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HEADLINE: HEARING OF THE SUBCOMMITTEE ON TOTAL FORCE OF THE HOUSE COMMITTEE ON ARMED SERVICES SUBJECT: RESERVE COMPONENT TRANSFORMATION AND RELIEVING THE STRESS ON THE RESERVE COMPONENT

CHAired BY: REPRESENTATIVE JOHN M. MCHUGH (R-NY)

WITNESSES PANEL I:

ALBERT C. ZAPANTA, CHAIRMAN, RESERVE FORCES POLICY BOARD;

MAJOR GENERAL DOUGLAS BURNETT, U.S. AIR FORCE, ADJUTANT GENERAL ASSOCIATION OF THE UNITED STATES AND ADJUTANT GENERAL, FLORIDA NATIONAL GUARD;

MAJOR GENERAL ROBERT MCINTOSH, U.S. AIR FORCE RESERVE (RETIRED), EXECUTIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE U.S.;

PANE II: THOMAS F. HALL, ASSISTANT SECRETARY OF DEFENSE FOR RESERVE AFFAIRS; LIEUTENANT GENERAL H. STEVEN BLUM, U.S. ARMY, CHIEF, NATIONAL GUARD BUREAU;

LIEUTENANT GENERAL ROGER C. SCHULTZ, U.S. ARMY, DIRECTOR, ARMY NATIONAL GUARD; LIEUTENANT GENERAL JAMES HELMLY, U.S. ARMY, CHIEF, U.S. ARMY RESERVE; VICE ADMIRAL JOHN G. COTTON, U.S. NAVY, DIRECTOR, U.S. NAVAL RESERVE; LIEUTENANT GENERAL DANIEL JAMES, III, U.S. AIR FORCE, DIRECTOR, AIR NATIONAL GUARD; LIEUTENANT GENERAL JAMES E. SHERRARD, III, U.S. AIR FORCE, CHIEF, AIR FORCE RESERVE; LIEUTENANT GENERAL DENNIS M. MCCARTHY, U.S. MARINE CORPS, COMMANDER, MARINE FORCES RESERVE

LOCATION: 2212 RAYBURN HOUSE OFFICE BUILDING, WASHINGTON, D.C.

TIME: 1:00 P.M.

BODY:

REP. JOHN M. MCHUGH (R-NY): The hearing will come to order. Let me first of all welcome our witnesses. We have two very distinguished panels today to explore some very, very important issues. But also to those of you have joined us in the audience, we appreciate your interest and your efforts to be here.

There's a photograph circulating on the Internet of an Army truck convoy in Iraq that perhaps says as much as anything I have seen in capturing what this hearing is all about today. It underscores why it is necessary that we focus, not just this afternoon but in the days and weeks ahead of us, on the Reserve component elements of the total force. The photo summarizes exquisitely a new era in new realities that the men and women of the Reserve components today are struggling with. And it should serve as a wakeup call for all here who make the policies and laws regarding the total force, that there are new realities that we too must deal with.

What you can see in the photo is a sunlit cargo truck, and it has a driver and a vehicle commander sitting in the shadows behind that windshield, and it's just two Reserve component soldiers doing their jobs in a place they probably though they'd never see, let alone be in. We might never have known their thoughts about that job and their new circumstances in life except for the modest cardboard banner that they pasted to the windshield of the truck. And that message from them on that admittedly crudely but I think well and aptly worded lettered sign, in soldier direct words reads, "One weekend a month my ass."

(Laughter.)

And we have a copy of that up there for those of you who may not have had the opportunity to see it. That's the way soldiers talk, and it speaks volumes. Indeed, somewhere between 1990, with the start of Desert Storm, Desert Shield, and today, America's contract with its Reserve component has undergone a major modification. Certainly for the last decade the nation has been asking far more than one weekend a month from its Reserve components, and those men and women who have answered the call have done so magnificently.

We are at war, plain and simple. Some would say that such circumstances are exactly why we have a Reserve component, and it is the circumstance that most reservists should have expected to face when they volunteered. But the new reality is that this war demands more from the Reserve components than previous conflicts. Take just one metric. During Desert Shield and Desert Storm mobilization tours averaged 156 days, during Kosovo, Bosnia and Haiti, about 200 days, and during Noble Eagle and Enduring Freedom, Iraqi Freedom, 319 days average.

Moreover, during Desert Storm, Reserve components were called, went to war and then came home. Today in the near term, 100,000 to 150,000 Reserve component personnel will be mobilized annually for extended periods to sustain troop levels in Iraq and Afghanistan. The longer term planning metric is that each Reserve component member can expect to be mobilized at least once every five years, if not more frequently, from periods of up to a year or longer. That's a far cry from one weekend a month.

These are fundamental changes, and we must pay attention to their implications. And today's hearing is part of the effort by this subcommittee to better understand not only the stress being experienced by these Reserve components, but also to examine what is being done and what should be done to sustain the viability of the Reserve components in general. And before I introduce our first panel of witnesses, let me yield to the ranking member, the gentleman who has been a leader on these issues and has been a great partner in this subcommittee effort, the gentleman from Arkansas, Dr. Snyder.

REP. VIC SNYDER (D-AR): Thank you, Mr. Chairman, and thank you for your efforts on behalf of the men and women in uniform. I think this hearing is particularly timely today, we not only have increased operational demands but also transformational demands which have impact on our Reserve forces.

And it's not just due to what's been going on in the last couple of years, we've known since 1991 that we've had increased expectations from our Guard and Reserve forces. And in fact the Kosovo and Bosnian operations are sustained today by Guard and Reserve forces. And these demands don't seem to be diminishing any time soon, I think that any reasonable observer expects that we will see this increase in operational tempo on our Reserve forces and our entire military for some — for the foreseeable future.

We also have questions about the medical and dental readiness of our troops as they come in, and the medical hold, the stories that came out of Fort Stewart were very concerning for a lot of members and I heard it was for the military also. We look forward to hearing all your perspectives on that.

Mr. Chairman, let me thank you once again for having this hearing, and thank you, gentlemen, I look forward to your testimony and response to questions.

REP. McHUGH: I thank the gentleman again for his commitment to these issues across the board. Before we begin, let me ask unanimous consent that two statements be entered into the record of this hearing. First, the statement from the Air Force Sergeants Association, and also a statement from the Naval Reserve Association. And without objection, that will be so ordered.

I welcome, as I've said earlier, our panel of three witnesses, three distinguished gentlemen who certainly have a very unique, very professional and a very important perspective on the questions that Vic Snyder and I have just tried to outline in general terms, the perspectives of the Reserve Forces Policy Board as well as the views of associations representing both the Reserves and the National Guard.

And I'd like to introduce the Honorable Robert C. Zapanta, who is chairman of the Reserve Forces Policy Board. Welcome, sir.

Also we're honored to be joined by Major General Douglas Burnett, United States Air Force, Adjutant General Association of the United States, and he is also the Adjutant General of the great state of Florida, National Guard. Welcome, General.

And also Major General Robert McIntosh, United States Air Force Reserve, retired executive director of the Reserve Officers Association of the United States. Welcome to you.

This is the first opportunity for two of you to testify before this committee, although General McIntosh has appeared before us in his capacity as a Reserve component advisor and the chairman of joint chiefs in the past.

But, General Burnett, today you're wearing two hats, as I mentioned: one as a representative of the Adjutant General Association and another as the adjutant general of Florida. So that certainly gives him the broad as well as the micro — macro and micro perspectives.

And, Mr. Zapanta, you chair the congressionally mandated Reserve Forces Policy Board, which is designed to provide Congress with an independent view of matters pertaining to the Reserve component, and your perspective here today is certainly both welcomed and anticipated. And to all three of you, we look forward to your testimony. And I think it'd be appropriate in the order in which I introduced you.

Mr. Zapanta, if you'd like to start, our attention is yours, sir.

MR. ALBERT C. ZAPANTA: Thank you, Chairman McHugh, Congressman Snyder and members of the subcommittee. It is an honor to testify before you today on behalf of the Reserve Forces Policy Board and the extraordinary men and women who serve the Reserve components. My remarks will focus on several strategic areas and issues the board has addressed or has interest in and that affect the Reserve components today and will continue to affect them in the future. I request that my written statement be entered in the record.

REP. McHUGH: Without objection so ordered. And if I may intrude for one moment, Mr. Zapanta. I would note to all the witnesses on both the first and second panel, without objection all of your testimonies in their entirety will be entered into the record, without objection so ordered. Thank you, sir.

MR. ZAPANTA: Thank you, Mr. Chairman. Pursuant to Title 10, the board is the principal policy advisor to the secretary of Defense on all matters relating to Reserve components, and is required to prepare an annual report on Reserve programs and other matters considered by the board for transmission to the president and Congress. The board consists of 24 members that include myself as the statutory chairman, the assistant service secretaries for manpower Reserve affairs, flag and general officers from the active and Reserve forces and the Coast Guard.

Congress has repeatedly stated its desire that the board act independently in its advisory and reporting roles, a position the board steadfastly maintains and feels is more important now than at any time due to the increased reliance on the RC.

We meet at least quarterly, conduct field visits to talk with combatant commanders and our mobilized Guard and Reserve personnel, and conduct citizen patriot forums with business, community leaders and families of deployed RC members. Our statutorily required annual report is in final coordination and should be to the secretary of Defense for transmission to the president and Congress prior to our April 20th board meeting.

In the past two years we have visited all nine unified commands to include Guard and Reserve personnel, who are serving with utmost professionalism and esprit de corps in the United States, Puerto Rico, Guantanamo Bay, Bosnia, Kosovo, Korea, and we plan to visit Kuwait, Iraq and Afghanistan in the very near future. We gather significant data on the mobilization issues during these visits, as well as collected data from various published reports.

We've learned we must develop fair and equitable compensation, entitlements and benefit packages, including special pays, basic allowance for housing and travel per diem entitlements, improve free mobilization medical and dental screening and care, improve personnel and pay systems immediately and develop a joint automated system to track and manage mobilized RC members from activation through demobilization.

Equipment modernization, modification and replacement must be on par with the active components. Considerations should be given to legislative changes that provide for greater flexibility in allowing the services to accomplish pre-mobilization training and utilization of RC volunteers, which, when coupled with force rebalancing and continuation of service initiative, will serve to greatly improve predictability for the RC members, their families and employers.

An often heard comment from our mobilized RC members has been one of inequitable treatment such as billeting personal protective equipment and organizational clothing. This second class treatment shows a level of insensitivity that must be changed to ensure our Guard and Reserve members serve equally with their active duty peers. We are asking our RC members to do more, often at the expense of their families and employers. The old paradigm of one weekend

per month and two weeks per year is no longer the standard for many of our RC members. If we continue to utilize RC members at the pace we are today and expect to continue to meet retention or recruiting goals, then we must develop the best possible compensation and incentive package and sensitize our leadership to ensure fair and equitable treatment.

Transformation or rebalancing between the active and the Reserve components and within the RC is occurring in areas of civil affairs, military police, law enforcement, installation of port security forces, aircrews and intelligence officers. As it relates to stability operations, this is an area where creative ideas might provide solutions for the future. One idea that arose from our 2003 symposium was the concept of a universal command, an RC organization containing military and civilian volunteers. Our January conference on stability operation yielded the needed for a quick response force that reflects modularity and flexibility. Our upcoming May symposium will focus on rebalancing stabilization operations and homeland defense.

With our increasing reliance on our RC forces as they serve to fight the global war on terrorism, it has never been more important for the board, with our 52 years of history, to provide independent, unvarnished policy advice to the secretary of Defense and continue to provide our annual report to the president and Congress.

Mr. Chairman, thank you for your sincere interest in this topic and your willingness to address these difficult issues. We remain steadfast in our mission and stand ready to serve. I would be pleased to answer any questions.

Thank you.

REP. McHUGH: Thank you, sir. And I deeply appreciate your willingness and your fellow members in the Reserve Forces Policy Board to dedicate yourselves to these issues. I know the secretary of Defense appreciates your input, and we deeply value your perspective as well.

Next we have Major General Douglas Burnett, Adjutant General Association of the United States and adjutant general of the great state of Florida National Guard. Welcome, General. How's the weather been down there, all right?

GEN. DOUGLAS BURNETT: Sir?

REP. McHUGH: Weather in Florida been okay?

GEN. BURNETT: Yes, sir, it's beautiful. A little warmer than here, but we have our cold moments as well.

REP. McHUGH: Yeah. I'm from southern Canada, and I'll show you cold.

(Laughter.)

Come visit us in Fort Drum. But I understand what you're saying. But we're happy you're here and thank you very much.

GEN. BURNETT: Yes, sir. And, Mr. Chairman, I'm honored to be here today, Congressman Snyder, members of the subcommittee, thank you for this invitation to appear before your committee. I know you're deeply committed to national security and have been very supportive of the National Guard. And not only the National Guard as a necessary and capable force, but our soldiers and certainly the well being of their families as well, and we thank you for that.

As you said, today I speak on behalf of the Adjutant Generals Association of the United States and the adjutant general of Florida. The National Guard has a long and proud history in its provision of citizen soldiers and airmen to the defense of our nation. We are equally proud of the superb job guardsmen across this country have done in their state missions as well. We have truly evolved from a force in reserve to a force in being. In fact, in the last 15 years we have been wherever the active Army is or wherever the active Air Force was deployed.

As you know, the events of September 11th dramatically increased our operational tempo and for the most part that operational tempo continues. I am proud to say we have made our readiness commitments to the Army and the Air Force and to our respective governors. Within minutes of the attack on 9/11, combat loaded F-15 jet fighters from the Florida Air Guard's 125th Fighter Wing were flying combat air patrols over the south eastern United States, flying with other Air Guard fighters and tankers in support operations across the country as other Air Guard units throughout the country were responding quickly to enhance our security posture.

In the months following September 11th we activated National Guard formations to protect airports, sea ports and other potential terrorist target sites. In February 2002, the Florida Army Guard began mobilizing and deploying units for action in Afghanistan. And then the big one came on December 26th, 2002, the 53rd Infantry Brigade units were

activated for Operation Iraqi Freedom.

Ten days later, elements of the 53rd Infantry Brigade arrived at the mobilization station at Fort Stewart, Georgia, and that was a very short timeframe of 10 days, and we usually use a 30 day guidance. We were proud to do that. The 3rd battalion arrived in January. These units were among the first conventional forces into Iraq. During the ground campaign, these elements of the 53rd Infantry Brigade moved forward with the 3rd ID and 1st Marine Expeditionary Force.

In the months which followed, we conducted security and stabilizing operations in Baghdad and al Ramadi, and later on, across Iraq. The Florida National Guard has also provided units for operation in the Philippines, Guantanamo Bay, Kosovo and Bosnia. We have provided combat ready-units to the United States Army and Air Force through an emphasis on standards and readiness.

The Florida National Guard's mobilization deployment and operational tempo is similar to that of National Guard forces in other states and territories. In the past three years, more than 132,000 Florida National Guard members have been activated for federal duty. Tragically, more than 60 guardsmen gave their lives in defense of freedom, and today we still have more than 60,000 guardsmen on active duty. By any measure — valorous awards, unit citations and commanders' reports — the contribution of National Guard soldiers and airmen has been truly extraordinary.

Despite our commitment to readiness and preparation for mobilization, these deployments produced a variety of stresses. In many cases, family members were not prepared for the quick call-up or the lengthy separation from loved ones. Employers of guard members, our unsung heroes, were forced to act quickly to fill vacancies. The mobilization itself identified both policy and procedural disconnects. For the most part, these challenges have been resolved through close cooperation with the National Guard Bureau and the military departments.

Senior Army leaders like General Larry Ellis (sp), commander of U.S. Forces Command, Lieutenant General Joe Inge (sp), first Army commander, and the training and support brigade commanders so essential to our training and success, like Colonel Mace Crowe (sp) have been instrumental in ensuring the adaptive National Guard system continues to involve to meet the needs of our soldiers and their families.

My experience and the experience of other adjutants general have identified challenges that must be addressed. Let me briefly highlight five. First, we must resource Army and National Guard formations at the level the Army expects these units to meet at mobilization. In most cases this is C1 or C2. We are funded at C3 for training, and that is something every adjutant general would want me to tell you today, and I can't emphasize enough, sir, training must be resourced, that is, funded at the C1 level, to include funding for exercises that enhances the collective training experience. We miss significant opportunities to train with the current funding level.

Second, we must remove measures which force Guard units into cross leveling soldiers from one unit to another during mobilization. This creates a significant amount of turbulence and chaos, we're able to do it but it can be done more efficiently. Third, recent mobilizations have again demonstrated the need for active and Reserve component modernization processes to be concurrent with the active forces. Our trucks in the Guard for the most part are not in the Army inventory. We also need up-armored Humvees that are organic to the Guard units. In fact, our Humvees won't even except for the most part the up-armored kits because they're the older models.

Full-time manning. This is very critical to readiness. We must improve to 100 percent of the requirement for full time manning in the Army National Guard. The Air Guard's funded at 100 percent of their requirement and the Army Guard is only funded at 58 percent for the same validated requirement. There's almost a direct result on readiness for each additional full time person we hire.

And finally, reservists, their families and employers require predictable information and deployment and return schedules. The one year boots on the ground policy, which under current scenarios means mobilization for almost 18 months, will be a serious challenge for future retention as well as recruiting. We should look for options in the strength objectives that will result in a maximum of one year mobilization. This will require better investment in up front training and a close adherence to what I call integrity of process.

A policy one year boots on the ground also serves as a disincentive to be efficient in post-mobilization training and movement of troops to and particularly from theater. This is a subject matter of very complex discussion. But regardless of the outcome of the debate, the real vote regarding retention and recruitment will be in hometown USA and in our armories. I look forward to your questions.

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REP. McHUGH: Thank you very much, general. Again, welcome, we appreciate you being here and your testimony as well.

Next we have Major General Robert McIntosh, United States Air Force Reserve, retired executive director of the Reserve Officers Association.

General.

GEN. ROBERT McINTOSH: Thank you, Mr. Chairman. The 75,000 members of the Reserve Officers Association from all five branches of the armed forces thank you for this opportunity to speak today. As you and Congressman Snyder so well said in your remarks, many of America's citizen warriors are continually being asked to repair their disrupted civilian lives after demobilization and then return to military duty on a repetitive basis.

