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HEARING  
ON  
NATIONAL DEFENSE AUTHORIZATION ACT  
FOR FISCAL YEAR 2013  
AND  
OVERSIGHT OF PREVIOUSLY AUTHORIZED  
PROGRAMS  
BEFORE THE  
COMMITTEE ON ARMED SERVICES  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED TWELFTH CONGRESS  
SECOND SESSION  
—  
SUBCOMMITTEE ON MILITARY PERSONNEL HEARING  
ON  
**MILITARY PERSONNEL BUDGET  
OVERVIEW—SERVICE PERSONNEL  
CHIEFS' PERSPECTIVES**  
—

HEARING HELD  
MARCH 6, 2012



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# CONTENTS

## CHRONOLOGICAL LIST OF HEARINGS

2012

	Page
HEARING:	
Tuesday, March 6, 2012, Military Personnel Budget Overview—Service Personnel Chiefs' Perspectives .....	1
APPENDIX:	
Tuesday, March 6, 2012 .....	21

## TUESDAY, MARCH 6, 2012

### MILITARY PERSONNEL BUDGET OVERVIEW—SERVICE PERSONNEL CHIEFS' PERSPECTIVES

#### STATEMENTS PRESENTED BY MEMBERS OF CONGRESS

Davis, Hon. Susan A., a Representative from California, Ranking Member, Subcommittee on Military Personnel .....	2
Wilson, Hon. Joe, a Representative from South Carolina, Chairman, Subcommittee on Military Personnel .....	1

#### WITNESSES

Bostick, LTG Thomas P., USA, Deputy Chief Of Staff, G-1, Headquarters, U.S. Army .....	3
Jones, Lt Gen Darrell D., USAF, Deputy Chief of Staff for Manpower, Personnel and Services, Headquarters, U.S. Air Force .....	6
Murray, Sheryl E., Assistant Deputy Commandant for Manpower and Reserve Affairs, Headquarters, U.S. Marine Corps .....	5
Van Buskirk, VADM Scott R., USN, Chief of Naval Personnel and Deputy Chief of Naval Operations (Manpower, Personnel, Training and Education)(N1) .....	4

#### APPENDIX

##### PREPARED STATEMENTS:

Bostick, LTG Thomas P. ....	27
Davis, Hon. Susan A. ....	26
Jones, Lt Gen Darrell D. ....	120
Murray, Sheryl E. ....	90
Van Buskirk, VADM Scott R. ....	53
Wilson, Hon. Joe ....	25

##### DOCUMENTS SUBMITTED FOR THE RECORD:

The Fleet Reserve Association's Statement on Military Personnel Policy, Benefits, and Compensation, Submitted by Master Chief Joseph L. Barnes, USN (Ret.), National Executive Director .....	139
Reserve Officers Association of the United States and Reserve Enlisted Association's Statement on Personnel Issues .....	149

IV

	Page
WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING:	
[There were no Questions submitted during the hearing.]	
QUESTIONS SUBMITTED BY MEMBERS POST HEARING:	
Ms. Bordallo .....	161
Mr. Loeb sack .....	170

## **MILITARY PERSONNEL BUDGET OVERVIEW—SERVICE PERSONNEL CHIEFS' PERSPECTIVES**

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HOUSE OF REPRESENTATIVES,  
COMMITTEE ON ARMED SERVICES,  
SUBCOMMITTEE ON MILITARY PERSONNEL,  
*Washington, DC, Tuesday, March 6, 2012.*

The subcommittee met, pursuant to call, at 2:34 p.m. in room 2212, Rayburn House Office Building, Hon. Joe Wilson (chairman of the subcommittee) presiding.

### **OPENING STATEMENT OF HON. JOE WILSON, A REPRESENTATIVE FROM SOUTH CAROLINA, CHAIRMAN, SUBCOMMITTEE ON MILITARY PERSONNEL**

Mr. WILSON. Ladies and gentlemen, thank you for joining us for a subcommittee hearing of the Military Personnel Subcommittee of the House Armed Services Committee.

We are delighted to have our participants today being the service personnel chiefs.

This hearing will come to order.

Today, the Military Personnel Subcommittee will receive testimony from the service personnel chiefs on the President's fiscal year 2013 budget request regarding military personnel matters.

This is an especially important hearing because the subcommittee will hear the perspective of the military services about the reductions to Active Duty military personnel programs included in the budget request that so many congressional members have found troubling.

Last week, the witnesses from the Office of the Secretary of Defense defended the budget request, and the subcommittee members openly expressed their doubts and concerns.

As I made clear last week, I must be counted among those members with serious reservations about the budget request and the reductions in force and to the personnel programs that are included.

America remains at war with a ruthless and committed enemy that shows we must have resolve to stop the enemies overseas, to protect American families at home.

In the face of that reality, this budget offers no apology for the program reductions that go to the heart of our military capability by undermining programs that serve our military personnel, putting America and its allies, such as Israel, at risk.

The proposed major reductions to end strength, compensation programs, and health care programs sap our combat capability and undermine the trust of service members, military families, and veterans.

Now, the subcommittee will hear from the personnel leadership within the Services, the people with the most direct contact with the real stakeholders in this debate, the men and women serving our Nation in uniform. These are the leaders responsible for providing the manpower so critical to combat capability.

If the subcommittee expects to hear the voice of our service members during testimony on this budget request, these are the witnesses we will rely on to bring us that message.

I would like to welcome our distinguished witnesses: Lieutenant General Thomas P. Bostick, U.S. Army, Deputy Chief of Staff, G-1 Headquarters, U.S. Army; Vice Admiral Scott R. Van Buskirk, United States Navy, Chief of Naval Personnel and Deputy Chief of Naval Operations, Manpower, Personnel, Training, and Education; Ms. Sheryl E. Murray, Assistant Deputy Commandant for Manpower and Reserve Affairs, Headquarters, U.S. Marine Corps; Lieutenant General Darrell D. Jones, U.S. Air Force, Deputy Chief of Staff, Manpower and Personnel Headquarters, U.S. Air Force.

I would also like to recognize that today is the first appearance before the subcommittee for Admiral Van Buskirk and Ms. Murray.

We welcome you both.

And Mrs. Susan Davis, who is our distinguished ranking member, would you have any opening remarks?

[The prepared statement of Mr. Wilson can be found in the Appendix on page 25.]

**STATEMENT OF HON. SUSAN A. DAVIS, A REPRESENTATIVE FROM CALIFORNIA, RANKING MEMBER, SUBCOMMITTEE ON MILITARY PERSONNEL**

Mrs. DAVIS. Thank you, Mr. Chairman, and General Bostick and General Jones, we welcome you back to the subcommittee.

And Admiral Van Buskirk and, of course, Ms. Murray, we welcome you as well. Thank you for being here for your first testimony.

We appreciate receiving your views on the fiscal year 2013 budget request for military personnel. I look forward to hearing how the proposal will impact our military personnel and their families.

As I mentioned last week, although the budget reductions have not severely impacted the military personnel accounts, they were certainly not immune. We need to understand what impacts there will be to personnel and family programs as a result of a proposed budget request.

Over the past several years, the Service has made a good faith effort to fund quality of life programs for service members and their families in the base budget. I think that was extremely important, and we saw, I think, a generous response to the needs of our military and their families.

Support for wounded warriors and their families, transition into civilian lives for those that are leaving the service, care and support for families that are staying, these demands are not going to go away. And in fact, in some cases, they may even increase.

The Services will need to make a determination on what is important to sustain the All-Volunteer Force, and which may have to fall by the wayside.

These are going to be very, very difficult decisions. And the subcommittee will need to understand the reasoning that underpins these decisions.

Thank you, Mr. Chairman. I look forward to hearing from our witnesses and having a very substantive hearing today.

Thank you.

[The prepared statement of Mrs. Davis can be found in the Appendix on page 26.]

Mr. WILSON. Thank you very much.

And without objection, I ask that statements from the Reserve Officers Association and the Fleet Reserve Association be included in the record of this hearing.

[The information referred to can be found in the Appendix on pages 149 and 139, respectively.]

Mr. WILSON. Hearing none, so ordered.

And Lieutenant General Bostick, we will begin with your testimony.

And it is very humbling for a retired colonel to even make a recommendation. But the reminder we have is his statement should be about 3 minutes.

We have your written statements for the record.

General Bostick.

**STATEMENT OF LTG THOMAS P. BOSTICK, USA, DEPUTY CHIEF OF STAFF, G-1, HEADQUARTERS, U.S. ARMY**

General BOSTICK. Chairman Wilson, Representative Davis, distinguished members of the committee, thank you for the opportunity to appear before you today.

I am honored to represent the 1.1 million soldiers and nearly 300,000 civilians and their families. This combat-seasoned force has performed superbly over the last decade.

Now, the Army is poised to execute a drawdown of both our military and civilian personnel while still in combat and during a challenging economy. We will do this in a careful and deliberate manner while maintaining the best army in the world.

To maintain an All-Volunteer Force of the highest quality soldiers, the Army must responsibly balance accessions, retention, promotion, voluntary, and involuntary separations.

To assist our soldiers and civilians who will transition to employment in the private sector, we must equip them with the skills and knowledge to be successful.

We completed a holistic review of our transition program, which will now better assist soldiers, civilians, and families as they return to communities across the country.

We must continue to shape our future force by recruiting and retaining the next generation of Army leaders.

We greatly appreciate your help in this effort and with improving the quality of life of our soldiers and their families through a superb health care system, educational opportunities, and soldier and family services.

After a decade of war, many soldiers are coping with injuries and health issues resulting from their military service. Some are struggling with issues such as substance abuse, depression, and post-traumatic stress.

Our suicide rates are tragically high. Our current programs to build resiliency and relieve stress are critical to maintaining the readiness of our Army.

The success of these programs is due, in large part, to the strong support of the Congress. We must not waiver on our commitment to support those who have sacrificed so much for our country.

We are aggressively addressing the issue of sexual assault and harassment in our ranks. This terrible crime violates our core values and breaks the bonds of trust that we hold dear.

Our goal is to eliminate even one incident from occurring. And we are committed to fixing this problem.

Our soldiers, civilians, and families have performed superbly over the last 10 years of a war, and I can assure you that your Army will continue to meet the Nation's needs whenever and wherever it is called to serve.

Chairman Wilson, and members of the subcommittee, I thank you for your support, and I look forward to your questions.

[The prepared statement of General Bostick can be found in the Appendix on page 27.]

Mr. WILSON. Thank you very much. And we will now proceed to Admiral Van Buskirk.

**STATEMENT OF VADM SCOTT R. VAN BUSKIRK, USN, CHIEF OF NAVAL PERSONNEL AND DEPUTY CHIEF OF NAVAL OPERATIONS (MANPOWER, PERSONNEL, TRAINING AND EDUCATION)(N1)**

Admiral VAN BUSKIRK. Chairman Wilson, Ranking Member Davis, and distinguished members of the House Armed Services Committee, thank you for the opportunity to review our fiscal year 2013 manpower and personnel budget request.

In developing our request, we recognized that our Nation is at a historic inflection point. That we are shaping a Navy that will be more agile, flexible, ready, and technologically advanced.

We believe our request appropriately balances risk in supporting the readiness requirements of the fleet, changing strategic mission focus, and essential programs that provide for the care of our sailors and their families.

Our sailors operate forward from the United States bases and partner nation places around the world. On any given day, we have about 50,000 sailors and 145 ships under way.

