

**COMMISSION ON
THE NATIONAL GUARD AND RESERVES**

**HEARING ON INTEGRATED ACTIVE AND RESERVE
FORCE MANAGEMENT – IMPACT OF RESERVE
COMPONENT PERSONNEL, COMPENSATION POLICIES**

WITNESSES:

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PATRICIA LEWIS: Good morning. Welcome. This morning, the Commission on the National Guard and Reserves is continuing its exploration of the components of integrated active and reserve force management. Yesterday, we received testimony on DOD policy from senior civilian leadership. Today we hope to get a more operational perspective from the senior total force personnel managers in each service.

As discussed yesterday, many of our current force management and personnel policies are seriously out of date for today's highly operational reserve force, and are in many ways still based on a human capital strategy that dates from the late 1940s and was designed for a post-World War II force, filling roles and missions that are very different from today.

Chairman Punaro asked me, as chairman of the Commission's Personnel Subcommittee, to take the gavel today, as an unexpected conflict developed that precludes his attendance.

Fifty years later, we need a human capital strategy for the 21st century, a strategy that reflects a new paradigm for how we recruit, retain, manage, compensate, and employ a sustainable force to meet the nation's national security requirements. In this environment, the old active and reserve stovepipes make little, if any, sense. Integrated active and reserve force management envisions very different ways of doing business. Within your service, how do you manage programs like recruiting, retention, assignment policy, and joint professional military education for an integrated active and reserve force? Are recruiters, for example, given goals and provided incentives to recruit for both active and reserve components – including the National Guard, in the case of the Army and Air Force? Does a recruiter get the same credit for putting a young man or woman into the Reserves as the active force? What credit does a retention NCO get for convincing a young man or woman who no longer wants to remain on active duty to sign up for the Reserve or National Guard?

For this panel, we welcome Lieutenant General Michael Rochelle, U.S. Army, deputy chief of staff, G-1; Rear Admiral Edward Masso, U.S. Navy, commander, Navy Personnel Command, and deputy chief of Naval personnel; Lieutenant General Roger Brady, U.S. Air Force, deputy chief of staff, manpower and personnel; and Lieutenant General Ronald Coleman, U.S. Marine Corps, deputy commandant for manpower and Reserve affairs.

One of the central elements of integrated force management is a true continuum of service. Although the phrase continuum of service appears frequently in testimony and documents, there's a wide range of interpretations as to what constitutes a continuum of service. Two basic underpinnings are a reduction in the number of duty status categories and the implementation of an integrated pay and personnel system. Both are

vital to make transitions from reserve to active status and back again, potentially on multiple occasions, more seamless and less painful than today's processes.

In addition, however, there are a number of complicated, interlocking issues that range from separate personnel management systems to very different opportunities to punch the tickets that are needed to be competitive for selection to the most senior positions within the military services, DOD, the Joint Staff, and the combatant commands. We ask each of you to address these force management issues from your services' perspectives in terms of new ways of doing business that have either been implemented or are underway, and also in terms of existing stovepipes that still need to be addressed.

We thank you all for being here this morning and for your dedicated service to the nation. Without objection, your written statements will be made a part of the hearing record, and we will proceed with your oral comments.

General Rochelle, would you like to start?

GENERAL MICHAEL ROCHELLE: Good morning, Madame Chair.

MS. LEWIS: Thank you.

GEN. ROCHELLE: Thank you so very much. Chairman Lewis and distinguished members of the committee, thank you for providing me this opportunity to appear before you today on behalf of America's Army.

The complexities and the dynamics of how we utilize our volunteer forces from all components have evolved significantly since we engaged in the global war on terror. Utilizing our forces effectively requires a seamless integration of active and reserve military, civilian employees, and support contractors into a diverse, cohesive, total force and a rapidly tailorable force structure. Today I present my perspective of managing that total force under the current operational environment.

This year marks the sixth year that our reserve component has augmented and reinforced our active component in support of the global war on terror. Since September the 11th, 2001, 382,860 reserve component soldiers have been mobilized. Our active component, at just over 500,000 strong, is still less than 40 percent of its size 35 years ago. The reserve component has stepped into the gap and completed the mission time and time again for the nation.

I believe we can and must improve our effectiveness in how we manage our total force personnel. We must optimize the service of every person and every capability through a seamless integration of the total force. We must optimize and integrate the use of knowledge, skills and abilities of each individual in the accomplishment of our Army mission. Now more than ever before we are one Army, with active and reserve forces

serving together around the globe. Now more than ever we must ensure that we capitalize on the investment we have placed into each soldier as part of the total force.

The implementation of a true continuum of service for the Army is of paramount importance to both our total force management and human capital strategies. The Army is striving to implement continuum of service as part of its total force management strategy to enhance readiness; improve access to its most precious resource, its soldiers; maintain critical soldier skills, capabilities and experience for current as well as future needs. We define continuum of service as the ability to transfer an individual from one component to another in a seamless, efficient manner that meets the needs of the soldier and the readiness requirements for the total Army. There should be no degradation in personnel management, career opportunities, or benefits. And when a soldier receives assignment orders to an Army unit, regardless of the gaining or losing unit's component, he or she should not suffer setbacks in terms of benefits, family care, promotions, utilizations, whether personally or professionally.

Our all-volunteer Army is recruited under conditions not foreseen when the draft ended in 1973. An improving economy, lower unemployment, decreased support from key influencers, and the continuing global war on terrorism present significant challenges. Additionally, the citizen soldier of the reserve component – citizen soldiers of the reserve component are faced with the repeated issue of balancing civilian employment with duty as a soldier. Enlisting in the reserve component today is a much bigger commitment than years ago.

To date, the active Army and the Army National Guard have met their recruiting missions, with the latter enjoying unprecedented recruiting success. Army Reserve recruiting lagged at the beginning of the year, but through a renewed focus, we expect to be back on track with year-to-date goals by the end of June. All components are projecting successful annual missions for fiscal year '07.

The Army is fully committed to our families. In an all-volunteer force, caring for Army families is vital to sustaining the commitment of our soldiers. And as I just mentioned with respect to continuum of service, our Army families are key to any improvements we make in aligning our processes for improving transitions between components. Our soldiers and family members must know that regardless of component or type of service, that our commitment to total Army families is equal to their contributions and their sacrifices to the nation.

In conclusion, the Army National Guard and Army Reserve remain vital to the Army and to the nation. It takes the total Army to sustain the force required to fight and win the global war on terror. Our Army is strong. We continue to meet our worldwide commitments and provide the best-led, best-trained, best-equipped soldiers to combatant commanders. We need the continued support of our Congress for the resources to maintain and grow our Army over the long war.

I thank you for the opportunity to appear before you today and look forward to taking your questions.

MS. LEWIS: Thank you, General Rochelle.

GEN. ROCHELLE: Thank you.

MS. LEWIS: Admiral Masso?

ADMIRAL EDWARD MASSO: Madame Chairman and distinguished commissioners, it's an honor to be here today representing Navy's total force. My participation is perhaps one of the most telling examples of the extent of Navy's commitment to true total force. As a career Naval Reservist, I am currently recalled to extended active duty, and have been for the past three years, and serve presently as deputy chief of Naval personnel and commander, Navy Personnel Command. As such, I am fully engaged in Navy's total force integration effort. In my new dual role, I retain oversight responsibility for task force individual augmentation, serve as the human resource community leader, even as a surface warfare officer, and I am chief operating officer for the manpower, personnel, training and education enterprise. Collectively, these functions ensure my continued engagement in shaping Navy's total force with the right fit versus fill, active and Reserve integration, and active and Reserve recruiting efforts.

The men and women of the United States Navy, active and reserve, civilian federal employee and contractor, continue to perform exceptionally well, helping bring certainty to an uncertain world. Navy's total force continues to perform our traditional at-sea role while increasing support in non-traditional mission areas such as counterinsurgency, counterterrorism, civil military operations, and humanitarian aid delivery. We are sustaining core capabilities in readiness while building a future fleet increasingly capable of applying influence from the sea, across the littorals, and ashore. Essential to providing this dynamic and capable workforce is allowing sailors the opportunity to serve and re-serve over the course of a lifetime.

Our sailor-for-life philosophy removes administrative and policy impediments, allowing flexibility to transition between statuses, manage a civilian career, pursue advanced education, and account for unique life circumstances. Our goal is to enable sailors to seamlessly take off-ramps to reserve duty and on-ramps to return to active duty. An effective continuum of service will create the sailor-for-life, always ready to surge in support of national interests.

Last year the manpower, personnel, training and education domain became the Navy's single manpower resource sponsor, responsible for oversight of resourcing and manning all active and reserve end-strength. This centralized authority and accountability enables Navy leadership to look across the entire service to identify and prioritize the work to be performed in delivering optimum war-fighting capability.

For the past five years, we focused on sizing the force to ensure that we had the right number of billets and that we were filling every billet with a sailor. Today we are focused on shaping and stabilizing the force, ensuring the right fit – that is, identifying the knowledge, skills, and abilities required by a billet and those possessed by the sailor filling the billet, ensuring that we can easily adjust to emerging war-fighting requirements. This shift in focus from fill to fit requires profound changes in recruiting, personnel management, training and compensation processes which are increasingly inadequate to deliver tomorrow's force.

Cold War recruiting and retention strategies will not sustain us, faced with a shrinking talent pool and decreased propensity for military service. Major demographic shifts, reflecting significant growth in immigrant and minority populations, present new challenges while offering opportunities to leverage the increasing diversity of society. A Navy that reflects society's diversity will be a stronger, more cohesive and more capable fighting force. As low unemployment and sustained economic growth increase competition for the best and brightest talent in our nation, meeting recruiting goals will become increasingly challenging.

Retention dynamics are also changing, as a new generation of sailors enters the force increasingly likely to forego traditional career-long relationships with a single employer, opting instead for frequent job changes during a career. Increased availability and variety of career choices, portable incentive packages, multiple training and education opportunities, and increased competition for technologically savvy youth contribute to this new dynamic.

Through active and reserve integration, we have made significant strides towards a true total force. ARI aligns active and reserve units to achieve unity of command, leverages budgetary and administrative efficiencies, and places resources and capabilities under the authority of a single commander. We have co-located active and reserve strength planners and community managers and implemented total-force business rules and models to manage manpower. We've realigned active and reserve regions to improve communications and provide mutual support, optimizing resources and making them more accessible across the Navy. We've re-designated Navy Reserve centers as Navy operational support centers to better meet fleet and combatant commander requirements by providing integrated operational support to Navy and joint commands worldwide.

We are fully integrating active and reserve component personnel to efficiently and effectively execute current and emerging missions in an uncertain and constantly changing world. Active and reserve sailors, supported by federal civilian employees and contract personnel and bolstered by their dedicated families, are physically and mentally prepared. We have sized and shaped our total force based on current and projected war-fighting requirements, and we are building a more flexible personnel management system capable of responding rapidly to the ever-changing security environment.

This concludes my opening statement, and I look forward to your questions.

MS. LEWIS: Thank you very much.

ADM. MASSO: Yes, ma'am.

MS. LEWIS: General Coleman?

GENERAL RONALD COLEMAN: Commissioner Lewis, distinguished members of the Commission, it is my privilege to appear before you today to discuss Marine Corps Reserve personnel in the context of total force management.

As one of the five divisions within the Manpower and Reserve Affairs Department, Reserve Affairs Division is an equal partner in the total force development and management of our Marine Corps manpower and personnel programs. This year marks the sixth year that our reserve component has augmented and reinforced our active component in support of the global war on terror. Our reserve component possesses the capabilities to fight across the full spectrum of conflicts to support our Marine Air-Ground Task Force. As of 1 June 2007, 41,615 Marine Reserves have been mobilized since 9/11. More than 6,400 Reserve Marines are currently on active duty, with nearly 5,100 serving in reserve ground, aviation, and combat support units, while over 1,200 serve as individual augments in both Marine Corps and joint commands.

The Marine Corps Reserve continues to recruit and retain quality men and women willing to serve our country and to help our nation fight the global war on terror. These men and women do so while maintaining their commitments to their families, their communities, and their civilian careers.

You have my written statement for the record, but I would like to stress three points. First, the Marine Corps achieved its fiscal year 2006 Reserve enlistment recruiting goals, with the accession of 5,880 non-service – non-prior-service Marines, and 3,165 prior-service Marines. For fiscal year 2007, as of June 1st, we have accessed 2,172 non-prior service and 2,701 prior-service Marines. We expect to meet our Reserve training goals again this year.

Second, the Marine Corps has also exceeded our reserve retention standards in fiscal year '06, the fifth consecutive year above our pre-nine – historic retention levels. For the current year, Marine Reserve officer retention remains above historical norms. Enlisted reserve retention is currently slightly lower than in recent years and is being monitored very closely. It is important to note that the higher planned retention in the active component, as it grows to 200,000, will reduce the number of personnel transitioning into selective Marine Corps Reserve. Additionally, as a result of new incentives aimed at encouraging Marines to remain on active duty, the Marine Corps anticipates greater numbers of Marines from the Reserve component to volunteer for full-time active duty with the active component. Overall, maintaining 39,000 reserve end strength will continue to be a challenge, but a challenge we look forward to filling.

