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THE FINAL REPORT OF THE COMMISSION ON THE NATIONAL GUARD AND RESERVES

HEARING

BEFORE THE

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

FEBRUARY 7, 2008

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THE FINAL REPORT OF THE COMMISSION ON THE NATIONAL GUARD AND RESERVES

THURSDAY, FEBRUARY 7, 2008

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 9:34 a.m. in room SD–106, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Byrd, Reed, Akaka, Warner, Collins, Dole, Thune, Martinez, and Wicker.

Committee staff members present: Richard D. DeBobes, staff director; Leah C. Brewer, nominations and hearings clerk; and Mary J. Kyle, legislative clerk.

Majority staff members present: Gabriella Eisen, counsel; Richard W. Fieldhouse, professional staff member; Gerald J. Leeling, counsel; Peter K. Levine, general counsel; Michael J. McCord, professional staff member; and William K. Sutey, professional staff member.

Minority staff members present: William M. Caniano, professional staff member; Christopher J. Paul, professional staff member; Diana G. Tabler, professional staff member; and Richard F. Walsh, minority counsel.

Staff assistants present: Fletcher L. Cork, Kevin A. Cronin, and Ali Z. Pasha.

Committee members' assistants present: James Tuite, assistant to Senator Byrd; Frederick M. Downey, assistant to Senator Lieberman; Elizabeth King, assistant to Senator Reed; Bonni Berge, assistant to Senator Akaka; Christopher Caple, assistant to Senator Bill Nelson; Jon Davey, assistant to Senator Bayh; M. Bradford Foley, assistant to Senator Pryor; Gordon I. Peterson, assistant to Senator Webb; Jennifer Cave and Sandra Luff, assistants to Senator Warner; Lenwood Landrum, assistant to Senator Sessions; Mark J. Winter, assistant to Senator Collins; Clyde A. Taylor IV, assistant to Senator Chambliss; Jason Van Beek, assistant to Senator Thune; Brian W. Walsh, assistant to Senator Martinez; and Erskine W. Wells III, assistant to Senator Wicker.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody. The Senate Armed Services Committee meets today to receive the final report of the Commission on the National Guard and Reserves.

We welcome our witnesses here today: Major General Arnold Punaro, United States Marine Corps Reserve (Retired), who is

chairman of the Commission and well known to this committee. His fellow commissioners here today are William Ball III, former Secretary of the Navy; Patricia Lewis, former professional staff member of the Senate Armed Services Committee; and Major General Gordon Stump, Air National Guard (Retired), who has also served with distinction as our Adjutant General in Michigan. We welcome and thank you all. The Nation owes you a debt for your willingness to take on this voluntary task.

The Commission on the National Guard and Reserves was established by a provision of the National Defense Authorization Act for Fiscal Year 2005 to assess the impact of the changing role of the National Guard and Reserves as they evolved from a Strategic Reserve to an Operational Force. This change had occurred without much public debate or a critical assessment of the significance of that change.

The Commission was directed to address, first, the current and future roles and missions of the National Guard and Reserves; second, the capabilities of the National Guard and Reserves and the manner in which those components may be best used to support the military operations of the Armed Forces and the achievement of national security objectives, including homeland defense; third, the current and future organization and structure of the National Guard and Reserves; fourth, the organization and funding of training of the National Guard and Reserves; and, fifth, options for improving compensation and other benefits provided to members of the National Guard and Reserves and their families.

While the Commission was in the process of addressing these issues, the Senate was simultaneously considering some significant proposals for enhancing the National Guard. To respond to that, Congress asked the Commission to add to its already full plate an examination, on a priority basis, of those new proposals.

The Commission responded with a report on March 1, 2007. The Commission's analysis and recommendations proved to be very helpful to Congress, as evidenced by the fact that most of the recommendations that required legislation are included in the recently enacted National Defense Authorization Act for Fiscal Year 2008. Some of the most significant provisions that were enacted are, first, elevating the Chief of the National Guard Bureau to four stars, and designating him as a principal advisor on National Guard matters to the Secretary of Defense through the Chairman of the Joint Chiefs; next, establishing the National Guard Bureau as a joint activity of the Department of Defense (DOD), while, at the same time, enhancing the functions of the National Guard Bureau, and requiring the Secretary of Defense to consult with the Secretary of Homeland Security to determine what military-unique capabilities DOD is required to provide in support of civil authorities in an incident of national significance or a catastrophic incident.

Now, although we've only had a few days to review this extensive report, we can already conclude that many of its 95 recommendations are very significant and far-reaching. The report contains, for instance, recommendations for creating a sustainable Operational Reserve; enhancing DOD's role in the Homeland; creating a continuum of service, including personnel management, for an integrated total force; developing a ready, capable, and available Oper-

ational Reserve; supporting servicemembers, families, and employers; and reforming the organizations and institutions that support an Operational Reserve.

The Commission also recommends significant changes to pay and benefits, some of which would apply to all military personnel. These recommendations include major changes to the military retirement system for both Active and Reserve military personnel. These proposals, and many others, will require extensive study by Congress, DOD, and a number of other agencies.

The Commission's report has drawn criticism from the Assistant Secretary of Defense for Homeland Defense and the Chief of the National Guard Bureau, who assert that core elements of the report are flawed, and contend, contrary to the report, that DOD's, "catastrophic response capabilities are the best-funded, best-equipped, best-trained in the world." The leaders of the Senate National Guard Caucus have issued a press release criticizing the report, saying that several recommendations, if implemented, would undermine the National Guard and hamper DOD's ability to respond to domestic emergencies, alleging the Commission's recommendations don't give due credit to the superb performance, missions, and capabilities of the National Guard, and that the Commission calls for a retreat from the newly-enacted Guard empowerment reforms.

So, members of the Commission, you've stirred up some discussion, to put it diplomatically.

The Commission's recommendations will now be reviewed by Congress and by DOD and the Department of Homeland Security (DHS).

When the Commission submitted its March 1, 2007, report, its so-called "interim report," DOD undertook a review of the Commission's recommendations. This review proved to be very useful to Congress, and helped us to consider some of the issues that were pending. I know DOD will conduct a similar review of this report and its many recommendations.

The Senate Armed Services Committee will not be the only committee to address the findings and recommendations that are contained in this report. I believe that the Committee on Homeland Security and Government Affairs will hold a hearing next week to explore the homeland security aspects of this report. We appreciate the courtesy of Senator Lieberman in sequencing these hearings.

The Commission has tackled some very difficult issues of national importance. The Commission freely acknowledges that a number of its recommendations will require intensive study by Congress and the executive branch. The report will provide the vehicle for a very important debate.

Again, we thank our witnesses and their fellow commissioners for taking on a very important, a very demanding, and a very controversial task.

Senator Warner.

STATEMENT OF SENATOR JOHN WARNER

Senator WARNER. Mr. Chairman, I'd like to join you in indicating that we are very grateful for the public service of this outstanding group of individuals, all of who are volunteers on this matter.

I'd like to read a paragraph from their report. It states, "Our study has been informed by 17 days of public hearings involving 115 witnesses, 52 Commission meetings, more than 850 interviews with officials and other subject-matter experts, including the current and former Secretaries of Defense and the current and former Chairman and Vice Chairman of the Joint Chiefs of Staff." It goes on.

That indicates, Mr. Chairman, that a lot of conscientious effort was put into this by these fine people, all of whom we've known for many years.

I would also recommend that the record contain at some appropriate point the names of the other commissioners.

Chairman LEVIN. The record will show the entire list of commissioners.

Senator WARNER. Thank you. I'd make a further suggestion to the chair, I think the committee should take the initiative to invite comment from other entities, such as the National Guard Bureau, the Reserve organizations, and, indeed, DOD, such that the record reflects, with greater accuracy, and we just don't rely on press conferences and press reports of those who had reason to challenge some of the findings of this commission. I think a full record is very important for the Senate, so I urge the chair that that be done.

Chairman LEVIN. Senator Warner, thank you for that suggestion. One of two things, I think, will need to be done here. Either we will have a hearing, where those folks, and perhaps others, would be invited to comment, or we would adopt your suggestion about inviting them to give us their comments for the record. But, one or the other needs to be done, and will be done.

Senator WARNER. I thank the chair.

I will put the balance of my statement in the record, but I would like to make this one observation. As our committee considers this report, I've found myself thinking of the origin of the total-force concept, which is linked to our magnificent All-Volunteer Force. Not long after he took office, then-Secretary of Defense Melvin Laird—I was privileged to join DOD with him as a part of his team in the Navy secretariat—recommended that President Nixon appoint a Commission to determine the most practical means for ending the draft. The Gates Commission concluded that, "An All-Volunteer Force," was a practical alternative to the draft, but this force would require greater reliance on the Reserve and the National Guard. Now, that prescient thought has certainly come to play in these conflicts in both Afghanistan and Iraq.

The linkage between the total-force concept and the All-Volunteer Force is vital. Therefore, as we proceed in Congress to perhaps make such decisions regarding the need for, or absence of the need for, legislative language, we always want to keep an eye on that All-Volunteer Force.

I thank the chair, and I'll ask that the balance of my statement be placed in the record.

[The prepared statement of Senator Warner follows:]

PREPARED STATEMENT BY SENATOR JOHN WARNER

Thank you, Senator Levin. I join you in welcoming General Punaro, former Secretary of the Navy William Ball, Patricia Lewis, and Brigadier General Stump. I want to thank each of you, all of the Commissioners, your staff, and all those in

the Department who assisted you, for your dedication and accomplishments. I have in mind your previous report from March 1, 2007, as well. That report contributed materially to our ability to complete the National Defense Authorization Act for the current fiscal year, and I thank you for your assistance with the analysis of the National Guard Empowerment Act proposals.

I would suggest, Mr. Chairman, that we be sure to enter into the record of these proceedings a list of all the names of those who contributed to the work of the Commission.

The Commission has performed a valuable service in providing this comprehensive review of the manner in which the National Guard and Reserve has been used in the past and in challenging assumptions surrounding its role today. Such an independent review has long been needed, and I hope that the report and recommendations of the Commission will be a catalyst for change.

As we consider this Commission's report, I found myself thinking of the origins of the Total Force concept, which is linked to our magnificent All-Volunteer Force. Not long after taking office, then Secretary of Defense Melvin Laird recommended that President Nixon appoint a commission to determine the most practical means for ending the draft. The Gates Commission, headed by President Eisenhower's Secretary of Defense, Thomas Gates, concluded that an "All-Volunteer Force," was a practical alternative to the draft, but this force would require greater reliance on the Reserve and the National Guard. The linkage between the Total Force concept and the All-Volunteer Force is important, and we must be careful to ensure that changes in the Total Force enhance the All-Volunteer Force.

Independent reviews oftentimes generate energetic debate and even controversy and it would appear that you have met that standard. I appreciate the lengths you have gone to, General Punaro, to emphasize that your findings do not represent an effort to assign blame and to point out that the problems you identify have origins stretching back many years.

With respect to the roles and the mission of the National Guard and the Reserve, and particularly with respect to the Nation's preparedness for a catastrophic attack, I applaud your willingness to ask hard questions and to be dissatisfied by the answers you received and the conditions you found. The National Guard and all the Reserve components are critical to the defense of our Nation—your report puts that in focus, and I look forward to working with the Department of Defense and with my colleagues in the Homeland Security and Government Affairs Committee to make sure that we rapidly respond to your recommendations.

Chairman LEVIN. Thank you very much, Senator Warner.

Chairman Punaro?

STATEMENT OF MAJ. GEN. ARNOLD L. PUNARO, USMCR (RET.) CHAIRMAN, COMMISSION ON THE NATIONAL GUARD AND RESERVES

General PUNARO. Thank you, Mr. Chairman, Senator Warner, members of the committee. Of course, it's a pleasure for us to appear before the committee this morning to discuss the final report of our independent Commission on the National Guard and Reserves, titled "Transforming the National Guard and Reserves into a 21st-Century Operational Force."

Mr. Chairman, I would ask your consent that our full statement, as well as the executive summary of our final report, be entered into the record, and each of us will give a short verbal summary of some of the key areas of the report.

Chairman LEVIN. That will be done.

General PUNARO. Thank you, Mr. Chairman.

As you indicated, and have already introduced our three fellow commissioners here this morning—Will Ball, Patty Lewis, and Major General Gordon Stump—each with an extraordinarily distinguished career and unique expertise in many of the subject matters addressed by the Commission. We're here, as Senator Warner indicated, on behalf of our eight other fellow commissioners; we thank you, Mr. Chairman, and we thank the ranking member, Senator

McCain, for the support you've given the Commission, the support we have received from your sister committees and the other committees of jurisdiction. The cooperation we've had from Congress, DOD, and the executive branch throughout our 2½ years has been one of the most pleasant surprises. We know because there are a lot of commissions around town, and a lot of them doing a lot of good work, plus everybody has day-to-day busy schedules, but we could not have had better support from Congress and from DOD.

The Commission would like to pay special tribute to Senator Warner, one of the principal architects of the legislation creating this Commission, who is, as we all know, retiring at the end of this Senate session. As we said in our transmittal letter to you, Mr. Chairman, and to the Secretary of Defense, Senator Warner is a true statesman, in the finest sense of the word. Bipartisanship and a tireless advocacy for a strong national defense have been the hallmarks of his long and remarkable career in service to this Nation. I would say, as a matter of personal privilege, Secretary Ball and I have served in the Navy and Marine Corps team, as did Senator Warner in his career in uniform. We had the privilege to be staffers on the Senate Armed Services Committee, working, not only with you, but with Senator Warner and other members of the committee, and we're both Virginians, and we couldn't be more proud of the service of our senior Senator from Virginia over these long and many years. The Commission adopted that sentiment, unanimously, and, I know it is shared by the members of the committee.

Chairman LEVIN. Thank you for making that reference, both here and in the report. I know that would be supported and acclaimed, and thoroughly agreed with by every Member of the U.S. Senate.

Senator WARNER. I thank the Chair, and I thank the chairman of the Commission. I would want to note that Les Brownlee also was a part of my ability to achieve whatever record I had here. He is also a member of your Commission.

General PUNARO. The Commission was chartered to identify and recommend changes in law and policy to ensure the National Guard and Reserves are organized, trained, equipped, compensated, and supported to best meet the national security requirements of our Nation, now and in the future.

You, subsequently, Mr. Chairman, tasked us to study the advisability and feasibility of implementing the provisions of the proposed National Defense Enhancement and National Guard Empowerment Act. Our report of March 1, 2007, with the 23 recommendations, was acted on very quickly by Secretary of Defense Robert M. Gates and by Congress. In DOD, Secretary Gates initiated a very thorough and quick review, adopted 20 of the 23 recommendations, and the implementation of those recommendations is well underway in DOD.

Congress also acted very quickly and decisively in those things that required statutory changes, and, in addition, some really good improvements came out of Congress on those recommendations in the recently-enacted National Defense Authorization Act for Fiscal Year 2008.

Both Congress and DOD were out of the blocks very quickly on that initial report.

The 95 recommendations in our final report, submitted to you last Thursday, both addressed your initial charter and also engaged more deeply with issues addressed in the earlier report. Specifically, the concerns with respect to the sustainability of an Operational Guard and Reserve, and the currently, as the Commission indicated, disjointed planning and resourcing process to address threats in the Homeland. The statute specifically directed us to examine how best the Guard and Reserve could be used in roles in the Homeland. Some of our recommendations are new, some of them are recommending additional capabilities and involvement, as you directed us in the statute.

In this report, as we did in the initial report, we really tried to zero in on the problems that needed to be fixed, and suggest solutions. We knew that not everyone was going to agree with all our recommendations. That never happens, and it shouldn't happen. But, we wanted to make sure that we really had the problems correctly identified and no one could challenge that. We really focused in on that, and I think you will see, in the documentation of the backup in the report is backed up by official testimony, documents, et cetera.

These issues are extremely complex. People of good character and conscience will disagree with the solutions. We believe your mandate to us was to report what we found, and that's what we did.

We also recognized that further analysis by DOD and Congress may lead to alternative solutions. We certainly encourage that. We encourage improvements and alternative remedies to our recommendations. Again, our focus is on fixing the problems, not on whose solutions are adopted.

Fewer than half of our 95 recommendations actually require legislation. There are areas where DOD, if they agreed with them, could undertake a change in policies and regulations right away. They don't have to wait on legislation. Congress could enact some immediate statutory changes, as well.

Other recommendations, particularly in the area of personnel management, will take careful thought and analysis by DOD and Congress to determine how best they should be implemented in order to achieve the desired outcome. Even if Congress and DOD agree with all of these sweeping recommendations in personnel and benefits, they couldn't all be dealt with this year. The Personnel Subcommittees, as good as they are, and the staff, as good as they are, these are not issues that lend themselves to action this year by either DOD or Congress. For example, when DOD revised the Defense Officer Personnel Management Act in the late 1970s, it took them 4 years to work on it. It took Congress 4 years to pass it. Hopefully, on these, it won't take that long, but it's certainly not something, Mr. Chairman, we believe, that Congress or DOD could address this year. But, what we would hope is once you did make changes, they would be phased in over a long period of time—a number of years for some, 20 years for others. Actually, that's the best way to do these kind of changes.

While they don't lend themselves to legislative action, some of them, we think it would be important for Congress to establish a

statutory framework for addressing all of the 95 recommendations. That would be very desirable, particularly given the transitions that are going to occur at the end of this year, both in the executive branch and Congress, so that there's an ability for subsequent executive branch and subsequent Congresses to not have to start from scratch, but build on the good work that I know will already be done.

We can't emphasize too strongly that our recommendations are in no way a critique of officials currently serving in Congress or the Pentagon, or their predecessors in previous administrations or Congresses. We didn't intend this to be a report card on anyone. Many of these problems have persisted for decades and have often seemed intractable; others are tied to the new and emerging threats that we face in this area. It's understandable, given the operational commitments that have, by necessity, been a high priority, DOD has not been able to fully develop strategies for the Guard and Reserve that are focused many years in the future. They have made real progress in many areas since September 11. They've addressed the immediate challenges of recruiting and retention, made sure the mobilized Guard and Reserve units, when they go downrange, are fully trained and equipped, and made a down payment, even, on solving some of these complex personnel management issues.

Funding for the Reserve components appears to be trending upward, and additional funding in the pipeline to improve the shortages, particularly in the Army National Guard.

Again, it's not a report card, because the statute did not focus us on how far we've come, Mr. Chairman; the statute spoke to us on how far we need to go to get to the desired end state. It'll be up to the committee, Congress, and DOD to determine our snapshot in time, where we think we need to go, how much of that gap you are really committed to closing. We, of course, would argue we'd like to close the whole gap, but you may determine otherwise. We are not looking backwards, we are really looking at where we are today, where we need to go, and how do you close that gap.

Senator Warner has already talked about the extensive number of hearings and analysis that we did. I want to emphasize, we didn't just gather official wisdom here in Washington, we made a concerted effort to get outside the Beltway for field hearings, site visits, focus groups, talked to servicemembers, the same thing that members and the staff of this committee do everyday. We talked to families, employers, and many others.

I want to add, Mr. Chairman, that the 12 members of this Commission had a total of 288 total years of military service in uniform, dating back to the Vietnam war and 186 additional years of nonmilitary government service, either in the Senate, in Congress, in the executive branch, and, of course, many years of private-sector experience. It was a very experienced group of individuals, that had a lot of personal experience in all the areas that we dealt with.

Let me then close out my part of it, Mr. Chairman, by talking about what we believe to be the core recommendation in our report, which is conclusion number 1.

Our conclusion number 1 states, in part, "The Nation requires an Operational Reserve Force." We go along, then, in our rec-

ommendation number 1, to say, "Congress and DOD should explicitly acknowledge the need for, and create, an Operational Reserve Force. In order to place the Reserve components on a sustainable path as part of that force, Congress and DOD must modify existing laws, policies, and regulations related to roles and missions, funding mechanisms, personnel rules, pay categories, equipping, training, mobilization, organizational structures and Reserve component categories. These significant changes to law and policy are required if the Reserve components are to realize their full potential to serve this Nation and if existing adverse trends in readiness and capabilities are to be reversed. Moreover, the traditional capabilities of the Reserve components to serve as a Strategic Reserve Force must be expanded and strengthened."

Why did we come to that conclusion, Mr. Chairman and members of the committee? When we started, 2½ years ago, many of us went to a conference that was sponsored by DOD, and at that conference, one of the members of the Joint Staff, Major General Thomas A. "Tommy" Dyches, USAF (Ret.), who was the Assistant to the Chairman of the Joint Chiefs of Staff for Reserve Matters, serving on Active Duty, made the statement, "We're evolving to an Operational Guard and Reserve, and that makes a huge difference." He said, "But we've changed none of the laws, rules, regulations, funding, training, equipping, all the things that would be required." That was the conclusion of the Special Assistant to the Chairman of the Joint Chiefs of Staff at the time.

We were huge skeptics, Mr. Chairman, of this concept of an Operational Guard and Reserve. One of the reasons was, many members of the Commission had served in the Guard and Reserve. General Stump and I served in the Guard and Reserve when it was a Strategic Guard and Reserve, in the 1970s and early 1980s. We served in the Guard and Reserve as it began evolving into an Operational Guard and Reserve, starting with the first Gulf war, intensified during the decade of the 1990s, and certainly highly intensified after September 11, when over 600,000 members of our Guard and Reserve components had been called up, mobilized, sent forward, and an additional 68 million man days have served here at home, such as the 55,000 for the Guard in Hurricane Katrina.

We've commanded units when it was strategic, and we've commanded units that were operational, and people should not underestimate the profound difference. You can be an operational unit and be in an operation; that doesn't mean you're an Operational Guard and Reserve. The whole nature of what you need to do, in terms of your training, your readiness, your equipping, your family support, your employer support, is profoundly different as an Operational Reserve than as a Strategic Reserve.

We were huge skeptics that you could make those changes, and make it not only feasible, but sustainable. You can go do a lot of operations; that doesn't mean it's going to be sustainable over the long term.

Three reasons, then, that we were converted from skeptics of to believers in an Operational Guard and Reserve. Again, this isn't a conclusion that should be challenged by DOD; this is our core recommendation, because this is what DOD says they're doing. Again, our point is, you may be doing it, but we haven't made the funda-

mental changes that are required to make it sustainable over the long term.

Reason number 1 is that, meeting the force levels in Iraq and Afghanistan, and meeting the commitments that the combatant commanders in the national command authorities required overseas and home, could not be done without the 600,000 Guard and Reserve personnel that have been mobilized. You'd have had to go back to the draft; there's no question about it. We believe the draft is politically unacceptable. We believe it's militarily undesirable. The Commission came to this conclusion because the All-Volunteer Force was never designed for sustained combat.

In 1970, when the Gates Commission recommended eliminating the draft, and when we went to the All-Volunteer Force in 1973, it was well understood that the All-Volunteer Force was not designed for sustained combat. In the North Atlantic Treaty Organization (NATO) scenario, in the peak of the Cold War, if the Soviet Union, in the Warsaw Pact, were to attack NATO, we had a commitment to have 10 divisions in 10 days in NATO, then the Guard and Reserve, as a Strategic Reserve, would be mobilized, but they wouldn't get into the parade for 6 to 8 months. You would have had to crank up the draft immediately, because you wouldn't have had sufficient forces. That's been well understood by military planners.

We believe, without having this Guard and Reserve that's able to be used, not only overseas, but here at home—the threats are not going to diminish and the requirement here at home is actually greater than it has been—we are going to need this fully-ready Guard and Reserve, with certain units able to respond on a moment's notice.

Second, the Guard and Reserve are uniquely well suited for some of these homeland missions, particularly the catastrophic missions that we face. While low probability, the adverse impact, particularly as your colleagues from the Governmental Affairs and Homeland Security Committee know, who've delved into this matter extensively, as has this committee, the legislation creating the DHS recognized these threats.

The Guard and Reserve units are geographically better suited than the Active units, from an operational standpoint. Forward deployed in over 5,000 communities across the country, many of them are first responders. As Lieutenant General H. Steven Blum has testified quite often, you can't wait 72 or 92 hours, you have to be there right away.

We need the Guard and Reserve, because we don't want to go back to the draft. It's the firebreak. We need the Guard and Reserve to deal with these homeland missions, so you do not need to basically build additional capacity in the Active Forces to have them be the primary homeland response force.

Finally, the Guard and Reserve are a true bargain for the taxpayer. They're, economically, a much better way of dealing with these homeland threats, and providing the insurance policy to augment and reinforce the Actives overseas.

One of the things we looked at was the many myths about how much the Guard and Reserve cost. Not only did we do our own analysis, we asked the Pentagon to do an analysis, we went to the Government Accountability Office (GAO), we went to the Congres-

sional Budget Office, and we went to the Library of Congress. Every study came in showing that the Guard and Reserve are about 70 to 75 percent cheaper than having the equivalent capability in the Active component, no matter how you look at it. For 7 to 9 percent of the DOD budget, the Guard and Reserve provide 44 percent of the available manpower. GAO found that a drilling reservist received 15 percent of the amount of individual compensation—that's both direct, indirect, and deferred—compared to the amount of an Active-Duty servicemember. Also an Active-Duty servicemember costs roughly $126,000; while a Guard or Reservist costs about $19,000 per individual. In fact, the Active Duty costs have doubled in the last 5 years. So the cost of the Active Duty, mainly because of the deferred benefits, is on a rapidly escalating path. The Office of the Secretary of Defense Comptroller, Dave Patterson (Principal Under Secretary of Defense), testified that Reserve component costs for personnel in operation and maintenance (O&M) were 20 to 29 percent of those for the Active component. The RAND Corporation actually costed out the price of maintaining a Brigade Combat Team (BCT) in the National Guard compared to the Active Army, and it was 30 percent less for the Guard BCT compared to an Active BCT; for the same amount of money, you get three times the capability. Now, that doesn't deal with the availability issue, but it's really the economics.

In the President's budget—because people say, "Well, wait a minute, we have to buy their gear, we have to do this, we have to do that"—if you look at the four major appropriations—personnel, O&M, procurement, and military construction—the Reserve component members cost 23 percent of what is spent on Active component servicemembers.

Mr. Chairman, no matter how you slice it, the Guard and Reserve are a true bargain for the taxpayer. They are extremely well suited to pick up and beef up our capability to respond in the Homeland, as we need to do. We concluded we don't have sufficient capability today. We believe you're going to need this Operational Guard and Reserve, that's sustainable, to be able to augment and reinforce the Active component overseas, and do these homeland missions that are so critically important. When the Guard, in particular, is going to be called into that fray, they need to be fully equipped, fully manned, fully trained, and fully ready, just like the 82nd Airborne is for an overseas mission, to meet those kind of threats.

That is our core conclusion, Mr. Chairman, that the Nation requires this Operational Reserve, and we need to make all those changes to make it happen.

That concludes my comments, and I believe, with your permission, Mr. Chairman, General Stump is going to talk about our second main conclusion, which is enhancing DOD's role in the Homeland.

Chairman LEVIN. Thank you.

General Stump?

STATEMENT OF MAJ. GEN. E. GORDON STUMP, ANG (RET.), COMMISSIONER, COMMISSION ON THE NATIONAL GUARD AND RESERVES

General STUMP. Thank you, Mr. Chairman, and thank the committee members, for allowing us to testify. Personally, thank you for allowing me the opportunity to serve on this Commission.

Prior to September 11, we, in the Homeland, were satisfied that we were safe, the Cold War was over. We had even gone to the measures of getting rid of air defense, and, just a couple of days prior to September 11, were going to completely eliminate those air defense responsibilities. Then came September 11. In 45 minutes, more people were killed than the attack on Pearl Harbor. That was a wake-up call.

After that happened, we set up DHS and United States Northern Command (NORTHCOM) to start addressing the issues of homeland security. The Commission looked at the roles and missions of the National Guard and Reserve as they fit into DHS and NORTHCOM, and have come up with several recommendations on how we can enhance DOD's role and the National Guard's role in these missions.

The first of our recommendations is that Congress should codify DOD's responsibility to provide civil support and specify that this is a core competency of DOD equal to—in priority—to its warfighting responsibilities. Legislation should specify that DOD will provide the bulk response to major catastrophes.

Current statutes, like the Stafford Act, provide the authority, but not the responsibility, for this mission, and the statutory change of responsibility will ensure that DOD's priorities shift, and that its commitment stays in place.

When we have a major catastrophe, the only people who are going to be able to respond, when all of the local government and other people are unavailable, is DOD. We feel that if you put the statutory requirement in there for them to be responsible for support to civil authorities, it will make sure that they maintain that on their priority list. They have accepted the responsibility for homeland defense, and we feel that they should also be given the statutory requirement to provide the support to civil authorities.

Our next conclusion is, "Consistent with their warfighting tasking responsibilities, the National Guard and Reserves should take the lead role in and form the backbone of DOD operations in the Homeland." To me, having served as an Adjutant General for 12 years, this is somewhat of a no-brainer. Regardless of what anybody does, the National Guard will be the first military force on the ground, no matter what happens. The Governor depends on their fire departments, their police department to handle the incidents, as far as they can go. They use all of their State resources. When they're out of those State resources, they call up the National Guard. I knew if we had a huge snowstorm in the upper peninsula, or a fire somewhere, or a riot in Detroit, that the Governor would be calling me. To specify the National Guard then as a lead agency—and the Reserves—on the homeland defense mission makes sense.

The National Guard has stepped up. Lieutenant General H. Steven Blum, Chief, National Guard Bureau, and the National Guard

Bureau attempt to distribute force structure throughout the States that covers the consequences of any problem that could come up in the State. They have recently stood up the National Guard Chemical, Biological, Radiological, Nuclear, and Enhanced Response Force Packages, 17 of them. They are located in all of the Federal Emergency Management Agency regions. These are packages that the National Guard, on its own, stood up, because they know that, when the time comes and there's a major disaster, that they're going to be called upon. Unfortunately, these are smaller packages, and can only respond for the first 72 hours, until we have a Federal response to follow on, to take care of what's really going on, especially with a dirty bomb or a nuclear explosion.

We also believe the majority of the billets at NORTHCOM should be filled by leaders and staff with Reserve qualifications and credentials, and that the commander and deputy commander be either a guardsman or a reservist. These are the same recommendations that we had in our March report. As for NORTHCOM, a majority of their resources that are going to be used in any of the disaster response are going to come from the Guard and Reserves. They're also going to come from the Governors, and they're going to come from the State response forces. We need people at NORTHCOM who understand the Guard and Reserve and understand how the State government works and how they respond to national disasters. All of these must be a coordinated effort between DHS, the Active Duty people, and the Guard and Reserve Forces. It has to be a combined effort to address the consequence management of some of these catastrophes.

DHS should generate civil support requirements for DOD, and should validate them, and DOD should validate those requirements, as appropriate.

I learned, in my early days as the Adjutant General, if I was looking for support for National Guard unfunded requirements, that's when I came to you to talk about them. The first thing that you asked me was, "Well, how will this help the National Guard? How will it help the Active Duty? Does the National Guard Bureau support what you're asking for? Has the Federal Government, through the Future Years Defense Plan, put this in the requirements list?" Before I could answer all of those questions, you would not consider any funding.

We find that DHS needs to do the same thing. They need to identify the requirements for the homeland support mission. Those requirements have not been identified, and it's very difficult for Congress, or anybody, to support the funds required if they don't know what the requirements are. We feel that DHS should define the requirements for the homeland security and disaster response mission, they should send those requirements to DOD for validation, and then, after that, Congress can act upon filling those requirements.

I'm sure that we're all concerned about what's happening on the Homeland, and, if those requirements are defined, that there will not be a problem in getting those resourced.

The Secretary of Defense should ensure that forces identified as rapid responders to domestic catastrophes are manned, trained, and equipped to the highest levels of readiness. The Commission

has found that the Nation is not prepared to handle a major catastrophe here in the United States. NORTHCOM has identified consequence management response forces which should be formed, trained, and ready to meet these disasters. There should be packages consisting of several thousand joint personnel from several units, identified and organized to perform the chemical, biological, radiological, nuclear, and explosive consequent management missions with capabilities including medical, decontamination, communications, logistics, transportation, and public affairs. These are forces that would follow on after the initial response that the National Guard has stood up on their own to handle these major catastrophes. These need to be stood up and resourced.

DOD should develop protocols allowing Governors, under certain circumstances, to direct the efforts of Federal military forces within States responding to an emergency. This kind of arrangement should be worked on in advance to avoid confusion, and it can be done through a certified dual-hatted National Guard officer. This is a controversial recommendation, one which, in our March 1 report, was rejected by DOD, has been rejected by the members of NORTHCOM when we've discussed the situation with them, and even some commanders of the Reserve components.

However, there is a program that is in place to train National Guard officers to be dual-hatted. These are people who have gone through a training program, where they can command title 10 and title 32 forces. At the G8 conference, a few years ago in Georgia, we set up a command where the National Guard was in charge, and it worked very effectively. When you have an emergency in a State, we need unity of command. We are not saying that the Governors are going to be in charge of the Active Duty or the title 10 Reserve Forces, day in and day out. These should be prearranged protocols when a disaster comes up in the States. We need to have unity of command. The Governor of the State needs to be able to command and control all the forces that are working on the emergency or the response to that emergency in his or her State.

We had testimony from the Governor of Delaware about this specific subject. I asked her if she would like to use the Army Reserve Forces in her State for responses to domestic emergencies, and she said, "Yes, as long as they're under my command and control." Today, 98 percent of all the emergencies are small and handled at the level of the Governors and the National Guard without the help of Federal forces. But, we have Reserve components that are within the States that are not used, because they're title 10, and there is no way to activate those forces.

This comes to another recommendation, where we would like to have authority for the Secretaries of the Army and the Air Force to activate these Reserve components to help out in these State emergencies. The Governors would like to have those particular people, who are in the Reserve component, but in title 10, be able to report directly to them.

Now, I would like to emphasize that one of the recommendations is to look at possible rebalancing of the National Guard and Reserve Forces once the requirements have been defined by DHS for the homeland security mission. In no way does this Commission recommend that the National Guard become strictly a homeland

defense force. That's a program which will not work. You can't recruit, you can't retain to it, we can't help the Active Duty with their BCTs and cut down the deployment times, if, in fact, we start taking away some of the capabilities, which some people might say are not required, like a BCT, for the homeland security mission. I can tell you, the time that I was the Adjutant General of Michigan, I had 10,000 Army Guard soldiers in the State, and I had a combat brigade in my homeland security mission. I didn't need the tanks, but I did need the organization, I needed the leadership, I needed the Humvees, I needed the communication networks, and so forth. We are not recommending that the National Guard get out of those particular dual-mission-type capabilities.

With that, I would be happy to answer any questions.

Chairman LEVIN. Thank you very much.

General PUNARO. Mr. Chairman, with your permission, we would turn to Patty Lewis, on the personnel issues.

Chairman LEVIN. Thank you.

Ms. Lewis?

STATEMENT OF PATRICIA L. LEWIS, COMMISSIONER, COMMISSION ON THE NATIONAL GUARD AND RESERVES

Ms. LEWIS. Thank you. Thank you for the opportunity to testify this morning, Mr. Chairman. Thank you, Senator Warner, for the privilege of serving on this Commission. Thank you, Chairman Punaro, for allowing me to work with you a second stint. To my fellow commissioners, I highly respect and value the opportunity to interact with them.

As the Chairman said, I will be addressing the personnel management issues for the future, and the creation of a continuum of service through managing an integrated total force. But, I want to assure the committee that, during the course of our work, we never lost focus of our most valuable resource, and that's our people.

Unfortunately, many of the personnel management strategies that currently exist are post-World War II, Cold War-era relics, and have not been updated to meet the challenges of managing new recruitment issues, management issues, and strategies for retaining our highly skilled and increasingly mobile workforce of the 21st century.

We believe that integrated total force management is the next phase of reforms required to achieve the enhanced military effectiveness envisioned by Congress in enacting the Goldwater-Nichols Department of Defense Reorganization Act of 1986. We also believe integrated total force management is key to a successful Operational Force.

A centerpiece of an Operational Force that is both feasible and sustainable is a true continuum of service. As generally understood, a continuum of service would facilitate the seamless transition of individual reservists on and off of Active Duty to meet mission requirements, and would permit different levels of participation by the servicemember over the course of a military career.

In our report, the Commission makes specific concrete recommendations for changes to law and policy to bring about this true continuum of service. Two critical enablers of an enhanced continuum of service are a reduction in the number of duty

statuses and implementation of an integrated pay and personnel system. Equally important, however, is an integrated personnel management system, when fully matured at some point in the future, would include an integrated promotion system, an integrated compensation system, and an integrated retirement system.

We recognize that many of these changes will take time and will require further analysis, both by Congress and DOD. Our window for implementing changes of this magnitude is long term, a decade or even longer in some cases, while many of our recommendations can be acted on much more quickly, as Chairman Punaro mentioned.

At the beginning of our review, the Commission reviewed DOD reports on personnel management and other government agencies and think-tanks reports on private-sector trends to assess the environment in which the Services must compete today and in the foreseeable future to recruit and retain high-quality young men and women. Our research led us to the conclusion that the mobility of young workers today, and more flexible employment relationships of the future, require significant changes to our personnel management policy.

Our recommendations for managing an integrated total force include implementation of a long-overdue integrated pay and personnel system. Our second recommendation relates to a reduction in the duty statutes, from 29 current Reserve duty statuses to just 2. Either you're on Active Duty or not.

I want to make crystal clear that this recommendation does not include any recommendation for a cut in Reserve pay. In fact, in making this suggestion, we relied on a March 2004 DOD report to Congress from the Under Secretary of Defense for Personnel and Readiness, which suggested a "participation pay" as the way to ensure no loss of pay for an individual servicemember. DOD's 2004 report emphasized that changing to a new Active Duty status system should not cause the individual reservist to suffer a reduction, either in the level of compensation or in retirement credit earned. Our report makes very clear that the Commission agreed with DOD's position on both counts.

The Commission also recommended a number of benefit enhancements that will put additional money in reservists' pockets, including payment of basic allowance for housing, regardless of the length of the call or order to Active Duty, and reimbursement of costs for travel greater than 50 miles.

We recommend transitioning to a more flexible promotion system, based on acquiring competencies, the individual servicemember's knowledge, skills, and abilities, in lieu of the current time-based up-or-out system.

Our next recommendation, we recognize, is a very sensitive one with regard to reform and creation of a single retirement system. I want to emphasize that our recommendations in this area propose voluntary participation in a new system for a period of time, and would be entirely prospective. That system would foster more flexible career paths, including earlier vesting, government contributions to a Thrift Savings Plan, and a significant retention bonus at critical decision points. It could be used as an enhanced force management tool. Clearly, it's an area of great sensitivity,

and we recommend a transition period and an evaluation of the level of interest in such a new program prior to any mandatory program change.

Next, we recommend that Congress amend the Goldwater-Nichols DOD Reorganization Act of 1986 (P.L. 99–433) to now require Reserve component officers to be joint-qualified and, at the end of a 10-year transition period, to make such joint qualification a criterion for promotion to flag or general officer, like their Active Duty counterparts.

To make this achievable, we recommend a number of changes to increase opportunities for Reserve component members to complete required joint professional military education and to fill joint billets.

We also had a number of recommendations for supporting our servicemembers, their families, and employers.

For the members, we recommend additional housing allowance and travel reimbursement. We also propose making it easier to use the Selected Reserve Montgomery GI Bill benefits, and we recommend a series of improvement in servicemember protections under the Uniformed Services Employment and Reemployment Rights Act and the Servicemember Civil Relief Act.

For families, we recommend improved sources of information, better publicizing of the programs currently available, and increased funding and staffing for family support programs.

For employers, the Commission recommends an enhanced role and additional resources for the National Committee for Employer Support of the Guard and Reserve. We propose that employers be given better access to senior leadership in DOD through an Employer Council, and we recommend a one-stop shopping point for information on government laws and programs that impact employers.

In the area of healthcare, we recommend improvements to provide continuity of care for Reserve component family members who, upon activation, often find themselves suddenly military and no longer with access to the providers that they've developed relationships with.

We recommend some systemic improvements to the TRICARE program to make it more user-friendly for Reserve component families, and to encourage greater participation by providers.

To address continuity-of-care issues, we recommend that Reserve component members be offered the option to participate in the Federal Employees Health Benefit Plan and that a stipend be offered, either to the Reserve component member or their employer, to assist with continuing private-sector coverage under the employer's health plan. Both of these are designed to provide for continuity of care for those families.

In the area of demobilization and transition assistance, we focused our recommendations on issues that seemed particularly problematic to National Guard and reservists returning to their civilian communities, often located at considerable distance from any military support network. We did not attempt to recreate the fine work done by the various senior-level review groups that have reported since last spring, or of Congress's own landmark Wounded Warrior legislation. Instead, we recommended establishment of a

Cabinet-level group to oversee implementation of these recommendations, coordinate interdepartmental concerns, and address funding issues within the Office of Management and Budget.

Approximately half, I believe, of our Commission's recommendations are related to the areas of personnel management and family support. So, we took a lot of time in these areas. Our people are important to us.

I'm privileged to have been able to be a part of that.

Thank you.

Chairman LEVIN. Thank you so much, Ms. Lewis.

Mr. Ball?

STATEMENT OF HON. WILLIAM L. BALL III, COMMISSIONER, COMMISSION ON THE NATIONAL GUARD AND RESERVES

Mr. BALL. Thank you, Mr. Chairman, and members of the committee. I'll be very brief.

Chapter 4 of the full report, which is before you, addresses issues of readiness and developing a ready, capable, and available Operational Force. Our findings were that our Guard and Reserve units that are deployed in the Operational Force are at an extremely high state of readiness, but those units, once they return home, as this committee knows very well, are facing severe shortages in personnel, training, and equipment, and which has degraded and complicated the readiness of the units—the National Guard, especially—that have returned home.

Our recommendations, to sum up just four of them, are: (1) to improve our readiness reporting system, as there is need for uniformity across the Services in readiness reporting; (2) that DOD should undertake a zero-based review of equipment requirements and the need for full-time support personnel to support and assist the National Guard; (3) more effective focus on medical and dental readiness, which we found to be a major issue in many of our National Guard and Reserve units; and finally, Mr. Chairman, (4) we strongly suggest the use of new tools for accessing National Guard and Reserve personnel, such as new types of contractual obligations that will simplify access to Guard and Reserve personnel as an integrated part of the Operational Force.

To be brief, that's my summary, Mr. Chairman. We'd be pleased to answer any questions.

Senator BYRD. Mr. Chairman, I did not get the last of the statement.

Chairman LEVIN. Please repeat that fourth point.

Mr. BALL. I'm sorry, Senator Byrd. The last point, if I may elaborate briefly, was that utilizing the Operational Reserve raises the issue of access to, and availability of, our Guard and Reserve Forces. We think that access for routine employment of the Operational Reserve should not rely on statutory mobilization authorities under presidential selected call-ups. We think these authorities should be reserved for extreme circumstances only, so as to minimize unplanned disruptions in the careers and family lives of our reservists. We do recommend that the Services use contractual obligations, which clearly state annual commitments for training, and the dates and durations of activations and deployments, in advance, for operational missions. We think such agreements should

be based on the projections for dwell time and activation length set forth in the policies enunciated last year by the Secretary of Defense.

Chairman LEVIN. Thank you, all.

[The joint prepared statement of General Punaro, General Stump, Mr. Ball, and Ms. Lewis follows:]

JOINT PREPARED STATEMENT BY MAJ. GEN. ARNOLD L. PUNARO, USMCR (RET.); HON. WILLIAM L. BALL, III; PATRICIA L. LEWIS; AND MAJ. GEN. E. GORDON STUMP, ANG (RET.)

It is a pleasure to appear before the committee this morning to discuss the final report of the independent Commission on the National Guard and Reserves, titled "Transforming the National Guard and Reserves into a 21st-Century Operational Force." I would ask unanimous consent that our full statement, as well as the executive summary of our final report, be entered in its entirety into the record.

I am accompanied this morning by three fellow commissioners: Will Ball, Patty Lewis, and Gordon Stump. Each has had an extraordinarily distinguished career and possesses unique expertise in the subject matter addressed by the Commission. On behalf of our eight other fellow commissioners, whom we are representing, we want to thank you, Mr. Chairman and ranking member, Senator McCain, for the support you have given to the Commission. We would like to pay special tribute to Senator Warner, one of the principal architects of the legislation creating the Commission, who will be retiring from the Senate at the end of this session. Senator Warner is a true statesman, in the finest sense of the word. Bipartisanship and tireless advocacy for a strong national defense have been the hallmarks of his long and remarkable career in service to the Nation.

As established by section 513 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005, the Commission was chartered to identify and recommend changes in law and policy to ensure that the National Guard and Reserves are organized, trained, equipped, compensated, and supported to best meet the national security requirements of our Nation now and in the future. You subsequently tasked us to study the "advisability and feasibility of implementing" the provisions of the proposed National Defense Enhancement and National Guard Empowerment Act. That report—with 23 recommendations—was submitted on March 1. Defense Secretary Gates acted on it quickly and decisively. He conducted a thorough review and accepted, in large measure, 20 of its 23 recommendations on reforms to the National Guard and Reserves. Implementation of those recommendations is already underway within the Department. We are especially satisfied that Congress also acted quickly and decisively by incorporating most of the Commission's recommendations in the recently enacted National Defense Authorization Act for Fiscal Year 2008.