And about 100 of those ships deployed overseas assuring and partnering with our allies, while maintaining a global presence in order to deter aggression and stabilize the maritime crossroads.

Our fiscal year 2013 budget request enables us to continue to meet the operational demands of the fleet and the joint force, while optimizing personnel readiness.

As we move into this new era, the Navy is well-positioned to recruit, develop, retain, and provide American people the best and most capable maritime fighting force in history. Navy has worked hard to become a top 50 organization, an employer of choice providing world-class benefits and opportunities.

As an All-Volunteer Force, we recognize that we must adapt to changing economic times while continuing to implement force management policies focused on incentivizing, encouraging, and re-



warding high performance. We will continue to work towards a Navy that attracts and retains top-performing sailors who best possess the critical skills necessary for our mission.

We are making hard choices on sailor retention as Navy continues to transition. But we are committed to doing so in a fair, transparent, and compassionate manner using performance as our benchmark.

Our fiscal year 2013 Navy budget request appropriately balances the risk, preserve capabilities, and to meet current fleet and joint requirements, fosters growth in emerging mission areas, and provides vital support to Navy sailors and their families.

The request supports Active end-strength of 322,700 and Select Reserve end-strength of 62,500. These levels will allow us to meet fleet and joint operational demands while optimizing personnel readiness.

As we navigate through a period of change, Navy will continue to take action to posture itself for success in the future. Evolving missions, shifting workforce demographics, and increased competition for skills will require new and innovative approaches to attracting, recruiting, and retaining our best talent.

Mission success starts and ends with a highly skilled and capable workforce. To build an effective future workforce, we remain focused on developing and sustaining a diverse workforce, providing our sailors with opportunities for greater work-life balance, and promoting open and frequent communication with families.

With people as the heart and soul of our Navy's warfighting capabilities, we will enable and support our sailors and their families with personnel programs that provide a high return on investment and readiness.

We priority funded our programs to address behavioral health, mitigate operational stress, support families, eliminate the use of synthetic drugs like Spice, and aggressively prevent suicide and sexual assault.

On behalf of the men and women of the United States Navy, and their families, I extend my sincere appreciation to the committee and the Congress for your leadership, your commitment, and unwavering support. Thank you. And I look forward to your questions.

[The prepared statement of Admiral Van Buskirk can be found in the Appendix on page 53.]

Mr. WILSON. Thank you very much, Admiral Van Buskirk.

And we will now proceed to Ms. Sheryl Murray.

**STATEMENT OF SHERYL E. MURRAY, ASSISTANT DEPUTY  
COMMANDANT FOR MANPOWER AND RESERVE AFFAIRS,  
HEADQUARTERS, U.S. MARINE CORPS**

Ms. MURRAY. Chairman Wilson, Ranking Member Davis, distinguished members of the subcommittee, it is my privilege to appear before you today.

Lieutenant General Milstead hoped to be here today, but sends his very best regards as he recovers from surgery.

The Marine Corps is our Nation's expeditionary force in readiness. At any given time, we have approximately 30,000 marines and sailors deployed in Afghanistan and around the globe.

We are ready to respond to today's crisis with today's force today. The individual marine is the Corps' most sacred resource, and the quality of our force has never been better.

The new strategic guidance issued by the President and the Secretary of Defense, as you know, includes a reduction and our Active Component end-strength from 202,100 to 182,100 by the end of fiscal year 2016. Our goal will be to conduct this drawdown in a measured way, approximately 5,000 marines a year.

During this time, we will continue to depend on OCO [overseas contingency operations] funding for end-strength above 182,100.

In doing so, our overarching goal is to keep faith with our marines, to use natural attrition, and voluntary separation measures as much as possible; to allow marines to complete their current contract, their current period of service; to give marines and their families' ample time to transition and to provide a robust transition assistance for them.

To this end, one of our most significant initiatives is improving our Transition Assistance Management Program, or TAMP.

Already a mandatory program for marines, TAMP is being integrated and mapped to the lifecycle of a marine, beginning with recruitment through separation or retirement, and beyond as veteran marines.

This core curriculum will have four well-defined pathways: university or college, vocational-technical training, employment, or entrepreneurship. This tailored approach will target the individual circumstances and needs of our marines.

During our drawdown, as always, a top priority of the commandant and mine is to keep faith with our Marine families. Through program improvements and with your support, we are doing just that.

I served 34 years as an Active Duty marine. And just as I was proud to earn the title of marine, I am pleased today to report that our marines are proud of the eagle, globe, and anchor, and what it represents to our country.

With your support, our vibrant Marine Corps will continue to meet our Nation's call.

I look forward to answering your questions.

[The prepared statement of Ms. Murray can be found in the Appendix on page 90.]

Mr. WILSON. Thank you very much, Ms. Murray.

We now proceed to Lieutenant General Darrell D. Jones.

**STATEMENT OF LT GEN DARRELL D. JONES, USAF, DEPUTY CHIEF OF STAFF FOR MANPOWER, PERSONNEL AND SERVICES, HEADQUARTERS, U.S. AIR FORCE**

General JONES. Chairman Wilson, Ranking Member Davis, and members of the subcommittee, thank you for the opportunity to appear before you today to represent the men and women, the officers, enlisted, and civilian personnel of the United States Air Force who have performed valiantly during 20 years of continuous deployment and combat operations that date back to the Gulf War.

In 2011, 69,000 airmen forward-deployed to 327 contingency locations across the globe supporting multiple operations, including major combat operations in Afghanistan and Libya, a major hu-

manitarian mission in Japan and, of course, the honorable conclusion of our mission in Iraq.

As the deputy chief of staff for Manpower, Personnel, and Services, I remain committed to recruiting, developing, and delivering to the battlefield innovative airmen to support our national security strategy.

We are dedicated to properly managing our forces to maintain and sustain the appropriate size and force mix required to meet the current and future military operations.

At the same time, we must continue the effort we began in earnest in 2010 to properly shape the force and remain within authorized end-strength.

Fiscal year 2013 force structure reductions, and associated end-strength adjustments, will necessitate continuing implementation of force management programs in 2013 and beyond. We will exercise existing force management legislative authorities and, when needed, we will seek extensions of these programs and new programs that are required to help shape the force.

As we proceed with our force management efforts, we will continue to utilize voluntary programs first, incentive programs where needed, and involuntary measures when required.

We must also remain focused on assessing, retaining, and growing a motivated and uniquely qualified airmen force to meet the security threats of today and the future.

We will carefully tailor recruitment and retention efforts to balance current needs with future requirements as underassessing or underretaining airmen has a potential to ripple through the force for many years to come.

Therefore, we will continue investing in Air Force recruiting efforts and provide targeted retention bonuses as needed. These are worthy and necessary investments we make today to maintain a competitive advantage in drawing and retaining airmen to the force of tomorrow.

The Air Force owes a debt of gratitude for the sacrifice made by our airmen and their families. Effective quality of life will continue to be one of our highest priorities.

The demographics and lifestyles of our airmen have continued to change over the years and we must adapt to our programs to the Services and enforce the programs that they are interested in to ensure that we meet the needs of today's airmen and their families.

The hallmark of the United States Air Force's success has always been, and will remain, our people. Our airmen continue to contribute significant capabilities to the joint team and do so with the integrity and excellence familiar to the global community.

We appreciate your unfailing support of the men and women of our Air Force. And on behalf of the chief of staff of the United States Air Force, I look forward to answering your questions.

Thank you.

[The prepared statement of General Jones can be found in the Appendix on page 120.]

Mr. WILSON. Thank you very much, General Jones.

As we proceed, we will be on a timeframe ourselves—5 minutes.

And I am very grateful that Craig Greene, who is above repute, will keep this very carefully. And we will actually ask questions based on when persons have been seated.

To begin—overall question, if anyone knows, and that is, are you aware of any significant personnel reductions in any other Department of Government?

And I am specifically concerned, of course, of the district I represent for the reduction of 80,000 personnel of the Army. I am very grateful to represent Fort Jackson. I represent Parris Island.

I am very concerned about the 20,000 personnel reduction in the Marine Corps. And if you are not aware, I just want to be aware, I am concerned that it seems like reductions only apply to military personnel of the Department of Defense [DOD].

A specific question, and one of the hazards, General Bostick, of using the alphabet, you first, but I agree with you that our military service members, military families, veterans have sacrificed.

They—we are at a time of conflict. And commitments have been made to our military in terms of health care benefits.

And I am concerned that the proposal of the Department is for TRICARE Prime [health care program]; there is an increase of enrollment fees between 30 to 78 percent. But over 5 years, the enrollment increase can be between 94 percent and 345 percent.

This is, I just think, an imposition on the commitments that have been made to people who have served our country.

Do you know of any alternative? And I am just concerned about the fairness of this.

General BOSTICK. Chairman Wilson, as an Army and as a Department, I think we all feel the obligation to balance the needs of our military with those of the country. And as the Secretary of Defense and chairman, and our own secretary and chief mentioned, we take that obligation seriously.

And we have got to, in places where we can tighten our belts, in places where we can meet the needs of the Nation while caring for our soldiers, civilians, and families, we are going to do that. And we are part of the solution for the country in terms of how it meets its fiscal responsibilities.

That said, we will ensure that we do everything we can to support our soldiers.

Mr. WILSON. And I appreciate your commitment. But I am very concerned, as Congressman Austin Scott pointed out last week, that there seems to be a move for free health care for everybody except for service members, military families, and veterans.

Additionally in regard to TRICARE, General Jones, the fee increases are tiered. Now, an E-7 who served 28 years would pay more than an E-7 who served 20 years.

The E-7 with 28 years does not earn more retirement because he and she served longer and sacrificed.

How should that be considered again as fair?

General JONES. Well, Chairman, I believe that, as General Bostick said, in these times where we all have to share the burden of the national debt and the crisis that we have, we take very seriously our obligation to maintain our benefits for our retirees as well as our Active Duty.

If we can help contribute to, say, bend the curve of rising health care costs with modest increases, that may be something we have to seriously consider.

1995 and 1996 was the last time we raised the price for any of our health care to our retirees. And I think a small portion may allow them to understand and make informed judgments as how they will get their health care in the future.

But we don't do this lightly. I think that any change we have to do has to be taken into account of how it affects recruiting, how it affects retention, and how it affects the readiness of our force because certainly that is our key and our goal that we have to focus on.

Mr. WILSON. And I appreciate those considerations.

Finally, if anyone—I feel like sequestration again is somehow singling out the Department of Defense, the military.

And with \$0.5 trillion of additional cuts, January 1, over the \$586 million already reduced, how will that affect your commands?

General BOSTICK. I think our leadership has already, or I know our leadership has already mentioned that this would have a devastating impact on our military.

We believe that we can manage the current drawdown through 2017, but a sequestration would certainly have a devastating impact. And we would have to regroup on our current planning and what we think we can possibly do in terms of our strategy.

Mr. WILSON. And as I conclude, I appreciate Secretary Panetta making that very clear.

And I shall yield now to Mrs. Davis of California.

Mrs. DAVIS. Thank you, Mr. Chairman, and thank you all again for being here.

Perhaps I will start with General Jones.

Could you please share with us, all of you, there are many challenges out there. But what do you see as the greatest challenge that you are facing this year and 5 years from now?

And in those areas is it resources, is it authorities? What creates that challenge that you are probably most concerned about?

General JONES. Ma'am, I would say the thing that keeps me up at nights, if you will allow me to use that term, is that we have to leave the force better than we have it today and posture it for successes down the road.