Third, the Marine Corps takes very seriously the policy of continuum of service and believe that to be effective, it must be backed by processes. We feel that the most important process to achieve a continuum of service is, one, a fully integrated pay and personnel system for both regular and reserve components. The Marine Corps has such a system. The Marine Corps Total Force System, MCTFS, is one of our service crown jewels and greatly enhances the integration of total force Marine Corps by enabling Marines, both active and reserve, to seamlessly transition from one duty station to the next without loss of pay or record of service. MCTFS is one of the very significant ways the Marine Corps is making the seamless transition from active and reserve components a reality.

Thank you for the opportunity to appear before you today, and I look forward to answering your questions.

MS. LEWIS: Thank you, General Coleman. General Brady.

GENERAL ROGER BRADY: Yes. Commissioner Lewis, distinguished members of the Commission, thank you for the opportunity to appear before you today to talk to you about the Air Force and our efforts in managing our total force.

Total force integration is the strength of the United States Air Force. The total force concept lies in the consistency of our equipment, training standards, and our deployment construct. The AEF deployment cycle allows optimization of the Air National Guard and Air Force Reserve, with the related commensurate decreased reliance on mobilization to fill requirements. Despite a very high operations tempo, through the AEF construct we have met all combatant commander requirements, maximized our airmen and their families' quality of life by injecting predictability, and integrated Air Reserve component forces to meet requirements. Our AEF predictability and structure protects the vitality of the Guard and Reserve and reaps maximum utility of the talent that they bring to the fight. It is very clear that we are using our Guard and Reserve as an operational force. We now have a greater reliance on the capabilities of the Guard and Reserve to support operational missions and the expectation is that this increased reliance will continue.

The operational reserve is different and has different requirements than a strategic reserve. It is no longer appropriate to manage the ARC as though it is still primarily a strategic reserve. We're employing force management tools to recognize the enhanced operational nature of reserve service. Through total force integration, we've implemented measures to seamlessly employ the use of forces across the components in operational missions. We can mix a unit of active Guard and Reserve forces; in fact, we purposely do so. Our Air Reserve component is a force multiplier.

As an integral part of this highly skilled team, the Guard and Reserve train to the same high standards set by the active duty. They operate the latest equipment and participate in every mission across the spectrum of operations. Since we have common standards, common equipment, and common training, it is of no relevance who

commands a unit that goes forward. Last week I visited one of our largest wings in the Central Command area of operation. The wing commander, an active duty officer, has six groups under him made up of active duty, Guard, and Reserve forces. Four of the six groups are commanded by Guardsmen, four men and two women. We are one Air Force.

Currently we're in the process of creating one staff at headquarters Air Force to manage the total force personnel system. This integrated staff will issue personnel policies that have a total perspective from the very outset, and there will only be differences as policy for the components where law or operational requirements would dictate. As we bring on board the Department's new human capital management system known as DIMHRS, I have signed an agreement with both the head of the Air National Guard and the Air Force Reserve that says we will not allow any unnecessary separate development of this system.

Guard, Reserve, and active duty airmen who deploy and serve alongside each other are hardly aware that they are from different components. Total force synergy is a force to be reckoned with. One significant demonstration of the transparency of components happened in June last year when two Air Force F-16 jets diverted from a planned mission, carried out an air strike, dropping munitions on the safe house occupied by Mr. al Zarqawi. The formation was led by a Guardsman with an active duty wingman. The Guardsman was from one state, temporarily assigned to a second state, flying an aircraft from a third state that was being maintained by a mix of active and reserve component airmen. Commissioners, that is what we mean by total force integration.

The Air Force has been very effective in our ability to get maximum utility from training to improve total force readiness. Our continued strength and the force – and the future of our force effectiveness rely on how much we adhere to these concept and main access to the ARC through volunteerism. Access to the full complement of forces and the ability to continue to readily bring the force to bear is critical. Our model allows us to provide options to the Air National Guard and the Reserve to take on missions of their choice that best fit their availability. We are convinced that our transformation efforts are on target. We'll continue to work issues with continuum of service and continuity of health care.

We have over 30,000 total force airmen deployed in support of the global war on terror and, in many respects, the families of these airmen are at war as well. Our focus is the care of our airmen and their families to allow them to not be so inordinately concerned with their families while serving. To meet their needs, our Air Force community support programs and services are in place for both married and single total force airmen, whether at home or deployed.

The collective efforts of active, Guard and Reserve forces continue to yield tremendous successes for the joint team and the nation. Today's airmen are performing at the high standards that have been our hallmark for as long as there have been American airmen. The Air Force has taken prudent action to ensure we remain the most respected

air and space force in the world. We appreciate your unfailing support, your interest in this very important topic, and I look forward to your questions.

MS. LEWIS: Thank you very much. And thank you all for your testimony, and thank you for your service, and we're very pleased to have you with us here today. You have all recognized that our service members are serving in an integrated fashion and accomplishing that quite well, and our objective in – one of our objectives in this oversight hearing is looking for ways to remove administrative obstacles so that they can further their careers as they move back and forth.

The phrase continuum of service appears frequently in testimony and documents, and it's subject to a wide range of interpretations. It is generally understood that continuum of service would facilitate the seamless transition of individual reservists on and off of active duty to meet mission requirements over the course of a military career. Most advocates of this approach agree that enhancing the continuum of service would entail reducing the number of reserve duty status categories and implementing an integrated pay and personnel system.

But creating a true continuum of service would require in addition that a number of very complicated issues regarding pay, retirement and personnel management policies be addressed and resolved. I'd like to ask each of you to briefly identify your key – your view of the key elements needed to create a true continuum of service. And I know that each of you has touched on some of those in your prepared remarks, but if you could, so we could get for the record a summary of those.

General Rochelle?

GEN. ROCHELLE: Thank you, Madame Chairman.

First of all, let me say that I believe that our – our global war on terror has caused us to revisit fairly substantially the notions and the differences between a strategic Reserve and an operational Reserve, and we very much today have an operational Reserve. Continuum of service, as I see it, is an outgrowth of that. And your question is what are the key elements? I think there are three, three key elements.

The first is, as has been said by all of my distinguished panel members here today, is a common information – a human resource information management system that is functional without adaptation across all components. That's critical, and I believe DIMHRS is the solution for that. The second, in my opinion, is health care, revisiting health care for our reserve components. This is especially significant for the Army, given our Army force generation model which, as I'm sure your members of the panel – Commission – know, is – for our reserve component, seeks to have individual units, comprised of soldiers, of course – reserve component soldiers, active component soldiers – available on a 1:5 or 1:6 cycle. As we – as we get those units ready for – to deploy, in the deploy or ready pool, it's critical that – for readiness – that we have them medically prepared for whatever the Army and the nation will ask of them.

The third – and I think that will cause us, by the way, to revisit exactly when our soldiers are eligible, reserve soldiers in particular, are eligible for the same health service and health care that our active component are entitled to.

And the final of the three is systems that – grouping of systems that allow us to look at promotion, allow us to take care of the service members' families in much the same way, throughout that Army force generation period, that we take care of our active component families and care for their needs and concerns. As General Brady stated in his comment, the last thing we want is for airmen, soldiers, Marines, sailors to be concerned about the well-being for their – for their loved ones.

MS. LEWIS: Very good. Thank you.

Admiral Masso?

ADM. MASSO: Thank you for the opportunity to respond.

One of the critical issues is pay and personnel system, and we have chosen the Marine Corps Total Force System and, in addition to that, a common medical readiness reporting system. And we are aligned, almost in a Department of Navy structure, with the Marine Corps in both domains, where pay and personnel will be achieved in a common construct IT-wise and otherwise for active and reserve components – and as the Marine Corps has done so well, even with their retiree community. Additionally with medical readiness reporting, in that our hospital corpsmen support our fleet Marine force, you know, on a daily basis, that would be viewed as very important as well, and we are working towards those ends. We have stepped up with the investment and are actively pursuing that execution.

Additionally, we need to align IT systems, particularly from an active reserve component recruiting construct, where we can more seamlessly transition someone from the active component into the reserve component, utilizing our – our active component Navy counselors and other folks who are influencers, so that that individual never leaves the service. And when we really speak of a continuum of service, we cannot have breaks in service. We cannot take you out of the active component, leave you to your own devices while we figure out how to process paperwork, and then bring you back in, because we believe that's not only inefficient, but it's – it's wasted time where we need to bring those individuals in.

To that end, there are business rules that go with this, and there are separate business rules for the reserve component and separate business rules for the active component, given how you leave one scroll and go to another and how much time that takes to do that. We're working diligently towards providing a lean and a six sigma view of this, so facilitating it faster but also with fewer mistakes, as – as General Coleman points out so well, particularly in the pay category.

We believe we must have fewer status-of-duty categories. You know, the minimum is the best; less is more. You're either training or you're supporting operations, and you're not doing anything else. It's just that simple. You're in a training status or you're providing operational support. Today we have numerous and, it seems like we invent a new one very frequently.

And finally, I would say it is imperative for us to get to this joint qualification designation – you know, qualification, if you will. And it's not to diminish the rigor that is required presently of an active component person who obtains the JQD, but there are – there are a family of vast numbers of reserve component in the control grade, which are very critical, who have done it all. They've taken the JPME-1 through distance learning or otherwise. They've sat in the classroom for the JPME-2. They have done the tours in the joint domains. They're out there doing it every day, but yet they cannot be qualified. And until they're – unless and until they're qualified, they cannot truly support us in the manner that they're qualified – many of whom do this in their day jobs as civilian contractors, and that's not even recognized. These are the primary ingredients, we believe, that will help us truly accomplish ARI.

MS. LEWIS: Thank you. General Coleman?

GEN. COLEMAN: Thank you, ma'am. I think Admiral Masso stole my script. (Laughter.)

I'd like to point out that the Marine Corps Total Force System, or MCTFS, is exactly what Sonny has said it is. From the time you report to Parris Island or San Diego, we induct you into – into a MCTFS. And it doesn't matter if you're active, if you're Reserve. It doesn't matter if you – if you retire; we have you in the same system. The only way you ever drop out of that system, if we consciously say we no longer want you in the system. You cannot make an accident and get someone out of the system. So we can track a Marine, whether he or she is active duty or reserve, whether they're on the East Coast, West Coast, no matter where they go. So it's a – we call it our crown jewel.

The other thing I would say is that I totally agree with Sonny on the status. There are – I have before me a sheet, and we have ready reserve, we have standby reserve, we have retired reserve, we have selective reserve, individual ready reserve, inactive status, active status, IMEs, ARs. I mean, if we could – hell, I can't count how many different statuses we have. (Laughter.) If we could nick that down in any way, I think we will have accomplished something.

Thank you.

MS. LEWIS: Our chairman feels very strongly right along those same lines, and you've captured it well for him in his absence. So thank you. (Chuckles.)

General Brady.

GEN. BRADY: Thank you.

First, I would echo the comments of Mike Rochelle. A total force personnel system is absolutely critical. The Army is – is currently in the lead on DIMHRS. We are on their heels right there, and are developing our – and developing it as quickly as we can as well, and it's going to deliver great capability to us, at long last. And it's absolutely critical to know where all your people are, across the components, and be able to – to be able to find them and know what their capabilities are, what their status is. So absolutely essential.

Second point is health care. That is a – that is a huge concern, I think, of all Americans. And as we move people back and forth from – from their employer's health care system to the – to the Department of Defense TRICARE system, et cetera, that's got to be absolutely – that's got to be absolutely seamless. And those are issues that are of concern, I think, to Guardsmen and Reservists, and we've got to solve that one.

If I could make a couple of philosophical points. One, we need to think more broadly. Our National Guard and Reserve forces are a national asset. They're not just a Department of Defense asset, they are a national asset. Sometimes they work for the Department of Defense, sometimes they work for the civilian community, and we've got to figure out a way to share that cost. There are some things that the British are doing that I think are worth looking at, particularly the British army, where they have – they have some units where, say, some high-tech people that are – we would call them, in our service, we would call them communicators. The Army might call them Signal Corps people or something like that. But they tend to – also, they all work for a certain large firm that is a strategic partner in the U.K., and they work out deployment schedules and they move back and forth from their continental army, which is like their reserve, to the active army. They have a Special Forces unit that does the same thing, that moves from a Special Forces unit, and they – they work out the availability of those people with strategic relationships with the civilian community.

This is a national asset. It's an incredibly valuable asset. It's also, let's be honest, an expensive asset, and we need to figure, as we – as we all worry about. In the civilian world and in the Department of Defense we worry about the cost of manpower. It's the most expensive thing we have, and we've got to figure out how to do this better.

Finally, this is appropriately a – a hearing on the Guard and Reserve, but this is – but we have to look at total force solutions. The Air Force is probably as – as vocal as anyone – talking about how there is – there is no difference between our active duty and our Guard and Reserve. And when we go to the fight, that is absolutely, 100 percent true. But they are; both the active component and the reserve component are volunteer components. They are different by the very fact that some people choose one over the other. And so when you start looking at things like compensation, retirement, et cetera, you cannot look at the active duty – you cannot look at the Guard and Reserve in isolation from the active duty, because they affect each other. And we must continue to look at that, and look at it holistically as we go forward.

Thank you.

MS. LEWIS: Thank you very much. And I have more specific questions for each of you, but I want to give each of my colleagues an opportunity.