The 95 recommendations in our final report both address your initial charter and also engage more deeply with issues addressed in the March 1 report, specifically our concerns with respect to the sustainability of an Operational Reserve and the currently disjointed planning and resourcing processes to address threats in the homeland.

We have tried to identify the problems that need to be fixed and have suggested solutions. Many of these issues are extremely complex, and people of good character and conscience will disagree with some of the solutions we propose. We believe your mandate to us was to report what we found. We also recognize that further analysis by the Department of Defense (DOD) and Congress may lead to alternative remedies. We encourage these improvements or alternatives to our recommendations. The Commission's focus is on fixing the problems. Fewer than half of our 95 recommendations require legislation. These are areas where DOD can undertake a change in policies and regulations right away, and Congress can enact some immediate statutory changes as well. Other recommendations, particularly in the area of personnel management, will take careful thought and analysis by DOD and Congress to determine how best they should be implemented in order to achieve the desired outcomes. They would require phased implementation over a lengthy period of time.

I cannot emphasize too strongly that our recommendations are in no way a critique of officials currently serving in Congress or the Pentagon or of their predecessors in previous administrations. Many of these problems have persisted for decades and have often seemed intractable. Others are tied to new and emerging threats. It is understandable, given the operational commitments that have by necessity been its first priority, that DOD has not been able to fully develop strategies

regarding the Guard and Reserves focused many years in the future. The Department has made real progress on many issues since September 11. For example, it has addressed the more immediate challenges associated with recruitment and retention in an increasingly difficult environment. It has ensured that mobilized Guard and Reserve units are fully trained and equipped prior to deployment. It has also made a down payment on addressing the complex personnel management issues it expects to confront the 21st century.

Funding for the Reserve components is trending upward, and additional funding is in the pipeline to improve the equipment shortages particularly in the Army National Guard.

As we prepared the report, we attempted to be both thorough and all-encompassing in the collection and analysis of data. We held 17 days of public hearings with 115 witnesses; had 52 Commission meetings; conducted more than 850 interviews with public officials and other subject matter experts, including current and former Secretaries of Defense and Chairmen and Vice Chairmen of the Joint Chiefs of Staff; and examined thousands of documents. We didn't just gather "official wisdom" in Washington; we made a concerted effort to get outside the Beltway for field hearings, site visits, and focus groups and talked to servicemembers, families, employers, and many others. I want to add, Mr. Chairman, that the 12 members of the Commission brought 288 total years of military service, 186 total years of nonmilitary government service, and many years of private-sector experience to this task.

I. CREATING A SUSTAINABLE OPERATIONAL RESERVE

Historically, the National Guard and Reserves have functioned as a Strategic Reserve Force expected to be used to augment the Active Force only in the event of a major war, perhaps once in a generation or once in a lifetime. It was a Cold War-era model that assumed long lead times to train and prepare Reserve component forces to backfill active duty troops in response to the Russians rolling through Fulda Gap or a similar occurrence. That scenario began to change with the Reserve call-up for the first Gulf War, during the decade of the 1990s, and the employment of Reserve component forces has been dramatically different since September 11. The force resulting from this evolution has repeatedly been referred to as the "Operational Reserve," and this transition to the Operational Reserve is highlighted in the DOD fiscal year 2009 summary budget report (see pp. 108–12).

In our March 1 report, the Commission concluded that DOD had declared that we have an Operational Reserve without making all the changes necessary to make such a force sustainable. It was the Commission's view that continued use of the Guard and Reserves in this manner was neither feasible nor sustainable over time without major changes to law and policy. As my colleagues with me today will confirm, the Commission debated at great length the issue of whether we need an Operational Reserve. We were particularly concerned that the notion of an Operational Reserve had occurred almost by default, as a result of the need for more forces than were available in the Active component. In our view, the Nation effectively backed into the Operational Reserve. Contrary to what some may expect, this demand for Reserve Forces will likely continue long after U.S. engagement in Iraq and Afghanistan diminishes, owing to the nature of the threats we will face in the future both at home and abroad. Yet, there has been no public debate within Congress or among the American people on this dramatic change. There has been no formal adoption of the Operational Reserve. Steps taken by DOD and Congress thus far have not focused on an overarching set of alterations necessary to sustain the Reserve components as a ready, rotational force that also retains necessary strategic elements and characteristics.

The continuing challenges in recruiting, particularly for the Active Army, and the escalating cost of Active Duty manpower have raised questions about the long-term viability of the All-Volunteer Force, given likely future threats. Those disturbing trends were reconfirmed in your Personnel Subcommittee hearing on recruiting last week. The All-Volunteer Force was designed to keep up with peacetime operations: it was understood, when the Gates Commission released its report in 1970 recommending that a military dependent on draftees be replaced with an All-Volunteer Force, that such a force would not be able to deal with sustained combat. With their repeated use to augment the Active Forces in recent years, the Guard and Reserves have effectively prolonged the viability of the All-Volunteer Force, and prevented the need to return to the draft.

Almost 600,000 individuals have been mobilized in support of the global war on terror. More than 40 percent of the Selected Reserve has served since September 11. In 2006, reservists on Active Duty totaled 61.3 million man-days—the equivalent

of almost 168,000 full-time personnel. In the absence of the 600,000 national guardsmen and reservists mobilized as an Operational Reserve, and those on additional duty for the homeland, the Nation would not have been able to sustain operations in Iraq and Afghanistan and the force levels the commanders requested without a return to the draft. That reality—and its implications for the future—was the first reason the Commission endorsed continued reliance on an Operational National Guard and Reserve Force for both overseas and homeland missions.

The second compelling reason for having an Operational Guard and Reserves is to address new threats in the homeland. We need to enhance DOD's role in the homeland. The threats we face here at home are radically different than those we confronted at the peak of the Cold War. A terrorist's use of a weapon of mass destruction (WMD) in a metropolitan area would cause a catastrophe to which only DOD could respond: no other organization has the necessary capacity, capability, command and control, communications equipment, and mass casualty response personnel and equipment.

Finally, the economics of the Guard and Reserves support their continued operational use in augmenting the Active Forces overseas, as well as playing the lead role for DOD in addressing emerging threats in the homeland. Our analysis found that reservists are a best buy for the taxpayer. Quantitatively, by any metric, they are a cost-effective source of trained manpower, particularly as the cost of Active Duty manpower has grown exponentially in recent years. We consulted the Congressional Budget Office, the Government Accountability Office (GAO), the DOD Comptroller, and outside think tanks. There are many studies and lots of data, but they all come to the same conclusion, varying only slightly in their details. Our analysis of all the facts led us to the conclusion that the National Guard and Reserves are about 70 percent less expensive than the Active components. In the area of compensation, for example, according to the GAO, the per capita cost for an Active Duty servicemember was more than $126,000 in 2006. That compares to $19,000 per Reserve component member.

On the qualitative side of the equation, reservists reside in and know their local communities, local officials, and local first responders. They bring unique civilian-acquired skills that are particularly critical in the event of catastrophes in the homeland—whether natural or manmade. In this area, we believe they have a distinct advantage over the Active Forces.

For all these reasons, the Commission found overwhelming evidence that the Nation requires an Operational Reserve Force for the foreseeable future to meet the threats both overseas and in the homeland.

Notwithstanding our conclusion on the necessity of an Operational Reserve for the reasons just discussed, the Commission reiterates our March 1 concerns about sustainability. As our first recommendation in the final report declares, Congress and DOD must modify existing laws, policies, and regulations related to roles and missions, funding mechanisms, personnel rules, pay categories, equipping, training, mobilization, organization structure, and Reserve component categories. The remainder of the report addresses those specific issues in much greater detail; it focuses on

- Enhancing DOD's role in the homeland;
- Creating a continuum of service by instituting personnel management for an integrated total force;
- Developing a ready, capable, and available Operational Reserve;
- Supporting servicemembers, families, and employers; and
- Reforming the organizations and institutions that support an Operational Reserve.

II. ENHANCING DOD'S ROLE IN THE HOMELAND

Today, the homeland is part of the battlefield, and the Federal Government must use all elements of national power to protect it. Dangers to the homeland include traditional military threats, such as conventional attacks on people and property, and more unorthodox ones, such as terrorist attacks. In addition, Hurricane Katrina and other recent devastating events have raised the public's awareness of the hazards posed by catastrophic natural disasters. As a result of these threats to the homeland and the new awareness of the danger, protecting the homeland has become a greater priority for all levels of government.

The two ways in which DOD contributes directly to homeland security are homeland defense and civil support. (DOD also contributes by neutralizing threats through military missions overseas.) Homeland defense is the military defense of the homeland, while civil support is DOD support to other agencies in the performance of their mission, which often includes homeland security. DOD views homeland defense as part of its core warfighting mission, and thus has taken on responsibility

for it. DOD explicitly trains and equips its forces for homeland defense. The Joint Chiefs of Staff's document on homeland defense, Joint Publication 3–27, plainly states: "DOD is responsible for the [homeland defense] mission, and therefore leads the [homeland defense] response, with other departments and agencies in support of DOD efforts."

In contrast, DOD has viewed civil support as a "lesser included" mission and a lower priority. Although DOD has consistently stated in its policy documents, including the National Defense Strategy, that protecting the homeland is its most important function, the Department historically has not made civil support a priority. Rather, DOD has sought to perform civil support missions by relying primarily on "dual-capable forces." DOD's Joint Publication 3–28, "Civil Support," describes this policy: "[civil support] capabilities are derived from DOD warfighting capabilities that could be applied to foreign/domestic assistance or law enforcement support missions."

In our March 1 report, the Commission criticized as a "flawed assumption" DOD's position that preparing for and responding to emergencies and disasters is simply a subset of another capability, and recommended that "the Secretary of Homeland Security, with the assistance of the Secretary of Defense, should generate civil support requirements which DOD will be responsible for validating as appropriate" and which DOD should include in its programming and budgeting.

Should a catastrophic event occur, DOD will be expected to respond rapidly and massively. It therefore must be manned, trained, and equipped to do so. This effort should include ensuring that all forces assigned to domestic chemical, biological, radiological, nuclear, and high-yield explosive consequence management are fully budgeted for, sourced, manned, trained, and equipped. Because the nation has not adequately resourced its forces designated for response to weapons of mass destruction, it does not have sufficient trained, ready forces available for that mission. In our report, we call this an appalling gap, which puts the Nation and its citizens at greater risk. Department of Homeland Security (DHS) must better define the requirement for capabilities it expects DOD to provide in responding to catastrophic incidents such as those in the 15 National Planning Scenarios. DOD must in turn include these requirements for civil support missions in its programming and budgeting process, and improve its capabilities and readiness to play a primary role in the response to such major catastrophes. This responsibility should be equal in priority to its combat responsibilities, and the National Guard and Reserves are key elements of this effort.

Following the publication of our March 1 report, the Secretary of Defense agreed that the Defense Department must begin to program and budget for civil support. This was a very favorable development. We know that the Secretary of Defense holds this to be a very high priority and has the Department working hard to fulfill this goal.

Congress mandated in section 1815 of the recently enacted National Defense Authorization Act for Fiscal Year 2008 ("Determination of Department of Defense Civil Support Requirements") that "the Secretary of Defense, in consultation with the Secretary of Homeland Security, shall determine the military-unique capabilities needed to be provided by DOD to support civil authorities in an incident of national significance or a catastrophic incident." Congress in the same section also mandated that the Secretary of Defense develop and implement a plan to fund civil support capabilities in DOD, and delineate the elements of the plan in DOD's budget materials. Passage of this legislation was a significant step toward addressing the concerns raised by the Commission.

Consistent with our conclusions and recommendations in March, the Commission recommends in our final report that DOD should be formally charged by Congress—in statute—with the responsibility to provide support to civil authorities. The Commission believes that only such a statutory mandate will ensure that DOD, now and in the future, shifts its priorities and commits sufficient resources to planning, training, and exercising for such missions. This statutory mandate should have three elements. It should make clear that DOD has the responsibility to carry out civil support missions when called upon to do so; it should state that responding to natural or manmade disasters in the homeland is a core competency of DOD that is equal in priority to its combat responsibilities; and it should make clear that in the event of a major catastrophe incapacitating civilian government over a wide geographic area, DOD can be expected to provide the bulk of the response.

The Commission further recommends that while homeland defense and civil support should remain total force responsibilities, "Congress should mandate that the National Guard and Reserves have the lead role in and form the backbone of DOD operations in the homeland. Furthermore, DOD should assign the National Guard

and Reserves homeland defense and civil support as a core competency consistent with their required warfighting taskings and capabilities."

As the Commission states repeatedly in our final report, in increasing the priority of the civil support mission, both within the Department as a whole and for the National Guard and Reserves in particular, "the Department should not compromise the Reserve components' ability to perform their warfighting responsibilities" (p. 96). In other words, the Commission does not suggest that the National Guard or any other Reserve component be converted into a domestic disaster response force, nor do we believe this would be the effect if our recommendations were implemented. Rather, we argue that DOD should use dual-capable forces as much as possible and undertake rebalancing, as appropriate—given the requirements for civil support discussed above—among the Active and Reserve components "to ensure that those capabilities useful for civil support reside, where practicable, in the Reserve components, and are readily accessible for civil support-related missions" (p. 96). The Commission was not in a position to determine what, if any, shifting of capabilities among components would in fact be appropriate, inasmuch as no civil support requirements have yet been generated by DHS. Since they have not yet been generated by DHS, DOD has not yet validated them. The overseas warfighting capabilities of the National Guard and Reserves will absolutely be required now and for the future, and the Commission's recommendations in no way call that reality into question.

Echoing our findings from the March 1 report, the Commission continues to find wanting the planning efforts of U.S. Northern Command. U.S. Northern Command still does not adequately consider and plan for the utilization of all military components, active and Reserve (including the National Guard serving under the command of State Governors), in its planning, training, and exercising for support to civil authorities. Northern Command must incorporate personnel who have greater knowledge of National Guard and Reserve capabilities, strengths, and constraints and must assemble a cadre of experts on the intricacies of State and local governments, law enforcement, and emergency response. The Commission therefore reiterates the recommendation, originally made in March, that a majority of U.S. Northern Command's billets, including those for its Service component commands, should be filled by leaders with Reserve qualifications and credentials. We also believe that the Reserve qualifications and credentials must be substantive—mere exposure to the Reserve components would be insufficient.

Similarly, the Commission reiterates our recommendation that as part of its efforts to develop plans for consequence management and support to civil authorities, DOD should develop protocols to allow Governors to direct the efforts of Federal military assets responding to an emergency such as a natural disaster. This direction may be accomplished through the Governor's use of a dual-hatted military commander. We want to be clear what this recommendation does not entail. It does not in any way violate the President's constitutional authority as the commander in chief over Federal forces contained in Article II of the Constitution, nor does it imply that all 50 State Governors would be routinely allowed access to Federal forces, and to suggest it does either of those things would be pure sophistry. Rather, relying on protocols arranged in advance of a disaster, it would allow the President for some defined period of time to "chop" a portion of his or her command authority over Federal forces—the portion for operational control—to a State's Governor who is in charge of the disaster response. The Federal forces could be part of a joint Federal-State military task force commanded by an officer dual-hatted under Title 10 and Title 32. The Commission believes that this is a more effective method to achieve unity of effort in the vast majority of disaster responses—efforts led by the Governor of a State—than the approach taken in Hurricane Katrina, when Title 10 and National Guard forces responding in the Gulf Coast were under separate control. The Commission also believes that DOD has not offered a viable alternative to this recommendation.

Finally, the Commission recommends that Congress amend the mobilization statutes to provide Service Secretaries the authority to involuntarily mobilize Federal Reserve components for up to 60 days in a 4-month period and up to 120 days in a 2-year period during or in response to imminent natural or manmade disasters. Under this proposal, access would be allowed to the Federal Reserve components for all-hazards response prior to or after a disaster similar to the access now available to the Secretary of Homeland Security with regard to the U.S. Coast Guard. No such statutory authority exists today.

III. CREATING A CONTINUUM OF SERVICE: PERSONNEL MANAGEMENT FOR AN INTEGRATED TOTAL FORCE

DOD's personnel management strategies and the laws, policies, and systems that support them were designed during the last century. They addressed the problems faced by the Armed Forces after World War II, and they responded to Cold War national security and force structure issues and to the demographics of the day. The 21st century presents a completely different set of challenges for manpower planners. The services must recruit, train, and maintain a technologically advanced force at a time of ever-increasing competition for a shrinking pool of qualified individuals.

At the outset, the Commission reviewed reports on private-sector trends to assess the environment in which the Services must compete today and in the foreseeable future to recruit and retain high-quality young men and women. In addition to acknowledging the current challenges posed by the continuing conflicts in Iraq and Afghanistan, it is also important to recognize changing workforce demographics and generational expectations. The career paths and career expectations of today's young people—often called the "millennial" generation—are very different from those of their parents and grandparents. Department of Labor (DOL) projections indicate that technological advances and continually escalating competition will lead individuals to change jobs more frequently. That trend is already clear today. According to DOL data, in January 2006, the median job tenure for workers ages 55 to 64 was 9.3 years; for those ages 25 to 34, it was 2.9 years.

We also reviewed a number of military personnel management studies conducted by DOD, beginning with the Gates Commission in 1970, which laid out the framework for a post-conscription All-Volunteer Force. Some themes reoccur repeatedly, and several highlights of these DOD reviews are worth noting:

- The Gates Commission recommended increases in military pay and establishment of a salary system, increases in compensation for special skill sets, a vested retirement system, and use of lateral entry to capitalize on civilian-acquired skills.
- The Defense Science Board Task Force on Human Resource Strategy in 2000 recommended instituting a single, integrated personnel and logistics system for the Active and Reserve components, restructuring the pay system to emphasize pay for performance and skills, modifying the "up or out" promotion system for selected skilled personnel, and reforming the retirement system to include earlier vesting, a 401(k)-type option, and portable benefits.
- The Defense Advisory Committee on Military Compensation (DACMC) in April 2006 recommended that the military compensation system focus on increasing the effectiveness and efficiency of the system as a force management tool. Criticizing the military compensation system's heavy reliance on deferred benefits, DACMC instead advocated more upfront compensation, including pay for performance. DACMC also recommended changes to the retirement system, including earlier vesting of a deferred retirement annuity, government contributions to a vested Thrift Savings Plan, significant retention bonuses at critical retention "gates," and a transition payment for those leaving military service after the vesting point.

On the basis of our research, the Commission came to the inescapable conclusion that sustaining an Operational Reserve Force in the 21st century will require very different ways of doing business. We can no longer rely on personnel management laws, policies, and systems that are a relic of the Cold War era. DOD's personnel management strategies must instead foster a continuum of service as part of an integrated total force. The phrase "continuum of service" appears frequently in testimony and documents, but with little explicit description of what actually constitutes such a continuum. As generally understood, a continuum of service would facilitate the seamless transition of individual reservists on and off of Active Duty to meet mission requirements and would permit different levels of participation by servicemembers over the course of a military career. We believe that integrated total force management is the next phase of reforms required to achieve the enhanced military effectiveness envisioned by Congress in enacting the Goldwater-Nichols Department of Defense Reorganization Act of 1986.

In this report, the Commission makes specific, concrete recommendations for the changes to law and policy necessary to bring about a true continuum of service. Two critical enablers of an enhanced continuum of service are a reduction in the number of duty status categories and the implementation of an integrated pay and personnel system. Equally important, however, is an integrated personnel management system that, when fully mature at some point in the future, would include an integrated

promotion system, integrated compensation system, and integrated retirement system.

Critical Enablers

Moving from Reserve status to Active Duty and back is often a nightmare for the Reserve component member and his or her family because the pay and personnel system is not integrated. The lack of an integrated pay and personnel system caused numerous problems in the first Gulf War. With the exception of the Marine Corps, which currently has an integrated system, the problem persists today. Reservists can find that their pay is inaccurate or their family members have been dropped out of the Defense Eligibility Enrollment System and so are ineligible for medical care. DOD has experienced delays, cost increases, and management problems in its more-than-a-decade-long effort to field the Defense Integrated Manpower Human Resources System, which is now receiving senior leadership attention within the Office of the Secretary of Defense. We cannot recommend too strongly that DOD implement an integrated pay and personnel system as expeditiously as possible. The Commission took no position on the internal debate within DOD as to whether that new structure should be a single DOD-wide system or multiple systems operating as part of a larger enterprise architecture.

Equally important is the need for duty status reform. The current plethora of 29 or 32 duty statuses, depending on which report you read, is confusing and frustrating to both Reserve component members and their operational commanders. Servicemembers often encounter pay and benefit problems, including the maintenance of health care eligibility for their family members, when they transition between one or more duty status categories—being called to Active Duty for service in Iraq and then returning back to a drilling Reserve status, for example. Commanders may experience similar frustration when seeking to access, in a timely manner, Reserve component members needed to meet operational requirements. The current operational use of the Reserve component demands simplicity, compatibility, and administrative clarity to meet training and mission requirements and to promote a continuum of service.

Under the simplified duty status system recommended by the Commission, there should be only two duty statuses: Reserve component members would either be on Active Duty or off Active Duty. This would be the case whether they were in a title 10 or title 32 status.

One sticking point in previous attempts to simplify duty status categories has been the difference between the pay and allowances received when the Reserve component member is either activated or in an Active Duty training status and the pay received for two drills per day when the member is in an inactive duty training status, a pay structure dating to 1920. As noted in DOD's 2004 congressionally mandated Reserve Personnel Compensation Program Review, "Transitioning to a system in which—like Active Duty members—a day of duty is a day of duty would make it much easier to employ Guard and Reserve members. It would also help to reduce the frustration experienced by combatant commanders when they want to employ Reserve component members." The 2004 Reserve compensation review included analysis of a variable "participation pay" designed to prevent Reserve component members from losing out-of-pocket income under a system in which training is always treated as a day of Active Duty. That analysis also emphasized that changing to a new Active Duty status system should not cause the individual reservist to suffer a reduction in either the level of compensation received or retirement credit earned. The Commission fully concurs, as clearly stated in our report, that compensation for current servicemembers should not be reduced. Just to underscore that point, nothing in the Commission's final report can or should be read as suggesting that reservist drill pay should be cut. Rather, as the report makes clear, we suggest alternative methods to simplify duty statuses while preserving reservists' compensation in this area. In addition, we recommend a number of benefit enhancements, including to medical and family benefits, and increased reimbursement for travel and other expenses.

A Competency-Based Promotion System

The centerpiece of the Commission's vision of integrated total force management is a revised promotion system that recognizes knowledge, skills, and abilities acquired over the course of a career as the primary criteria for promotion and that provides greater flexibility for participation at different levels of commitment across a military career.

DOD's current "up or out" promotion system was codified in 1947 to prevent a superannuated senior officer cohort from hindering military effectiveness, a problem observed at the outbreak of World War II. The Defense Officer Personnel Manage-

ment Act of 1980 (DOPMA) and its follow-on Reserve component counterpart, the Reserve Officer Personnel Management Act of 1994, updated the 1947 legislation but retained the up-or-out structure. In recent years, it has been criticized by numerous studies and experts as inflexible and as a Cold War-era relic. The up-or-out system under DOPMA is time-based: officers are considered by selection boards for promotion at certain "time" or years-of-service points during their careers. If twice non-selected for the next highest grade, or failed of selection, the officer is subject to involuntary separation or retirement—forced to move "up or out." Such officers may be permitted by a selective continuation board to remain to meet service requirements, but they nonetheless bear the stigma of the label "failed of selection." To remain competitive, officers must punch specific tickets at specific points in their careers. This time-based career management system prevents servicemembers from pursuing alternative career paths and penalizes their attempts to do so. Up or out instead pushes servicemembers out of the force when they are most experienced.

A competency-based career management system, organized around the mastery of knowledge, skills, and abilities, would encourage more flexible career paths, thereby permitting longer assignments, greater opportunity for graduate education, time-outs for family responsibilities, the lateral entry of skilled professionals, and longer overall careers. Such changes better reflect the new career patterns in the private sector previously discussed and offer a framework to foster a true continuum of service. Under current law and policy, promotion boards rank officers on the basis of experience, demonstrated performance, and potential for success in the next grade. A competency-based system would rely on those same criteria but would use accumulated experience gained through assignments, education, and training to determine which officers are eligible for promotion. Such a system would allow officers to undertake additional or longer assignments or further their education without being at a disadvantage in relation to their peers. For some communities, the required skills, timing of promotions, and career length might change little from today's norms. For the combat arms, for example, a Service might decide that the current framework is optimal because of the need for youth and vigor. Similarly, the services might make little change in the promotion timing for officers scheduled for a command/leadership track.

To prevent stagnation, competency would need to be demonstrated for officers to continue in Service as well as to be promoted—in other words, "perform or out" in lieu of up or out. Their continuation would be determined by their continued employability by commands or agencies seeking their services. Transitioning to a competency-based system would also facilitate the development of a single personnel management system, which is essential to the effective management of an integrated 21st-century total force.

Joint Duty and Joint Education

In our March 1 report, the Commission considered the need to ensure that Reserve component officers have the opportunity to gain both joint experience and joint professional military education in order to be competitive for promotion to senior positions, including to combatant commands and senior joint and service positions. Such opportunity is a critical element of integrated total force management. In our March 1 report, we indicated that we would address this issue in greater detail in our final report and have done so. The 1986 Goldwater-Nichols Act mandated a program of joint qualification through education and experience for Active component officers seeking to be promoted to general and flag officer ranks. Although DOD was directed to establish a parallel system for the Reserves, in the subsequent 20 years progress has been very slow. In the meantime, after our extended commitment in Iraq and Afghanistan, many national guardsmen and reservists have acquired extensive joint duty experience in theater. Congress recognized the changed nature of joint duty in the Goldwater-Nichols Act amendments enacted in 2006.

To foster greater joint opportunity, we recommend:

- That Congress amend Goldwater-Nichols to require Reserve component officers to also be "joint qualified" and, at the end of a 10-year transition, to make such joint qualification a criterion for promotion to general and flag officer, as is the case for their Active Duty counterparts.
- That DOD improve opportunities for Reserve component officers to complete joint professional military education and recommend modifications to the system to make it more focused on the total force.
- That Congress and DOD establish a career management system for Reserve component officers similar to the one currently in place for Active component officers to ensure that they have the opportunities to complete required education and joint duty.

- That DOD ensure that assignment options afford Reserve component officers more opportunity to fill joint billets.

These changes will not only enhance the career opportunities of Reserve component officers but, more importantly, will ensure that the Nation is able to utilize their knowledge, skills, and abilities at the most senior levels of DOD leadership.

An Integrated Retirement System

Today there are two separate retirement systems: one for Active Duty and another for Reserve component members. As part of our vision of an integrated total force, the Commission recommends transitioning to a single retirement system. Numerous studies, beginning with the Gates Commission in 1970, have highlighted problems in the current military retirement structure. The Commission based our recommendations on achieving desired force management objectives—and also recognized the different career patterns of today's young men and women. As a part of a single retirement system for both Active and Reserve components,

- We recommend modifications that will foster more flexible career paths—including earlier vesting, government contributions to the Thrift Savings Plan, and significant retention bonuses at critical career decision points.
- We also realize that any changes to retirement will happen incrementally over a period of time in the course of implementing other changes recommended by the Commission to achieve a more integrated total force.

We further recommend that no change in the retirement system be required of members of the current force, that current servicemembers be given the option of converting to the new system, and that there be a transition period for new entrants to give Congress time to review and evaluate what we believe will be the positive impact of the changes. We recognize that some of what we recommend is complicated and challenging, but believe that earlier vesting, government contributions to the Thrift Savings Plan, and other financial incentives are very much in line with the expectations of the young men and women the Services want to recruit and retain in the years ahead.

IV. DEVELOPING A READY, CAPABLE, AND AVAILABLE OPERATIONAL RESERVE

Readiness is a key determinant in the ability of the Reserve components to achieve their roles and missions both at home and abroad. Congress tasked the Commission to assess how effectively the organization and funding structures of the National Guard and Reserve are achieving operational and personnel readiness. An Operational Reserve requires a higher standard of readiness, for a greater duration, with less time to restore readiness levels between deployments. The Cold War-era model relied on a lengthy period of time—post-mobilization—to address training shortfalls, update equipment, and fix such problems as individual medical readiness. That framework is out of sync with the periodic and sustained rotational use of the National Guard and Reserves envisioned in the current manpower planning models, such as the Army's Force Generation (ARFORGEN) Model. ARFORGEN is instead designed to rely on a "train, mobilize, deploy" model that will require increasing levels of readiness for several years prior to deployment. Sustained operational use of the Reserve component will make it necessary to devise a very different way of doing business.

The readiness of units and of individuals varies greatly among the services, and the differences relate largely to funding. In our March 1 report, we said that 88 percent of Army National Guard combat forces here in the United States were not ready. On the basis of information we received from DOD officials shortly before publication of our final report, we believe that this assessment of National Guard readiness remains accurate. In fact, the situation is a little worse. There are a number of improvements in the pipeline that should improve National Guard readiness in future years. But as Army Chief of Staff General George W. Casey has testified in recent months, Army readiness is being consumed as fast as we can build it.

We recognize that most of the problems in this area are not new; they have arisen because Cold War policies and laws remain in effect while the Reserve components are being used in ways never envisioned when those policies were developed. Policies that allowed cascaded equipping and tiered readiness for the Army Reserve components resulted in those forces being largely "not ready" before September 11. That the wars in Iraq and Afghanistan have exacerbated readiness problems should come as no surprise. As mentioned earlier, with the exception of those Reserve Forces deployed or just getting ready to deploy, readiness of the Army Guard units at home in their States is extremely low. Their unreadiness leaves us at greater risk should the Nation suffer a catastrophic WMD attack on our homeland or a natural disaster inflicting greater damage than did Hurricane Katrina. We recommend in

our report that National Guard and Reserve units employed operationally overseas and those required to be ready to respond domestically to a catastrophe be maintained at higher readiness levels than were routinely maintained in the past.

To remedy the problems in this area we first recommend that the Department expand and improve on its readiness reporting system in ways that both provide operational planners more details and also answer the question "ready for what?" Today, in the readiness reporting system managed by the Chairman of the Joint Chiefs of Staff, the standards by which all units are measured are determined by their wartime missions. They are not assessed for their capability to respond to crises here at home. The system we envision should be common across all Services and components, contain data from the individual through the major unit level, and report on readiness for a full spectrum of missions, including support to civil authorities. The Defense Readiness Reporting System currently being put into operation by the Department may be a start on the road to such a comprehensive system, but progress on its implementation has been slow.

We also recommend that DOD conduct zero-based reviews of the Reserve components' equipment and levels of full-time support personnel. Adequate levels of equipment are critical for realistic training, particularly as a unit moves into its force generation model deployment cycle. Equally critical are the full-time support personnel who both maintain that equipment and ensure that Reserve component units are trained to the standards the Active component expects from an Operational Reserve Force. We are familiar with current service plans to fund these areas, but we are skeptical that existing requirements, based on Cold War tables of organization and equipping, are accurate. The requirements for Reserve Forces employed operationally overseas and prepared to respond to catastrophes here at home will surely differ from those developed for a once-in-a-generation conflict against the Soviet Union. Most of the expense of funding the necessary equipment and personnel is already budgeted in service plans. The Army G–8, Lieutenant General Stephen M. Speakes, told us that current Army plans include full funding to equip Guard and Reserve units and meet full-time support requirements. We are recommending that these plans be modified in accordance with the zero-based reviews, and that funding for these requirements be accelerated.

Individual medical readiness, particularly dental readiness, was a serious issue during mobilization for the first Gulf War. It has remained a significant problem for some Reserve components during mobilizations for Iraq and Afghanistan. New force generation models will provide much less time post-mobilization for needed fixes. As in the case of training, any remedial work will have to be completed pre-mobilization. In the Commission's view, ensuring individual medical readiness for an Operational Reserve Force is a corporate responsibility of DOD, as well as of the individual servicemember. We recommend a number of changes to ensure that Service Secretaries have the authority to provide the medical and dental screening and care necessary to make certain that servicemembers meet the applicable medical and dental standards for deployment.

V. SUPPORTING MEMBERS, FAMILIES, AND EMPLOYERS

As we studied these complex areas, we tried to never lose focus on our most valuable resource—our people. During roundtable discussions, focus groups, and public hearings, the Commission was repeatedly reminded of the central role played by both family members and employers as Reserve component members make the crucial decision about whether to remain in the National Guard and Reserves. We made a concerted effort to get firsthand input from both groups, and many of our recommendations flow directly from that input.

Families

Unlike their Active Duty counterparts, many National Guard and Reserve families live at considerable distance from military bases and the services they provide. In addition, many National Guard and Reserve families are not familiar with the intricacies of the component parts of the military system—such as TRICARE, the military health care system, for example—and the learning curve can be fairly steep for these "suddenly military" families.

We recommend that sources of information be improved, that those programs currently available be better publicized, and that funding and staffing for family support programs be increased.

Employers

The Commission recognizes the sacrifices that many employers, particularly small employers, have made in supporting their National Guard and Reserve employees when they are called up for duty. In the Commission's view, it is time for a new

and improved "compact with employers" that recognizes the vital role that employers play.

The Commission recommends an enhanced role and additional resources for the National Committee for Employer Support of the Guard and Reserve, proposes that employers be given better access to senior leadership in DOD through an Employer Council, and recommends that they be provided an access point offering one-stop shopping for specifics on government laws and programs affecting them so that they don't find themselves in the position of one small business witness who told us that she had to turn to Google to find the information she needed. In addition, as discussed below, the Commission also views enhanced health care benefits for Reserve component members and their families as a part of the new compact with employers.

Health Care

During focus groups and hearings, participants expressed considerable frustration with the problems they encounter in using TRICARE, the military health care benefit. TRICARE itself offers excellent coverage, but the program can be difficult to understand for the first-time "suddenly military" user. In addition, in some locations family members can find it very difficult to find physicians and other health care providers willing to accept TRICARE because its levels of reimbursement seem too low or administrative requirements appear excessive. The Commission makes the following recommendations in this area:

- Congress should direct DOD to fix a number of long-standing TRICARE concerns that are particularly problematic for Reserve component families. DOD's actions should include: (1) issuing updated, user-friendly information in easy-to-understand language for those who don't "speak TRICARE," as well as establishing an ombudsman office with a single toll-free number; and (2) simplifying TRICARE claims and reimbursement processes.
- Reserve component members should be offered the option to participate in the Federal Employees Health Benefits Program (FEHBP), the health insurance program for Federal employees, which does not seem to be beset by the problems that have plagued TRICARE for years.
- A stipend should be given as reimbursement for the cost of keeping the reservist's family in the employer's health insurance plan during a period of activation. Such a stipend could be provided in several ways. First, it could be made available directly to the servicemember as a nontaxable allowance, with the servicemember certifying (with substantiating documentation) that the allowance had been used for specific health care costs. Second, DOD could establish a mechanism to reimburse employers directly. Or third, Congress could enact a tax credit, in lieu of the current business tax deduction, for employer costs in providing continuing health care coverage when reservists are activated. The amount of the stipend would be an actuarially determined cost of the TRICARE benefit.

With the establishment of TRICARE Reserve Select, DOD has already begun to share a portion of the health care costs of participating Reserve component members and their families. The cost of health care is becoming a growing burden for many employers, particularly small employers who may find private health insurance for their employees increasingly unaffordable. The two additional options that the Commission recommends—allowing Reserve component members and their families to participate in the FEHBP and offering a stipend to help offset the costs of continuing employer-sponsored health insurance during activation—would represent a major component of an enhanced compact with employers and should encourage employers to hire reservists.

VI. REFORMING THE ORGANIZATIONS AND INSTITUTIONS THAT SUPPORT AN OPERATIONAL RESERVE

In the final chapter of our report, the Commission recommends organizational reforms that we believe are necessary in order to implement an integrated total force. Perhaps the most critical is a restructuring of Reserve component categories to reflect 21st century operational use. The current categories—the Ready Reserve, Standby Reserve, and Retired Reserve—were created by the Armed Forces Reserve Act of 1952 and designed to provide a strategic force for a major war. The chart titled "Current Reserve Component Categories" depicts this confusing system. This structure was built around a scenario that allowed time for training before deployment, an assumption that allowed the force to be maintained at reduced levels of readiness. These antiquated Reserve component categories are not tied to mobilization statutes, nor do they reflect National Guard and Reserve units' readiness for

mobilization, their use on a predictable rotational basis, or their priority for resourcing. They do not support a continuum of service—the smooth and efficient movement of personnel along a spectrum from full-time duty to minimal Active Duty obligation, based on the needs of the Services and individual willingness to accept training time and activations. The chart titled "A Continuum Service Structure for the Active and Reserve Components" depicts key features of a continuum of service model on which DOD has done a considerable amount of excellent work. Finally, the Commission recommends a complete restructuring to better align the categories of Reserve service with projected operational use. The two major new categories, as depicted in the chart titled "Proposed Reserve Component Categories," would be:

- The Operational Reserve Force, which would consist of present-day Selected Reserve units and individual mobilization augmentees who would periodically serve Active Duty tours in rotation, supporting the total force both overseas and in the homeland.
- The Strategic Reserve Force, which would have two subdivisions:
  - The Strategic Ready Reserve Force, which would consist of current Selected Reserve units and individuals who are not scheduled for rotational tours of Active Duty as well as the most ready, operationally current, and willing members of today's Individual Ready Reserve (IRR) and retired servicemembers (both regular and Reserve). Unlike today's IRR, the Strategic Ready Reserve would be managed to be readily accessible in a national emergency, or incentivized to volunteer for service with the Operational Reserve or Active component when required.
  - The Strategic Standby Reserve, which would consist of those current individual ready reservists and retired servicemembers (regular and Reserve) who are unlikely to be called on except in the most dire circumstances yet who still constitute a valuable pool of pretrained manpower worth tracking and managing.

The Commission also recommends a reorganization of the Office of the Secretary of Defense that would structure the management of Reserve component issues along functional lines as part of the total force and would eliminate the office of the Assistant Secretary of Defense for Reserve Affairs.

CONCLUSION

Commissioners are honored to have been selected to undertake the most comprehensive, independent review of National Guard and Reserve Forces in the past 60 years. Many of today's profound challenges to the National Guard and Reserves will persist, notwithstanding force reductions in Iraq and Afghanistan. The need for major reforms is urgent regardless of the outcome of current conflicts. The Commission believes that the Nation must look past the immediate challenges and focus on the long-term future of the National Guard and Reserves and their role in protecting the United States' vital national security interests at home and abroad. We have labored to identify and categorize the challenges that must be addressed, and have proffered a series of recommendations to address those challenges. We understand that responsibility for implementation now falls into the hands of Congress and the executive branch. We are confident that you will build on and improve upon our efforts.

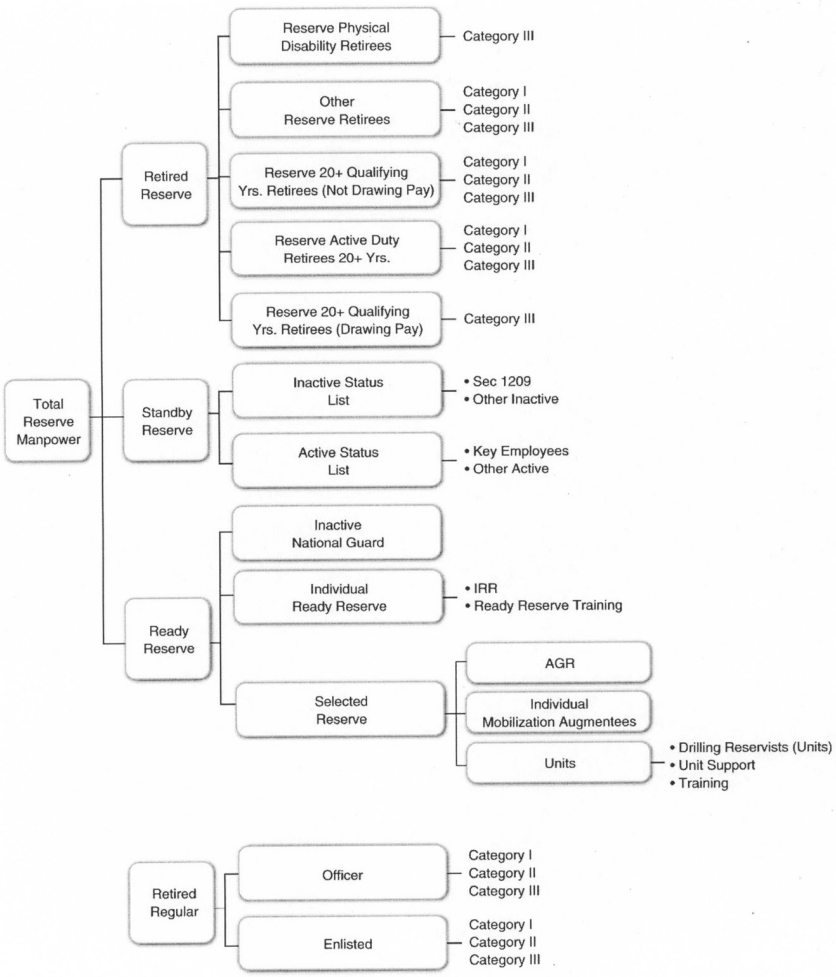

Figure VI.1. Current Reserve Component Categories

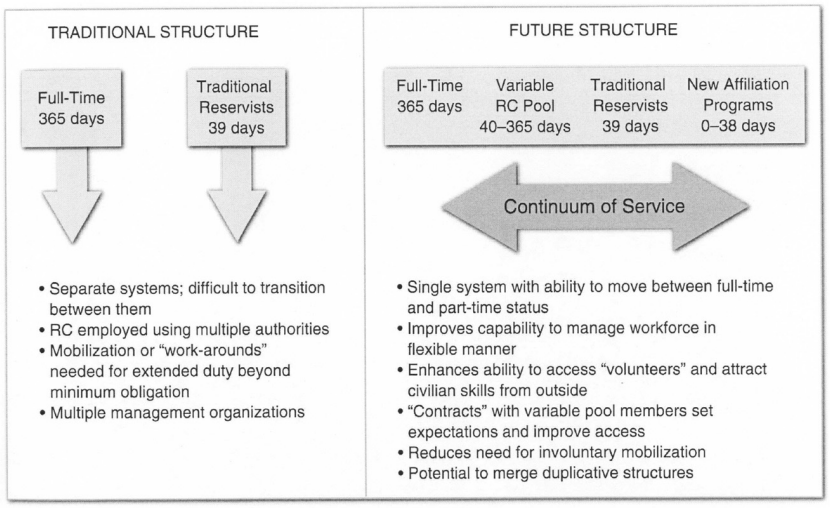

Figure VI.2. A Continuum of Service Structure for the Active and Reserve Components

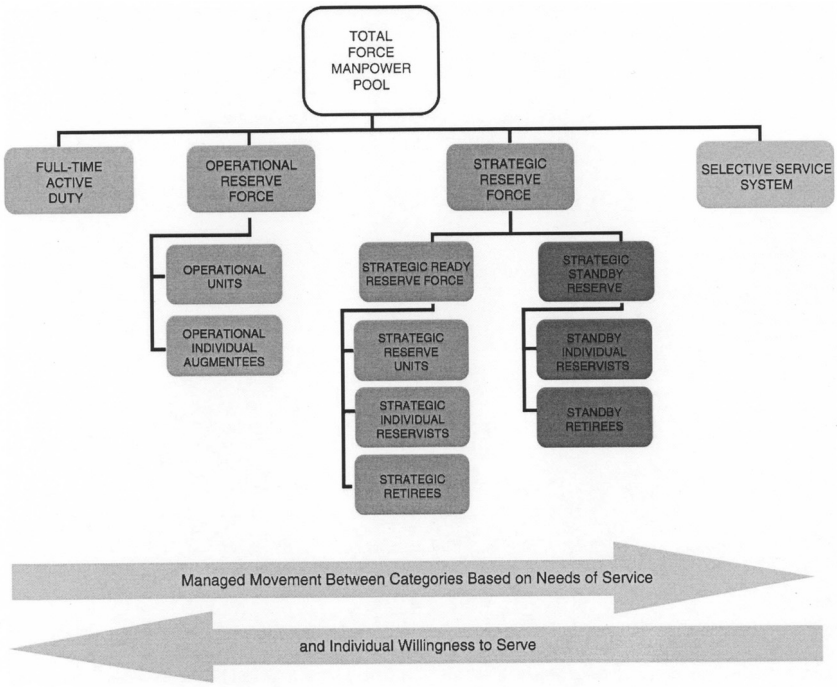

Figure VI.3. Proposed Reserve Component Categories

COMMISSIONER BIOGRAPHIES

Arnold L. Punaro, Chairman
Chairman Punaro is a retired Marine Corps major general who served as Commanding General of the 4th Marine Division (1997–2000) and Director of Reserve Affairs at Headquarters Marine Corps during the post-9/11 peak reserve mobilization periods. Following active duty service in Vietnam, he was mobilized three times: for Operation Desert Shield in the first Gulf War in 1990, to command Joint Task Force Provide Promise (Fwd) in Bosnia and Macedonia in 1993, and for Operation Iraqi Freedom in 2003. He worked on Capitol Hill for 24 years for Senator Sam Nunn and served as his staff director of the Senate Armed Services Committee for 14 years. In 1997, he chaired the Defense Reform Task Force for then Secretary of Defense William Cohen; in 2007, he was a member of the independent commission assessing the Iraqi security forces; he is a member of Secretary of Defense Robert Gates's Defense Business Board. He serves on the board of directors of the National Defense Industrial Association and the Atlantic Council. He is currently Executive Vice President of Science Applications International Corporation.