Our nation has experienced similar challenges in the past. In the post-war 1940s, Congress passed needed legislation to provide benefits for returning soldiers and sailors to ease their transition to civilian life and to ensure a higher state of Reserve readiness for when America needed to use its citizen military in the future.

Today we are fighting another global war, and once again it is necessary to update policies and to take legislative actions. The focus now is how to retain and recruit the brightest and best citizen soldiers, sailors, airmen, Marines and Coast Guardsmen. As we know, sustaining an all volunteer force requires different actions than those needed to maintain yesteryear's drafted force.

Despite the work to date by the Congress and the Department of Defense, much remains to be done to ensure Reserve and National Guard recruiting and retention remain healthy in the future. We must preserve one of America's greatest resources, its skilled and dedicated citizen military.

Several important initiatives would enable our nation's Reserve components to optimize their support of national defense and national security. For your consideration, ROA's formal written testimony includes a detailed description of several needed changes and improvements. The following is a partial list of these initiatives.

Full healthcare options for the selected Reserve and their families, tax credit for employers, a formal National Guard and Reserve equipment appropriations process, reducing the antiquated age 68 Reserve retirement eligibility criteria, improving Montgomery GI Bill provisions, repairing the 1/30th rule for special incentive and skill pay by making their compensation qualification based, increasing reenlistment bonuses and repairing the unfair degradation of survivor benefits at age 62.

Many of these initiatives not only affect Reserve readiness and the individual Reservist, but also impact spouses and families. Family considerations are having a remarkable influence on whether citizen soldiers choose to remain in the military. Regarding the transformation and force structure rebalancing initiatives by the services and DOD, the Reserve Officers Association supports these efforts in concept. But at the same time we have significant concerns.

We urge careful consideration and understanding of the attributes of a properly balanced total force. We worry that the rush to control personnel costs could lead to flawed force structure planning. We acknowledge that some changes in structure and mission assignment are appropriate. However the overall cost effectiveness of having a robust and experienced Reserve component force to complement a more expensive regular force must be considered carefully before we eliminate or shift significant numbers of Reserve component billets.

Even after factoring into the budget the cost of TRICARE eligibility for the selected Reserve and their families and the cost of better incentive and retirement programs, citizen soldiers remain a highly cost effective national asset. Additionally, the bond between the U.S. military and the citizens who live in America's communities is strengthened by the visible mobilization of neighbors and fellow workers, Reservists and National Guardsmen.

The continuing mobilization of citizen soldiers is a clear reminder that we are at war, and heightens national commitment and resolve across America, particularly in a long and difficult struggle. I look forward to answering your questions, and again thank you for your invitation to speak today.

REP. McHUGH: Thank you very much, General.

Thank you, gentlemen, as I've said several times, we appreciate you being here and appreciate deeply your perspective. Back in December 2002 I had the honor of leading a congressional delegation upstream of the potential Iraq incursion. And the purpose of that was exclusively to meet with Guard and Reservists, to try to get a measure of

individuals' in the field attitude and perspective towards this new paradigm.

We kicked the commanding officers out of the room and had some very, very frank discussions. Honestly, what we heard that day, to me was disturbing. We heard about individuals — and some of this was reflected in the comments that I heard in your testimony and I've read in your testimony. Comments about being placed in jobs for which they didn't train, not the reason they joined. Inequitable treatment from a variety — based on a variety of measurements. The uncertainty of deployment, et cetera, et cetera, et cetera.

You know these better than I do. And that was 2002. Since that time I have been to Iraq twice, I just got back from Afghanistan a number of weeks ago, and everywhere I went of course we saw Guard and Reservists and heard much the same. No hesitation about serving, no qualms about the sacrifice they were making, but concerned about this new reality that I in part tried to describe in my opening statement. Those are anecdotal I suppose. But as we come back to the United States and we hear from other individuals and organizations, which you gentlemen represent, we hear similar concerns.

Yet from the Department of Defense we are told that by their measurements of stress, in the high demand low density jobs you have moderate stress, in the rest of the force at best you have low stress, and if you look at recruiting and retention as a snapshot of the moment, there are no signposts that things are in jeopardy.

My question to you to start of is, how do you feel about the way in which the department and the services measure those stresses? Are we measuring the right things? Are we measuring enough? Do we indeed have an adequate way in which we look at the stresses on the families?

We just saw in the past week a poll, if you will, a survey conducted by the Washington Post on families of the 10 most deployed bases. Not Guard and Reserve exclusively, but talking to the families. And there were some good things in there but some distressing things as well. Do we need to develop new metrics or are we in a pretty positive position with respect to how we're measuring the future right now with respect to recruitment and retention?

GEN. McINTOSH: Sir, to respond —

REP. McHUGH: General?

GEN. McINTOSH: That was my question, sir.

REP. McHUGH: Well, it was all three of you. You're in uniform. Mr. Zapanta.

MR. ZAPANTA: Mr. Chairman, I agree 100 percent that there is that sensitivity approach, that people — especially family members — see, one of the things that we have done with the RPB is when we go out to visit the various locations and combat commands, we actually take an afternoon and meet with the whole board and what we call "stakeholders," which is what we call our citizen patriot forum. They're first responders, they're business, small, medium size, large, families of deployed members and to really try to get a sense of and really listen so that we can feed it in to our process.

And yes, there's stress, there's always stress when you're in a combat situation. Are we handling it adequately? I think we can always do better, but I do feel, and you'll probably hear from the chiefs, that the services are very, very cognizant of it and they are focusing on it. I know that one of the areas that has been out front there is on the (registry ?) commission. I can tell you that all of us are very, very much — not just appalled, but focuses on it, people in leadership are trying to get something done about it, and I think that you're going to see some of that action.

So stress is there, it will be there, there are varying degrees of it. Are we handling it? I think we are. And I think the department knows that we have to do that, and so I'm comfortable with saying that. Can we do better? Yes, we always can.

REP. McHUGH: Thank you, sir.

General?

GEN. BURNETT: Mr. Chairman, if I may? I think when we talk about stress it boils down to some basic concepts. It's how the soldiers see we treat them, and it's how we see they trust us. Those soldiers in that picture behind us, in my view, are all four star generals and we owe them the best we can do. As Congressman Young has said, we owe them the best equipment we can get. Not necessarily the equipment we can afford, but the best.

The stress on our National Guard soldiers has been significant. I'll go back to what General Shinseki said, "Soldiering is an issue of the heart." And I think at the beginning of the day they come out, they've been called to serve. But during

that day the stresses that come their way, whether they have the correct body armor or they have other things they need like the SureFire lights on their weapons, which I saw many of them buying and they had duct taped to the weapon barrel when they came back.

It's those kind of things that we stand and say, yes, this great nation is doing all we can for you. To me it's the price of doing business in a democracy. It's expensive to do this stuff, but it protects this great land. I think that as we huddle together and look at lessons learned, it's important that we look at things like post-mobilization, post traumatic stress syndrome, because I don't really see the kind of sense of urgency to look at that.

Every day I get up and think about our 5,200 soldiers that have been mobilized in Florida; and certainly the almost 2,000 that's just come back as infantry guys, 11 Bravos if you will, from Iraq. How are they dealing with their families? How are they dealing with these disorders that we know are out there from lessons learned in Vietnam, certainly even Desert Storm. And I think we need to look more at what we should be doing daily and what our healthcare providers, particularly VA, is capable of doing, but that takes funding. I think that would relieve a lot of stress.

REP. McHUGH: Thank you.

General McIntosh.

GEN. McINTOSH: Well, first I'd like to start by saying that we appreciate the efforts by the services and DOD relative to the fixing of some pay problems and some other processing problems in mobilization and demobilization. There's been a hard effort by the leaders in the Pentagon to do that, and I think it should be recognized, and it certainly is by our association on the record.

Certainly that being said, what is the manifestation of stress? Will it be a big exodus of the Reserve components eventually? What we feel from talking to our members is initially there will not be, because people are proud of their service, they know their country's engaged in a long war, and they know that they signed up for the long haul to win that war.

That being said, the application of stop loss, the decisions that will be made more by the spouse and family once the soldier gets away from the unit and faces an employer who has had to bring on temporary help, the stop loss coming off at that time, those problems with family, employers, may manifest themselves down the road.

And so what our members are really saying is that there are certain things you can do for us to ensure that you retain us and you can recruit us in droves. And the biggest one they're saying is healthcare. And not necessarily TRICARE or across the selected Reserve, but some options in terms of either using TRICARE as a selected Reservist or having an offset to their medical insurance relative to some kind of governmental problem. The second thing they're talking about is the stress on their employers. Guardsmen and Reservists in our association are very sympathetic to medium and small sized employers. And certainly the tax credit issue, we think, would indirectly remove that stress.

Talking about retention as a family, if TRICARE was available for most Guardsmen and Reservists and it was time for the Guardsmen and Reservists to decide to get out, it would be the spouse that would say, you're not going to get out as little Johnny is due a heart operation, and you remember you negotiated your salary with your boss so you wouldn't need any medical insurance. So we by golly are not going to leave the Reserve component, you keep that uniform on and keep serving.

Now, that's anecdotal, but we think that's important, the medical issue also. Small things like the GI Bill would relieve stress. If we could let Reservists use the GI Bill while they're mobilized, if we would change from six to four years their obligation if they do use it, and if we would not start their clock on the GI Bill until they use it the first time, these are all things that would help Reservists and Guardsmen handle the stress, live with the stress, because stress is a part of being a good soldier and they understand that.

REP. McHUGH: Thank you, sir. I couldn't agree more that the kinds of benefits that you mentioned, General McIntosh, are important, and we've made a very meager but I think an important start on that, and we need to continue.

What I do worry about, though, is that at the end of the day, are benefits enough to sustain a Guard and Reserve that is an integral part of the force? I mentioned the new policy is a deployment and activation once every five years, I think that's a minimum. Can we find enough good men and women, and can we find enough good men and women who are employed by meaningful — or I should say sensitive employers, that are willing to do that?

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We certainly need to ensure that that's the case, but are there ways — let me ask it this way. Do we measure today the stress and the attitudes of the families and the employers an adequate way? You mentioned, General McIntosh, anecdotal information. That's what I have, that's all I have. And I know the services take surveys, but are you satisfied that when we talk about stress on the force, the current matrices are sufficient to give us an accurate picture?

GEN. McINTOSH: Can I address that?

REP. McHUGH: Absolutely, sir.

GEN. McINTOSH: First of all, the answer is no, they are not adequate, but it's not because of a Herculean effort by the department to try to listen to the soldiers. It's just that we're new to this game, and so we need to come up with certainly better ways of measuring it. One of the things that may be being overlooked in the restructuring and rebalancing, and maybe it's not, is that if you take civil affairs, for example, or another kind of high-demand type mission, if we in our restructure put robust enough force structure in those areas that we know that are going to be used in this new kind of warfare so that Reservists and Guardsmen can rotate through six month deployments, four month deployments, eight month deployments and know with some predictability that they've got somebody waiting back home to replace them in eight months and it won't be their turn to go again for two or three years.

That is the kind of force structure analysis that probably is going on, I'm not aware of it, but that we really ought to look at to relieve some of this stress.

REP. McHUGH: Thank you.

MR. ZAPANTA: Mr. Chairman, I agree with General McIntosh. One of the things we have found, both with our board members as well as our meetings with the RC chiefs, is the whole area of predictability, so that on the rotation is critical because not only employers, but family members, can plan. One of the tough things that happened in the mobilization this time was many times we had a short alert and people were mobilized quickly.

I think lessons have been learned, and I see a real movement towards trying to — and that is a stress factor — to try to relieve that non-predictability or the ability for people to really plan their life ahead.

And it also goes to not just the family but that employer who's really looking to support. And that's one of the things we've heard every time we've gone out in public.

REP. McHUGH: Thank you.

General?

GEN. BURNETT: Mr. Chairman, if I may, in Florida, we tried to look last year at what we thought would be coming this year as our soldiers return. And as we did that I went out to 10 cities in Florida and visited with the families of our mobilized soldiers and listened to their concerns, took specialists with me. And a lot of them were things that we fixed pretty readily, pay issues, those kinds of things — which is another thing we need to look at, by the way, we need to advance the fielding of the forward comparable pay system for the Army National Guard so we can get this pay thing right, it needs some work.

But at any rate, the thing that I brought back from these families was essentially this: one year gone from home, beyond that, major concern. And I'm just bringing a field report, sir. I don't have the ability to analyze that data, but I can tell you, that was a common thread. And I spent several hours in each city with these families.

I've also chartered a blue ribbon panel chaired by Dr. Frankie Gabin (ph), who's a psychologist, to look at what we see the requirements for family readiness programs in a post-mobilization situation as these soldiers come home, and to look at stresses on the force, the range of things that's been discussed here this morning. We've also contracted with some graduate students at the University of Central Florida to help us with data collection so we can come up with some meaningful statistical data that's asked at the right time.

I saw the data that was collected by "Stars and Stripes," and I'm not so sure, sir, that taking a pulse of morale in a combat zone, where soldiers have been eating MREs for three months and going through some tough times, sleeping at (sand ?) in the night, gives you an honest figure. I guess that — not to be indelicate — it would be like asking your wife halfway through labor about having another child. It's a good question, I don't think it's the right time. And I think we have to look at those things. And, sir, I think this panel will give us some good information, and I will be glad to forward that to you. It should be forthcoming in the next few weeks.

REP. McHUGH: Well, yeah, we'd appreciate that very much. Well, gentlemen, thank you for your responses.

Dr. Snyder.

REP. SNYDER: Thank you, Mr. Chairman.

I wanted to read a quote, if I might, from Secretary Charles Abell, who testified here a week ago. It actually got some press play over the weekend. We had asked him what kinds of things keep him up at night over personnel issues. And I just want to read part of what he said and then have you all respond to it.

He said: "I worry about the suite of compensation benefits that come, and I worry from the perspective that you and your colleagues are very generous to our folks, and in most cases our folks deserve everything that you give them. However, I do get worried that it's possible to create a force that is too expensive for the nation, especially when it comes to programs that are essentially deferred compensation, or when the benefits accrue only those who no longer serve. I worry about the cost of that and what that does to our labor cost within the Department of Defense."

Now, I don't know if you saw his comments in the paper or not, but you all have, as one of you mentioned, have given a very detailed account of changes that you think we ought to make or consider making, and I think most of them would cost some additional funds, which is all right, we're going to do what we have to do. But how do you respond to — what's your thoughts about that? I thought that was a very candid comment that he made. We'll just go down the line.

MR. ZAPANTA: Well, Mr. Snyder, I can tell you that I know the department, especially within the services, are looking at the 30 days previous and 180 days after to try to ensure as our RC members are brought on active duty, that those kinds of issues are keeping them inside the — I guess the scopes of the tracking. Some of the areas that not only bring on stress but the questions as to some of the inequities that some of our members have voiced.

But let me specifically say that I know the department, I know the secretary, the various services are looking at it. They're dealing with it. You and I both know that when a soldier, a sailor, Marine, airman or Coast Guard person stops their noise, or their I think carping, it's — then we've got a problem. And I can tell you we saw it during my tenures in the two wars that I was part of. But at the end of the day, there's no question about the morale and the esprit de corps that's out there.

They just want to be sure that when they come home, that when their families are looking for the support that they're looking for, that it's there. And I think that's where the real connection is, and that's why we've been spending a lot of time listening to those families.

REP. SNYDER: General Burnett?

GEN. BURNETT: Dr. Snyder, certainly as it relates to medical and dental I think there's a direct effect on readiness, particularly with the dental piece. Plenty of Americans don't have dental plans. We can tell you in Florida our soldiers don't have benefit to those things. General Schultz, the director of the Army National Guard, pushed out a lot of money for us to fix teeth before this started happen. We knew the mobilization was coming.

For example, in Florida last year we treated 260 soldiers that we knew were going to be mobilized at a cost of \$100,000. And that's in '03. So far in '04 we've treated 126 patients at a cost of \$41,000. Now, that was a direct effect on readiness, because if they were category 3, which means you're not going down range, you're not going to be deployed, then we had a great investment in readiness but yet we can't reap that investment. So dental is huge when it affects readiness.

I can tell you that about 42 percent across the country of Guardsmen have health insurance. Major General John Smith, Adjutant General Howell (sp) put this empirical data together. That has an effect too, but dental is very much upfront because it's like right now. And our soldiers have benefited from this readiness issue. General Schulz is very well addressed. I think it's important to our soldiers and —

REP. SNYDER: So if I hear what you're saying, what you're saying is, yeah, there are things that cost money but they're not costs that are coming down the line, they're expenses that we incur right now that we get an immediate benefit from?

GEN. BURNETT: Yes, sir, it is an immediate benefit. It's not something nice to have. I'm addressing needs, not wants.

REP. SNYDER: General McIntosh?

GEN. McINTOSH: The affordability issue I think can be spoken to by others in the other panel better than I in terms of what capability a particular services gets from its Guard and Reservists relative to a specific mission versus a percentage of that service's budget that that Guard and Reserve organization spends. And you'll find you rapidly go from 30, 40 to 100 percent capability for eight, nine, 10, 12 and 13 percent of the total budget. So that makes the further obvious case that Guardsmen and Reserve are cost-effective and very affordable.

If we create a Guard and Reserve that has fewer people in it because we cannot recruit and retain, if we're not willing to spend money on medical readiness, on employer tax credits, on TRICARE, then we will incur another cost of extensive turnover or continuing to recruit non prior service people who haven't been in and haven't been in the war zone and recycled numerous times. So my answer to the affordability question is we cannot afford not to do what it takes to keep their brightest and best citizen soldiers in our military.

REP. SNYDER: General Burnett, have you been to Iraq?

GEN. BURNETT: Yes, sir, Dr. Snyder. I visited Iraq in December, a few months ago. I was —

REP. SNYDER: Are you telling us that as a TAG that the number of times you would like to be able to go seems to be more than what DOD is actually able to work out for you to go visit your folks there?

GEN. BURNETT: Yes, sir. Candidly, I would like to go, I think my command sergeant major needs to go, and I also think my assistant adjutant general Army needs to go. I certainly respect the concern of having too much brass in the field, and I know that is also a warfighter concern as well. But we need to be over there. It was the most rewarding of my trip. Truthfully, I wish I could have stayed my soldiers till they came home, and I really feel that. I think it's very important to go see these things.