So Commissioner Dawson, would you like to proceed?

MR. DAWSON: Thank you, Chairman Lewis. I appreciate the opportunity, and I'm going to follow up on a point that General Brady just made now. But I appreciate – I've got limited time here, and I've got a lot of questions, and the chairman has a whip in her hand, so –

MS. LEWIS: (Laughter.)

MR. DAWSON: – keep your questions, to the extent you can, relatively concise.

GEN. BRADY: Sure.

MR. DAWSON: Yesterday, Comptroller General Walker was in here talking to the very point that you made. And his observation in his report, which you may or may not be familiar with – it just came out yesterday – was that you don't have an explicit compensation principles that guide your informed decisions. And that you don't have performance measures to gauge the effectiveness and the efficiency of your compensation strategies, and really haven't thought through how to use those tools.

Yet at the same time, the Commission heard yesterday from an Admiral Pilling, who is the chair of an advisory committee, a very distinguished one, on compensation. And the compensation study that he has done and the principles that he's put forward are very appealing, because they're – they kind of philosophically follow what I think, General Brady, you were implying. So my first question is, are you all familiar with General Pilling's nine principles for guiding changes in compensation? I'm just going to go right down the line.

GEN. BRADY: I can't quote the nine. I'm familiar with – (chuckles) – I'm familiar with his – I'm familiar with his – in fact I think I testified once before his study or commission that he did, and so I'm familiar with the work that they did.

MR. DAWSON: And I should add to that a second question, so you can answer them together at the same time. If you are familiar, do you endorse them?

GEN. BRADY: Well, I think some of it requires more – requires that we look at it a little more. I wouldn't carte blanche endorse it, no. I think what it – what it does do, though, in principle, is it gives us a lot more flexibility than we've got now, in terms of – in terms of doing, you know, pay and benefits in a way that will – that are flexible enough to meet the needs of a volunteer force as we go forward. So I think it's – they did

great work, but I think the services would all probably have varying views of different aspects of what they came up with.

MR. DAWSON: Just on the principles. I mean, I'm not asking you to get down in the weeds. Just –

GEN. BRADY: No, I think – I think that clearly we have to – we clearly have to make some changes. We also need to, though – and I told Admiral – I think it's Admiral Pilling – and his commission that we need to remember that we are not industry. We are not the civilian sector. And so we ask our people to do things that the civilian sector doesn't ask their people to do. So when people suggest to me that there's a smarter business model out there, I'm a little bit suspicious of that occasionally, because – because we're not a business. We're a service. And so I think – I think you have to continue to keep that in mind as you make changes to our pay, benefits, retirement systems.

MR. DAWSON: Okay.

GEN. COLEMAN: I apologize, sir. I'm not familiar with it.

MR. DAWSON: Okay.

ADM. MASSO: I worked for Admiral Pilling; I know Admiral Pilling. I work with LMI, the company that he's the CEO of, but I do not know his nine principles, sir. But I will find out.

MR. DAWSON: Okay.

GEN. ROCHELLE: Sir, I'm unfamiliar as well, but I would like to add that I have long been, in my personal capacity, an advocate for relooking Department of Defense, if you will, compensation strategies.

MR. DAWSON: Okay, can I – because this is unexpected. I thought you would, A, be more aware of what Admiral Pilling has done; and B, because they are written in a level of abstraction, I'm a little surprised that you're not ready to endorse it. Could I ask you, for the record, to go back and familiarize yourself with them – because I think they are very compelling; I think they are attractive at a strategic level of trying to understand what they are – and tell me where you agree and where you disagree. Tell the – I'm sorry, tell the Commission where you agree and disagree. And if you could do that for the record and do that possibly within the next 30 or 45 days, it would be appreciated.

And then the only other question I had, for the moment, was I think General Rochelle made the point in his prepared testimony that DOD has not conducted a statistically valid survey of employer attitudes for the transformation from strategic Reserve to an operational Reserve. I – I found that remark to be refreshing and candid in

the sense that I think the Commission agrees that that survey would be very useful. Do you have anything to add on that, General Rochelle?

GEN. ROCHELLE: No, sir, not – nothing significant. However –

MR. DAWSON: Any insight into why that survey's not been conducted?

GEN. ROCHELLE: Sir, I can offer no insight whatsoever on that. But I think what I'd like to do is comment once again on the move from a strategic reserve to an operational reserve and the demands that we're placing on our reserves today – are placing yet unmeasured demands on the employers for those – those reservists and their families. And I link – I link my comments with respect to health care as being one of the critical underpinnings for a continuum of service, and similarly for an operational reserve, to the employee – employer support to our Guard and Reserve. I very closely link those two.

MR. DAWSON: Okay. Thank you.

Thank you, Madame Chair.

MS. LEWIS: Commissioner Eckles.

MR. ECKLES: Secretary Gates' May 10, 2007, memo, subject: implementation of the recommendations from the Commission on the National Guard and Reserves, directs that the secretaries of the military departments ensure that National Guard and Reserve general and flag officers have the opportunity to serve in joint assignments, obtain joint experience, and acquire joint qualifications to compete for positions for which the grade of lieutenant general/vice admiral O9 or general/admiral O10 is authorized. Share with us your service's specific plans to implement the secretary's guidance.

General Rochelle, we would start with you.

GEN. ROCHELLE: Sir, I'd like to take that for the record, if I may. This is – the directive is quite recent, as you know. Having served on the Joint Staff in flag matters in the past, I know that it's – we are capable of doing that, and we have positions today commonly referred to as the chairman's 12 – the chairman's 10, the chairman's 12 –

GEN. COLEMAN: Thirteen.

GEN. ROCHELLE: Thirteen, excuse me. The key will be professional military education for joint qualifications. So if I may, I'd like to take that for the record.

MR. ECKLES: Admiral?

ADM. MASSO: Sir, we have flag officers serving in every combatant command of a joint nature today that exists. Again, as General Rochelle so well stated, the notion of the qualification of the JQD for a Reserve component flag officer is critical to allowing us to be able to go to that next level. And I know that the best-qualified for the best position will be submitted regardless of AC or RC status. But again, until we get the relief and that the joint qualification designation can be assigned to an RC officer, it would preclude us from being able to do that by law.

MR. ECKLES: All right.

GEN. COLEMAN: Sir, that's the same for us. But I would – I would point out and ask for the Commission's help in that for the Marine Corps, there is – there is no barriers, other than what Sonny spoke about, where we assign our reserve officers. But I would ask the Commission's help, and we do have a ULB out for an increase from 10 to 12 Reserve general officers, which would greatly enhance our chances, or our opportunity for our general officers to serve in more joint assignments.

Thank you.

GEN. BRADY: I would echo what my colleagues have said about PME and the opportunity for Guard and Reserve officers to serve in the joint world. That – that is a key going forward.

I would also say, however, that our leadership, General Moseley in particular, has taken a best athlete approach to general officer matters. We are required by law – for example, the Air Force has 282 general officers, authorized – 282 active duty general officers. We are required by law for five of those in that head room to be Guard and Reserve; we currently have 14 Guard and Reserve officers who are part of our active duty head room. So there's – we've been very aggressive in doing that, and we have some in the joint world, too. But I think that the key is a more rational approach, as my colleagues have said, to joint qualification, as we move forward. Because there'll be no reluctance, I don't think, to taking anything other than a best-athlete approach when we – when we nominate people for joint jobs.

MR. ECKLES: Okay. That's all I have, Madame Chair.

MS. LEWIS: Thank you, Commissioner Eckles.

Commissioner McKinnon.

MR. MCKINNON: Gentlemen, you have some of the most important jobs there is in the Pentagon. Personnel is – is the key to everything. The training of the personnel is important as well.

In the recruiting, Admiral Cotton was here some months ago and pointed out that only 28 percent of the 17 to 24-year-old group is capable of serving in the military. The

other 72 percent of that population is too obese or in prison or on drugs or doesn't have a high school diploma or can't pass the aptitude test for the military. So you've got a narrow little group of people that is your prime – prime group that you're after, and the universities are after those same people. Every employer, the police departments, fire departments, everybody else is after that same group. So I'm curious, in your strategy – because by and large, we're – marginal. I read some things that the Army has cut their standards slightly on some of the recruiting. So what's your – just to start out, what's the basic philosophy of how you're going after this particular group and how do you maintain your standards in that effort of recruitment?

General Rochelle, to start with.

GEN. ROCHELLE: Sir, this is – as you may know, this is something that I am both passionate about and quite experienced in, having spent almost four years as the head of Army recruiting immediately after September the 11th. And I believe we have – we have a national security issue here of fairly substantial proportions. Only three out of 20 young Americans today qualify for military service. Seventy percent of those who enter high school – only 70 percent of young Americans graduate from high school. The Army and all of our services, our sister services, are striving to meet a standard of 90 percent of all of our enlistees high school diploma graduates. So the numbers and the trends and going in the – in the wrong direction. Obesity, as you mentioned, and Admiral Masso spoke very eloquently about the challenges that we have. We are – we are all, if you will permit me just a little colloquialism here – we're all fishing in the same pond, and the pond is getting much smaller.

The answer to your question is it's – it's challenging. It's very, very challenging. And I believe that in order for us to – as a nation to reverse the trend, we're going to have to start very young, to concern ourselves with graduation from middle school and graduation rates from middle school. We're going to have to concern ourselves as a nation with the matters of obesity in our youth. And most especially – once again, as Admiral Masso alluded and my ears perked up when he made this comment – the human capital that we are losing across our nation should give us all a great pause.

MR. MCKINNON: How do we overcome it, though, is the question.

GEN. ROCHELLE: Sir, if I had the answer to that, I'd – I don't know.
(Laughter.)

MR. MCKINNON: All right.

General – or, Admiral?

ADM. MASSO: Sir, what – what we're attempting to do is a multi-faceted approach, and General Rochelle is in alignment with our view that you have to get them much earlier. But not only do you have to look at them in the sixth, seventh, eighth, ninth

grade, but it's very important to deal with the influencers – the coaches, the ministers, the parents, the grandparents, the people whose views are important to these young people.

Additionally, we believe that we need to increase the number of recruiters, and we have done so, for both the active and Reserve component, to actually have more feet on the street to actually affect the implementation of the programs, even down to the – in our view, it's the sixth grade.

We also really believe that we have to really touch very diligently on our diversity population. My home town of Los Angeles, California, the number one English-speaking radio station in the market is number four in the market behind two Hispanic stations and an Asia-Pacific Islander station. We believe that we need to go into the diverse marketplace. We need to – and have studied very complex issues of what our projections of our diversity population will be in the next 25 years, and we believe we have to recruit today for the leadership of the next 25 years. So in those margins where we may or may not have been as aggressive as we should have been, we are being very forthright and projecting a Naval presence.

Additionally, we need to look at other and alternate ways of compensating and looking for fresh ideas. This notion of the influencer, often people from a neighborhood are known by a sailor on a ship. We need to provide the ability to create a Reserve recruiting referral bonus to people who recommend and can bring in a sailor to serve in the Reserve component or even active component, much like the Army has done. There – there need to be some, you know, reassessments of how we compensate in a bonus sense for these referrals. And then again, we've got some other programs. The new accession training program, the National Call to Service Program, which are Reserve-centric, direct approach to those individuals to bring them in for Reserve-centric duties.

MR. MCKINNON: Okay.

General?

GEN. COLEMAN: Sir, I would say we're at a very, very difficult time, and I would say especially for the Marine Corps and the Army, in that we both are increasing our numbers. It's extremely hard to recruit young men and women now. The population has gotten smaller, as General Rochelle has said. The graduation rates have gone down. It's extremely tougher for us to recruit blacks, whose graduation rate for male blacks is less than 50 percent, or in the 50 percent area. And we very much want to look just like our – want the Marine Corps to look like society in a whole. So it's very hard.

We've increased the number of recruiters by about 400 for our – for increase in end-strength. But as was said by both of these gentlemen, it's – to me, it comes down to the parents, to the coaches, to the ministers, to the influencers. Because without the coaches, the teachers, encouraging it – we can go to the shopping malls and everywhere else we want, but if Mom and Dad America don't want young high school 10th-, 11th- or 12th-grader to join the military, I think they're the strongest influence.

We are making it, both the Army and the Marine Corps, but we're making it on the backs of some – and shoulders of some hard-working recruiters.

MR. MCKINNON: Okay.

General?

GEN. BRADY: I don't have anything particularly to add. The Air Force has been – usually has problems, historically, a year or two after the Army and the Marine Corps start to have to problems. So we're not – we're doing well, but we're not cocky about it. We think there are hard times ahead in recruiting, for all the reasons that we have been mentioned – that have been mentioned.

I think we also need to look at – as one of my colleagues said, we need to look hard at our – at our growing minority populations, and we need to look at the route to citizenship through the military and how we deal with that and whether or not that's as streamlined as we can make it.

Part of the challenges with that is, quite frankly, security clearances. But I think there's been some legislation – I believe it was in the Senate – that's been looked at that would – that would allow us to do a – be a little bit more aggressive in the area of security clearances if we were able to do – if we had enough background on the individual to do a credible background check. So I think we should wring everything out of that that we can, in terms of our immigrant populations.