William L. Ball, III
Commissioner Ball was Secretary of the Navy during the Reagan administration. He currently chairs the Board of Trustees of the Asia Foundation, an international NGO operating in 18 Asian countries. His service on active duty in the Navy in the early 1970s was followed by 10 years on the U.S. Senate staff for Senators Herman Talmadge and John Tower. In 1985 he became Assistant Secretary of State for Legislative Affairs, and then served on the White House staff for two years as Assistant to the President for Legislative Affairs. He presently is managing director of the Loeffler Group, a government affairs practice in Washington, DC, and Texas.

Les Brownlee
Commissioner Brownlee was confirmed as the Under Secretary of the Army in November 2001 and served concurrently as the Acting Secretary of the Army from May 2003 to November 2004. He was appointed first by Senator Strom Thurmond in March 1996 and later by Senator John Warner in January 1999 to serve as the staff director of the Senate Armed Services Committee. He is a retired U.S. Army colonel and served two combat tours in Vietnam. He is currently President of Les Brownlee & Associates LLC.

Rhett Dawson
Commissioner Dawson is President and CEO of the Information Technology Industry Council. His private-sector experience includes the private practice of law and tenure as senior vice president, law and public policy, of a Fortune 500 company. During the Reagan administration, he was Assistant to the President for Operations, and earlier in his career he served as staff director of the Senate Armed Services Committee. He served on active duty as an ROTC-commissioned Army officer for three years.

Larry K. Eckles
Commissioner Eckles retired as the Assistant Division Commander of the 35th Infantry Division, headquartered at Fort Leavenworth, Kansas, after 37 years of service. He retired with more than 31 years of full-time civil service employment with the Nebraska Army National Guard and has served in numerous positions at state headquarters, including chief of staff of the Nebraska Army National Guard, director of personnel, and battalion commander.

Patricia L. Lewis
Commissioner Lewis served more than 28 years with the federal government, including service with the Senate Armed Services Committee for Chairmen John Warner, Sam Nunn, and Scoop Jackson. Ms. Lewis began her federal career in 1975 with the Department of the Navy and has held positions in Naval Sea Systems Command, the Office of the Navy Comptroller, and the Office of the Secretary of Defense. She is currently a partner with Monfort-Lewis, LLC.

Dan McKinnon
Commissioner McKinnon was founder, Chairman, and CEO of North American Airlines, a worldwide charter and scheduled large jet airline. He undertook special projects for the Director of Central Intelligence and also served as Chairman of the Civil Aeronautics Board, during which time he oversaw the implementation of airline deregulation. He has owned country music radio stations in San Diego. Early in his career, he spent four years as an aviator in the United States Navy, where he set, and holds, the U.S. Navy helicopter peacetime air/sea record of 62 saves.

Wade Rowley
Commissioner Rowley is currently Senior Vice President for Business Development for Otay Group, Inc., and was formerly a military border infrastructure construction consultant for U.S. Customs and Border Protection. He served 9 years of enlisted and more than 14 years of commissioned service with the Army National Guard. His last military assignment was with the California Army National Guard, where he served for 10 years on active duty for special work as an engineer project officer, company commander, and facilities support commander for the California National Guard Counterdrug Task Force. He was responsible for support in the development, project management, and installation of all aspects of border infrastructure in support of the U.S. Border Patrol.

James E. Sherrard III
Commissioner Sherrard served as Chief of Air Force Reserve, Headquarters USAF, Washington, DC, and Commander, Air Force Reserve Command, Robins AFB, Georgia, from 1998 to 2004. He is a retired lieutenant general with more than 38 years of commissioned service in the United States Air Force. As Chief of Air Force Reserve and Commander, Air Force Reserve Command, he was responsible for organizing, training, and equipping more than 79,000 military and civil service personnel required to support operations and combat readiness training for 36 flying wings, 14 detached groups, 13 Air Force Reserve installations, three Numbered Air Forces, and the Air Reserve Personnel Center (ARPC). As Chief of Air Force Reserve, he directed and oversaw the mobilization of Air Force Reserve personnel in support of military operations in Kosovo, Afghanistan, and Iraq. During his career, General Sherrard commanded an airlift group, two Air Force Reserve installations, two wings, and two Numbered Air Forces.

Donald L. Stockton
Commissioner Stockton owns and for more than 34 years has operated the Marshfield Drayage Company, a regional trucking company in southwest Missouri. He retired as a lieutenant colonel from the U.S. Air Force Reserves, where he served nearly 30 years. For almost 25 years he commanded various flights and squadrons, was deputy commander for resources, and subsequently was deputy commander for support of the 943rd Airlift Wing at March Air Force Base in California. His last command was with the 934th Maintenance Squadron, a subordinate unit of the 934th Airlift Wing, Air Force Reserve, in Minneapolis, where he was responsible for the unit's eight C-130E aircraft and for the training of some 175 reservists. For the Reserve Officers Association of the United States (ROA), he is a past national Air Force vice president, a past Missouri Department president, and currently Chairman of the Department National Council Members.

E. Gordon Stump
Commissioner Stump retired in January 2003 from his position of Adjutant General and the Director of Military and Veterans Affairs in Michigan after serving for 12 years. He commanded and directed a total of 157 Army and Air National Guard units, two veterans nursing homes, and 12 veterans service organizations. His prior assignments included Squadron Commander 107th TFS and Commander and Deputy Commander of the Headquarters Michigan Air National Guard. He flew 241 combat missions over North and South Vietnam. He also deployed to South Korea during the *Pueblo* crisis. He served as President of the National Guard Association of the United States and as a member of the Reserve Forces Policy Board. Prior to his assignment as Adjutant General, he was Vice President of Automotive Engineering for Uniroyal Goodrich Tire Co. He is currently President of Strategic Defense Associates, LLC.

J. Stanton Thompson
Commissioner Thompson is currently a County Executive Director for the U.S. Department of Agriculture's Farm Service Agency. He is a retired Navy rear admiral with more than 35 years of military service. He is the former Special Assistant for Reserve Matters to the Commander, U.S. Northern Command and North American Aerospace Defense Command. He also served as a principal advisor to the commander for maritime homeland defense. Rear Admiral Thompson was one of a handful of flag and general officers chosen to stand up NORTHCOM following the events of 9/11. Recalled to active duty during Operation Desert Shield/Desert Storm, he served as the Port Security Harbor Defense Commander of the Saudi Arabian port of Al Jubail and was responsible for the maritime defense of this strategic port.

[The Executive Summary of the Commission on the National Guard and Reserves follows:]

Commission on the National Guard and Reserves

Transforming the National Guard and Reserves into a 21st-Century Operational Force

Final Report
Executive Summary
January 31, 2008

COMMISSION ON THE NATIONAL GUARD AND RESERVES
2521 S. CLARK STREET, SUITE 650
ARLINGTON, VIRGINIA 22202

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The Honorable John McCain
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The Honorable Ike Skelton
Chairman, Committee
on Armed Services
United States House
of Representatives
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The Honorable Duncan Hunter
Ranking Member, Committee
on Armed Services
United States House
of Representatives
Washington, DC 20515

January 31, 2008

Dear Chairmen and Ranking Members:

The Commission on the National Guard and Reserves is pleased to submit to you its final report as required by Public Law 108-375, the Ronald Reagan National Defense Authorization Act for Fiscal Year 2005 (as amended by Public Law 109-163). As you know, Congress chartered this Commission to assess the reserve component of the U.S. military and to recommend changes to ensure that the National Guard and other reserve components are organized, trained, equipped, compensated, and supported to best meet the needs of U.S. national security.

The Commission's first interim report, containing initial findings and the description of a strategic plan to complete our work, was delivered on June 5, 2006. The second interim report, delivered on March 1, 2007, was required by Public Law 109-364, the John Warner National Defense Authorization Act for Fiscal Year 2007, enacted on October 17, 2006. That second report examined 17 proposals contained in the National Defense Enhancement and National Guard Empowerment Act, and included 23 Commission recommendations covering the broad spectrum of issues raised by the legislation.

The Commission applauds Congress's timely and decisive action in implementing a number of these important provisions in the 2008 National Defense Authorization Act. In carefully considering the Commission's recommendations, Congress has changed in a fundamental way the Department of Defense's role for the homeland,

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ESTABLISHED PURSUANT TO THE RONALD W. REAGAN NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2005, PUB. L. NO. 108-375, 118 STAT 1880 (2004)

and taken significant steps to make the nation safer from man-made and natural disasters. Secretary of Defense Gates also has taken timely and decisive action to implement those recommendations not requiring legislation, and has advocated before Congress for those requiring legislation.

The final report of the Commission was informed by 17 days of public hearings involving 115 witnesses; 52 Commission meetings; more than 850 interviews; numerous site visits, forums, and panel discussions; and the detailed analysis of thousands of documents supplied at the Commission's request by the military services, government agencies, experts, and other stakeholders. It contains six major conclusions and 95 recommendations, supported by 163 findings.

In conducting its work, the Commission has gathered information, analyzed evidence, identified significant problems facing the reserve components, and sought to offer the best possible recommendations to solve the problems identified. The problems we identify in this report are systemic, have evolved over many years, and are not the product of any one official or administration. Many of the Commission's recommendations to solve those problems can be implemented immediately; however, a number of them may take years to implement effectively. Their full implementation will require additional work by Congress and the executive branch.

At the core of these changes is the explicit recognition of the evolution of the reserve components from a purely strategic force, with lengthy mobilization times designed to meet Cold War threats from large nation-states, to an operational force. This operational reserve must be readily available for emergencies at home and abroad, and more fully integrated with the active component. Simultaneously, this force must retain required strategic elements and capabilities.

The Commission concludes that there is no reasonable alternative to the nation's continued increased reliance on reserve components as part of its operational force for missions at home and abroad. However, the Commission also concludes that this change from their Cold War posture necessitates fundamental reforms to reserve components' homeland roles and missions, personnel management systems, equipping and training policies, policies affecting families and employers, and the organizations and structures used to manage the reserves. These reforms are essential to ensure that this operational reserve is feasible in the short term while sustainable over the long term. In fact, the future of the all-volunteer force depends for its success on policymakers' undertaking needed reforms to ensure that the reserve components are ready, capable, and available for both operational and strategic purposes.

In reviewing the past several decades of intense use of the reserve components, most notably as an integral part of operations in Iraq, Afghanistan, and the homeland, the Commission has found indisputable and overwhelming evidence of the need for policymakers and the military to break with outdated policies and processes and implement fundamental, thorough reforms in these areas. The members of this Commission share this view unanimously. We note that these recommendations will require the nation to reorder the priorities of the Department of Defense, thereby necessitating a major restructuring of laws and DOD's budget. There are some costs associated with these recommendations, but the problems are serious, the need to address them is urgent, and the benefits of the reforms we identify more than exceed the expense of implementing them.

These issues are extremely complex, and people of good character and conscience will disagree with some of the solutions we propose. That is to be expected. No significant reforms have been undertaken in the laws affecting the reserve components for more than half a century. The last major Defense reform effort—the Goldwater-Nichols Department of Defense Reorganization Act of 1986—made fundamental adjustments to the roles of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and combatant commanders but did not affect the structures or policies of the reserve components. We hope and anticipate that this report will generate lively debate among the institutions and key policymakers responsible for protecting U.S. national security.

With the submission of this our last report, the Commission turns our findings, conclusions, and recommendations over to the legislative and executive branches, where we feel confident they will be carefully considered, improved upon, and implemented. We believe that this action will have the same profound and positive effects as did the Goldwater-Nichols legislation.

The Commission wants to express our continuing deep appreciation for the significant support and cooperation from the Congress and the Department of Defense as well as the sustained, superb work of the Commission's staff. The Commission also wishes to recognize the public service of Senator John Warner, as he concludes a long and distinguished career that has set the standard for statesmanship and bipartisan advocacy of a strong national defense.

We close by thanking all military members in our nation's active and reserve forces. Our nation is indebted to them for their service and the sacrifices that they, their families, and their employers have made—and will continue to make—on behalf of the United States of America.

Sincerely,

ARNOLD L. PUNARO, CHAIRMAN

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cc: The Honorable Robert Gates, Secretary, Department of Defense

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Secretary, Department of Defense
1000 Defense Pentagon, Room 3E880
Washington, DC 20301

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The Commission applauds Congress's timely and decisive action in implementing a number of these important provisions in the 2008 National Defense Authorization Act. In carefully considering the Commission's recommendations, Congress has changed in a fundamental way the Department of Defense's role for the homeland, and taken significant steps to make the nation safer from man-made and natural disasters. We also commend you for taking timely and decisive action to implement those recommendations not requiring legislation, and advocating before Congress for those requiring legislation.

The final report of the Commission was informed by 17 days of public hearings involving 115 witnesses; 52 Commission meetings; more than 850 interviews; numerous site visits, forums, and panel discussions; and the detailed analysis of thousands of documents

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At the core of these changes is the explicit recognition of the evolution of the reserve components from a purely strategic force, with lengthy mobilization times designed to meet Cold War threats from large nation-states, to an operational force. This operational reserve must be readily available for emergencies at home and abroad, and more fully integrated with the active component. Simultaneously, this force must retain required strategic elements and capabilities.

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Sincerely,

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cc: The Honorable Carl Levin, Chairman, Committee on Armed Services, United States Senate

The Honorable John McCain, Ranking Member, Committee on Armed Services, United States Senate

The Honorable Ike Skelton, Chairman, Committee on Armed Services, United States House of Representatives

The Honorable Duncan Hunter, Ranking Member, Committee on Armed Services, United States House of Representatives

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The Commission extends a sincere thank-you to all seven reserve components for detailing staff to assist the Commission's efforts. We also extend thanks to the following individuals who contributed to this report while serving on the Commission staff at some time prior to its completion: Eric C. Chase, Dale D. Fair, Betsy Freeman, Max J. Jakeman, Karen E. Lloyd, Andrew V. Napoli, John Raidt, Henry J. Schweiter, Brian T. Smith, Jodie L. Sweezey, and Mildred R. Wears.

EXECUTIVE SUMMARY

INTRODUCTION

The Commission on the National Guard and Reserves was established by the Ronald Reagan National Defense Authorization Act for Fiscal Year 2005. Through its enabling statute, Congress tasked this Commission to report on the roles and missions of the reserve components; on how their capabilities may be best used to achieve national security objectives, including homeland defense; on their compensation and benefits and on the effects of possible changes in these areas on military careers, readiness, recruitment, and retention; on traditional and alternative career paths; on their policies and funding for training and readiness, including medical and personal readiness; on the adequacy of funding for their equipment and personnel; and on their organization, structure, and overall funding. Congress has asked this Commission to provide it a road map to a strong, capable, sustainable reserve component.

Congress directed the Commission to deliver three separate reports. The first of these reports, detailing the status of the Commission's organization and the progress of our work, was submitted to the Senate Armed Services Committee, the House Armed Services Committee, and the Secretary of Defense on June 5, 2006.

The second report, *Strengthening America's Defenses in the New Security Environment,* was submitted on March 1, 2007, and primarily addressed 17 provisions of legislation titled the National Guard Empowerment Act, introduced in the 109th Congress and reintroduced in the 110th Congress (S. 430/H.R. 718). DOD has supported in whole or in part 20 of the Commission's recommendations, and Congress in the National Defense Authorization Act for Fiscal Year 2008 has addressed all those that require legislation.[1]

This third and final report, *Transforming the National Guard and Reserves into a 21st-Century Operational Force,* contains six major conclusions and 95 recommendations, supported by 163 findings. The

1 As this report was about to go to press, President Bush vetoed the National Defense Authorization Act for Fiscal Year 2008. We are confident, however, that the sections pertaining to the National Guard and Reserves will remain in the bill that ultimately is signed into law. We therefore cite those sections of the act in their current form, as published in House Report 110-477, the Conference Report to accompany H.R. 1585, December 6, 2007.

Commission began organizing in September 2005, held its first official meeting in March 2006, and, following the submission of this report, concludes its work in April 2008. At that time, as Congress envisioned, the most comprehensive, independent review of the National Guard and Reserve forces in the past 60 years will be complete, and the burden for action will fall to the legislative and executive branches.

The Structure of the Report

This report is the first step in a comprehensive reevaluation of the reserve components of the U.S. military in which the legislature and general public soon should join. In reviewing the past several decades of heavy use of the reserve components, most notably as an integral part of recent operations in Iraq, in Afghanistan, and in the homeland, the Commission has found indisputable and overwhelming evidence of the need for change. Policymakers and the military must break with outdated policies and processes and implement fundamental, thorough reforms. Many of today's profound challenges to the National Guard and Reserves will persist, notwithstanding force reductions in Iraq and Afghanistan. The need for major reforms is urgent regardless of the outcome of current conflicts or the political turmoil surrounding them. The Commission believes the nation must look past the immediate and compelling challenges raised by these conflicts and focus on the long-term future of the National Guard and Reserves and on the United States' enduring national security interests.

> . . . the Commission has found indisputable and overwhelming evidence of the need for change.

In our final report, the Commission first assesses the necessity, feasibility, and sustainability of the so-called operational reserve, which is significantly different from the strategic reserve of the Cold War. We assess the unplanned evolution to an operational reserve. We then evaluate the factors that should influence the decision whether to create a truly operational reserve force, including the threats to our nation in the current and emerging security environment; the military capabilities, both operational and strategic, necessary to keep America secure in this environment; the urgent fiscal challenges caused by the spiraling costs of mandatory entitlement programs and ever-increasing cost of military personnel; and the cost and value to the nation of the National Guard and Reserves. And we consider the challenges the nation faces in funding, personnel policy, recruiting, equipment shortages, and other obstacles to creating a sustainable operational reserve force.

Second, we assess the Department of Defense's role in the homeland and whether it is clearly defined and sufficient to protect the nation; the role that the reserve components, as part of DOD, and other interagency partners should play in preparing for and responding to domestic emergencies; the role and direction of U.S. Northern Command, the joint command in charge of federal homeland defense and civil support activities; the role that states and their governors should play in homeland response; the need to rebalance forces to better address homeland response needs; and the implications of these assessments for the readiness of the reserve components.

Third, we examine what changes need to occur to enable DOD to better manage its most precious resource—its people. We consider what attributes of a modern personnel management strategy would create a true continuum of service; how reserve component personnel should be evaluated, promoted, and compensated; what educational and work opportunities they should be given to maximize the return to the nation from their service; how DOD should track the civilian skills of reserve component members; whether the active and reserve personnel management systems should be integrated; why the prompt establishment of an integrated pay and personnel system is urgent; how many duty statuses there should be; and what changes need to be made to the active and reserve retirement systems to ensure that both serve force management objectives and are sustainable.

Fourth, we explore what changes need to be made to develop an operational reserve that is ready for its array of overseas and homeland missions. We examine how policies related to equipping, training, funding, and access must be transformed to ensure that the resulting force is ready, capable, and available to the nation when it is needed, whether for war, for routine peacetime deployments, or for unexpected emergencies here at home.

Fifth, we assess current programs supporting service members, their families, and their employers. We consider whether disparities remain between the active and reserve service members' compensation, whether the legal protections for activated members are sufficient, what can be done to improve the support provided to members and their families when reservists are activated and after they return home, and how DOD can strengthen the relationship between the Department and employers of reserve component members.

Sixth, we scrutinize the organizational and structural changes required to support a truly operational reserve force: specifically, changes to remove cultural barriers that hamper the effective use of the reserve

components, changes to the categories used to manage the reserve components, changes to the Office of the Secretary of Defense, and changes within the reserve components and their headquarters.

For these topics, we address the issues and discuss in detail the areas where we believe reform is required, explain how we arrived at our conclusion that reform is urgently needed, state the principles we believe should guide reform, and make specific recommendations to solve the problems identified. Where possible, we have articulated appropriate milestones and benchmarks to gauge progress toward the full implementation of those recommendations.

Finally, we identify the Commission's vision, or end state, for the future National Guard and Reserves: what it will mean to be an operational guardsman and reservist of the 21st century; what their future roles and missions will be; how they will be integrated into the total force; what the nature will be of the compact between the reservists and their families, employers, and the nation; what future career paths for reservists will look like; and what organizational structures, laws, and policies affecting personnel, compensation, benefits, training, equipping, mobilization, and funding will look like. All our recommendations are geared to achieving this end state.

In developing these recommendations, the Commission solicited formal and informal input from a broad range of individual service members, family members, military and civilian leaders, subject matter experts, businesspeople, and elected representatives. We examined reports, studies, lessons learned, and papers on the topics before us. We visited Guard and Reserve personnel, families, and employers where they live, train, and work. We benefited from outside analytical support from the Government Accountability Office, the Congressional Budget Office, and the Federal Research Division of the Library of Congress. We sought to define and document as clearly as possible the issues and problems facing the National Guard and Reserves and to present a reasonable and achievable set of solutions to those problems.

Our study has been informed by 17 days of public hearings involving 115 witnesses; 52 Commission meetings; more than 850 interviews with officials and other subject matter experts, including the current and former Secretaries of Defense, and current and former Chairmen and Vice Chairmen of the Joint Chiefs of Staff; numerous site visits, forums, and panel discussions; and the analysis of thousands of documents supplied at the Commission's request (a comprehensive list of persons interviewed is contained in Appendix 10 of the full report).

We recognize that the problems we discovered through our study are systemic and have evolved over many years, and some were created as new threats evolved. This report is in no way meant to be a report card on past or current officials. Most of the challenges facing the reserve components have existed for decades. While the Goldwater-Nichols Department of Defense Reorganization Act of 1986 made fundamental adjustments to the roles of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and combatant commanders, no significant reforms have been undertaken in the key laws affecting the reserve components for half a century.

We recognize that the problems . . . are systemic and have evolved over many years, and some were created as new threats evolved.

The Secretary of Defense reacted positively, constructively, and quickly to the limited but significant set of recommendations in the Commission's March 1 report to Congress, and Congress also has demonstrated a strong willingness to address National Guard and Reserve issues through its recent passage of the 2008 National Defense Authorization Act, which incorporated most of the Commission's March 1 recommendations. By mandating that the Department of Defense work with the Department of Homeland Security to identify and fund what is needed to protect the homeland, and updating the status, structure, and activities of the National Guard Bureau and its leadership, Congress has sent a powerful message that it is time for fundamental change in DOD's roles and responsibilities for the homeland. This legislation represents the kind of dramatic and sweeping change that is long overdue.

But reform is difficult, and a number of the Commission's March 1 recommendations will continue to face continued resistance from within the DOD bureaucracy and the other government institutions that they affect (see Appendix 8 of the full report for the Commission's assessment of how completely the March 1 recommendations have been implemented).

The Nature of the Reforms

Instead of meeting immediate needs, or satisfying the requests of particular interest groups, proposed reforms should serve a set of guiding principles that reflect the new 21st-century realities. On the basis of all its analysis to date, the Commission has identified values or principles against which proposed reforms should be judged. In general, proposed reforms must

- Serve the national security interests of the United States by improving the ability of the National Guard and Reserves to meet all threats to the nation as part of a total integrated force.
- Improve the nation's return on its investment in its military.
- Build upon the jointness among the military services, developed as a result of the Goldwater-Nichols Act, to create an effective operational reserve force whose units and individuals can rapidly integrate with the active component.
- Ensure that service plans to employ the reserve components produce a force that is ready, capable, and available for predictable overseas rotations, responses to emergencies in the homeland, and strategic depth with the ability to surge when required.
- Produce a sustainable reserve component, by which we mean one that is affordable, that attracts and retains high-quality people, that remains relevant and effective in a changing security environment, and that maintains the support of the public.
- Be practical and executable.

Accordingly, the reforms that the Commission believes the nation must adopt to enable the National Guard and Reserves to fulfill U.S. national security objectives are significant and transformational. They will be welcomed by some and engender considerable opposition in others. To successfully execute the national military strategy in the 21st century, the active and reserve components must increase their military effectiveness by becoming a more integrated total force. It has taken the U.S. armed forces two decades to approach the level of jointness envisioned by the authors of the Goldwater-Nichols Act, which did not address the reserve component. Achieving total force integration of the active and reserve components will require changes to the defense establishment of a magnitude comparable to those required by Goldwater-Nichols for the active component.

. . . the active and reserve components must increase their military effectiveness by becoming a more integrated total force.

These recommendations will require the nation to reorder the priorities of the Department of Defense, thereby necessitating a major restructuring of laws and DOD's budget. There will be some costs associated with

these recommendations, but the need for these reforms is critical, and the benefits, in terms of the improved military effectiveness of the total force, more than exceed the cost to implement them.

Many of the Commission's recommendations can be implemented immediately. However, a number of these large, systemic changes may take years to implement effectively. We recognize that the details of implementation will need to be worked out by Congress and the executive branch, and that some reforms will be transitional, remaining in effect only until others are fully realized. At the core of the needed changes is the explicit evolution of the reserve components from a purely strategic force with lengthy mobilization times, designed to meet Cold War threats from large nation-states, to an operational force in periodic use, readily available for emergencies, that retains required strategic elements and is seamlessly integrated with the active component.

I. CREATING A SUSTAINABLE OPERATIONAL RESERVE

During the Cold War, the reserve components were designed to facilitate rapid expansion of the armed forces for a major war with the Soviet Union; in this role, they were commonly referred to as the strategic reserve. Beginning in the early 1990s, the National Guard and Reserves have evolved into an essential element of the military's operational forces. Our nation is now faced with the prospect of a decades-long engagement with enemies who seek to attack us and harm our interests throughout the world, including in our homeland. Congress directed the Commission to study the roles, missions, and capabilities of the National Guard and Reserves in this new climate. The issues that must be addressed are whether the reserve components should continue to play the significant role they have assumed in operations, foreign and domestic; whether they should also retain a strategic role; and what changes are necessary to ensure both that they succeed in their missions and that our national security is protected. In studying this issue, the Commission has evaluated possible alternatives to the current operational use of the reserves, given the significant changes required for such a force. Our analysis leads us to conclude that for the foreseeable future, there is no

> . . . there is no reasonable alternative to the nation's continuing increased reliance on its reserve components for missions at home and abroad.

reasonable alternative to the nation's continuing increased reliance on its reserve components for missions at home and abroad, as part of an operational force.

The uncertain security environment ahead and the challenging fiscal realities faced by our government make obvious the necessity for more flexible sources of manpower that are better able to respond rapidly in the homeland, that can be efficiently increased in times of need, and that can be reduced in a way that economically preserves capability when requirements diminish. To meet these criteria effectively, the manpower pool must be organized to facilitate the required flexibility and ensure that resources can be focused where they are needed with desirable returns on investment.

It is a difficult problem, and the answer clearly lies in the reserve components—uniquely capable of responding in the homeland, employed operationally at costs on a par with the active components, yet able to be maintained at much lower expense when requirements allow for a reduced operational tempo. Employing the reserves in this fashion has proven necessary and effective from Operation Desert Storm onward, and they in fact have been relied on in every major military operation since then.

We conclude that this reliance should continue and should grow even after the demands for forces associated with current operations are reduced. We base this conclusion on a number of factors discussed below.

At the same time, the current pattern of using the reserves is endangering this valuable national asset, and reforming laws and policies will be necessary to reverse the damage done and make certain that an operational reserve is sustainable. It is to those ends that the Commission has devoted significant effort and the majority of our final report. In order to create a sustainable reserve, we must understand how we got to this point, why it is necessary to continue our reliance on the reserves as part of an operational force, and what the challenges to achieving their sustainability are.

A. THE UNPLANNED EVOLUTION TO AN OPERATIONAL RESERVE

At many times in our nation's history, the reserves have been called up, often in conjunction with a draft of the broader population. They have served, and then returned to civil society. Members of the reserves played significant roles in the Revolutionary War, the War of 1812, the Mexican-American War, the Civil War, the Spanish-American War, World War I, World War II, the Korean War, and the Gulf War. Today, the reserves are playing an indispensable role in the global war on terror.

In each case, the nation called forth and trained its reserves, sent them into battle under federal command, and then, after the war ended, grappled with the size, structure, and funding of the reserve forces. In several instances, the nation sought a "peace dividend" in the form of a large postwar reduction in the size of national security institutions, including military forces. Following the Spanish-American War, which exposed grave weaknesses in the training and readiness of the state militias, Congress created a federal reserve and increased federal oversight of the state militias, now called the National Guard.

The last major reform to the reserve components took place after the Korean War, for which the nation was poorly prepared. Established as a force designed to facilitate rapid expansion of the armed forces for a major war with the Soviet Union, the reserves were commonly referred to as the strategic reserve. The Vietnam War was the last conflict fought with a draft and without a large reserve mobilization. It was followed by a significant shift in the mid-1970s to an all-volunteer force; however, the reserves remained a strategic force to be used only for extraordinary contingencies overseas, with the assumption that they would have the benefit of lengthy mobilization periods, and threats to the homeland continued to be viewed in the context of the threat from Soviet nuclear weapons.

Since employing the reserves in Desert Shield and Desert Storm, DOD has increased their operational tempo to sustain global commitments. The reserves have fought in two wars that have not relied on a draft or on full mobilization. The National Guard and Reserves' contribution to our nation's defense efforts has risen to almost five times the level it was before 9/11. Some components have been drawn on even more heavily: by the end of the same period, the Army Guard and Army Reserve workload had increased more than seven times. At their peak use in 2004, national guardsmen and reservists constituted more than 33 percent of all U.S. military forces in Iraq.

Reserve component personnel use has increased from 12.7 million duty days in fiscal year 2001 to 61.3 million duty days in fiscal year 2006. Reservists have been mobilized more than 597,000 times since September 11, 2001; and in addition to the mobilizations, thousands of reserve component members have volunteered for extended periods of active duty service.

The notion of an operational reserve developed almost by default, in response to current and projected needs for operations in Iraq and Afghanistan and the associated force generation requirements. The Commission believes that backing into such a far-reaching decision is a mistake, because it is not clear that the public or its elected representatives stand behind this new concept. Major changes in the roles and missions of the reserve components must be examined, discussed, and accepted by the public and Congress if they are to succeed. Our analysis shows that there is much to debate, and the debate is overdue.

Although DOD has sought to define the operational reserve,[2] it has taken several years to come up with a definition, and that definition does not answer the basic questions policymakers face: What missions will the National Guard and Reserves perform in their strategic and operational roles? How will DOD resource and equip the reserve components for these missions so they will be a ready force capable of operating both overseas and in the homeland? And what can combatant commands, the services, service members and their families, and civilian employers expect in terms of predictable deployments? Because it does not answer these questions, it offers no road map for what changes in resources or to laws, policies, force structure, or organization are required to make the reserves truly operational within the total force.

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2 "The total Reserve component structure which operates across the continuum of military missions performing both strategic and operational roles in peacetime, wartime, contingency, domestic emergencies and homeland defense operations. As such, the Services organize resource, equip, train, and utilize their Guard and Reserve components to support mission requirements to the same standards as their active components. Each Service's force generation plan prepares both units and individuals to participate in missions, across the full spectrum of military operations, in a cycle or periodic manner that provides predictability for the combatant commands, the Services, Service members, their families, and civilian employers" (Joint Staff, "Operational Reserve Definition," draft, October 15, 2007).

B. THE NECESSITY FOR AN OPERATIONAL RESERVE

Given the threats that the United States faces at home and abroad, the looming fiscal challenges the nation confronts, the projected demands for forces, the unique capabilities resident in the reserve components, and their cost-effectiveness, the Commission sees no reasonable alternative to an increased use of and reliance on the reserve components. This conclusion is not dependent on the wars in Afghanistan and Iraq and on the reserves' current sizable role in the total operational force: the factors below indicate that their contribution to operations at home and abroad will be enduring.

Challenges presented in today's strategic environment are radically different than those that faced previous generations.

The New Security Environment

Challenges presented in today's strategic environment are radically different than those that faced previous generations. The current operational environment is volatile, uncertain, complex, and ambiguous. Traditional threats posed by nation-state actors remain, but new threats have emerged as well. National security challenges fall into five categories:

- The proliferation of weapons of mass destruction that constitute a growing threat across the globe, including to the U.S. homeland, and the potential access to such weapons by individuals or terrorist groups who wish to use them indiscriminately on civilian populations.
- Violent extremists, Islamist and other, who seek to control populations and geographic areas, attack U.S. soil, and harm U.S. interests throughout the world.
- Disasters in the homeland such as pandemic disease, hurricanes, earthquakes, and floods that can harm populations and cause losses that equal or exceed those incurred by war.
- Failed states; numerous ethnic, tribal, and regional conflicts that can cause humanitarian crises and endanger global stability; and nation-states containing safe havens for uncontrolled forces that threaten us.
- Traditional nation-state military threats, including the rise of a near-peer competitor.

This modern threat environment requires that the United States bring to bear all instruments of national power to achieve its national security objectives, including using its global leadership to prevent conflicts from occurring and developing partnerships to avert them. Among these instruments is the U.S. military, including the National Guard and Reserves, which must be properly organized, trained, equipped, and coordinated with other government agencies to present in a timely manner the multitude of capabilities necessary to meet the many irregular, catastrophic, and disruptive threats to America both at home and abroad.

These capabilities are

- The ability to engage any adversary and win on the battlefield in many different kinds of environments.
- The ability to prevent and recover from warfare through peacekeeping, stability operations, capacity building, military-to-military exchanges, theater security cooperation, and civil support activities.
- The ability to support civil authorities at all levels of government in responding to domestic emergencies in which military manpower and assets are useful to save lives or property, secure communities, or mitigate the consequences of or recover from a major natural or man-made disaster.
- The ability to respond to the national security requirements arising from an adversary's use of a weapon of mass destruction.
- The ability, even during times of peace, to sustain a global military presence as a means of providing credible deterrence toward potential enemies and to shape and maintain stable relations with U.S. allies and friends.

At the same time, the resources to generate and sustain these capabilities are not unlimited. Ultimately, we can afford and must be willing to allocate appropriate resources to ensure our national security. However, the nation is confronting a major fiscal challenge in the form of escalating and ultimately unsustainable federal deficits and debt, tied to the expansion of mandatory entitlement programs. If this fiscal imbalance is not addressed, it will consume a growing share of federal resources and damage our economy and national security. The most compelling presentation of these challenges is offered by the Comptroller General of the United States, David Walker, in his report titled "21st Century Challenges: Reexamining the Base of the Federal Government" (February 2005). This grave fiscal reality dictates that every government department, in-

cluding the Department of Defense, must fundamentally reexamine how it spends money to become more effective and efficient.

DOD Plans for Continued Reliance on the Reserves

DOD leaders have repeatedly stated their expectation that the National Guard and Reserves will continue to provide a wide range of capabilities that include warfighting, humanitarian assistance, disaster relief, and post-conflict and transitional operations such as democracy building, stability efforts, and peacekeeping. DOD also plans a "focused reliance" on the National Guard and Reserves for civil support missions in the homeland. Each service has developed detailed plans to train, equip, and use the National Guard and Reserves for the foreseeable future on a rotational basis in coordination with the active component. This shift—away from a force primarily designed for infrequent federal use against a large nation-state and toward a better manned, trained, and equipped force that is more interdependent with the active duty military, is employed in predictable cyclical rotations overseas, and is more ready and more able to respond quickly at home—would mark a significant adjustment to how the nation has historically conceived of and used its reserves. The change is particularly significant for the largest reserve components, the Army National Guard and Army Reserve.

The Cost and Value of the Reserve Components

The Commission has analyzed the cost of the reserve components as a function of their share of the DOD budget over time, as their share of their services' budget over time, and as calculated by think tanks and by the Government Accountability Office. Using a comprehensive approach to this question, the Commission finds that an active component service member costs approximately four times as much as a reserve component service member when he or she is not activated. This significant cost advantage for the reserves will drive policymaking in coming years, when pressure on the forces from current conflicts will have abated. The Commission believes the nation should avoid the kind of short-sighted policy decisions made after past conflicts that left the military ill-prepared for the next conflict, and should instead focus on where

. . . an active component service member costs approximately four times as much as a reserve component service member when he or she is not activated.

the best value for the taxpayer can be achieved in an ever-tightening fiscal environment.

The Commission also finds that the National Guard and Reserves offer the nation great capability and return on its investment. Reservists provide our military's most intimate and extensive links to the American people and form an important bridge to their neighbors and coworkers who have never served in uniform. They are forward-deployed in thousands of communities across the United States, pretrained, and available to respond to an emergency that exceeds the capacity of local government personnel.

The reserve components act as a repository of military skills and experience gained over years of service that would otherwise be lost. They also have skills acquired through their civilian careers that are invaluable to DOD for both domestic and overseas missions. These skills are not easily attained or maintained by personnel in full-time military careers. Members of the reserves who are not being used operationally also continue to provide strategic, or surge, capability for a military that has reduced personnel significantly since the peak of the Cold War. The value of these skills, and of the capability resident in the reserves to respond to unforeseen events, is not easily quantified, but it is significant.

One alternative to the continued use of the reserve components as part of the operational forces is to expand the active force. However, respected analysts question the affordability and achievability of this option, given the high costs of active duty benefits and infrastructure and the current recruiting challenges being experienced by the services. The per capita annual cost of active duty manpower has risen from $96,000 to more than $126,000 since 2000, owing largely to increases in such deferred benefits as health care, as well as to the expenses of recruiting, retention, and other initiatives to maintain an all-volunteer force strained by prolonged conflict. From a cost perspective, the reserve components remain a significant bargain for the taxpayer in comparison to the active component.

In addition, significantly increasing the active force—versus investing more in the reserves—may not be the right long-term choice in light of the new threats to our homeland, where the reserves have a significant advantage over the active component. When disaster strikes at home, the first military responders will be national guardsmen and reservists coming to the aid of their friends and neighbors close by. The value of this linkage cannot be discounted. In contrast to the nationwide presence of reserve component forces, the nation's active duty military forces are increasingly isolated, interacting less frequently with the civil society they serve. There are fewer active duty military bases, and mem-

bers of the active component only reside in or near this limited number of government facilities.

Another politically nonviable alternative would be to return to a draft. It is worth recalling that the all-volunteer force was not designed for a sustained, long-term conflict, and that the nation continues to mandate that young men register for the Selected Service in the event a draft becomes necessary. However, the draft is an instrument not employed since the Vietnam War, and its use would be extremely unpopular.

Thus, the Commission believes that the nation will need to rely on an operational reserve force for many years to come. We are not suggesting that reliance on the reserve component is somehow undesirable. In fact, without the National Guard and Reserves, the nation would have needed to reinstitute the draft to fight in Iraq and Afghanistan. Thus, the reserves are the key to ensuring the success of the all-volunteer force and avoiding the draft.

. . . the reserves are the key to ensuring the success of the all-volunteer force and avoiding the draft.

Meeting that challenge—creating an operational reserve force that is feasible in the short term and sustainable in the long term—will require fundamental reforms to homeland roles and missions, to personnel management systems, to equipping and training policies, to policies affecting families and employers, and to organizations.

C. THE CHALLENGE OF SUSTAINING THE RESERVES AS AN OPERATIONAL FORCE WITHIN A COLD WAR FRAMEWORK

In our March 1 report, the Commission concluded that the current posture and utilization of the National Guard and Reserves as an operational force cannot be sustained over time. Our conclusion in this regard subsequently has been supported by the October 2007 findings of the Defense Science Board Task Force on Deployment of Members of the National Guard and Reserve in the Global War on Terror. Our conclusion remains unchanged.

The fact that in some respects the reserve components are currently being used operationally does not make them a sustainable operational force. The reserve components were not established to be employed on a rotational basis, and key underlying laws, regulations, policies, fund-

ing mechanisms, pay categories, mobilization processes, and personnel rules that manage the reserve components will have to be modified to support their evolution into such an operational force.

Additional significant challenges exist. The propensity of our nation's youth to enlist in the military was at a historical low of 9 percent in June 2007. At the same time, DOD estimates that more than half the youth in the U.S. population between the ages of 17 and 24 do not meet the minimum requirements to enter military service. Approximately 22 percent of America's youth exceed the limits set for enlistees' body mass index. The military services will face extremely stiff competition from civilian employers seeking to recruit and retain the quality workforce required for the 21st century. Recruiting the all-volunteer force is more difficult and costly today than it has ever been. Only 79 percent of the new recruits entering the Army in fiscal year 2007 possessed a high school diploma (the DOD standard is 90 percent), and the Army approved more waivers for candidates with a criminal history (10 percent of all recruits) than it has done in years past.

At the other end of the service continuum, those highly skilled service members who are in the Individual Ready Reserve or are retired constitute a pool that is rarely tapped to benefit the nation.

Other long-standing obstacles continue to hamper total force integration and, hence, military effectiveness. Outdated personnel policies prevent DOD from addressing the demographic challenges above and from making the most effective use of their personnel resources. The military retirement system is not serving important force management goals, and because of the growing cost of personnel it is not sustainable. The military, despite acknowledging that civilian skills are a reserve component core competency, has done little to take advantage of those skills. While the Air Force, Navy, and Marine Corps have each made significant progress toward integrating their active and reserve components into a total force, persistent cultural and structural barriers between Army active and reserve component members block meaningful progress toward a more integrated, effective Army.

> . . . since 2002, 168 pieces of legislation pertaining in some fashion to the reserve components have become law. These are a patchwork of incremental changes.

The Commission has heard from DOD officials who contend that the changes necessary to create an operational reserve have already occurred. They point out that since 2002, 168 pieces of legislation pertaining in some fashion to the reserve com-

ponents have become law. These are a patchwork of incremental changes that mend problems at the margins—they are not bold and systemic reforms designed to address the needs of the reserve components today and in the future. Moreover, they include some changes of very dubious merit, such as cutting the numbers of active duty personnel providing full-time support for the Army reserve components.

The Commission believes that continued use of the reserve components as part of an operational force will be feasible and sustainable only if the nation commits to and invests in this increasingly important portion of our military forces.

Conclusion One: The nation requires an operational reserve force. However, DOD and Congress have had no serious public discussion or debate on the matter, and have not formally adopted the operational reserve. Steps taken by DOD and Congress have been more reactive than proactive, more timid than bold, and more incremental than systemic. They thus far have not focused on an overarching set of alterations necessary to make the reserve components a ready, rotational force. Congress and DOD have not reformed the laws and policies governing the reserve components in ways that will sustain an operational force.

Recommendation:

1. **Congress and the Department of Defense should explicitly acknowledge the need for, and should create, an operational reserve force that includes portions of the National Guard and Reserves. In order to place the reserve components on a sustainable path as part of that force, Congress and DOD must modify existing laws, policies, and regulations related to roles and missions, funding mechanisms, personnel rules, pay categories, equipping, training, mobilization, organizational structures, and reserve component categories. These significant changes to law and policy are required if the reserve components are to realize their full potential to serve this nation and if existing adverse trends in readiness and capabilities are to be reversed. Moreover, the traditional capabilities of the reserve components to serve as a strategic reserve must be expanded and strengthened.**

II. ENHANCING THE DEFENSE DEPARTMENT'S ROLE IN THE HOMELAND

Protecting the people and territory of the United States is the mission of state and local government, the Department of Defense, the Department of Homeland Security, and the rest of the federal government. As these levels of government and agencies work together in that broad effort, each has a specific role to play. State and local governments are the nation's first line of defense. Their first responders, the National Guard, and other state and local officials often represent the bulk of the capabilities responding to a disaster. Furthermore, as the chief executives of the states, governors are vested with a primary responsibility to protect the lives and property of their citizens. On the federal level, the Department of Defense ensures the military security of the people and territory of the United States, commonly referred to as homeland defense. The Department of Homeland Security is responsible for coordinating national homeland security efforts to protect the United States from terrorism and to carry out the functions of its constituent agencies, including emergency management. DOD is often called on to support DHS, other federal agencies, and state and local governments in carrying out their missions, thereby providing what is termed civil support. Congress tasked the Commission to assess the capabilities of the reserve components and determine how the units and personnel of the reserve components may best be used to support national security objectives, including homeland defense of the United States.

A. MAKING CIVIL SUPPORT A STATUTORY RESPONSIBILITY

The nature and scope of the Department of Defense's role in providing support to civil authorities have been described in policy. DOD's *Strategy for Homeland Defense and Civil Support* recognizes that homeland defense and civil support are total force responsibilities, and it directs a "focused reliance" on the reserve components for those missions. But there is no equivalent statement of DOD's homeland role in law, and Congress has not specifically tasked the Department with its civil support responsibilities. Policymakers seem reluctant to acknowledge what is obvious to almost every expert who has written on the subject or spoken to the Commission: because of its manpower, communications, and transportation capabilities, DOD is the only organization that can deal with the consequences of a catastrophe incapacitating civilian government over a substantial geographic area, such as an attack by a weap-

on of mass destruction. The Commission believes that this reluctance to acknowledge reality places the nation at risk.