REP. SNYDER: Yeah, that was my impression too. In fact, I've had a personal conversation with Secretary Rumsfeld about that. But I see you guys as being different, the adjutant generals as being different, because not only are you dealing with your troops that over there, but you've got the ones back home that may well be going, and then you've got the folks back home that are related to the folks that are over there, family members, and then you're also going to be dealing with folks when they get back there. And it seems to me that kind of one visit a year or so is just not adequate for what you could get out of it. But I don't know how to deal with it exactly. You mentioned medical holds, General Burnett, in your statement — or the problems you had with people not being ready to go. Has the evolving policy on medical holds, has that resolved a lot of the issues that you had?

GEN. BURNETT: Yes, sir. I'm very impressed at what's been done at Fort Stewart. I can tell you that the Army without question did their usual thing of great leadership. Actions on the objective made a huge — the National Guard Bureau has been involved there too. Florida had 107 non-deployable soldiers, which is about 2 percent of our 4,800 and that reflects favorably with about the 3 percent now we're just running. But medical hold is another piece of trust with the families and their soldiers. They watch what we're doing. And I can tell you this health organization, the community based health organization which has been funded by the Congress I think for \$8 million or so is working. Are there better ways to do it? I don't know, but we have one of those 10 organizations in Florida and we're managing Reserve component and National Guard, case managing, getting them appointments, following up. And follow up is the key to everything in this business. So we think that's coming along great and honorable people have resolved most of that problem.

REP. SNYDER: I think that's all I'll ask for now, Mr. Chairman, thank you.

REP. McHUGH: I thank the gentleman.

The gentelady from California, Ms. Sanchez.

REP. SANCHEZ: Thank you, Mr. Chairman.

And thank you, gentlemen, for being before us today. In particular my good friend Mr. Zapanta. Good to see you today.

MR. ZAPANTA: Good to see you.

REP. SANCHEZ: I too, as the chairman, was concerned about the Washington Post article from this past weekend with respect to the survey taken and the families suggesting that their members won't be signing up again if they have

a choice. And, you know, I'm always struck by this because I travel back and forth to California every week and inadvertently am always sitting next to somebody who is a Reservist or on active and whenever I ask them about signing up again, their answer is always, "Well, I would but my wife won't take it any more."

So my question is — also, when I went to Iraq in December right before Christmas and I actually — you know, and we talked to all the generals and they all said morale is great and our soldiers are doing a great job and morale is great, morale is great. And then when I get the soldiers all be themselves they say, you know, "We can't wait to get out of here. Get us out of here, Congresswoman, this is a terrible place. There's not enough people here to help us. I'm supposed to have six people in my unit and there's only two of us. We're working 17 hour days, we're working seven days a week. I'm a Reservist, what the heck am I doing here? I didn't sign up for this and I'm never going to sign up again."

And so then, you know, we see this survey — and I think it was Lieutenant General Hagenbach (ph) who confirmed that the internal polls from the Army, in particular — look the same way. How big a problem do you all really think we're facing? And I guess this would go straight to my good friend here. What do you really think? Are these polls reflective of a real crisis we have on our hands for the future?

MR. ZAPANTA: I think it's a portent. In other words, it's something if we don't do certain things to try to stem that potential outflow, I think we are going to have an impact. I think there are some things that need to be stated at this point about not just the stress, but the retention and recruiting. We can do a lot of things and we are doing — you're going to hear it from the chiefs in particular, that in fact doesn't cost money. Its' leadership at that unit level, it's the kind of attention to listening to those troops, also listening to that family — that family support.

At the end of the day, Congresswoman, there is no doubt in my mind that if you treat them well and they know you're fair and they know they're getting paid just like the person next to them, whether they're active, Reserve or Guard, they're going to feel then pretty good about being there. If they're not being treated that way, they're not happy. And did they not know that they were going to be there for a year? You know, the one thing that I recall about Vietnam that was right is that we knew when we went there we were there for one year, period. And then we just took that out of our lives. And I think what we're seeing now is not only a rebalancing but how we transform mobilizational, is we're trying to get to that rotation that gives us predictability. And, again, I think you'll hear that from the next panel.

But am I concerned? Sure I am. Why? Well, we're — and I think I want to state it in the context that we're in a very different environment. We're in a global war on terror. We're not fighting a nation state. We don't — we can't put our hand on that enemy. We can't end it next year or six months from now. And so when you don't have that ability to kind of predict what you think the outcome will be, it puts a very, very questionable environment in place. And so I think when you lay that on it and if you look at some of the things we had to do quickly, and we did it well.

And I say this unabashedly that we did it well because we did it on the backs of those soldiers, those Reservists, and everybody really pushed and stretched and made it happened. We have learned a lot. And I think you're going to see that start to change because as we go through the rebalancing, we're trying to not make the same mistake of what we may have done 10 years ago to try to put too much structure in one type, whether it's civil affairs and Reserve affairs or Reserve whatever it might be.

REP. SANCHEZ: Who do you think is —

MR. ZAPANTA: I don't have the number, though, to answer you directly. Do I think it's going to be above 20 percent, cause that seems to be kind of the number that the services are living with right now on retention? I don't know. But I can tell you I'm worried about it and I think that's something that we need to look at and continue to look at.

REP. SANCHEZ: You know, when I was out there I was also out in Germany and met with a lot of the families whose soldiers were down in theater, and they're pretty savvy, particularly these women are pretty savvy about, you know, my guy has a particular MOS, I'm never going to see him again for the next five years. I mean, and no matter how much the general that was with me, you know, tried to deflect these things, these are — these people are pretty savvy about what's going on. They know their soldiers are gone and they've got a particular skill. Until we fix this problem, you know, they're going to be there and they're going to be there over and over again. So I happen to think it's going to be a real concern for us with respect to retention if we don't get some of this under control.

What do you think is the most significant hardship? I mean, do you think it's financial difficulties, do you think it's separation due to the length of deployment? Do you think it's because they feel they're lied to? And they actually used those words, "We were lied to. They told us six months," or — you know, I happened to be there at a time when

people were into their second six months and they were just beginning to feel the fact that they were going to be there now 18 months, let's say, in theater. So "lie" is a very good word that some of them used. Do you think it's all the little extra things that happen to a family, the lack of childcare for example, which was a piece of information when I was in Germany that just hit me over and over again was, you know, we don't have any childcare and our guys or my wife is — for the guys who were in the family and the wife was in the military. What do you think — I'm trying to figure out what is it that we can do to make this better for them?

GEN. McINTOSH: If I may, Congresswoman? I think it's a combination of the things we've been talking about today. What we hear the families of our members that are deployed is, number one, medical care and the difficulty of getting it and sorting out the paperwork, et cetera. Number two, medium and small employers putting pressure on people. And then more isolated but evident is pay issues relative to pay stoppage, blips in the computer system, et cetera. So I think it's a combination of all the things we've been talking about today.

I would like to say this is not Desert Storm and Desert Shield. But I was in the command structure when people were waiting to come home from Desert Storm and Desert Shield and they waited in the desert much longer than they thought they should and we heard, "As soon as I get home I'm getting out." And when they came home some of them did get out and some of them we didn't want to lose got out. But there were relatively few. So I think we do have an issue. We do have something we need to pay attention to, but I do not think it's the 50 percent number we've been reading in the press.

GEN. BURNETT: If I may, Mr. Chairman?

REP. McHUGH: Please.

GEN. BURNETT: I would agree that one of the significant issues that we have as leaders is what's the future retention of these soldiers? I can assure you their wife or their family, those that are around, have a lot to do with that vote. And I'm not qualified to give you an answer, ma'am, on the troop-to-task ratio. That's way over my pay grade.

But I will say this: I think soldiers sign up knowing it's going to be hard work. They know it's risky, they know it's tough and they know the days are going to be long. And they endure that because that's part of getting that job done. They're trained to do it, they want to go practice that leadership piece. But as they're doing that — again back to the core piece, how do we treat them? Not how we can treat them, but how we do treat them. Just like bringing our soldiers home. They can't be released from active duty and expect to get home in one day, and eight days later here they come. That's not how you do that.

I was a commercial airline pilot. I'm aware of how contract airlift works. And we need to seriously look at how we bring these soldiers home. I was at Fort Stewart for nine days, and only expecting to be up there three days, screening 850 soldiers, and I had 400 families up there waiting that period of time because these flights were delayed. Now, that's been fixed. And I can give credit to General Handy (sp) at TRANSCOM and certainly General Dick Myers, the chairman, for working that. But that should have never happened. So it's those things where as leaders we have opportunity to treat these soldiers and they'll come back and say, "It was tough, but man those guys were looking after me."

So those kind of things that we can do — and those aren't necessarily so costly. It has to do with having a passion for getting it right for our soldiers. We in Florida put together five phases for walking these soldiers home. I think as a nation and state we missed this in Vietnam and maybe missed it in Desert Storm, because of the way we mobilized. We have five phases. We greet the soldiers, every one, at the airplane at Hunter Army airfield, shake their hand, selected senior leadership and VIP guests, elected officials, if you will.

Then we're back at Fort Stewart. Colonel Kidd is doing a superb job with that garrison there welcoming soldiers home. They come into the Army to the Army song, report from Iraq, families are jumping up and down. What an emotional moment. And I wish you could see one of those post-mobilization events done at Fort Stewart. It's class. And then they come back into their armories in Florida with the police escort and the streets are lined with kids with flags, "Thanks for what you've done."

We've now planned five phases of the huge welcome home event in five big cities in Florida, all around — usually attended by Governor Bush, who's committed to every one, the lieutenant governor, even very senior leadership in this city will be down there for some of those events to say, "Thanks for what you did." Those are the kind of things we do that I think will make a difference. And certainly these things we heard from General McIntosh and Mr. Zapanta we need to resource. But there are some things we can do with just good common sense.

MR. ZAPANTA: Let me ask, you also directly, on something that we are working on. There are opportunities — like there is the Bankers Association and mortgage bankers — that are looking for these trained Reservists and Guard that are coming back and that are from the inner cities, rather an individual that just has a high school degree, but they're willing to train them and put them into either banks or into lending institutions so that they can continue on a path to having a good job.

But guess what? If we do it in the Reserve and Guards as part of a process that tries to help them — not when they come back and, "Thank you for your time, see you in a month for your weekend drill," — but to try to help them back into the society. And it doesn't cost money. I mean, I have seen employers and these associations that we've been dealing with that basically are looking to do it. And so that's an area that we're now looking at to see how we can help. So I think it's continuing that link beyond when they get back.

REP. SANCHEZ: Thank you, Mr. Chairman.

REP. MCHUGH: I thank the gentlelady.

Mr. Hayes.

REP. ROBIN HAYES (R-NC): Thank you, Mr. Chairman.

I love what you said about Fort Stewart because I was at Pope Air Force Base on Saturday morning when 241 all-Americans from 82nd Airborne returned, and you ought to come see how we do it at Bragg — maybe you could get up to that level. But we appreciate what's being done. Certainly it's not perfect and the chairman has been very diligent in traveling the world and making sure that we're listening carefully. My concern today is it has been — last week you had a great hearing. And we still have some work to do on track here for families of deployed spouses, but we're moving in that direction. So from your all's perspective would you just comment briefly on TRICARE and anything we can do here to help that go forward in a more positive and more expeditious manner?

GEN. McINTOSH: Well, certainly my mantra here today has been to talk about TRICARE across the selected Reserve as an option for Guardsmen and Reservists. And we're aware of the huge price tag that has been put on that due to various studies. I think they did it across the Guard and Reserve. But I think what's not appreciated is how you would cut down the turnover on the cost of retraining, and how readiness would be affected on the front end of a mobilization, giving our commanders many more options when they have to decide who they're going to deploy and how many units they've got to (bring ?) together to get a combat ready unit that have good teeth, for example.

We need to look seriously in the TRICARE area of doing everything we can do to ensure that the Guardsman and Reservist is medically ready to go and that we, the government, have foot that bill. And then once we tell them they're going, that their families are protected. And there has been a lot done in that area. You've done a lot and that's very much appreciated. But I think we need to go a step further.

And it is fairly expensive, but I think it's time to consider the pros and cons of that. And certainly our association says TRICARE across the selected Reserve as an option, with the premium paid by the Guard and Reserve family, is something we'd appreciate a serious look at.

MR. ZAPANTA: Let me address something, Congressman, that I think hopefully will bring some clarity to I think your question, which is a good question. One of the real problems that we run into is obviously the budget. And when you start to look at health costs, of course that's going to be one that basically gets a lot of attention. What we really are talking about is maybe approximately 30 percent, or thereabouts, of our R.C. members that are being brought on active duty, mobilized and many of those units, such as Civil Affairs and some of the M.P. units, are in a very fast op tempo rotation. They need to be part of that TRICARE.

But there is over — there may be 70 percent of the R.C. — and, by the way, that's also on the active side that were not in the war, were not boots on the ground. So how do we really manage that? How do we make the equity of the R.C. members that are on that mobilization and make sure that they have the same equal compensation, same health package as TRICARE for the families of that active service? Once they come out and come back to their Reserve or Guard unit, then that comes back into a different program. And that's where I think — I know the department and I think you're going to hear from the next panel. That's what we're trying to look at. That's what some of the studies — and that's one of the things I know you here in Congress are looking at: how do we manage that process so that nobody falls in the crack?

REP. HAYES: Thank you all.

Thanks again, Mr. Chairman.

My point — and you've raised additional ones that are excellent — is when that mom, in the example of 4:00 in the morning with the young child with the croup, they want to be able to get to somebody and get help for that child. And that's so important. Thank you all. Thanks particularly to the soldiers, sailors, airmen, Marines that you serve.

REP. McHUGH: I thank the gentleman.

The gentleman from Tennessee, Mr. Cooper.

REP. JIM COOPER (D-TN): Thank you, Mr. Chairman. I appreciate your holding this important hearing today. I know all of us hear more about these issues back home probably than any other military issue.

I have a question about restructuring the Guard — and perhaps this would be more appropriate for the next panel, but I'd like your insight if at all possible. It seems to me that restructuring the Guard and Reserve may end up destructing a significant part of it. Perhaps that's good, we don't know. But I'm wondering if you gentlemen have any information about how many National Guard battalion headquarters may disappear as a result of various restructuring proposals that are coming forward?

MR. ZAPANTA: Mr. Cooper, I'm going to punt to the gentleman that are going to be right behind us, because that's really their — that's their lane. But to the more fundamental and broader part of your question, is the rebalancing in our estimation of — what we're trying to be able to do is get those kind of units that are not being utilized — some of the heavy structure combat units, whether it's artillery or armor, into the areas where civil affairs, intelligence and some of the ones that are really on an op tempo — and they're doing that right now in such a way that you — you don't want to kill the structure so that you can't basically deploy what you have to deploy when you need it. And so it's a combination of looking at that mission, what is the real capabilities?

And the beauty of the Guard and Reserve and I have this — I'm going to get on my soapbox for a minute if you don't mind, Mr. Chairman. But the ability that the Guard and Reservist brings is that civilian acquired skill that would cost us a heck of a lot of money if we try to keep it in the active. And that's the ability to reach back and bring those kind of individuals that can come and take that six months or year out of their life. It's not just all about combat infantry units. And so answering your question, those are the kinds of things when we restructure, and I think you're going to hear it, that the R.C. is trying to put in place that we can give it the depth while at the same time not costing a big price tag.

GEN. BURNETT: Congressman Cooper, responding to your question about the battalions, again I would defer for the most part to General Blum and Lieutenant General Schultz. However, I would say this: as we restructure, I think it's important we have this TTHS account, Transient Trainees Holddees and Students. The Army Reserve has come out strong saying we should have this. The Army has it. It gets into a question of how many people can we send down range to do business? So if you've got force structure here and assigned strength here, when the Army calls us this is what they see, this high level, and they say, come to the fight with this. And we say, well, hang on, I've got between here and here to get there.

For example, sir, in Tennessee I think you have 10,700, which is your force structure, and I think you have assigned 9,450. Well, when you start mobilizing some of those elements, you've got to pull from here and there. For example, 11 Bravos, the infantry solider. Pull one from here or there that used to be 11 Bravo, now is doing something else, went forward for a promotion opportunity, but we've got to pull them back. So I think some of the plans I've heard General Blum advance brings that down to where when they call us, we're assigned to have this, we're paid to have that and if we recruit right, train right, all those things, I think it will happen.

Back to your question on battalions. It's very, very important to the National Guard and Reserve component that we have promotion and opportunity for leaders. Folks that train to lead want to lead at the next level. It's not about rank or pay grade. It's all about responsibility and accountability and stepping up and making a difference to those that follow. So if we don't have battalion headquarters and brigade headquarters where promotional opportunity to lead at that level is not there, I can assure you we will have not good formations. We will not have good companies, we won't have good battalions because they don't see that mentoring piece to move up. So I think we have to look closely as we work through this balancing act we talk about. And, again, I used the word integrity of process. It's very important that we don't build something that looks good maybe in one city, maybe looks good on paper but doesn't fit that soldier down here in Armory USA, because that's what it's really about.

REP. COOPER: Any idea how many armories may close in individual counties, because a lot of folks focus on that?

GEN. BURNETT: Well, sir, that is something to look at. I know in Tennessee you have 109 armories and I'm certain that that's a concern for folks. This soldiering piece is all about small town America, armories all over this great nation that supply troops. Maybe one town can't supply 100 troops when you need them; maybe they can supply 85. But it's that 85 that makes the difference in the fight. We have to look, significantly, at that side of the equation we start balancing this out. I think we can do that and still keep armories open 'cause it is an unbelievable important piece of our recruiting base, the communities with which we serve 'cause we're citizen soldiers.

REP. COOPER: If some of our troops are converted to other skills, who pays for that conversion? How does that work?

GEN. BURNETT: Sir —

REP. COOPER: I mean, we have an artillery battalion being retrained right now as M.P.s

GEN. BURNETT: I would have to let General Blum and General Schultz address that. Basically, you pay for it.

(Laughter.

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REP. COOPER: Well, the taxpayers do.

GEN. BURNETT: Yes, sir.

MR. ZAPANTA: The whole area of cross-leveling, Mr. Cooper, and the area of the retraining and all, the services are taking it out of hide, and I think they'll tell you that. But that's okay in the sense that they're trying to make sure that they can manage their resource and their ability to build those units to be able to deploy them. But, yeah, it costs money and we're talking about equipment, as well, to try to upgrade it, and so there is a price tag to it. I'm sure they'll bring it up.

REP. COOPER: Last question, Mr. Chairman, with your indulgence.