GEN. COLEMAN: If I could add one more thing, please, sir. As the admiral said, there is some national defense authorization act language that is specific to the Army and the \$200,000 referral bonus. And it is strictly for the Army. I would venture to say that one team, one fight, we're all – we are all, in fact, going after the young Americans, but I feel a disjustice that one service could have a – could have something written in law that they could have a bonus to give their – for referrals, and the others not.

MR. MCKINNON: You know, your comments lead to a whole lot of other questions. One, General Brady, would you advocate then that immigrants – I'm assuming you're talking about legal immigrants –

GEN. BRADY: That would be my preference, yes. (Laughter.)

(Cross talk.)

MR. MCKINNON: Of course, that has a tendency to make you think, well, do we end up with a –

GEN. BRADY: Sure.

MR. MCKINNON: – sort of a bought Army, so to speak. At any rate, there’s a lot of problems with that, obviously.

One thing, though, with the recruitment problem and the idea that we want to get to a 1-in-5, 1-in-6 ratio with the Guard/Reserve aspect of things, where do you – where do you reach a breaking point by utilizing them so much that you don’t get to the 1:5, 1:6 deployment ratio? So that you wear the guys out, guys and gals, and they don’t want to continue on? I mean, where’s that – have we reached that breaking point yet? Where is it? You must be looking at it at some point in time.

GEN. COLEMAN: Sir, sure, we are. We’re certainly not – we’re not there yet. We’re not – we’re not, on the reserve side, we’re not the 1-to-5. Quite frankly, it’s more of an active duty side where we’re short. But we, the Marine Corps, right now are not at the – at the point where we’re going to break the 1-to-5 dwell time for the – for reserves yet.

MR. MCKINNON: Okay, what about the Army?

GEN. ROCHELLE: Sir, I’ll answer your question, which is have we reached the breaking point with respect to the forces, and the answer is no. The first indication of that we will see in – I believe, in areas of retention. And right now, retention is very strong.

MR. MCKINNON: Both General Brady and General Rochelle talk real emphatic about DIMHRS being the solution to everything. It’s been about 10 years or so that it’s been under development. We’re into it about \$900 million. I’m trying to understand why you don’t think it would be a good idea to junk it and say, hey, if you can’t solve something in that period of time, let’s start over with somebody else and get this – I mean, philosophically, the idea is a great idea, but practically, it doesn’t seem to work –

GEN. BRADY: Well, nobody’s beat on the DIMHRS people more than I have, so let me – let me take that.

MR. : (Off mike.)

GEN. BRADY: Yeah, it is. We’ve had it for 10 years and it hasn’t produced much. But it’s the horse we’ve got, and we’re going to have to make it work. There’s – and in the last year-and-a-half – I mean, Mike can give you his view of it – in the year and a half, I think they’ve made great progress. They’ve got a program manager who – who used to run the system that the Coast Guard has that is very similar to what we’re getting. And both the Army and the Air Force, I know, are – we have become very demanding customers. So when – when I go to the Congress, I’m occasionally asked, “Do you support DIMHRS?” I’m saying, you bet I support DIMHRS. It’s what we’ve got, and we’re going to – we have to make it work. It’s not like there’s another option.

MR. MCKINNON: Okay. I would submit to you that if we were in business, you'd have dumped it along time ago and said, hey, those guys aren't producing and somebody else – let's give somebody else a shot at it. But we – what is the average wage, or average pay for an enlisted person in the Army with all the bonuses today, General?

GEN. ROCHELLE: Sir, I'll have to take that question for the record. I would – I would – I can't answer that, with – especially because we are – there are other incentives today for the average soldier, specifically assignment incentive pays and the like, that would take that number up above anything you would see on a pay table. So I'll submit that for the record, if you please.

MR. MCKINNON: This is something we've tried to get – as a Commission, tried to get our hands on, to understand where we're at. With all the different incentive pays and bonuses and all that, what is a person making, and how does it relate to the marketplace and the outside world? And are we selling it in a way that really is a commanding deal so the average potential recruit sees that, gee, this is not a bad deal, from an economic standpoint. If that's the incentive to join.

GEN. ROCHELLE: Sir, I believe we are. We're communicating that relatively well, I think. But I would also add that we still need to be competitive. In the strongest economy that our nation has seen in decades, we still need to be competitive, and that is in the marketplace, if you will, for compensation overall.

MR. MCKINNON: Okay, but if we don't know what it is, I don't know how we can be – you know, if we don't have a measurement to know exactly where we're at, the cost per soldier –

GEN. ROCHELLE: I understand your point, sir.

MR. MCKINNON: – how do you express that?

I've got a bunch of other questions, but Patty will pass it around a little bit.

MS. LEWIS: We'll get back to you. If I could, I would like to take a short break in the regular order, but not in the questioning. General Rochelle has a commitment that's going to require him to leave a bit early, at 10:30, and I want the remaining commissioners to have an opportunity to ask questions of him, and then we will proceed. You'll get your full time, but please, as we move through this round, questions directly for General Rochelle so we can take most advantage of his time with us.

Commissioner Rowley.

MR. ROWLEY: Thank you. General Rochelle, thanks for being here.

I'd like to expand a little bit on some of the questioning that Commissioner McKinnon had about the shrinking group of – pool of people that we have to draw from for – for pretty much all of society, whether it's business or the military or fire departments, police departments. It's an ever-shrinking pool, and we're real concerned about that trend.

Recently we've read in the Army Times, and it's no secret, we've had to start granting some waivers in order to keep our enlistment numbers up. Could you explain to me kind of, in the Army, what kind of analysis we're doing, and how we develop the criteria for what waivers we'll consider in order to keep those numbers available to us? I see it as a necessary evil at this point because of the shrinking pool that we have to draw from. How do we open the aperture wider without lowering the standards, in order to keep recruitment?

GEN. ROCHELLE: Sir, first of all, the standards for both definition of a moral waiver, as they're commonly referred to, those are common across all of DOD, and we all observe the same both definition and application of – not application, but definition of those – those rules.

Typically, what happens is a young individual has a minor infraction as a youth, a juvenile. We ask the individual, first of all, to be honest and forthright with us at the recruiter level, and they are, in almost all cases. We then report that infraction, as part of our measuring and tracking of individuals who enlist with a waiver, whether that was adjudicated formally or not. We monitor those very closely, as the secretary has both testified – Secretary Harvey before Acting Secretary Geren – monitor them very closely, and they are reviewed monthly at his level, at the secretary of the Army's level.

The second part of your question is how can we open the aperture? I really believe that we have to go deep. We, as a nation, have to go deep, and that is reach down at the – at the level of the young – and I'm speaking not the military now, but every – every citizen – and concern ourselves with high school – middle school graduation rates, which will then lead to high school graduation rates. We have to think differently about the health and welfare of our youth, certainly in a physical – in a physiological dimension. That's how I think we have to open the aperture. It's not going to be quick, but your point, sir, in that everyone is looking for the best and the brightest, not just the Army, the Navy, the Air Force, and the Marine Corps.

MR. ROWLEY: Okay, thank you.

MS. LEWIS: Commissioner Sherrard?

MR. SHERRARD: Thank you very much, Commissioner Lewis.

Sir, just one real quick question, and I'll ask the other gentlemen when we have a chance later. But as you know, in the – inside the building, total force management is split at various levels, and I guess, as I listen to your testimony – of all of you today, but

I'm speaking directly to you, General Rochelle – the fact that you take the active Army requirements down through one channel and the Reserve side of the house, the Reserve components, take theirs through another side – eventually all getting back to the same point – and hearing that we're going to try to come up with one single personnel system and pay system. Do you see any advantage to us maintaining that split of the management processes in the building, or should we be looking at trying to line those all along one way? And the second piece of that is when you take something forward that's – that is related to the active Army, does in fact the question of the Army National Guard and the Army Reserve, is it addressed at the time you're taking that, or do you assume that that's going to come up in another fashion at another level?

GEN. ROCHELLE: Sir, first of all, we should have a single passageway for all of those actions. I believe DIMHRS will, once again, be a key – key vehicle for that. And absolutely, I take a total force view whenever we're doing anything in the human dimension. Because it is one Army, and we have to make sure that, for example, with incentives, recruiting incentives, we attempt to look across the board to make sure that the total force – Army Guard, Army Reserve, and the active component – are all successful.

MR. SHERRARD: Great. Thank you very much.

MS. LEWIS: Commissioner Stockton?

MR. STOCKTON: I'm going to follow up, sir, on that recruiting. And apparently, from your background, that's – that's where you spent a lot of time for the last few years.

GEN. ROCHELLE: Yes, sir.

MR. STOCKTON: And you just said that it's a total force, we fight as an integrated force, we want to manage the personnel of the total integrated force. And so I want to focus – I want to drill right down on the recruiting. Are we doing that today, recruiting-wise?

GEN. ROCHELLE: Sir, we are, for the Army Reserve and the active component, most definitely, we are. As you know, the National Guard recruits across all – each of the states and does its – does its own recruiting. So the answer is no, not in that sense. But we are piloting some very exciting and, I believe, hopeful efforts to begin to merge with the success and building on the success that the National Guard is having right now with its recruiting efforts, for the benefit of the total force.

MR. STOCKTON: Well, as you said, there's one pond that we're all fishing from

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GEN. ROCHELLE: Absolutely right.

MR. STOCKTON: – and so we need to find ways, I would hope, that we could – every person that walks through the front door of the recruiting office is not – might be different in where they’re going to fit best in the total force –

GEN. ROCHELLE: Right.

MR. STOCKTON: – and we need to find a way to facilitate them to move to whichever one of the three components in the Army that can use them best.

GEN. ROCHELLE: And if I may add, I think we do that very, very well today for the active Army and the Army Reserve. And I’m confident that we can do it as well, including and incorporating the success of the National Guard.

MR. STOCKTON: Sounds like a challenge for the future.

GEN. ROCHELLE: Yes, sir, it is.

MR. STOCKTON: Thank you.

MS. LEWIS: Commissioner Stump.

MR. STUMP: Yes, General Rochelle, I’d like to discuss a little bit about full-time manning. As the adjutant general, one of the things that I always fought was full-time manning for the Army National Guard. As you’re aware, that the full-time, the day-to-day functions range from maintenance to central leadership and staff roles. They are responsible for organizing, manning, recruiting, training, equipping, sustaining Reserve units as well as other life-support and management-type functions. And now that we’re moving to an operational Reserve, it appears right now the Army National Guard, for instance, is manned at about 59 percent of what their full-time manning requirement is. And it would only seem logical, in moving to an operational Reserve, you are going to have to have more full-time manning to get these units ready in the ARFORGEN model, et cetera.

Now – the GAO recommended in 2005 that the Army should reassess the Army Reserve and Guard requirement for full-time staffing. First of all, how do you do that, and have you done that, to come up with a new full-time manning requirement?

GEN. ROCHELLE: Sir, I don't believe we have. I'm familiar with the recommendation. I would submit that continuum-of-service topic that we've discussed extensively today gives us a new way to think about full-time manning for both components.

Let me give you an example of where my thinking is going on this as we attempt to do exactly what the report alludes. Today, our full-time manning is done by members of that component directly, in support of the readiness for states and readiness for units. I believe that thinking differently about continuum of service allows us to ask ourselves the

question, why would we not be able to rotate any member of any component through those – through those billets and thereby ensuring even greater readiness? – in my opinion.

So the answer to your question is, we have not fully implemented it, but we're working it.

MR. STUMP: Do you have an idea of – the Army is the one that tells us, or defines the requirement for full-time manning – how many are there. If the 59 percent comes right from the Army, how do you go about assessing that? Do you get – does the Army just do it arbitrarily? Do you talk to the reserve Components? Is it based upon your C-rating? For instance, in the Air Force, they're near 100 percent of the full-time manning, but they maintain C-1, C-2 on all of the units, where the Army National Guard, in most units, are C-3 or lower – try to get to C-3, but who does this determination of what the full-time manning and how is it done?

GEN. ROCHELLE: Sir, it's done collaboratively with the chief of the Army Reserve, chief of the National Guard – Army National Guard. And it is a reflection of readiness, and it's done on the basis of readiness and prioritization.

MR. STUMP: Okay. And now maybe one little controversial issue that I'd like to pose to you. As the commission has looked at Homeland Security mission, one of the impediments that we have seen, and the Townsend report said that we should have all reserve Components involved in the Homeland Security mission. Other than the National Guard, there was not an easy method to assess the other reserve Components. If you, as an Army Reservist, who are sitting in the state, determine that you would like to participate, you can volunteer but then you have the funding problems, and so forth.

So changes to the Insurrection Act solved some of those problems but created other problems. So assessing the Army Reserve is still a little bit of a difficult issue.

The second point is that the – meeting the recruiting goals in the Army Reserve have not been up to the standards that the Army National Guard has done. Not only has the Army National Guard met their recruiting goals, but their quality has gone up because of the G-RAP Program.

What is your opinion? One way to resolve some of these problems – the recruiting problem, the access to the reserve component for the Homeland Security mission, and so forth – would be to take the TPU units of the Army Reserve and put them in the Army National Guard. What do you think about that?

GEN. ROCHELLE: Let me answer the easier question first, and that is the success of the Army Reserve in terms of recruiting and the difficulty that we're having.