We have to sometimes make the tough decisions in today's environment so that, in the Air Force, we can keep accessions up as high as we can because if we make a mistake and if we don't access to 100 percent of our goals, if we don't keep the people in earlier in their career, we are going to cause "bathtubs" [bathtub-shaped chart curves reflecting downsized military capability] and ripples.

Recruiting someone is as important as retaining them so that we maintain that readiness throughout the force. We have to be careful we don't default to an easy solution.

When the money gets tied and the force structure drops, the number of people we are allowed to have, my personal opinion is we can't go to cut accession so that we are able to solve our problem today, but we saddle our successors with the burden of having lived with holes in the military that could last 20 years.

That is coupled with the fact that we have to be careful we don't say times are good in the military. Retention is extremely high.

Retention is a 17-year high in the Air Force. However, we have pockets of career fields stressed in critical career fields, which do require incentives, which do require bonuses.

We have to make sure that we don't make generalizing decisions to eliminate certain incentives for people that are in highly stressed, highly deployed career fields because we have to keep them in, more so than some of the others that are not as stressed.

And those are the things I focus on, trying to maintain a strong force for the next 20 years after we are gone, not the next 2 or 3 years.

Mrs. DAVIS. If you could all respond?

Ms. MURRAY. Yes, ma'am. I would be happy to respond.

In addition—I echo what General Jones says, and just a couple of more comments from the Marine Corps perspective.

We are confident that we are recruiting the very highest quality individuals into the Marine Corps, but we have to still have the sorts of monies that we can incentivize those individuals who perform the stress skills.

We have to be careful that we don't overcorrect. That we don't reduce certain funding levels, for instance, use recruiting as an example to a level so low that when we need to begin recruiting again when the economy gets well and we are then really competing, we need to make sure we have the money to do that.

We are working to make sure we don't decimate our recruiting force.

I think we have the authorities that we need, and I appreciate what you have done for us.

Also, if we have something that comes up, we will be confident that we can come to you and seek some sort of additional authorities.

It is really the challenge with the resources. As we have said, this Nation faces a tremendous economic crisis.

And so we, as a Marine Corps, want to be part of the solution for that. But we also want to make sure that we don't have a hollow force, that we don't reduce too much in any particular grade.

Those downsizing that we will do, the 5,000 every year, that will not be just accessions, that will not just be our first-term force. We will take a slice from the highest level on down to make sure that we have the capability to do what we need to do today with the right marines.

Admiral VAN BUSKIRK. Congresswoman Davis, I think a couple of points.

One, in addition to the ones already made is ensuring we can get to see the right signal as recruiting changes.

I think as the economy changes, it is going to be key for us to recognize that foreign advance so that we can posture ourselves as the recruiting market gets tougher.

Retention, we have been at a point where all of our retention has been pretty good, and recruiting has been very, very good because of several different factors. But watching those indicators and making sure we are postured to be able to recruit appropriately and get the critical skill sets is one item.

Second one, as mentioned by the chairman, has to deal with some of the discussions dealing with entitlements that keep us up at night in addition to health care pay and his retirement.

I just returned from a trip to Japan, and there are discussions among the troops out there wondering what is going to be the future of their retirement and the angst associated with that.

And so it is a challenge that we will have to work our way through. But it is one that we will have to work together to ensure we get that right if we decide to change it and to achieve it, at the very minimum, at least the force profiles that we are achieving today for retention of our critical skill and our service members.

Mrs. DAVIS. Go to General Bostick or not—come back—

Mr. WILSON. No, go.

Mrs. DAVIS. Go, General Bostick?

General BOSTICK. We thought about this a lot. And I think we see that the problem or the challenge ahead in three broad areas.

One, we have the drawdown what we are dealing with.

The second is the transition.

And the third leg of the stool is the disability evaluation system.

In the drawdown where we need assistance is in some areas of authorities. And I can give you those specifics, but we do need some help with authorities.

In the transition area, we need connection between our employers that want to hire folks and our soldiers that want jobs. It is just connecting them.

The biggest area that we need help is in the disability evaluation system. And our problem may be different from others.

But currently in our drawdown plan, we are going to draw down anywhere between 10,000 and 15,000 soldiers a year.

Now, juxtapose that against the disability evaluation system where I have 19,600 soldiers. Almost 20,000 soldiers are in the system that takes over 400 days to get through.

It is fundamentally flawed. It causes an adversarial relationship with our medical professionals.

It is long. It is disjointed. We have put money and leadership after this. And I am very concerned that while we are drawing down, this large number of soldiers will remain in the disability evaluation system.

Mr. WILSON. Thank you, Mrs. Davis.

We will proceed to Congressman Mike Coffman of Colorado.

Mr. COFFMAN. Thank you, Mr. Chairman.

You know, I too feel very concerned about the sequester and that that would certainly cut in the capability.

But at the same time, I am disappointed at the direction that the Department of Defense has gone given the existing scenario for cuts. And I think that it seems to be more about defending the status quo than defending the country.

When we see that retention rate is through the roof, and any other organization outside of the Department of Defense that has a very high retention rate, would slow down the promotion rate. Yet, we seem to be maintaining the same promotion rate and forcing good people out where we could slow it down, save money, give people more time and grade in their respective MOSs [military occupational specialties] before they advance.

I don't see that being looked at.

The military across the board is so incredibly top-heavy today, I am stunned.

I believe we have more flag officers than we did in 1990, yet we have a fraction of the force. It is like the British admiralty that as the British Navy shrunk, the admiralty grew.

And so we have got to slim down our military. And I understand there are some efforts there, but I can tell you that, well, from what I have seen, they are not deep enough.

Look at this size of the civilian workforce in the Department of Defense. I mean, it is stunning.

We have 1.42 million men and women in uniform. And we have 800,000, almost 801,000, civilian workers in the Department of Defense.

You know, I was an infantry guy in the United States Army or the Marine Corps. I don't know of a whole lot of casualties that were produced by somebody sitting behind a desk.

And then we are not looking across the 1.42 million people in Active Duty and saying what do we really need to have on Active Duty, and what do we need in the Reserve Components.

Israel is a country on a continual war footing. And the backbone of their organization is the Reserves, at a fraction of the cost when it comes to personnel cost.

And yet we are just so status core oriented, we are just doing across the board cuts, and we are not reorienting our force as we ought to.

And so I tell you, I just am incredibly disappointed with the lack of finesse that has gone into this process from all of the branches of the military and the Department of Defense, in terms of being able to conduct these reductions without compromising national security.

And I believe that we fundamentally compromise capabilities with a lack of, I think, intelligence that has gone into these cuts.

And with that, Mr. Chairman, unless anybody would like to respond I would yield back.

Mr. WILSON. Is there any response.

If not, we proceed to Congressman Dr. Joe Heck of Nevada.

Dr. HECK. Thank you, Mr. Chairman. Thank you all for being here today.

Just a comment first, on the retirement issue, and I appreciate Admiral Van Buskirk recognizing the impact of these discussions on our current serving members.

It reminds me of when we thought that there might have been a Government shutdown and we were getting calls from people in harm's way over the static phone line wondering what was going on with their LES [leave and earnings statement].

These discussions that we are having, and this loose talk that has been going around, really has a significant impact on our current service members.

Why anybody would ever say we are going to put together a BRAC [base closure and realignment]-like commission to look at retirement that is beyond me because BRAC is not a term that is well-embraced.



The chairman spoke a little bit about TRICARE. And what bothers me as a physician, and a physician who has practiced in the military for 21 years, is this idea that we are controlling costs.

We are not. We are mistaken if we think we are controlling cost by changing enrollment fees, copays, and deductibles. What we are doing is cost-shifting.

It does nothing to control cost by shifting the burden to those who we are supposed to be taken care of.

So, I hope that we start to change some of that phraseology because you are not controlling costs. We are just putting more of the cost onto the person who is seeking the care.

General Bostick, in looking through your written statement, I appreciate the line, "As soldiers depart our Active Duty formations, the Army is committed to assisting them and their families as they transition to the Army Reserve, National Guard, or civilian life."

And I think you have heard Lieutenant General Stultz say quite often, we need to recruit a soldier for life and move them between the Components based on where they are needed.

And not long ago, we had General Odierno who was asked, where is he going to accept risk based on the drawdown. And how was he going to mitigate the risk.

And he said he was going to mitigate it based on the Reserve Component, which is great. We have really operationalized our Reserve Component over the last 10 years.

But my concern is most of that was done with OCO money. And now that base budgets are decreasing, and OCO money is drying up, how are we going to maintain that capability in the Reserve Component?

And how are we going to find a home for these Active Duty folks that are being separated when the Reserve Component is capped? The cap in the Reserve Component hasn't changed, still 205,000. The National Guard is actually decreasing Army Guard by 5,000.

So, those numbers don't compute. Unless we are going to hope that there is a lot less in retention in the Reserve, and that is going to open up slots. But we don't run those types of loss rates in the Reserve.

So, help me understand how we are going to take these 80,000 folks that potentially want to stay in the Reserve or Guard and find them a home, when the end-strength in the Guard and the Reserve is flat or decreasing.

General BOSTICK. Well, the Reserve Component is an operational reserve, and we could not fight without them. We are completely convinced to that.

And as we move forward, we will continue to find a way to continue to keep them as an operational force.

The 80K that are going to come out of the Active Force, it is not a clean math equation to send them to the Reserves. Many will move on in terms of their own lives, whether they retire, transition to the Reserve Component, start their own business, go to school, or start a civilian job.

What we have asked for is an increase in the bonus, the Selected Reserve bonus, so that an affiliation bonus would go from 10K to 20K. We think that would keep some of the talent in the Reserve Component. And we believe in a continuum of service.

So, our chief and secretary have asked us to look at ways that soldiers might go in and out of the Reserves and in and out of the Active Force.

And, as you know, some of the benefits, the medical benefits, and the paid benefits tie our hands in terms of the ability to do that. But we are looking at continuum of service.

We are asking for a raise in the affiliation bonus. And we will continue to operationalize our Reserve. We just have to.

Dr. HECK. And I would agree, and I appreciate that sentiment.

But I guess, the question that I am trying to wrap my arms around is that if we get that authority to give an additional affiliation bonus, do you expect that the naturally-occurring attrition rate in the Reserves is going to open up enough slots to make way for those folks coming off Active Duty who want to stay affiliated, because historically those numbers haven't been that high.

General BOSTICK. I would have to work with General Stultz and come back to you, sir. I really don't have that kind of fidelity.

But I think in the specific MOSs and the challenged areas where we need specialties to transition, I think we could do that.

Dr. HECK. Thank you, Mr. Chair.

I yield back.

Mr. WILSON. Thank you. Dr. Heck.

And we proceed now to Congressman Allen West of Florida.

Mr. WEST. Thank you, Mr. Chair and Ranking Member, and thanks for the panel for being here.

And, of course, as I said, look at the Services representing here. I have friends, dear friends, in each one of these Services. And I have some relatives in a couple of these Services as well.

You know, back when I was on Active Duty, we had a professional development book that we had to read, and that book was called, "America's First Battles." And when you read that book, you understand that we have a very crappy record of predicting the next combat or conflict.

We go back to Kasserine Pass. We go back to Task Force Smith. We look at Pearl Harbor. We look at Coral Sea. We look Corregidor, Bataan. I mean, we have a problem with this.