Perhaps other questions have covered this, but the current utilization level of Guard and Reserves seems to be about 100,000 and —

GEN. BURNETT: It's 132,000 that are mobilized today, sir.

REP. COOPER: Was that a plateau or is that a spike?

VOICES: (Off mike) Sixty thousand —

REP. COOPER: Is that a plateau, is that a spike? You know, is that what it looks like for the foreseeable future, that level, or about, is going to be necessary to supplement our active duty forces.

GEN. BURNETT: I think we're going to see that for the foreseeable future. As the Army came down from 900,000 to 482,000, certainly our country knew that we would be using the National Guard and I think our soldiers understand that, the distinction being between equal and equitable, which Dr. Snyder well pointed out in his January 21 testimony.

Equal is like the football stadium, I think you said, sir. Ten commodes in a men's bathroom and 10 commodes in a women's is equal. But that's not equitable because the line is going to be a long line outside the women's. So I think we all in the military need to adopt that as equal and equitable because it certainly applies to the Guard and Reserve and the active. And I think we have a great partnership and I think honorable people are working to flatten out these spikes so we have some symmetry of knowing where we're going to be mobilized.

REP. COOPER: I thank the chair.

REP. McHUGH: I thank the gentleman for asking a very important question. Let's talk just a bit about medical hold, medical deployability. And you've talked about TRICARE for the Guard and Reserve, and certainly we've asked that certain steps be taken. It hasn't gone as far as some of us would like. But let me just pose to you what we hear in return and let you comment upon it. Statistically, 80 percent of the Reserve force has private healthcare insurance. So you've got about a 20 percent universe out there that obviously is in need of assistance.

And yet with 80 percent covered we still had a very, very significant medical hold issue and non-deployability issue

with respect to not being fit under medical condition. Those 80 percent apparently are not utilizing their available healthcare coverage prior to deployments to keep up that level of deployability. How would you respond to when we are told so extending TRICARE across the board makes no sense either because 80 percent isn't using it to begin with? Can you give us any help there?

GEN. McINTOSH: I might comment —

REP. McHUGH: General McIntosh.

GEN. McINTOSH: — Mr. Chairman. The standards for deployment — teeth is one issue and other issues — is, as it should be, higher for a military person than it would for one of us walking the street and working our civilian jobs. And that 80 percent is getting from their insurance company rights under that insurance to maintain the standard that is quite often lower than what the military require on day one of mobilization. So that's a reason for part of that disconnect. And I don't know if that's helpful or not? If TRICARE were implemented at a shared cost basis, and the instruction to the Guards and Reservists when they signed up for TRICARE that they would maintain T2 status for their teeth and other health requirements, then the issue that you just brought up I believe, Mr. Chairman, would go away very rapidly.

REP. McHUGH: Mr. Zapanta?

MR. ZAPANTA: Mr. Chairman, I think that if we can prescreen before people are mobilized, that's going to help us. And I know that the services are doing much more of that because it doesn't make any sense if you've got a unit and you may have 10 percent that are going to be dropped out or put on medical hold, because when I was a young battalion commander out in California in the 40th Infantry Division, we could not use training time on a weekend to have our people go through medical physical exams or anything. But that's changing, and so we can do that on the front end. We should have no question about bringing anybody on active duty if we already know what the problem is, and so that's another kind of way to try to, I hope, maybe stem some of that. What do we do with those individuals? That's another question I think that's at a service and command level.

GEN. BURNETT: If I might, Mr. Chairman?

REP. McHUGH: General, yes.

GEN. BURNETT: Sir, I think we again — as Mr. Zapanta very well said, we need to look at the front end on medicals. For example on the Air National Guard side, annually you see a practitioner. You fill out a form and that form has a matrix and the matrix for what you get looked at as a function of age and other things, EKG at 35 and those kind of things. It is a preventative — providing system if you will.

However, on the Army side you only get an actual eyes-on physical every five years. There's a Department of the Army form that the soldier fills out that's administrative in nature, as I understand it. And, of course, the idea is that a soldier be forthright, but everybody can't diagnose things — you know, onset of diabetes, those kinds of things. But they fill this form out and in five years someone looks at them. So in my view we need to bring these two programs together and perhaps take a look at funding more medical practitioners to the Guard — because we can recruit them. We certainly do in Florida; we're full up. So that we can get a better look at folks upfront.

And, sir, our data — I have to go back and check my data because I know I must be wrong. I don't think we're anywhere near 80 percent of our soldiers having medical care. And even if they have dental care, a lot of time it doesn't cover the bigger cost of things like oral surgery, which is huge, and that's what our big money's been spent on.

REP. McHUGH: Well, two comments. One, you're right, that's an average. And my dad used to say, you know, if you've got two one-legged farmers walking their cow to market, on average everybody's got two legs. So, you know, there's a wide variance there. The second thing is I'm not sure it does include dental. I think it — health insurance — which if you're in the federal government, for example, does not include dental. So those are important differences. Are we properly incentivizing unit commanders to make sure that their units are medically deployable? And if so, how are we doing that? And if not, what should we do?

GEN. BURNETT: Well, it's something that we've looked at. And I can tell you two years ago in Florida we went back and said okay, what do we think is going to happen and what do we need to do to be prepared for it? So at the (mug ?) site the United States Army and you say our states are ready to do business, so we went back and started looking closely at a lot of things like that. And perhaps your message here is instructive: We need to go back and take, maybe, a closer look at how that works. Certainly we're trying to do those things, but we have 39 days to train. And again if we

were funded C3, if we had more full-time manning, I think we could overcome the concerns you stated.

REP. McHUGH: Have you worked up the figure on the different cost between current C3 funding and C1? That's a big number and maybe you haven't.

GEN. BURNETT: Sir, it's probably a huge number. The Air Force does fund the Air National Guard for training at that level.

We can deploy from wherever we are right to the fight and get it done. And I think that, in all candor, sir, that is the one issue that — I've called five or six adjutant generals and they all said, "Doug, tell them you've got to fund training at C1." And, sir, I don't know what the cost is.

REP. McHUGH: Thank you.

Mr. Zapanta, General McIntosh, any comments on the incentivization of unit commanders, medical deployment?

GEN. MCINTOSH: I think General Burnett hit the nail on the head. I think we need to look at that. But again the front end-loading of having a vehicle where people can keep their teeth, for example, in deployable status is what the commanders will come back to us and ask for. And say if I had that, if our individuals had funding through a TRICARE program or some kind of program or supplemental to their civilian insurance to stay combat ready medically and didn't have to take it out of their pockets, then I as a commander could solve that overnight.

MR. ZAPANTA: I think some of the services will tell you that they may have a physical exam that they have their individual members go through, but it may be only once every for our five years, not every year. And I know they're looking at that. So, you know, what's the right tempo so that you're able to screen as you go through over a three to five year period? But I do think on the front end we could really eliminate all of these problems.

REP. McHUGH: If my colleagues will bear with me. I had a general from my district, Guard general, who was also a physician. And he was talking about the good old days when they used to have teams of medical professionals who traveled to the various Guard training sites, and I got the impression in between drills conducted the physical. The main challenge for commanders and soldiers and sailors and airmen and marines, Coast Guard alike is getting away to get that physical.

Can we meet that need of the training requirements and also the medical deployability examination requirements by perhaps going back to the good old days and having traveling units? It sounds to someone such as myself, who probably is not as informed as I should be, that that would not only work, it sounds cost effective. Any thoughts on that?

MR. ZAPANTA: I'll take it from my day as an infantry —

REP. McHUGH: In your good old days.

MR. ZAPANTA: — guardsman, so in the old days. That was back in 1980. We couldn't use training time to do that. So what I did is quietly — because we were at Las Alameda's Armed Services Reserve Center, so you had all the services there. We had a medical general hospital there and they were not getting enough training. And so it just happenstance the head of the hospital and I had a chance to visit. And so he said, "Jeez, can you send me some of your soldiers and we'd love to be able to put them through our process so I can keep my people trained." And so we would take a company at a time, or a platoon at a time, and try to just rotate them through, while not degrading the training time. And that was of course when we were at that site. The other times as we were shooting out to — which is out of the National Training Center, you really don't have enough time to really impact or cut into your training, because you're really trying to put a lot in a five pound bag, so to speak.

And so my sense is it can be done, but it's got to be done in a way where those local commanders can actually massage what they've got to get done, while at the same time give them that resource or time where they can go to that medical facility to get it done. Can they travel? I mean, that's one that I think I'm going to let my colleague here to the left answer.

REP. McHUGH: Medical teams travel, not —

MR. ZAPANTA: Excuse me, I didn't hear you. I thought you meant the unit.

REP. McHUGH: No, the medical teams travel to the site.

MR. ZAPANTA: Definitely, excuse me.

REP. McHUGH: And by the way, that was a benefit that the general doctor, doctor General, listed as well, in that the medical teams get training they might not otherwise get.

GEN. BURNETT: Exactly, yeah, exactly.

REP. McHUGH: Thank you sir. General.

GEN. BURNETT: Mr. Chairman, if I may, we are doing that, sir. In Florida we use contract doctors, and this is a lot of bang for the buck, it really is. In fact, one group had a huge van and they had a cycle or a process set up that was very efficient. I forget the number of soldiers they could process through that, but it was very cost effective. Again, this is something the National Guard Bureau has funded for us and it works very well. On the Air Guard in Florida we have a medical squadron in Jacksonville at the fighter wing and eight other units, and they deploy a team — every drill weekend they go somewhere to one of my other eight units scattered around Florida, they're support not flying units, and they get — take care of the immunizations, some of the dental. And a lot of that's not upfront. So I think we're being pretty efficient in that point. We need to be better, though.

REP. McHUGH: Well, I think that's great and I'm glad to hear it. But it may not be necessary to buy it all. I mean you've got medical units in the Guard that could come to you in the same way without the same cost, is that not true?

GEN. BURNETT: Yes, sir, we do. With 10,500 Army soldiers in Florida, and I think I have 15 physicians and 15 physician assistants, it's spreading the peanut butter pretty thin to cover that base. Perhaps —

REP. McHUGH: It couldn't do it all. No, you know, I — the Georgians appreciate your promotion of peanuts. (Laughter.) But it couldn't do it all, I agree with you. But it could be a part of it I would think.

General McIntosh, any comment?

GEN. MCINTOSH: I guess back, Mr. Chairman, to what I said before. I think certainly after this conflict or in the midst of correcting things that we've seen, we will take more seriously the medical screening upfront. But, again, it comes back to an authorization funding issue relative to how that individual does those things they need to do to stay medically fit once they're identified with a shortcoming. So I think it's a two piece issue.

REP. McHUGH: Thank you, sir.

Dr. Snyder.

REP. SNYDER: Mr. Chairman, I like that peanut butter metaphor better than I like yours about legs and cows. I'm still trying to sort that one out.

(Laughter.)

REP. McHUGH: Well, you've got four legs on the —

(Laughter.)

REP. SNYDER: Just a couple of comments in response. You know, I was a family doctor before I got into this business, and it's interesting to me — you can't talk to anyone today, I don't think, anywhere that doesn't recognize that we've got some real stresses and challenges in our healthcare system. I don't mean just in the military, I mean for everyone. So all this conversation with what you all are talking about and what we're talking about, what your opening — your written statement is talking about is you all are trying to solve the fact that American society as a whole has not solved the problem of healthcare.

And whether you talk to business or doctors or hospitals or consumer groups or folks representing the uninsured, we have a real challenge; to the point now that you all are testifying here today, that our healthcare systems are affecting our military readiness. Think about that, you're testifying here today. We're the richest country in the world, but our healthcare system is failing us at the national security level.

I think that's a pretty profound statement, and you all — I hope your voices get heard a lot more. My recollection — and I'm not a military historian, but my recollection is that some of our commodities and nutrition programs began in one of the ways of drafting young men into the military when they were all coming in undernourished, and they just had some real nutritional problems.

It was an impetus for doing something about it because it was affecting our military readiness. And what you all are

telling us today is we've got the same thing going on, probably not to the extent that it was in the past. But I think that's a big constituency. But it's going to be a difficult — I think it's going to be a difficult challenge for us because we're trying to plug holes. I mean, you're going to have people come in and out all the time, and there's going to be a new groups of people who are coming in and some are going to — and your folks, sometimes they're going to have health insurance and sometimes they're not.

I mean, we say there's 43 million uninsured. My recollection is that impact is about — over a year's time is something like 75 million people because on January somebody's uninsured, they get a job in February and they do have health insurance. They've got some preexisting problems but they get rid of that, but then somebody else has got health insurance, they lose their job or they move to something else. I think it's just a very — I think it's very difficult for everybody in this room, as smart as you all are, to solve this problem when we haven't solved it as a country.

The second thing, Mr. Chairman, is this issue of Montgomery GI bill, and General McIntosh mentioned that. We've got this — you all educated me last month about we've got this dual bill here where the Reserve component of it is — the Montgomery GI Bill we do in our committee here, and then the Veterans part of it is done in the Veterans Committee. And I don't think they're — they're not running in tandem. So a couple of years ago, year-and-a-half ago, we made what we thought was some pretty good improvements in the Montgomery GI bill. And I think if you ask most members they would say everything is really pretty hunky dory.

But we didn't do anything about the Reserve component of it because the Veterans Committee didn't have the jurisdiction. And we may want to consider trying to, I don't know, do a joint hearing once a year or something, on the Montgomery GI bill with our folks from the Veterans Committee, where we could talk about together where those bills are at because I think we're leaving — we've left the Reserve component behind. I don't think your benefit is anywhere what it was before in terms of — just inflation. I guess there was not a question there, except about that legs and cows thing, but thank you all for being here.

(Laughter.)

REP. McHUGH: I'm not sure if Mr. Cooper wanted to ask another question or not?

I thank the gentleman. If you could just bear with us. My point on the cows was — (laughter) — doesn't want to hear my explanation about cows. Well, gentlemen, many, many other issues we could explore and need to explore, and I know you both understand and appreciate that. Accordingly, we would ask — in the immediate future we'll undoubtedly share with you some written questions, that we would deeply appreciate your responses for the record so that we can ensure that we can have as broad a range of opinions from you and suggestions as possible.

Until that time, as I've said before, we deeply appreciate your service. This a new world, a very different world from the balance between the Reserve component and active component that existed not so many years in the past. And it clearly is setting a field of challenges that we have to address. The Guard and Reserve — so important, in my opinion, in terms of this nation's attitude towards its military and the relevancy of our civilian based military — needs to be preserved and protected, as I said, and we've got a lot of work to do to make sure that that happens in support of the great work that you and your organizations do. And we appreciate your service and thank you again for being here. And with that, have a nice day.

Well, let me introduce our second panel of witnesses. And it is a weighty panel both in terms of its size and its importance, and we're thrilled to be joined by such an array of distinguished leaders, and let me welcome you all. First let me introduce the Honorable Thomas F. Hall, assistant secretary of Defense for Reserve Affairs. Secretary, welcome.

Lieutenant H. Steven Blum, United States Army, chief National Guard Bureau. General, welcome.

Lieutenant General Roger C. Shultz, United States Army, director Army National Guard. General, good to see you.

Lieutenant General James Helmly, United States Army, chief U.S. Army Reserve. General, welcome.

Vice Admiral John Cotton, United States Navy, director U.S. Naval Reserve. Admiral, welcome.

Lieutenant General Daniel James III, United States Air Force, director International Guard. General, welcome.

Lieutenant General James A. Sherrard III, United States Air Force, chief Air Force Reserve. Welcome.

And Lieutenant General Dennis M. McCarthy, United States Marine Corps, commander Marine Forces Reserve.

General, welcome.

Generals, welcome all. Most of you are old hands — I should say experienced hands. General Sherrard, this I understand you'll be retiring, this will be your last opportunity in uniform to appear before us and I want to thank you on behalf of this committee, and the subcommittee and the committee and the United States Congress but also the American people for your long service and wish you all the best in the future, and we'll try to take it easy on you on this, your final appearance.

GEN. JAMES A. SHERRARD: Thank you, sir.

REP. McHUGH: And with that, Secretary Hall, we look forward to your comments, thank you for being with us. Our attention is yours, sir.

MR. THOMAS F. HALL: Yes, sir. As you can see, at the table from the gray hair and lack of hair, you have counting my 38 years of active service, 300 years of military service testifying before you today, and I want to echo what you said to Jim Sherrard, he has given most of his adult life in service of his nation, and we as his colleagues are deeply appreciative of it, thank you.

(Applause.)

GEN. SHERRARD: I just would question, sir, the comment of most of my adult life, that could mean just a couple of days, maybe.

MR. HALL: Our Guard Reserve is 46 percent of our military today, numbering 1.2 million. Today we have 170,000 on active duty mobilized, we've mobilized a total of 320,000 since 9/11, we've used 30 percent of our Guard and Reserve in this effort. We have 63 percent we have not touched and this makes it the largest mobilization since Korea. And I will keep my remarks very short because I know you want opening remarks from everyone. But just to say that we're all worried on this panel about the same thing, stress on the force.

Although since 1995 we have only doubled, tripled or four times tapped 28,000 which is 3.3 percent, it's a small percentage, we keep tapping the same ones. We keep mobilizing civil affairs, military police and we're concerned about that thus the rebalancing effort. And what you're going to hear is that the rebalancing effort is one within the active force as well as within the active and Guard and Reserve. It's not moving both ways, we want to get in many cases a larger pool. We want to look at the groups that have been mobilized over and over again and increase the amount of pool, build more of them so that we can develop predictive models.

And along those lines it was referenced in the other hearing, the one in five, one in six. That is a planning factor, that is not a policy. The service has to look at if you mobilize one in every six years, do you have the necessary balance to do that, do you have the necessary size to do that. So we're using it as a planning factor, it might be one in four, it might be one in 10 it might be one in seven. So that's very important. We're worried about our families because as you heard, the families are extremely important.

I know during my many deployments in the Navy my wife wanted to know when are you going, when are you coming home, how long are you going to be there, predictability. So we worry about those families. You'll hear about the support we give those families, the 400 National Guard family service centers through out the country, the 700 family service centers throughout the country that in a joint way help our families. Our web based initiative so that our families can call 24 hours a day, seven days a week, get help. We recognize how critical families are.

You'll hear about recruiting and retention, and you will hear that all of the services, the Reserve and Guard are making their end strength. However their recruiting is slightly below where they want it, but they're retaining more. And I'll leave it to them to tell you why they think they are, they think they'll meet end strength, but with stop loss in, which ends in the Army, for instance, 90 days after you return, sometimes the snap shot you need to take about recruiting and retention is not right now, it's at the four month point. So what we need to concentrate on is after you've been home four months do you feel the same way as when you walked off the airplane.