We've spoken about propensity to enlist and it is down across the nation – and that's for military service overall, not just for the Army. What I'm pleased to report is that

the Army Reserve last week launched its own A-RAP Program – a mirror, if you will, modeled after the National Guard's G-RAP Program. And already it is beginning to show progress. I met with Lieutenant General Stoltz two days ago and he was – he was literally jubilant in terms of what that is doing.

I believe that there is a very – back to the tougher question, I believe there is a very key role that the Army Reserve plays in terms of an Operational Reserve for the nation, and certainly for the Army. And access to the Army Reserve, by design, is somewhat easier and less problematic than access to the National Guard. And so I would not be in favor of a change.

MR. STUMP: Well, I'll tell you, one other point I'd like to bring out –

GEN. ROCHELLE: That's my personal opinion, sir.

MR. STUMP: I understand that. And I've heard the answer that the access is less problematic and easier. Could you give me an example?

GEN. ROCHELLE: Could I give you an example?

MR. STUMP: Yeah, that's the answer I've heard, but I've yet to hear an example. You can get to the Army National Guard just like you get to the Army Reserves – I mean, bingo, they're called up, they're gone. The Perpage (sp) Act in Minnesota a few years back went to the Supreme Court when the governor said, I don't want him to go – the Supreme Court says, Wrong, Kimosabe. We are federally funded – if they're called up, they go. So why is access easier for the Army Reserve than your Army National Guard –

GEN. ROCHELLE: I'm not going to try to wing an example for you, sir, right now. Let me – if I may, let me offer you that for the record.

MR. STUMP: That would be great. We would really appreciate that.

GEN. ROCHELLE: Yes, sir. We'd be happy to.

GEN. BRADY: Can I offer just an honest question – why would you need to do that? I mean, if you – now there are some – I'm not a lawyer, nor do I aspire to be one – and so there are always – we all have these Title 10, Title 32 – all these title issues that lawyers seem to be really excited about discussing with each other. But from an Air Force perspective, we would be – if you have a Homeland Security incident, the Air Force would have no trouble at all chopping, for example, an active duty unit to a Guard commander in a state and say, we have a capability you need, we will chop that unit to you.

(Cross talk.)

GEN. ROCHELLE: No, I'm not – I'm not proposing –

(Cross talk)

GEN. BRADY: So I mean, it seems to me like we're –

GEN. ROCHELLE: – I'm not proposing that on the Air Force side, because on the Air Force side there are many Air Guard – or Air Force Reserve associate units – much more than there are in the Air National Guard, and the Title 10, Title 32 issue does not come into account.

The reason it makes some sense on the Army side – for instance, about 75 percent of all the medical is in the Army Reserves. Now this capability would be extremely useful to the states and the governors for the Homeland Security-Homeland Defense mission. And it becomes very difficult to use those on a 24-hour notice when you have a natural disaster as they can with the National Guard. If those units were in the National Guard, bingo, they could be called upon –

GEN. BRADY: But if you – but if you had dealt with the legal impediments that seem to be associated – which I must admit I'm not an expert on it – if you need that – if we could get by the legal impediments, we could grab that Reserve Unit and send them wherever you need them and put them under whatever command structure in the state you needed to, to deal with the issue at hand. You wouldn't have to put them in a –

(Cross talk.)

GEN. ROCHELLE: – (inaudible) – the question is, if.

MR. STUMP: – you wouldn't have to put them in a different component. Now that's what we're saying. There are legal impediments that have not been resolved, and especially the command-and-control of Title 10, Title 32. You don't have the legal impediments if they're in the National Guard to begin with. That's the reasoning. Thank you very much.

GEN. ROCHELLE: Sir, may I add one comment? You mentioned medical, and I would also add aviation as another significant capability. And I only offer that because, when we go back and take a look at Katrina, and Katrina relief, that worked beautifully, in my opinion, between the Guard, as well as Army Reserve units, in direct support of that natural disaster.

MR. STUMP: Well, a great example for that were the Marines who had their big-wheeled vehicles that got through the water. But guess what? They had to volunteer. There was not mechanism to reach down and grab those – and I'm not talking about putting the Marines in the Guard because – I'm just talking about the Army Reserve – (Laughter) –

GEN. COLEMAN: Oh, boy – (laughter.)

MR. STUMP: And for the record – (laughter) – you know, again, please, for the record, come up and give me some examples –

GEN. ROCHELLE: Yes, sir.

MR. STUMP: – of why it's not a good idea, because there are – there are savings in overhead there which would save you enough big bucks that maybe you could even increase your full-time manning if you did such a – (inaudible) –

GEN. ROCHELLE: Yes, sir.

MS. LEWIS: Okay. Trying to be respectful of getting General Rochelle out of here – and I certainly appreciate the other witnesses' indulgence while we put him on the hot seat – we have two more commissioners and very few minutes here that – two commissioners that have not had an opportunity, so.

Commissioner Thompson.

MR. THOMPSON: As my shipmates on the commission know, I like to ask questions with just yes or no responses requested, okay? (Laughter.)

So, General Coleman, interesting how you said you got confused over active statuses. The office of Assistant Secretary of Defense for Reserve Affairs, Secretary Hall, commissioned some studies, and they came up with the fact that we have 32 distinct categories of duty statuses for Reserve Component members in the seven Components. It's interesting that the laws that generated those 32 statuses go back as far as 1795 – if this executive copy that I've got is factual, and the last iteration of change came in 1998.

So my question is, if the Congress would agree to just two, active duty or inactive duty, could your service live with two – yes or no?

GEN. COLEMAN: Yes.

GEN. ROCHELLE: Yes.

ADM. MASSO: Yes.

GEN. BRADY: Yes.

MR. THOMPSON: Okay. Second question, there are – Secretary Dominguez testified in front of us yesterday, and I asked him about the categories of Reservists have been generated by a law that's 50 years old – the Ready Reserve, the Standby Reserve, and the Retired Reserve, and there's categories within those. He believed that they were okay, that they were not antiquated, didn't need to change. So my question is, do you

believe that these categories can fit in an operational context, or should they be changed – yes or no?

GEN. COLEMAN: They should be changed.

GEN. ROCHELLE: Changed.

ADM. MASSO: Changed.

GEN. BRADY: They can still work.

MR. THOMPSON: Still work – so three to one, okay. That's it.

MS. LEWIS: Thank you.

Commissioner Ball, did you have questions for General Rochelle before he needed to depart?

MR. BALL: No questions.

MR. MCKINNON: Could I just ask one more before you go, General? USA Today ran a big story a couple days ago, going through every Guard Unit throughout the country and what their equipment status was. And I'd say on the average, it was 50 percent of what they thought the requirement was. The question is – it's a real dilemma, if they don't have the equipment, can you properly train your troops before they go to combat? – and if you can, then why the urgency to have the increased equipment?

GEN. ROCHELLE: I didn't – I didn't hear the question, sir.

MR. MCKINNON: The question is, if all these Guard units are at 50 percent capacity on the – what they feel is the required equipment, can you train your men for combat with only 50 percent of the required equipment? If you can, then how do you make the argument for more equipment? If you can't, are men really going into combat not trained to the fullest extent? It's sort of a dilemma.

GEN. ROCHELLE: Sir, it's obvious that without the equipment you cannot train to full spectrum, meaning you can't train to the full range of missions that the equipment is designed for. However, we send no one, as we say "across the burm," who has not trained fully. In my opening comments I spoke about best-trained/best-equipped, that's one of the beauty – one of the aspects of beauty, if you will, about Army Force Generation – the Army Force Generation model.

MR. MCKINNON: Okay, fair enough.

MS. LEWIS: Thank you very much, General Rochelle. Thank you for your time today.

I appreciate the other witnesses' indulgence and we will start another round. I just ask that the commissioners that have had their full time try to be a bit briefer so that those that have had less time can have an opportunity.

GEN. ROCHELLE: My thanks, Madame Chair, and my thanks to all of the commissioners, for your – for your dedication and your work. Thank you so very much.

MS. LEWIS: Thank you. Your testimony was very helpful.

Commissioner Ball – would you like to start a round?

MR. BALL: Oh, we're starting a new round?

MS. LEWIS: We're starting a new round.

MR. BALL: Thank you. Let me ask a question with regard to the recruiting and Category 4 numbers. And General Coleman, this may be something you can speak to.

Thirty years ago, I recall the Army and the Marine Corps – to some extent the Navy, quantified the problems with the numbers of Category 4 recruits in the services and categorized the difficulties that stemmed from those numbers being above the target. And here we are – in fact in this very room, I recall, Mr. Dawson and I were at a hearing of this committee on this subject at which the Army altered their policy, capped the number of Category 4s, and then took that to zero when they were able to.

My question is this, I suspect that all Category 4s are not created equal, and in 30 years, do we have all the tools by which you measure recruit quality? And are we using the same recruit management tests and prerequisites? Or are we simply – some of these statistics get thrown around by, not by the services, but by armchair quarterbacks. And I just wonder if there are other ways to measure recruit quality and differentiate among those categories of recruits that may be more challenging for the service to work with.

GEN. COLEMAN: Yes, sir, there is – there is wiggle room in there. An example would be the DOD's standards for a high school graduate – we'll just use that as an example – is a 90 percent. But the Marine Corps sets their standard at 95 percent, so we could certainly go below our standard in order to get what we needed.

Another example is, we could – we could look at a recruit and we could say he or she graduated high school but could not pass the tests. Well, you know, that may be the star of the football team, and he may not be the best tester, but we could look at him and say, okay, you'd make one hell of a Marine. So we could – there is wiggle room in there where you could – you could adjust the standard, sir. Does that answer your question, sir?

MR. BALL: It does. Admiral Masso, do you have anything to add to that, or –

ADM. MASSO: Well, sir the testing criteria has changed in 30 years. It used to be GCTARI, it's now ASVAB – there's a whole series of things. Also, not all high schools are created equal. Some are – some are, you know, 3.2 is a failing grade – or 3.19 is a failing grade, and some it's a 70 percent. And so there are – there are those in the eaches that you, you know, you kind of review. But the criteria has changed to reflect the changes in, you know, kind of, The World is Flat Tom Friedman book, kind of, issue on that.

So I think there has been a difference, but we put several eyes-on-target to really root down and find, you know, try to find, really, what this individual knows and what their aptitude might be for a specific classification. And, of course, we try to err towards making them successful and putting them in the place that would – that their education would be compliant. And we really, actually, have had unprecedented success, you know, with even increasing our ASVAB minimums.

MR. BALL: Well, I'm struck by the fact that we're using some of the same terminology. I know we have different ways of testing recruits. But I'm glad to see we've got a little more sophisticated measures of recruit quality.

ADM. MASSO: Yes, sir.

MR. BALL: I do think this commission is grappling with this issue because we've received a lot of testimony on it. Some of it is – I think some of it may be a little exaggerated.

GEN. COLEMAN: It is, sir. And maybe the commission could help in another way with that. Right now, when you look at the standards and what DOD sets, a home schooler is not considered a high school grad –

MR. BALL: Right.

GEN. COLEMAN: – so, but a home schooler can go to college. So –

ADM. MASSO: And are doing quite well.

GEN. COLEMAN: By our numbers, we're limited in what we could do, so I mean that would – I know you're all here to help – that could, that could help.

MR. BALL: No, I understand. But I'd expect you'd know a few home schoolers who've become good Marines.

GEN. COLEMAN: Yes, sir.

MR. BALL: Yes. Well, thank you, that's – And a corollary to that, with the challenge you face with these end strength increases – excuse me, General Brady, did you have anything you wanted to add to that subject?

GEN. BRADY: – (inaudible) –

MR. BALL: Given the end strength increases, General Coleman, that you and Army are dealing with, and this increasingly competitive environment – and the intensity of recruiting effort, a competitive recruiting marketplace itself, how do you – well, let me just – is your testimony, and the Marine Corps' testimony this year, that you can meet your end strength goals for the current year and under the current levels of compensation and bonuses and incentives that already exist?

GEN. COLEMAN: Yes, sir. We would have – we would have already reached our goal if not for the increase in end strength by 5,000 this year. And we didn't start that until – until February, we change – but we will, our goal is 184 and we will meet 184. We predict we will meet 184.

MR. BALL: Admiral Masso, the Navy –

ADM. MASSO: No, sir. We won't make – we will not make our reserve Component goal but we have chosen to focus on our high-demand/low-density rates that serve the global-war-on-terror family of skill sets. We are taking the measures that – just prior to your arrival, of more recruiters, you know, a robust new accession training, National Call To Service Program, things of this nature, but we will not make our reserve – but what we did, actually, last month, it was a great success story, we expect that the glide slope is well on its way toward greater success, but we won't make it by the end of the year.

MR. BALL: General Brady?

GEN. BRADY: Yes. As you know we're coming down in end strength. We think we'll be where we need to be at the end of the year. As I said earlier, we think it's realistic to think we'll have recruiting challenges in the future. Ours – occasionally, when I go to hearings, they say, well, General Brady, your – the Air Force is on a recruiting holiday. You guys are, kind of, you know, taking the decade off. Absolutely not true.