And I don't want to see history repeat itself again by us ramping down our military while we live in a very Machiavellian world and someone is paying attention to that.

So, the one question I have to each one of you is—and you kind of hit it already, Lieutenant General Jones—what is your number one unintended consequence concern with what we are doing as far as our personnel, our retirement, the cut of our military health care benefits?

What is that number one unintended consequence that causes you the greatest concern?

General BOSTICK. Sir, I will start off.

When we did the drawdown in the 1990s, one of the things that we cut too deeply in and could not reverse was our officer corps. And one of the great things about our military is that we grow our leaders.

And when you are short leaders, one of the challenges is that we grow our leaders. We can't hire them laterally.

In some cases, we can. Doctors and nurses, and those with very specific skills, we might be able to bring in.

But it takes 10 to 12 to 15 years to recover when we don't get this right.

So, one of the things that we are trying to do as we go through this is preserve some of the officer corps in positions in our institutional part of the Army. Preserve some of those officers in the Reserve Component of our Army so that if we had to expand that we could do that and have the officers that would be needed.

Admiral VAN BUSKIRK. Congressman West, I think General Jones highlighted it as well when he mentioned hollow force. I think that is the number one consequence, biggest concern that we would have, ensuring that we get our force structure and end-strength in synchronization.

We have taken some force structure cuts in the Navy by ships, and to make sure that: one, that we do not overshoot in terms of personnel to make sure that we get that right; and that we don't try and harvest savings in the near term from a personnel perspective and then cause what we call a T-notch later on that we can't recover from, or we have to mitigate through bonuses or special incentive pays.

If we can maintain a steady stream of accessions in here as we go through this period of stabilizing our end-strength in the Navy and our force structure, and make sure that we don't take too many short-term savings on the front end, that will bode us well for the future to ensure that we can stay away from a hollow force.

Ms. MURRAY. Representative West, thank you for that question.

Our Marine Corps has conducted a force structure review, as you know, over the past few years. And our commandant is confident that we will be able to accomplish our mission with the force that we are designing with our 20,000 end-strength reduction.

But we also are mindful, just as every other panel member has said here, that we need to make those decisions very wisely. We cannot overreduce in our officer corps or our senior enlisted.

As you know, 70 percent of our force is first-termers. So we have a high number of first-termers, and it makes it even more important that our staff and COs [commanding officers], and our officers that we do retain the sort of skills we need so that we can accomplish the mission.

We will count on our Reserves, absolutely. We are working in the Corps today to make sure we define how we will use our Reserves. We cannot turn away from the value that they have given to us.

And we have to figure out how do we put that in our baseline, all those challenges we are working with.

But our commandant is confident that with the work that we have done to shape our Marine Corps through the force structure review, that we will be able to do this.

And, oh, by the way, we have done that on our civilians as well. Mention was made of the civilians.

As you know, Marine Corps probably has the least number of civilians per every marine of any of the Services. But we have looked at how they are shaped as well.

Mr. WEST. Okay.

General JONES. Congressman West—Chairman, would you like me to—

Mr. WILSON. Briefly.

General JONES. I know I am past my time, yes, sir.

In the last year, we have had an attempt to make a real strategic review of what reductions we could take: not taking percentage cuts across the board; bringing together the senior leadership; we have held four three-star summits to look at civilian reductions we have had over the last year that are represented in this budget; and trying to make it a strategic overarching strategy-based decision, so that we are not just creating that hollow force.

And that is the thing we have got to do in the interest of time I'll end there.

Mr. WEST. Thank you, Mr. Chairman.

I yield back.

Mr. WILSON. Thank you, Congressman West.

We will now proceed to Congressman Austin Scott of Georgia.

Mr. SCOTT. Thank you, Mr. Chairman.

And ma'am, what percent of the population is covered by TRICARE?

Ms. MURRAY. I am not sure that I understand your question, Representative Scott.

Mr. SCOTT. What percentage of the U.S. population is covered under TRICARE?

Ms. MURRAY. Oh, I am sorry. I would have to get back with you on that.

Mr. SCOTT. I think it is safe to say it is under 1 percent.

Would that be a fair number?

Ms. MURRAY [continuing]. Fair to me.

Mr. SCOTT. I think it is under 1 percent. But, I guess, what I wrestle with is having a five-fold increase proposed on those men and women who have earned those benefits.

And General Bostick, I appreciate what you said with balance the needs of the Nation with the needs of the soldier. You want to be part of the solution.

Most of the soldiers I speak with, they are very modest and understand that we have a significant deficit. Believe the deficit is the greatest enemy of their children and their grandchildren and that it must be reduced.

And I hear share the burden over and over and over again from our soldiers, which is very humbling to hear people who are out there serving say that.

But let us just get to this question. And I like each of you to answer this for me.

How much of the savings from slicing the benefits to the soldiers is going to fund increases in benefits for those on entitlement programs? And how much will go to reduce the deficit?

General Jones?

General JONES. Congressman, I don't have that number. I am sorry.

Mr. SCOTT. Ma'am?

Ms. MURRAY. Congressman, I don't have that answer.

Mr. SCOTT. Admiral?

Admiral VAN BUSKIRK. Congressman, I don't have that answer either, sir.

Mr. SCOTT. General Bostick?

General BOSTICK. I would just say that it is probably fairly small. I don't have the number.

Mr. SCOTT. It is a very small amount that would actually go to reduce the deficit.

The bottom line is the military and those who serve in the military and those who support those who serve in the military and their families, and those who support the warfighter out there at the depots and putting the equipment together and making sure that our soldiers have the equipment that they need are taking it on the chin with indiscriminate slicing.

And the bottom line is the majority of the cuts are going to go to fund entitlement programs under this administration.

And so with that said, Mr. Chairman, I may have some questions that I would get to you that will be more specific than that, but the bottom line is what we are doing here is cutting a group of people that are out there protecting our individual personal freedoms, and going to turn around and shift that money to a group of people, quite honestly, that maybe don't appreciate what they do for this country.

I yield my time.

Mr. WILSON. Thank you very much, Mr. Scott.

And Mrs. Davis has a follow-up question.

Mrs. DAVIS. Thank you, Mr. Chairman.

Are you finished with the rounds then? Do you think this—

Mr. WILSON. Yes.

Mrs. DAVIS. One question I think just as a result of, I think—wouldn't necessarily know those numbers specifically, but some of those savings back in the Services as I understand it that—because those are dollars that then don't have to come out of the defense budget in order to make some of the other goals.

So, I think that would be helpful to understand whether or not that—how that happens in that case.

I wonder if you could just—on a different issue that has come up recently again with the recent combat, women-in-combat report, which indicated that additional analyses would be needed in order to develop gender-neutral standards to allow women to serve in traditionally close combat positions.

Do you have a status report on your Service's review of those gender-neutral standards, and where is your Service on this?

Would you give us an update?

General BOSTICK. I can give you a little bit of background on what we have done thus far.

Every 3 years we conduct a cyclic review. And in the 2010 cyclic review that the secretary and the chief conducted, they made a decision that we could open up six specialties, military occupational specialties, 80 different units, and about 13,000 positions.

We took that recommendation to the Secretary of Defense. And there was an overall study in DOD. And when we removed the colocation, the word colocation, it opened up that many positions.

In addition to that, the chief and the secretary requested that we allow women to serve at the battalion level in open MOSs but

closed units. So for example, if you are an intelligence officer, female, you could serve in a battalion in the 82nd Airborne Division. That is what has gone forward.

The broader study is also part of a DOD effort to look at gender-neutral. So that is ongoing, but—

Mrs. DAVIS. I think I was really just concerned with whether or not there are individuals looking at the physical standards, what they are developing, because for some of these positions that doesn't necessarily require this.

General BOSTICK. That was the second effort.

This first effort was to make sure that we remove colocation, move a lot of women to serve at the battalion level, and then the broader look at gender-neutral position is an ongoing effort at the OSD [Office of the Secretary of Defense]. And all of the Services are involved in that.

Mrs. DAVIS. Okay. And so looking at those standards really as it relates to the physical standards—

General BOSTICK. Correct.

Mrs. DAVIS [continuing]. You are looking at those.

General BOSTICK. Yes.

Mrs. DAVIS. Okay, great.

Can I ask you one more question?

Really, I think we have addressed some of this, but we are obviously drawing down our forces. We are preparing our families.

And I am wondering what authorities you need to support these transitions. Is there anything other than what you have been doing in the past?

You don't need to relate all the programs that exist today, but what else do you need? Because we know that this is going to be a critical, critical area.

General BOSTICK. I would say that—

Mrs. DAVIS [continuing]. Any other authorities?

General BOSTICK [continuing]. Where we really need help is in the licensing and ability of our soldiers to—once they determine—and they are service members and spouses—once they determine where they live, if they have a license or a certification in one state, the ability to use that in another state, at least in an interim fashion before they actually are able to get recertified in that other state. Because it is hard for them to decide where they want to live as is the case with many of us.

The other thing is really getting a single portal where all the businesses that want to provide jobs to our service members and their families—a single portal, well, that can connect with the service member. And we are working with DOD and the Department of Veterans Affairs and Labor to try to pull that together.

Admiral VAN BUSKIRK. I will just echo what the general said.

I think we are working closely with the office of the Secretary of the Defense on many of our transition programs. And I think that is pretty helpful as we look at this together.

We are, as you are probably aware, in terms of our Enlisted Retention Board that we conducted, we are separating several sailors in an involuntary fashion.

But as part of that, we have created some enhanced transition packages. And one area that we are having great success with is

a contractor-based outplacement program to where we can use an outplacement service to help find the jobs, to help place them in different services out there.

And additionally, we are doing a program called Shipmate to Workmate program where we are using NAVSEA [Naval Sea Systems Command]. It attends to where we have the sailors who are transitioning to offer our veterans jobs and positions within our NAVSEA organization.

So, I think it gets down to being innovative, working collectively here, taking advantage of each other's initiatives that come into play and where they are successful, broadening them and funding them appropriately.

Mrs. DAVIS. Thank you. Thank you. Okay.

I think the time is up. And thank you, Mr. Chairman, for allowing me—

Mr. WILSON. Absolutely.

Mrs. DAVIS [continuing]. To ask another question.

Mr. WILSON. I thank everyone for being here today. We really appreciate your service.

And I want to thank, in particular, the subcommittee members who are present, and being prepared, and asked questions that were heartfelt.

We are now adjourned.

[Whereupon, at 3:29 p.m., the subcommittee was adjourned.]





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# **A P P E N D I X**

MARCH 6, 2012

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**PREPARED STATEMENTS SUBMITTED FOR THE RECORD**

MARCH 6, 2012

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**Statement of Hon. Joe Wilson**  
**Chairman, House Subcommittee on Military Personnel**  
**Hearing on**  
**Military Personnel Budget Overview—**  
**Service Personnel Chiefs' Perspectives**  
**March 6, 2012**

This is an especially important hearing because the subcommittee will hear the perspective of the military services about the reductions to Active Duty military personnel programs included in the budget request that so many congressional members have found troubling. Last week, the witnesses from the Office of the Secretary of Defense defended the budget request and the subcommittee members openly expressed their doubts and concerns.

As I made clear last week, I must be counted among those Members with serious reservations about the budget request and the reductions in force and to the personnel programs that are included. America remains at war today with a ruthless and committed enemy that shows we must have resolve to stop the enemies overseas to protect American families at home.