We're worried about equipping, that we have the same compatible equipment that when they cross the berm, from Kuwait into Iraq, or do you have the vest, do you have the same kinds of equipment: All of us are dedicated towards that end. Training has come up a number of times. One of the initiatives that we would like to see, we're prohibited now by legislation in mobilizing for training purposes only. We think that needs to be changed because we could attack a lot of things by mobilizing for maybe a two or three week period to send people to school, you know if you're going in a year

and-a-half from now, and you need a school — or mobilize for take care of medical, take care of some of those things. Without that authority, we think that would give us a little bit of additional leverage.

We're worried about the continuous service. We have people that serve from zero, 38 days, to 365 days. We'd like to provide a system and we have a number of initiatives that I could discuss with you to allow us to have our citizens serve as volunteers, serve in a more productive way, serve longer times. There are a number of archaic laws that are Industrial Age laws, the 179 Day Rule, the other kinds of thing which prohibit us using Guardsmen, Reservists, the way we think. All of our initiatives, coming forward, cost nothing. Guardsmen and Reservists will like them, it will make their continuum of service better and we'd like you to consider those.

In the area of benefits, we try to focus and worry about benefits on readiness, and if we take the medical benefits, there's been a lot of discussion by the other panel about TRICARE for Guardsmen and Reserves and their families all the time. That's very costly, \$10 billion or more. We want to focus on what promotes readiness because when Guardsmen and Reservists come on active duty, they and their families — now in fact 90 days prior to that thanks to what you passed last year — and for 180 days after they come off have the very same benefits. And that's very important. When they're not on active duty to enact very expensive type of benefits might price the Guard and the Reserve out of the picture, depending on how often we use them.

Where there is a zero tolerance on sexual harassment in all of these services and I will leave it to my colleagues to talk about it. It is a crime, it is abhorrent and they are committed to zero tolerance in the area of sexual harassment and they can certainly speak to that. In the end, what we need to do, I think, is to develop a predictability model that we can tell employers who are very important in the equation, and particularly small businessmen of four, five and six, those are the ones, the large ones are not as much of a problem. When the person that works for you is going to go, if there are initiatives that might help those businesses, we would be happy to discuss those, but we need a predictability model for the family, for the Guardsmen and Reservists, and for those employers in order to make the service attractive for the future. And I look forward to your questions.

REP. McHUGH: Thank you very much, Mr. Secretary. Again, we appreciate your being here.

General Blum?

GEN. H. STEVEN BLUM: Chairman McHugh, Congressman Snyder, Congressman Cooper, other members of the committee, thanks for the opportunity to be here sincerely, we've entered our posture statement for the Army, Air and the National Guard for the written record, please and we ask you to take our oral testimony as well.

This committee is all about people, and in the end that's what our organization is, it's all about people. So I brought some people here that are the real experts, if we really need to get expert opinions. I brought my command sergeant major of the National Guard, he's senior enlistment advisor for 460,000 citizen soldiers and airmen, Command Sergeant Major John Lennard (sp), who's been mobilized twice, so he has some experience. Once for Vietnam and once again for Desert Storm.

And then we have three true American heroes that just have returned back from deployments overseas, Senior Master Sergeant Drew Horn (ph) from Pennsylvania, noncommissioned officer from the 193rd Maintenance Squadron, Pennsylvania, Air National Guard. Sergeant Luke Doherty (ph) who's probably going to be, if he isn't already, announced as the NCO of the Year for the Nebraska Army National Guard. Just back from Bosnia, but he's also pulled tours of duty in Kuwait. So he's operated and been mobilized twice in both theaters. And Specialist First Class Jeremy Long, right out of Schenectady in New York, who was mobilized out of Fort Drum, knows well the issues there. And he is here today and he's recovering from wounds he suffered in theater being attacked by an IED in an unarmored Humvee. So I'd like them to stand and be recognized.

(Applause.)

REP. McHUGH: Thank you, gentlemen. If I may interrupt you for just a second, General Blum, because you're absolutely right. That's why this subcommittee exists and for all of our passion towards high-tech secret weapons systems and exotic platforms and stealth this, at the end of the day it is still the soldiers, sailors, airmen, Marine and Coast Guard men and women who make the difference.

And, gentlemen, I want to welcome you and certainly to the command sergeant major as well. But to Specialist Long, whom I had a chance to visit with just prior, we're awfully proud of him of course. And Sergeant Luke and Senior Master

Sergeant Horn, God bless you for your service, thank you for being here today. And there ought to be a medal for sitting in a committee meeting room — (laughter) — for this long with the lights on in your uniforms. I'm sorry, we haven't done that yet. But if we ever do, you're first in line to get one. But we're deeply in your debt, gentlemen, thank you so much.

Thank you, General, I appreciate you letting me interrupt your testimony.

GEN. BLUM: No, sir, you've just shortened my presentation, that's great. Your National Guard has three priorities, and I'll keep this brief. One it defend the homeland both here or abroad. We can do both. We need to do both. We need to do them simultaneously. We support the warfight any time, any place. That's what we signed on to do. That's why the Guard was created 367 years ago, and we'll be here as long as we're a nation and we'll do whatever the nation asks us to do.

And then lastly we have to transform because we are no longer running around with muskets and ploughs like the original minute man. We are now running around with much different equipment in both hands, and we're trans — but the values, the core values and the necessity to have a citizen militia capable of transitioning from citizen to soldier at a moment's notice for homeland defense or support to homeland security, and then weeks and months notice for overseas deployment is still a reality, as we've seen. Your National Guard is transitioning from a strategic reserve to an operational reserve, and this chart kind of gets to that. And I'll just pop it up there and if it's useful to you we'll leave it, if not we'll take it down.

But it shows the reason that so many of the things we talked about here today are the way they are. They're wrong because that's the way we designed them. We designed them for the wrong utilization of our Reserve components.

All of the Reserve components represented here today — and I can only speak for the National Guard, but it is common to all of us. We were all built for a strategic reserve to go in case of World War 3. To be over staffed, over structured, under resourced and to be filled up with people by a draft and to get money and equipment and training over a long period of time before we would go anywhere, after we had exhausted the active force.

That's not the way any of us are being used today, and we're not complaining. We're doing like the guys with the cardboard sign. I don't think that's complaining. I think that's a badge of honor. I think they want people to realize that they are professional military people and they are soldiers, American soldiers, sailors, airmen and Marines first and foremost and they're citizens when the country doesn't need them to be soldiers, sailors, citizens and Marines.

And to do that we have to move from this old structure to what we need to be. And I'm really sorry Congressman Cooper is not in here, because this gets to every question he asked for. We can't be over structured and be ready and relevant. We can't be over structured and be resourced properly. We cannot be under resourced and full-time manned and do the myriad things that we talked about here. Each one of those — it's called taking care of people, and you have to have people there to take care of people. And to have two people in an armory to take care of 100 is a formula for failure, and that's the way your Army National Guard is set up. It is not the way your Air National Guard is set up. The Air National Guard has been an operational reserve for 20 years. It was resourced at C1. It was manned, equipped and trained to be a ready, relevant, reliable and accessible force. That's what we need to do with the Army National Guard.

So we have to transform from what we were to what we need to be. And it's going to create some discomfort in everybody's congressional sector when we do this, because it's going to — everybody's teacup is going to get tilted a little bit in this transition. But it has to happen. It's what is right for America, not what's right for any particular armory or jurisdiction. We need some new approaches. We need to do this transformation as we continue to deploy 100,000 people roughly for the foreseeable future. And we need to give our soldiers, their families and their employers the predictability.

So we've built a predictability model, which I shared with you the other day. And that's the other chart, that's a pie chart that I can throw up if you like. In fact, put it up there, it might be useful. It shows about a quarter of our force deployed at any given time in green, it shows a quarter of the force in yellow that's getting ready to deploy, and it shows half the force that's always available and up to three-fourths of the force that's always available out of the Army or the Air Guard to their governors to respond to homeland defense and homeland security.

So we are both deployable warriors for the overseas fight or the away game or homeland defense in depth, and we're guardians of our homeland 24/7 and every day that ends with Y and the end to where it started, it's all about people. So we have to balance all of these things that we're trying to do while we take care of our soldiers and our airmen and their families and their extended family, their employers. I anxiously await your questions, sir.

REP. McHUGH: Thank you very much, General. I have to tell you in all candor that Jim Cooper has been a member of this subcommittee for a year-and-a-half and that's the first time anybody said they wished he was here. And I say that — I have deepest respect and I mean this — he asks some very, very tough questions, very probing questions and I appreciate that. And I should tell you there's not been a more loyal member in terms of attendance. He had to step out and he told his ranking member as he left he's going to make every effort to come back. But if that's not possible, we'll certainly share with him your response.

GEN. BLUM: Thank you, sir, I appreciate it.

REP. McHUGH: Next, Lieutenant General Steven Blum. I just introduced you. Lieutenant General Roger Schultz, I'm sorry, director Army National Guard.

General, welcome.

GEN. ROGER C. SCHULTZ: Thanks, Mr. Chairman, members of the committee. Thanks for your unwavering support for our soldiers, our families and our employers. As we talk today about our priorities, your priorities have been every bit up to the task in terms of focus all the time on our people. Mr. Chairman, as I talk about what the Guard is doing today, I just go back and perhaps recap for a second, we've called over 175,000 soldiers to active duty since the September 11 attack. Today, we have 95,000 soldiers on duty. As we speak today, we're bringing home thousands from duty. We're also alerting and mobilizing thousands.

Mr. Chairman, I'm aware of your interest in recruiting and retention. We've made our first quarter objectives, and in fact, exceeded them slightly. We've made our retention goals for the second quarter, actually exceeded them slightly, 137 percent of our reenlistment goal has been realized. Our recruiting objectives for the second quarter have been off just a little bit, I'm short 2,011 of the goal that we set for the second quarter.

Mr. Chairman, I'm the senior pay clerk in the Army National Guard. I work pay issues personally when necessary. I want the committee to know I take very personally the issues that we have dealt with regarding your discussion on pay, your concerns, your attention to soldiers that haven't been served as they should have been with regard to the way we pay soldiers, the systems of process. And you have my personal commitment to doing everything we possibly can to keep this system together until we field the forward compatible pay system in March of 2005.

Perhaps, Mr. Chairman, in perspective as I'm talking to a squad leader that's about to depart for Iraq, assigned to a duty station at Fort Hood recently he said, I'm not really concerned about all the policies and all the bonuses you're asking me about right now, what I really want to do is bring my squad back home safely. Thank you, Mr. Chairman.

REP. McHUGH: Thank you, General, we deeply appreciate your being here and your service.

Next Lieutenant General James Helmly, chief United States Army Reserve. Welcome, sir.

GEN. JAMES HELMLY: Thank you, Mr. Chairman, and members of this distinguished subcommittee, thanks for the opportunity and indeed the honor to testify on behalf of the 211,000 soldiers, 12,000 civilian employees and their families of the United States Army Reserve, an integral and proud component of the world's greatest Army, an Army at war, as we've noted here today for a nation at war.

I'm joined this afternoon by Command Sergeant Major Michelle Jones (sp), the senior soldier for the United States Army Reserve, and two Army Reserve veterans of the current war in Iraq, First Sergeant Bradley Irish (sp), and Sergeant Andrew Kernahan (sp), of the 299th Engineer Company, United States Army Reserve.

REP. McHUGH: I've got to interrupt you, General, because you've introduced some heroes and Sergeant Major, welcome, but to the First Sergeant, Sergeant, thank you, gentlemen. As I indicated before, you are the backbone of this military and the folks have ensured our freedom for over two and a quarter centuries. God bless you. You inherited a proud tradition and you've upheld it extraordinarily well. Thank you.

General.

GEN. JAMES R. HELMLY: Thank you, Mr. Chairman. The 299th Engineer Company is a nondivisional engineer bridge company which marched on the road to Baghdad with the proud and heroic 3rd Infantry Division and for the first time since World War 2 conducted opposed river crossings in support of the 3rd Infantry Division as that division seized Baghdad. Today as we speak, nearly 60,000 Army Reserve soldiers are on active duty in Iraq, Kuwait, Afghanistan and in continental United States and elsewhere around the world, as part of America's global war on terrorism, serving

courageously and proudly. They are joined by another 151,000 Army Reserve soldiers training and preparing for mobilization or resting and refitting after being demobilized.

Since September 11, 2001, approximately 100,000 Army Reserve soldiers have served on active duty as a part of this global war on terrorism. Tragically, some 27 Army Reserve soldiers have made the ultimate sacrifice in service to our nation to keep their fellow citizens and their families and neighbors safe and free. We are forever and deeply in their debt and honor their memories by our actions here today.

The invitation to testify comes at a time of profound and unprecedented change and challenge in the dynamics of our nation's security environment. The critical issue that should be recognized is that this is the first extended duration war that our nation has fought with an all volunteer force. January marked the 30th anniversary of the all volunteer force. This immense policy change in our nation has brought the Army Reserve and all of our armed forces and their components an unheard of and unprecedented quality in the people who populate our ranks.

Yet the all volunteer force also brings certain expectations and sensitivities that we must confront with regard to how we support our people and how we train them and when and how we employ them. To meet the demands of our nation and the needs of our Army and Joint Force Team, we must change the way we man the Army Reserve. We must change the way we organize, train and prepare the force and to accomplish this change, our culture internally must change.

This is a period of deep change from the old to the new. But we must forge this change while simultaneously continuing the fight in the current war. We are simply not afforded the luxury of hanging a sign outside the United States Army Reserve Command Headquarters at Fort McPherson, Georgia, that says, Closed for Remodeling. The culture must change from one that expects one weekend a month, two weeks in the summer to one that understands I am first of all an American soldier. Though not on active duty before and after a call to active duty, I'm expected to live, to show Army values and I must always prepare for mobilization as if I knew for certain the hour and the day that it would come.

I look forward to your questions, Mr. Chairman, this afternoon.

REP. McHUGH: Thank you very much and I appreciate you being here and for bringing those proud soldiers with you.

Next Vice Admiral John Cotton, U.S. Navy, director, U.S. Naval Reserve. Admiral, thank you for being here.

ADM. JOHN G. COTTON: Good afternoon, Mr. Chairman, Representative Snyder, Mr. Chappell (ph). Heroes aren't only overseas and I'd just like to remind you that, a couple of weeks ago, at U.S. Naval Reserve Center, Baltimore, there were some heroes that responded in some angry weather and rescued 21 folks in a capsized water taxi. I just want to let you know that their accomplishments will not go unrecognized. In two weeks, we plan on having a ceremony there which will be in the press, of course, and many dignitaries are invited to honor these heroes that prove that we can be ready here at home to aid in homeland security as well as, like General Blum says, have another mission to deploy overseas. That was very, very rapid representation of the dual mission of not only our Reserve force on an everyday basis but as well as the Guard.

Just two points I'd like to make. Number one is manpower. We've talked a lot about the importance of our sailors, our soldiers, airmen, Marines, Coast Guard men. I got to tell you right now, I am very encouraged by what I see. For the first time in the Navy, in January, I saw a Navy one-star Active Duty admiral brief Reserve retention and recruiting through combined efforts. They were concentrating on the individual leaving the Navy and keeping him on the Navy team in the Reserve Component. In February, we turned around recruiting to make 116 percent of our goal and 85 percent of those were Navy veterans. That's a huge change from where we were last year when we were relying a lot on non prior service recruitment which just added to the training bill of training folks before they went overseas. That was a huge success.

Now, these folks that are in the Reserve today, we kind of operationalized the Navy Reserve, starting about 12 years ago, after Desert Storm. In fact, then, when Admiral Hall started this charge with peacetime contributory support, which just recently we changed into operational support and we've developed the metrics to look at this now where we can say today that 20,085 people in the Naval Reserve are on some set of orders this week performing support to the fleet as well as training with the fleet so that they can deploy. This is a 24 percent number of our total of 86,000 force. So they're very much leaning forward to support the fleet. That's one good message.

And secondly, I'd like to add that the current readiness has never been better. Thanks to Congress, with the National Guard Reserve equipment appropriation, we took that to Navy. We utilized the fund this year to recapitalize our current

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readiness, in particular, so that we could deploy the units to CENTCOM and have them in a ready status. So manpower and current readiness have never been better. And I look forward to your questions, sir.

REP. McHUGH: Thank you very much, Admiral.

Lieutenant General Daniel James III, the United States Air Force, director of the Air National Guard. General, welcome, sir.

GEN. DANIEL JAMES III: Good afternoon and thank you. On behalf of the over 107,000 men and women of the Air National Guard, thank you for the opportunity to be here with you today. Before I begin my brief remarks, I'd like to acknowledge not only Senior Master Sergeant Drew Horn (ph), who is with us today along with some other fine soldiers, but also my Command Chief Master Sergeant, Chief Master Sergeant Valerie Benton, who is my senior enlisted advisor. She is my eyes and ears. She travels more than I do and she knows more of what's going on with the airmen in the field both here in continental United States and abroad. She's been in theater more than I have and when she comes back, she gives me a one on one debriefing of what's really going on out there. So this time, please stand and be recognized, Chief Benton.

(Applause.)

REP. McHUGH: Thank you very much for your service. Welcome here today. We appreciate all you do in service to your country.

GEN. JAMES: As we all know, Mr. Chairman, this has been an incredible year for the nation and it's also been an incredible year for the Air National Guard. We continue to actively participate in the global war on terrorism with pride and determination just like the other members of the service. Because, as has been mentioned, we've already made the transition from a Reserve, a strategic Reserve into an operational Reserve, we feel as though we are in the vanguard of that transformational process. And I will talk a little bit more about that later but I will say that because we have been resourced properly and trained properly to fight, we've been able to perform at the levels that our nation expects of us.

Over the past two years since September 11 we've been mobilized and peaked at one time at over 36,000 people, flown over 100,000 missions and with that, 340,000 flying hours. Operation Iraqi Freedom alone, we had 30 percent of the Air Force aircraft engaged in that operation and yet, with all of that tempo, just as the others have said, our retention remains very high. As a matter of fact, it is a percentage point plus higher than what we projected it to be at 95 percent, 95.4 percent.