DOD is the only organization that can deal with the consequences of a catastrophe incapacitating civilian government over a substantial geographic area.

While DHS will have the responsibility to coordinate the overall federal response in most national emergencies, DOD must be fully prepared to play a primary role, at the President's request, in restoring order and rendering other assistance in the aftermath of certain catastrophes. To ensure its readiness to perform these missions, DOD must be told that it is required to perform these critical functions and make advance planning, coordination, and training for them a high priority.

Another element not yet written in law is the proper role of the reserve components in emergency response activities. Nowhere is specified the role that the National Guard and Reserves should play in providing homeland civil support, up to and including responding to a major catastrophe of the type described above. While civil support is a responsibility of the total force, it is a mission that the National Guard and Reserves are particularly well-suited to performing. National guardsmen and reservists live and work in communities throughout the country. Their nationwide presence gives them a unique capability as well as the knowledge, experience, and relationships needed to assist civil authorities effectively in restoring order, protecting the public, mitigating damage, and relieving suffering.

B. INTEGRATING THE RESERVE COMPONENTS INTO HOMELAND OPERATIONS

The Department of Defense and the Department of Homeland Security have not yet acted adequately to integrate DOD and National Guard leadership into national preparedness and response planning activities. DHS still does not contain a resident National Guard presence sufficient to promote necessary levels of coordination among these two vital elements of our national response tool kit. DHS and DOD need to act and act quickly to ensure that DOD is ready to respond, particularly to catastrophic events, in the homeland.

It also is not clear that the nation's military capabilities are arrayed appropriately to meet the threats facing the country. The Army Reserve contains primarily combat support and combat service support capabili-

ties that are useful in responding to domestic crises. The Army National Guard is structured to provide large formation combat arms capabilities for overseas missions, as well as combat support and combat service support capabilities useful at home. Although specific requirements for the homeland must be developed before informed decisions can be made, it is likely that some rebalancing of forces will be necessary for DOD to meet its homeland responsibilities. Because the nation has not adequately resourced its forces designated for response to weapons of mass destruction, it does not have sufficient trained, ready forces available. This is an appalling gap that places the nation and its citizens at greater risk.

There remain significant continuing challenges associated with U.S. Northern Command. The commander of NORTHCOM is responsible for the planning, exercising, and command and control of Title 10 (federal) forces in response to a domestic contingency. NORTHCOM should focus equally on homeland defense and civil support missions. Although DOD agreed in principle with the Commission's March recommendation to alter the staffing at NORTHCOM and its component commands, and the Secretary of Defense prescribed that "a significant percentage" of NORTHCOM's billets should be filled by National Guard and Reserve personnel, U.S. Northern Command has made only limited progress toward that goal.

C. BUDGETING AND PROGRAMMING FOR CIVIL SUPPORT

The National Response Plan; its successor, the National Response Framework; and related preparedness efforts have not been translated adequately into DOD's programming and budgeting requirements. As we discussed in our March report, the Department of Defense has neither explicitly programmed and budgeted for civil support missions nor adequately equipped the National Guard for its domestic missions, relying on the flawed assumption that they are derivative of its wartime missions. In addition, the Department of Homeland Security has not demonstrated a commitment to assuming its responsibility as the lead agency for identifying the requirements that the Department of Defense must meet to adequately perform domestic civil support missions. DOD has now agreed, as part of its budget processes, to evaluate civil support requirements generated by DHS, but DHS has thus far failed to generate those requirements for DOD to evaluate. In the 2008 National Defense Authorization Act, Congress requires DHS and DOD to coordinate

their programming for civil support. While this constitutes important progress, DOD and DHS must demonstrate continuing commitment to the successful implementation of this initiative in order for it to fulfill its purpose of making the nation and its people safer.

D. PROVIDING GOVERNORS THE AUTHORITY TO DIRECT ALL MILITARY FORCES WITHIN THEIR STATE

There is a need to clarify lines of authority for military actions in the homeland.

There is a need to clarify lines of authority for military actions in the homeland. The foundational tenet of national emergency management is that problems should be solved at the lowest level practicable, and most domestic response efforts will be managed at the state level or below. Unity of command, by which we mean the direction of the efforts of all military forces by one government official, is a time-honored principle of military doctrine. However, no mechanism has been established to permit a governor to direct within his or her state the unified efforts of all military forces that are responding to domestic contingencies. In a catastrophe, this lack could lead to confusion, wasted efforts, and loss of life and property. The Department of Defense disagreed with the Commission's March 1 recommendation to develop protocols that allow governors to direct the efforts of federal military assets responding to an emergency such as a natural disaster, and incorrectly suggested that such an approach is inconsistent with established law. In fact, similar protocols are employed routinely overseas when U.S. forces are placed under the command of a foreign commander. The process is fully consistent with law and precedent. The President, as commander in chief, can assign a task force of active duty forces as a supporting command to a state military joint task force while retaining ultimate command authority over those federal forces. This decision by the Department to reject the Commission's recommendation, while offering no viable substitute, places the nation at risk of a disjointed federal and state military response to a catastrophe.

The Commission believes proposed reforms in this area must

- Take advantage of the positioning and expertise of the National Guard and Reserves, stationed throughout the United States in more than 3,000 communities.

- Promote cooperation and proper interrelationships between the chief institutions responsible for homeland defense and homeland security.
- Improve DOD's ability to bring its resources and capabilities to bear efficiently in response to a catastrophe.

Conclusion Two: The Department of Defense must be fully prepared to protect American lives and property in the homeland. DOD must improve its capabilities and readiness to play a primary role in the response to major catastrophes that incapacitate civilian government over a wide geographic area. This is a responsibility that is equal in priority to its combat responsibilities. As part of DOD, the National Guard and Reserves should play the lead role in supporting the Department of Homeland Security, other federal agencies, and states in addressing these threats of equal or higher priority.

Recommendations:

2. Congress should codify the Department of Defense's responsibility to provide support for civil authorities. This statutory language should include the acknowledgment that responding to natural and man-made disasters in the homeland is a core competency of DOD, of equal importance to its combat responsibilities. Congress should also clearly state that DOD should be prepared to provide the bulk of the response to a major catastrophe that incapacitates civilian government over a substantial geographic area and that DOD should initiate the necessary planning, training, and coordination for such events.
3. Consistent with DOD's *Strategy for Homeland Defense and Civil Support,* homeland defense and civil support should continue to be total force responsibilities. However, Congress should mandate that the National Guard and Reserves have the lead role in and form the backbone of DOD operations in the homeland. Furthermore, DOD should assign the National Guard and Reserves homeland defense and

civil support as a core competency consistent with their required warfighting taskings and capabilities.

4. A majority of U.S. Northern Command's billets, including those for its service component commands, should be filled by leaders and staff with reserve qualifications and credentials. Job descriptions for senior leaders and other key positions at NORTHCOM should contain the requirement of significant Reserve or National Guard experience or service. In addition, either the officer serving in the position of the commander or the officer serving in the position of deputy commander of NORTHCOM should be a National Guard or Reserve officer at all times.

5. In accordance with §1815 of the 2008 National Defense Authorization Act, the Secretary of Homeland Security, with the assistance of the Secretary of Defense, should generate civil support requirements, which the Department of Defense will be responsible for validating as appropriate. DOD should include civil support requirements in its programming and budgeting. As part of this effort, DOD should determine existing capabilities from all components that could fulfill civil support requirements and rebalance them where appropriate (consistent with their other obligations), shifting capabilities determined to be required for state-controlled response to domestic emergencies to the National Guard, and shifting capabilities currently resident in the National Guard that are not required for its state missions but are required for its federal missions either to the federal reserve components or to the active duty military, as appropriate.

6. The Secretary of Defense should ensure that forces identified as rapid responders to domestic catastrophes are manned, trained, and equipped to the highest levels of readiness.

7. As part of its efforts to develop plans for consequence management and support to civil authorities, DOD should develop protocols that allow governors to direct the efforts of federal military assets responding to an emergency such as a natural disaster. This di-

rection may be accomplished through the governor's use of a dual-hatted military commander.

8. **Congress should amend the mobilization statutes to provide service Secretaries the authority to involuntarily mobilize federal reserve components for up to 60 days in a four-month period and up to 120 days in a two-year period during or in response to imminent natural or man-made disasters, similar to that employed to mobilize the Coast Guard Reserve under 14 U.S.C. §712.**

III. CREATING A CONTINUUM OF SERVICE: PERSONNEL MANAGEMENT FOR AN INTEGRATED TOTAL FORCE

DOD's personnel management strategies and the laws, policies, and systems that support them were designed during the middle of the last century. They addressed the problems faced by the armed forces after World War II, in response to Cold War national security and force structure issues and to the demographics of the day. The 21st century presents a completely different set of challenges to planners focusing on our national security and on military manpower. They must recruit, train, and maintain a technologically advanced force in an era that will be characterized by ever-increasing competition for a shrinking pool of qualified individuals whose expectations about career paths and mobility are changing dramatically. It is essential that the nation recognize these new strategic and demographic realities by developing a personnel management strategy for the new century and by reforming laws, policies, and systems to implement it.

It is essential that the nation recognize . . . new strategic and demographic realities by developing a personnel management strategy for the new century.

The reserve components' role in such a new strategy will be key. They will provide the flexibility to retain highly trained and skilled personnel who desire career mobility. They will remain a repository of increasingly essential skills that can be gained only in the civilian workforce. Their service in the operational force will be required in peacetime, and they

will continue to provide a cost-effective means of ensuring that strategic requirements to meet a large wartime threat are also available.

The phrase "continuum of service" appears frequently in testimony and documents, but with little explicit description of what would actually constitute such a continuum. As generally understood, a continuum of service would facilitate the seamless transition of individual reservists on and off of active duty to meet mission requirements and would permit different levels of participation by the service member over the course of a military career. In this report, the Commission makes specific, concrete recommendations for changes to law and policy required to bring into existence a true continuum of service. Two critical enablers of an enhanced continuum of service are a reduction in the number of reserve duty status categories and the implementation of an integrated pay and personnel system. Equally important, however, is an integrated personnel management system.

Congress directed the Commission to assess policies and programs for achieving operational and personnel readiness, to identify options for improving compensation benefits, and to assess those options' cost-effectiveness and foreseeable effects on readiness, recruitment, and retention for the regular and reserve components. Of particular concern were health benefits, health insurance, and career development.

The discussion and recommendations that follow provide the foundation of the integrated personnel management system required to meet the realities of the 21st century. Proposed reforms must

- Ensure that military manning decisions are based on national security (including homeland security) requirements, on merit, and on capability.
- Take advantage of the civilian skills of reserve component service members.
- Promote military effectiveness by breaking down barriers to service that prevent further integration of the active and reserve components, while respecting the different ways in which each service makes use of its dedicated, professional part-time force.
- Consider the capabilities that individuals can provide to their country over a lifetime, not just for 20 years.
- In the case of compensation-related proposals, serve specific force management purposes; increase flexibility; provide greater simplification; have a demonstrated systemic

benefit; expand choice, volunteerism, and market-based compensation; maximize efficiency; improve the transparency of the costs of compensation over time; draw on the strengths of the private sector; and be fair to service members and their families.

- Understand and respect the impact of reserve component policies and practices on service members and their families, on communities, and on employers.
- Improve the quality of medical care that reservists and their families receive during activation and upon their return to civilian life, and enhance individual medical readiness.

A. THE NEED FOR A NEW PERSONNEL MANAGEMENT STRATEGY

The demographics of the available talent pool from which DOD must draw in the 21st century will be different in many significant respects from those of the baby boomer generation, whose members will be retiring in increasing numbers over the next two decades. The services will have to compete with the private sector for a workforce that is growing more slowly and becoming older and more diverse. In addition, the accelerated pace of technological change will continue to intensify the demand for workers who are better educated and more highly skilled.

For DOD to remain competitive, it will have to institute a personnel management system that fosters a true "continuum of service."

The current movement in the private sector toward more decentralized, less vertically integrated business organizations is expected to be accompanied by a shift away from permanent lifetime jobs to more fluid and flexible working relationships. U.S. workers are changing jobs more frequently and staying in those jobs for shorter periods. Experts predict that more flexible, nontraditional working relationships will proliferate, a development that will increase the importance of flexible and portable benefit packages for workers. For DOD to remain competitive, it will have to institute a personnel management system that fosters a true "continuum of service."

Internal reviews within DOD have highlighted similar concerns. A Defense Science Board assessment of its human resources strategy in 2000

called for a single integrated personnel and logistics system for active and reserve components, a pay system that places greater emphasis on pay for performance and skills, modification of the "up or out" promotion system, and reform to the retirement system to provide earlier vesting, a 401(k)-type option, benefit portability, and varying service lengths and retirement points. In April 2006, the Defense Advisory Committee on Military Compensation recommended that changes to the military compensation system be based on increasing both the effectiveness and efficiency of the compensation system as a force management tool.

In its 2007 Human Capital Strategy, the Department of the Navy recognized that workforce demographics are changing and that a new generation of workers expects greater flexibility in their work lives and the opportunity for continued professional development. Many of the recommendations in this section reflect the work of these and previous reviews of force management, dating back to the President's Commission on an All-Volunteer Armed Force of 1970 (the Gates Commission). There is little question that in the decades ahead, the nation's military will be competing with civilian employers expected to be offering less rigidly structured organizations and more flexible and shorter-term relationships with employees. Moreover, it enters this competition at a disadvantage: unlike civilian employment, military service entails accepting the possibility of lengthy family separation, injury, and death. Rapid technological change will increase the importance of continuing education and training for personnel, and greater personnel mobility will increase the value of flexible and portable benefit packages.

Conclusion Three: Current law and policy still reflect a Cold War–era vision of the employment of valuable military manpower assets and do not adequately support an operational 21st-century force. A new integrated personnel management structure is needed to provide trained and ready forces to meet mission requirements and to foster a continuum of service for the individual service member.

Recommendation:

9. **DOD should develop a personnel management strategy for a modern military workforce that is diverse, technologically skilled, and desires flexible career opportunities. Key components of this strategy must include an integrated total force that provides opportu-**

nities for those who choose a civilian career, as well as ease of transition between differing service commitments; personnel management policies that promote retention of experienced and trained individuals for longer reserve or active careers; and maximum use at all levels of the skills and abilities acquired from civilian experience. Congress must support this strategy with changes to statute where required.

B. TIME-VERSUS COMPETENCY-BASED PROMOTION CRITERIA

DOD's current "up or out" promotion system was codified in 1947 to prevent a superannuated senior officer cohort from hindering military effectiveness, a problem observed at the outbreak of World War II. The Defense Officer Personnel Management Act of 1980 (DOPMA) and its follow-on reserve component counterpart, the Reserve Officer Personnel Management Act of 1994 (ROPMA), updated the 1947 legislation but retained the up-or-out structure. In recent years, it has been criticized by numerous studies and experts as inflexible and as a Cold War–era relic.

> Up or out . . . pushes service members out of the force when they are most experienced.

The up-or-out system under DOPMA is time-based: officers are considered by selection boards for promotion at certain "time" or years-of-service points during their careers. If twice non-selected for the next highest grade, or failed of selection, the officer is subject to involuntary separation or retirement—forced to move "up or out." Such officers may be permitted by a selective continuation board to remain to meet service requirements, but they nonetheless bear the stigma of the label "failed of selection."

To remain competitive, officers must punch specific tickets at specific points in their careers. This time-based career management system prevents service members from pursuing alternative career paths and penalizes their attempts to do so. Up or out instead pushes service members out of the force when they are most experienced. A competency-based career management system, organized around the mastery of knowledge, skills, and abilities, would encourage more flexible career paths, thereby permitting longer assignments, greater opportunity for graduate education, time-outs for family responsibilities, the lateral entry of

skilled professionals, and longer overall careers. Such changes better reflect the new career patterns in the private sector previously discussed and offer a framework to foster a true continuum of service.

Under current law and policy, promotion boards rank officers on the basis of experience, demonstrated performance, and potential for success in the next grade. A competency-based system would rely on those same criteria but would use accumulated experience gained through assignments, education, and training to determine which officers are eligible for promotion. Such a system would allow officers to undertake additional or longer assignments or further their education without being at a disadvantage in relation to their peers. For some communities, the required skills, timing of promotions, and career length might change little from today's norms. For the combat arms, for example, a service might decide that the current framework is optimal because of the need for youth and vigor. Similarly, the services might make little change in the promotion timing for officers scheduled for a command/leadership track.

To prevent stagnation, competency would need to be demonstrated for officers to continue in service as well as to be promoted—in other words, "perform or out" in lieu of up or out. Their continuation would be determined by their continued employability by commands or agencies seeking their services.

Transitioning to a competency-based system would also facilitate the development of a single personnel management system, which is essential to the effective management of an integrated 21st-century total force.

Recommendations:

10. **DOD, with support from Congress, should implement a more flexible promotion system based on the achievement of competencies (knowledge, skills, and abilities, or KSAs); under this new system, the timing of and opportunities for promotion should vary by competitive category (career field), depending on service requirements.**

11. **The Defense Officer Personnel Management Act (DOPMA) and the Reserve Officer Personnel Management Act (ROPMA) should, over time, be merged into a single system, modified to base advancement on achievement of competencies—including compe-**

tencies acquired through civilian employment and education as well as military experience. To facilitate the transition, Congress should amend current statutes to create a single type of commission in lieu of the current regular and reserve commissions, consistent with the elimination of the use of reserve designations for personnel and units (see Recommendation #85).

C. JOINT DUTY EXPERIENCES, JOINT EDUCATION, AND ENHANCING THE CAPABILITIES OF FLAG AND GENERAL OFFICERS

The imperative to employ the reserve components as a portion of our nation's operational forces is not limited to deploying units but must also include reserve component leadership serving in integrated joint and service headquarters. The total force integration required for effective operational employment can best be achieved by ensuring that experts in reserve matters are serving in staff and decision-making positions at all levels. It is clear that future reserve component officers, with both military experience acquired in the operational reserve and civilian skills gained from a variety of experiences that cannot be duplicated in the full-time military force, will be qualified and desirable for senior leadership positions. But to date, both statutes and policies regarding joint qualifications, joint education, and opportunities for joint experience have been major obstacles to taking advantage of the considerable pool of talent resident in the reserve components.

> . . . total force integration . . . can best be achieved by ensuring that experts in reserve matters are serving in staff and decision-making positions at all levels.

The Goldwater-Nichols Department of Defense Reorganization Act of 1986 did not, for the most part, include the reserve components. Though the act mandated that the Secretary of Defense establish policies "similar" to the active component's for governing reserve component joint education and experience, it contained no provisions requiring that reserve officers ever obtain joint qualification. Indeed, DOD did not even act on establishing similar policies for two decades after receiving Congress's direction to do so, and there is still no requirement for reserve component officers to be joint qualified. The systems put in place to offer such quali-

fications to reservists are so new that they cannot be fairly assessed at this time, but some early reports on their implementation are not favorable.

Until reserve officers are held to the same standards as their active component peers and are required to obtain joint experience, education, and qualification to achieve promotion to senior ranks, the armed forces will not be able to take full advantage of the unique skills and experiences that these professionals possess and will not achieve the integration essential for the most effective employment of an operational reserve. The recommendations that follow address these disparities.

Recommendations:

12. **Congress should amend the Goldwater-Nichols Act to require reserve component officers to be designated as "joint qualified" (under the new joint qualification system, effective October 1, 2007) and, at the end of a 10-year transition period, to make joint qualification a criterion for promotion to flag and general officer rank. Congress should mandate that the services develop an action plan and milestones and report regularly to Congress on progress made to accomplish this goal.**

    a. **To provide an incentive for early attainment of joint service qualification, service Secretaries should charge their reserve promotion boards selecting officers for the rank of colonel or Navy captain in the reserves to assign additional promotion weight to those officers who have achieved full joint education, have served in joint duty assignments, or are recognized as joint qualified.**

    b. **Each service should integrate the management of its active and reserve component service members to better administer its military personnel and ensure that all members are afforded the joint duty and educational opportunities necessary for promotion to senior ranks.**

13. **For the next five years, DOD should annually increase the number of fully funded slots allocated to reserve component officers at the National Defense University, service war colleges, and the 10-week Joint Professional Military Education II in-residence course to**

foster greater interaction between active and reserve component students and to increase the number of educationally qualified reserve officers. DOD should direct senior service schools to adjust the curricula and requirements in their distance learning programs to include material that will satisfy JPME II requirements for joint qualifications, as they have done for their in-residence courses.

a. Capitalizing on technology, Advanced Joint Professional Military Education should be redesigned to provide formats that encourage active and reserve component participation from all services in a manner that satisfies course objectives, affords social interaction, and values the individual service members' time and other obligations.

b. Active component officers should be permitted to attend and receive full credit for AJPME, and the course should be viewed as equivalent to the Joint and Combined Warfighting School.

c. DOD should require that all reserve component officers selected for general or flag officer rank attend CAPSTONE; the services should provide full funding for this effort, and the school should have sufficient capacity to accommodate these officers without significant delay.

14. DOD should establish programs to provide reserve component enlisted members with joint duty and JPME opportunities comparable to programs available to their active duty counterparts.

15. JPME-related courses offered as part of all levels of service professional military education, including service academies and ROTC programs, should contain significantly more material on reserve component organizations and capabilities to increase the understanding of, and appreciation for, the skills and background of reserve component service members.

16. For both active and reserve component officers, criteria for granting joint duty experience credit should be flexible enough to allow for a qualitative assessment of proficiency based on knowledge, skills, and

abilities in joint matters, not on inflexible time-based requirements. Congress should expand the statutory definitions of joint matters to incorporate service involving armed forces in operations, including support to civil authorities, with state and local agencies.

17. DOD should list all manpower billets in joint organizations in a single manpower document. As part of this change, DOD should review all positions thoroughly and identify the essential skills or special background qualifications required or desired for each. To develop a pool of reserve component officers with the range of professional and joint experience required for selection to senior ranks,

    a. DOD and the military services should develop a program that enables reserve component members to become fully joint qualified after rotating through the following assignments: serving over a period of years in a drilling status, serving on active duty for training in select joint billets, completing JPME either in residence or by distance learning, and, finally, serving a year on active duty in a joint designated billet. This program would allow reservists acting as individual augmentees to serve in a predictable manner and provide them joint qualification while supporting the operational needs of the Joint Staff and combatant commanders. To ensure that the best qualified officers are able to participate in this program, reimbursement of travel expenses for those selected should be mandated (see Recommendation #53).

    b. Congress should amend the Goldwater-Nichols Act to require that the level of reserve component officer representation in service headquarters and joint organizations, including combatant commands and the Joint Staff, be commensurate with the significant role that reserve components play in DOD's overall missions.

    c. The Secretary of Defense should require that National Guard or Reserve officers on tours of active duty serve as director, deputy director, or division

chief within each joint directorate on the Joint Staff and at the combatant commands.

18. **In order to provide an incentive to the services to increase the number of billets available to reserve component general and flag officers, Congress should allow the services to assign reserve component general and flag officers to billets currently filled by active component officers by waiving up to 10 percent of the current statutory limitation (877) on the number of active component general and flag officers on a one-for-one basis, and sunsetting this additional head space at the end of 5 or 10 years. Priority should be given to assignment in joint positions. Congress should require DOD to report annually on the number of reserve component general and flag officers serving (1) in joint duty positions and (2) in positions of importance and responsibility. Following the sunset, Congress should reconsider the number of Chairman's exempt positions, taking into account the number of reserve general and flag officers who have successfully served in joint tours during this time.**

D. TRACKING CIVILIAN SKILL AND EMPLOYER DATA

Civilian skills are a reserve component core competency, but DOD has done little to harness these skills. DOD's Civilian Employment Information (CEI) database is not an effective tool in this regard, in part because it does not capture updated employment information and because the way it records civilian skills data is not standardized for practical use.

By contrast, some U.S. allies around the world have developed reserve programs that track and to varying degrees utilize the civilian skills of their reserve military personnel. Such programs enable them to maintain a reserve force of personnel who are highly trained and experienced in their civilian and military specialization. In addition, some allies are collaborating with employers to develop military training programs focused on skills specific to both the military and civilian occupations of their reservist employees, thereby providing not only highly qualified reserve military members for the government but also highly qualified civilian employees for employers.

A robust civilian skills database that tracks, in standardized format, comprehensive education, training, and experience data on reservists would be a valuable tool for commanders seeking to fulfill mission requirements.

Recommendations:

19. **DOD should develop a standardized system for developing and maintaining a "civilian skills database" that is consistent with standardized database formats, such as that used by NATO, to allow worldwide interoperability.**
20. **Congress should direct DOD to revalidate the current civilian employer database annually, to require service members to update the information in this database annually, and to expand the database to include résumé-type narrative information.**

E. AN INTEGRATED PAY AND PERSONNEL SYSTEM

The military has a long history of problems with the administration of personnel and pay and its associated information technology. The current automated systems are neither joint, integrated, nor standardized across the military components, and the resulting deficiencies include incorrect pay, low data quality, multiple personnel files and records, and inaccurate accounting of credit for service. The Defense Integrated Military Human Resources System (DIMHRS) is the Department of Defense's solution to existing personnel and pay problems. It is a Web-based human resource system, integrating personnel and pay and designed to ensure that timely and accurate compensation, benefits, and entitlements are afforded to all military personnel throughout their careers and in their retirement.

The manpower management systems and processes in place today are crude tools that have evolved over decades of applying Cold War administrative policies and procedures. Many service members reported to the Commission that these systems routinely raise unreasonable obstacles to transitions between military jobs, cause loss of entitlements such as leave, and engender a reluctance to volunteer for service. These systems hinder the services from fully utilizing the talents of the available manpower pool. Initiated more than a decade ago, DIMHRS has struggled with numerous delays, a lack of accountability, increased

costs, and mismanagement; the system remains controversial within some of the services.

The future human resource system must be a "continuum of service system" that enables a trouble-free, easy transition between active and reserve statuses. Movement between the active component and reserve component will be based on the needs of the service and the availability of the individual member to support existing requirements. To make these transitions seamless, the "on-ramp" and "off-ramp" procedures must be smooth. The Defense Department is in critical need of an integrated pay and personnel system capability, whether a single system such as DIMHRS or multiple systems as part of a larger enterprise architecture, that enables an easy transition between active and reserve service, accurately records critical information regarding a member's service, and provides timely pay and benefits.

Recommendation:

21. DOD should implement a combined pay and personnel system as soon as possible to rectify the inadequacies in today's legacy systems. Further, this implementation, together with the reduction and simplification of duty statuses and duty categories (see Recommendation #22), should receive immediate attention at the highest levels of DOD leadership. Whether DOD establishes a single system or multiple systems as part of a larger enterprise architecture, the military personnel and pay system must be streamlined and made more efficient. It must provide better service to military personnel and their families, including accurate records of service and timely and error-free delivery of compensation, benefits, and entitlements.

F. DUTY STATUS REFORM

A complicated framework of laws, policies, and rules developed through the decades since 1916 has resulted in the current byzantine duty status structure. Today's 29 duty statuses are confusing and frustrating to both reserve component members and their operational commanders. Service members may encounter pay and benefit problems, including in health care eligibility for their family members, when they transition between one or more duty status categories. Commanders may experience similar frustration when seeking to access, in a timely manner,

reserve component members needed to meet operational requirements. The current operational use of the reserve component demands simplicity, compatibility, and administrative clarity to meet training and mission requirements and to promote a continuum of service. Under a simplified system, reserve component members, whether in a Title 10 or Title 32 status, should either be on duty or off duty. (This new system would not alter the nature of National Guard service in state active duty.)

Under a simplified system, reserve component members, whether in a Title 10 or Title 32 status, should either be on duty or off duty.

One sticking point in previous attempts to simplify duty status categories has been the difference between the pay and allowances received when the reserve component member is either activated or in an active duty training status and the pay received for two drills per day when the member is in an inactive duty training status. In recommending a reduction to two duty statuses, the Commission recognizes the continued salience of this issue, which would benefit from additional analysis, and offers a possible approach to deal with it in the full report.

Recommendations:

22. **DOD should reduce the number of duty statuses from the current 29 to 2: on (active) duty and off (active) duty. All reserve duty will be considered active duty, with appropriate pay and other compensation. The 48 drills should be replaced with 24 days of active duty. A day's pay should be provided for a day's work without reducing compensation for current service members. The system should be sufficiently flexible to deal with service-specific training requirements.**

23. **During the transition to two duty statuses, DOD should uncouple existing statuses from pay and other compensation, substantially reduce the number of duty statuses, and standardize them across the services for ease of understanding and use.**

24. **DOD should develop a plan to implement these changes within two years of this report, and should complete their implementation within five years of the report's issuance.**

The Operational Support Manpower Accounting Category

Each year Congress prescribes both active and reserve component end strengths. Following September 11, 2001, the active duty force needed more assistance from reserve component members. Those who served temporarily on active duty were not counted against active duty end strength, provided that they served for 179 days or less. Once they passed the 180-day threshold, however, they counted against active duty end strength and active duty grade tables.

In 2004 Congress created, at DOD's request, a new category for counting reserve component strength called active duty for operational support (ADOS). It is composed of reserve component members who volunteer for active duty for operational support missions. Those who are on voluntary active duty providing operational support can remain on active duty for up to three years, or for three years cumulatively over a four-year period, without being counted against active duty end strength. Congress tasked the Commission to assess DOD's implementation plan for the ADOS category. The Commission notes that DOD has successfully implemented a plan to manage the active duty for operational support category, but does not believe it to be an effective force management tool.

. . . the Commission believes that managing forces by end strengths is inefficient and makes it necessary to create workarounds.

To avoid problems with end strength authorization, some are seeking to remove the current three-out-of-four-years restriction on reserve component personnel serving in the ADOS category. The Commission believes that there are better alternatives, such as transitioning those ADOS billets to active duty, career civilian, or contractor billets.

Further, the Commission believes that managing forces by end strengths is inefficient and makes it necessary to create workarounds to remain within prescribed levels, as the ADOS manpower accounting category itself illustrates. By contrast, Congress recognized the inefficiencies inherent in managing by end strength for DOD civilians and eliminated such management in 10 U.S.C. §129.

The Commission concludes that the operational support (ADOS) category is not an effective force management tool and could be phased out if duty statuses were simplified and if there were less emphasis placed on managing the U.S. military through authorized end strengths.

Recommendations:

25. **As a part of the process of simplifying duty status categories, Congress should phase out the ADOS category and designate long-term billets as either active duty or civilian or as part of a program that rotates reserve members on full-time active duty tours. Such a program would benefit both the reservists, to whom it would provide career-broadening experience, and DOD, which would take advantage of the unique talents and experience within the reserve component.**

26. **Congress should cease to manage DOD manpower levels by using authorized end strengths. DOD should budget for—and Congress should fund—personnel, active and reserve, based on requirements and needed capabilities.**

G. AN INTEGRATED RETIREMENT SYSTEM

Today's non-disability retirement systems for both the active and reserve components were designed shortly after World War II for a Cold War–era force that relied on a draft. At that time very few inductees remained in uniform past their initial term of service, and the retirement benefit was intended to meet the needs of the relatively small proportion of service members who served a full 20-year career. The military offers very generous retirement benefits immediately upon separation to career service members in the active component, a comparable benefit received at age 60 by career service members in the reserve components, and no retirement benefits at all for non-disabled service members who serve for less than 20 years. Thus the increasingly integrated active and reserve components have two separate retirement systems. They are based almost entirely on the age when a service member receives his or her retirement annuity, with 20-year "cliff" vesting that excludes 85 percent of active duty enlisted personnel and 53 percent of officers from receiving any non-disability retirement benefits. Only 24 percent of reservists serve long enough to be eligible for 20-year retirement. Numerous studies undertaken since the inception of the all-volunteer force have recommended major modifications to the system, such as earlier vesting and deferred receipt of the annuity. The commission that recommended the creation of the all-volunteer force, the Gates Commission, in fact suggested that for such a force, earlier vesting was more appropriate than 20-year cliff vesting.

Reliance on deferred benefits, such as retirement pay, is costly and an inefficient force management tool. As discussed elsewhere in this report, manpower is becoming increasingly unaffordable. Under the current system, many service members retire soon after they reach the 20-year point. As the Gates Commission noted in its 1970 report, many of those who retire early are individuals with the best salary and employment opportunities in the civilian sector and thus are "precisely the individuals the services would like to retain longer." The current system should be modified to provide for earlier vesting, government contributions to the Thrift Savings Plan in a manner similar to the Federal Employee Retirement System, and retention incentives at critical career points. Such a change would improve force management and provide greater equity, particularly to enlisted members who seldom become eligible for any non-disability benefits. In addition, a single system for both active and reserve component members would foster a continuum of service, as envisioned in other changes recommended by the Commission. All current service members should be grandfathered under the existing scheme but offered the opportunity to switch to the new one.

> . . . the military retirement system, for both the active and reserve components, is in need of deep, systemic reform.

In short, the military retirement system, for both the active and reserve components, is in need of deep, systemic reform.

Recommendations:

27. **Congress should amend laws to place the active and reserve components into the same retirement system. Current service members should be grandfathered under the existing system but offered the option of converting to the new one; a five-year transition period should be provided for new entrants, during which time they could opt for either the new or the old plan.**

28. **Congress should set the age for receipt of a military retirement annuity at 62 for service members who serve for at least 10 years, 60 for members who serve for at least 20 years, and 57 for members who serve for at least 30 years. Those who wish to receive their annuity at an earlier age should be eligible to do so,**

but the annuity should be reduced 5 percent for each year the recipient is under the statutory minimum retirement age (consistent with the Federal Employees Retirement System). For reserve component members, retired pay would continue to be calculated on the number of creditable retirement years, based on earning at least 50 retirement points per creditable year.

a. **Congress should expand current statutory authority to permit all service members to receive up to 5 percent of annual basic pay in matching government contributions to the Thrift Savings Plan; the government's contribution would vest at 10 years of service, and the Thrift Savings Plan benefit would be portable and thus capable of being rolled over into a civilian 401(k) account.**

b. **Congress should pass laws providing that the military retirement system allow some portion of its benefits to be vested at 10 years of service.**

c. **As part of the reformed retirement system, retention would be encouraged by making service members eligible to receive "gate pay" at pivotal years of service. Such pay would come in the form of a bonus equal to a percentage of annual basic pay at the end of the year of service, at the discretion of the services.**

d. **As part of the reformed retirement system, service members who are vested would receive separation pay based on the number of years served and their pay grade when they complete their service.**

IV. DEVELOPING A READY, CAPABLE, AND AVAILABLE OPERATIONAL RESERVE

Readiness is a key determinant in the ability of the reserve components to achieve their roles and missions, and therefore is closely monitored. Congress tasked the Commission to assess how effectively the organization and funding structures of the National Guard and Reserves are achieving operational and personnel readiness. An operational reserve component requires a higher standard of readiness than does today's

Ready Reserve, for a greater duration, with less time to achieve readiness goals between deployments. If the reserve components are to sustain this standard of readiness, the services must change their policies, budgets, and planning. Traditionally, readiness has three components: personnel, training, and equipment. In addition, individual medical readiness and the type and amount of full-time support are important factors in reserve component readiness. Readiness requirements vary by service and, within each service, by a unit's progression through the applicable appropriate force generation model.

The readiness of units and of individuals varies greatly among the services, and the differences relate largely to funding. The services are encountering difficulties in funding the readiness of both their active and reserve components. The Department of Defense exerts great effort in developing requirements and justifying budget requests for thousands of service programs. However, it does not program or budget to meet the needs of a ready, capable, and available operational reserve, including the funding required for individual medical readiness, full-time support, and homeland missions.

> The Department of Defense . . . does not program or budget to meet the needs of a ready, capable, and available operational reserve.

In addition, DOD does little or nothing to measure the output of its programs in their year of execution. DOD measures programs against their spending plans; thus, it considers them successful when 100 percent of funds are fully obligated at fiscal year-end. This approach provides no mechanism for assessing the cost-effectiveness or value of a particular program or its effect on the readiness of the force.

Finally, the readiness of reserve forces is useful only as long as the services have assured access to all of the reserve components, and can draw on the resources invested in their reserve components to accomplish assigned missions.

Conclusion Four: The reserve components have responded to the call for service. Despite shortages in equipment, training, and personnel they have once again proven their essential contribution to meeting national security requirements in a time of need. To sustain their service for the duration of the global war on terror will require maintaining the force at a new standard of readiness. Current policies cannot accomplish this task. A ready, capable, and accessible operational reserve will require an enduring commitment to invest in the readiness of the reserve components. This commitment will necessitate service integration, additional resources, and new constructs for employing the reserve components and for assessing readiness.

Recommendations:

29. **The services should budget for, and Congress annually should authorize, the amount of funding necessary to support the operational portion of the reserve components, ensuring that their budget requests are sufficient to meet their readiness requirements for overseas and homeland missions, including for individual medical readiness and full-time support.**
30. **The Secretary of Defense should mandate that future programming decisions and budget requests be linked to the delivery of desired outcomes, conveyed in budget justification material in a manner that clearly delineates funding for reserve programs.**
31. **Senior leaders at service headquarters and large commands must be held accountable for the readiness and performance of Reserve and National Guard units within their purview. These responsibilities must be reflected in job descriptions and performance appraisals.**

Readiness Reporting

The service Secretary and Chief of each service are responsible for the readiness of both their active and reserve components. All too often, the Commission has found this statutory responsibility to be so diluted

through delegation that those with Title 10 responsibility for reserve component readiness do not monitor and report on that readiness.

Complicating any effort to assess the readiness of the reserve components is the lack of uniform reporting standards among the services. Moreover, their reports do not include information on full-time manning levels, on individual medical readiness, or on the readiness of the National Guard and Reserves to perform homeland missions.

Recommendations:

32. Readiness reporting systems should be expanded to encompass full-time support and individual medical readiness. The readiness reporting system should also identify individual and unit readiness to perform the full spectrum of missions, including support to civil authorities.

33. The Secretary of Defense should mandate that a common readiness reporting system include reporting on all data needed to determine readiness of units and allow full access to underlying data on personnel, equipment, and training. The system should be managed by the Joint Chiefs of Staff to assist the Chairman in the Chairman's statutory requirement to report on readiness and should include both active and reserve component data, thereby precluding any need to transfer data on reservists.

A. PERSONNEL

The personnel readiness of reserve component units is a measure of the number of personnel in each unit, the individual qualifications of the service members, and the distribution of leaders. The services have testified before the Commission as to ongoing shortages of junior and mid-grade officers in both the active and reserve components. There are also persistent shortages of individuals in certain "high-demand/low-density" skill categories, while certain skills are overrepresented in the reserve components. The impact of the current operational tempo on personnel readiness has been mitigated through force-shaping programs such as the use of recruitment and retention bonuses, advanced promotions, and the cross-leveling of units to obtain qualified personnel. However, these policies do not provide a sustainable basis

for maintaining the personnel readiness of the reserve components as part of an integrated total force that promotes a continuum of service. (Recommendations on attracting, managing, and supporting personnel appear in sections III and V.)

Complicating any effort to assess the readiness of the reserve components is the lack of uniform reporting standards among the services.

B. INDIVIDUAL MEDICAL READINESS

Although not included in the existing readiness rating system, two additional personnel factors are critical to the personnel readiness of the reserve components: individual medical readiness and full-time support. DOD sets a service-wide goal of 75 percent for individual medical readiness. Five of the seven reserve components are not satisfactorily meeting DOD medical readiness standards.

Recommendation:

34. Ensuring individual medical readiness is a corporate responsibility of the Department of Defense. The Assistant Secretary of Defense for Health Affairs should create an account in the Defense Health Program for the reserve components to meet the individual medical readiness (IMR) requirements that it has established, and then hold individuals and their unit commanders responsible for maintaining individual medical readiness standards.

a. DOD should provide annual dental screening at no cost to service members.

b. To encourage reservists to maintain dental readiness, Congress should, for the member only, reduce the out-of-pocket costs for restorative dental care (currently 20–50 percent) under the TRICARE Dental Program.

c. All services should adopt a policy of requiring service members to be medically ready at the time they complete annual training requirements.

d. Commanders of all National Guard and Reserve units should be held responsible for the individual

medical readiness of their unit, and reserve component members should have appropriate incentives to meet IMR standards.

Congress should authorize that service Secretaries may provide members of the Ready Reserve any medical and dental screening and care that is necessary to ensure that the member meets the applicable medical and dental standards for deployment. To provide such screening and care, service Secretaries should be authorized to use any available funds appropriated for the operations and maintenance for the reserve components involved.

C. FULL-TIME SUPPORT

Adequate full-time support is essential for reserve component unit readiness, training, administration, logistics, family assistance, and maintenance. The effective performance of such functions correlates directly to a unit's readiness to deploy.

In the Army, funding for full-time support has not been sufficient. In fact, the Army does not have a reliable process for determining full-time support requirements in its reserve components. But it is clear that in particular, small units (equivalent to company-size and below) have not received adequate FTS personnel. The provision of full-time support is an opportunity for the Army to more fully integrate its active and reserve components into a total force.

In the Army, funding for full-time support has not been sufficient.

The full-time support programs in the reserve components of the Navy, Marine Corps, and Air Force promote the achievement of total force readiness and one standard. The Marine Corps and Navy programs could, however, do more to increase interaction between the active and reserve component.

Recommendations:

35. **All reserve component full-time support personnel must be the best-qualified individuals, selected for these billets on the basis of their knowledge, skills, and abilities to fulfill unit full-time support needs, including needs for training and certification for de-**

ployment. To support a competitive career path they must be required to serve in periodic tours with the active component, in operational forces, or in total force assignments at joint or service-level headquarters.

36. Congress, with input from the Department of Defense, should adopt a new model to provide full-time support to the Army reserve components as part of an overall program to improve their military effectiveness and to more fully integrate the Army and its components into a total force. This program should have the following elements:

    a. On an expedited basis, the Army should complete a baseline review—that is, a full manpower review, down to the lowest level—to determine the full-time support requirements for the reserve components as part of an operational force, including those requirements related to DOD's homeland defense and civil support missions.

    b. DOD should program and budget, and Congress should fully fund by fiscal year 2010, the Army's identified full-time support requirement. The Secretary of the Army should also seek to generate additional military manpower for this purpose, including through military-to-civilian conversions.

    c. The Army should replace all Army Reserve Active Guard and Reserve (AGR) personnel with active component soldiers with recent operational experience serving rotational tours. The transition should take place gradually, in phases, to ensure that the careers of currently serving AGR Army reservists are protected.

    d. Military full-time support for the Army National Guard should be a mix of active component soldiers and AGR soldiers. Active component soldiers serving in Guard FTS positions should have recent operational experience and serve in rotational assignments of defined duration, under the control of the governor, and be dual-hatted, serving in Title 10 status and in the state's National Guard.

37. **The Secretary of the Army should prescribe that all military technicians in the Army's reserve components be assigned to the same organization in both their military and civilian capacities at all times, that they be required to maintain full qualification in both their military and civilian capacities, that they deploy with the organization to which they are assigned, and that such technicians who lose their military qualifications shall be either reassigned to non-deploying civilian positions or separated in accordance with established civilian personnel procedures.**

38. **The Marine Corps Active Reserve program should be merged into the active component with no loss to the Marine Corps Reserve in total full-time support billets. This merger should be completed in phases to protect the careers of marines currently serving in the Active Reserve.**

39. **The Navy Reserve's FTS program should be replaced with a program that provides active component full-time support to reserves with no loss in the number of billets that support the reserve component. The transition to active component FTS for the Navy should take place in phases to protect the careers of currently serving FTS Navy reservists.**

D. TRAINING

The reserve components have minimum training requirements defined in law that equate to approximately two days per month plus two weeks of annual training. In addition, some service members perform individual training and qualifications. Each reserve component trains its personnel differently, but all currently report unmet training needs. This problem is rooted in the additional training requirements generated from consolidation and transformation initiatives, as well as in wartime requirements that have combined to create unaddressed needs for increased training capacity. During their long wait to be trained, reservists are not available to fully engage in unit activities.

An operational reserve will require additional training resources to achieve necessary readiness levels for three reasons. First, an operational reserve will be expected to be ready to deploy under a "train, mobilize, deploy" model. As a result, most individuals and units will be required

to train more than the traditional 39 days per year in order to meet standards established by the services' force generation models. The Army National Guard and Army Reserve will need to certify the readiness of their units at home stations. Army officials responsible for certification must be engaged before activation to avoid repeated checks at post-mobilization training sites. Post-mobilization training must be efficient and focused solely on theater-specific requirements in order to maximize the "boots on the ground" time of deployment within the limited period of activation. Reserve component training will require greater planning and coordination with the active component. Current Army reserve component training programs are inadequate to meet the needs of this operational force construct.

An operational reserve will require additional training resources to achieve necessary readiness levels.