In the face of that reality, this budget offers no apology for program reductions that go to the heart of our military capability by undermining programs that serve our military personnel putting America and its allies such as Israel at greater risk. The proposed major reductions to end strength, compensation programs, and health care programs sap our combat capability and undermine the trust of service members, military families, and veterans.

Now, the subcommittee will hear from the personnel leadership within the Services—the people with the most direct contact with the real stakeholders in this debate, the men and women serving our Nation in uniform. These are the leaders responsible for providing the manpower so critical to combat capability. If the subcommittee expects to hear the voice of our service members during testimony on this budget request, these are the witnesses we must rely on to bring us that message.

**Statement of Hon. Susan A. Davis**  
**Ranking Member, House Subcommittee on Military**  
**Personnel**  
**Hearing on**  
**Military Personnel Budget Overview—**  
**Service Personnel Chiefs' Perspectives**  
**March 6, 2012**

We appreciate receiving your views on the fiscal year 2013 budget request for military personnel, and look forward to hearing how the proposed budget will impact our military personnel and their families.

As I mentioned last week, although the budget reductions have not severely impacted the military personnel accounts, they were not immune. We need to understand what impact there will be to personnel and family programs as a result of the proposed budget request.

Over the past several years the Services made a good faith effort to fund quality-of-life programs for service members and their families in the base budget. Support for wounded warriors and their families, transition into civilian lives for those that are leaving service, care and support for families that are staying, these demands are not going to go away. In fact, in some cases, they may even increase. The Services will need to make a determination on what is important to sustain the All-Volunteer Force, and which may have to fall by the wayside. These are going to be difficult decisions, and the subcommittee will need to understand the reasoning that underpins these decisions.

27

STATEMENT BY

LTG THOMAS P. BOSTICK

DEPUTY CHIEF OF STAFF, G1

UNITED STATES ARMY

BEFORE

MILITARY PERSONNEL SUBCOMMITTEE

HOUSE ARMED SERVICES COMMITTEE

SECOND SESSION, 112<sup>TH</sup> CONGRESS

MARCH 6, 2012

NOT FOR PUBLICATION

UNTIL RELEASED BY THE

HOUSE ARMED SERVICES COMMITTEE

**Introduction**

Chairman Wilson, Representative Davis, Distinguished Members of this Committee, thank you for the opportunity to appear before you on behalf of America's Army. The United States Army is a values-based organization that exists to serve the American people, to defend the Nation, to protect vital national interests, and to fulfill national military responsibilities. We are now poised to execute an historic drawdown of both our military and civilian personnel, and we are proposing to do it in a deliberate and careful manner. Thousands of individuals will transition out of military and civil service and deserve quality transition assistance.

While the future Army will be smaller, the Army is implementing a number of improvements in force structure and other capabilities to ensure it remains the best led, best trained and best equipped land force in the world today and in the future. Our Soldiers have performed superbly over the last 10 years of war, displaying the values, character and competence that make our Army second to none. We must not waver on our commitment to support all those who have served with courage, pride, and honor.

Thank you for your steadfast commitment to ensuring that the needs of our Soldiers, their Families, and our Civilian workforce are met by supporting our personnel initiatives to ensure growth, sustainment and well being of our All-Volunteer Force.

**Strategic Overview**

America's Army, our Soldiers, Families and Civilians are strained by nearly a decade of persistent conflict. More than 1.1 million Soldiers have deployed to combat, impacting not only the Soldiers, but their families as well. Additionally, Army Civilians shoulder a majority of the Generating Force mission, and 30,000 Civilians have deployed into harm's way. Now we will transition to a smaller force, while continuing to remain vigilant of new threats and prepare for new capabilities and requirements.

To maintain an All-Volunteer Force of the highest quality Soldiers and achieve our end-strength goal, the Army must responsibly balance force shaping across accessions,



retention, promotions, voluntary separations, involuntary separations, and natural losses. We should assist our Soldiers and Civilians who will transition from their military and civil service careers to employment in the private sector.

One of the challenges we face is the non deployable population.. The disability system is not effective and we must continue to work on an efficient solution between the services, DoD and the Veterans Administration to streamline the disability system and improve coordination for health care, compensation, and benefits. The Army also continues to focus on assisting our Soldiers and Family Members struggling with depression, substance abuse, and other Health of the Force issues.

With the continued support of the American people and Congress, we remain committed to the readiness, health and well being of our Soldiers, Civilians and Family members. As part of this effort the Army is also focused on wisely managing our resources in the health care arena. The Department of Defense has also put forward a set of proposals to further reduce the rate of growth in health care costs - proposals that are aligned with our priorities. TRICARE is a superb health benefit - one of the best in the country, and appropriately so. Just as in all areas of the defense budget, we need to make decisions that preserve a strong benefit yet reflect the fiscal realities of the times. The proposals take care to exempt populations who have made the greatest sacrifices - those who are medically retired, and those families who have lost their loved one while serving on active duty. The changes proposed are also adjusted to reflect lower adjustments for those retirees with lower retirement pay. And, most importantly, the Department of Defense continues to provide resources that improve the overall health system for our Soldiers and their Families.

The American Soldier is the centerpiece of everything we do in the Army. Our efforts must remain focused on the preservation of our most precious resource, our people.

#### **Drawdown / End Strength**

In keeping with the National Defense Strategy, the Army is building our future force to meet the Nation's requirements. The Army is reducing its active component end

strength to 490K Soldiers by FY17. Based on Total Army Analysis of future requirements, the force structure effective in FY17 requires an additional decrease of ~24K enlisted Soldiers and ~5K Officers beyond our current rate of attrition over this same period. The Army continues to reduce the additional temporary end strength increase (TESI) of 22,000 Soldiers, approved in 2009 by the Secretary of Defense, and is on target to return to the congressionally approved active component end strength of 552,100 by the end of FY13. In FY14, the Army will begin to take further steps to significantly shape the force toward the 490K FY17 goal.

Our projected drawdown ramp allows for funding 490K of end strength in the base budget starting in FY14 and beyond, with all other end strength supported by OCO funding. This ramp allows for a steady enlisted accession mission of ~57K and an Active Competitive Category officer mission of ~4.3K. Our strength projections incorporate additional Soldier inventory, Temporary Endstrength Army Medical (TEAM), to mitigate impact of the Disability Evaluation System (DES) non-deployable Soldiers. This TEAM endstrength is assumed in FY13 and FY14 and fully eliminated by end of FY15.

In order to achieve expected end strength reductions, the Army expects to use various types of separation authorities across all elements of the force (Officer, Enlisted and Civilian). In order to maintain America's Army as an All-Volunteer Force of the highest quality, we are planning to execute the upcoming force reductions in a responsible and targeted fashion while maintaining a ready force. Our Soldiers have performed superbly over the last 10 yrs of war and have displayed the values, character and competence that made us successful. We value their service and sacrifices, and will use precision, care and compassion in achieving the end-strength goal and without jeopardizing combat operations. Under current loss rates, the Army will not be able to reach its end strength goal over the FY 13-17 period. We are making use of reduced accession levels, promotion selectivity, and tightened retention standards to help shape our force naturally. Through these processes we expect to lose combat seasoned

Soldiers and leaders, but our focus will be on retaining the best in the right grades and skills.

The FY12 Defense Authorization Act provides several incentive authorities that will help the Army encourage soldiers to separate over the drawdown period, along with the flexibility to apply them to meet specific grade and skill needs. We are developing cost data for potential use of Voluntary Separation Pay (VSP), Temporary Early Retirement Authority (TERA), and Voluntary Retirement Incentive (VRI) pays, but will need to realign or request reprogramming of funds to support execution of these now existing authorities. Today's Army is a high quality, all volunteer force. Unfortunately, there will be good Soldiers who we will not be able to retain. As Soldiers depart our active duty formations, the Army is committed to assisting them and their families as they transition to the Army Reserve, National Guard, or civilian life.

There is no single force shaping method among the choices of accessions, retention and separations, that will achieve the Army's end-strength goals.

To maintain an All-Volunteer Force of the highest quality Soldiers and achieve our end-strength, the Army must responsibly balance force shaping across accessions, retention, promotions, voluntary separations, involuntary separations, and natural losses.

#### **Transition Assistance Strategy**

Our Nation entrusts its best and brightest to the Army to support the all-volunteer force. Therefore, the Army has a responsibility to help our transitioning personnel prepare for post-Army life by providing the training and tools to enable their success. We must help them use their Army training, education and experience to successfully return to civilian life and to become gainfully employed. Support through this transition process demonstrates the Army's commitment to its Soldiers and their families beyond their years of service.

Some of the more than 130,000 Soldiers who transition from the Army annually have difficulty finding employment. As of January 2012, 21% of our Gulf War II Veterans between the ages of 20 and 24 are unemployed while the National unemployment average for the same age group is 14%. Since 2001, the Army's annual unemployment compensation costs have increased from \$90M to \$515M. As the Army executes force shaping in the 2014-2017 timeframe, the number of personnel requiring transition training and counseling is expected to increase..

Consequently, the Army is transforming the way we transition Soldiers in order to give them the greatest opportunity for success after their military service. On August 29, 2011, the Army published a new Transition Policy, which encompasses transitions throughout the entire lifecycle of service (e.g. permanent change of station, component change, promotion, schooling, deployment, demobilization, and separation/retirement). In particular, this policy establishes Transition as a commander's program; ensures every Soldier begins mandatory transition counseling and planning no later than 12 months before separating or demobilizing; mandates building a tailored plan for an individual's needs which will have measurable outcomes; and expands virtual services for career and education counseling before, during, and after deployment. On December 29, 2011, the Army published an Execution Order focused on transition policy actions which will have an immediate and positive impact on Soldiers preparing to separate from active duty, demobilizing Reserve Component Soldiers, and their families.

The Army supports the White House Employment Initiative and the DOD-Department of Veterans Affairs Veterans Employment Initiative Task Force to develop reforms to ensure all transitioning Service Members maximize their career readiness prior to separation in line with the newly enacted Veterans Opportunity to Work (VOW) to Hire Heroes Act of 2011. With the Army's new proactive approach to transition, we are connecting Soldiers and Veterans with career private industry employment opportunities. The Army is working with the DOD-VA Task Force to help identify the

best information technology application and functional capability to support this employment initiative.

#### **Civilian Reductions & Human Capital Management**

The Army is reducing Civilian on-board strength, where necessary and appropriate, in order to meet funded targets. This reduction will draw down Civilian on-board strength in order to hold to FY10 civilian funding levels. Headquarters, Department of the Army Staff and all Army Commands and Agencies have conducted exhaustive reviews of programs and functions in order to identify specific functions, activities and workload for elimination and/or reduction.

On February 2, 2011, the Department of the Army suspended civilian employment offers for Operation and Maintenance, Army (OMA)-funded positions, with exceptions for positions related to medical, law enforcement, safety, health, welfare and contingency operations; other exceptions to fill vacancies were approved at the Department of the Army headquarters (HQDA) level. The suspension was lifted on April 29, 2011, and Commands and Agencies were directed to manage Civilian and contracted workload within their targeted fiscal constraints.

The Secretary of the Army issued implementation guidance to Army Commands on July 11, 2011, informing them of their funded Civilian authorization levels and an implementation order was issued on August 3, 2011. The \$834 million reduction in OMA funding is associated with 8,741 reductions in Direct Hire Civilian authorizations. Commands and Agencies will take immediate action to reduce Civilian on-board strength as rapidly as possible, but no later than the end of FY 2012. Our reshaping efforts are already assisting Commanders and directors with reshaping efforts.