We have begun the transformation as we fight the war on terrorism. The Air National Guard has begun its transformation. We have a vanguard initiative that allows to lay out a strategy that will, in fact, hopefully prepare us for the future and get us involved in other new weapons systems that we were not originally slated to be involved in such as the Predator Unmanned Aerial Vehicle and the F/A-22.

Just like the other gentlemen seated here at this table, people are still our most important asset and will continue to be. As I look past you gentlemen and see the picture depicting what appears a World War 2 or Korea, our air troops, it reminds me of just how far we've come. I see there in that picture basically an all-male force and of course, we've come a long way from that. There are no people of color, no females, reflective of the time and the status of our armed forces. We're not like that today at all. And that's why it's so important that we be responsive to the challenge that's facing us in many parts of our services that deal with sexual assault and sexual harassment.

We also have to deal with the challenges of taking care of our families because the soldier and the airman who performs, the Marine and the sailor who answers the call, does so at a great sacrifice to his family and sometimes his employer. That's why in every flying institution, in every unit that we have, the 88 different units in the Air National Guard, we have at least one full-time contracted person and we're asking for funding in the future to have another full-time contracted person in all 54 of our state Joint Forces headquarters.

With that, I just want to thank you again for your support and giving us the opportunity to speak before you today and I'll be ready to answer your questions when my turn comes.

REP. McHUGH: Thank you very much, General. I should tell you, like many members on this subcommittee and committee, I traveled to, as I mentioned, Iraq twice, took a rather long trip to Afghanistan and most of the way was on Air National Guards. We appreciate the lift.

(Laughter.)

Fine. I can send to somebody else but you folks are doing a great job as all of you individuals are.

Next, Lieutenant General James Sherrard III, United States Air Force, Chief, Air Force Reserve. Nice to see you again. Again, best wishes in the future and whatever endeavors you may choose to take up.

GEN. JAMES E. SHERRARD III: Thank you very much. Thank you for those kind words. And thanks, Mr. Snyder and distinguished members of the committee.

Just let me say that it is indeed an honor and a privilege to have the chance today to come before you representing the men and women of Air Force's Air Command, almost 80,000 strong, counting both military and civilian members. We currently have over 6,100 folks mobilized having, as General James mentioned — at the peak, we had in excess of 28,000 individuals mobilized. Our men and women are very proud of what they do and they do it unselfishly with the great help of their families and employers.

We have three key priorities that we really stress in our way of doing business because we know that they in fact are the foundation upon which everything that we are able to do is based upon. And the first obviously is people, making certain that our recruiting and retention initiatives and programs meet the needs of our members so that they can in fact do the things that we ask of them. It is important to know that we want to make sure that they have a workplace that's safe, free of discrimination and free of harassment and we insist on that and, as Secretary Hall has said earlier, the issue of sexual assault, it is in fact a zero tolerance within the Air Force Reserve Command. And it's a crime and it's something that we cannot condone, will not condone and for certain, we have to have processes in place which protect the member so that we don't end up having someone who's afraid or fears of coming forward because of something that is improper within our organizations.

We also will tell you that, under the people umbrella, we want to make certain that we seek a fair and equitable compensation for our members. The compensation review report that has just come over has some excellent ideas and studies. I tell you there's a work in progress and there are things that we need to do and, as the first panel addressed, as well as my colleagues have addressed, there are issues and initiatives that I think we need to look across the board as to what is important in retaining our members and allowing us to do that. With failure to do that, we in fact will impact the capability of our force to meet the future needs. And, as has been mentioned by my other colleagues also, the importance of family support and employer support are critical for us to be able to do the job that we're asked to go do.

The second priority aspect that we have is readiness in the Air Force. Air Force Reserve and Air National Guard, we are very proud there is a one tier of readiness, there is one standard. That standard is the Air Force standard. We train to that. Our members are evaluated on that standard. So that is not an issue when our force, General James' force or an active force, is tasked to go do mission, we know exactly how that mission will be carried out. In order for us to do that, we've got to the third priority, which is modernization.

We've got to ensure our weapons systems are compatible, they are relevant and interoperable, not only with the Active Force and Air National Guard, but also with coalition partners. We need to make certain that we continue to do that. Another major piece that I place under the modernization umbrella lies in the fact of the way we are doing operational integration. We have been doing it in the Air Force Reserve for a long time under the mantra of the associate program in the large aircraft of the strategic airlift side of our business. And we have now expanded that with the ability for us to provide highly skilled, fighter-qualified individuals to become undergraduate pilot training instructors to air education and training command, relieving the Active Force fighter pilot force to go and fly. Inside the organizations, we have 225 full-time equivalents doing that, doing a remarkable job.

We have fighter associate programs that we have initiated in both the F-16 and we will be commencing the F-15 this year, as well as in AWACS and in special operations in the MC-130, as well as the MC-130 P and E, both combat and combat shadow. We are very proud of the accomplishments of our members. In our prepared statement there are many facts that I think you will find most interesting. Our people are proud to do that. They don't ask for any special favors. They just ask for fair and equitable treatment to ensure that their families are protected, communication lines stay open and they very proudly serve above and beyond each and every day.

So I thank you again for the great support that this committee has provided to us. As was mentioned by Admiral Cotton, the (?) account, the monies that you've given to us to allow us to modernize our fleet are absolutely essential and we can't thank you enough for that. And I stand ready for any questions, sir.

REP. McHUGH: Thank you very much. We deeply appreciate your service, General Sherrard, and as I said, best wishes to you.

GEN. SHERRARD: Thank you, sir.

REP. McHUGH: Next, Lieutenant General Dennis McCarthy, United States Marine Corps Commander, Marine Forces Reserve. General, welcome, sir.

GEN. DENNIS M. McCARTHY: Chairman, Congressman Snyder, thank you very much for the opportunity to appear here today. As you stated, Mr. Chairman, at the outset, we are all dealing with a new reality or a new set of circumstances in terms of the employment of the Guard and Reserve. Rather than a one time surge effort, we are now challenged to sustain a level of mobilization over an extended and what appears to be an indefinite period of time. That presents new challenges to Congress, certainly. It presents new challenges to the leadership of the Reserve Components. We have to ask ourselves questions that, frankly, we haven't asked before.

But some things haven't changed and that is the absolutely phenomenal performance of the young men and women who serve in the Marine Corps Reserve and in all of the Reserve Components. Whatever the new reality may be at the policy level, they are out there every day just performing in an absolute superb fashion. The Marine Corps Reserve, we had — 26,000 have been mobilized most from the selected Reserve but a good number from the individual Ready Reserve, the vast majority of whom are volunteers. We have 5,000 Marines or a little bit over 5,000 Marines serving on Active Duty today. And, as I said, these Marines and the sailors who serve with us have served with distinction with the 1st Marine Expeditionary Force in Iraq. It served in Afghanistan, Africa, Japan, around the world.

The force that we have today will require undoubtedly some adjustments and we're engaged as all of the Reserve Components are in a re-look or a look at our balance. But I would tell you that the force that existed — the Marine Corps Reserve that existed on September 11th, 2001 was a balanced force. It was a pre-trained, ready to mobilize force and I think that we are going to see that it is a sustainable force over the long haul. So while we will make some adjustments, I don't think that you will see radical changes in the core structure of the Marine Corps Reserve because it is relatively well balanced today.

We've increased some of our security forces. We have increased some of our force structure devoted to intelligence. I think we'll make some other adjustments but I don't think that we will see a radical restructuring nor will I think that one is necessary. I look forward to answering your questions on that subject or any others that you may have. Thank you.

REP. McHUGH: Thank you very much, General.

Again, gentlemen all, thank you for your service and your presence here today.

Mr. Secretary, let me just start with you. We heard a lot particularly from the first panel about healthcare benefit and it's obviously an important question whether you're dealing with medical hold or just the appropriateness of ensuring that we can recruit for the new environment of both the Guard and Reserve. The Congress extended healthcare TRICARE benefits to certain Guard and Reserve members, those on — who are receiving unemployment compensation or those who didn't have coverage in the private sector. Your written statement talks about setting up a program and you're really focusing on a demonstration program, rather than the broad based.

As you know, the authority for this TRICARE enrolment expires on December 31 of this year. I'm curious, are you interested — is the department interested in having Congress extend that authority so you can go ahead with the demonstration program? And if so, has anybody costed that out? What it would — what the bill would be from December 31 to the end of the fiscal year on September 30, 2005, because there's no money in the budget to do that that the administration sent up, as you're aware?

MR. HALL: Well, first let me say that the TRICARE initiatives passed by Congress were very well received, that I think were needed. The provision of 90 days before mobilization to enter into the program, synchronizing the Guard and Reserve benefits with the active duty for 180 days afterwards were very needed. The demonstration project is certainly being worked by Dr. Winkenwerder, our assistant secretary of Defense for Health Affairs. He has been here. They're moving to implement that as soon as possible.

And one of the things I think should be considered is — since they want to do it right and want to make sure we have it correct is, is there enough time? So I think one of the options should be considered is extending past 31 December. It has not been — I don't have cost figures on that. They're developing that and looking at it. But I think we have to consider

that as we pursue that program.

REP. McHUGH: Would that be something that perhaps the administration would consider is included in the supplemental that we're supposed to get?

MR. HALL: I can't answer that now. I will take that back and certainly that's — I consider that a very fair question and I'll take that back.

REP. McHUGH: Thank you, sir, I appreciate that. There were some comments — and I've got some figures and I won't bore my distinguished ranking member with another statistical analogy, but — (laughter) — I'm not sure we have a disconnect, but I want to make sure of the figures that we're working from here on the subcommittee are correct.

According to the data that we have been provided, the Air National Guard right now is achieving 73 percent of its recruiting goal. Let me just go through these and then each of you can respond. The Air Force Reserve is achieving 86 percent of its recruiting goal, the Air National Guard is achieving 92 percent of its recruiting goal. And although I don't have it in front of me, we know the Army Reserve is struggling to meet it too.

General James, you spoke about exceeding your target, so I just want to make sure we're all on the same page. Is that 73 percent correct? That's the most recent we have available; I'm sure it's changed.

GEN. JAMES: The figure I was referring to was the retention. One of the reasons our recruiting goal is — our recruiting performance is lower is because they're inversely proportioned. We're retaining many more people than we thought. We thought we'd be retaining approximately 88 percent of our folks. We're retaining at this point 95 plus percent of our folks. Now, that number ramps down as the year goes on, and probably will end up at the end of the year at about 88 to 90 percent. But because at this point we are retaining 95 percent of our people, we're not concerned with not meeting the goal that we set earlier in the year for recruiting.

REP. McHUGH: Well, I appreciate that and that's an important point. Help me understand, however, as you go through the process and you set a goal — and as you noted, that goal probably needs to be flexible as you meet other parameters that require that goal to be at a certain level, such as retention. Do you attempt to make your original goal, given that your retention is exceeding your expectations? I assume you kind of ratchet down your recruiting because you don't need more people than you need. Is that correct?

GEN. JAMES: We do that, because we have an end-strength figure that we have to meet at the end of the year. Last year it was approximately 107,000, I believe. This year it'll be a 106 — I think it's a 106,450 or something of that nature. It's even smaller than last year. And by statute we have to meet that end-strength goal by the end of the year. So we don't have the same problem that the active component has, in that they are thousand and thousands of people over their end-strength and will have to release people — more people than we will. So we do not adjust our recruiting goal as the year goes on. We leave it the way we set it earlier in the year. We might want to consider doing that in the future. And what we do is we adjust the numbers of people that we recruit, so as we're not ending up at the end of the year with a larger end-strength than we're authorized to have by Congress.

REP. McHUGH: Fair enough.

General Sherrard, 86 percent recruiting goal. Similar circumstance?

GEN. SHERRARD: Yes sir. I believe, sir, that the theory — the numbers you have are derived, it's a straight line and we obviously — in our world we don't recruit on a straight line. The largest portion of our recruits will occur in the late spring, early summertime. So if you were to just draw the straight line out that's exactly where I am, is 86 percent of the goal. But I would never have — one, I don't have the schools plus to even enter them into school to be at 100 percent at that point.

The other issue would also be we continually review what our retention numbers are and what our end-strength numbers are, again as General James said, so that we don't exceed our 100 percent or 102 percent which we have the authority to go to by advising and asking for secretarial approval of that. But the other piece that I would tell you is that if in fact I saw that my recruiting goal was too high, I would change mine because my recruiting force — being I think probably the smallest of any of us sitting at this table. We have on average brought in an average of about 36 recruits per production recruiter, and that is just about their limit. In fact, my director of recruiting will tell me that it is the limit. In fact, we're trying to look as to how we can provide more recruiters.

This committee was very gracious to us a few years back and allowed us to have 50. I said at the time we did that, that that in fact was not the right number; that was the maximum number I could train at that given time. And we are looking — in fact in our (palm ?) that we're developing right today, there is in fact another growth in recruiters based again on how we see the force structure that we would be required to man to, looking at the numbers, the small numbers of active-duty separatees that we will have access to, realizing then the only option that we must go is for greater numbers of non-prior service members to come into our force.

That takes longer to recruit and once we do recruit them, it then takes longer to train them up to the skill levels, the five levels — seven levels that we need. Considerably longer than grabbing that experienced member that separates from the active force, and bringing them right into our fold. Maintaining that high level of experience base is essential for us to be able to do the things we do and meet the requirements that we're being asked of by our Air Force.

REP. McHUGH: Thank you.

General Blum, any challenges or —

GEN. BLUM: Well, yes, sir. I'll defer for the Army piece, for the details of it, to General Schultz. But suffice it to say that the Air National Guard has a different challenge. It has to get down to a number. The Army National Guard has to maintain a number, grow to a number or replenish to a number. So they're totally — they're almost apples and oranges, although in the end state they both have to match their authorized end-strengths. So I don't know if that was clear to everybody in the subcommittee that it's a different challenge.

Most of us are trying to grow to fill our authorized strengths. We're slightly under and we're trying to grow to it. And in the Air Guard they have a different challenge.

They have to grow down to what they're authorized. They have more people than they have positions for right now. I don't know if that was — would be clear or not.

REP. McHUGH: Well, it's a relevant point. I think the Navy is facing a similar challenge. Yeah, I was just bouncing down the line on the table.

But, General Schultz, please.

GEN. SCHULTZ: As I said a few minutes ago, our recruiting is off a little bit. Our prior service is off more so than non-prior service. So what I'll do is I'll tell our recruiters to enlist more non-prior service members, members of graduating classes across this country, high school classes. And what that means is I'll place additional burdens on the Training and Doctrine Command, meaning we have more requirements to train soldiers than we had originally forecast, which means we have (money ?) in the wrong places. So our recruiting for this year is challenging as of this second quarter. Retention is 137 percent of our target, so we're actually far exceeding our retention targets here.

If you were to just compare where we — a couple of years after Desert Storm, for example, our turnover in the Army Guard was 28 percent. That's against the assigned strength. And turnover in our units today runs right at 16.7 percent. So I'm not alarmed at what we see to be the current set of circumstances. I will also offer, though, it's a little early to declare victory. I don't think that we — (laughter) — that's what I'm seeing—soldiers coming back from one year of tough duty in the face of an enemy, or 360 plus days. Obviously that weighs pretty heavy on a person, on a soldier in our case.

I have seen, for example, soldiers come off the ramp and eight out of 10 say, "I'm going to have to leave the uniform." And 90 days later when they come back to drill, eight out of 10 are staying. So I think there's a dynamic at work here and it was brought up earlier, and that is as we care for our soldiers, look after our families, and in a really special way, and make sure that all the employer issues are worked out these days, I think we can mitigate a significant issue with regard to the catastrophic conditions that some are outlining. We'll make our end-strength, Mr. Chairman.

GEN. BLUM: And the ceremonies that Congressman Hayes was talking about and that General Burnett was bragging about, rightfully so, are hugely valuable in determining who is going to stay with us and who isn't. How we receive these citizen soldiers back off of active duty and how we re-assimilate them into their jobs and their families and how they're treated in that process will have a great deal to do with how many we're able to retain and how many we would lose because we appear to be not caring or appreciative of the sacrifices that they've made and their families have made. Amen. REP. McHUGH: I would just say to — in partial response to General Schultz's comment, it's a little hard to put a percentage on your retention when you're utilizing stop loss. I mean, that skews it.

GEN. SCHULTZ: Right. We have 19,000 plus soldiers today in the Army Guard affected by a stop loss rule. By that I mean their extensions have been obviously a result of a stop loss policy. About 4,000 of those we estimate would leave the Guard, typical rotations. So while that figure may skew what looks to be kind of our overall retention profile, not to a significant degree in terms of our numbers. Mr. Chairman, if I could?

REP. McHUGH: Certainly.

GEN. SCHULTZ: Our prior service market is off a little bit for perhaps this reason. Active component soldiers coming back from their tours of duty are processing out of the Army, just looking for a break. I talk to our installation career counselors all the time and they meet with all the soldiers that I'm talking about who in previous times would join the Guard in higher rates than they currently are. And the message is they just want a break. They don't have a bad attitude but they would like to get to know their family, raise a family, get to know their kids. And so that's kind of the reality that we're dealing with in terms of our prior service market being off a bit.

REP. McHUGH: Well, and that may be a leading indicator of a deeper problem. I mean, that's all of our concern and you gentlemen are concerned; this is something you work every day. And then I think one of the frustrating aspects of this is there is no perfect metric by which you can accurately judge what a soldier, sailor, airman, Marine, Coast Guard member is going to do next month or month year, based on what they're experiencing right now, until they get to it. And, you know, we can talk about, as the first panel did — and we need to talk about it. We need to react to that, doing some things to make Guard and Reserve service more palatable. You don't know what is enough and what is unnecessarily too much. At least I don't. But that's part of our challenge and why we're here.

I'm going to leave the Department of the Navy alone over — the Marine Corps and the Navy, because you folks at the moment, at least statistically, are doing just fine, and I appreciate that. I've got a few more questions but I want to defer to Dr. Snyder.

REP. SNYDER: Mr. Chairman.

Secretary Hall, I just had a couple of quick questions for you. I don't know if you were in here when I asked the TAG from Florida about the issue of our adjutant generals in my view don't get to visit to the Iraq theater as often as they would like. I guess it's more of a comment. I would hope you would be an advocate with the administration to somehow work that out. I think they are different than other, you know, VIPs, brass — top brass that visit because they have a very — there is a little over 50 of them in the country — and they have a very particular relationship with their troops, both going over (with ?) families and coming back. And I think it can be helpful to all aspects of that if they're able to visit their folks more often. It's my understanding that there are limits?