Recommendations:

40. **The Secretary of Defense should ensure that training institutions and facilities are resourced to meet the needs of the total force. In particular, institutions should be able to meet the current training needs of reserve component personnel, whether the courses they offer are resident, nonresident, or distance learning tailored to the reserve components. The service Secretaries should ensure that the school training system provides sufficient access to seats for members in its active and reserve components to meet total force training requirements, and should further integrate the system as necessary to achieve that goal.**

    a. **Each service should reassess the number of training and administrative days that reserve component units and members will need prior to activation. The services should fund and implement policies to undertake more pre-mobilization training and to focus training on mission requirements.**

    b. **The services should disclose fully to all prospective members of units the expected number of training days required annually to participate successfully in that unit. Annual training requirements beyond the traditional 39 days per year should be based on unit needs and accomplished by clear mutual**

agreement with the individual service member regarding his or her minimum obligation.

c. Training equipment must be sufficient to give service members regular access to modern warfighting equipment so that they can train, and can develop and maintain proficiency, on the same type of equipment with which they will be deployed and fight.

41. To effectively implement a "train, mobilize, deploy" model, the Secretary of the Army should direct that pre-deployment training is programmed for and that reserve component units are certified ready to the company level. This certified training should ensure that units arrive at mobilization stations without the need to be recertified and are ready to perform theater-specific training.

E. EQUIPMENT AND SUPPLIES

Congress tasked the Commission to assess the adequacy of funding for National Guard and Reserve equipment. The high operational use of reserve equipment in the current conflicts has degraded their readiness for both combat operations and domestic emergency response. Such degradation, added to the low priority historically given to reserve component requirements and such practices as passing down older, obsolete equipment from the active to the reserve components, has generated equipment deficiencies.

Existing equipping strategies and budgets for equipment are inadequate to sustain an operational reserve. DOD reports show a $48 billion unfunded shortfall for reserve component equipping at the beginning of fiscal year 2007. This figure does not include the projected costs of adequately equipping reserve forces to meet the requirements of the Army Force Generation Model or to prepare adequately for responding to catastrophes. Many reserve component units in the Army continue to have non-deployable substitute equipment. The Army's plans to modernize and equip its reserve components are unrealistic in light of plans to increase active component end strength, prior unfulfilled plans to equip its reserve components, and requirements associated with transformation initiatives. Too often Army materiel development, acquisition, and modernization programs, as well as multiyear procurement contracts, do not integrate reserve component requirements. For

example, the Army has not programmed to provide the Army National Guard with its multi-billion-dollar Future Combat System (FCS), its main transformation initiative.

Existing equipping strategies and budgets for equipment are inadequate to sustain an operational reserve.

The Army has funded or programmed nearly $47 billion for reserve component equipment between 2005 and 2013. Yet current Army plans and budgets for equipment will not restore readiness and attain the goal of fully manning, training, and equipping its units until 2019. The current strategies of equipping just prior to deployment and cross-leveling equipment between units will likely continue for some time. The Commission believes that this target date of 2019 delays the restoration of equipment readiness for too long and increases the likelihood the Army's plan will not be realized. The goal of fully equipping the Army reserve components should be reached much sooner, with particular emphasis on rapidly procuring critical dual-use (CDU) equipment.

The Army National Guard has identified a funding shortage for critical dual-use items needed for both warfighting and domestic emergency response. As noted above, the Department of Defense does not explicitly budget and program for civil support missions, and the Department of Homeland Security has not identified the requirements that DOD must meet to adequately perform domestic civil support missions.

Equipment readiness is a matter not just of adequate funding but also of ensuring oversight of funding allocations. It is extremely difficult to track reserve component equipment from its appearance in budget documents to its delivery. DOD officials responsible for performing this function can provide only estimates, not accurate assessments of progress in efforts to eliminate shortfalls in reserve component equipment levels.

The challenge for the reserve components in equipment funding is tracking the money from the budget line to execution. Procurement funding is consolidated for all components in each service in a document referred to as the P-1. A supplemental document, the P-1R, lists the equipment (and associated funding) that is identified in the P-1 as intended for distribution to the reserve components. However, there is no mechanism to ensure that the items specified in the P-1R are not subsequently diverted to other purposes. In the work leading to our March report, the Commission looked at the viability of establishing a separate procurement

appropriation for each component—consistent with current treatment of personnel, operations and maintenance, and military construction. The Commission concluded that the efficiencies of consolidation outweigh the benefits of a separate appropriation.

A better solution, which improves accountability for equipment destined for National Guard and Reserve forces while retaining the synergy and efficiency of the existing process, is to assign a separate program element code to each of the components. Requiring separate program elements would continue to provide the economy of scale and efficiencies of one appropriation while allowing oversight during the execution process. Any major reprogramming from reserve to active component use would require approval from the four defense oversight committees.

Recommendations:

42. **Congress should require that total force equipment requirements be included in service and joint materiel development, acquisition, and procurement plans, production contracts; and delivery schedules.**

43. **Program elements should be added to the DOD procurement budget justification material and accounting system to increase transparency with regard to reserve component procurement funding and to improve DOD's ability to track delivery of equipment to the reserve components.**

44. **The services should conduct a baseline review of reserve component equipment requirements, encompassing the accelerated degradation of equipment readiness caused by the current operations as well as the services' plans to implement force generation deployment models for both the active and reserve components; those requirements for civil support identified through DOD's collaboration with the Department of Homeland Security; and a revalidation of existing requirements, some of which remain tied to Cold War force management and a strategic reserve.**

45. **The services should use this review to prioritize funding to restore equipment readiness for the current operations and to prioritize programming and budgeting for requirements, including**

a. **Re-equipping programs for the Army and Marine Corps that would restore their reserve components to a C-1 level (as measured by the Status of Resources and Training System, modified pursuant to Recommendation #32) for required equipment on hand (including systems in training sets) as soon as possible, but no later than 2015.**

b. **Providing critical dual-use (CDU) equipment to conduct the full range of homeland missions as soon as possible, but no later than 2013.**

F. Access to the Reserve Components

Mobilization laws and policies are among the key factors that affect how the reserve components are used, in terms both of how accessible the reserve components are to the federal government and of how predictable deployments are for service members. These laws and policies must provide adequate authority and generate practices to support a predictable and effective mobilization process.

Current mobilization statutes were enacted for Cold War–era scenarios in which the National Guard and Reserves were a force to augment and backfill the active forces (after long post-mobilization training periods) only in the event of a major conflict. These statutes address neither the needs of the current prolonged conflict, in which portions of the reserve component are at an extremely high operational tempo, nor the permanent use of that force in a sustainable system of rotation.

Service Secretaries are tasked with the responsibility under Title 10 to organize, man, train, equip, and mobilize forces within their departments. However, the mobilization process is in fact managed within the Department at a higher level, burdened by lengthy approval processes that can cause delays in notification to units and individuals about pending deployments.

Current mobilization statutes were enacted for Cold War–era scenarios in which the National Guard and Reserves were a force to augment and backfill the active forces.

On January 19, 2007, Secretary Gates issued a mobilization policy that addressed the lack of effective guidance regarding how many times a reservist can be mobilized, for how long, and the amount of time reservists should be allowed to remain at home between deployments:

he announced that reservists can be remobilized, stating as a goal that mobilizations should be for periods of no longer than 12 months, with a five-year dwell time between them. However, this policy cannot be fully implemented by the Army and Marine Corps given current global commitments and the existing force structure.

In addition, DOD and the services have explored using contract-based service agreements to augment existing mobilization statutes. An example of such agreements is the variable participation reserve unit (VPR-U) concept, which provides for members to become part of a unit performing more than the minimum annual training commitment without involuntary mobilization. Such contracts further DOD's goal of enabling enhanced participation by reserve component service members.

Recommendations:

46. **Congress should amend the partial mobilization statute (10 U.S.C. §12302) to clarify congressional intent with regard to the duration of the mobilization obligation.**

47. **The limitation of 1,000,000 service members at any one time that can be mobilized under a partial mobilization should be replaced with a limitation that is relevant to the size of the existing Ready Reserve or the new reserve component categories proposed by the Commission in Recommendation #86.**

48. **Congress should require the military services to report on any potential impediments to implementing dwell times and deployment periods that are sustainable during current and projected operations and to specify the necessary actions and appropriate milestones to overcome these impediments.**

49. **Service Secretaries should be empowered to exercise their statutory authority to conduct the functions of mobilizing and demobilizing their respective departments. Other DOD organizations should defer to this statutory authority.**

50. **The military services should provide their members with adequate notice of a mobilization. Until the Army and Marine Corps have fully implemented force generation models for predictability, alert noti-**

fication for these services needs to occur earlier—one year out—to allow all units sufficient time to train and prepare for deployment.

51. a. Congress should update 10 U.S.C. §12311 to provide for contract-based service agreements for units and individuals of the reserves.

b. DOD should employ a contract-based service and incentive system to ensure access to the reserve components and to provide predictable and sustainable activations.

c. The services should expand the number of variable participation reserve units.

d. The contract-based system of assured availability recommended here should form the basis of accessing the Operational Reserve category outlined in Recommendation #86.

V. SUPPORTING SERVICE MEMBERS, FAMILIES, AND EMPLOYERS

The Commission was tasked by Congress to assess "the adequacy and appropriateness of the compensation and benefits currently provided for the members of the National Guard and the other reserve components, including the availability of health care benefits and health insurance." Since that time, Congress has made a number of improvements in the compensation and benefits, including health care, provided to reserve component members. Congress has, for example, approved a reserve component critical skills bonus and permitted the Secretary of Defense to waive the requirement limiting that bonus to those with not more than 25 years of service, expanded high-priority unit assignment pay, improved the housing allowance, created new health care benefits for reserve component members and their families, and authorized payment of a stipend to continue civilian health plan coverage for an activated reservist's dependent with special health care needs.

The Commission examined remaining disparities in compensation and benefits and evaluated the availability and user-friendliness of DOD's health care program (TRICARE) for reserve component families. In addition, the Commission paid particular attention to two major influencers of the reserve component member's decisions about enlistment, participation, and retention: families and employers.

The ability of reserve component family members to receive medical care when a service member is activated (so-called continuity of care) remains a major worry for reserve component families, because civilian providers often do not participate in TRICARE and because for many family members, particularly those new to the military, TRICARE is difficult to navigate and not user-friendly.

Numerous serious shortcomings have been identified in the health care provided to injured service members, including inadequate case management, delays and inconsistencies in the disability determination process, lack of coordination between the Department of Defense and the Department of Veterans Affairs, and inadequate processes for assessing such grave conditions as post-traumatic stress disorder (PTSD) and traumatic brain injury (TBI).

> The ability . . . to receive medical care when a service member is activated . . . remains a major worry for reserve component families.

In addition, although employer support is critical to recruiting and retaining a quality reserve force, DOD has not taken sufficient steps to recognize the vital role that employers play, such as providing them with greater predictability in their employees' deployments and creating a stronger partnership between employers and senior-level decision makers within the Department. There continue to be reports that employer support is waning.

Conclusion Five: To maintain an operational reserve force over the long term, DOD must appropriately support not only the service members themselves but also the two major influencers of members' decisions to remain in the military—their families and employers. Significant improvements in current programs in all three areas are essential to sustain an operational reserve force both today and in the future.

A. Compensation

Housing and Travel Issues

In 2004, a congressionally directed DOD report on reserve compensation identified the requirement that reservists be on active duty for 140 days or more in order to receive full basic allowance for housing (BAH)

as a funding-driven disparity impeding a seamless flow from reserve to active duty status. Congress subsequently reduced the threshold to 30 days. In the Commission's view, the lower 30-day threshold remains a funding-driven constraint that both is out of sync with duty status reforms recommended elsewhere in this report and impedes a continuum of service.

In testimony at public hearings, considerable concern was expressed to the Commission about the distances that some reserve component members must travel to their weekend drills and the out-of-pocket costs incurred by members for that travel. The average distance traveled varies among the services, depending on whether the reservist drills with a local unit or provides support to a more distant command. The problem has been exacerbated in some components by the Defense Base Closure and Realignment Commission process. As a result, commanders have found it increasingly challenging to recruit and retain qualified personnel, particularly for leadership positions, who may reside far from their training locations.

If Congress were to expand recently enacted legislation to provide DOD with broader authority to reimburse reserve component service members, on a discretionary basis, for inactive duty training (IDT) travel over 50 miles, military commanders would be better able to effectively manage the reserve component. In addition, authority to reimburse for travel is consistent with—and an important component of—the duty status reforms recommended elsewhere in this report.

DOD and Congress will need to further review compensation and personnel policy issues to ensure that reserve component members are treated equitably both during and after the transition to two duty status categories.

Recommendations:

52. **Congress should eliminate the ordered-to-active-duty-for-more-than-30-days requirement for receipt of full basic allowance for housing.**

53. **Congress should provide the service Secretaries with discretionary authority, delegable to the reserve component Chiefs, to reimburse service members for travel expenses in excess of 50 miles to participate in what are currently called drill periods. In addition, using existing authority, the services should budget for and provide lodging to each reserve component**

member who travels more than 50 miles from his or her residence to perform inactive duty training.

The Montgomery GI Bill

The Montgomery GI Bill–Selected Reserve benefit was designed as a retention tool that provides educational assistance to reserve component members who continue in a drilling reserve status. Over the past several years, more than half of reserve component members using a reserve educational benefit (including the MGIB-SR) were unable to continue their education because they were activated. Current law does not allow a reserve component service member to use the MGIB-SR benefit if he or she leaves the Selected Reserve and transitions into the Individual Ready Reserve.

Recommendation:

54. **Congress should amend the law to permit reserve component service members who have been activated for a specified period of time to use MGIB-SR benefits after their discharge, provided that they remain subject to recall and supply DOD with accurate contact information.**

B. SERVICE MEMBER PROTECTIONS

Reservists returning to civilian life sometimes encounter difficulties in their civilian employment. The Uniformed Services Employment and Reemployment Rights Act of 1994 defines the roles and responsibilities of individual agencies in aiding such reservists, but it does not make any single individual or office accountable for overseeing the entire complaint resolution process. The lack of such oversight makes it difficult for the relevant agencies—the Departments of Defense, Labor, and Justice, and the Office of Special Counsel—to effectively carry out their USERRA responsibilities, though all have taken action to improve the information provided to employers and the assistance offered to service members under the law.

USERRA, which establishes that an employee may be absent from work for military duty for a cumulative total of five years and retain reemployment rights, was originally written with a strategic reserve force as its focus, but its Cold War design does not appear to have disadvantaged service members or their families at a time when the reserves have become operational. USERRA affords reservists fundamental protec-

tion against employment and reemployment discrimination. Moreover, its cumulative five-year maximum, along with its exemptions to that limit, provides an essential safeguard for the service member. USERRA and Department of Defense policy offer adequate notice to and redress for employers, given the unpredictable nature of military duty. Nonetheless, USERRA would benefit from some fine-tuning as the reserves become an operational force.

USERRA does not specify how much advance notice of duty is required to be provided to employers. An employer may ask the unit for verification of the duty performed; but under USERRA, an employer is entitled to proof of service only when the period of absence exceeds 30 days. Any inconvenience to the services caused by providing proof of an employee's service is minor in comparison to the sacrifices that employers willingly bear.

Reservists returning to civilian life sometimes encounter difficulties in their civilian employment.

USERRA also provides that a reservist's health care plan can be reinstated on reemployment, without exclusions or a waiting period. However, in the case of flexible spending accounts (employer-established benefit plans, primarily funded by the employee, that are used to pay for specified medical expenses as they are incurred), this intent conflicts with the Internal Revenue Code, whose treatment of FSAs unfairly penalizes redeploying service members. Moreover, there is no clear rule that protects the health care reenrollment rights of a service member whose return to work is timely but who elects not to immediately reenroll in his or her employer-based health care plan, choosing instead to use the Transition Assistance Management Program (TAMP) benefit. The TAMP 180-day post-deployment transitional TRICARE coverage is a valuable benefit for redeploying service members and their families, and it is unfair that service members who elect to use this benefit are put in the position of losing USERRA's protection of civilian health insurance coverage.

The Servicemembers Civil Relief Act (SCRA) allows all members of the armed forces to suspend or postpone some civil obligations so that they may devote their full attention to their duties. An area of particular concern is mortgage foreclosure. Reservists face considerable stress when they return from deployment; while some of those stressors are unavoidable, service members can be given more time to deal with the threat of foreclosure.

Lastly, the use of Social Security numbers on military documents, identity cards, and dog tags increases the chance that military members and their families could be the victims of identity theft and related fraud.

Recommendations:

55. **Congress should make a single entity accountable for overseeing the entire USERRA complaint resolution process.**
56. **USERRA's five-year limit and its exemptions should not be eliminated or modified. USERRA should, however, be amended to establish that an employer is entitled to documentation, if available, confirming that an employee performed any period of military service.**
57. **Both the Internal Revenue Code and USERRA should be amended to specify that when service members are mobilized and until their deployment ends, the "year" in which funds were deposited into their flexible spending accounts be frozen.**
58. **USERRA should be amended to specify that an exclusion or waiting period may not be imposed in connection with the reinstatement of an employer-based health care plan upon reemployment or upon termination of health care coverage under the Transition Assistance Management Program, whichever is later. In addition, the Servicemembers Civil Relief Act (SCRA) should be amended to increase the period during which a service member may apply for reinstatement of health insurance from 120 days to 180 days, the period of TAMP eligibility.**
59. **The SCRA should be amended to increase to a period greater than 90 days the time allowed a service member to file for relief from foreclosure.**
60. **DOD should replace Social Security numbers with another form of unique identifier for service members and their families in all Defense systems and should discontinue the use of SSNs on identity cards and dog tags.**

C. HEALTH CARE

Using TRICARE is often a challenge for reserve family members unfamiliar with its complexities. Many "suddenly military" National Guard and Reserve families, whose service members are activated for the first time, find TRICARE to be difficult to navigate and non-user-friendly. Many reserve component families find it difficult to maintain continuity of medical care using their existing health care providers once their service member is activated, because many civilian health care providers do not participate in TRICARE. Simplifying the TRICARE reimbursement and claims process would encourage more providers to participate in the program.

TRICARE Management Activity and the military services have not undertaken a sufficiently aggressive educational campaign to help improve reserve component families' understanding of TRICARE. Important elements include more briefings, Web pages, and printed materials prepared for first-time users, as well as the creation of a centralized ombudsman capability to assist families in solving their TRICARE problems.

The Commission examined health savings accounts and flexible spending accounts as an alternative to TRICARE and found that they do not offer a viable option, as currently structured. However, as an add-on, flexible spending accounts could prove helpful in offsetting unreimbursed out-of-pocket costs, such as co-payments and deductibles.

The Federal Employees Health Benefits Program (FEHBP) makes a variety of insurance plans available to federal employees nationwide at reasonable cost. It offers a viable alternative to TRICARE, with the potential of improving continuity of care for family members when service members are activated. In addition, a stipend provided by DOD to the service member or employer, or a tax credit to the employer, to retain coverage for family members during activation could help maintain continuity of care for the member's family and could provide an incentive for employers to hire reservists. In the Commission's view, payment of a stipend would do more than give families an important benefit: it would constitute a major element of an enhanced compact with employers, whose continued support, like that

Many "suddenly military" National Guard and Reserve families . . . find TRICARE to be difficult to navigate and non-user-friendly.

of families, is essential to recruiting and retaining top-quality young men and women in the National Guard and Reserves.

Recommendations:

61. Congress should direct DOD to resolve long-standing issues for families not located near military treatment facilities (MTFs). This direction should include mandates to

a. Update educational materials to be more user-friendly, written in easy-to-understand language.

b. Establish an Assistant Secretary of Defense for Health Affairs ombudsman office, with a single toll-free customer support number, for family members who do not have convenient access to an MTF benefits counselor to resolve problems.

c. Simplify the TRICARE claims and reimbursement process to eliminate current disincentives that discourage providers from participating in the TRICARE program.

62. In addition to offering TRICARE Reserve Select to all members of the Selected Reserve, Congress should amend the law to permit reserve component members to participate in the Federal Employees Health Benefits Program (FEHBP). When the service member is activated, with or without the member's consent, DOD should pay the premiums for coverage of the service member's family. When the member is inactivated, however, the member should again pay the premiums, as is now the practice, for TRICARE Reserve Select.

63. Congress should establish a program that provides the activated service member with a stipend (whose use for medical care must be certified) or provides the employer either a direct stipend or a tax credit as reimbursement for the cost of keeping the member's family in the employer's health insurance plan during the period of activation; the stipend should be based on an actuarially determined cost of the TRICARE benefit.

D. ENHANCING FAMILY SUPPORT

Family members play an important role in the service member's decision to remain in the military. Increased operational use of the reserves has placed added stresses on families and family relationships. Reserve component family members face special challenges because they are often at a considerable distance from military facilities and lack the on-base infrastructure and assistance available to active duty family members.

Some families have reported problems in obtaining needed information and assistance from other services or other reserve components. Military family members today believe that all families in the community should enjoy a comparable level of "purple" support services, regardless of an individual's service or component—with adequate funding and staffing resources. And while a robust network of reserve component family members who serve as volunteers assisting other RC family members is a critical element of an effective family support program, family readiness suffers when there are too few paid staff positions within family support programs to help maintain the volunteer network's administration.

> Military family members today believe that all families . . . should enjoy a comparable level of "purple" support services.

For families living a considerable distance from on-base facilities, Military OneSource is the best current program providing "one-stop shopping" for military family support services, but it is underadvertised and underutilized. Many reserve component members and their families have never heard of this valuable resource. Families also need better sources of information and assistance during the mobilization and demobilization processes.

Recommendations:

64. **DOD should create a "purple" system, available to employees of any DOD family assistance center via the Internet and phone, that would allow any family member access to needed information.**

65. **DOD should increase funding within reserve component budgets for family support services to ensure that there are sufficient paid staff members within these programs to maintain the services' volunteer net-**

works. In order to reduce the isolation of reserve component families, DOD should place a paid, full-time employee charged with family support at the unit level in all units (and the term *unit level* should be defined by each component) to augment the existing volunteer network.

66. **DOD should initiate and execute a massive information campaign to educate reserve component members and their families about the capabilities offered by the Military OneSource program.**

67. **DOD should change its policies to increase the amount of family participation in the mobilization and demobilization process in order to help educate family members about benefits, health care, family support programs, potential demobilization issues, and other family concerns.**

E. ESTABLISHING A COMPACT WITH EMPLOYERS

Like families, employers have a major influence on whether reservists continue their reserve participation and on the level of that participation. In a 2002 report, DOD acknowledged the need for a stronger compact between DOD and the employers of its reserve members. Employers are experiencing many challenges because of the high operational tempo of the reserve components during the past several years. These challenges have caused a strain in relations between employers and DOD.

Created in 1972, the National Committee for Employer Support of the Guard and Reserves (ESGR) fosters support for reserve service within the employer community and assists individual reservists who are experiencing problems with their employers because of their reserve status. ESGR relies heavily on a nationwide network of local employer-support volunteers. Given the operational use of the reserves today, the role of ESGR within the Department of Defense and within the employer community clearly should be strengthened. In the Commission's view, employers need a stronger voice to make their concerns known at the highest levels of the Department of Defense. In addition, DOD currently has no one phone number that employers can call or Web site that they can visit to receive comprehensive information on reserve component issues; such a centralized source would greatly enhance employers' education about and knowledge of these issues and would benefit reserve component members as well.

The federal government employs more reserve component members than any other employer in the United States. In the benefits it offers reserve component members, such as military leave and continued medical coverage for family members during activation, the federal government sets the pattern for other employers. The federal government should also be a model employer in its treatment of reservists, but this is not always the case.

Several countries allied with the United States are using contracts between the government, employers, and employees to form a "sponsored/contracted reserve," which can be used to provide a manpower pool for military mobilization based on specific skills. A sponsored/contracted reserve is also part of the compact between the government and the employer in which all parties participate, enabling all to agree to the reservist's level of commitment.

> . . . employers need a stronger voice to make their concerns known at the highest levels of the Department of Defense.

The resources available from the Small Business Administration to aid small business owners who employ mobilized and deployed reserve component members are not well publicized. The Small Business Administration does not have an effective program to educate small business owners on how they can protect themselves from incurring a substantial monetary loss when one of their employees is deployed. The time period during which Military Reservist Economic Injury Disaster Loan (MREIDL) assistance is available to small businesses that employ reserve component members is inadequate.

Recommendations:

68. **The mission of the National Committee for Employer Support of the Guard and Reserves (ESGR) should be expanded. It should encompass helping employers find information on a wide range of topics, including those within the purview of the Department of Labor, Small Business Administration, and Department of Veterans Affairs; preparing and distributing information to employers on post-deployment health issues faced by reserve component members, such as post-traumatic stress disorder (PTSD) and traumatic brain injury (TBI); and providing employers with in-**

formation on the sources of assistance available to the member and his or her family.

a. DOD should increase the numbers of ESGR paid staff, particularly ombudsmen in the field, to enhance the level of expertise available to employers and service members and to promote greater institutional memory.

b. ESGR's name should be changed to reflect its expanded mission. The new organization should balance its outreach to employers and to service members and their families.

c. Supervision of ESGR should be removed from the Assistant Secretary of Defense for Reserve Affairs, and the ESGR's executive director should be made an advisor or assistant to the Secretary of Defense.

69. The Secretary of Defense should establish an employer advisory council to meet regularly with and provide direct input to the Secretary of Defense. The Secretary should appoint the council members in accordance with congressional direction regarding the type and mix of employers who should be included. In addition, DOD should establish a program for regularly surveying employer interests and concerns and should track data developed in those surveys on a longitudinal basis.

70. The President should direct all federal agencies and the U.S. Postal Service to issue guidance emphasizing the importance of reserve service; prescribing appropriate behavior for supervisors with regard to their employees who are reservists, including treatment of reservists as a criterion for rating performance; and prescribing sanctions for noncompliance. State and local governments should adopt similar policies and procedures.

71. Information on Military Reservist Economic Injury Disaster Loans (MREIDLs) and other assistance from the Small Business Administration should be provided to reserve component members and their small business employers at the time they join the National Guard or Reserves. Either these small busi-

nesses should be able to get MREIDLs immediately, because they have key employees in the reserve component, or they should be able to do all the paperwork and qualify for the loans at that time, and then secure them as soon as the employee learns that he or she will be activated.

72. **DOD should explore the possibility of creating and implementing a standardized program for a "contracted reserve" that is developed around a contract between volunteer civilian employers, their volunteer employees, and the U.S. government to provide a specialized and skilled reserve force for use in time of need.**

F. DEMOBILIZATION AND TRANSITION ASSISTANCE

The demobilization process is designed to assist reserve component members in transitioning back to civilian life. For today's operational reserve, it is also essentially the first opportunity to begin preparing reserve component members for their next deployment. Many problems in the demobilization process have come to light during the global war on terror. Those issues have been considered over the past year by a number of other commissions and task forces and by Congress in its passage of the landmark Wounded Warrior Act. Numerous serious shortcomings have been identified in the health care provided to injured service members, including inadequate case management, delays and inconsistencies in the disability determination process, lack of coordination between the Department of Defense and the Department of Veterans Affairs, and inadequate processes for assessing such grave conditions as post-traumatic stress disorder and traumatic brain injury. Several groups performing reviews have found significant differences in how disability ratings are assigned both within and between the services and between DOD and VA.

The demobilization process relies on data gathered before service members deploy, but the pre-deployment health assessment mandated by Congress may not adequately identify serious mental or physical health problems prior to deployment. Once service members return, shortcomings in the demobilization process delay timely identification of PTSD, TBI, and other serious health problems. There are significant disparities among the services with respect to how well health care providers follow up on the mental health questions on the Post-Deployment Health

Assessment (PDHA). The Office of the Secretary of Defense also has failed to provide uniform guidance. In addition, the services do not adequately track completion of the Post-Deployment Health Reassessment (PDHRA) within the required 90–180 days, a lapse in oversight that affects reserve component members.

While physical injuries are usually identified and treated when they occur, mental health problems may at first not be easily detected or may be the result of cumulative exposure. Inactivating reserve component members often lose touch with their colleagues and their chain of command during the transition process, as current DOD policy exempts involuntarily activated members from drill periods for 60 days after a unit returns from deployment. During that span of time, serious problems may go unrecognized. And problems may be exacerbated if the PDHRA is not administered in a timely manner.

> . . . the pre-deployment health assessment mandated by Congress may not adequately identify serious mental or physical health problems.

In fact, 44 percent of reservists and 41 percent of national guardsmen screened since 2005 have reported some concerns about psychological health. Because many reserve component members live at a significant distance from military installations, however, they often have considerable difficulty in finding good information about and access to medical care. Reserve component members who serve in cross-leveled units distant from their home station and as individual replacements can face particularly difficult challenges in finding needed support and assistance after they are inactivated.

Reserve component members returning from theater may be discharged with their dental problems unresolved. Many are unaware that they have a limited time period, recently increased from 90 to 180 days, to access dental care through VA. Failing to seek such care can impair dental readiness for the next deployment cycle and result in additional out-of-pocket expenses.

Many reserve component members do not receive adequate transition assistance information during briefings and during the demobilization process, especially when demobilization occurs at a site other than their home station. A good model is the Minnesota National Guard's Yellow Ribbon Program, which offers a promising holistic system for addressing the reintegration challenges of medical benefits, suicide prevention, family benefits, legal issues, education, employment, and business.

Recommendations:

73. To ensure coordinated implementation of the excellent recommendations of the reports submitted by numerous commissions over the past six months, as well as Congress's landmark Wounded Warrior Act, the President should require the development of action plans—including timelines for implementation—by the Department of Defense, the Department of Veterans Affairs, and other federal agencies. The President should also establish a cabinet-level task force to oversee their implementation, coordinate interdepartmental concerns, and address issues of funding with the Director of the Office of Management and Budget. The cabinet-level task force should make its top priority restructuring and streamlining the DOD and VA disability determination processes and eliminating other long-standing VA and DOD stovepipes, such as medical information systems that lack interoperability and bidirectionality.

74. The pre-deployment health assessment should be revised to reflect the original congressional intent to establish baseline health data, including data on psychological health; it should also go beyond the current reliance on self-assessment to incorporate greater participation by health care providers.

75. Reserve component units should resume monthly drills immediately after demobilization. As recommended by DOD's Mental Health Task Force, "At least the first drill should focus on reintegration issues with attention to discussion of deployment experiences, aspects of reintegration into community life, coping strategies and resilience supports, and other appropriate topics."

76. The services should more closely track Post-Deployment Health Reassessments to ensure that they are completed within the statutorily required 90–180 days and that a member who has identified problems on the reassessment receives face-to-face counseling from a provider. In addition, a tracking system should be established to identify reservists who have

not completed the PDHRA, and DOD should monitor the services' compliance with all requirements.

a. DOD should prescribe uniform guidance for providers who follow up on responses to the mental health questions on the Post-Deployment Health Assessment, and it should monitor the services' compliance.

b. DOD, VA, and the services should establish protocols requiring VA participation in the counseling of service members and their families both before and after deployment, as well as VA participation in all post-deployment health reassessments.

77. The services should develop a protocol to ensure that needed services are available to reserve members who do not demobilize at their home station or who are members of the Individual Ready Reserve. The services should establish a tracking system to make certain that these individuals receive all the information, help, and benefits to which they are entitled.

78. Reserve component members should have one year to apply for dental care through VA.

79. Transition assistance information should be provided not just during the demobilization process but also during the first several post-demobilization drill sessions. Family members should be encouraged to attend and to participate in transition assistance; they should be counseled on the services available to assist families in coping with post-deployment concerns.

80. A single standard of reintegration care should be provided to all those who serve on extended or multiple deployments regardless of their service or reserve component category (Individual Ready Reserve, Retired Reserve, or individual mobilization augmentee). Funding to provide these services should be reflected in each service's base budget for the reserve components.

VI. REFORMING THE ORGANIZATIONS AND INSTITUTIONS THAT SUPPORT AN OPERATIONAL RESERVE

Congress directed the Commission to assess the current and future organization and structure, roles, and missions of the National Guard and Reserves. The current leadership structure of the reserve components and categories of reserve service were created and evolved during an era when the reserve components were intended to be used solely as a strategic reserve. If the Department of Defense and Congress choose to continue to use the reserve components as both an operational and a strategic force, then they will need to reform department, service, and reserve component organization and leadership structures to sustain that force.

Conclusion Six: The current reserve component structure does not meet the needs of an operational reserve force. Major changes in DOD organization, reserve component categories, and culture are needed to ensure that management of reserve and active component capabilities are integrated to maximize the effectiveness of the total force for both operational and strategic purposes.

A. MAKING NECESSARY CULTURAL CHANGES

Though there have been efforts at the highest levels to bridge the cultural and structural divide between the active component and the reserve component and though improvements have been realized in some of the services, the divide persists, to the detriment both of components and of the overall military mission. Some cultural divisions are not just perceptions but are based in law.

Recommendations:

81. **While differences will persist, the Secretary of Defense should recognize the cultural divide that exists between the reserve components and the active components, and should develop a new Total Force Integration Policy to achieve the next level of integration among all components.**
82. **The service Secretaries should ensure that active component officers are encouraged to serve in reserve**

component units and that such service is considered favorably when determining who is most qualified for promotion.

83. **Reserve component officers and senior enlisted personnel should be selected for leadership positions in reserve component units without geographic restrictions. As proposed in Recommendation #53, reserve training travel allowances should be modified to eliminate fiscal obstacles to implementing this policy.**

84. **All vestiges of the cultural prejudice existing between reserve and active component personnel that remain in law and policy should be removed. In particular, Congress should modify section 1187 of Title 10 to allow reserve officers to serve on Boards of Inquiry for active component officers.**

85. **Reserve designations should be removed from all titles, signature blocks, and unit designators.**

B. TRANSFORMING RESERVE COMPONENT CATEGORIES

The existing reserve component categories (RCCs) were designed to facilitate rapid expansion of the armed forces for a major war with the Soviet Union. They do not optimally support the rotational use of the reserve components over a prolonged period, as now envisioned by the Army and Marine Corps. The existing reserve component categories are not meaningfully tied to mobilization statutes, in that the three major subdivisions of the RCCs—Ready Reserve, Standby Reserve, and Retired Reserve—are not constituted in a way that reflects their readiness for mobilization, their use on a cyclic rotational basis or as part of a strategic, surge force, or their priority for resourcing.

> The existing reserve component categories . . . do not optimally support the rotational use of the reserve components over a prolonged period.

The current construct of RCCs must be expanded to encompass the total force, including the active components and retirees, both regular and reserve. This spectrum also includes men registered with the Selective Service System. Manag-

ing this entire spectrum holistically will foster required integration and a true continuum of service. It will support the reserve components' role as part of the operational forces and more efficiently allocate efforts to manage personnel who are part of the nation's strategic reserve force.

Recommendations:

86. The current reserve component categories should be reorganized. The total force manpower pool should be viewed as consisting of the full-time active components and the reserve components, which should be divided into two categories that support integration, a continuum of service, the operational use of the reserve force, and continuing strategic depth and the ability to surge when required. DOD and the services should effectively manage and resource both of the categories.

    a. The two major divisions that should be established are

        - The Operational Reserve Force, which will consist of present-day Selected Reserve units and individual mobilization augmentees and will periodically serve active duty tours in rotation supporting the total force.
        - The Strategic Reserve Force, which will consist of two subdivisions:
            - The Strategic Ready Reserve Force, consisting of current Selected Reserve units and individuals who are not scheduled for rotational tours of active duty as well as the most ready, operationally current, and willing members of today's Individual Ready Reserve and retired service members (regular and reserve), managed to be readily accessible in a national emergency or incentivized to volunteer for service with the operational reserve or active component when required.

- The Strategic Standby Reserve, consisting of those current Individual Ready Reservists and retired service members (regular and reserve) who are unlikely to be called on except in the most dire circumstances yet who still constitute a valuable pool of pretrained manpower worth tracking and managing.

b. Today's Standby Reserve category should be eliminated and its members that are not viable mobilization assets should be excluded from the total reserve force; those that are temporarily unavailable for mobilization should be maintained in the Strategic Reserve together with others unlikely to be called to service except in the case of full mobilization.

c. DOD and service leaders, in consultation with the Chairman of the Joint Chiefs of Staff and combatant commanders, must carefully determine which portions of each reserve component's current Selected Reserve should be placed in the Operational Reserve Force and which should be placed in the Strategic Reserve Force. These decisions must be based on requirements for units in rotation in constructs such as the Army Force Generation Model, the Marine Corps Total Force Generation model, and the Air Force Air and Space Expeditionary Force model. Requirements for homeland security and civil support capabilities must also be considered, and they may dictate that larger portions of the National Guard components be maintained in the Operational Reserve Force.

d. Each service must develop tools and incentives to manage each individual's movements between RCCs according to requirements for personnel, skills, and experience in active component and reserve component units and according to each individual's willingness and ability to serve. These tools must consist of both inducements for individuals to volunteer for service with operational forc-

es when needed and the legal authority to enforce their compliance with contractual obligations.

87. Members of the current Individual Ready Reserve and all military retirees should be placed into either the Strategic Ready Reserve Force or the Strategic Standby Reserve—depending on their readiness and willingness to serve, and on the need for their skills—and both categories should be managed to take advantage of these individuals' vast experience, including for homeland-related missions.

88. Regular retired service members and retired reserve service members should be managed together in the same RCCs and encouraged both to volunteer and to maintain readiness for identified mobilization assignments.

89. Service Secretaries should be held accountable for resourcing and managing their total reserve manpower regardless of category in order to maintain, ready for activation, the optimal pool of personnel with required skills and experience. The Secretary of Defense should report annually to Congress on the status of both the Operational and Strategic Reserve Forces.

90. DOD should treat individuals registered with the Selective Service System as part of the total manpower pool available in the event of national emergency, and should coordinate planning for the mobilization and training of those individuals with the Director of the Selective Service System.

C. REFORMING INSTITUTIONS TO SUPPORT AN OPERATIONAL RESERVE

Management of reserve forces was segregated from management of the active force during the Cold War. This approach, which worked when DOD plans assumed that the reserves would be called on once in a generation, is ill-suited to a long war that will require the use of the reserves as part of an operational force for the foreseeable future. Current and projected reserve component missions require greater interdependence between the reserve and active components than now exists.

As was discussed in our March 1 report regarding the Chief of the National Guard Bureau, the duties and responsibilities of the reserve component Chiefs have changed significantly since 9/11. As a result, a grade review is also needed in their case.

Title 10 of the United States Code assigns to the service Secretaries the responsibility and authority for conducting all affairs within their departments, including the management of reserve components. Service Chiefs have a similar mandate to oversee the manning, training, and equipping of their reserve forces, including the National Guard components. The Directors of the Army and Air National Guards, reporting solely to the Chief of the National Guard Bureau, are not optimally positioned to facilitate the execution of Title 10 responsibilities by the Secretaries and Chiefs of the Army and Air Force, respectively.

The Commission believes that the individuals serving in the Office of the Assistant Secretary of Defense for Reserve Affairs are some of the most highly qualified public servants in the Department of Defense. However, this office operates in isolation from functional managers elsewhere within the Office of the Secretary of Defense and thereby inhibits total force integration. It also operates in areas that interfere with the legal mandate given to the service Secretaries and service Chiefs to manage the reserve components. Moreover, its existence has exacerbated a tendency within the Office of the Secretary of Defense and the Joint Staff to deal with reserve component issues on a separate, stovepiped path, rather than efficiently integrating them with total force issues in the functionally organized offices of the Secretary. These problems are purely a function of the organizational structure with the Office of the Secretary of Defense, and do not reflect on the fine professionals who work in this office.

. . . the Office of the Assistant Secretary of Defense for Reserve Affairs . . . operates in isolation from functional managers elsewhere within the Office of the Secretary of Defense and thereby inhibits total force integration.

Recommendations:

91. The services Secretaries should manage reserve issues as part of the total force and assign the staffs who work on those issues to the appropriate assistant secretary assigned responsibility for the corresponding active component issues.

92. The Secretary of Defense should direct each service to review the duties, command relationship, authority, and grade of the respective DOD reserve component Chiefs/Commanders to determine whether the grade is appropriate for the duties being performed, and whether it is commensurate with duties performed by four-star officers in the Department. The Secretary should initiate action, as necessary, to change the grades determined to be appropriate for the reserve component Chiefs/Commanders. The grades of all reserve component Chiefs/Commanders and the Chief of the National Guard Bureau should be periodically reviewed to ensure that the duties and responsibilities required for these positions support the grade designated for them.

93. The statutory qualifications of all reserve component Chiefs should include the requirement that the officer appointed should be from the reserve component of the office to which he or she is appointed. Congress should amend sections 5143 (Office of Naval Reserve: appointment of Chief) and 5144 (Office of Marine Forces Reserve: appointment of Commander) of Title 10 to ensure that the Chiefs of the Naval Reserve and Marine Forces Reserve are from the reserve components of those services.

94. Congress should establish an office for the Director of the Army National Guard and an office for the Director of the Air National Guard within the Army and Air Force staffs, respectively. The directors of these offices would have responsibilities similar to those held by the Chief of the Army Reserve and the Chief of the Air Force Reserve. The Director of the Army National Guard of the United States would assist the Army Chief of Staff in executing the Chief's responsibilities pursuant to Title 10 U.S.C. §3033. The Director of the Air National Guard of the United States would assist the Air Force Chief of Staff in executing the Chief's responsibilities pursuant to Title 10 U.S.C. §8033. The Directors of the Army and Air National Guard would have dual reporting responsibilities—reporting both to their respective Chiefs of

Staff and to the Chief of the National Guard Bureau for non-federal National Guard matters. The Secretaries of the Army and Air Force should evaluate the need to establish commands for Army and Air National Guard forces serving in a Title 10 status as members of the Army National Guard of the United States and Air National Guard of the United States, respectively, and whether the Directors of the Army National Guard and the Air National Guard should command such organizations.

Explanation of Recommendation #94

The Commission believes that long-standing problems associated with relations between the Air and Army National Guard and their parent services, while to some extent necessary outcomes of tensions inherent in our federalist system of government, nevertheless must be examined and alleviated in order to enhance the ability of the National Guard to perform its vital state and federal missions. The Commission believes that any proposed solutions should better align the statutory authorities (10 U.S.C. §3013 and §8013) and responsibilities of the Secretaries of the Army and Air Force from the service Secretaries to the Directors of the Air and Army National Guard. These service Secretaries are responsible for formulating "policies and programs that are fully consistent with national security objectives and policies established by the President and Secretary of Defense" for their entire department, including the National Guard components.

The Chief of National Guard Bureau's role would be elevated by provisions in the 2008 National Defense Authorization Act, consistent with the recommendations of our March 1 report. Having been given a four-star rank and increased responsibilities as an advisor to the Secretary of Defense on matters related to the National Guard forces in non-federal status, the CNGB should retain the ability to influence decisions regarding such matters and ensure that the needs of states and their governors are addressed in policies formulated by the Secretary of Defense. The CNGB would also retain direct lines of communication to the service Secretaries and their Chiefs of Staff. At the same time, placing National Guard leaders on the staffs of the service Chiefs of Staff will ensure that those same policies are carried out at a lower level in the Department and that the National Guard components are provided the resources they require to perform effectively in both their state and federal roles. We believe this is the best approach to solving the problems we identify; we emphasize, however, that what is most important is not how the

problems are solved but that they are solved as soon as possible.

> . . . long-standing problems associated with relations between the Air and Army National Guard and their parent services . . . must be examined and alleviated.

The service Secretaries have statutory authority (10 U.S.C. §§3074 and 8074) to prescribe command organizations. When National Guard service members are called into federal service they are operationally attached to specific commands to perform their operational missions. However, as in the case of Army and Air Force Reserves, the Secretaries may determine it is beneficial to have a specific commander responsible for other oversight of these service members. The Commission sees considerable merit in the proposal to establish such commands, but believes the nature of these structures should be determined by the service Secretaries based on the needs of their service. (See Appendix 1 of the full report for Additional Views of Commissioner E. Gordon Stump on this recommendation.)

95. **Congress should pass legislation eliminating the Office of the Assistant Secretary of Defense for Reserve Affairs. The Secretary of Defense should report to Congress on how responsibility for reserve issues currently managed by the ASD-RA will be addressed by the appropriate under secretary or assistant secretary assigned responsibility for corresponding active component issues, and whether any further legislation is needed to ensure that personnel working on reserve issues hold rank and have responsibilities commensurate with those of their counterparts who handle active component issues.**

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Commission Vision for the Total Operational Force

We believe that this report offers a starting point for a comprehensive reevaluation of the reserve components of this nation's military. It is clear that there is no reasonable alternative to continued increased reliance on the National Guard and Reserves, as part of a total operational force, for missions at home and abroad. The reforms that are needed to make this operational force feasible in the short term and sustainable in the long term are described in this report. We believe that implementing these reforms will move the nation toward an end state for the reserve components that best serves the interests of national security and toward the future that we envision.

VISION STATEMENT

In the future, National Guard and Reserve service members will perform missions vital to U.S. national interests at home and abroad as part of a flexible, accessible, cost-effective operational force that retains a necessary strategic ability to surge.

The operational force will contain individuals and units from both the active and reserve components. The reserve component portion will be organized, resourced, equipped, and trained to achieve in a timely manner the same operational standards as are required by the active components to perform their missions. The methods used to achieve these standards will vary according to each service's force generation process. The effects, however, will be the same—a single operational standard and maximum predictability for members, families, employers, combatant commanders, and the services themselves.