The Assistant Secretary of the Army (Manpower and Reserve Affairs) (ASA(M&RA)) and the Assistant Secretary of the Army (Financial Management and Comptroller) (ASA(FM&C)) have established business processes and reporting mechanisms to effectively align requirements, authorizations, on-board strength and associated funding

execution for the Civilian workforce. Commands and Agencies report monthly on the status of their Civilian workforce reduction plans, the number of Civilian reductions effected each month, the total number of reductions to date and the amount of OMA funding expended on Civilian payroll. In accordance with statutory restrictions and the Secretary of the Army's instructions, service contracts will not be initiated in lieu of reduced Civilian manpower, nor will existing contracts be modified to accommodate work formerly performed by Civilian employees.

To the maximum extent possible, the Army is relying on voluntary departures and attrition to achieve the personnel reductions. Reshaping tools to effect voluntary departures include Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Pay (VSIP). Other non-voluntary reshaping tools short of Reduction in Force (RIF) may include release of temporary employees, separation of highly qualified experts (HQE), separation of re-employed annuitants, management-directed reassignments and furloughs. If these measures do not achieve the required Civilian personnel levels, then a RIF may be considered.

Several Commands are releasing temporary employees, re-employed annuitants and HQEs. Many have also instituted internal hiring freezes, with recruitment outside of the Command requiring higher headquarters approval. Commands have offered VERA to employees willing to retire and/or VSIP to those willing to separate from the Federal government. If further reductions are necessary, a RIF will be the last resort. As conditions change with regard to the size of the workforce, marginal adjustments will be made to these planned reductions at installations where such adjustments are warranted.

#### **Recruiting and Retention (Officer and Enlisted)**

Our Soldiers are the Army's most important resource, and our ability to meet the challenges of the current and future operational environment depends on our ability to sustain the All-Volunteer Force. Even as we drawdown the Army, we must continue to bring high quality men and women into the force to grow our future leaders. We must

also ensure that the Army retains the most talented Soldiers with the skills necessary to meet our future needs.

Despite the challenges of an ongoing conflict, the Active Army and the Army Reserve once again exceeded their enlisted recruiting and retention missions in FY11. The Army National Guard intentionally under accessed in FY11 to avoid exceeding their congressionally mandated end strength limits. The active Army accessed the highest percentage of high school diploma graduates since FY92 -- increasing from 94.7% in FY09 to 98.7% in FY11. The Army met its skill-set needs, achieving over 99% Military Occupational Specialty (MOS) precision. The Army's percentage of new enlisted Soldiers with a high school diploma was well above historic rates for all three components. In addition, recruits scoring (50-99%) exceeded the DoD standard of 60%, while recruits who scored in the lower range (30 and below) on the AFQT decreased by 30%(from 281 to 199). Ineligibility waivers granted for enlistment and appointments declined by 4.45% from FY10 to FY11 as a result of being more selective and the improved recruiting environment. We are currently on track to achieve our FY12 mission and expect to recruit half of the FY13 annual mission into the entry pool by the end of FY12.

In FY11, Combined Active Army (AC) and Army Reserve Component (RC) enlistment and reenlistment incentives (bonuses and education), totaled slightly over \$1.39B. Entering FY12, the combined Active and Reserve Components will spend slightly over \$ 1.36B (AC recruiting; \$340M), AC retention (\$231M), Army National Guard recruiting and retention (\$518M), USAR recruiting and retention (\$269M). A large part of the FY12 incentives budget is a result of obligations for enlistment bonuses occurring from fiscal years 2007-2010. As a result of lower recruiting missions and the favorable recruiting environment, average Regular Army recruiting bonuses dropped from over \$13K in FY09 to \$2.5K in FY12. Enlistment and reenlistment bonuses are only used to incentivize longer term enlistments in a small percentage of critical skills. These incentives ensure the success of the total Army recruiting and retention missions and

shape the force to meet specific grade and skill requirements. The amount budgeted for contractual payments is anticipated to decrease until at least FY15.

Over the years through research, the Army has improved personnel assessment measures to more fully assess an individual's potential to serve and predict a Soldier's success in job performance, attitudes, and career intentions. One valuable measure is the Tailored Adaptive Personality Assessment System (TAPAS). TAPAS was developed to enhance the selection Soldiers with Tier 1 credentials by screening out low motivated, high attrition risk applicants. To date, more than 320,000 Army and 96,000 Air Force applicants have tested on TAPAS. The Navy also started testing their applicants in late FY 11. Preliminary results in operational testing indicate that Soldiers who pass the TAPAS screen have better retention and training outcomes than Soldiers in the same Test Score Category (TSC) who fail the TAPAS screen.

Recruiting success is expected to continue in FY12; however, the Army and the nation still face challenges such as rising obesity rates and decreasing high school graduation rates as we recruit the all volunteer force. As the pool of qualified 17-24 year old Americans continues to decline due to growing rates of obesity and decreasing rates of high school graduation, it will become more important for parents, teachers and business leaders to support a youth's decision to join the Army. In today's environment fewer than one in four 17-24 year-olds are eligible to serve in the Army. More than 20 percent of high school students fail to graduate and one in five youths, 12-19 years old, are currently overweight, compared to 1 in 20 in the 1960s. This trend is projected to grow to one in four by 2015.

The Army must retain the flexibility to offer incentives to attract and retain talent. The continued funding of these programs by Congress is absolutely critical to the Army. These incentives assist in shaping the force for both quality and specific talent required.

The Army continues to retain Soldiers at unprecedented levels, while engaged in the longest period of conflict for our all volunteer force. The Army has surpassed its retention goal, every year since 2002. Soldiers reenlist for three top reasons: current



command climate, job satisfaction and the quality of life in the service. Additionally, retention rates within the last 24 months have been slightly higher than anticipated.

In FY11, the Active Army reenlisted 43,626 Soldiers towards an annual mission of no less than 40,000 and no more than 45,000. Soldiers extending to complete deployments with their units represented an additional 7,346 extended contracts. The Army Reserve reenlisted 12,934 Soldiers, exceeding their annual goals by 11%. The Army National Guard accomplished their mission as well by achieving 116% of their assigned mission, reenlisting 39,750 Soldiers.

During FY11 and into FY12, retention bonuses were carefully monitored and adjusted to ensure that the Army met its retention goals while remaining fiscally responsible. As we posture for future reductions in the size of our force, the Army is using lessons learned from past reductions to ensure that today's decisions maintain the viability of tomorrow's all volunteer force. Retention policies will emphasize retention of Soldiers with high potential coupled with appropriate force alignment and structure.

The Army's programs to recruit and retain both Officers and Enlisted Soldiers with critical skills have been effective. For Enlisted Soldiers, the Enlistment Bonus, the Selective Reenlistment Bonus, Critical Skills Retention Bonus (CSRB), and the Student Loan Repayment Program (SLRP) are proven tools that remain effective for filling critical skills.

### **Diversity**

The diversity of our Army is a continuous source of strength as we recruit Soldiers and Army Civilians from an increasingly diverse America. We must take full advantage of opportunities to bring new ideas and expanded capabilities to the mission by reaching out to communities and building relationships that will support the Army's human resource requirements. To this end, we have developed and implemented our first strategy for conducting outreach activities on an Army-wide basis. In this first year of execution, nine commands are responsible for coordinating 25 outreach events for the

Total Army. The Army Staff will coordinate an additional 10 events for a total of 35 during 2012. Additional organizations and events will be added to the strategy in the future.

Our ability to be inclusive of the Nation's diverse citizenry while sustaining a high performance Army requires the engagement of senior leaders and continuous diversity education throughout the Force. The Army Diversity Roadmap, published in December 2010, outlines a unique approach to an enterprise-wide diversity initiative over the coming years and will guide our actions in the areas of leadership, people, structure and resources, training and education, and inclusive work environments. Within the Roadmap, we are implementing an intra-Army council of senior leaders to advise the Secretary and provide a forum for collaboration and sharing ideas in connection with implementation of the Army Diversity Roadmap and execution of related initiatives. In addition, the Council will facilitate delivering the diversity and inclusion message throughout the Army.

Our initial diversity training and education efforts have focused on practitioners who support our commanders and other leaders. We have completed initial training for 560 Military Equal Opportunity (MEO) and Equal Employment Opportunity (EEO) professionals, and followed up with materials to support unit-level instruction. Over the past two years, 300 general officers and civilian senior executives have completed a diversity education program. In this program Senior executives are presented with Army demographics and participate in experiential exercises that facilitate awareness and perspective.

We will continue to invest in diversity education and inclusive leadership by seamlessly integrating the training for senior leaders into their initial leader development programs. Ultimately, we will also reach every Soldier and Army Civilian through the Army's institutional professional development system.

We must position the Army to recruit, develop and retain the most talented people our Nation has to offer. Critical to our global mission is an understanding of the cultures, languages and social norms of the people in locations where we deploy as well as in our own ranks. This diversity initiative is integral to the Army's long-term vision for human capital and our understanding of the human dimension of leadership and global engagements.

#### **Operationalizing the Reserves**

The wartime experiences of the past decade validate the need to institutionalize the policies, procedures and legal authorities conducive to achieving the most efficient utilization of the Total Force through maintaining the Army's Reserve Components as an "operational force." Additionally, the recent Department of Defense strategic guidance, which seeks to maintain key capabilities within the Total Force by shifting certain capabilities to the Reserve Components where they can be maintained at a high readiness level at lower overall cost, requires we continue to regularly employ National Guard and Reserve forces in support of our national strategy.

To support an Operational Reserve, the Army included resources for the National Guard and Army Reserve within the FY13 base budget, including additional resources for collective training, full-time manning and medical/dental readiness. While requiring this investment in readiness, it ultimately allows the Army to manage our Reserve Components as an operational force.

Towards that end, the FY12 National Defense Authorization Act provided the authority for Service Secretaries to place limited numbers of their Reserve Component units on active duty as an operational force for certain preplanned missions in support of the Combatant Commands where the costs associated with such usage are contained in that year's Defense budget. Additionally, the Secretary of the Army promulgated the Army's Deployment Period Policy which established a common, nine-month, period of deployment for General Purpose Forces at division-level and below. The policy also

mandates common processes and procedures for validating pre-deployment readiness across the Total Force with a view towards integrating active and reserve forces at the tactical level consistent with the Secretary of Defense's policies for utilization of the Total Force.

The Army National Guard and Army Reserve provide 51% of the Army's military end-strength for around 16% of the base budget. Transforming the Army National Guard and Army Reserve into an operational force provides not only ready access to one-million trained Soldiers, but also an historic opportunity for our Nation to achieve the most cost-effective use of its Army.

#### **Non-Deployable Campaign Plan**

As a result of more than a decade of war, the Army has experienced a dramatic increase in the number of Soldiers who are unable to deploy. During the four-year period from 2007 through 2011, the non-deployable rate for Brigade Combat Teams (BCTs) increased by nearly 60%, from ~10% in FY07 to greater than 16% in FY11. The corresponding decrease in the overall deployable rate has required us to over-man deploying units so that BCTs deployed with the required combat strength. This has directly impacted the Army's ability to properly man the generating force. As a result, the Army developed a comprehensive non-deployable campaign plan to analyze the three categories representing the highest percentage of non-deployable Soldiers: Medical, Separations [Expiration Term of Service (ETS)/retirements], and Legal Processing.