MR. HALL: I don't disagree, but I have one quick comment on that. And it's my perspective of being a field commander, remotely throughout my career. And if the 50 TAGs came at least twice a year, that could be 100 visits. If you combine that with the congressional visits, which you need, visits from my headquarters, I can only tell you as a field commander I used to wish people would not visit me and leave me alone and let me fight the battle and put weapons on target. And I'm not saying that we shouldn't do that, because we learn a lot. But I try to balance it and when I think about it, I think about the demands of the person there who needs to protect those delegations, take care of those delegations and fight. And it's not always in combat, but I always look at it from that perspective, that we can over-visit and perhaps sometimes we need to let the commanders do their business and fight the war. But there is a good balance and I take your point, sir.

REP. SNYDER: Well, I'd treat them about the same as a reporter myself. I mean, I think they want to visit and their soldiers — and I think they understand what they're going — if they treat them like CODELs, they're never going to learn anything.

MR. HALL: Yes, sir. We take your point.

REP. SNYDER: I also wanted to ask — you made the comment about when — I think your phrase was when people cross the berm they need to have the right equipment. But that concerns me if that's our goal. I mean, I think our goal, is it not — or should it not be, that they have the proper equipment that they train with back home before they ever get over there? I mean, if the first time they get the right radios and the right SAPI plates — then they are going into combat with different arrangements than they used in training. I would think that that would be a problem.

Plus — and this has been a lot of our experience — I don't care how many times you tell someone that, "We have been

assured you will have the proper equipment before you go into Iraq," until they see that equipment, it's an apprehension for them and their family. So I would think our goal — we've got to step back further; and it's not just crossing the berm, it's in training. We had that problem with the SINCGARS radios several years ago that Active was using the generation of radios that the Guard was and they did not have the ability to communicate with each other. It was only after they were activated that they got that radio.

And so I think it's more than just crossing the berm.

Do you have any comments on that?

MR. HALL: I don't want to leave the wrong impression. What I was commenting on was General Schoomaker's point just a few days ago at that event that he wanted to ensure that in theater protection we have — that isn't a goal, and I think the goal is to have them trained at — I've been to the National Training Center, watched the 81st and having 40 pounds of armored vest on you and practicing in that and an up-armored Humvee is much better. And I only hearken to flying airplanes all my life. Flying a simulator is not like flying the airplane. It hurts more if you crash in the airplane than in the simulator. So you certainly would like to have, for training purposes, the same equipment you're going to operate. And I think the goal of all of us is to achieve that.

REP. SNYDER: And then I don't know who to direct this question to. But I don't understand exactly what we're saying and how it's going to work and what the practicalities are of this continuum of service. It seems to me — I mean, maybe somebody — I don't know, Secretary Hall, if you want to do it or if someone else wants to do it. I don't understand how it's going to work in terms of the practicalities of record keeping and if you all have all the flexibility — if you get all the flexibility you need, how that's going to — how will that work? Explain that whole —

MR. HALL: Sir, we'd like to perhaps come over and talk to you separately about that. But briefly, it is to allow flexibility for — right now if a Guardsman or Reservist serves beyond 179 days, they go on to the active duty list for end-strength. They go onto the active duty promotion list rather than remain on the Reserve list, where they should be for competition. We have no way of assessing and using volunteers. We are asking for volunteer authority from volunteer organizations.

The largest untapped manpower, in my view, that we have not used in this conflict are retirees. We have thousands of retirees out there that want to come onboard, want to serve, are physically ready. They call my office, they probably call your office. If we had authority just to assess them and form volunteer auxiliaries — not for pay. They don't want pay, they just want to come on and serve. So there are a number of artificial barriers that are prohibiting people from serving in a continuous way, flowing over to the civilian world for a couple of years and back into the Reserve and back into the Active. And we could come and talk about it a little longer. What we want to do is ease the manner in which people can flow and serve and artificial barriers. And these don't cost a lot of money; they're just structural barriers in past time. And we'd be happy to come and talk about that more.

REP. SNYDER: I would like to do that.

I just want to make a comment and if anyone wants to respond, they can. It came up in the previous panel about working with employers. And millions of taxpayers — as it's true for a lot of members — I'm one of those employers. Now, I have a young man that's worked for me for several years who — he's either in Kuwait or is in a convoy right now on his way to Baghdad and he's going to be there for a year. He's an Army Reserve — in the Army Reserve.

But my own personal experience was that, first this year, he was activated to do his OCS, I guess, became a second lieutenant, came back in June, has two children. The family was kind of hoping they'd get a little bit of time, but then in October was then activated probably for a year-and-a-half. And, you know, he's a great guy. We're very supportive of him. I brought in a temporary person the first go around. We brought this person back again and, you know — so we're — this is the person that handles my veterans and military affairs stuff.

But, as you know, any time you make that frequent personnel shifts there are — some things can get lost, and you work real hard at not doing it. And I'm just not so sure that — the suggestion was that some kind of a tax credit for the businesses. I'm not sure that that is going to be as satisfactory. Maybe it'll be helpful, but it's more I think the frequency and the unpredictability and the length. Does anyone have any comments about that? Or maybe that's just more my comment than a question.

GEN. SCHULTZ: The stress on the force has two parts. It has frequency, and I talked some about that, the rebalancing,

but it has duration. It's grown from 156 days to 320 days in the current area. So it's both duration and frequency, and that is one of the primary reasons that we have to be successful in rebalancing, that we need to look at 100,000 to 120,000 billets and perhaps look at that 63 percent of the force that we've never tapped.

And all of these gentlemen are involved, so that we can build a base, so that we don't have to, as you described with your individual, keep calling them up repeatedly, because that's going to have an effect on them, but on their employer and on their families. And that's why we're working so hard on this and we agree with you the difficulties of your example, but many others experience it.

REP. SNYDER: I wanted to ask too, General McCarthy, the — I think we've got — we'll have a test going on because of the length of the Marine Corps tours in Iraq versus the length of the Army tours in Iraq. How is the shorter tour impacting on — or what do you foresee impacting on your mobilization of your Reserve?

GEN. McCARTHY: Sir, I think the shorter tour is a positive factor for us from a mobilization standpoint. I do believe that the duration of deployments, the duration of mobilization periods is a significant contributor to the stress. And so being able to send these Marines for a seven month tour rather than for a full year and the comparatively or the shorter period of total mobilization I think is a plus for us.

The one thing that we wanted to make sure was that the Marines, whether they were Active or Reserve, had the same tour length. So I believe the commandant's judgment about it for the Active component was right, I think it's been a plus for us in the Reserve.

REP. SNYDER: So you — with the general routines, someone will be mobilized and they will probably undergo training for three to four months, spend seven months on the ground and then would be discharged shortly thereafter? Was that sort of —

GEN. McCARTHY: Yes, sir. I think that probably the front end training will be a little less than three to four months, and there will be a reasonable time for decompression at the end. What we want to do is give commanders a lot of flexibility on that end piece. There will be some Marines who would like to be released from active duty as promptly as possible. There will be others who would like to stay for the full period because it becomes a more predictable return to school or whatever the situation in their life is.

So on the back end, we want commanders to have some flexibility in terms of when they release people from active duty.

REP. SNYDER: General Sherrard, I wanted to ask, we have talked about healthcare issues several times today. It's my understanding that the Air Force Reserve has less problems with medical and dental readiness than other components of the Reserve forces. Is that accurate, and if so, why is that?

GEN. SHERRARD: Sir, I can't address whether my statistics are better than the others or not, but I would tell you that, as was stated by the TAG from Florida in the first panel, we are unique, I believe, in the blue suit community, in the fact that we have our own organic medical capability inside our organizations. And that gives us the ability to give the medical or the physical assessments and the dental assessments there.

That being said, the dental assessments are very, very tough for us, because we have a small number of dentists, we have an annual dental exam that is necessary, and we're trying to offer some initiatives that possibly could help that. We cannot provide any service to them, we cannot work on their — if we find their cavities or something of that type, we're not allowed to do that unless they're on an active duty tour for which they're qualified there for TRICARE support.

But we do stress very hard, in fact at our host locations, our AFRC locations, in order to help with that physical requirement we actually initiated several years ago a 27 person physical evaluation team so that we could get physicals without impacting on the readiness of the remainder of the medical squadron that has combat readiness training that they must do. Because we were finding that we were providing physicals for our forces but at the same time our medical readiness was going right down the tubes in terms of what the medical personnel had to be capable of doing in order for them to deploy.

And we've been able to keep both ends afloat by having this medical evaluation team and doing that.

REP. SNYDER: And my last question, General Sherrard, is for you. It's kind of your speak now or forever hold your peace question, this is your last time to testify here. Are there things that we haven't touched on that you think would be

helpful for us to know, for the Congress to know? Or topics we haven't addressed? We've also had great metaphors today of cows, teacups and peanut butter, if you have any good metaphors you'd like to use, this will be your last chance for that too.

(Laughter.)

But is there anything that you're concerned about, or things we should be thinking more about that we haven't talked about?

GEN. SHERRARD: Sir, you know, there are a lot of things I'd like to say that I really can't because it's not proper for me to even address them. You know, if you had all the capability in the world to fund whatever you wanted this is what you would go do in a perfect world. But I would go back to what I said in my earlier statement, I think the most essential thing for us to do from my perspective is, one, to make certain we have recruiting and retention capability, that we keep the most qualified force.

I have briefed this committee before in years past and I will still tell you, and again I speak for the Air Force Reserve, I won't try to speak for my other colleagues, it's essential for us to retain our members in our world for as long as we can because of the high experience base they give us. Currently today all enlistment incentives stop at the 14th year for the six year enlistment that they may get. So in 20 years it is all over.

They're critical and valuable assets from year 20 to 30 or 33, if you take them all the way to higher tenure. The other piece that I would push very hard for is the issue of fair and equitable treatment and studying that as seriously as we can to make certain and not be afraid of someone saying, well, you're pricing the Reserve components out of existence. Because I go back, and again, I'll only speak for my force, we're providing approximately 20 percent of the Air Force capability for about 4 percent of the Air Force TOA.

That is a great return on America's investment that they have made in each one of us. We need to retain those members as best we can, and in terms of fair and equitable, we need to make certain that they in fact, upon the time that they would be serving a full 30 day period, there shouldn't be a difference between what a Reservist can earn and the benefits that he or she is entitled to vice an active duty member.

And I know in this compensation report that has just been released it talks about the 1/30th rule. The 1/30th rule is fine, we just need to make sure that the opportunities for compensating that member based on the 1/30th basis is in fact fair. And the two examples that I would give you, that I spoke to earlier today at another presentation, enlistment bonuses. In the Air Force Reserve we're allowed to do one reenlistment bonus at a six year period with a very small stipend. Very — actually, it's — and I appreciate that we have it at all, compared to the Active force, who can do multiple and in larger number. There's a great inequity there.

Critical skills bonus, we don't have that authority to grant, and yet the Active force has it. And upon mobilization you truly then run into the issue of the have and the have-nots, when you have two people working side by side, doing the same job, same skill that is viewed as critical, and yet one member is not able to be compensated appropriately. I think those are the things that we as a body have all got to work in order to keep those highly experienced members in our force.

REP. SNYDER: Thank you. And thank you for your service.

GEN. SHERRARD: Thank you, sir.

REP. SNYDER: Thank you, Mr. Chairman.

REP. McHUGH: I thank the gentleman.

The gentleman from Kansas, Mr. Ryun.

REP. JIM RYUN (R-KA): Mr. Chairman, thank you very much for holding this hearing.

And I'd like to thank the panel for their patience and also for their dedication in serving our country. We all owe you a great deal of debt as a result of what you've done.

And I'd like to direct my question, if I may, to General Blum. The recent Defense Science Board study concluded that if the U.S. homeland was attacked, the Department of Defense could be called on to assist with instant response. However, the execution of this mission would require capabilities in areas where the department is deficient, including mitigation, the ability to surge medical capabilities and communication operability. This report went on to call for

increased emphasis and priority in funding for these areas.

And I believe you're aware of one specific proposal to address the deficiency, this proposal would establish an Air National Guard Wing task for providing dedicating support to NORTHCOM for homeland defense and homeland security missions. This proposal further calls for this dedicated mission to be co-located with civilian support teams and emergency medical support units. This would allow an immediate and appropriate response for homeland security missions.

I understand there are concerns about where we secure these C-130s for session mission, and I realize that's a real problem. But let me focus on the mission itself. Do you believe that providing a dedicated mission of this type is important and consistent with the National Guard's homeland security mission?

GEN. BLUM: Yes, I do. Now, I'm not referring specifically to that unit and that specific capability that you're talking about to be located in that exact location, although it may come out that that is exactly where it goes and that's exactly what it looks like in the end.

REP. RYUN: But you see the need for it?

GEN. BLUM: But in general the National Guard is insufficiently organized, trained, equipped and resourced to do what the nation expects it to do when we're talking about homeland defense and being the first DOD responders called out by the governors initially to support a lead state agency, and ultimately support a lead federal agency when either left in Title 32 status or switched over to Title 10 status and federalized because the Department of Defense wants that same force working for Northern Command or DOD. It doesn't matter who we're working for. The work is there, the requirement is there, the threat is real and that is why we are transitioning.

Without waiting to be told what to do, we're converting and developing capabilities in the Army and the Air National Guard to do urban search and rescue, to do mass decontamination, to do exactly the type of things you're talking about. And the forcing function for that is the Joint Force Headquarters that has already been established in every state and territory in this country. We see a dire need for that. I hope we never need it, but the day we need it will be the day we'd better be able to produce it and we'd better be able to respond as National Guardsmen, as 21st century minutemen in minutes and hours. Days and weeks would be late to need and then we'll be in this committee talking about why we didn't foresee what we should have foresaw and taken the actions that we're taking right now.

REP. RYUN: So you see the need for it even though there's not the funding at the moment?

GEN. BLUM: Absolutely.

REP. RYUN: And you're coming together in terms of a general plan?

GEN. BLUM: Absolutely. And we've developed 10 regional weapons of mass destruction, chem-bio response force packages that couple these capabilities I'm talking about with existing civil support teams, so that there is a force package that can respond to any region — any FEMA region of this country if called on either by the governors or called out to respond to General Eberhart of the United States Northern Command, or Admiral Fargo in the Pacific, in Alaska and Hawaii and Guam and the Marianas in case our citizens of our states and territories need this capability the Guard is committed to deliver.

REP. RYUN: Well, thank you very much for your time.

REP. McHUGH: I thank the gentleman.

The gentleman from North Carolina.

REP. HAYES: Thank you, Mr. Chairman.

Going back to the topic of TRICARE for our families at home, I left out a very important term. We had the gentlemen here that provide the private health plans that encompass healthcare, but I did not use the term, when I asked the question, health benefit advisors. These are the folks that are available to help people find the care and the treatments that they need. Can you all comment on how you will move forward with the folks that are providing the service, to make sure they've got the health benefit advisors? Particularly the people in rural areas. General comments on that would be helpful.

MR. HALL: I can comment on it, then any of my colleagues that want to. We, as authorized, are hiring the 11 providers — and of course the regions are changing to three and how exactly you will use the other eight. But we're

proceeding. Those names are being provided to us and those are ready to be provided by a region. In addition to those, though, there are over I think 400 of the advisors nationwide that can advise our members, both active, Guard and Reserve, on their benefits. So we're moving forth to provide the coordinators by region. And as we neck down to three regions, we will have this central coordinator. But we will have other coordinators throughout the region that can specifically talk to healthcare benefits for both active, Guard and Reserve under — for TRICARE. And so that's sort of the broad way and that is done. Now those names are being provided to — people are being hired as those senior providers. And I don't know whether my other colleagues want to discuss that for their particular area?

REP. HAYES: General Blum?

GEN. BLUM: In North Carolina, with the 30th now deployed you should be able to go to any of the armories from that brigade that is deployed and there should be a person that can direct any family member with a pay problem or a TRICARE problem or an employer problem or any other family support, family readiness type issue. They should be basically trained and qualified to direct and remedy that problem or get that family member to a person who can in fact do that. And the Joint Force Headquarters in every state and territory — we have 400 of such of those locations stood up mostly in armories of units that are deployed, with the cell that is left behind, so that the family member knows that he can go to the local armory to get that problem addressed. We will also do that for any other service member, Active or Reserve, who happens to be in that zip code or local area, if they want to come in there for assistance also.

And I don't know if General Schultz wants to address any further on that, or General James or anybody else?

GEN. : Her name is Crystal in our case.

GEN. BLUM: Oh, you actually know — okay. Now, and if you should find, sir, that they are not trained and adequate to handle TRICARE, pay problems, ESGR problems or in the full scope of family readiness issues, if you'll get back to me we'll ensure that they either get the training they need, or we'll get somebody down there who can.

REP. HAYES: Well, I appreciate that. I just want to be sure that you all, in the roles that you play, keep this issue in front of the providers and everyone else. And I've been working with Nurse Schwartz (sp). She runs the whole thing very well. General Blum?

GEN. BLUM: Yes, sir?

REP. HAYES: Did you happen to see the broadcast news yesterday when Secretary Bremer was included?

GEN. BLUM: No, sir.

REP. HAYES: If you did, if I'm not mistaken, General Hickman (ph) was sitting beside him?

GEN. BLUM: I did not see that, but I would not be surprised because General Hickman is —

REP. HAYES: So for those of you all that are not in the loop, General Hickman is with 30th Brigade of the North Carolina National Guard. And General Blum and I were in Fayetteville. We not only welcomed them back, but General Myers and General Blum were there to give them a tremendous and rousing send off. And I failed to mention that. But I happened just to walk through and see it and I think that's who was sitting there. Again, thank you all. Stay after them.

Thank you, Mr. Chairman.

REP. McHUGH: I thank the gentleman.

The gentleman from Tennessee.

REP. COOPER: Thank you, Mr. Chairman. I've been in suspense all afternoon because the Chairman Zapanta said he was going to punt the ball to this panel, so I've been waiting to see whether you all would catch it or not. Now it's the moment of truth.

REP. McHUGH: Fair catch.

(Laughter.)

REP. COOPER: No problem with that. I'd asked earlier about an expected downsizing in battalion headquarters, also any expected downsizing in armory. If you could respond to those two questions, that would be great.