National Guard and Reserve members often will know in advance when they are scheduled to leave their families and employers to complete operational missions. They also will be ready and able on short notice to lead DOD's efforts in support of civil authorities contending with natural or man-made disasters, particularly catastrophes. National Guard and Reserve members will be fully integrated into federal, state, and local emergency response plans, along with active component members and units. In most instances in the homeland, all military forces will deploy in support of, and under the direction of, a state governor. National Guard and Reserve forces will constitute a majority of the per-

sonnel at U.S. Northern Command and other commands responsible for the homeland.

The services will use best practices in managing reserve military personnel as part of an integrated total force. Those personnel will serve under the terms of a commitment mutually agreed on by themselves and their service, be compensated through a system that recognizes their unique skills, be provided the professional and educational opportunities necessary to develop needed skills, be promoted on the basis of their competency to perform those skills, and be rewarded for their service through a retirement system—integrated with that of the active component—that provides incentives for service and removes barriers to continued service which will draw on their skills and abilities. There will only be two duty statuses—off duty or on duty—with service members able to move between them with the swipe of an ID card.

All service members will have opportunities to serve in a continuum spanning a range of missions and time commitments. Whether serving in the active components or in either of the two reserve component categories (Operational Reserve Force and Strategic Reserve Force), their annual obligations, scheduled activations, and availability to be involuntarily activated for crisis will be well-defined and clearly understood. Their transitions between the categories will be administratively easy and motivated by the individual circumstances of their careers and families, and by a system of compensation and incentives that reflect the services' requirements. The management of their service will be based on the workload and capability needed to perform a mission, and on their contractual obligation to perform that mission, not on an authorized end strength.

National Guard and Reserve members will have the opportunity to thrive in their civilian careers, and will serve as a vital link between the military and civil society in their home communities across America. They will be afforded the joint education and assignment opportunities required for promotion to senior ranks, and will be found in all echelons of military leadership, including on senior joint staffs, at the four-star rank, and in combatant commands, because their civilian-acquired skills, joint educational training, familiarity with state and local government leaders and institutions, and command experience will often make them the best-qualified candidates to lead.

Families and employers will support their guardsmen and reservists on predictable and sustainable deployments. DOD will recognize the important role employers play in recruiting and retention decisions and will seek a closer working relationship—a compact—with them. Fami-

lies will be supported by a robust network of services that ensures they receive the appropriate level of assistance when needed, regardless of where they live and with which unit or service they are affiliated. Service members returning home will be provided the medical and reintegration services they need for themselves and their families and will find ready access to other help from the government and other sources.

All service members, regardless of their component, will have the equipment and support they need to train for and accomplish their missions, and the nation will continue to have assured access to National Guard and Reserve capabilities on a sustainable basis.

Ultimately, the reserve components will be fully integrated with the active components, across a spectrum of missions and levels of commitment, during peacetime, wartime, domestic emergencies, and homeland defense missions, in the Army, Navy, Air Force, Marine Corps, and Coast Guard. Members will serve without separate "reserve" designation. It will not be efficient or necessary to manage the Title 10 reserve components as separate entities; they will instead be a vital component of a totally integrated force providing the United States with the military capability it requires.

[The Final Report of the Commission on the National Guard and Reserves submitted to Congress and the Secretary of Defense dated January 31, 2008, is retained in committee files.]

Chairman LEVIN. We will have an 8-minute round for our first round of questions.

Mr. Punaro, the report states that DOD should have civil support as a mission of equal importance to its combat responsibilities. It's been long and universally held that the purpose of the Armed Forces of the United States is to deter war and, if deterrence fails, to engage and defeat the enemy in combat and to defend the Homeland. Now, how can civil support claim an equal importance without sacrificing this fundamental and this overarching purpose for the creation and sustainment of national Active and Reserve land, sea, and air forces?

General PUNARO. Mr. Chairman, the Commission doesn't view this as an either/or situation. We believe, if you look at what DOD has articulated in its own documents, that they recognize homeland defense as part of providing for the common defense is equal in priority to the overseas mission. However, Congress has not directed that, statutorily; and, therefore, on occasion, it doesn't get the priority that it deserves.

We would suggest, from a Commission standpoint, respectfully, that if you have a National Guard personnel that's required to go into a nuclear contaminated environment and protect the lives, citizens, property, and way of life, that's equally as challenging and equally as much combat as a member of the 82nd Airborne that gets to deploy overseas, in his helmet and flak jacket and has to put a bayonet in the heart of a terrorist. We believe that the threats to the Homeland are equally as severe as some of the challenges we face overseas, and we don't think you can make that kind of distinction anymore. In these catastrophic situations that we face here at home, this is a core responsibility of DOD. Everyone knows, nobody likes to talk about it, and we worry about it and certainly the Commission does not believe DOD should be the temporary manpower agency for every situation we face here at home. We're talking about proscribing, particularly for these catastrophic situations—only our DOD has the command and control, the training, the equipping, the ability to do the deliberate planning, the ability to bring forces to bear, as required, for these kind of situations. There's nobody else in government that can do it. Our view is, these things are just as devastating as any kind of combat situation you could face overseas, so it's not a either/or, Mr. Chairman.

Chairman LEVIN. Is it the Commission's intent, in any way, that Guard or Reserve Forces be withheld from combat in order to preserve a capability to respond to a domestic emergency, such as hurricanes, tornados, floods, epidemics, attack, or so forth?

General PUNARO. No, Mr. Chairman, it is not. I would like to ask the committee's indulgence. If you would give me a minute to explain what we consider to be the continuum of service in the way the total force manpower pool could be managed in the future so that we can accommodate both the overseas requirements, as well as the back-home requirements, I think I might be able to give you a fuller answer.

Chairman LEVIN. Yes, please proceed.

General PUNARO. What we are recommending is a continuum of service. It's in the charts at the back of your testimony. What we have today is, we have an Active-Duty Force of 1.4 million personnel, we have a Guard and Reserve Force of about 800,000 personnel in units, another 300,000 in the Individual Ready Reserve (IRR), about 1.9 million people in the retiree pool, and then we have the Selective Service system. We envision, in the future, moving from the traditional structure to a future structure, where you'd have people that are supporting missions full time and you'd have people that would be in variable categories, that might serve from anywhere from 40 days to 365 days. You'd have the traditional reservists that would serve in categories, like they do now with several weeks of training a year and several deployments a year. Then you'd have various new affiliation programs for varying degrees of time.

The reason you need an integrated pay and personnel system, an integrated retirement system, an integrated management system—if you go the last chart, please—is so our force planners, if they have a mission, if they have a requirement to meet a contingency overseas or a contingency here at home, they look at this total force pool of all this manpower. So we believe we should go to two new Reserve component categories and get away from the ones that were designed for the Cold War. You'd have an Operational Reserve Force, and DOD would put in that Operational Reserve Force and keep, at the highest level of readiness, those forces that they believe are required, for say a catastrophic incident here at home, those forces that are getting ready to deploy overseas and the individuals that are serving, for example, full time on the staff of NORTHCOM or some other command, or serving in the Pentagon. Then you'd have a Strategic Reserve Force. You'd have a Strategic Ready Reserve and a Strategic Standby Reserve. That Strategic Ready Reserve would be those units, perhaps, that just got back or aren't needed in an immediate Homeland situation, or aren't needed for a couple of years overseas. They'd be some of the 300,000 individuals in the IRR. People have an 8-year obligation, many serve only 4 years of Active Duty. The first 2 years they're off Active Duty, their skills are very fresh, they would be in a Strategic Ready Reserve. The people that just retired would be in the Strategic Ready Reserve. Then, in the Standby Reserve would be those people that were towards the end of their IRR commitment or a much longer period of time in the retired pools. Then, if you absolutely couldn't meet any of your requirements with all that personnel, you'd crank up the Selective Service system.

DOD needs to look at all the incredibly trained, valuable resources. It costs the Army over $8 billion a year to train their new personnel. We need this viable Guard and Reserve for people that have that kind of investment to go and have a place where they can continue to serve. Eighty-five percent of the people that enlist in our military never retire, so this is a tremendous pool of trained personnel that the Nation needs to be able to draw on.

Senator BYRD. Mr. Chairman?

Chairman LEVIN. Senator Byrd.

Senator BYRD. Did I understand that to be 8 million or 8 billion?

General PUNARO. Senator Byrd, the numbers are 1.3 million Active Duty personnel, 800,000 members of Reserve and Guard units, 300,000 members of the IRR—these are individuals that have a remaining obligation to serve, but are not in a unit.

Chairman LEVIN. That's the current situation.

General PUNARO. Yes, sir.

Chairman LEVIN. Okay. General, would there be fewer people available for overseas duty, under your construction, than is currently the case?

General PUNARO. No, sir, Mr. Chairman.

Chairman LEVIN. Okay, if you could just keep your answers a little shorter.

General PUNARO. Yes, sir. You would have to increase the size of the Guard, though, for these catastrophic missions. We don't have those units today. You would basically be increasing the availability of the number. You wouldn't be diverting current Guard units, you'd be creating new Guard units for the catastrophic missions. By the way, those same units could be used overseas in similar circumstances.

Chairman LEVIN. Would the size of the Guard need to be increased, overall?

General PUNARO. It would, Mr. Chairman.

Chairman LEVIN. To what number?

General PUNARO. We can't give you a number. General Blum has done a lot of work on this. They think they need three additional of these high-end packages for the weapons of mass destruction type of situations.

Chairman LEVIN. Now, if you could just talk for a moment about the missions. You're recommending that DOD shift capabilities that are needed for State-controlled missions to the Guard, and you recommend that capabilities that are needed for Federal missions be shifted from the National Guard to the Federal Reserve components or Active-Duty military. The bottom line is this. What kind of DOD missions would the National Guard perform if capabilities for Federal missions are transferred to the Federal Reserve components? Give us some examples of those missions that would be shifted.

General PUNARO. I'm going to defer to General Stump on that, if he's willing to take the handoff.

Chairman LEVIN. Well, he has his usual smile on. [Laughter.]

Chairman LEVIN. He's always willing to give it a try.

General STUMP. I'd like to give a quick response to your previous question, that being that the Enhanced Response Force Packages that the National Guard has stood up, those force packages draw from the resources that are in the National Guard at this time. If part of those resources are activated for a mission overseas, they would be backfilled by like units back here in the States. So, you always have the Enhanced Response Force Packages available, but if part of the packages are deployed, then the other units would backfill those packages. There probably would not be an instance where all of the capabilities of these Federal Response Force Packages would be required for deployment, there would always be room for backfill.

Chairman LEVIN. There's no shift of missions, then?

General STUMP. No.

Chairman LEVIN. Okay. Now, the card that's been handed to me states that Senator Collins is next. However, Senator Warner told me that he wanted to yield his time to Senator Byrd. So, I'm going to override the blue card, and Senator Warner yields to Senator Byrd.

Senator Byrd, it's great to have you here.

Senator BYRD. I thank you, Mr. Chairman.

I have difficulty in going ahead of a lady. [Laughter.]

Senator COLLINS. Please feel free, sir. I'm very honored to defer to you. You have a lot more seniority than I do. [Laughter.]

Senator BYRD. Thank you, ma'am. Thank you, Mr. Chairman.

General Punaro, maintaining a force that can respond to homeland security and natural disasters, while maintaining its capability as an Operational Reserve to support the Active Forces, suggests that the National Guard and Reserves will have to be equipped and trained for multiple roles. Additionally, if the Active-Duty military is to support the National Guard and Reserves as a homeland security and disaster response asset, they must also be trained, and they must also be equipped, to work in a domestic civilian environment. The changes in culture and the flexibility required to accomplish these tasks may be very daunting. What are the first steps that Congress should consider in making progress in this area?

General PUNARO. Senator Byrd, I believe the Commission would agree with the premise of your questions completely. You have accurately and precisely described the current situation and what we need to do.

We would say the two major things that have to happen to have this daunting cultural change occur is, one, Congress needs to have a full debate about whether or not we really want to have this Operational Guard and Reserve that would have a number of units that would be manned at a much higher level of readiness than they were as a Strategic Reserve, in terms of their personnel, their equipment, their equipment readiness, their training for these specialized missions, family support, and employer support.

Conclusion: number one, Congress needs to adopt, upfront, whether they want to do this or not, and direct that in statute; and, number two, we believe that we need to enhance DOD's role in the Homeland, and, by statute, level the requirement for civil support. The Guard and Reserve should have the lead in the Homeland because they're closer operationally, they're a lot more economical in a resting phase, and the Active Forces could augment and reinforce the Guard and Reserve, as required, just like the Guard and Reserve augment the Active Forces overseas.

So if you were to adopt those two main conclusions, everything else would flow from that. If we don't want to have an Operational Guard and Reserve that's sustainable over the long term, and we don't believe we need to beef up our capabilities to defend the Homeland, then a lot of other recommendations that we make, you probably wouldn't need to do. We don't see any alternative. We think there's a compelling case to do that, based on the threats we face here at home and overseas.

Senator BYRD. Thank you.

General Punaro, it is estimated that the cost of returning the National Guard to its pre-Iraq-war capacity, replacing lost and damaged equipment, may be as high as $54 billion, spelled with a "b" big billion—$54 billion. At the same time, the Active Services are also competing for resources to restore and modernize the force. The maintenance of the National Guard and Reserve, equipped and trained for multiple roles might also dramatically increase the estimated cost of equipping and training the Guard and Reserve. Am I clear? Shall I repeat that? Let me repeat that.

The maintenance of a National Guard and Reserve equipped and trained for multiple roles might also dramatically increase the estimated cost of equipping and training the Guard and Reserve. How can Congress assure that there is adequate equipment available to ensure that the Guard and Reserve are operationally capable, while, at the same time, ensuring that the equipment needed within the United States is available in the locations needed when they are needed? Should Congress expect that the $54 billion—spelled with a "b," large "b"—$54-billion estimate will be inadequate to accomplish this goal?

General PUNARO. Senator Byrd, again, you have very accurately described the current situation, in terms of the requirement for the funds. Our report indicates something in the order of $50 billion, and it probably is as high as you say it is, to replace equipment if you decided that we were going to, basically, replace everything in an as-is status—meaning, the units would have the same missions, need the same equipment.

What we are suggesting, in the equipping area—and, by the way, Congress and DOD have provided significant enhancements, in terms of new equipment, not only in previous years, but also ongoing. As I recall, very briefly, Secretary Gates testified, before the Senate Armed Services Committee yesterday, that they have a very large downpayment—I believe it was in the neighborhood of $50 billion—to beef up equipment for the Guard and Reserve over the next number of years. So, there's a significant amount of money in the pipeline.

What we recommend, however, is, when it comes to equipping—and we believe those units that are needed for overseas missions and homeland missions have to be equipped at the C–1 or highest level of readiness for those that have an immediate mission. We don't really know what the new requirements are. We do not have the new requirements from DHS for civil support. DOD hasn't received them; and, of course, they certainly haven't had an opportunity to validate them. We believe, before we start adding a lot of new money over and above things that are already in the pipeline, we should have a baseline review of requirements, both for civil support—whether the missions of those units are going to change, how much equipment is not going to come back—so we don't spend money that doesn't need to be spent.

Whatever we spend to beef up the Guard and Reserve, the differential is still going to be very economical, compared to putting that same capability in the Active component. The Active-component personnel costs have doubled in the last 5 years. The Guard and Reserve have trended up slightly, but nowhere near as much. We still believe getting some of these capabilities, particularly for

the Homeland, and particularly the insurance policy to augment overseas, is still a bargain for the taxpayer.

Senator BYRD. General Punaro, thank you.

My time has expired, I am informed.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Byrd, very much.

Before I call on Senator Collins—she's been yielded to by Senator Warner, and is always gracious—let me welcome Senator Wicker.

We gave you a welcome yesterday, in your absence. We noted why you could not make it—although you were looking forward to it and we were looking forward to greeting you—because of the tornados, which totally disrupted your travel. But, we just want to give you a welcome, on behalf of the committee. All members of this committee have come to know you, and we look forward to serving with you.

Senator Collins.

Senator COLLINS. Thank you.

Senator Warner, thank you so much for graciously allowing me to precede you.

As I was listening to the excellent presentations of the members of this panel, I was reminded, very quickly, of the in-depth investigation that our Homeland Security and Governmental Affairs Committee did into the failed response to Hurricane Katrina. Indeed, two of the staff members of the Commission came from the committee and brought with them a great deal of expertise in this area.

The unity-of-command issues were very present in the response to Hurricane Katrina. I remember talking to the head of NORTHCOM at that time and discovering how little visibility he had into what the National Guard was doing throughout the Gulf Coast region. In fact, the Active Duty troops, in some cases, were unaware of the presence of National Guard units from other States who had come to respond.

Major General Stump, I think you are right on the money on the unity-of-command issues, and the fact that those interfered with an effective response. I'm not sure I agree with the proposed solution of bringing those troops under the control of the Governor, but, certainly, you've identified a very real problem that hampered an effective response to Hurricane Katrina.

The response to Hurricane Katrina is important, not just because it was a catastrophic natural disaster, but because the same kinds of capabilities and responses are going to be required in the event of a terrorist attack. That's why I think the work you're doing is so vital.

This past July, at a hearing before our Homeland Security and Governmental Affairs Committee, General Blum and the Maine Adjutant General, Major General John W. Libby, both said that the current state of National Guard equipment and overall readiness would severely hamper the ability of States to quickly and effectively respond to a catastrophic natural disaster or a terrorist attack. They felt confident that they could handle the run-of-the-mill natural disaster, but we're talking about a catastrophic event.

I noted that, in testimony before your Commission last year, General Blum stated that 88 percent of the forces that come back

from Iraq, that are members of units from the Army National Guard, are very poorly equipped. Those are his words.

The GAO, last year, released a report that found that most National Guard leaders express concerns about having sufficient equipment to respond to a large-scale disaster.

In our hearing, General Libby, the Maine Adjutant General, said that he was confident that he could speak for virtually the other 53 States and territories in saying that, "We are not prepared to deal with those type of catastrophic events."

I believe that your conclusion that there's an appalling gap in readiness is well substantiated by the evidence that you heard, and the testimony before our committee, and our committee's investigation into the response to Hurricane Katrina. But, as you're well aware, the Pentagon has been very aggressive in public press conferences in disputing that. In particular, Secretary Paul McHale, Assistant Secretary of Defense for Homeland Defense and America's Security Affairs, has pointed to the 53 certified Civil Support Teams within the National Guard as evidence of the ability to deal with catastrophic responses.

I would like to hear your response to the Pentagon's rebuttal to what I believe is very convincing and compelling evidence that, in fact, we are not prepared. I don't know whether to start with Major General Stump or with the chairman. Major General Punaro?

General PUNARO. Why don't we have General Stump start first, and then I'll give you our overall Commission perspective on it.

Senator COLLINS. Thank you.

General Stump?

General STUMP. I would be very happy to handle that.

Yes, there are 53 Civil Support Teams. These support teams only have 22 personnel on them, and they are there just to identify what sort of chemical, biological, or other substances might be present. They don't have an ability to do the things like search and extraction, decontamination, medical, command and control—they have none of those resources.

Now, the National Guard, with their chemical, biological, radiological, nuclear, and high-yield exposives (CBRNE) Enhanced Response Force Packages that they have set up—and Congress gave them some funding for additional equipment—can handle small responses. But, when you have a major disaster response, like a chemical, biological, or nuclear attack that takes out everything, the National Guard, the city and State governments, are not going to be able to handle those. I think NORTHCOM understands that this is a problem, that there is a gap in filling those particular missions, and have identified these CBRNE Consequence Management Response Forces, as they're called, which would be large units, 5,000 to 10,000 people in these units, that would come—would address these issues. Now, those have been identified, but not resourced or funded. We stand behind our recommendation that we're not ready to handle those particular responses.

I'm glad to hear that you agree with our finding on the unity of command. I still believe that there is no problem with cutting forces for a particular emergency, like Hurricane Katrina, for a 1- to 2-week period. The Active Duty was not there more than 7 to 10 days, I believe, and the rest of the time, the National Guard was

there for unity of command, so everybody knew what was going on. I believe command should be able to go to the Governor, because every single response that we have is going to start with the National Guard. It doesn't matter what the government or anybody says, that's just the way it is. The Governors say, "When something goes wrong, I want my National Guard there to handle the situation."

Now, in a small disaster—and Hurricane Katrina was a relatively small event, nothing like what would happen with a nuclear disaster—and the Governors know when they're out of Schlitz. We have State pacts that are effective between the States, and a Governor can go to the National Guard Forces within four or five State regions, and that's what the Governors do—even before they call on the Federal response forces—because they would rather have National Guard Forces which come from another State under their command and control than bring the Active Duty in and have somebody come in and say, "Okay, now we're in charge." So, I think the answer is, having these particular Active-Duty Forces chopped to the command and control under the Governor to these dual-hatted people who have been trained to do that, is an effective solution.

General PUNARO. Senator Collins, there are two deficiencies. I think it's really a matter of perspective. We made the point, we're really looking at where we need to go, not how far we've come. We'd like to give great credit to DOD for what they've done and the changes they've made and the improvements they've made since September 11. Secretary McHale—I have tremendous respect for him—he served as my regimental commander when I was commanding general of the 4th Marine Division. He's as hard a charger, go-to-the-sounds-of-the-guns person you'd find. But, all the great improvements that have occurred, if you look at these catastrophic scenarios, we have an extremely long way to go. We need to go ahead and, as General Stump said, we haven't put resources against those high-end capabilities. So, that's a gap and a deficiency that we believe should be filled to reduce this risk and to reduce the gap.

The second thing is, on the command and control, take out the command and, who's going to be in charge. Forget about whether it's the Governor or it's an Active Duty commander. The key in this area—and your committee and this committee has pointed it out—is deliberate planning. It's basically getting ready ahead of time. It's coordination. It's training. It's DHS, NORTHCOM, the National Guard, and the State and local governments all working together. This is why we emphasizes so strongly that NORTHCOM should put as much energy and effort into developing the contingency plans for the homeland scenarios, particularly the high-end ones, that the Pacific Command does for the defense of the Korean Peninsula. General Stump and I had units that were in the war plans for the defense of the Korean Peninsula. Every unit knows who they are, where they are, what equipment to bring, when to show up at the deployment station, et cetera, et cetera. For these high-end catastrophics, you need those same kind of contingency plans here in the United States. You work all this stuff out in advance.

Then, frankly, it probably doesn't really matter who's in charge, because it's all figured out in advance.

GAO, which was a tremendous help to our Commission throughout, has two reports, they're getting ready to issue over the next couple of months, that talk about NORTHCOM's current situation, in terms of working with the States and the Adjutants General to do this kind of advanced planning, and also, they have a report coming out, talking about NORTHCOM's work with the interagency. I am very confident that they're going to support the conclusions that we have made in this area.

Senator COLLINS. Thank you.

Chairman LEVIN. Thank you, Senator Collins.

Senator Warner.

Senator WARNER. Thank you, Mr. Chairman.

I want to just pick up, General Punaro, on Senator Collin's questioning. You state, and I quote, "It doesn't matter who is in charge. It will all have been worked out in prior training."

Now, as a military man, you have to have an on-scene commander. Everybody has to know that individual is the boss, and you have to follow his instructions. I cannot take your oral statement, just now, that it doesn't matter who's in charge, and work it out against the military that you and I have been trained by for many years.

General PUNARO. Senator Warner, you're absolutely right, that was not what I intended to convey. I was saying that, for the purposes of discussion, to address Senator Collins's issue, that the deliberate planning phase and the coordination phase is extremely important, and, as part of that, you could have agreements as to who's in charge doing the initial phases, who's in charge in the intermediate phases, who's in charge in the latter phases. You can work these protocols out in advance.

But, you're absolutely correct, there has to be one person in charge, and right now the Federal Government would take on that role, in most situations of this nature, as it's going to escalate very quickly. However, we argue, in the Commission, that we have these dual-capable commands, we have these National Guard personnel that are trained to also be in command of Active-Duty Forces. So you could have a situation where a certified dual-force commander could be the person initially in charge on the scene, and, if it had to be handed off to another commander, it could be.

You're absolutely right, Senator Warner. That's the problem that we saw in Hurricane Katrina. Everybody was in charge, and nobody was in charge, and you can't have that situation in one of these catastrophic scenarios.

Senator WARNER. Since Hurricane Katrina, have we advanced, in our planning, to where we know what's going to happen now? Now, you have to add that a lot of these natural disasters can be multi-State situations, and we can't have three Governors sitting down, trying to figure out who's going to run the situation. It has to be a clear, predetermined, established chain of command.

General PUNARO. Senator Warner, I'd like General Stump to jump in, here. But, I would say, we have not advanced as far in that area as we need to.

Senator WARNER. We as a Nation?

General PUNARO. We, as a Nation, have not sorted out this "who's in charge" issue.

Senator WARNER. All right.

Now, General Stump—and, first, I must say, I'm quite impressed with your testimony and delivery. It's obvious that you were carefully selected by the chairman. You all have a common affinity with Michigan. [Laughter.]

But, quite apart from that nepotism, you've held up here on your own very well. [Laughter.]

General STUMP. Thank you, sir.

When you have a catastrophic event, one which takes out all of State government, or much of State government, and you have mass casualties, obviously DOD and the Active Duty will be in charge. It will be a transition——

Senator WARNER. Start right there. You have to determine whether or not, in fact, it has been taken out.

General STUMP. That's true.

Senator WARNER. Just look at these pictures, this morning, of these tragic tornadoes and so forth just took out and there's always the one house left standing, so there may be some elements of the State government standing, even though the Capitol went down. I can't buy that. I have to figure out what we, Congress, has to do with our several sovereign States to sort this thing out. I'm thinking of it as a community that's hit by a biological weapon, and you suddenly need about 5,000 hospital beds. You and I know, only Uncle Sam can deliver that. Once Uncle Sam is involved, they're going to turn to the military to do that delivery of that quantum of beds, medical physicians, and doctors to come in and help these poor people.

So, let's figure out—you tell us what to do; as a Congress, there's a good chance we're going to try and do it. We have the ranking member of the Homeland Security and Governmental Affairs Committee right here, and I'm one of her subordinates down in the ranks of that committee, and I'm sure you're going to go to work on this.

General STUMP. If that were to happen, as I indicated before, the very first response would come from the State, the local police, the local firefighters, and the National Guard, because the Governor is going to say, "Now, wait a minute. I have been overwhelmed."

Senator WARNER. Correct.

General STUMP. The National Guard will quickly determine that, "Not only is this something that the State can't handle, this is also something that we can't handle, either."

Senator WARNER. All right.

General STUMP. Now a response will go to NORTHCOM and to the President, that, "We need massive help from the Active Duty component."

Senator WARNER. Right.

General STUMP. At that point in time, when those people show up, the transfer command would go to the Active Duty people to be in command and control, because they would have the majority of the forces there, and they would be conducting the operations.

That scenario that we're talking about now is going to be 1 to 2 or 3 to 5 percent of what's really going to happen in the future.

Most of the time, we have scenarios, such as the World Trade Center or Hurricane Katrina, where it can be handled on the local level, with a little bit of help. But, when you get to the catastrophic events, as you have just described, it's obvious that the Federal Government will have to be in control, because they will have the majority of the forces, and I'm sure that there will be no problem with the Governors yielding to their control. But, again, it's dependent upon what that disaster in the scenario is.

General PUNARO. Senator Warner, our point is, the bulk of the forces that respond—perhaps the Active Duty Commander is part of Joint Task Force Civil Support, which is NORTHCOM's standing task force to roll in with command and control—should be Guard and Reserve units, because they're already going to be there. So, again, these things can be planned, coordinated, and worked out in advance. The military has extensive procedures for transferring commands—phase lines and demarcation lines. They know how to do this. The problem is, nobody has sat down and sorted it all out.

Senator WARNER. Now, wait a minute, you say, "Nobody has sat down and sorted it all out." I gained the impression from General Stump that it had been sorted.

General PUNARO. I think what I heard General Stump say is that, that's his view of how it ought to happen; it doesn't mean that's been worked out that it will happen.

Senator WARNER. General, help me out, here.

General STUMP. Yes. What I'm saying is, that's the way, in my opinion, it will happen.

Senator WARNER. Oh.

General STUMP. But have we set down a program and a plan to do that? No.

Senator WARNER. Okay. Well, we'd better get on with it.

General STUMP. Amen.

Senator WARNER. We have to empower this Commission to stay and——[Laughter.]

General PUNARO. That's a negative, Mr. Chairman. [Laughter.]

General STUMP. We've been here 2½ years, sir. [Laughter.]

Senator WARNER. You've done a commendable job.

Now look here, I have behind me, all of these well-trained officers of the United States military, and we're having a little discussion, back here, and they've written out this rather complicated observation, in longhand, addressed to the role of the Governors, "You"—that's the Punaro Commission here—"have recommended that the Governors receive operational control of Active-Duty Forces under certain circumstances. This is different from command."—which those of us in the military understand—"Please discuss the recommendation and distinguish between the two concepts."

Now, the reality is, when one of these tragic situations hit, nobody has time to sit down and debate whether we're dealing with operational control or command. Now, we have to bring total clarity to this situation so that well-intentioned people can handle this situation, and we don't watch the television of a Governor barking at a two-star or three-star general out of NORTHCOM and saying—well, let's drop it there.

General PUNARO. Senator Warner, you're absolutely correct, we don't want a pickup game. After my many years of service on the Armed Services Committee, I'm not bold enough to go up against the esteemed staff directors and general counsels, particularly someone that has a lot more understanding of the law than I do. So I'm going to throw this one over to General Stump because he has the day-to-day practical experience of how this actually should work.

General STUMP. What we're saying is that the operational control—that if you have title 10 forces that are there for, say, Hurricane Katrina, that the Governor or the commander or the Adjutant General or the dual-hatted person would exercise operational control, assign missions so that they are coordinated with what the National Guard is doing, and they're coordinated with what the Active Duty is doing, et cetera. Command—one of the definitions of "command" would be that the disciplinary——

Senator WARNER. Execution.

General STUMP. —those types of things—if there were a problem with a court-martial or something, that would remain under the control of the title 10 Active Duty chain of command, but the operations of these forces, what work they are actually doing, would come under the operational control of that person who is in charge of that particular incident.

Senator WARNER. But your bottom line is, this has to be fixed. It is not clear now.

General STUMP. Yes, sir, we agree, 100 percent on that.

Senator WARNER. All right. We agree on that.

General STUMP. That's what the Commission recommends.

Senator WARNER. Now, at this point, Mr. Chairman, I think I would like to put into the record NORTHCOM's rather strong criticism of your work. This is beginning to build up our record here, but I think that's important.

Chairman LEVIN. This will be made part of the record.

[The information referred to follows:]

USNORTHCOM's official response to Commission on National Guard and Reserves Final Report

February 1, 2008

PETERSON AIR FORCE BASE, Colo. -- U.S. Northern Command's primary mission is Homeland Defense, and the command stands ready to respond to any homeland defense or civil support mission requirement.

"The U.S. military absolutely has the capacity to respond to potential threats within our nation today. It will get better in this coming year and continue to improve beyond that," said Gen. Gene Renuart, USNORTHCOM commander.

Established in 2002 as a result of the 9/11 terrorist attacks, USNORTHCOM has dramatically expanded DoD's focus on all aspects of Homeland Defense, including planning and exercising, as well as organizing new headquarters and units that are specifically tailored for domestic response.

USNORTHCOM has prepared detailed plans for responding to situations that range from pandemic influenza to Chemical, Biological, Radiological and Nuclear events, and the command has redefined its readiness capabilities since Hurricane Katrina.

When it comes to providing forces in response to incidents, the command has nearly 50 National Guard officers fully integrated within its operations, in addition to National Guard Civil Support Teams located within every U.S. state and territory, and 17 regional consequence response units.

USNORTHCOM also utilizes an active-duty military response unit of nearly 450 Marines who are the "gold standard" for responding to weapons of mass destruction attacks. In addition, there are pre-identified active-duty and Reserve components (4,000 members each) on a short string to provide additional muscle to initial response teams.

USNORTHCOM's primary mission remains defending the homeland, and Americans can be assured the U.S. military is ready and capable of responding to attacks within the United States.

Back

USNORTHCOM response to the Final Report to Congress by the Commission on the National Guard and Reserves

January 31, 2008

Today the Commission on the National Guard and Reserves (CNGR) delivered its Final Report to Congress. The recommendations in the report will be evaluated by the Office of the Secretary of Defense (OSD) for implementation where appropriate. USNORTHCOM will work closely with OSD in the evaluation of recommendations in the CNGR Final Report in order to enhance our Nation's ability to anticipate and conduct Homeland Defense and Civil Support missions. Homeland Defense is the primary mission of USNORTHCOM and we stand ready and will respond to any Homeland Defense or Civil Support mission requirement. USNORTHCOM officials are unable to discuss this report until the review is completed.

Back

Senator WARNER. General Punaro and valued friends on this Commission, I think you've done a wonderful job. The Commission is not worth its salt much if it didn't stir up some sort of controversy. But, somehow, in my preliminary visits with you prior to the public issuance of the report, I specifically asked of you, informally, just conversationally, how has this checked out with DOD

and the Reserve and Guard Bureau? I somehow got the assurance that things were in pretty good shape. Then we hit a small volcano when this situation rolled out into the public view.

General PUNARO. Senator Warner, we had extensive coordination and consultation, not only with DOD, but with the relevant congressional committees, with stakeholders outside of government. We felt, from day one, it was very important to be as transparent as possible. We worked very directly with the Reserve component chiefs. During the course of those extensive consultations, particularly as we got close to sending the report to the printer for the final time, we made the rounds in DOD, including some of the senior people that are responsible for these areas. I would say, based on those consultations, we're surprised at those comments. We think some of those comments are not accurate, but we are as surprised as you are, based on our extensive round of consultations. We didn't hold anything back.

Senator WARNER. My time has expired.

But, what I would suggest, Mr. Chairman, is that we invite the Commission, before it expires.

When do you expire?

Chairman LEVIN. As soon as possible. [Laughter.]

General PUNARO. As soon as possible, but, legally, the end of April.

Senator WARNER. I would suggest, Mr. Chairman, that we extend an invitation for them to put in, as we say in the law, a surrebuttal, which means you'll have the opportunity to comment upon the criticism that, thus far, has been directed to you.

General PUNARO. Thank you very much. We'd appreciate that. Again, I believe the GAO reports that come out, here in the next couple of months, are going to back us up pretty well on our observations on NORTHCOM.

Senator WARNER. Again, we're in an area where there are honest differences of opinion by people who are tremendous conscientious public servants. But, we have to make sure that, at some point time, General Stump writes the committee, "I am now satisfied that this matter has been clarified." [Laughter.]

General PUNARO. Again, Senator Warner, we want to give NORTHCOM tremendous credit for what they've done since they've been stood up. We're looking forward, we're not looking backwards.

Senator WARNER. We're figuring out the roadmap forward.

Thank you, Mr. Chairman.

Chairman LEVIN. Speaking of coordination—according to my BlackBerry, the U.S. Capitol Police are assisting Amtrak Police and the D.C. Fire Department with a train accident at Union Station. I'm not sure how that directly applies to this discussion, but it does talk about, at least, coordination.

Senator WARNER. Do you think the Senate will stop doing its business and all flee down there to help?

Chairman LEVIN. I hope not.

Senator Thune, I guess we'll call on you next.

Senator THUNE. Thank you, Mr. Chairman.

Thank you very much to the panel for being here. Thank you for over 2 years of very hard work on this Commission and a report that, I'm sure, will, in your words, generate lively debate—I'm sure

it already has today. But, I fully understand the strain that's placed on our Guard and Reserve Forces since September 11th, as the men and women of South Dakota's Guard units have been extremely busy around the world. Since that event, our men and women have been deployed to 36 countries on 6 different continents. Over 94 percent of South Dakota's Army Guard personnel have deployed, and 75 percent of its Air National Guard units. In fact, the first company of the 189th Aviation Regiment and Black Hawk unit is on its fourth deployment since 2001. I'm proud to report that South Dakota is full of young and not-so-young patriots that have answered that call to duty, and, despite everything we've asked of them, they continue to answer the call. In fact, per capita, South Dakota ranks in the top 10 States in the number of total deployed servicemembers, and is within the top 5 States for recruiting and retention.

I would also like to single out our South Dakota employers for recognition, who do an outstanding job of supporting our Guard and Reserve during deployments that present many difficulties within our communities. These fine people are our greatest resource. Therefore, I will focus my questions on the three components to keeping these personnel in the Service—the members, their families, and their employers.

Our defense budget is already under immense strain, and many priorities are competing for a limited amount of resources; and, more and more, we're having to look for cost-effective ways to implement important policy. I would open with this question, to anyone on the panel who would care to answer, and that is, in your view, what retention policies do you see that would be most efficient, in terms of our use of money? In other words, where do we get the most effect per dollar spent?

Ms. LEWIS. Thank you, Senator Thune.

Creation and support of an Operational Reserve require some fundamental changes to our personnel policies and programs. We have taken some ideas that have been developed by DOD over time, and projected what the potential workforce of the future would look like and what would appeal to that generation of workers. We have determined that some significant personnel management changes need to occur.

In that regard, our first would be a promotion system based on competency rather than time in grade. Our second is an integrated compensation system—the same system for the Active and Reserve component—and an integrated retirement system.

Now, changes of this magnitude carry significant risk, and our people are our most valuable source, and we understand that. So, in these far-reaching proposals that we have suggested, for example, in retirement, we propose earlier a 10-year vesting period, a matched government contribution to a Thrift Savings Fund, bonuses at key gates in one's career, to encourage retention. Those are significant changes, and that sort of change in the retirement system may have significant merit, or may not appeal to some specialties within our military departments; for example, potentially, combat arms.

We would propose a transition period, where a new system would be offered. The old system would still be in place. We could assess

the level of interest in a more portable, flexible benefit package. If that's something that seems, as we believe it would, to be appealing to the force of the future, we recommend something of that nature.

Certainly, the competency-based promotion system is also a very significant change, but we feel that there would be opportunities to retain people with a great deal of experience at a certain level. They're happy functioning at that level, don't need to move higher through the system, but we could value that experience, and reward it with that sort of system.

I know that's not a real specific answer, but our changes are something that are rather dramatic, over a period of time, to support a very different force of the future.

General PUNARO. Could I add, sir, that there are some short-term incentives, as well. We recommend some enhanced benefits in the medical readiness, the dental readiness, travel reimbursement, beefing up the GI Bill and educational benefits. There are seven or eight short-term benefits that you could apply to the Force today while you deliberate on these longer-term changes that will be required if you're going to retain, over the long term, of the Operational Guard and Reserve.

I would like to also say we have benefited from South Dakota on our Commission, because our deputy general counsel, Colonel Tony Sanchez, USARNG, comes from the South Dakota Army Guard. He's a terrific guardsman, he's a super counsel, very knowledgeable, and we really appreciated South Dakota's Guard lending him to us for these past 2 years.

Senator THUNE. Thank you. We do what we can to help.

I also was heartened to see one of your recommendations as easy and cost-effective to implement, such as the Web site that would give one-stop shopping to families for information on TRICARE and other complex programs. I guess, in the same vein, I would just ask a general question with regard to what policies you see as the most cost-effective ways to increase the way that we care for the families of members of the Guard?

Ms. LEWIS. Yes, sir. Guard families have particular needs, as many don't live near military bases and don't have the support structure that the Active component does. They also face the challenge of becoming suddenly military when a member is activated, and their family does not have the same support infrastructure. So, they do have unique issues.

We recommend enhancement of the current system. We recognize Military OneSource is a valuable Web-based information source, but we think that there needs to be additional information provided to those family members about the programs that are available to assist them. We also propose more funded support for full-time support, at the unit level, for families, and a stronger role for the families in mobilization and demobilization initiatives.

Would you like me to address employers, as well?

Senator THUNE. That would be great, if you could.

Ms. LEWIS. We recommended an enhanced role and additional resources for the National Committee for Employer Support of the Guard and Reserve. We elevate the access of employers by development of a council that would have direct access to senior leadership

in DOD to convey employer issues. We recommend a one-stop-shopping point for information on government laws and programs that impact employers.

We recognize they're a full partner in supporting our Reserve component members. We've looked at some particular initiatives—I would suggest, the healthcare initiatives, with the stipend. We recognize that employer benefits are costly, and, if there are ways that we can partner with the employer community to provide ongoing care for servicemembers' families, that may be a positive initiative that would assist them, as well.

Senator THUNE. Thank you, Ms. Lewis.

One final question. It appears, evidently, my time is up. But, I would direct this to General Punaro. As the ranking member of the Senate Armed Services Readiness and Management Support Subcommittee, I was a little shocked to read your assertion, that 88 percent or worse of the Army National Guard combat forces here in the United States were not ready. I'm wondering what DOD says about this. Do they agree with your figures? What is the major problem here? Is that equipment? Is it training? Is it personnel? If you could, just, maybe hone in on that a little bit.

General PUNARO. That is General Blum's figure. We verified it with the Guard Bureau right before we went to final print. I don't believe that one would be in dispute. It shouldn't really be surprising, because, as General Casey, the Chief of Staff of the Army, has said, we're consuming our readiness as fast as we can build it. So, when we reported last year in March that it was 88 percent not combat ready, those are the units that are back here at home, not the ones that are getting ready to deploy or are deployed. It's a tad worse right now, at this point, for those units. It's mainly due to their heavy formations, and a combination of the three major elements of readiness. It's personnel availability, as well as personnel skills, it's equipment availability, as well as equipment on hand, and it's also training.

This, I don't think, is a figure that's in dispute or in contention. Admiral Mullen, I believe, testified about this before the committee yesterday—understandable, given the treadmill that these units have been on. Obviously, for an Operational Guard and Reserve, you have to have a much different system of funding and prioritization if you're going to have these units that are continuing to be used, more ready than they are under the kind of old system.

Senator THUNE. Thank you all, again, very much for your good work, and I'm glad that Tony Sanchez could contribute to your efforts. Thank you all.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Thune.

Senator Akaka.

Senator AKAKA. Thank you very much, Mr. Chairman.

Welcome, to our panel and the commissioners, who have worked so hard and finally reported out in March last year, and have come forth with six major conclusions and with a little less than 100 recommendations—94, I think it was, that you finally reported out.

It is good to know that you were working hard to try to set up an operational group for the 21st century, which includes the Na-

tional Guard and the Reserves. I want to say all of this just to thank you for your work and what you've done, in doing that.

General Punaro, it is critical—and I'm thinking about the adequate defense of the homeland areas—that we maintain the readiness of our Nation's Guard and Reserve assets in order to ensure adequate homeland protection and response in the event of an attack or natural disaster. I understand that the Commission's conclusion was that this capability for our Reserve Forces has been degraded, due to current operational demands. In my home State of Hawaii, maintaining this capability is a particular concern, due to the, of course, unique geography and time required to supply reinforcements, should a National Guard lack the resources or personnel needed in case of an emergency or natural disaster there.

Assuming an inability, in the short term, to address some of the more complicated changes the Commission proposes to address the broad challenges facing the Guard and Reserves, my question to you is: What immediate actions need to be taken to ensure that a gap in protection of American lives and property in the Homeland does not exist?

General PUNARO. Senator, we think the most immediate thing is a recognition of the high priority that the homeland missions should receive, and, therefore, strong DOD support. I would say, Secretary Gates has directed DOD to give these civil support requirements a much higher priority than they had in the past. So, the Secretary of Defense, in my judgment, has taken a very decisive step, after our report last March, to say, "These things need to be given a higher priority." That means, if they have a higher priority in DOD, they will have a higher priority for funding and resourcing. For example, right now the Hawaii Guard has only 38 percent of its critical dual-use equipment that it would need for a homeland situation. But, in the long-term, Congress is going to need to speak, statutorily, that these types of missions need to be given equal priority to the overseas missions. That's the way it's going to play out.

Right now, because everybody is so operationally busy, it's hard to get these units back up to speed, because we're kind of on a treadmill. But, I think it really relates back to DOD recognizing that these missions at home need to enjoy a much higher priority now than they have in the past. Again, I believe Secretary Gates—he'll obviously have to speak for himself, because wording is very important here, and the counsels would want these things said in very precise terms, so we're not creating too broad a mission for DOD. But, in simple terms, the civil support requirements have to be generated by DHS. DOD needs to take them, working with NORTHCOM, and working with the Guard Bureau, and make a determination, which of those are valid for DOD. The ones that are valid, then, need to be put into DOD's resourcing process, and then, that's how they're going to get funded and that's how the readiness is going to improve.

Senator AKAKA. Let me further ask: Would you think that greater integration and collaboration of local and State law enforcement with DHS would help to address any short-term resource mismatch until DOD can assume a greater role?