As you get smaller, it is harder to recruit because you have to have specific skill sets. If we were just kind of filling up the ranks with people that met our minimum standard, which is pretty high, we would not get the force we needed. So our challenge is more one of making sure you get enough people that can do avionics maintenance and people that can do – that are linguists, and people that can do the skill sets that the civilian community also wants. So recruiting is a challenge regardless of – for us, I think, regardless of whether you're going up or down in terms of your end strength, recruiting is a huge challenge and will become more and more so.

MR. BALL: Thank you, Madame Chair.

MS. LEWIS: Thank you, Commissioner Ball. Commissioner Eckles.

MR. ECKLES: Madame Chair, I used my full time the first go-round, so I defer to my colleagues. I do have a question at the end, it there's time.

MS. LEWIS: Thank you.

MR. MCKINNON: Well, never a lack for thoughts here.

Admiral Masso, Admiral Cotton ran a story here – there's a story about him in, I guess, the Navy Times, talking about if the combat activity slows down, that there'll be a greater need for the Reserves to go in and do master-at-arms-type work, and reconstruction, and all this type of thing. So it'd be a greater – it sounds to me like a greater stress on the Reserves than you currently have. How are you going to handle that?

ADM. MASSO: Well, sir, right now there are a family of rates that we deem high-demand/low-density, and those are the obvious ones – our Fleet Marine Force, Force Reconnaissance corpsman, for example; our expeditionary logistics professionals; our Seabees, master-at-arms, Seals, explosive ordnance disposal – families of rates. And those individuals are clearly, you know, in the family or category of those that we watch the stress very carefully – literally daily.

The other challenge that you pose – and that maybe Admiral Cotton spoke of, I'm not familiar with that article, would be the work that would be non-traditional – the provincial reconstruction team where they bring civilian skill sets not indigenous to a specific rate that they can contribute. Right now, 80 percent – just under of all of our IAs since 2002, have been from the reserve Component. And that rate, or those family of skill sets that might contribute to provincial reconstruction team, civil affairs-type work, are not what we deem, you know, in a risk of being overstressed at this time. I think we would be able to handle the mission.

MR. MCKINNON: You know, another thought, though, that's been bouncing around the commission – should those members of the armed forces who are actually serving in combat have a different pay rate than those who are not? In other words, somebody sitting in the Pentagon should be paid – should he be paid x-number of dollars compared to the person that's out in the field? Maybe all three of you could – particularly the Marines, could comment.

GEN. COLEMAN: Yes, sir. I feel it's a – it's equitable the way it is. I would venture to say that a service member, which ever branch of the service – and especially for the Marine Corps, would much rather be in combat than be in the Pentagon, so I – (laughter.)

MR. MCKINNON: They're very similar, actually. (Laughter.)

GEN. BRADY: If I could add, I think the Congress has been very generous, quite frankly, in terms of hostile-fire pay, tax relief benefit for people in hostile-fire zones. So people that are in those areas are getting – are getting, you know, pay day – an appropriate benefit for being there.

MR. MCKINNON: Okay. Admiral, have you got anything to add to that?

ADM. MASSO: Well, sir I defer to General Coleman's comments. I think that the compensation, you know, we're very, very – we closely scrutinize it – assignment incentive pays, special duty incentive pays, all of those types of things. And the generosity of Congress in allowing for hostile-fire tax relief, things of that nature, we believe is satisfactory.

MR. MCKINNON: You know you mentioned the Medical Corps a moment ago. And yesterday we had the controller general of the United States in here and one of his ideas was that the Medical Corps of all the services ought to be combined so you, sort of, have one Medical Corps for the military. How do you all feel about that?

GEN. COLEMAN: That's a tough one, sir. And I've – and I've given it thought. I believe that it's – that the skills needed for a corpsman to serve with Marines would be quite different than the skills to be in the hospital at Bethesda, and the skills to serve an Air Component would be different. So I think it would be – I don't think you can cookie-cutter it all. I do think it's something that should be worth thinking about. I think it would be – I would personally rather, if you're going to do it, I'd rather see it – maybe, to me, a lawyer is a lawyer is a lawyer – and maybe a lawyer could serve anywhere, but I don't know that a medical person could do that too.

GEN. BRADY: I think when you take the medical community away from the line, you've got problems. And if you read the Washington Post for the last two months, I think there's some indication of that. Our medical officers work for our line – they know exactly what the mission is, they're attuned to the mission – and for that reason, I would agree with what General Coleman says.

MR. MCKINNON: You don't think you could have a pool of doctors that – you know, so you have some fellows who know how to give flight physicals, and some know how to patch-up a fellow on the battlefield, or how to issue sea-sick pills, or whatever – I mean, so you could get the same expertise, but you have a lot less administration and overhead which would save a lot.

GEN. COLEMAN: But they go with us, they're part of the unit. They're within the command structure of the unit.

MR. MCKINNON: Okay, fair enough.

ADM. MASSO: And sir, from a business enterprise perspective, it's nearly impossible with the diverse IT systems, medical readiness tracking, et cetera, and for the operational issues that General Coleman brought up, I don't think it's a good idea either.

MR. MCKINNON: One more here, on the IRR, General Coleman, it appears the Marine Corps is fairly well organized on the IRR –

GEN. COLEMAN: Yes, sir.

MR. MCKINNON: – and yet you're going – you're having to go back. You've got a field grade officer problem, how do you think you're going to solve that?

GEN. COLEMAN: Sir, a company grade – company grade problem. And we really do. And that's in the – the Lieutenant Captain, because, for the most part, you can only become a reserve officer in the IRR after coming off of active duty. It's tough now because we're encouraging a lot of folks to stay on active duty, which means there's less going to the Reserve side.

We have increased our numbers; we are looking at different ways of commissioning now – whether we're taking a reservist that's on reserve duty who's going to school, or he or she is within 75 hours or 65 hours of getting their degree. We can – we're looking at how to commission them and increase our numbers. But the good news is, we have more Marines staying on active duty. The bad news is that that hurts our reserve company grade side, sir.

MR. MCKINNON: All right, thank you Chairman.

MS. LEWIS: Commissioner Rowley.

MR. ROWLEY: Yes, thank you.

I'd like to ask the same question, I guess, as I did General Rochelle, about widening the aperture that – to increase the talent pool that we have to draw from. And I know DoD sets the criteria of what's waiverable and what's not. Do we need to start thinking about recruiting more towards specific positions instead of having one just generalized criteria role?

A perfect example, a couple nights ago we were discussing a doctor who would love to serve on active duty, but because he has a bolt in his knee he doesn't meet the minimum requirements to be in the military. Yet it seems like he would be a great asset to be on active duty. I know a boy that has a vision problem – he's not blind, he doesn't meet the minimum criteria – but he speaks three languages and is a computer wiz, but can't be in the military. Is it time to start looking at – really adjusting in width, how with look at what we recruit? And do you have any ideas how we could go about doing that so we could broaden the talent pool?

ADM. MASSO: Yes, sir. The short answer is yes. We are very mindful, and are studying very diligently, ways to bring people in at advanced pay grades, such as E-6, if they have unique skill sets in IT or other intelligence, or by day they work for an agency with a long string of clearances and capabilities that, you know, we can use to the benefit of the Navy. They're not going to be able to come in as an E-1 – they wouldn't do it or consider it. The same would be true for mid-grade officers in certain skill sets categories.

The examples that I think we're studying most profoundly would be in the staff corps restricted line as opposed to the Operational Forces, for sure. But the other part of this goes to the continuum of service where the vehicle to do this is if we get the business rules and the IT right, and how we're able to create on and off ramps for our active component to reserve component, then we believe that that is the manner in which we can then start looking at bringing in folks at an advanced pay grade for specific amounts of time.

We do this to some degree with nuclear power instructors. We do this in some other skill set areas already, but truly bring them in as ensigns and that. But I think, you know, we really need to get it better and figured out. Maybe you need to bring someone in at an .05 level, or something, for specific competency. But the bottom line to your question is, is that as we evolve from a fill to a fit mentality or centric force, it's knowledge-skills-ability-centric to a billet more than it is anything else. And so we've got to get that part right. So as we define that work, define that right person to put in that position, then we would assess, you know, the need to bring somebody in laterally or otherwise. But we are studying that and aggressively studying it.

MR. ROWLEY: Great.

General Coleman.

GEN. COLEMAN: Yes, sir. I would concur with that on a case-by-case basis. But I do think you – and our commandant, General Conway, is big on saying that it's now time to not use peacetime policies during war – so yes, sir.

MR. ROWLEY: General Brady.

GEN. BRADY: I don't think you can walk out on the street and hire a lieutenant colonel. A lieutenant colonel is something different. You might go out and find one who has the skill sets of somebody that is – that's been doing something for 15 years, but that doesn't make him a lieutenant colonel. If you believe that, then you believe that military service is just like civilian service.

Are there places you can do that? In the medical field, perhaps, or places where you're not supervising young airmen; where the culture of the service is not important or less important? Perhaps. But I think it would be something you would do advisedly in specific places if you went that route.

MR. ROWLEY: Okay, thank you. And the last question, I guess, is from the retention side. Are we looking at broadening the – especially for the medical criteria, we've got a lot of wounded vets that are coming back that would love to continue service in some capacity but no longer can meet the medical standards or in getting medical discharges – are we considering some leniency for those veterans so that they can continue on careers if they're able to perform a function that's beneficial to the services?

ADM. MASSO: Commissioner Rowley, I'm proud to say that not only are we considering it but we're doing it. We have a senior chief who used to work for me in my previous job who's an explosive ordnance disposal specialist – blind, has been serving wonderfully for us in the Pentagon, is driven to work, Pentagon access allows him into his workspace. We have other individuals who, other than a lost limb, are full up rounds – in every other capacity including physical readiness and they just continue to serve.

MR. ROWLEY: Great.

GEN. COLEMAN: Yes, sir, we have a permanent disability list and we have – quite a few Marines are there. Our commandant has said he will not send anyone home that wants to stay.

MR. ROWLEY: That's great because I can think of no better qualification for training new recruits than somebody who's been in combat and shows what can happen – (laughs) – and those are really good Americans.

GEN. BRADY: We have pursued every loophole in the law to keep our wounded people with us. And we have a young man who is a triple amputee, who we could not keep on active duty but he's – but he is a Security Forces person, or was, and now he's a civilian with us working in the Security Forces squadron. We have two or three cases like that. We have a pilot who has lost one leg, who is still on flying status out at the 89th Wing.

We have a little bit of a challenge because sometimes these individuals have a loss of function that perhaps will not allow them to stay on active duty in uniform, but they could certainly stay with us in a civilian capacity. And the civilian rules sometimes – we tend to occasionally tread on the civilian rules a little bit as we – in our desire to do this, so. So we may need some help along the way as to priority placement, et cetera, in what is kind of a civilian – a fairly arcane civilian personnel system that we all deal with, we all deal with the same rule set. So sometimes that's a bit of a challenge, but I think we're all working that really aggressively.

ADM. MASSO: I'd like add, for the record, that Secretaries Barnham, Novice (sp), Davis, have been extraordinarily helpful and leaning forward and finding the solution to "yes" in just about every one of these issues.

MR. ROWLEY: Great. Thank you, gentlemen. That's been very helpful.

MS. LEWIS: Thank you. Commissioner Sherrard.

MR. SHERRARD: I too would like to just follow up on the question I asked General Rochelle relative to Total Force Management within OSD, in particular. And that's what I didn't say earlier, but that's where I was really driving the question – where we seem to make the break between the active line that goes down, and the Reserve line, until it all gets back together under the principal deputy, under Dr. Chu (sp).

And I guess I would ask each of you is, it's – obviously, it's working – we've been working, but is that the right way we should be doing it or should we be seeking a single-management avenue that, in fact, would allow us to have no chance for there being a break in the way we do business or asking for things that meet our force requirements for your particular service? Admiral.

ADM. MASSO: Well, if there's a perception somewhere that there's a misalignment, we don't actually see that in practice. For example, we're getting ready to roll out a number of new classes of ships – Littoral Combat Ship DDG-1000, that depend on the total force – meaning government service professionals, and contractors, and reserve component – to be, you know, in alignment delivering distance support, and maintenance and that, to these ships. We have not been impeded by any special business rules in terms of how we executive our total force strategy.

What I would say, though – and General Coleman alluded to it earlier, is that, you know, the business rules, in terms of how, you know, recruiting incentives and that, are really more steered toward Army. I think we all intellectually understand the Army's demands and the rigor that's placed on them and the Marine Corps in terms of their commitments to the global war.

But the – but with that being said, when the Marine Corps increases, the presumption that it doesn't affect the Navy is not correct. The blue in support of green – if we grow the Marine Corps by 20 percent, we supply Fleet Marine Force corpsmen, doctors, chaplains, religious program specialists, lawyers, et cetera, down the line. And, in fact, you know, we would be grateful for some, you know – a level playing field because we are all basically – or a more level playing field because we're all basically going after the same family of available talent.

MR. SHERRARD: Okay, thank you.

GEN. COLEMAN: I concur with what the Admiral says on it, sir.

GEN. BRADY: I think you're – General Sherrard, you're asking about the organization within OSD, right? Of –

MR. SHERRARD: Just the fact that – the way the thing's split. You know, you're running through –

GEN. BRADY: P&R, yeah – primarily.

