letter of introduction, and letters of

authorization for Kazakhstan, Kyrgyzstan, and Tajikistan.

The customs clearance request and letter of introduction will be sent to the U.S. Embassy in Kabul for processing. The carrier has complete responsibility for all customs processing. The carrier's Department of Defense Form 577, Appointment/Termination Record—Authorized Signature, and commercial bill of lading must be signed by a U.S. government employee and then sent to STCR.

Performance Criteria

The STCR program evaluates all carriers based on the following five criteria: on-time pick up, on-time delivery, on-time daily in-transit visibility reports, complete/safe delivery status, and equipment used. Scoring begins with the tender award and is used in bidding on future tenders. As with the success of most businesses, time is a key factor.

Although the STCR program is still young, the wheels of progress are turning. The NDN is working and is gaining interest as a significant regional economic boost.

As profits are realized, the Central Asian republics may become more open to other U.S. business ventures

and the promise of greater regional economic expansion. Most importantly, the cross-border traffic will promote cooperation and stability. In addition to the positive economic influence on the participating countries in the future, the U.S. expects to save significantly on the cost of alternative shipping arrangements.

The 1st TSC's management of the STCR program fully supports U.S. strategic economic objectives and CENTCOM theater logistics requirements. As the U.S. retrogrades troops and equipment from Afghanistan, the STCR program will endure and provide a means for Central Asian states to gain greater autonomy and benefit from a continued partnership with the United States.

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Surface tender awaits clearance at Port 1, Hairatan Gate, Balkh province, Afghanistan.