General PUNARO. Senator, we think that's essential, and that's one of the key reasons why DHS has to be the lead, and they need to look at these scenarios and say, "Okay, here's one for the Justice Department, here's one for the Department of Health and Human Services, here's one for the Agriculture Department." The answer to everything is not DOD. So, again, we emphasize this increased coordination and planning of everyone involved. Again, that's the role of DHS, and we are not that encouraged that they are moving out as quickly as they need to be in playing that role of pulling everybody together and making sure all the assets are available. This is why we argue that Guard and Reserve units, particularly the title 10 Reserve units—if you have, for example—I don't know what happened, in terms of a response in Tennessee, but I know, from personal experience—I guarantee you there are title 10 Reserve Forces whose personnel have come to the fray and helped out in these devastating tornados that have happened down in Tennessee—I guarantee you—because it's the way it happens all the time. When the Amtrak train went off the trestle in Mobile, AL, and went into the water, the 3rd Force Reconnaissance Company of the United States Marine Corps' 4th Marine Division, a Reserve Division, they had the rubber raiding rafts, they had the scuba gear, they were the first people on the scene, they were the first responders. They are our title 10 force.

The American citizens, they don't care whether it's Active Duty, National Guard, Reserve, State police, local police, Federal police. The taxpayers are paying for every single bit of this capability. Our Nation owes it to our taxpayers to get all this coordinated and allow all this capability to be brought to bear in these domestic contingency situations, not just DOD.

We would agree with you wholeheartedly on that.

Senator AKAKA. Thank you.

General Punaro, as we speak about NORTHCOM and the troops that would be assigned to that, one of the recommendations of the Commission is to substantially increase the number of Guard and Reserve billets at NORTHCOM, which has primary responsibility for, of course, defense of North America. By virtue of their familiarity with local communities, and combined with the cost of mobilization and—this seems to make them, really, the most of our personnel. My question to you is: What is the biggest obstacle in current DOD personnel management and staffing practices to achieving this desired status in the command?

General PUNARO. That is really a tough question. I want to be very careful in the way I answer it, because the people at NORTHCOM, I guarantee you that most of them are Active Duty personnel. That command really grew out of the old command that had the North American Aerospace Defense Command mission—and they get up, they come to work every day dedicated to the security of this Nation and put in long, long hours making sure they do everything they can to improve the situation. That's not in question.

The issue really is the experience, training, and culture. For example, Lieutenant General Blum, who's the head of the Guard Bureau, everybody knows to be a very dynamic leader, a warrior. He's led in combat, he's led in peacetime. He understands civil support,

and he understands how to get 55,000 Guard personnel to the Gulf Coast, in Katrina. That didn't come through NORTHCOM, that came out of the Guard Bureau.

No one in their right mind would put General Blum in charge of a nuclear carrier battle group, because while he's a great three-star general, he has no training, no experience, no frame of reference.

Our thought is—NORTHCOM is a specialized command. It is a command that is focused on a very complex, very difficult mission, which is protecting the Homeland, particularly in scenarios that require interface with State and local government, with law enforcement, with first responders. Active Duty military personnel do not have the background and experience, they haven't worked in that system, they don't know what they don't know. But Guard and Reserve personnel, they do this every single day. They are the emergency managers in the State. They are the hazardous-material coordinators in a local community. Therefore, it would make sense for NORTHCOM to have a lot more personnel like that on the staff in key roles.

They are looking at that, but the preliminary decisions that we understand are going to be made don't get them anywhere close to having the number of people they need, with the kind of experiences they need, to basically shift the culture and experience base of that command.

That's not a negative comment on the incredibly dedicated professional personnel and the commander that's working there every day. Again, we would not put General Blum in charge of a carrier battle group. We need to put the people in these billets that have the years and years and years of training, experience, and ability to handle these new daunting missions.

Senator AKAKA. Thank you. Thank you very much, General.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you so much, Senator Akaka.

Senator Wicker.

Senator WICKER. Thank you, Mr. Chairman. Thank you for your kind words of welcome, both yesterday and this morning. I appreciate the opportunity of serving with you, and I thank the members of the panel for their testimony.

I do find it interesting that the Commission was surprised at the degree of criticism that met the report. From some quarters, you would almost characterize it as a firestorm. I take it that the recommendation, General Punaro, was unanimous. Was it a unanimous recommendation of the Commission?

General PUNARO. The ones that have drawn the criticism were unanimous. Over a 2-year period, we made 118 recommendations; 117 of those recommendations were totally unanimous; and the 1 to have the directors of the Air Guard and the Air Reserve be dual-hatted, both under the Chief of the National Guard Bureau and the military departments, not one that we've heard a lot of talk about yet, we had a dissent on that by one commissioner who has very, very good arguments against it, but the rest of the Commission supported it.

Our report really is, in effect, totally unanimous, and on the ones that we've heard some criticism about—for example, saying that

the Commission is recommending turning the National Guard into a domestic response force only, we were quite surprised at that criticism, because, as General Stump, a member of the Air National Guard and an Adjutant General, said, that's just absolutely not the case. So, that one was a very surprising comment to us.

Again, on the core ones, of creating an Operational Reserve, enhancing DOD's role in the Homeland, the one that Senator Collins identified, that we say it's an appalling gap in our preparation for catastrophic, those were not only unanimous, they were ones that we sat down and thought about, long and hard, and debated, long and hard, and said, "We want to make sure that we can back up those comments."

Again, the extensive consultations that we had, particularly with the people that are responsible for some of these areas, some of the comments surprised us.

I will say that we were very encouraged by Secretary Gates' comments, before this Commission and before the House Armed Services Committee, where he said, "DOD has an open mind, going to take a hard look at it," his comments, yesterday, did not reflect some of the initial statements made by some DOD spokesmen, who, perhaps, did not have a lot of time to read the details.

Senator WICKER. For example, Assistant Secretary of Defense for Homeland Defense, Paul McHale, says that, "This is sharply at odds with the position we have taken in our strategy for homeland defense and civil support, and that what the Commission is recommending is that the National Guard become a domestic disaster-response capability, exclusively. We think that's wrong."

Do I understand that you, also, would think that is wrong, and your response is that that is, in fact, not the substance of the recommendations?

General PUNARO. If that is, in fact, what our recommendations were, which they absolutely, totally aren't, we would certainly make the same criticisms of our report that Secretary McHale did. But, that's just as General Stump explained earlier, and so, I'm going to ask him to respond.

Senator WICKER. Okay. I think you've given me the answer. I'm very much limited in time.

General PUNARO. Okay.

Senator WICKER. If General Stump would like to add to that for the record, he can.

General Blum has been mentioned several times in testimony this morning. At this particular press conference, he was standing right next to Secretary McHale and said that if the recommendations were followed, "We would unhinge the Volunteer Force, and we would break the Total Force."

Let me just ask you—I served 4 years Active Duty in the United States Air Force. I was a judge advocate, and I can assure the members of the panel I didn't do anything special. After that, I transferred directly into the Reserve, and retired, eventually, at the rank of Lieutenant Colonel. As I say, I was not a hero, in any sense, but I did have a chance to observe a lot. I was able to serve on Active Duty at an operational base. I was able to serve at a headquarters-type level, and then to serve for quite a while at a

training base. During that time, I saw the development of this concept of Total Force, which seemed to me to be an excellent move.

What is your understanding of the concept, General, of Total Force? What would be your response to this quote from the press, which may or may not be an accurate quote, from General Blum that we would "break the Total Force"?

General PUNARO. I was not aware of that quote from General Blum, and I hope it was misquoted, because, if it wasn't misquoted, it would be at significant variance from General Blum's own testimony before our Commission.

Senator WICKER. You support the concept of Total Force?

General PUNARO. Absolutely.

Senator WICKER. You think, under the recommendation, that you would go forward?

General PUNARO. We take the Total Force concept to its next level, we're arguing for greater integration. I was there in the Reserve when the Total Force concept was developed by Melvin Laird, and it said that what we're going to do is, when we have a requirement, we're going to look to see which part of our force—Active, Guard, Reserve, IRR—can best fulfill those missions and would be most economical for the taxpayer, and we need to be more integrated. So over the continuum since then, we've become more and more integrated. We believe we need to take it to the next step. We believe you need a totally integrated and interchangeable Active and Reserve component. Use those parts that make the most sense for that particular mission, take into mind the fact that the Guard and Reserve may be more economical for certain missions than the Active component, and have the ability for an Active-Duty Force commander to surge up and down.

I would say that no one is a greater adherent to the concept of Total Force than the members of the Commission. Again, I did not know General Blum made that comment, and I would hesitate to offer, but I certainly, if asked, could produce a lot of quotes from General Blum, not only in public, but in private, that I believe would be at significant variance with that comment, if it's accurate.

Senator WICKER. Thank you.

If I may have time for one more question, Mr. Chairman.

Someone in the panel, if you would, describe your deliberation process as far as the recommendation with regard to the health benefits program, and, specifically, the recommendation, as I understand it, that we move to a Federal Employees Health Benefits Program instead of the TRICARE program.

Ms. LEWIS. Thank you for the opportunity to clarify that, Senator Wicker.

In no way do we think that the current TRICARE Reserves Select Program should be eliminated. We think it's a very thoughtful and deliberate program that provides some excellent benefits to our Reserve component members.

Many of those Reserve component members, though, live in areas away from the hub of where that support exists, around a military base, and, in those more isolated locations, often it's challenging to find a TRICARE-standard provider. Our recommendations are not in lieu of existing programs, but actually are proposing to offer an

alternative that may provide a more comprehensive approach in areas where TRICARE access is more limited or challenging.

The Federal Employee Health Benefit Program has a wide network, with a variety of plans throughout the country. We thought that might be a possible viable option for Reserve component family members.

Also, our recommendations with regard to a stipend, we thought were important. We heard, from a number of focus groups that were populated by family members, Reserve component members, employers, and I was, quite frankly pleasantly surprised at the level of support that employers want to continue to provide to those families once those servicemembers are activated. They want to continue their private-sector plans and offer that continuity of care and minimize the disruption to those families. We thought it would be viable to explore a stipend, either to the servicemember or that employer, to assist in providing that continuity of care.

But, I'm pleased to clarify, it was not at the exclusion of the existing excellent TRICARE Reserve Program.

Senator WICKER. Thank you, ma'am.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you so much, Senator Wicker.

Let me go back to some of the discussion about coordination.

I don't think that any lack of coordination is tolerable, in terms of responding to a domestic crisis. We don't have to resolve some of the basic issues that you raise, it seems to me, in order to have coordination when it comes to a response to a catastrophic event. I don't think the American people would tolerate, for 1 minute, response to any catastrophic event not being coordinated. I think they were appalled with Hurricane Katrina. We were. I remember some of the hearings, which Senator Collins, I believe, at the time, was chairing, relative to the response to Hurricane Katrina.

In your report, you take up the issue of coordination, and you're critical, I believe, of the lack of coordination now, and then you also make these other recommendations.

Can't we have a highly coordinated response plan right now, with the existing units, under the existing control, with the existing roles and missions that are assigned, both to Active Duty and Guard? Can't we have a coordination plan, which is really solid, right now?

General PUNARO. Mr. Chairman, we should have such a plan.

Chairman LEVIN. Is there any reason we can't have it?

General PUNARO. In our judgment, no.

Chairman LEVIN. We don't have to resolve all the fundamental issues and the directions that you're talking about for the Guard missions and Active Duty and their missions, and giving missions at home a higher priority for the Guard, and so forth—we don't have to resolve all of that in order to have coordination which is absolutely rock solid, would you agree with that?

General PUNARO. Yes, sir, Mr. Chairman.

Chairman LEVIN. That coordination, you say, does not exist right now.

General PUNARO. They will tell you they certainly are doing——

Chairman LEVIN. Not "they," but what will you tell us?

General PUNARO. We do not find the—again, we're not looking back, we're looking at the gap and looking forward.

Chairman LEVIN. I mean now.

General PUNARO. Right now, we do not have the level of coordination planning that we should have for these particularly high-end situations.

Chairman LEVIN. All right. Do you agree with that, by the way, General?

General STUMP. Yes, sir.

Chairman LEVIN. Okay.

General STUMP. There are 15 scenarios that have been proposed of disaster responses that can be out there, and we need to include not only the Guard and the Reserves, but the Active Duty and the Governors and the first responders, et cetera.

Chairman LEVIN. All right.

General STUMP. That's not there now.

Chairman LEVIN. I'll just tell you flat out, there's no excuse not to have that coordination now. I know that the Homeland Security and Governmental Affairs Committee will be looking into this—I believe, next week.

Again, I very much appreciate your and Senator Lieberman's agreeing to this sequence of hearings. I hope you would pass that along to Senator Lieberman for me.

That's going to be intolerable, period. We're going to have NORTHCOM in front of us in March, and we're going to raise this issue with them.

Now let's talk about the future.

General PUNARO. Mr. Chairman, as part of our consultations—I won't say with who, but with a very senior official at NORTHCOM—I suggested to that official that they would be answering these very questions.

Chairman LEVIN. All right.

Now, we also have these other basic questions, which we very properly raise. We want Guard units up to speed in terms of equipment and training. We want the missions that they have, particularly here at home, to be given a higher priority. I think that's clear, that there's greater threats now to the Homeland, that the Guard are in a very unique position to respond to. We ought to give them all the capability and equipment that are needed to respond to those kind of catastrophes here at home, so that they can respond to a greater number, a greater level of catastrophes without calling in the Active Duty folks. I think that's right. That's clear. We ought to do it.

Who's going to be in charge of those units is where you're going to get into all kinds of political problems. The Governor is in charge of our National Guard. The 82nd Airborne's called in, is the Governor going to be in charge of the 82nd Airborne, ultimately? I don't think anyone here is proposing that. On the other hand, that's the direction that you're going, in essence, if you're going to be putting a National Guard general in charge of Active-Duty Forces. Who's in control of that National Guard general, the Adjutant General? It's the Governor. So we have two alternatives here. You want a Governor in charge of the 82nd Airborne, that's one, or you want an Active Duty general, who's usually focused on other

things, to be in charge of the domestic response? That's the question you raise. General Punaro, that was the one you raise.

To me, if it's one or the other, I'd rather have the Active Duty general in charge of the National Guard response than I would to have a Governor commanding the 82nd Airborne, if that's my option. I don't think that is the only option. I think there may be a way, which you've discussed, which is to put some more National Guard folks up at NORTHCOM. But, still, you'd have to have a NORTHCOM commander who's in command of those. But, nonetheless, if there's a shortfall, in terms of that capability at NORTHCOM, which you allege there is a very serious shortfall, it seems to me that at least is a way of bringing in that capability, that experience, as you put it, to respond to disasters and local events, to bring that into NORTHCOM. At a minimum, it seems to me, that's what we should be talking about.

So, in terms of the coordination, that's a short-term problem.

General PUNARO. Mr. Chairman, if I could I mention that——

Chairman LEVIN. Please, yes.

General PUNARO. You've hit on a very interesting and very important concept that we think has merit. That's why I said it doesn't have to be either/or, the Commander of NORTHCOM could be a Guard or Reserve person. General Pace testified before our Commission that there are people in the Guard and Reserve today that are totally capable of being the four-star commander of NORTHCOM. The component commands could be commanded by Reserves. For example, Army North doesn't have to be commanded by a three-star Active-Duty general, it could be commanded by a three-star Guard general. The Marine Forces Reserve—Marine North—is commanded by a reservist, Lieutenant General Jack Bergman. So, when you start embedding the Guard and Reserve personnel in the NORTHCOM billets, either as the commanders or the planners or the J–1s or the J–3s, I think you're going to begin to see these seams close in, and I think you're going to see the kind of experience and coordination that all of us desire. That's another thing that needs to be worked on.

Chairman LEVIN. I've just been handed a note that the commander of Joint Task Force Civil Support for NORTHCOM is a National Guard already.

General PUNARO. Super.

Chairman LEVIN. So that is already taking place.

Without getting into these impossible-to-resolve political disputes, where every Governor and every four-star Active-Duty general is going to just [finger snap] go like that, we don't need to wait for coordination, and there's ways of achieving the experience factor in ways which don't require us to do things which the public, I think, would not accept, nor should they.

Now, I'm going to stop there, since everyone's nodding their head. I think I'm ahead, I think I'll stop with being ahead.

Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

I just wanted to ask two final questions. Ms. Lewis, many of us—indeed, all of us—are very concerned about the stress that repeated and lengthy deployments have placed on our National Guard members, their families, and their employers. Many of the recommenda-

tions that you've made, as far as improving the retirement and healthcare and GI Bill benefits, speak to that concern. Obviously, all of us would like to see shorter deployments, which would help a great deal.

The President, in his State of the Union Address, proposed some changes in educational benefits that would allow returning servicemembers, if they were not going to use the educational benefits, to transfer that benefit to their spouses or to their children. Did you, in the course of looking at the benefit package, take a look at that idea?

Ms. LEWIS. Senator Collins, we did make some recommendations with the timeframe with which a member could use their Montgomery GI Bill benefits upon their return. As far as transferability, we did not make any particular recommendation in that regard.

There are two factors that go into some of these benefit programs. One is whether they're a recruiting tool, and one is whether they're a retention tool. Certainly, transferability would aid in retention, but there is some question about transferability impacting future recruiting if a benefit was already accrued through a parent rather than a young person themselves. So, we didn't make any particular recommendations in that regard. I know it's a sensitive issue, and I know there's a lot of appeal to allowing that transferability. But, we did make the extended access available for GI Bill benefits for the servicemember themselves, and then focused our other recommendations on longer-term tools that DOD could use for recruiting and retention, which would include a further evaluation of how to use educational benefits.

Senator COLLINS. Thank you.

The retirement changes, in particular, that your report recommends, are an issue that comes up time and time again when I talk to members of the Maine National Guard, so I appreciate having your recommendations in that area.

Finally, General Punaro, I want to just clarify one last time for the record, part of your report that has created some confusion about what you see as the role of the National Guard for homeland security versus an Operational Force that is deployed in times of war.

Your report states that the National Guard and Reserves should play the lead role in supporting DHS, other agencies, and States in response to major catastrophes. Then, in recommendation number 5, which is where I think the confusion has occurred, the language says that the Commission recommends shifting capabilities determined to be required for State-controlled response to domestic emergencies to the National Guard, and then shifting capabilities currently resident in the National Guard that are not required for its State missions, but are required for its Federal missions, either to the Federal Reserve components or to the Active-Duty military. I know the chairman brought up this language, too. It is this that has created some confusion, where people think that you're saying, if you're transferring the capabilities for Federal missions to the Active Duty or the Reserves, that you're no longer envisioning the Guard being really part of the Total Force. That's not what you're saying, correct?

General PUNARO. That is absolutely correct. I think we had in there somewhere, "as appropriate," but it's clear we did not word it as precisely as, probably, we should have. The concept really is—and this is why we say it would not reduce, but rather enhance their warfighting capability—our Active-Duty military and the combatant commanders that basically control our operations overseas; they're generally forward deployed. The Active-Duty military is the first to go overseas, beginning with the ones that are already there, as well as the immediate reinforcements. The Guard and Reserve, as required, augments and reinforces the Active component overseas, so they have the lead. This is not a command-and-control issue, it's just a sequencing issue.

For the Homeland, particularly those catastrophic situations, which, we would argue, are every bit as difficult as an overseas war, that the Guard and Reserve, because they are forward deployed in the continental United States in 5,000 communities, they have the command and control, they have the situation awareness, they have the geography, as well as the cost benefit of being at a resting phase when something isn't going on—they should have the lead. That doesn't mean they're the only people, and that doesn't mean that's their exclusive mission; it's really a question of sequencing the forces.

If they can't do it in a particular area, as the chairman has pointed out, and is NORTHCOM's contingency plans with Joint Task Force Civil Support, the Active would roll in very quickly, bring in the augment and reinforcing, and you'd have what you need. It really is more of a sequencing issue, and then playing to the operational skills and geography of the various forces.

The Guard is going to be relied on increasingly, not just at home, but overseas. There's no way you can make up a gap that we have in what our requirements are with the Active component alone—right now, 600,000, mobilized for the wars, another 68 million man days—if you tried to replicate in the Active Force the operational capability we have in our Guard and Reserve today, and put it all on Active Duty, it would cost close to a $1 trillion. That money doesn't exist, and it wouldn't make sense for the taxpayers, anyway.

So we appreciate the opportunity to get very firmly on the record that we absolutely do not recommend converting the National Guard into a domestic crisis response force only.

However, as DHS develops these requirements, as your committee and Congress have required by law, and the requirements come to DOD, DOD then will validate them, and if they agree with them, they'll say, "Okay, we have this requirement. Who are we going to have satisfy this requirement? Is it going to be the Guard? Is it going to be the Army Reserve? Is it going to be the Active Army?" That's what we mean by rebalancing. DOD may decide that they need to rebalance, and they may say, "We're going to put every bit of it in the Guard, without taking anything away that they have now, or we may decide that it should go to the Army Reserve. For example, mass decontamination, DOD may decide that maybe that ought to be in the Guard instead of the title 10 force." It's really more of a force-structure thing, not a roles and mission change.

I know you've been very tolerant, but this is so important, and, as you said, it's created somewhat of a firestorm by misunderstanding.

General Stump, did you want to add anything on that?

General STUMP. I can understand your confusion, I feel the same when I read it and I look at it, but I know what our deliberations were and if you go through the reports, you will find—nowhere in the report do we identify any force structure which should be moved from the Guard to the Active Duty, because it's only required for the overseas mission.

My personal experience, in the State of Michigan I had 10,000 Army National Guard people. I can tell you that I had every one of them on an assignment for a State mission.

It was probably a poor choice of words, and I know it has caused some confusion, and we have had a lot of questions about that, because, immediately, they assume that, "Okay, because you don't need tanks in your homeland security mission, therefore let's get rid of Brigade Combat Teams." Wrong, kimosabe. You need the Brigade Combat Teams for the State mission, because if you have a natural disaster and a catastrophe, you need the people, you need the Humvees, you need the communication equipment.

Also, you can't back down from where we are now on the Operational Reserve for those forces that are in the National Guard. If you take those out now, the Active Duty which are under a lot of stress now, would be even in more stress if we took those things out.

Unfortunately, I think it was a poor choice of words. That's not what we mean, and that's not what we recommend. I would defy somebody to define what those requirements are in the National Guard that you cannot use for the homeland mission.

Senator COLLINS. Thank you.

I think it was important to clarify that issue. I was confident that was not what you meant. But, when my staff was confident that was what you meant, I realized that there was considerable confusion over that. I think this hearing has clarified that.

As I recall, at one point one-third of the soldiers in Iraq, at the high point, were National Guard or Reserves, so there's no way that you could take away that capability, dedicate it solely to homeland defense and domestic preparedness issues. You just couldn't do it, for the reasons that Chairman Punaro has said. But, I did want to clarify that for the record.

I do think that our reliance—and, I would argue, over-reliance—on the Guard and Reserves in Iraq and Afghanistan does require us to rethink the issues that your commission has spent 2½ years looking at. The benefit recommendations, the recruitment and retention issues, the competency versus time and service issues, are all extremely valuable to our deliberations.

Finally, as Senator Levin has mentioned, Senator Lieberman and I will be following up on this in our committee, which Senator Levin is the senior member of, as well—in fact, he could be chairman if he wanted to, I believe—and we are going to continue to pursue this. I think the work we did, in looking at Hurricane Katrina, was very helpful in giving us a base understanding, and you've certainly built on it. Thank you for your work.

Thank you, Mr. Chairman, for an excellent hearing.

Chairman LEVIN. Thank you very much, Senator Collins.

I think we have clarified a number of issues here this morning. There has to be a greater focus inside the Guard on the new threats. They have to be given the capability, the equipment, the training to address these new threats. They're of a higher level than they've ever been, domestically. We need to have this coordination in place between our Reserve Forces and our Active-Duty Forces. There's no reason why that coordination should not be there now. I'm sure NORTHCOM feels that it is there now; they've made statements to that effect. But, we will be able to press them when they come here in March.

What we'll do is this, we will ask all of the various entities that have a interest in this matter to give us their comments on your Commission's report. We'll ask them for that by the middle of March. You go out of existence, April—what day?

General PUNARO. End of April, sir.

Chairman LEVIN. End of April. If we got comments in by, let's say, March 15, would that give you enough time to respond with any comments?

General PUNARO. Yes, sir, Mr. Chairman.

Chairman LEVIN. All right. I think that was Senator Warner's suggestion, that you have that opportunity.

We will send out the report to the entities that would have an interest in it—surely, the agencies that have that kind of an interest, and a number of other entities and organizations—and provided these responses to the committee—and then give you the opportunity, for 30 days or so, to comment on their comments.

Again, our thanks to all of you for a very stimulating report. It's important that these issues be raised. You've raised them with intelligence and experience. They've stirred up a lot of reaction, which is your intent. We look forward to the reaction, because you've raised some important issues that need to be addressed.

With that, we will stand adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

RESPONSIBILITY FOR MILITARY EQUIPMENT

1. Senator BYRD. General Punaro, your report suggests that requirements for military equipment needed for emergency situations should be set by the Department of Homeland Security (DHS), rather than by the Guard itself. DHS's response to the Hurricane Katrina disaster did little to instill confidence in its operational capabilities. Furthermore, DHS, as your report points out, has little in-house military expertise. It seems to me that our military experts would be better positioned to know their own equipment requirements. Why should DHS be entrusted with this responsibility?

General PUNARO. By statute and executive order, DHS is the lead Federal agency for homeland security, including the planning for most forms of consequence management. While the Department of Defense (DOD) and its component elements, such as the National Guard Bureau (NGB) and U.S. Northern Command (NORTHCOM), play important roles in homeland security, it is the Secretary of Homeland Security, acting through the Federal Emergency Management Agency (FEMA), who is tasked with the responsibility of coordinating national preparedness efforts. A significant portion of this task lies in assessing preparedness for emergencies, identifying the gaps between Federal and State capabilities, and recommending programs and activities that could address such gaps. He or she must also determine which of several supporting Federal agencies, including DOD, should provide the capabilities required in emergency response plans. This responsibility is as-

signed to the Secretary of DHS in Homeland Security Presidential Directive 8 and the Homeland Security Act of 2002. Legislation in 2006 transferred the Secretary's responsibility to the newly reconfigured FEMA, an agency placed under DHS in 2002.

As a result of its centrality in national preparedness efforts, DHS is the Federal agency assigned the responsibility to assess from a national perspective the response capabilities present in Federal, State, and local government. Therefore, it is the agency with the expertise and the responsibility to inform DOD of which capabilities DOD will be expected to provide in response to a catastrophe. DHS is in the best position to generate civil support requirements, which DOD would then validate as appropriate.

For these reasons, in our March 1, 2007, report to Congress, the Commission recommended (Recommendation #1) that "The Secretary of Homeland Security, with the assistance of the Secretary of Defense, should generate civil support requirements, which DOD will be responsible for validating as appropriate."

As you suggest, a key factor in DHS's ability to generate civil support requirements is its familiarity with DOD and its capabilities. For this reason, the Commission also recommended in our March 1 report (Recommendation #2) that "The DOD (including combatant commands and the NGB) and DHS Headquarters should exchange representatives to improve the knowledge, training, and exercising; and to assist the Secretary of Homeland Security with generating requirements for military civil support missions." The Commission recommended that the plan to exchange personnel be implemented "within 180 days." In our final report (Appendix 8), the Commission concluded there had been "insufficient progress to date" on implementing this recommendation.

LINE OF COMMAND AND CONTROL

2. Senator BYRD. General Punaro, currently, when responding to a domestic emergency, the National Guard reports directly to the State Governor through its State adjutant general. If interoperability is achieved, do you envision a situation where the DOD assets report to the State adjutant general to maintain a clear line of command to the Governor?

General PUNARO. In our March 1 report and our final report, the Commission recommended that as part of their planning efforts, DOD and the States develop protocols to allow Governors to exercise operational control over Federal military forces under certain limited circumstances. They could do so by using a dual-hatted National Guard commander. The Commission believes that if enacted, this proposal would clarify chains of command during crises. Depending on the particular scenario, and the capabilities required to respond, the Commission does envision that Federal (title 10) assets could, via these protocols, report to the State adjutant general in a line of control to the Governor without compromising the President's authorities as Commander in Chief.

3. Senator BYRD. General Punaro, do you envision that DOD, when called upon, will report to a State Governor independently or do you envision that DOD assets will report to the Commander in Chief?

General PUNARO. The Commission's proposal envisions Governors exercising operational control over Federal forces under certain, limited circumstances pursuant to agreements entered into ahead of time between particular States and DOD. The President would retain formal command of title 10 forces, with operational control being "chopped" to Governors for a crisis by agreement of the President. The Commission analogizes this relationship to foreign commanders exercising operational control over United States forces (discussed on page 111 of the final report). In that situation, the President retains formal command over United States forces, even though they may be subject to the operational control of a foreign commander under defined circumstances.

4. Senator BYRD. General Punaro, in order to prepare for a situation where a State Governor might need to take control of DOD assets, a legal framework needs to be addressed by Congress. How would you recommend Congress proceed in establishing this framework?

General PUNARO. In the Joint Explanatory Statement to the National Defense Authorization Act (NDAA) for Fiscal Year 2008 (Public Law 110–181), the Conferees tasked:

> "the Secretary of Defense, as part of the response planning required by this provision, to address the nature of command relationships under which

> troops will operate during particular contingencies and ensure, as recommended by the Commission on the National Guard and Reserves, that necessary agreements are entered into as soon as practicable."[1]

While the Commission would encourage Congress to further support this recommendation, it believes that this recommendation can be implemented consistent with current law.

NATIONAL GUARD AND RESERVE SUPPORT

5. Senator BYRD. General Punaro, many of the family and medical support services necessary during periods of sustained and repeated operational deployments are available at the home bases of military personnel, but not available in the dispersed areas from which the National Guard and Reserve are drawn. Base realignment and closure exacerbates this problem since the numbers of active bases are decreasing and the locations of the remaining bases are more widely dispersed. Further, repeated sustained deployments result in greater strains on the ability of Guard and Reserve service men and women to keep their jobs and retain their homes—something that is not an issue for the Active Forces. What specific actions do you recommend Congress take in order to make sure that the National Guard and Reserve members, who are bearing a great deal of the burden of defending this country, are able to return to their civilian lives without suffering considerable economic injury?

General PUNARO. The Commission has made several recommendations to address these concerns in our final report. The Commission was particularly attuned to the unique problems that face Reserve component members and their families who live at a considerable distance from military installations and their on-base facilities, such as family service center and military treatment facilities. Our final report addresses problems that Reserve component families can encounter in obtaining up-to-date, user-friendly information about TRICARE and in finding a provider willing to take TRICARE. Our health care recommendations (#61–63) focus on enhancing continuity of care for families. We propose a major new initiative—a stipend for the employer to continue covering the reservist's family in the employer's health insurance plan during the period of activation—in Recommendation #63.

Similarly, the Commission through hearings, roundtable discussions, and focus groups delved into the unique challenges facing "suddenly military" Reserve component families who often live at a considerable distance from military facilities, and Recommendations #64–67 seek to improve the level of resourcing and services available to family members.

Employers are an extremely important part of the equation, and in Recommendations #68–72, the Commission made a number of proposals to enhance DOD's compact with employers. These include creating a more visible, higher-level role for the National Committee for Employer Support of the Guard and Reserve, establishing an employer advisory council to provide direct input to the Secretary of Defense, and improving the Small Business Administration's Military Reservist Economic Injury Disaster Loan program.

In Recommendations #55–59, the Commission endorsed changes to the Uniformed Services Employment and Reemployment Rights Act of 1994 and the Servicemembers Civil Relief Act, which are designed to protect the employment and legal rights of Reserve component members both while they are activated and upon their return to civil society.

In the area of military compensation and benefits, Recommendations #52–54 propose further legislative action in the areas of housing allowances, travel reimbursement, and educational benefits. The Commission urges that Congress take up and implement these recommendations as soon as practicable.

6. Senator BYRD. General Punaro, many of the recommendations in the report affect Active-Duty Forces as well as the Reserve and National Guard components, such as increasing the number of joint duty billets, consolidating the Active and Reserve pay and personnel systems, simplifying the number and pay of various duty statuses, and consolidating Active and Reserve component retirement systems. Overall, many of the recommendations seem designed to make National Guard and Reserve Forces more like part-time Active Duty personnel than separate forces with their own missions and organizations. Do you have any concerns that these proposed reforms turn the "Operational Reserve" into operational forces, making it too easy to call them into full-time status?

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[1] Joint Explanatory Statement to Conference Report 110–477, on H.R. 1585, NDAA for Fiscal Year 2008, December 6, 2007, p. 326.

General PUNARO. As discussed in our report, the National Guard and Reserves are already used in an operational manner. Because of a number of factors, current and long-term operational requirements necessitate heavy reliance on the Guard and Reserves for missions both at home and overseas. In 2006, for example, the service provided by reservists was the equivalent of maintaining almost 168,000 additional full-time troops. The Commission found that the National Guard and Reserves provide such capabilities while maintaining strategic depth in an extremely cost-effective manner. As discussed in Chapter I of the final report, we are very concerned that the current use of the Reserves is not sustainable unless significant changes are made to the underlying laws, rules, regulations, pay, personnel, and other systems related to the Reserve components. The recommendations of our report are intended to ensure that continued operational usage of the Reserve components is supported by a framework of laws, policies, and structures that will make such use sustainable for the long-term.

7. Senator BYRD. General Punaro, during both the brief 1991 Persian Gulf War and the current sustained operations in Iraq and Afghanistan, DOD has been unable to carry out combat deployments without significant reliance on National Guard and Reserve components—despite the fact that our Active military force exceeds 1.3 million personnel and many traditionally military support roles are now being performed by civilian contractors. Your report notes that "there is no reasonable alternative to the Nation's continuing increased reliance on its Reserve components for missions at home and abroad, as part of an operational force." While I realize that the focus of the Commission was to assess the role of the National Guard and Reserve, should we also revisit the issue of the capacity of the Active Forces as currently structured to perform their combat mission?

General PUNARO. Chapter I of our report notes the inevitability of continued reliance on our Reserve Forces. Increasing the capacity or restructuring the Active components to avoid such dependence on the Reserve components is unaffordable and likely not even feasible because of the demographics and recruiting challenges. The Commission believes that strong, ready, Operational Reserve components, fully integrated within their Services, are good for the national security and beneficial to our Nation for many reasons. Evaluating the structure and capabilities of the Armed Forces, both Active and Reserve, is a continuous process in the changing security environment our Nation faces. Our report recommends some rebalancing between components, mainly to align homeland capabilities with the units best situated to respond to domestic emergencies. We do not recommend rebalancing to reduce reliance on the Reserve Forces for overseas warfighting, which, as we have pointed out, would not be beneficial even if it were feasible.

RANKING OF RECOMMENDATIONS

8. Senator BYRD. General Punaro, the final report is an extremely complex offering of problems in search of creative solutions that the Commission suggests may take a multi-year effort. Did the Commission consider assigning some rank ordering of its recommendations to assist Congress in addressing the most critical issues first?

General PUNARO. The recommendations in our report are designed to create the structures of law and policy that will support the Operational Reserve use that by necessity has evolved and is in place today. Some of our recommendations may be implemented quite rapidly via policy changes at DOD or within the Services. The Commission would welcome the opportunity to provide the committee with our breakdown of those recommendations that can be implemented via the NDAA for Fiscal Year 2009, and our view of how best to create a legislative framework to address those that are more complex and would require years of study and thorough vetting before the statutory changes necessary to implement them can be made.

CONSTITUTIONALITY OF RECOMMENDATIONS

9. Senator BYRD. General Punaro, recommendation #26 states that "Congress should cease to manage DOD manpower levels by using authorized end strengths. DOD should budget for—and Congress should fund—personnel, Active and Reserve, based on requirements and needed capabilities." I would remind you that Article I, Section 8 of the Constitution gives Congress the authority to "provide for organizing, arming, and disciplining the militia, and for governing such part of them as may be employed in the service of the United States. . ." Why, if you have specific sug-

gestions or recommendations for determining required end strengths, would the law not require you to make them to Congress?

General PUNARO. The Commission's Recommendation #26 is fully consistent with the Constitution. Recommendation #26 proposes that Congress no longer manage military manpower levels by end strength. DOD prepares the annual budget request for military personnel using average, rather than end, strength levels for each Service and component. Congress appropriates on the basis of average strength levels, making whatever adjustments to the budget request that it deems appropriate. Average strength reflects DOD's projected utilization of military manpower across the entire fiscal year. End strength, by contrast, captures a single, one-day point in time—September 30—which may or may not accurately reflect projected force levels and funding required across the entire fiscal year. In recommending the elimination of a constraint that can result in management inefficiencies, the Commission was in no way suggesting that Congress should reduce its role in overseeing force size and funding. In formulating this recommendation, the Commission kept in mind Congress's earlier action to prohibit DOD from using end strength as a basis for managing DOD civilian employees (10 U.S.C. § 129); DOD civilians are to be managed instead by required workload and available funding. The Commission is simply recommending that Congress adopt a similar framework for military personnel, with levels determined by requirements and needed capabilities. Within this framework, Congress would continue to exercise full oversight over the military manpower budget and could require DOD to submit whatever additional budget justification materials that Congress deemed appropriate.

PAY CHANGE RECOMMENDATION

10. Senator BYRD. General Punaro, in the early responses to the release of the report, there seems to be significant misunderstanding of the Commission's intent regarding changes to the pay of members of the Guard and Reserve resulting from reorganization of status. Could you clarify in simple terms exactly what impact your recommendation #22 would have on a drilling Guard or Reserve member in terms of number of days worked and pay received?

General PUNARO. Please see the answer to question 11, below.

11. Senator BYRD. General Punaro, can you contrast the two elements of your recommendation #22, specifically the number of days worked and pay received with the current pay system?

General PUNARO. For inactive duty training, Reserve component members perform two 4-hour drills per inactive duty training day. For each drill period, they receive 1 day's basic pay, which is the same as 1 day's basic pay for an Active Duty servicemember of equal rank and years of service. For a drill weekend, a Reserve component member completes four drill periods over the 2-day period and therefore receives 4 days of basic pay for his or her grade and years of service. This drill pay structure dates back to 1920.

Active Duty servicemembers, by contrast, receive 1 day's basic pay for each day worked, but they also receive a basic allowance for housing and basic allowance for subsistence, neither of which is available to Reserve component members for inactive duty training.

As a part of duty status simplification, the Commission recommends reducing the number of duty status categories from 29 to 2: on (active) duty and off (active) duty. The current plethora of duty statuses is confusing and frustrating to both Reserve component members and their operational commanders. Under the simplified duty status structure put forth in Recommendation #22, inactive duty training would now be Active Duty and Reserve component members would receive a day's pay (i.e., basic pay, basic allowance for housing, and basic allowance for subsistence) just as do their Active Duty counterparts, rather than pay for two drills.

The key to accomplishing this change is to ensure that individual servicemembers do not lose money in the changeover, since the amount currently paid for two drills per duty day is greater than a day's pay for an Active Duty member, even after the subsistence and housing allowances are added to the latter. The amount of the difference varies by rank, marital status, and years of service. This pay difference is one reason that previous attempts to simplify duty statuses have not succeeded. In a congressionally mandated 2004 report on Reserve compensation, DOD provided its analysis of a variable "participation pay" as a mechanism to prevent a Reserve component member from losing out-of-pocket income as a result of such a duty status simplification. The DOD report emphasized that changing to a new Active Duty status system should not cause the individual reservist to suffer a reduction in either

the level of compensation received or retirement credit earned. The Commission shares the Department's concern, and Recommendation #22 states clearly that the change from drill pay to an Active Duty pay system should not reduce compensation for current servicemembers. After some period of "save pay" for the current force, Congress then may wish to replace an incentive or participation pay with other changes to the compensation system.

Nothing in the Commission's final report can or should be read as suggesting that reservist drill pay should be cut. Rather, as the report makes clear, the Commission suggested alternative methods to simplify duty statuses while preserving reservists' compensation in this area. In addition, the Commission recommended a number of benefit enhancements, including to medical and family benefits, and increased reimbursement for travel and other expenses.

EFFICIENCY REPORTS

12. Senator BYRD. General Punaro, based on your report, Recommendation #2, embracing significant actions to "empower" the NGB and its Chief, do you believe your Recommendation #94 is consistent with your earlier efforts? Put more simply, who would write the efficiency reports of the directors of the Army and Air National Guard?

General PUNARO. The Commission believes that Recommendation #94 is fully consistent with our other recommendations, including those made in our March 1, 2007, report. In the 2008 NDAA, Congress increased to four stars the rank of the Chief of the NGB and increased the responsibilities of that position, making its holder an advisor to the Secretary of Defense on matters related to the National Guard forces in non-Federal status. Congress thus made certain that the CNGB would retain the ability to influence decisions regarding such matters and to ensure that the needs of States and their Governors are addressed in policies formulated by the Secretary of Defense. The CNGB also retains direct lines of communication to the Secretaries of the Army and Air Force and their Chiefs of Staff. At the same time, placing National Guard leaders on the staffs of the Service Chiefs of Staff would ensure that those same policies are carried out at a lower level in the Department and that the National Guard components are provided the resources they require to perform effectively in both their State and Federal roles. We believe this to be the best approach to solving the problems we identify; we emphasize, however, that what is most important is not how the problems are solved but that they are solved as soon as possible.

Furthermore, the Commission's recommendation that the CNGB's position be elevated to a four-star rank was based not on the Chief's role as a supervisor of general officers but rather on careful analysis of the magnitude and complexity of the combined duties and responsibilities required to be performed, and the significance of the decisions made, by the Chief of the NGB. The proposal contained in Recommendation #94 does not relieve the Chief of his or her varied and significant duties; rather, it provides the Chief with two advisors who are embedded in the Active Army and Air Force organizations.

If the Directors of the Army and Air National Guard were assigned to their Service Chiefs of Staff, they would continue to advise the Chief of the NGB as well. At the same time, the NGB would remain the liaison for non-Federal missions, particularly the homeland-related missions executed by the National Guard. By law, the director of the joint staff of the NGB is selected by the Secretary of Defense to perform "such duties as may be prescribed by the Chief of the National Guard Bureau." Through this continued statutory relationship, the NGB joint staff director—and joint staff—would continue to assist the Chief of the Bureau in his or her role as an advisor to the Secretary of Defense through the Chairman of the Joint Chiefs of Staff on matters involving non-Federalized National Guard forces. Thus, the Chief's ability to execute the duties of the office would not be impeded.

Neither Army (Army Regulation 623–3, "Evaluation Reporting System," August 10, 2007) nor Air Force (Air Force Instruction 36–2406, "Officer and Enlisted Evaluation Systems," April 15, 2005) regulations require performance reports for officers above the grade of major general. The directors hold the rank of lieutenant general, and it is the Commission's understanding that they are not given performance evaluations.

Of the 95 recommendations included in the Commission's final report, this was the only one not adopted unanimously. Commissioner Gordon Stump addressed the exact question posed above in "Additional View," included as Appendix 1 in the report. He sees this recommendation as:

"inconsistent with the Commission's March recommendation that the position of the Chief of the NGB be elevated from lieutenant general to general. Such elevation to a higher grade makes complete sense for a position whose holder has responsibility for the integration of two service Reserve components as well as a host of emerging joint functions pertaining to homeland defense and support to civil authorities in a new era of military conflict. It makes no sense, however, for an officer who no longer supervises the directors for title 10 functions and has no budget authority or say on force structure allocation for the Army or Air National Guard."

QUESTION SUBMITTED BY SENATOR DANIEL K. AKAKA

POST-DEPLOYMENT HEALTH REASSESSMENTS

13. Senator AKAKA. General Punaro, one of the recommendations of the Commission is for DOD to be more proactive and accurate in tracking the status of post-deployment health reassessments of returning Guard and Reserve personnel. This includes ensuring every member has completed the assessment within the statutory 90–180 days, and effective follow up by the Services especially with regard to mental health issues. Given the findings of the Commission that there were disparities among the Services as to the effectiveness of tracking and follow-up, and that the Office of Secretary of Defense has not provided guidance on this issue, what specific suggestions would you have for improvement in DOD oversight of this problem so that our returning military members are properly cared for?

General PUNARO. The Commission makes several recommendations in this regard. Congress may wish to (1) enact freestanding statutory language or amend 10 U.S.C. § 1074f (medical tracking system for members deployed overseas) to require the Secretary of Defense to: (a) conduct a post-deployment medical reassessment within no more than 90–180 days of deactivation; and (b) include a requirement to track this reassessment as part of the recordkeeping required by subsection 1074f(c); (2) enact statutory language directing the Comptroller to report on the extent to which the Services have met the 90- to 180-day requirement and include any recommendations for ways to improve the process; and (3) enact statutory language requiring the Secretary of Defense to prescribe uniform guidance to the Services in determining required follow-up by providers on responses to mental health questions on the Post-Deployment Health Assessment and directing the Comptroller General to evaluate whether the Services are following the Secretary's guidance and to identify any areas that require further attention.

QUESTIONS SUBMITTED BY SENATOR E. BENJAMIN NELSON

GOVERNOR CONTROL OF FEDERAL FORCES

14. Senator BEN NELSON. General Punaro, Mr. Ball, Ms. Lewis, and General Stump, could you outline your rationale for Recommendation #7, which suggests giving Governors operational control of Federal forces in their State when responding to a disaster or incident within that State?