MR. SHERRARD: – and then they go through OSDRA, eventually it all marries back up. But my question – the real concern is, you know, are you, in fact – General Brady, when you go down and speak, at the time you present on Air Force – and I'll say, I won't use Air Force, regular Air Force issue – do you, at the same time, voice the Reserve and Guard position even though you know that that decision is not – it's got to go through another channel. That's my worry. When does it – when does it all get –

(Cross talk.)

GEN. BRADY: Yeah, I –

MR. SHERRARD: – back together?

GEN. BRADY: – I do. And as I alluded in my opening comments, we're trying to align ourselves organizationally where we make sure that I don't let that drop through the cracks, where I do represent Guard and Reserve issues. You know, I don't – I don't know, I'm probably not – probably not well enough versed on their organization.

I don't perceive a problem. We work our issues principally through P&R, and I don't see a – I don't see a breakdown there. If there is, I'm not aware of it.

MR. SHERRARD: Okay.

A second question I need to ask. It came up in one of our earlier hearings and I it came from senior enlisted members who really were concerned about the out-of-pocket expenses – reimbursement of out-of-pocket expenses for the reserve members. And I guess the question that – I'm hearing that there's a possibility of that possibly being considered as legislative initiatives by some pending legislation. But the other case that I would ask is, with the changes – particularly that have been driven by BRAC, do you see that IDT reimbursement being something that would benefit your particular service? And if so, how receptive would you be to that happening, I guess is what I'm asking?

GEN. COLEMAN: Sir, I would say – for me, from a Marine Corps standpoint, any time we can lessen the out-of-pocket expense of our service members, that's a good thing. And that doesn't – that doesn't matter to me whether it's an active or reserve or Army, Navy, Air Force, Marine Corps, if we can lessen what comes out of their pocket then I think it's a – I think it's a good thing and I would support it.

ADM. MASSO: Sir, you go right to the heart of the culture of our outstanding reserve component members who every day fly at their own expense – in some cases from Norfolk to Hawaii for drill weekend – to where their supported commands are. We've asked them not – you know, we're really getting away from going to a Naval Operational Support Center, and we're asking our sailors as well as officers to go to the

supported commands. And typically they do it sacrificially, and if – in some cases, the culture is, if you break even you're lucky – and it's what they do every day.

And the reason – you know, Sir Winston Churchill's point about twice the citizen, you know, completely resounds with me. I've drilled at my own expense, personally, for 14 years – not where I live, not even close to where I live, two flights to get to where I needed to go. And they do it every day and that would be a huge benefit.

GEN. BRADY: We're looking at it right now.

MR. SHERRARD: Are you? Good.

GEN. BRADY: I don't know. I think there are some – there are some perceived inequities. We're looking at it particularly from a BRAC standpoint, where we've had some units that move, and so the people are back in the old state where the unit used to be. The unit is now moved, so we're looking at what that does to the people that are operating side-by-side with each other and the benefits they're getting. So we're still looking at it.

MR. SHERRARD: Good. And just one last question, very quick, because as we traveled around to some of the combatant commands, we were grasped by many people who were approaching their three years of active duty within the last four. And there was great concern about, well, what's going to happen to the duty that's being performed? And I'm told that that is waivable at secretary level of the particular services. And I guess my question to each of you would be: One, how is your service prepared to look at this force that is providing what is obviously needed – capabilities for us to fight the global war on terror, and how are we going to meet that need if we have to take these members off service? And the other is, what are those numbers, or do you know what those numbers are in terms of how big of an issue is this, or is this just an issue because they happen to see three commissioners show up in a place and they thought it was a good group to twist their arm?

ADM. MASSO: Sir, I'm not prepared to get into the eaches of the numbers but I'm very familiar with the issue that you mentioned as a personal, you know, experience.

The issue with this is that, is it really a PERSTEMPO violation or ITEMPO violation in the sense that the individual volunteers, typically, for one of those longer mobilization recalls, but yet the orders are written as an involunteer because of how it presents itself to the employer, and there's an incongruity in that? And so we would have – we look at it, we're thoughtful about it. We don't have any conclusions, but typically those individuals are generally volunteers – want to be there, want to stay longer, so they don't really, you know, they're not the person that would flee or leave because they were stressed. And generally, I guess our policy would be that, you know, we're not going to stress folks – we're not going to break the law, is the point.

MR. SHERRARD: Sure. Okay.

GEN. COLEMAN: Those individuals that come to us and ask to remain, most times they are – they are eligible to stay and we allow them to stay, but we don't force anyone past their time.

GEN. BRADY: You could answer that question yourself, General Sherrard – (laughter). We have issues, clearly, in our C-130 outfits, because two-thirds or more of the C-130s are in the Guard and Reserve, as you know; we have issues in the C-17; we also have them in Security Forces.

Our secretary is taking a very hard-nosed approach with us on this, as he should be. He says, we're coming down 40,000 people and now you want me to add these to the end strength – prove it. Prove you need them. So we're nose-to-nose with Mr. Wen (sp) on that issue at the moment.

The cost is about the same. I mean, we have to have the – in our case, we have to have the capability. So, you know, if you're paying them man days, or if you're paying them – that's a wash. But it's an accounting drill is what it is – you have to count them as part of your end strength. And if you're – and the secretary can waive that, I think, up to his 2 percent limit.

MR. SHERRARD: Okay, thank you very much. Thank you, guys.

MS. LEWIS: Thank you. Commissioner Stockton.

MR. STOCKTON: I guess that I'd like to put my question into the context of the long war that we're involved in, the considerable use of our total force over the last six years – both, of course, the Active Component, and in particular the Reserve Component. Congress is very concerned about these issues and I think that's the whole mission of this commission. And I know I have a concern and I'm certain that the commission has a concern about these types of things.

And Admiral, you spent about four paragraphs here talking about the reduction of the end strength. And I'll come back to you in a minute because there isn't anything in your paper, General Brady, about the end strength. You did allude to the 40,000 cut, and I have a concern about that. I guess I want to have little better understanding –

GEN. BRADY: Okay.

MR. STOCKTON: – of why we're doing that.

GEN. BRADY: Okay.

MR. STOCKTON: Obviously we've – thinking about now the reserve component, well – and the active component too – we've been at war, in terms of the Air Force use, for at least 16 or 17 years, not just for the last six or seven years.

GEN. BRADY: Since August 1990.

MR. STOCKTON: Absolutely. And so this commission has been told that we're using the Active Component and the Reserve Component like we haven't used it in so many years. And yet the components are smaller than they have been in a number of years, and now we're going to make it smaller again. So why are we doing that? Did we have a redundancy or do we have a redundancy of personnel?

GEN. BRADY: I'm glad you asked. It depends – the bottom line is how much do you want to pay for defense? The Air Force has a top line of a certain amount – it's probably not going to go up, we'll be lucky, probably, if it stays flat. There's about four kinds of accounts – you've got investment accounts, you've got infrastructure accounts, you've got operating accounts, and you've got people.

Op tempo– you've got no control over that, we're going to answer the bell every time it rings. Infrastructure – how we doing for infrastructure in the Air Force? Okay. By Air Force standards it's getting a little tattered – we're doing more painting and less fixing – but we're okay for the moment. Investments – where are we on investments? The average air frame in the United States Air Force is 30 years old – way behind in investments – way behind.

Average tanker in the Air Force is 43 years old, and the last tanker pilot has yet to be born. Okay? So people – where are we for people? That's the only flex we've got. We didn't wake up one morning and say, gee, we think we've got 40,000 too many people. But that's where we decided that we would manage some risk. Unless this leadership is going – unless we're going to fly 75-year-old tankers, we've got to get rid of some people. We can keep 359,000 people, which is where we were, and fly 75-year-old airplanes – that doesn't sound like a good thing to do.

So we have – so we're coming down about 40,000 full-time equivalents – about 32,000 active duty. Can we do that? Yes, but we are managing some risk in doing that. So occasionally the Congress says to me, in the Personnel subcommittee, he says, well gee, we didn't know you were serious, we can help you. I said, but I can't afford for you to help me if you don't increase our top line. We have to recapitalize this Air Force. So that's where we are.

MR. STOCKTON: Admiral, do you have anything to add to the – what you have in your statement about the downsizing of the Navy?

ADM. MASSO: No, sir. I think I've said it all there.

MR. STOCKTON: That's the only questions I have now.

MS. LEWIS: Thank you. Commissioner Stump.

MR. STUMP: General Brady, following up a little bit on Commissioner Stockton's question on the downsizing, the billet was given both to the Air National Guard and Air Force Reserves, as you well know, and the Air Force Reserves took, what, 7,000 –

GEN. BRADY: Yes.

MR. STUMP: – of their individual augmentees, which I understand it's beginning to hurt now because the guys really did some good jobs, but you have to do those things. The Guard took most of theirs, I believe, out of flying time?

GEN. BRADY: They took some out of their flying time – yes, they took no – they took no manpower cuts.

MR. STUMP: No manpower cuts because they wanted to maintain the manpower.

Is the Air Force considering reducing also now, reducing their full-time manning in the Air Guard?

GEN. BRADY: We are looking at – we are questioning the full-time manning. I don't know what we're actually going to do about it. We've got to – I think their full-time manning is – about 30 percent of the Guard is full-time.

MR. STUMP: Oh, yeah. Our figures show 35 percent –

GEN. BRADY: Yeah, something like that, yeah.

MR. STUMP: – which is, which is good. However -

(Cross talk.)

GEN. BRADY: Depending on your perspective (laughter).

(Cross talk.)

MR. STUMP: – you're getting a lot for your 35 percent. (Laughter.) If you put it in perspective, we don't have competitions anymore because the Guard and Reserve has always won. Some of the programs that we're looking at – the Air Force has been extremely successful with their associate programs with the Air Force Reserves.

GEN. BRADY: Right.

MR. STUMP: The one I'm most familiar with is the Charleston because the C-17 guys came and picked up my Battle Creek guys and took them to Italy on a deployment.

The Air Guard is now getting into the program. We've got the – the Air Guard gave up their F-16s at Richmond and went to Langley; the C-17 Program in Hawaii, they are now an associate unit – they start off with the JSTARS down in –

GEN. BRADY: And we've put some active guys in Wyoming at a Guard Unit.

MR. STUMP: Yes, we've got some active guys, and we've got a Community Basing Program going on in Vermont –

GEN. BRADY: Vermont, right.

MR. STUMP: – that have the 12 people there. So it appears that the Guard is coming around. As you and I both know there are problems with the Title 10 and Title 32 command-and-control – it reared its ugly head in the JSTARS Unit down in Georgia. I talked to the people in Hawaii and asked them how they approached that, and what they did was form two organizations, a Title 32, Title 10.

GEN. BRADY: Yeah, and that's what I was – that's how we usually do associate. What we tried to do at Robins was a blended unit – and it got a little messy.

MR. STUMP: Yeah. Yeah, right. Did you ever get that worked out? I mean, it's a – I don't think getting around that is going to be very difficult. You almost have to change the constitution because of Title 10 and Title 32 reporting.

GEN. BRADY: That's a challenge. But the associate – the associate program, which we started in the mobility world – General Sherrard was very much a part of that –

MR. SHERRARD: Actually I'm not that old, it was 1968. Come on. (Laughter.)

GEN. BRADY: Yeah. But the associate has been extraordinarily successful. We started primarily in the mobility world, it's now in the fighter world and Special Ops as well.

MR. STUMP: Well, one of the things that the Air National Guard, we're very excited about, was the Community Basing Program. It started out with a few, but now we're down to 12 people in Vermont – is all there are left in the Community Basing Program.

GEN. BRADY: I can't tell you exactly how many, but it's not a lot, I know that.

MR. STUMP: No, it's 12. I just talked to the tags here last week about that. It looked like – a good place for Community Basing would have been the C-17 Unit in Jackson. There doesn't look to be anything on the horizon – this was a very successful program, if you put these young airmen with the National Guard people who have been there on the same airplane for the last 20 years to get those skills in maintenance and so forth, it would be great, but it doesn't appear that the Air Force has any plans – or they

have not announced any plan to expand the Community Basing Program, which I look at as a reverse associate –

GEN. BRADY: Mm-hmm, yeah.

MR. STUMP: – yeah, that's what the Guard would like. Instead of just taking all the Guard Units and putting them on Air Force bases, let's put some – let's bring some Air Force to the Guard bases.

GEN. BRADY: Okay. Do you want my personal opinion of that? (Laughter.)

MR. STUMP: Sure.

GEN. BRADY: Okay. There was a time when we were thinking about it at Jackson – and pick a place – Jackson, it doesn't matter. There are one of two issues. Active duty folks have a certain – because they move around, they are not community based folks. They do not have an infrastructure. They do not have a support structure that the Guard and Reserve has. So if you put active duty guys on a Guard base, you have to start dealing with the issue of – first of all, if you don't build them an infrastructure, that's a place nobody wants to go because you don't have a commissary, you don't have child support centers, you don't have all the things you'd have on an active duty base. So it becomes not a very attractive place for an active duty guy to go.

If you say well, we'll solve that, we'll just build a commissary, a BX, a child development center – you've now built yourself an active duty base, which the local congressional district likes, but I think you've defeated your purpose. You know, we try to close bases in BRAC to get rid of infrastructure we don't need and then we go build an active duty base some place else. From a macro standpoint, I don't see the logic of that.