With the support of this Congress, we made significant strides this past year in the administrative categories; driving the overall rate down to 14%. Legislation passed in 2011 authorizing 365-day early separation will enable the Army to increase the readiness of our deploying units as we backfill those separating with deployable Soldiers. Soldiers with medical conditions remain a challenge, comprising nearly half of our non-deployable population. This population will continue to grow as we draw down, decreasing the overall population while retaining these non-deployable Soldiers as they

undergo medical evaluation. Our Soldiers continue to be the cornerstone of our combat formations and as we draw down the force, we remain committed to providing top quality service to our Soldiers and their Families. Therefore, we have focused our efforts to reduce the number of medically non-deployable Soldiers by creating a Disability Evaluation System (DES) Task Force that will represent both medical non-deployable and DES initiatives. Through the collaboration of this multi-faceted Task Force, we can continue to man an expeditionary Army with Soldiers who are deployable, while preserving the all volunteer force.

#### **The Army Disability Evaluation System**

The DES has made improvement over the last four years, as legislative changes and the new Army Disability Evaluation System (DES) have made the system less adversarial; provided greater consistency between Military and VA ratings; and reduced the time it takes to start receiving VA benefits after separation. However, we are committed to improve the complex process.

The current process takes almost 400 days to complete; and even if the Army were meeting DoD's goal of 295 days, 10 months is simply too long for our Soldiers and their families to wait while their future hangs in the balance. Currently the Army has more than 19,000 Soldiers tied up in this process of disability adjudication; the equivalent of five Brigade Combat Teams sitting on the bench, not available or deployable, who must be replaced from other elements to meet operational and tactical requirements. As a result of the lengthy processing times, the DES continues to have a significant impact on Army readiness. More than 95% of these Soldiers depart from the Army once through the process.

The Army is committed to doing everything it can to improve the current process. Our Senior Leadership meets monthly with our partners in the Department of Veterans Affairs to focus on the execution of the Army DES down to the installation level, identify performance issues, and share best practices in order to streamline the process. More recently the Army completed a Senior Leader assessment of the execution of the Army

DES at installations across the Army. This assessment identified specific actions required to enhance and standardize performance across the Army. Combined these actions and standards will ensure our Soldiers receive the support needed in a timely manner, provide the leadership at all levels visibility in order to adjust resourcing and assess efficiency and help us improve Army Readiness by moving Soldiers through the Army DES more expeditiously.

We are working with DoD leadership, the other services, and our partners in the Department of Veterans Affairs on improving the system and look forward to collaborating with Congress on this issue. .

#### **Quality of Life / Family Programs**

The strength of our Nation is our Army. The strength of our Army is our Soldiers. The strength of our Soldiers is our Families. Because of the tremendous sacrifices Soldiers and Families make every day, the Army is resolute in sustaining the important programs that enhance their strength, readiness, and resilience.

The Army Family Covenant institutionalized the Army's commitment to provide Soldiers and their Families with a quality of life commensurate with their level of service to the Nation. Army Senior Leadership signed the first Family Covenant in October 2007 and reaffirmed its tenets in October 2011. The Covenant represents our commitment to provide programs and services to Soldiers, both single and married, and their Families, regardless of component or geographic location. The Covenant recognizes the strength and commitment of Soldiers and their Families and establishes a lasting partnership with Army Families to enhance their strength, readiness, and resilience.

We are committed to improving Soldier and Family readiness by continuing to build resiliency through strengthened Soldier and Family programs that are simple and easier to access; maintaining accessibility and quality of health care; sustaining high-quality housing for Soldiers and Families; maintaining excellence in school support, youth services, and child care; promoting education and employment opportunities for Family

members; sustaining recreation, travel, and quality of life opportunities for Single Soldiers; and joining forces with communities to inspire support for Soldiers and Families.

#### **Army Military Equal Opportunity Policy**

The Army is the leader in Military Equal Opportunity (MEO) policy and practice. Commanders at all levels are responsible for sustaining positive MEO climates within their organizations, enhancing Army Readiness. To remain relevant within the ever-changing environment in which we operate, the Army is revising its MEO policy by integrating and institutionalizing equal opportunity goals, objectives and training practices. This effort will strengthen the foundation of the Army's Human Capital Strategy. Since FY09, the Army has invested \$3.2M to include \$0.8M in FY11, and expects to invest another \$2.1M in FY12 for MEO personnel services support, database and survey systems, outreach support, and training for implementation.

#### **Women in the Army**

On January 13, 1994, the Secretary of Defense issued the Direct Ground Combat Definition and Assignment Rule. The rule remains in effect today and prohibits the assignment of women to units below the brigade level whose primary mission is to engage in direct combat on the ground.

The Army's current assignment policy (Army Regulation 600-13, 27 Mar 92) allows women to serve in any officer or enlisted specialty or position except in those specialties, positions, or units (battalion size or smaller) which are assigned a routine mission to engage in direct combat, or which collocate routinely with units assigned a direct combat mission.

On March 2, 2010, in the context of a changing operational environment, with emerging requirements and missions, the Army initiated a routine cyclic review of its assignment policy for female Soldiers. The purpose of the review was to assess the current Army

policy alignment with DoD policy. The Army completed the cyclic review in March 2011 and submitted the results and recommendations to Army Senior Leadership for decision. Prior to making that decision, the FY11 National Defense Authorization Act (NDAA), Section 535, directed the Secretary of Defense, in coordination with the Services, to review laws, policies, and regulations that restrict female Service members an opportunity to excel in the Armed Forces.

The DoD review was completed in late January 2012 and released February 9, 2012. The Army concurred with the other Services in the revision of the Direct Ground Combat Assignment Rule that eliminates gender-based assignment restrictions to units and positions that are required to physically co-locate and remain with direct ground combat units that are closed to women and to further align Army assignment policy with that of DoD. In doing so, the Army opened approximately 13,139 positions for the assignment of women. Additionally, we opened six MOS: three in Field Artillery and the remaining three closed specialties in the Logistics career field. We also requested and were granted a DoD exception to the Direct Ground Combat Assignment Rule that will authorize the Army to assign females to direct ground combat units below the brigade level. This limited exception allows assignment of female Soldiers in select open specialties to serve in the battalion headquarters of select direct ground combat units. Each of these activities will take effect in late spring 2012.

Women in the Army have and continue to serve this Nation with honor and distinction in the roles, positions, units, and specialties in which they are allowed to serve. They have proven their ability to serve in expanded roles throughout the Army both on and off the battlefield. This review marks the beginning of a careful and deliberate effort to apply lessons learned by commanders over more than a decade of persistent conflict. The Army will continue to review positions and requirements to ensure that all Soldiers are provided opportunities to reach their full potential and that we accomplish our missions with the most capable and qualified Soldiers.



**Sexual Assault and Harassment Prevention**

The Army's goal is to eliminate sexual assault and sexual harassment through cultural change, thereby, creating a professional climate where every member of the Army family (Soldiers, Civilians, Family members and contractors) trusts their leaders to treat them with dignity and respect.

The Army Sexual Harassment/Assault Response and Prevention (SHARP) Program reinforces the Army's commitment to reducing incidents of sexual violence while promoting sensitive care and confidential reporting for victims of sexual assault, and accountability for those who commit these crimes.

The Army continues to implement a comprehensive "I. A.M. (Intervene, Act, and Motivate) Strong" Sexual Harassment/Assault Prevention Strategy and Campaign.

The campaign is based on the same strategic framework and guiding principles used to execute a successful military initiative—Prevent, Shape and Win. The Army's goal is to "Prevent" sexual assault and harassment before it occurs; "Shape" an Army culture that promotes dignity and respect; and "Win" an environment that increases prevention, investigation, and prosecution while reducing the stigma of reporting.

The program consists of a comprehensive policy that centers on awareness and prevention; training and education; victim advocacy; and response, reporting, accountability and program assessment.

The Secretary of the Army and the Chief of Staff of the Army are strong advocates for the implementation of the SHARP Program. They consider SHARP an integral part of the "Profession of Arms" in developing individual character and supporting the Warrior Ethos.

In 2008 the Army launched a comprehensive sexual assault prevention strategy, which incorporates the ethical principles of the "Profession of Arms" and requires leaders to establish a positive command climate that clearly communicates sexual assault's negative impact on the force and Family Members. The strategy further

encourages Soldiers to engage in peer-to-peer intervention, and not tolerate behavior that could lead to sexual assault.

This strategy consists of four integrated, cyclical phases that are designed to achieve true cultural change as we work to be the nation's leader in sexual harassment and sexual assault prevention:

Phase I (Committed Army Leadership) provides training on best practices and allows commands the opportunity to develop prevention plans to support the Army strategy.

Phase II (Army-wide Conviction) includes educating Soldiers to understand their moral responsibility to intervene and stop sexual assault and harassment.

Phase III, which launched April 2011, is dedicated to "Achieving Cultural Change" and fosters an environment free from sexual harassment and sexual assault

Phase IV, the final phase is "Sustainment, Refinement and Sharing." This phase will be implemented beginning April 2013. Here, the prevention program will continue to grow while motivating national partners—governmental and non-governmental organizations—to support our efforts in changing generally accepted negative social behaviors.

The goal will be the reduction of sexual assault through primary prevention by creating an environment where people are not afraid to intervene as soon as conditions exist that could lead to sexual misconduct if left unchecked.

The Army's campaign commitment includes integrating sexual harassment and sexual assault prevention efforts; executing the SHARP transformation plan; providing policies; training and education support to commands; and establishing prevention partnerships.

The SHARP Program transition is occurring throughout the Army. Building on previous training, SHARP Mobile Training Teams (MTTs) have trained approximately

7,900 of 17,000 command-selected program personnel on a prevention-focused 80-Hour Program Certification Course. The course was approved by the National Organization for Victim Assistance (NOVA) in December 2011 and credentialed under the National Advocacy Credentialing Program (NACP).

The Army applied \$40M from FY09-FY11 to increase investigative and judicial capabilities by hiring 12 highly qualified experts in the field of prosecution and investigations, 23 additional special investigators, 16 special victim prosecutors and five Trial Counsel Assistance Program attorneys. Additionally, there are plans to add another seven special prosecutors in FY12.

A feather in the Army's cap is the selection of the U.S. Army Military Police School Special Victims Unit Course, Fort Leonard Wood, Missouri, as *the* DOD's school house. In essence, the Army will serve as the DOD's *executive agent* for sexual assault investigator training and the US Army Military Police School will serve as the proponent for sexual assault investigations training for the Department of Defense.

The Army's school house employs a unique advanced interview technique in its Special Victims Unit (SVU) Training Course. This technique is called the Forensic Experiential Trauma Interview, or FETI, which was developed by the Army SVU lead instructor. This new interview technique combines the best of child forensic interview techniques along with the principles of critical incident stress debriefings and new neurobiology research to obtain not just the who, what, why, when, where, and how of the incident, but also the three dimensional experiential aspect of the crime. This process solicits and documents critical forensic physiological evidence. Based on feedback from the field this new technique has already shown to be substantially more effective in obtaining information and substantially more beneficial evidence which results in more successful prosecutions of sexual assault cases. The FETI technique is also being trained by our Army trainers to Federal, State, and local civilian agencies and has been embraced as a promising best practice. The SVU course is not only taught by USAMPS and USACIDC experts, but is also augmented by other nationally recognized experts as well as legal instructors from the Army Trial Counsel Assistance Program.