General PUNARO, Mr. BALL, Ms. LEWIS, and General STUMP. There is no established process whereby Governors can gain operational control over Federal military assets within a State to respond to emergencies. Under existing procedures, if a major crisis occurs in a State where both Federal and non-Federal (National Guard under State control) forces provide civil support, military assistance is coordinated in two ways. NORTHCOM controls the movement of title 10 Active and Reserve Forces into the State and maintains command and control over them through a joint task force. Simultaneously, States, often with the assistance of the NGB, coordinate the movement of National Guard Forces in title 32 status; once they are in a State, on the basis of agreements between the States, they are commanded by the Governor as if they were National Guard Forces of that State. This dual coordination leads to two separate chains of command for military forces in the State. One chain of command leads from title 10 forces through NORTHCOM to the President, while another leads to the Governor. Although the Governor may request assistance from title 10 military forces within the State, he or she does not have the authority to direct them. The Commission believes that these two separate chains of command can cause confusion and undercut unity of effort.

The guiding principle of emergency management doctrine in the United States is that problems should be solved at the lowest level possible. Therefore, unless their use would compromise national security, all military resources that may be needed

to respond to a contingency—whether National Guard (in-State Active Duty of title 32) or Active Duty or Reserve (in title 10), and whether within the affected State or in another State—should be included in the State's emergency response planning. As part of that planning, Federal and State authorities should develop policies and procedures regarding the nature of the command relationship under which the troops will operate during particular contingencies. These agreements should be entered into before the crisis, rather than in an ad hoc manner while lives and property are at stake—as happened after Hurricane Katrina.

This recommendation requires no changes to existing statutes. Current military doctrine explicitly allows members of the United States Armed Forces to serve under the operational control of foreign commanders, with the President retaining ultimate command over U.S. forces. If the command relationship with the President can be maintained while American troops are operating under the control of foreign commanders, we see no convincing reason why it cannot be maintained while troops are under the control of a State Governor acting through the adjutant general. Governors routinely command National Guard troops from another State in a disaster response. Again, if Governors can be trusted to command National Guard soldiers from their own State or from other States, as customarily occurs in disaster response, then they can be trusted to command Federal Active and Reserve component forces as well.

The assignment of Active Duty personnel to title 32 National Guard commands is not novel. Federal law specifically authorizes that both enlisted members and commissioned officers may be detailed for duty with a State National Guard. In fact, title 10 officers detailed in this fashion may accept a commission in the National Guard. Federal forces under the control of a Governor would still be subject to the same restrictions placed on the title 10 military, such as Posse Comitatus law enforcement restrictions.

We are not suggesting that it is necessary for Federal military forces to be involved in a response under all circumstances or for all disasters. However, when Federal military capabilities are needed to respond to an emergency, their involvement should not alter the fundamental approach that guides emergency management. The fact that a particular capability needed for the response resides in a Federal Active Duty or Reserve unit should not be an impediment to its use to preserve life or property. In most instances, such Federal military forces should operate under the direction of State officials.

One way to effect such an operation is through the use of dual-hatted commanders, who simultaneously hold ranks in the State National Guard and the Federal, title 10 military. They are therefore able to command both Federal and State forces simultaneously. The Commission finds that dual-hatting has been a useful tool in coordinating Federal and State civil support missions and, as discussed above, suggests that it be expanded for use in appropriate circumstances.

However, dual-hatted command is not a panacea for coordinating Federal and State military capabilities in civil support activities. As long as there are two chains of command passing through that one commander—one from the President and one from the Governor—the potential for confusion and conflict exists. This reality makes it imperative that State and Federal authorities agree in advance about the full range of circumstances under which Federal forces would be subject to State command.

Therefore, State and Federal officials should plan cooperatively for those situations in which Federal forces could be under the direction of a Governor. This planning requires resolving a number of issues, such as who pays for the use of Federal assets in a response and what the precise nature of the command relationship will be.

Since the President exercises ultimate Federal command authority over Federal troops, title 10 forces cannot be formally turned over to a Governor in all respects. However, there are established command relationships that would allow the National Guard officer to "command" title 10 troops with the consent of both the President and the Governor. If the President, or the President's designee, agrees to do this, an order would be issued placing the title 10 forces under the operational or tactical control of the Governor.

In a temporary situation such as a disaster response, a military organization could be "attached" to another organization for "operational" or "tactical" purposes, with "administrative control," including disciplinary authority, being retained by the parent organization. Such divisions between operational, tactical, and administrative control are commonplace in the military operating environment. If a title 32 commander were exercising control over title 10 forces, this division of authority would avoid having the title 32 commander exercise disciplinary (Uniform Code of Military Justice) authority over his or her title 10 subordinates.

15. Senator BEN NELSON. General Punaro, Mr. Ball, Ms. Lewis, and General Stump, you note in your report that DOD opposes the recommendation on giving Governors operational control of Federal forces in their State when responding to a disaster or incident within the State. Why does DOD oppose this recommendation?

General PUNARO, Mr. BALL, Ms. LEWIS, and General STUMP. This is a question better addressed to the Department. We refer you to the news briefing given by Assistant Secretary of Defense for Reserve Affairs, Tom Hall, on May 16, 2007 (a transcript is available at www.defenselink.mil/transcripts/transcript.aspx?transcriptid=3962) for an explanation of DOD's opposition to the Commission's proposal. The Commission does not believe that the Department's position has merit.

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Presenter: Assistant Secretary of Defense for Reserve Affairs Thomas Hall **May 16, 2007 12:00 PM EDT**

DoD News Briefing with Assistant Secretary Hall

BRYAN WHITMAN (deputy assistant secretary of Defense for Public Affairs): Well, good morning, and thank you for joining us. Our briefing this morning is on the commission -- the task force recommendations of the Independent Commission on the National Guard and Reserve. And with us today we have the assistant secretary of Defense for Reserve Affairs, Mr. Tom Hall, who will be talking to you about the recommendations that were made by the commissions, his review of those recommendations, and eventually what the secretary of Defense approved and how we are going to move forward in implementing many aspects of the task force's recommendations.

I think he'll give you a brief overview and then is prepared to take your questions. And with that, let's go ahead and get started. Thank you, Secretary Hall, for being with us today.

MR. HALL: Thank you.

Good morning. It's my first chance to be with you this morning and -- delighted to be here and talk a bit about this task.

Just a little bit of background before I get into the some of the specifics:

As you might know, last year, Congress, being very interested in the commission on the Guard and Reserve, having appointed it, gave them a more narrow task.

Mr. Punaro's commission is actually in session until January of '08, where they will put forth an overarching report on the Guard and Reserve. But they were given a narrow task to complete by the 1st of March, and that was on the National Guard and recommendations that they might have.

The backdrop to that were two acts called The National Guard Empowerment Act. The House had one version, the Senate had another version. They could not come to closure on an overarching act, so they asked the Commission on the Guard and Reserve to take a look at their recommendations in those two versions and to come up with their own independent recommendations.

The commission had very thoughtful and deliberative discussions. I appeared before them a number of times, as did the rest of our leadership within the department and outside the department. And on the 1st of March, they published their report. I think you have copies there that we have provided you in that bound form.

The substance of that report by Mr. Punaro and group were 23 recommendations -- which we can discuss any or all of them -- on what they thought would move forward in three particular areas. And if I could group them -- and these are my groupings, not necessarily theirs. But the first concern was how do we better empower the chief of the National Guard Bureau? And of course Lieutenant General Steve Blum is serving in that capacity now. The second overarching concept was enhancing the National Guard Bureau itself, how it functions, where it functions, what its tasks are. And finally, to determine the adequacy of federal planning for homeland security and civil support, because the National Guard Bureau and, obviously, the National Guard, as you well know, in many of our ongoing challenges and disasters are a major player. So within those three areas, they looked at how do we structure these 23 recommendations.

Soon after the completion of their work, I chaired a working group which was throughout the department, also including NORTHCOM, included representatives from the Department of Homeland Security. And we sat down over a period of two weeks and looked at the 23 recommendations, made our recommendation to Secretary Gates on what we thought he should pronounce on the commission. And on the 10th of May, he came forth with his tasking memo on those 23 recommendations.

And I think the bulletin and headline is essentially the department is in agreement with the 23 recommendations. And in fact, on 20 of the 23, we are substantially in complete agreement. There are three recommendations which I will cover in particular because these are ones that the department did not agree upon.

But most significantly on those we have an alternative. We believe conceptually they are the way we ought to move, but we think we have a different alternative than what the commission had in those three areas. And let me cover those now because they might be of most interest to you.

The first was placing federal forces under the direct control of a governor. The commission recommended that this be more or less an automatic type of situation that all the forces within the confines of the state would automatically be under command of the governor. I think a lot of this is because of Katrina and other events along the way. We do not agree with that. The secretary did not agree because this is a matter of governance. It is his belief, and I certainly support that, that the commander in chief, the president, should determine who best commands forces in any situation, either active duty, National Guard or Reserve. And it certainly could be a National Guard commander. We've had many instances where that occurred. But the governance should remain with the commander in chief.

However, we believe protocols should be developed that would allow a unity of effort and not a unity of command, and a unity of effort is very important. And just a little sidebar to that, I just returned last night from Louisiana. Part of my trip was to visit with the governor, with the TAG, and with 14 days until the official start of hurricane season, I wanted to go see if our unity of effort in the state was there. Were they prepared? Were they satisfied, because obviously this unfortunately was a test bed.

They just completed an exercise in which they looked at all the forces they had available. They looked at the emergency compacts, and as you might or might not know, all of the states, all 50 have assigned emergency compacts with other state governors by which if they need assets, would automatically come to them from the other states. Louisiana's particular circumstance is -- from Arkansas, Oklahoma and surrounding -- and Texas, surrounding states. They are satisfied that they have the equipment. They are satisfied that they have the compacts in place. And so the goal of this recommendation we concur with for unity of effort, but the unity of command ought to rest with the president.

The second one which we don't agree with was designation of the National Guard Bureau as a joint activity of DOD. Now it might sound interesting -- why a joint activity, a joint bureau. But a joint activity, if you divorce the National Guard Bureau from the Army and from the Air Force, in my view and I think in the secretary's, we're certainly reversing from what we had in Goldwater-Nichols. For my entire career, which is 34 years of active duty, we were trying to figure out how to put the services together. How do we better integrate those services? How do we make the National Guard and the Reserve forces a better part of their service? And so rather than pull them apart, we think that the National Guard Bureau should remain connected to the Army and to the Air Force.

My view is the three-legged triangle. What we need to do is merely extend one of the legs of the triangle. We have the Army and Air Force. The third part of the triangle would be to connect the National Guard Bureau to the secretary of Defense reporting through the chairman.

Thus General Blum would have connectivity to the chairman, to the secretary, to the Army and to the Air Force. And so we have that as a proposal. Rather than just automatically divorce them from the service and make them a joint activity, we think that's a better way to approach.

The third concerned NORTHCOM. There was a feeling within the National Guard Empowerment Acts that since NORTHCOM is the primary command concerned for the defense of the homeland, there might not be the kind of National Guard command-level person at NORTHCOM to represent the National Guard. So part of that, and a recommendation of the commission, was to make the deputy commander automatically a National Guard officer.

The secretary does not agree with that. Again, he believes it should be the best-qualified officer, active, guard or reserve. But we have an expansion of that. We think it's a larger issue, and a more productive way is to look at it in a very broad sense.

And in my view, in my years of military experience, what we ought to be doing is qualifying National Guard officers, reserve officers and active duty officers to hold any commands, up through 010. We should have a joint qualification, a joint education system. And we should actually have a National Guard officer qualified to go in as commander or deputy commander of any command throughout the world. So our view is to expand that and not just focus on NORTHCOM.

So those are the three areas that we differed somewhat with the commission on. On the other 20, we were in substantial agreement. This memo, which I'm sure you can get a copy of -- this is public domain -- tasked the department to implement these 20 recommendations and the alternatives for the three that we don't agree with.

And it puts a very short timeline, gives two weeks, 14 days, which is warp speed for the Pentagon, to get back with the plan for implementation and either policy or in-law all of these recommendations. And there are four law changes that you might be interested in. Then I will stop and take any questions.

But there are four pieces of legislation that would be required. The secretary's goal is to forward those so that they are considered in the 2008, not 2009 but in the current deliberations on the Hill. And as you know, that's a pretty fast track. I think the NDAA is marking up today and already has 50 amendments and are proceeding. Those four would raise the grade of the chief of the National Guard Bureau to four stars.

More technically, what it says is remove the limitation of three stars, which -- there's only one other grade above that, so it would support that.

The second is the RFPB, the Reserve Forces Policy Board. You might be very familiar with that. It's been in existence since 1953. It was formed prior to my office. It has 23 members in that board, and they offer independent advice to the secretary of Defense on matters involving the Guard and Reserve, and they report administratively through me.

The commission believed that that was not enough independence, because in those 23 members, many of those -- in fact, all of those are wearing the uniform or serving in a position like mine, so it's question, are you truly independent if you're in this position and also on the board? They recommended that an independent board call the Reserve Forces Board, consisting of 20 people, be formed outside the department and report directly to the secretary of Defense on matters involving the Guard and Reserve. The recommendation of the department was to concur with that but to make the membership at 10. I see a lot of boards, and I don't think bigger is necessarily better, and we thought perhaps a board of 10 members reporting independently would be better. But it would require legislation to implement that.

The third is to authorize the secretary of Defense to specify the joint charter for the National Guard Bureau. Presently, it says in the law the charter is designated by the Army and the Air Force. This would allow the secretary to specify it.

And the last one is a provision we've had on the Hill for the past two years, which is to expand slightly the dual command relationship. As you know, when a National Guard officer takes a federal commission in an event, we believe that it's necessary to retain the authority under the state commission so that you can exercise in both areas, and this provision would expand that beyond the commanders and would allow more people to have dual status, both Guard and federal forces. And that's been supported by the House in the past, by the Senate; we're going to resubmit that.

So those are the four pieces of legislation. Those are being drafted, are going over very shortly in order to implement. The rest of them we will implement by policy. And as I told you, it's a very short timeline -- within two weeks to have the plan for implementation.

So I think I'll stop there. Those are the recommendations to the secretary on the report, and I'd be glad to entertain any questions on those.

Yes, ma'am?

Q Recommendation 14 was that the chief of the National Guard Bureau should not be a member of the Joint Chiefs of Staff. Given the role that the National Guard has come to play in the last five years in wars in Afghanistan and Iraq and how much of a larger role they've played from when they were just a strategic reserve, why is there a feeling, in this report and with you and perhaps with the secretary, that the chief of the National Guard Bureau should not have a seat at that table?

MR. HALL: More importantly, I think General Blum -- and I will leave it to him to respond for himself -- would not agree that if we make the changes that we're going to, that it's necessary for the chief of the National Guard Bureau to be on the Joint Staff. Neither the chairman has supported that, the past secretary or the present secretary. And the reason is because it in a de facto way creates a fifth service, because if the chief of the National Guard Bureau was sitting on the Joint Chiefs of Staff with the chief of staff of the Air Force and the chief of staff of the Army, and there is a competition for resources and other types of things, we feel that it takes apart rather than put together what we have carefully crafted.

Now, under provisions of the new Joint Charter, in fact, the chief of the National Guard Bureau would report to the chairman, through the chairman to the secretary of Defense, and have a direct connection to the chairman of the Joint Chiefs of Staff and have the ability to affect the outcome of decisions in a very positive way. We feel that's a better way than creating a so-called fifth service. And I think General Blum, again, would share that view.

Q I know that I think the general actually does share that view. I think he has said so publicly. But there already is a competition for resources between the Guard and the other services. I mean, that's played out very publicly in the last few weeks. I don't know that that answer -- and I don't mean to be disrespectful -- that satisfies my question, really. I mean, there already is a competition for resources. The National Guard said that even with the influx of funds that they're likely to see in the current budget that's on the Hill, that's still not going to be enough, according to General Blum himself.

Can you help me understand again why it's not important that they have the same representation on the -- you know, with the chairman and with the secretary as the other chiefs of the services?

MR. BELL: I don't mind you disagreeing. Lots of people disagree with me. Part of my job is to look at those

resources. And as you know, Secretary Gates testified and I have testified that we have $21 billion going to the National Guard alone. We have $40 billion going over the '08 to '13 to all of our reserve components, which I have responsibility for. Presently the EOH -- equipment on hand -- is a little bit over 50 percent for the Guard. If we execute -- and I say if we execute -- and part of all of our job is to make sure we execute those dollars -- we will raise that equipment on hand to about 78 percent of the kinds of equipment that the Guard and Reserve needs.

Now, is that enough? Can we get up to 100 percent? We've always traditionally had 70 percent as a benchmark. So I think that moves us along the way, and I believe we need to execute that.

There will be a competition for resources, believe you me, I know that. That's what the building and what we're all about every day. But there is a plan, there is a commitment on behalf of the Army and the Air Force, but to the real degree for the Army Guard to raise that equipment on hand up to that area. And again, I was in Louisiana, and we looked at Kansas and other areas and focused on the kinds of equipment that you need for natural disasters -- trucks and graders and front-loaders. We need tanks and things for dual use, but what we really need to look at are ambulances and helicopters and the things to respond to a disaster. And frankly, that's my focus right now, to make sure we have that kind of equipment ready for any natural disaster or other one in the United States.

Yes, sir?

Q Sir, on that point, I mean, you put the recommendations I guess into your three categories.

MR. HALL: Yes.

Q That third category is on this issue of natural disaster response and able to do that. Putting the budget aside, can you just sort of articulate in layman's terms how the new policy implementation the secretary's issued would address this issue? Because obviously with the Kansas tornado and some criticism on the Hill, that's been really in the spotlight now. How are the things that you're -- (inaudible) -- in the recommendations directly going to go to that issue of disaster response and the capability of the Guard to deal with that?

MR. HALL: That's a really fine question because you'll find when you look into those recommendations at least five areas that talk about the manner in which we do civil support -- how does DOD do its civil support to our civilian agencies, to our states. And how do we do the following: How do we identify what those civil support requirements are. We've not had a methodical way to take a look at those within our budget. And in my view, as a former budgeteer, you need to be able to pull out of the budget by program element, sub- program element, and programs, how much money do we have towards the kinds of things that are needed for natural disasters -- trucks, et cetera, et cetera. We have not had that.

Part of the requirements in this that you will see is a requirement to develop first those requirements. What are they are? To get agreement between agencies with the Department of Homeland Security, with General Blum, with NORTHCOM, with the Joint Staff, also with SOUTHCOM and PACOM because they have part of that -- what are those requirements? Second, then identify the necessary resources towards those requirements. And then step back and say are adequate resources there? And third, submit an annual report to Congress, which we have not had to do on these very items, to say we have looked at the requirements, here are the resources, they're either adequate or they're not, and if they're not, we have programmed these kinds of dollars, and we have broad agreement between all of those agencies on how we ought to do it, and here is the report. And then if Congress thinks that we're inadequate in that area.

But I think it's very critical to understand that we might not have had the kind of good process we had in the past to really look at those requirements because with requirements come resources, and then you got to be willing to put those. And it's all of the services, but it's really the Army and the Air Force probably have the bulk of those.

So that's how we're approaching it. You will find a number of recommendations in there establishing that type of process and requiring that we report it back to the secretary.

Did you have a follow-up?

Q Yes, just a follow-up. I mean, does that imply that your numbers that you're looking at now -- I think you said 50 percent equipment on hand now growing up to 78 percent, I think --

MR. HALL: Right.

Q -- if you actually get down and start taking apart and doing the -- look at the resources, is it possible those numbers will change and you come up with new numbers of the resources needed for the Guard?

MR. HALL: Well, remember, those are dual-use kinds of items that are in those percentages, and they're also an "Essential 10." So the real answer to your question is you have to go down and tear that apart and look at things which are essential for natural disasters, you have to look at things which -- our equipment the Guard has, which might be tanks and Bradleys and Strykers, divide those, and my office is looking at that. And I think we need to have an entire new equipping strategy for the Guard and Reserve in light of today.

When I commanded the Naval Reserve, along the way, we had an equipping strategy for the '90s, but I don't think it works today. And I've tasked a group to go back and tear apart and look at what ought to be the new equipping strategy for all of our Guard and Reserve and say, do we really have it right for the strategy of the future? Because I think it might be tied a bit to the past.

Yes, sir.

Q Given the shortfalls in equipment on hand, it would seem to me that -- well, why not make the National Guard Bureau a joint activity of DOD, keeping things under the Army and the Air Force? You're leaving roadblocks in the way and their parochial interest potentially in the way of the Guard getting everything that it thinks it needs.

MR. HALL: I think if the chief of the National Guard Bureau, written into the charter carefully -- writing the charter's going to be very important. And we need to specify within the charter -- because it becomes the document, as charters do, about how you're going to proceed, how you're going to do these things. And unless we have the ability for the input to be made by the chief of the National Guard Bureau, up through the chairman to the secretary, and unless we remove the kind of roadblocks that we've been criticized for, frankly, in the past and not getting the best advice from the adjutants general and from the chief of the National Guard Bureau -- and I think this goes a long to removing those roadblocks, in the eyes of the secretary, to allow the advice to go directly to him through the chairman for the chief of the National Guard Bureau to say, this is my input, these are my views.

Now, will that cause inevitably friction with the services? Well, this building is full of friction, and through friction, we arrive at the best possible conclusion. But I think you're right, part of it, it was felt by Congress and others that we had these roadblocks that we needed to get by if we're going to have the correct answer.

I think this goes a long way towards that. I don't know whether it will solve it, but I believe we will be in a better position than we were before this.

Q To follow, then why -- what's wrong with making the National Guard and Reserve the de facto fifth military branch?

MR. HALL: I just think it's walking away from what we have had in my entire career. You know, I'm nearing 50 years now of service to our country, and I've seen, from Vietnam on, us trying to build a stronger three services, to try to implement Goldwater-Nichols, try -- I think fractionizing and making a fifth service -- you get a lot of things.

And when I commanded the Naval Reserve -- when a Naval Reserve begins to want equipment which just fits the Naval Reserve, is that compatible equipment with the mission of the Navy? And you have to be very careful that you're not buying things, programming things that is in your own strategic vision for your service, rather than for all of the services. And I think the strategic vision has to be for the Army, Navy, Marine Corps and Air Force, and those four have to have the vision, with their Reserve components integrated into them. If you don't, I think you get different equipment strategies, different other kinds of strategies. And I just believe -- again, talking on my own personal experience -- that will be walking away from integration, rather than facilitating it.

Q Thank you.

MR. HALL: Yes, sir?

Q Can I go back to the third recommendation?

MR. HALL: Yes.

Q Are you saying that National Guardsmen or Reservists will be eligible to be combatant commanders?

MR. HALL: I believe they should, and I believe that the ultimate answer -- and you know -- and I have a vision, and I'll admit it's mine -- and that is that one day, when we really get total integration, we will have the joint education, the joint assignments, the joint qualifications for any of our National Guard, Reserve or active-duty officers, that they can be fully competitive to be either the combatant commander or the deputy commander or, at unified, sub- unified commands and others, be qualified for all of those. I think that would be the day -- hopefully some of you young people will see it; I'm not sure of me -- in which we will have achieved what we need in joint education and jointness, to make them qualified for that.

I think that would be the true test, rather than just narrowly saying let's pick out only one job, and if we sent a National Guard officer to that, then we will be satisfied; we've accomplished our goal because we have that one job and that one carved out. I think that's a very short-term -- is not the type of officer development you should have. So I have a much broader view of that.

Q What would the mechanism be by which the services would submit the names or the recommendations? Would it be that the National Guard would submit their own names or that --

MR. HALL: No.

In this memo you'll find that my boss, Dr. Chu, is required to submit the plan by which we will develop the joint education, the joint assignment, and that very process by which officers become qualified for that. And that's one of the tasks in here, to make sure that we identify it, that we don't just talk about it but we have an actual process about how do you nominate, how do you get those officers in. But first you've got to build the qualification and education and assignment. And that's part of the tasking to my boss, Dr. Chu.

Any others? Yes, ma'am.

Q You said earlier that the equipping strategy needs to change and that's something that you're looking at. Can you give us a little bit more insight into what you think needs to change and how you would go about doing that? I understand that you're studying the issue right now, but what can you --

MR. HALL: Well, I haven't had the first report back from my group. But I think when you go from a strategic to an operational reserve and you change from a point to where you're going to mobilize, train and deploy, and during this phase of mobilization, which lasts six to eight months, you do your training before you deploy, now if we're going to have a new strategy -- which we have, which is called train, mobilize and deploy -- and the mobilize and deploy is only one year in length -- which the secretary said on the 19th of January and has remained firm in that commitment -- then during this training phase -- and we have four brigade combat teams now that are in this new paradigm, the 37th, the 76th, the 45th and the 39th -- what they need to do in those eight months of pre-training, you have to have equipment available for them.

You can't afford to have the equipment over here. You need to have that equipment, either through trading equipment, have it available so during this training cycle. So you've got to look at where in the cycle is the equipment available.

And the model of it being available after you mobilize at a central training center, position it all there, merely means that your mobilizations are going to be 18 to 21 months, and we cannot sustain that and we don't want to sustain that. So it's got to move this equipment to perhaps training sets at different parts throughout the country. You've got look at how much equipment, how you're going to have it positioned, in what state and where. So it is that type of thing which we have to look at in order to execute the new model and keep the deployments to one year.

Q Now, a point of clarification. You've said, I think, twice now that the budget would bring equipment levels up to 78 percent. I think the secretary's been saying 76.

MR. HALL: Seventy-six, I'm sorry.

Q Seventy-six.

MR. HALL: Seventy-six. I agree with the secretary (Laughs.) I've been in the job a while, you know. (Laughter.) But it is 76.

Q What about when units come back from a deployment? Are you reconsidering the equipment needs that they need to do their state missions after they come back from an overseas deployment?

MR. HALL: To me that's part of the whole new equipping strategy. You know, we used to say, well, you come back, and if we're going to need you there will be plenty of time, because we're going to fight a long protracted war; we can get the equipment to you. We cannot do that against this enemy today, so we're going to have to look at the post-mobilization time.

Where we are in the AR-FOR-GEN, which is the army's force generation model, and the rest of the services -- where is that equipment; when is it there; how much do you need it and when? So to me that's the whole new equipping strategy that you really have to look at, which didn't fit the way we did it before. And that's what I'm asking the group that I've chartered to take a look at.

Other areas?

MR. WHITMAN: We have time for one more, I guess.

MR. HALL: Yes, sir.

Q Just in a nutshell, why agree to a fourth star and not the seat on the Joint Chiefs?

MR. HALL: Well, I think I talked a little about that, and I just --

Q But, but more about why the benefits of the fourth star, because right now it's a three-star position. But why --

what are the benefits -- what does that extra star bring the bureau?

MR. HALL: I always noticed when I was a two-star that the three- stars got to do things that I didn't. And I always noticed the three- stars, the four-stars did. I think it's like anywhere else with a senior vice president, an executive vice president, a CEO. It is a matter of other kinds of things. It is a position. It allows you certain things.

And I would just only turn to you in your own business. Sometimes senior reporters and other reporters -- it's just a position that you have the opportunity to perhaps do other things that you don't. It's the same in the business world as it is in our world.

Q Well, a three-star runs the war now, the war czar. (Laughter.)

Q Sir, will you take one more on the budget.

MR. HALL: I'll take one more if I like it. (Laughs.)

Q It will get equipment levels up to 76 percent.

MR. HALL: Yes, ma'am.

Q Why not put a budget forward that will get equipment levels up to 100 percent?

MR. HALL: I don't think you ever really want 100 percent for everybody, because you get block obsolescence. And you know, if you buy into that -- now first of all, it's very expensive. And so I would ask you as a taxpayer, would you like to double your taxes or would you like to increase them by -- it is a real competition for resources in our country, with many pressing needs.

And I think if you equip everybody right away at 100 percent, you risk block obsolescence. You need to have a turnover of equipment. It becomes, what is the logical amount to do the job? And the real answer is not at 76, or 78 as I misquoted but 76, is that exactly what we need to do all of the missions? And it might in fact be 80 percent. It might in fact be 68.

But I think we have to have a goal. And we traditionally have had the goal of 70 percent, and we just feel that isn't adequate. So we're going to have to get back to you to see if we made the right answer. But I think we've got to move towards that and we've got to execute that budget and get that equipment there.

Q Thank you, sir.

MR. HALL: Thank you all very much.

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HOMELAND MISSIONS VERSUS COMBAT MISSIONS

16. Senator BEN NELSON. General Punaro, Mr. Ball, Ms. Lewis, and General Stump, in reviewing your recommendations, there is heavy emphasis on the homeland security mission. Accordingly, in your recommendations you suggest that the DOD should be directed by Congress through law to take homeland defense as their mission. In addition, your recommendations designate the National Guard as the primary homeland security force. Are you saying that the Guard's primary mission should be homeland security?

General PUNARO, Mr. BALL, Ms. LEWIS, and General STUMP. No. The Commission believes that homeland defense and civil support should be a core competency of the National Guard and Reserves consistent with their required warfighting taskings and capabilities. However, the Commission also believes that unless and until Congress formally assigns to DOD responsibility for conducting civil support missions, DOD will not adequately plan, program, and budget for that responsibility. Similarly, unless and until Congress defines the role that the National Guard and Reserves should play in providing support to civil authorities responding to domestic crises, the Commission believes that DOD will not adequately plan, program, and budget for that role.

17. Senator BEN NELSON. General Punaro, Mr. Ball, Ms. Lewis, and General Stump, how should DOD balance requirements for homeland operations and overseas deployments?

General PUNARO, Mr. BALL, Ms. LEWIS, and General STUMP. The Commission believes that homeland operations and overseas combat are responsibilities that are equal in priority. DOD must be fully prepared to protect American lives and property in the Homeland and must (and can) do so without compromising its overseas missions. The Commission believes that DOD should balance these requirements through the programming and budgeting process called for in § 1815 of the NDAA for Fiscal Year 2008, Chapter III.A (pp. 39–54) of the Commission's March 1 report, and Chapter II (pp. 89–112) of the final report.

18. Senator BEN NELSON. General Punaro, Mr. Ball, Ms. Lewis, and General Stump, is it realistic for Guard units to train for both homeland and overseas missions?

General PUNARO, Mr. BALL, Ms. LEWIS, and General STUMP. Yes. The United States military must be prepared to respond to threats and crises in the Homeland. As the National Guard and Reserves already have a tremendous amount of homeland-related capability residing in them and are located throughout the country, they are the best-positioned to lead this mission within DOD. They will be heavily relied on for use in homeland operations. This makes it essential that they are prepared to respond to domestic crises.

19. Senator BEN NELSON. General Punaro, Mr. Ball, Ms. Lewis, and General Stump, do units need to focus exclusively on either homeland operations or overseas missions?

General PUNARO, Mr. BALL, Ms. LEWIS, and General STUMP. The Commission anticipates that most units will remain deployable for either overseas or homeland missions, but anticipates that some specialized capabilities will be developed to focus exclusively on homeland-related missions. The Commission notes that there is precedent for such specialization in the Armed Forces. For example, the National Guard's Weapons of Mass Destruction Civil Support Teams (WMD–CSTs) are specialized units geared toward operations in the Homeland.

20. Senator BEN NELSON. General Punaro, Mr. Ball, Ms. Lewis, and General Stump, if units should not be trained for both homeland and overseas missions, how should DOD determine how many Guard and Reserve Forces are needed for homeland defense verses civil support missions exclusively?

General PUNARO, Mr. BALL, Ms. LEWIS, and General STUMP. The Commission believes that while some units probably will be focused exclusively on the Homeland, most DOD capabilities will be available for both homeland and overseas operations. The Commission believes that the homeland and overseas missions are of equal priority and they should compete for resources through the DOD programming and budgeting process, consistent with § 1815 of the NDAA for Fiscal Year 2008, Chapter III.A (pp. 39–54) of the Commission's March 1 report, and Chapter II (pp. 89–112) of the final report.

NORTHERN COMMAND STAFFING

21. Senator BEN NELSON. General Punaro, Mr. Ball, Ms. Lewis, and General Stump, in recommendation #4, which outlines your thoughts on Guard and Reserve staffing at NORTHCOM, you argue that there is a need for senior leadership at NORTHCOM to have Guard and Reserve experience. What do you consider a "significant percentage" of NORTHCOM's billets that should be Guard and Reserve?

General PUNARO, Mr. BALL, Ms. LEWIS, and General STUMP. The Commission believes that a majority of NORTHCOM's billets, including those of its Service components, should be filled by leaders and staff with Reserve qualifications and credentials. This was the Commission's recommendation in our March 1, 2007, report to Congress, and it continues to be the Commission's recommendation. Servicemembers serving in these billets do not necessarily have to be Reserve component members, but they must have Reserve qualifications and credentials.

22. Senator BEN NELSON. General Punaro, Mr. Ball, Ms. Lewis, and General Stump, why do you consider it necessary to have Guard and Reserve leadership at NORTHCOM?

General PUNARO, Mr. BALL, Ms. LEWIS, and General STUMP. The Commission believes that NORTHCOM does not adequately consider and utilize all military com-

ponents—Active and Reserve, including the National Guard—in planning, training, and exercising and in the conduct of military operations while in support of a Governor, in support of another lead Federal agency, or in the defense of America. The Commission believes that more must be done to integrate the Reserve components into NORTHCOM. Having more national guardsmen and reservists fill key leadership positions at NORTHCOM is an essential first step. NORTHCOM must incorporate personnel who have greater knowledge of National Guard and Reserve capabilities, strengths, and constraints and must assemble a cadre of experts on the intricacies of State and local government, law enforcement, and emergency response. Such knowledge currently resides in the National Guard and Reserves yet remains untapped and unintegrated, in disparate commands. A larger percentage of reservists on the staff and in key leadership positions would provide NORTHCOM with greater insight into the unique skills and strengths available in the Reserve Forces. Increasing the numbers of members of the National Guard and Reserves within the Service components of NORTHCOM would ensure that those preparing and coordinating homeland missions will consider the unique contributions of the Reserve component. In most disaster responses, NORTHCOM will be providing assistance to States and augmenting State resources, including National Guard Forces operating under the command of a State Governor. Therefore, it is critical that NORTHCOM personnel understand how they can add value to those efforts to save lives and property. In a minority of instances, in the most grave circumstances, NORTHCOM will be the combatant command for all forces, including regular military forces, title 10 Reserve Forces, and Federalized National Guard Forces, all operating under the command and control of the President. The Commission believes that the leadership of NORTHCOM must have Reserve qualifications and credentials in order to plan for these scenarios as well.

TRAINING

23. Senator BEN NELSON. General Punaro, Mr. Ball, Ms. Lewis, and General Stump, one of your recommendations states that the Secretary of Defense should ensure that forces identified as rapid responders to domestic catastrophes are manned, trained, and equipped to the highest levels of readiness. Since all the mission operational requirements have not been defined, how do we determine how to properly train these critical forces?

General PUNARO, Mr. BALL, Ms. LEWIS, and General STUMP. This recommendation applies both to present forces and those forces yet to be developed. DOD has several forces and force packages that have currently been tasked with being rapid responders to domestic crises, such as the WMD–CSTs, Chemical, Biological, Radiological/Nuclear, and Explosive (CBRNE) Enhanced Response Force Packages (CERFPs), and CBRNE Consequence Management Response Forces. In addition, the Commission anticipates the development of future units focused on domestic crisis response. The Commission believes both categories of forces should be manned, trained, and equipped to the highest levels of readiness.

INTERAGENCY AND INTERFORCES COOPERATION

24. Senator BEN NELSON. General Punaro, Mr. Ball, Ms. Lewis, and General Stump, what are your thoughts about the Air Force Reserve and National Guard performing "in lieu of taskings" for the Army, in order to meet mission requirements for the global war on terrorism, which falls outside the purview of both of their required missions?

General PUNARO, Mr. BALL, Ms. LEWIS, and General STUMP. Our Commission did not specifically study these "in lieu of taskings," but they are further evidence of the growing need to support National Guard and Reserve Forces for their employment in operational roles that were never envisioned when the current laws and policies that regulate the Reserves were established during the Cold War. They also spotlight the utility of maintaining structure in the Reserves that, in a cost-effective manner, provides the depth and flexibility required to respond to unplanned requirements.

FUNDING

25. Senator BEN NELSON. General Punaro, Mr. Ball, Ms. Lewis, and General Stump, transforming the National Guard and Reserves into a 21st century operational force as you outline in the report will be very expensive. At a time when DOD is facing huge bills for the cost of resetting the force after Iraq and Afghani-

stan, and to recapitalize generally, how should DOD determine what priority to put on funding for the Reserve component in the face of so many other competing priorities?

General PUNARO, Mr. BALL, Ms. LEWIS, and General STUMP. The Commission believes the Nation should avoid the kind of shortsighted policy decisions made after past conflicts that left the military ill-prepared for the next conflict, and should instead focus on where the best value for the taxpayer can be achieved in an ever-tightening fiscal environment. Properly resourced, National Guard and Reserve personnel can, and should, constitute a larger percentage of the Nation's operational military manpower, and they can do so at a lower overall cost.

As the Commission's analysis makes clear, no feasible alternative to a continued reliance on the Reserves exists. Indeed, the increasing cost of personnel, and the challenges of recruiting and retaining qualified individuals, will, we believe, inevitably lead to reductions in the size of the Active Force. This shrinking of the Active Force will necessarily be accompanied by increased reliance on Reserve Forces for operations, particularly for homeland missions, and by greater integration of the Reserves with the Active component.

As is pointed out in the Commission's final report, there are significant cost advantages for the Reserves that should drive policymaking in coming years, when pressure on the forces from current conflicts will have abated. Even taking into account the additional funding required to implement the recommendations in our final report and transform the National Guard and Reserves into a 21st century operational force, the Commission believes that the National Guard and Reserves will remain a significant value for the Nation.

TASKING

26. Senator BEN NELSON. General Punaro, Mr. Ball, Ms. Lewis, and General Stump, what are your thoughts on the recommendation that places nearly all civil support capabilities within the National Guard, while moving wartime missions to the Federal military?

General PUNARO, Mr. BALL, Ms. LEWIS, and General STUMP. Please see the response below to question #27.

27. Senator BEN NELSON. General Punaro, Mr. Ball, Ms. Lewis, and General Stump, if enacted, how would the volunteer force address the recommendation that places nearly all civil support capabilities within the National Guard and wartime missions with the Federal military in order to remain sustainable and combat ready?

General PUNARO, Mr. BALL, Ms. LEWIS, and General STUMP. The Commission does not recommend making the National Guard exclusively a civil support force, and would urge Congress to oppose such a proposal if it were offered. Instead, the Commission recommends that as part of the requirements generation process, DOD assess the capabilities present in the various components of the armed services, determine which best could be used to fulfill civil support requirements, and rebalance, as appropriate, among the components to meet those requirements. On the basis of the requirements generated, DOD should determine what, if any, capabilities should be shifted to the National Guard, to the Federal Reserve components, or to the Active component. The Commission did not offer an opinion on specific capabilities that should be shifted, because the requirements have not yet been determined. But the Commission did state clearly that any such rebalancing should not compromise the Reserve components' warfighting missions. The Commission wishes to reemphasize that we are not proposing what specific rebalancing should actually take place. Rather, we are recommending that once the civil support requirements are generated and validated, DOD should determine whether it would be beneficial to rebalance military capabilities among the components to make best use of scarce military resources in performing their overseas and domestic missions.

28. Senator BEN NELSON. General Punaro, Mr. Ball, Ms. Lewis, and General Stump, how would the recommendation that places nearly all civil support capabilities within the National Guard and wartime missions with the Active military affect the operational tempo for the global war on terrorism and future conflicts?

General PUNARO, Mr. BALL, Ms. LEWIS, and General STUMP. Again, as discussed above, the Commission recommends only that the allocation of civil support capabilities among the various components be examined to determine whether they are organized in the most efficient manner. The recommendations in our March 1, 2007, report and those of our final report call for collaborative planning between DHS,

DOD, and other Federal agencies and coordination with State emergency planners. Such plans would have to ensure that operational employment of Reserve Forces overseas and domestic plans for their use during emergencies do not conflict. The Commission has reviewed Army force generation plans, for example, that rely on Reserve component forces for Homeland response in year 5 of their 6-year operational cycle. Year 6 would be deployment overseas with no planned availability for the Homeland. We envision very little acceleration of operational tempo due to increasing reliance on Reserve component forces for civil support.

QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

GUARD AND RESERVE REINTEGRATION PROGRAM

29. Senator CHAMBLISS. Mr. Ball and Ms. Lewis, in the NDAA for Fiscal Year 2008 I worked with several other Senators to introduce and enact the Yellow Ribbon Reintegration Program which establishes a program to assist Guard and Reserve personnel, and their families, in readjusting after a deployment. The program addresses such issues as reemployment, health care, family transition, marriage counseling, and many other issues. Are you familiar with this program and, if so, what is your assessment of it?

Mr. BALL and Ms. LEWIS. The Commission is familiar with the Yellow Ribbon Reintegration Program and believes it offers valuable and timely assistance to both servicemembers and their families. In our final report, we recommend that a single standard of reintegration care should be provided to all those who serve on extended or multiple deployments regardless of their Service or Reserve component category (Individual Ready Reserve, Retired Reserve, or individual mobilization augmentee). The Commission strongly supports the current Yellow Ribbon Reintegration Program, and agreed with Congress's decision to expand the program to cover all members of the Reserve components and their families.

30. Senator CHAMBLISS. Mr. Ball and Ms. Lewis, how could we better shape it to serve our returning citizen soldiers?

Mr. BALL and Ms. LEWIS. In our final report, the Commission recommends that Congress provide the funding necessary to ensure the program's success. Congress may want to enact directive statutory language to the Secretary of Defense to issue policy guidance to the Services to include funding for the Yellow Ribbon Reintegration Program within their base budgets for the Reserve components.

RETIREMENT

31. Senator CHAMBLISS. Ms. Lewis, I have been active over the last several years on the issue of changing the Reserve retirement system, and I note that the Commission makes several recommendations in this area, specifically, that the Active and Reserve components have an integrated retirement system; that the age for receipt of a military retirement annuity should be 62 for servicemembers who serve at least 10 years, 60 for members who serve at least 20 years, and 57 for members who serve for at least 30 years; and that members could receive their annuity at an earlier age, although it would be reduced. What, in your opinion, are the benefits of this construct for the Active and Reserve retirement system?

Ms. LEWIS. An integrated retirement system is one of the component parts of the Commission's vision of integrated total force management for a diverse, highly mobile, technologically savvy 21st century military force. Integrated total force management will facilitate a true continuum of service that permits differing levels of commitment across a military career. In the Commission's view, integrated total force management is a critical component of the continued operational use of the Reserve component.

In our final report, the Commission makes specific recommendations for the changes to law and policy necessary to bring about a true continuum of service. Two critical enablers of an enhanced continuum of service are a reduction in the number of duty status categories and the implementation of an integrated pay and personnel system. Equally important, however, is an integrated personnel management system that, when fully mature at some point in the future, would include an integrated promotion system, integrated compensation system, and integrated retirement system.

32. Senator CHAMBLISS. Ms. Lewis, are you concerned that the retirement system, as you have proposed it, may provide a disincentive for people to join the Active

Force in favor of joining the Guard or Reserve since they would receive their annuity at the same age irrespective of being in the Active or Reserve Force?

Ms. LEWIS. The Commission's retirement proposal would provide greater equity to the large proportion of enlisted personnel, Active and Reserve, who never qualify for a 20-year retirement annuity. This change should serve as an incentive for more servicemembers to remain through 10 years of service, rather than leaving after their initial term of enlistment or the end of their obligated service. The ultimate retirement annuity for an Active Duty member would still be substantially more than that of a reservist because of the significantly higher level of participation across a military career. Similarly, "gate pays," matching Thrift Savings Plan contributions, or other upfront retention incentives would reflect the level of participation of the individual servicemember, which in most cases would be much greater for the Active component member.

MISSION AREAS

33. Senator CHAMBLISS. General Punaro and Mr. Ball, what is your reaction to Secretary Rumsfeld's idea of moving mission areas in the Guard and Reserve that are most often used, such as infantry, military police, and civil affairs, from the Reserve components into the Active Force?

General PUNARO and Mr. BALL. These rebalancing actions you mention were taken very early in response to the emerging requirements of the war in Iraq. Certain characteristics of some of these capabilities make them among the most logical mission sets for the Reserve components. For example, civil affairs and military police skills are highly correlated with civilian-gained experience. Continuing long-term requirements for these very capabilities have demonstrated the utility of maintaining structure and wartime capacity for them in the Reserves.

34. Senator CHAMBLISS. General Punaro and Mr. Ball, in your opinion would moving mission areas most often used in Guard and Reserve to Active Force provide a disincentive for people to join the Guard and Reserve because they would know that they would always be on the "second string" and not a part of the truly important missions, or do you think this approach would enhance readiness by ensuring those in high demand career fields are always available?

General PUNARO and Mr. BALL. This approach to rebalancing is not desirable. Rebalancing to try to avoid reliance on the Reserve components would most likely be unfeasible as well as costly. The Commission believes that creating a truly integrated total force, and providing opportunities for service along a continuum from full-time to Operational Reserve to strategic, wartime-only roles, is the most suitable way to balance forces in the future. As stated in our report, operational employment of the Reserve components is appropriate, helps keep both Active and Reserve Forces strong, and benefits the Nation.

[Whereupon, at 12:09 p.m., the committee adjourned.]

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