MR. STUMP: Well, to get back in – in fact, I was involved with the F-16s pilots, or A-7 pilots, back in, I think we called them pilots – (inaudible) – where we brought the active duty pilots on board.

GEN. BRADY: Yeah, yeah.

MR. STUMP: None of them were disappointed by not having those type of –

GEN. BRADY: But those are very small numbers. That's one or two guys per unit.

MR. STUMP: Yeah, we had about five. But have you done a – I would suggest doing a survey and a questionnaire of the Vermont people to see if you're thesis really holds water – whether or not they really –

GEN. BRADY: And it depends – it depends on who you're talking to too.

MR. STUMP: Yeah, well I –

GEN. BRADY: It depends on whether you're talking to a more senior ranking person or a very young person, and what their family situation, et cetera, so it varies.

MR. STUMP: Yeah, and they had that cross-section at Vermont. So it would seem like to test your thesis you could do a survey to see – because I am not advocating building anything else. But if, in fact, these people become comfortable in that situation, it is something that we could look at –

(Cross talk)

GEN. BRADY: Absolutely.

MR. STUMP: – and I think that doing a survey of the people who have now participated in it, and are currently participating in it, would – may or may not prove –

GEN. BRADY: Survey all 12.

MR. STUMP: Well, there were some – there were some earlier. Well, again, I mean, if you're going to – if you're not going to believe the 12, then put more in there to get it –

GEN. BRADY: (Laughter.)

MR. STUMP: – to get a good example.

MR. STUMP: See, that's a problem that the Guard has. Look, the Guard is going so far with the associate units in giving up their airplanes to get on the Air Force bases, but it doesn't appear that the Air Force – even though it appears to have been a successful program, that the Air Force is doing anything to expand the Community Basing or to at least get the data to prove or disprove it.

GEN. BRADY: Well, I think we will do it if we – I think we should do it where it makes operational sense, and that there's a – you know, if we should do it, we'll do it. But to say that the reserves gave up their airplanes, I think, is kind of a – kind of a misnomer. They still have their airplanes but now the active duty has access to them. So.

MR. STUMP: Well, no, the Air Force owns them. The only – the only –

GEN BRADY: That's true.

MR. STUMP: – the only ones that the Guard owns are the ones – well, the Air Force owns everything, but the only ones that they really have control over are the C-17s. And I guess one last point is that there is some concern in the roadmap, for instance, for the F-35s – where is the Guard participation?

GEN. BRADY: Yeah, I couldn't speak to that, frankly.

MR. STUMP: Okay. Thank you.

MS. LEWIS: Thank you.

Commissioner Thompson.

MR. THOMPSON: Here we go – yes or no. (Laughter.)

MS. LEWIS: I love it – (laughs).

GEN. BRADY: He's easy. (Laughter.)

MR. THOMPSON: Historically – I want to go back to the discussion we had about flag and general officers. Historically, the reserve component officer cap was at two stars. And it took congressional efforts to open the door to three stars. It wasn't really embraced by the active component. And we've had many senior Active people talking to us that things have changed, we're a total force, and we're looking for the best qualified officer. So my question is, do you think – Sonny, in the Navy – you'll see a reserve component officer wearing four stars next year?

ADM. MASSO: No, sir.

MR. THOMPSON: Marines?

GEN. COLEMAN: No, sir.

MR. THOMPSON: Air Force?

GEN. BRADY: Next year.

MR. THOMPSON: Next year.

Do you think, Sonny, you'll see a Naval officer wearing – reserve component Naval officer wearing four stars in five years?

ADM. MASSO: You didn't offer perhaps, but – (laughter.)

MR. THOMPSON: Okay.

ADM. MASSO: – I don't know. I don't think so.

GEN. COLEMAN: I don't think so.

GEN. BRADY: If there's no impediment to it, no. I think you would, yes. In the Air Force you could, yeah.

MR. THOMPSON: Okay, I was going to reach out to 10 – so let me just ask you, what year then do you think it's going to happen, Sonny?

ADM. MASSO: I think in 10 years it's very possible.

MR. THOMPSON: Ten years, okay.

GEN. COLEMAN: We only have – well, you want a yes or no.

MR. THOMPSON: Well, a year – (laughter) – give me a year.

GEN. COLEMAN: We only have one three-star reserve general, sir.

MR. THOMPSON: But you have active duty four-star general officers, am I correct?

GEN. COLEMAN: Yes, sir.

MR. THOMPSON: Okay. And can a reserve component officer fill that position?

GEN. COLEMAN: Yes.

MR. THOMPSON: Okay. So when do you foresee a reserve component officer filling one of those Marine Corps four-star positions?

GEN. : Sometime after I retire. (Laughter.)

GEN. : Within 10 yes, sir. Within 10 – that would be possible.

(Cross talk)

GEN. BRADY: If there were no impediment to it – if there were no impediment to it and it were the right guy and the right job, General Moseley would do it today.

MR. THOMPSON: And you feel the joint – if I'm hearing your testimony in your opening remarks, you feel that the principal barrier is the joint military education requirements? And I'm not sure that joint service is an impediment, because I see too many general officers without the formal schooling serving in joint positions all over the services. So are we looking at –

GEN. BRADY: Well, we all have – we're all joint-qualified, though, or we wouldn't be general officers.

MR. THOMPSON: Okay. Okay. That's what I have.

MS. LEWIS: Thank you.

Commissioner Eckles, you very graciously passed on your time and I think you had one additional question, if you would like to –

MR. ECKLES: Yes. And I'd like to direct that to General Coleman.

Last year Marines from your staff briefed our commission on many U.S. Marine Corps Reserve topics, and we were particularly interested in the full-time support system program that the Marine Corps runs for its reserve. Personnel providing full-time support for the Marine Reserve consists of about three-quarters active component Marines and only a relatively small percentage of full-time Reservists.

Your staff explained that the large Active investment in the Marine Corps Reserve pays dividends in mobilization readiness, combat readiness, seamless integration, and mutual respect between Marines of the two components. My question is, do active component Marines, who serve with the reserve, experience any problems in their careers as a result of that service? And, are they competitive for promotions and desirable assignments after serving tours with the reserve?

GEN. COLEMAN: Yes, sir. Yes, sir, they are. They remain competitive. We have a small number of full-time support, so – Maybe I misunderstood the question, are you talking, the opportunities for the full-time support or for the active Marine –

MR. ECKLES: Active Marines is what – (inaudible) –

GEN. COLEMAN: No, sir. If I'm an active Marine, and a full-time support Marine serves with me – no, sir, that does not hinder my career. No, sir.

MR. ECKLES: Okay. very good. Thank you. That's all I have.

MS. LEWIS: Thank you

And I will – I have two additional questions and then I think we'll be close to wrapping up.

Admiral Masso, I read the Navy Times articles of May 25th and 28th describing a pilot program that the Navy was considering, giving sailors two years away – up to two years away from the Navy without hurting their careers. In one of the articles, Vice Admiral Harvey is quoted as saying, "This is about off-ramps and on-ramps and how flexible we can make it. It's not just about women and child care either, the program needs to be flexible enough to deal with as broad a base of life situations as possible

because that career flexibility is going to be very important to our ability to attract and keep these folks in."

This certainly strikes me as a step in the right direction in creating this continuum of service that started our whole dialogue this morning.

Could you just expand a bit on those articles – or the concept in that article? And could you comment on the implementation to ensure that officers would remain competitive for promotion if they were exercising these on-off options?

ADM. MASSO: Yes, ma'am. Thank you for the question and for the opportunity to talk about something that's a transformational necessity.

Survey data – very robust survey data, almost the entire market segment of our female population – tell us that our females, whom we desperately need to retain because they're good and we need them, they are leaving the service and we're only retaining about 17 percent of them. The reasons that they leave are multiple reasons, but fundamentally they're unswayed by bonus, by money, by any other tool that we have at our disposal to remain attractive to them so that they will stay in our force.

While we look to – for ways, and while we try to listen to this very important population of ours in our Navy, they're telling us that on-ramps and off-ramps – or the ability to go away and come back, is important them because the presumption that an individual should start a family on shore duty devalues them and their ability to be excellent and competitive throughout the course of their career. And the presumption that, well, while I'm ashore, I'll be a second-class citizen while I go off and start a family, is they find that very egregious.

While we look to create a methodology for them to maybe go and to begin a family, which is what they've asked us to look to do, we also recognize the need to be diversity-inclusive – where we have male officers who have exceptional family members – the father with Alzheimer's, the exceptional family member in a range where they want to be in close proximity to them; educational desires; go write a book, whatever it is they may think they may want to do.

So here's the challenge. The challenge is to be able to segue them into the reserve component so that they continue to have a status – the Continuum of Service Sailor for Life. The way that we hope that we do not impredjudice that career when they come back, is by year-group reversion. So that if you were a Naval Academy, Class of 2000 graduate and you went away for 24 months – for whatever purpose because it's diversity inclusive, gender inclusive, – when you come back you might be year-group 2002, thereby that time window was stopped and therefore you are not viewed as, well hey, while the rest of your year-group was off and running and doing great things, you took two years off, because there's just the human factor part of that – that's the critical component.

So what are the challenges? Briefly, the challenges are the scrolling issue between AC and RC; the business rules that account for medical benefits, you know, the service that we ask them to perform in the RC itself, and then how we matriculate them back re-scrolling again; and then finally, how precept language that deals with the board when they see an officer that looks like they were commissioned in 2000, but now they're year-group 2002 – was that officer above zone? No, that officer's not above-zone because they didn't come up, you know, with the rest of their classmates.

And when we get that right, we will fix that problem and we will – actually this will be an example of how we listened to a very important population to us and how we responded.

MS. LEWIS: Excellent. I appreciate that clarification and further description.

Do either of the other two witnesses have any comments? Is your service considering anything along those lines, or –

GEN. COLEMAN: No, ma'am. We certainly support the Navy's looking into a pilot, but we have no – we're not looking into it, no, ma'am.

GEN. BRADY: We're not actively pursuing it.

MR. BALL: Can I just interject a question?

MS. LEWIS: Absolutely.

MR. BALL: Does this have the potential, in the view of the Navy – and I'm curious if it would in the Air Force, to exacerbate the problem with retaining good technical people, to contractors who are in the marketplace, aggressively? And if so – it would occur to me that tremendous investments in highly-skilled people in the nuclear program, for instance – does the Navy have a way to recover this investment if they lose someone in this – with a new initiative like this that may make it to the advantage of a contractor to be more aggressive in going after some good people?

ADM. MASSO: Well, sir, the business rule would simply be that you're coming back – you're going away, you're coming back –

MR. BALL: You make that commitment up front?

ADM. MASSO: Yes, sir. Yes, sir. And certainly, who are listening to our SWONUCS (ph) females who are, you know, I mean – we need to retain them. And they're telling us – the demand signal that they're placing on us – I mean, we're actually listening to these lieutenants.

MR. BALL: All right, so on the enlisted – in the enlisted side, though, of a guy who gets out, two years later – this doesn't apply to him, he has to go through the regular – he or she, the regular –

(Cross talk.)

ADM. MASSO: Yes, sir. They're requesting to be part of a continuum of service, where –

MR. BALL: Yeah. Yeah. All right. Okay.

MS. LEWIS: Thank you. And if you'll indulge me with one more further question. It came up in your testimony earlier, the importance of health care benefit and access to a continuous health care benefit. There are a number of ways we have heard that this can occur. The new TRICARE Reserve Select Program allows for participation in TRICARE premium-based for the selected Reserve at any point.

Admiral Pilling has looked at some options that consider health savings accounts, so that Reservists that are not in an activated capacity, could continue their – once they are in an activated capacity could continue their private sector plans through their employers, potentially, based on health service – health savings account.

We're looking at the full range of options and recommendations for how to provide the continuity of care that we heard from family members and employers, is so important to service members. Could I just get a brief comment from each of you on how you think that issue could be dealt with?

ADM. MASSO: I'm not familiar with Admiral Pilling's recommendation, but I would tell you that we would look to a Navy solution – not to a civilian solution that we would have to use moral suasion to convince them to do. We believe it's our responsibility to take care of our sailors and their families through Navy-centric means.

MS. LEWIS: General Coleman.

GEN. COLEMAN: I would feel – I would feel the same way. I think you make a commitment to your country as a Reservist. And I think after you serve, your country should make that commitment to you. But I do believe that if we could, any way, keep that in-house, then it's better than switching back and forth.

MS. LEWIS: General Brady.

GEN. BRADY: We would prefer in-house solutions as well. But I think there's something else that I think the commission should at least address. Most of the changes – I mean, the reality is that people are the most expensive thing we have. They're the most valuable, but they're also the most expensive. So it gets back to my – to my comment

that I made earlier – which I did not mean to be flippant about at all, it depends on what do you want to pay for defense?

If we are – if we are going to – most of the changes that commissions make add to the cost. Maybe that's appropriate, but if you're going to do that, the top-line has got to go up because there are other things you've also got to do. The Navy's got to refurbish ships; we've got to build – you know, or buy new ships; the Marines have got to have new equipment; we've got to have new aircraft and satellites – and you can't do it all at the current top-line.

MS. LEWIS: That's an important point.

Thank you all. Thank you for your service. Thank you for your testimony. Thank you for your patience this morning, we appreciate it. And the hearing is concluded. Thank you.

(END)