GEN. BLUM: Thank you, I appreciate the question. All three of those questions are very insightful questions and

they're very legitimate questions and they need to be answered in the context of something I discussed just a little bit earlier. But if the other members will permit, I'll — a real quick review at it. If I throw up this chart that shows you the strategic reserve moving to an operational reserve, and which is taking us from what the Guard was organized, resourced, set up in statute and set up in policy, equipped — all the parameters to include — it included an over structured force bigger than it could fill. And that made a lot of sense when we were a Cold War deterrent force. It was going to be filled up over a long period of time, where we pumped money and equipment and draftees mostly into filling up our vacancies and we could be a cadre level force.

The problem is today we're an operational reserve and we're required to go out to do it C-1. In other words, 100 percent manning, 100 percent trained, ready to go, your equipment is ready, all your people are filled up, all your skill sets are there. When you have a unit that is not filled up completely, it's like that pitcher of water on the table. If you want a full pitcher of water as a combatant commander, you have to take two of those pitchers, perhaps three, and pour them together to level off one. And you have one full pitcher and you send that overseas. But what you have is two degraded pitchers. So the next time you need a pitcher of water, it gets tougher. And then by the time you get to the third iteration, which we're on right now, it even gets tougher and pretty soon you've got an empty pitcher.

But you — and then we'll be in here explaining to you why we don't — why we can't — why we have this empty structure. Well, we were designed that way. We need to move away from that, sir, and we need to move the full-time manning, the resourcing, the equipping piece from this over structure into a smaller, more capable, more ready force. That means we will have to take down some headquarters. The exact number, nobody knows. There is not a human being on Earth that knows the answer to that right now, period.

Now, the Army is going to modularity, which means they're going to have smaller — more units, smaller units, little more capable, more agile units.

That plays very, very well and serves the National Guard community based model very, very well. And it probably means that the number of units that come down will be significantly mitigated because the Army will go from three companies in a battalion to four, three battalions in a brigade to four, four brigades in a UEX of three to four. So there is about a 25 percent growth in combat, combat service support units Army wide. As we redistribute and rebalance the Army, we will benefit from that.

So if you were to ask me how many units will Tennessee actually lose, I don't know. Nobody knows. If you ask me how many will they gain, I can't tell you that. But what I can tell you is they will have all the units they can fill. They won't have any more units than they can fill with trained and ready and deployable soldiers. And right now if we were to do that, that means if General Burnett's numbers that he was using earlier are even close to accurate — and I think they are — we're talking about a 10 percent reduction in the size of the Tennessee Guard, which means about a 10 percent reduction perhaps in the number of units that are there, mitigated by the modularity. Which means it may only be a 5 percent reduction in the number of units, but there will be nobody in the Tennessee National Guard that would have to get out of the National Guard because we don't have a place for them.

They may be doing — they may be reclassified, doing a different job. For instance, they may no longer be artillery that's no longer relevant or useful to fight the global war on terrorism and the future threats we see. They may convert from artillery to military police, or they may convert to civil affairs, or they may convert to information operations, or to an intelligence unit, or something that would — something that we see as — or maybe one of these civil support teams or weapons of mass destruction counter response units, which are both useful not only to the governors but useful to the combatant commanders overseas, because none of the combatant commanders will ask for some of the structure that exists in an Army Guard. We are over structured in some things that really are no longer relevant for today's global war on terrorism or any of the future threats that we see on the horizon.

That doesn't mean we're going to get completely out of artillery. That doesn't mean we're going to get completely out of any combat, combat service support or combat support area. It means we're going to take a legitimate look at what we have too much of that has not gotten into the warfight because it's the wrong kind of unit with the wrong kind of capabilities, both for governors and for General Abizaid over in Southwest Asia, or any other combatant commander, and then — and change that unit to be something that is ready, reliable and relevant and accessible for both homeland defense, the one on the national security strategy, the homeland defense, and on the 421. I want them to be equally relevant against all four of those sets. I hope that is helpful. REP. COOPER: Thank you. And I'm not faulting rebalancing because that probably is a good idea. But we need to know the specifics and we need to know them with enough advance notice so that

we can be effective representatives. And I was a little worried because last year we got a proposal to restructure DOD civilians, all 700,000 of them. I think we had about 10 days from introduction of the proposal to vote.

GEN. BLUM: Well, what I've committed to the governor of Tennessee and to the adjutant general of Tennessee is that the National Guard will not rush to failure on this and we will not give things up before they know what those things are going to be replaced with. I think that's fair and I think it's a fair requirement on their part to know. And the other part, sir, that would be useful to know is every single state and territory has an obligation to submit their state plan to us. They should be building their future force in Tennessee and sending that to us. Optimize their demographics, their geography, what they really need in their state to handle not only the homeland defense/homeland security mission, but what do they really want to have available in what percentages, so that they can deploy their fair share of burden share to 25 percent at a time overseas.

REP. COOPER: So we could be proposing to beef up civil affairs and —

GEN. BLUM: Absolutely. Absolutely.

REP. COOPER: MPs, things like that?

GEN. BLUM: Absolutely.

REP. COOPER: Would it help you in doing your job if the National Guard had a separate procurement authority, so that you don't just have to deal with surplus equipment and hand-me-downs from the active duty folks?

GEN. BLUM: That has been proposed over time. It's been carefully studied. The right answer to that is that the services have to shoulder the full responsibility for their Reserve components. That's the right answer. And the pressure really ought to be on the service components to deal with the active, Guard and the Reserve and train, organize and equip them in a like manner. If that were done, what you're proposing would not be necessary.

REP. COOPER: But they don't do that?

GEN. BLUM: They are making the first genuine, honest attempt at it that I've seen in my entire military career under the current chief of staff of the Army and the Air Force. The Air Force has been doing it. I want to separate the Air Guard from this discussion because they've been doing it for about 20 years. The Army has never done it fully until now, and they are making an honest effort to do that. They are putting their money where their mouth is and if they continue to do the actions that they're taking right now, what you're suggesting would not be necessary. If for some reason they were to depart from that and walk away from that, that may be something worth exploring.

GEN. JAMES: Could I add something to that? I don't want to take too much credit for the blue suit. I would say — and I would ask Jimmy to either agree or add to this — that if it weren't for the (AGR ?) account, we would not be as capable and as relevant as we are today. There are certain things that we've been able to procure because of that account, like lightning pods and other things, that have made us relevant for the warfighter and gotten us in the fight and an active member of the team.

Yes, we are probably ahead of the Army, in a way, in our relationship with the active Air Force, but I can't emphasize enough how much you do for us when you give us the latitude to procure items that we need that are unfunded requirements from the total force — total service point of view, that you give us that latitude and that flexibility to acquire those items, those pieces of equipment. And I just want to make that point.

GEN. BLUM: That's a great point. It really is a great point. It does make the difference. It makes a significant difference. For the Army in the past it has meant our survival, frankly. And we're not ready to walk away from that until we — we've got a lot of catch up all to do with equipping the Army Guard.

REP. COOPER: When the unit is converted from artillery to, say, MP, who picks up the cost of that? Is that depleting your budget if you have to eat that cost? Or who's paying for it?

GEN. BLUM: The cost of that would be paid by the services. We are doing this in full — this is being done in full partnership with the Army conversion, the Army transformation, the Army Guard transformation. And General Helmly can talk to the Army Reserve, but I will tell you that this is the most collaborative team approach that I have ever seen actually attempted and actually working. I mean, this is no longer three Armies at war with itself. This is one Army trying to fix what makes sense for the United States of America. I will tell you that I am not — I could never have said that before today in a hearing like this.

REP. COOPER: Well, you're very encouraging. I wonder if previous committees and previous panels would have had heard that we have in fact three Armies at war with themselves? Usually people tell us more the positive spin. But I'm glad —

GEN. BLUM: I've witnessed the Army at war with itself and it is not a pretty sight.

REP. COOPER: Thank you, Mr. Chairman.

REP. McHUGH: I thank the gentleman.

I was remiss in my first round of questions when I talked about the recruiting goals and went down the line. I skipped General Helmly. If you'd like to make comments, I certainly want to — I don't want to deny you that opportunity.

GEN. HELMLY: Congressman, I appreciate that. I can very quickly give you the statistics. At current we're at almost 99 percent of our enlisted recruiting mission for the year. Our retention mission is off. We're at 90 percent. And I would next state that retention — I agree with General Sherrard. We should be seeking ways to retain soldiers longer. And, indeed, General Sherrard's remarks about the fact that in the Reserve components our members are allowed to receive one reenlistment bonus by multiples. Those bonuses are smaller.

I'll give you an example. The Army came here and received authority to pay a selected reenlistment bonus that now is providing a \$10,000 bonus to a soldier who reenlist whilst serving in Iraq, Afghanistan or Kuwait. And of course the advantage to the soldier there is all or most of that is then tax free. We do not — I went out, ordered that that be implemented, believing on the advice of our attorneys that it was applicable to Reserve component forces. In the space of five days we had 11 members who signed reenlistment contracts. I then was informed that it was not applicable to Reserve component forces and that the Reserve component number could only get \$2,500 for a three year reenlistment, or half — \$5,000 because now the Army is using 10.

I cite that as proof positive that — and as Secretary Hall said, when our soldiers, sailors, airmen and Marines are serving in the operational theater, that is where they're serving side by side and they perceive inequities based on examples such as I just gave you because they're saying, we're both in intermingled companies, squadrons, et cetera, and that that is an inequity.

Lastly, I would cite simply that as we use this force, we should be sensitive to the people side. And the longer we retain our people, the higher quality we have. That transfers into higher rates of readiness. They're proven, they're strong. And we in fact have a somewhat industrial age process towards looking at recruiting and retention. When we recruit as many as we retain, if we can lower that number we will save ourselves money, we will improve readiness, we will improve quality, we will improve leadership. And so I believe that dollars in retention are all well invested dollars.

REP. McHUGH: Thank you very much. I can tell you that I think every person on this subcommittee and full committee as well fully agree with your observations with respect to those reenlistment bonuses and the tax implications, that are significant, and the unfairness of that. We're going to fix that in our bill, and I think the department supports that. And that's just plain wrong, and I'm not sure how that happened.

GEN. HELMLY: I believe it was oversight, Congressman, I might add because I believe that on the Title 10 part of that, that read was that it was applicable but it violated another provision in Title 37, which is another example because the Title 37 is the title that starts to restrict if we didn't have that \$10,000 bonus in theater. It restricts, as General Sherrard said, the number of bonuses the Reserve component members can receive, et cetera.

REP. McHUGH: Or lack of oversight perhaps?

GEN. HELMLY: That's correct.

REP. McHUGH: Let me ask a final question, not counting the written questions we're undoubtedly going to submit. General Helmly just mentioned the inequities and they're important, and I heard that a lot in our first trip. Mr. Hayes was gracious enough, along with some other members, to join us. The members of the Guard and Reserve were very, very sensitive to that. They were all being asked to do the same job, they're obviously in the same base, same theater and they had a real perception they're being treated inequitably and unfairly versus their active component counterpart.

I'm going to reverse that a little bit, though, and ask you your opinion. We've asked this of previous panelists that have appeared. A lot of talk, we've had some legislative issues that would try to do the right thing, and I truly believe that, in providing a mechanism, taxpayer funded, that would make up the difference between what a Guard and Reserve

member who had been mobilized makes in the private sector versus what their Guard and Reserve pay is. And there's a real price to pay amongst these people, and particularly the independent businessmen and women and those who have single practices, whether they be physicians or insurance or real estate or whatever. Sometimes they lose their business. So I think the motivations are understandable.

However, what challenges, if any, does that provide that where now you've got two soldiers out there doing the same job, taking the same fire, you know, in Fallujah or wherever they are, where one is getting paid substantially more under the provisions of that act versus the active component that's receiving the standard pay? And obviously you folks represent the Guard and Reserve. Do you see that as a problem?

MR. HALL: Sir, I'd like to comment on that.

REP. McHUGH: Mr. Secretary, please.

MR. HALL: My 34 years were all active service, so let me speak from the active duty side because you're asking a question and I now represent the Guard and Reserve. And what I would say is, first, we have about 350 companies that are really doing that and we applaud those companies that are making up a differential. That is a private decision by them. But I would urge caution if we go into any sort of income type of differential that's funded. Not that it isn't a good idea, but I think we do have to think about that active duty person.

Many of the people I served with throughout the time were active duty sailors, E3s, E4s, E5s. They didn't earn as much as a lot of the higher range. And when that person might see the same person come from the civilian world, who might be earning \$150,000 or \$200,000 and now comes down to their pay, and we have a taxpayer funded differential that brings them back up to that, I think it's a legitimate question that that person will say, "Well, I've been earning just \$40,000 for the past 10 years trying to support my family. What do you earn?" He says, "Well, \$200,000." We just have to be cautious on that.

I recognize that the person in the Guard or Reserve at the \$200,000 level has obligations and mortgages and lots of things and lots of reasons they are supporting their lifestyle. But I do think we really have to think about on the reverse equity of those two. And we might want to do something, we might be able to develop that, but we have to do it in a very cautious way because those sailors will talk. Those people will talk and they'll ask each other what they earn, and we have to be prepared to have a legitimate reason why we would have an E4 earning \$200,000 from the private sector, and an E4 earning \$50,000.

REP. McHUGH: We had an insurance approach back in the first Gulf War that failed miserably.

MR. HALL: Yes.

REP. McHUGH: But would perhaps a new approach to that offer a better —

MR. HALL: We thought about that and none of us would want to return to the one which failed because, as you'll recall, we did not have anyone paying in and capitalizing the fund. You only took out the insurance when you knew the hurricane was going to hit, and at that point we were about \$80 million along. So should we do that, it would have to be a fee base, we'd have to capitalize it. And I don't think we should discard it just because we had a flawed program. But maybe some sort of a private insurance which you would have to pay in to capitalize it might be one of the ideas, and we are looking at that. But, again, we don't want to rush into that and have a repeat of that.

GEN. HELMLY: Congressman, may I comment please?

REP. McHUGH: Absolutely, General Helmly.

GEN. HELMLY: I do not disagree with Secretary Hall at all, but I would approach it from a different perspective. While we're all concerned about, if you will, fairness and concern for service members, active, Guard and Reserve, and their families, I approach it from an institutional perspective that says there are certain skills that the department relies upon more heavily than Guard and Reserve members.

And if I may, I'd like to cite professional medical skills. It is one thing if I'm making \$200,000 as a real estate or private attorney or something.

That's the issue that we just touched on, and I believe there that we should all emphasize to our members there's an element always of service and sacrifice to the nation involved, and just emphasize that upfront. But on those skill areas

that the department is more reliant upon Reserve components for, and in the Army — the Army has two-thirds of its battlefield care a professional force in the Army Reserve.

Those are the areas that we could provide some specialized, discrete protections for those forces. Perhaps income protection is not one, but in the case of practitioners dealing with their malpractice insurance is one that has been often cited that would be helpful, because when they close their practice they still have to pay into their medical malpractice insurance because there's no way of telling when cases that they took over in private practice would be filed a suit against them and then they're away. And in fact we try to only rotate those professionals now for 90 days at a time, being sensitive. Perhaps income protection for them is not the answer, but certainly the specialty pays is one that might make sense because in the Reserve components in fact we have some very highly skilled physicians and surgeons and they're still subject to the one 30th rule.

So it is my judgment that we should look at these discrete areas with a specialty. Perhaps not for income protection, but to ask ourselves what we can do to protect that source of very specialized skill-rich manpower which our forces rely upon. And when the soldier, sailor, airman and Marine is lying on the table in a combat support hospital in Baghdad, they aren't asking is it an Army Reserve physician? Is it an Air Force Reserve technician who's administering them on the MEDIVAC plane to Germany. They just want help and we want to provide them the very best.

REP. McHUGH: Anybody else?

GEN. SCHULTZ: Mr. Chairman, not everybody in the Army Guard is disadvantaged by the current system.

REP. McHUGH: Right.

GEN. SCHULTZ: We estimate 70-75 percent are not at all adversely affected: similar pay, comparable kind of entitlements from the current programs to where they are today. But I do believe — I'm with General Helmly on this — that we need to focus on a target, a population that perhaps considered locating skills we've got to have but might be at risk of spending in our formations, and you know we desperately need them. So I think that would be the discussion I would have, is focus on areas in the population that no kid would have to have some kind of a special attention.

REP. McHUGH: In fact, about a third make more money.

GEN. SCHULTZ: Yes, they do. About one-third make more, about one-third the same and about one-third do suffer some loss.

REP. McHUGH: And the record should show we're not going to ask those who make money to give anything back. I don't think that would be appropriate. Anybody else?

GEN. SHERRARD: Sir, I just would echo what I said initially. I think it would be wise for us to look at — take an evaluation of making the — and I'll use the word compensation in the broadest terms, equitable across and see if that changed your one-third/one-third/one-third formula. My belief is it will. And then if it still does not correct the issues that General Helmly and General Schultz have talked about, then that could be the next step to go look at. But I think if we just walked up and laid out the compensation that could be made if we made things fair across the board, that if in fact they were all on a 30 day tour, if everybody there — everybody looks the same, I think you would reduce that one-third number rather significantly and start down the road toward making it really something that we can all stand for and explain why there is an issue. Why we have the circumstances that we face today.

REP. McHUGH: Thank you. Well, the reason it is warm in here is not the lights. It's that we've got 24 stars shining at the table here. You've been here a long time and, gentlemen, we appreciate that.

Now, Mr. Secretary, you've got at least three maybe four, so we've got quite an array and we're deeply appreciative, as I said, of your being here and your service. We will have some written questions that we'd be very appreciative if you either respond in a like manner for our record.

In the meantime, General Sherrard, again, best wishes for the future.

Best wishes to you all and to the brave men and women that you represent.

Mr. Secretary, thank you for your service as well. And we're all pulling in the same direction and hopefully we can together serve those men and women as well as they're serving us.

GEN. SCHULTZ: Chairman, I was remiss also introducing someone, my Command Sergeant Major Holland (sp).

And it's very important because I hired him after he came back from Iraq and Afghanistan as a combat veteran. Soon as he got back he deployed his wife to Afghanistan and she has recently returned safely. And he is an experienced combat soldier and I'd like for him to stand up. He represents all of us.

(Applause.)

REP. MCHUGH: And this is on C-SPAN so just in case your wife is watching, Sergeant Major, we know you didn't deploy your wife directly.

(Laughter.)

Well, thank you all very much and thank you, as I said, for your service. And with that, we will adjourn the subcommittee.

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