Agents from DODIG, NCIS, and AFOSI have already begun training at the SVU course. Army prosecutors will also begin attending the SVU course in April of this year to foster additional synergy and understanding between our CID Special Agents and prosecutors. We have developed a plan to include prosecutors from other DOD services beginning in FY 13.

Additionally, the Army is continuing in its efforts to ensure attorneys in the Judge Advocate community are receiving the most up-to-date training so they're properly equipped to investigate/prosecute sexual assault cases. Judge Advocates who are selected to serve as Special Victims Prosecutors (SVP) based on their skill and experience in the courtroom, are required to attend a two-week Career Prosecutors Course at the National District Attorneys Association in South Carolina; a one-week Military Institute on the Prosecution of Sexual Violence in Virginia; and two-weeks of On the Job Training with a designated civilian District Attorney's Office, Special Victims in locations such as Chicago and Los Angeles.

The Army is currently providing \$3.5M to support JAG prosecution and defense capability improvements, to include policy development, case management, training and education. DOD is supporting the Army's investigation/prosecution training efforts with an additional \$1.3 million in funding.

Based on recent Congressional, OSD and Army directives, the Army is revising its policy and program requirements to effectively expand the program to additional beneficiaries such as Family Members 18 years of age or older, DoD Civilians serving overseas, and Deployed DoD contractors deployed into combat zones, while finalizing a plan to meet the FY12 National Defense Authorization Act requirements. Concurrently, the Army is revising its comprehensive training and education program that began in FY04 and remains flexible to meet new legislative and military direction.

The Army is working with the Department of Defense leadership to ensure the manpower and funding required to address the programmatic changes stipulated in the NDAA are adequately addressed.

### **Health Promotion, Risk Reduction and Suicide Prevention**

The Army continues to take aggressive actions to promote health, identify and reduce risky behaviors, and prevent suicides. Utilizing a holistic approach, increased emphasis has been placed on developing and implementing targeted training programs as well as funding for support programs that impact the entire Army Family.

The key elements of the Army's approach are: ensuring that all Soldiers have prompt access to quality behavioral health care; increased screening and documentation of mild traumatic brain injuries; and improved leader awareness of high-risk behavior. As conclusions are derived from ongoing studies, such as the Army Study to Assess Risk and Resilience in Service members (Army STARRS), the largest BH epidemiological study that the Armed Forces has ever undertaken, appropriate leadership decisions will follow to capitalize on the outcomes. The Army has increased screening efforts to improve diagnosis and treatment for Soldiers through the Post-Deployment Health Assessments, standardized screening protocols for those exposed to concussive events and implemented the "Pain Management Task Force" to appropriately manage the use of pain medications and adopt best practices Army-wide.

The dramatic increases in suicides experienced from 2006 to 2010 leveled off in CY 2011 and were down slightly from their record year in 2010. It is important to note, however, that suicides by Soldiers on Active Duty increased while those by Soldiers not on Active Duty decreased. There were 165 suicides by active-duty Soldiers during 2011, an increase from 159 suicides in 2010. However, a significant decrease was observed for Not-on-Active Duty members of the Army Reserve and National Guard, with 115 suicides during 2011 compared to 146 in 2010. This represents a decrease of 25 suicides over the 2010 report.

The Army released the *Army 2020 Generating Health and Discipline in the Force Ahead of the Strategic Reset Report 2012*. Referred to as the *Army Gold Book*, the report is an update to the *Army Health Promotion, Risk Reduction, Suicide Prevention Report*,

2010. It summarizes the progress made in enhancing the health, discipline and readiness of the Force and it represents the next phase in the Army's ongoing campaign to counter the stress associated with more than a decade of war. The *Gold Book* is designed to educate leaders, illuminate critical issues that still must be addressed, and provide guidance to those grappling with these issues on a day-to-day basis. It candidly addresses the challenges that leaders, Soldiers and Families currently face, while providing a thorough assessment of what the Army has learned with respect to physical and behavioral health conditions, disciplinary problems, and gaps in Army policy and policy implementation. The Army is committed to ensuring the entire Army Family has access to the training and resources necessary.

#### **Army Substance Abuse Program**

More than a decade of war has created symptoms of stress for our Soldiers, including an increase in alcohol and drug abuse. The Army Substance Abuse Program (ASAP) is a commander's program that uses prevention, education, deterrence, detection, and rehabilitation, to reduce and eliminate alcohol and drug abuse. It is based on the expectations of readiness and personal responsibility.

In March 2010, the Army conducted a counselor requirements analysis based on each installation's average daily client census with a ratio of 1 counselor for 30 patients. Patient caseload was as high as 60 per counselor at some installations. The 1:30 ratio is an accepted ratio based on literature and counselor input. Applying this ratio yielded a requirement of 563 counselors assuming a 20% growth in number of patients.

An Army priority in this area includes the hiring of more counselors. There is a finite pool of qualified substance abuse counselors nationwide and the Army is competing for this scarce talent with private industry, the Veteran's Administration and state and local governments. As of January 1, 2012, the Army has hired 500 of the 563 counselors needed. The Army is increasing the use of recruiting, relocation, and student loan reimbursement incentives to attract more qualified candidates, and are developing a ASAP Counselor Internship Program which will allow students with Masters degrees to

work in a supervised internship for up to two years as they attain their licenses and substance abuse counselor certifications.

The Confidential Alcohol Treatment and Education Program (CATEP), began in July 2009 and offers confidential alcohol treatment to qualified Soldiers. For these Soldiers, the chain of command is not informed of the Soldiers enrollment as was previously customary. This pilot program was initially offered at Fort Lewis, Fort Richardson, and Schofield Barracks. An initial assessment was conducted in March 2010, and the Secretary of the Army directed that the pilot be expanded to include Forts Carson, Riley and Leonard Wood. The initial assessment showed moderate success in attracting Soldiers and placed more career NCOs and younger officers into treatment. Soldiers who participated in CATEP were very positive about the opportunity to take care of their issues without commander knowledge and were more motivated as patients. Some Soldiers informed their commanders about their enrollment and these commanders had a high acceptance of the program. The program was assessed again during July 2011. The results showed that many Soldiers with an alcohol abuse or dependency diagnosis had walked away from treatment when asked to change their behaviors. After careful consideration, the VCSA directed implementation of several improvements to the pilot and consideration of the use of a contract for Soldiers interested in CATEP, with the proviso that non-compliance with treatment would result in mandatory placement in the Command ASAP. The pilot will be assessed again in April and May 2012, after which the Secretary will decide whether to expand the CATEP to the remainder of the Army. To date 1,129 Soldiers sought CATEP treatment and 784 were/are enrolled.

#### **Congressional Assistance**

As the Army prepares for reductions in the force, we will need Congressional support to drawdown accurately and efficiently while maintaining readiness. The Army continues to work with the various parties to improve the physical disability system, so that our service members receive the transition they deserve. The continued support of Congress for competitive military benefits and compensation, along with incentives and bonuses for Soldiers, their Families and for the civilian workforce is critical in helping the

All-Volunteer Army continue to recruit, retain, and support the highest caliber of individuals.

### **Conclusion**

We have invested a tremendous amount of resources and deliberate planning to preserve the All-Volunteer force. People are the Army, and our enduring priority is to preserve the high quality, All-Volunteer force – the essential element of our strength.

While we transform to a smaller Army, we remain dedicated to improving readiness, and building resilience in our Soldiers, Civilians and their Families. The Army will not sacrifice readiness as it draws down. We must draw down wisely to preserve the health of the force or prevent breaking faith with the brave men and women who serve our Nation. The Army has gained the trust of the American public more now than at any other time in recent history, while fulfilling our responsibilities toward those who serve.

The well-being of our Force, regardless of its size, is absolutely dependent upon your tremendous support. The Army is proud of the high caliber men and women whose willingness to serve, is a credit to this great nation. To conclude, I wish to thank all of you for your continued support, which has been vital in sustaining our All-volunteer Army through an unprecedented period of continuous combat operations and will continue to be vital to ensure the future of our Army.

Chairman Wilson, and members of the subcommittee, I thank you again for your generous and unwavering support of our outstanding Soldiers, Civilian Professionals, and their Families.



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COMMITTEE**

**STATEMENT OF  
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DEPUTY CHIEF OF NAVAL OPERATIONS  
(MANPOWER, PERSONNEL, TRAINING & EDUCATION)  
BEFORE THE  
SUBCOMMITTEE ON MILITARY PERSONNEL  
OF THE  
HOUSE ARMED SERVICES COMMITTEE  
ON  
MILITARY PERSONNEL OVERVIEW**

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**NOT FOR PUBLICATION  
UNTIL RELEASED BY THE  
HOUSE ARMED SERVICES COMMITTEE**

## **I. INTRODUCTION**

Chairman Wilson, Ranking Member Davis, and distinguished members of the House Armed Services Committee, thank you for the opportunity to review Navy's fiscal year 2013 manpower, personnel, training and education budget request. I am honored to be here to represent the outstanding men and women of the United States Navy, and their families, in this my inaugural appearance before the committee as the 56<sup>th</sup> Chief of Naval Personnel.

In developing our budget request, we recognized that our Nation is at an historic inflection point, that we are shaping a Navy that will be more agile, flexible, ready and technologically advanced. As we continue our presence in the Middle East, maintain our commitments in Europe, add emphasis and focus in the Asia-Pacific region, Navy has continued to prove itself in providing a truly adaptive force capability and capacity, at sea, on land and in the air. While Navy's operations in Iraq and Afghanistan have been both sea and land based, the shift in focus toward the Asia-Pacific region will likely increase demands upon Navy's maritime role, even as the Nation works to address the national security imperative of deficit reduction through a lower level of defense spending.

As we move into this new era, Navy is well positioned to recruit, develop, retain and provide the American people the best and most capable maritime fighting force in history. Navy has worked to become a "Top 50" organization, an employer of choice, providing world-class benefits and opportunities. Moreover, as an All Volunteer Force, we must adapt to changing economic times, while continuing to implement force management policies focused on incentivizing, encouraging and rewarding high performance. We will continue to strive for a

Navy that attracts and retains top-performing Sailors who possess the critical skills necessary for our mission. Further, we are making hard choices on Sailor retention as Navy continues to transition, but we are committed to doing so in a fair, transparent and compassionate manner using performance as our benchmark.

Our FY13 budget request enables us to continue to meet the operational demands of the Fleet and the Joint Force while optimizing personnel readiness. As we look to the future, Navy is mindful that:

- The all-volunteer Force is the foundation of our Navy and vital to the security of our nation.
- Navy life involves unique challenges and stresses as a global, full spectrum sea service.
- War related deployments since 9/11 have placed extraordinary demands on many Sailors and their families.

We believe our request appropriately balances risk in supporting the readiness requirements of the Fleet and Joint Force, changing strategic mission focus, and essential programs that provide for the care of our Sailors and their families.

## II. A READY AND CAPABLE GLOBAL NAVY

Shortly after assuming office as the Nation's 30<sup>th</sup> Chief of Naval Operations last September, Admiral Greenert issued his inaugural guidance to the Fleet, the CNO's *Sailing Directions*. Coupled with our *Navy Total Force Strategy for the 21<sup>st</sup> Century*, it charts a course for Navy to deter aggression, and, when necessary, decisively win our Nation's wars. We will employ global reach and persistent presence through forward-stationed and rotational Forces to protect our Nation against direct attack, assure Joint Operational Access, and retain global freedom of action. With our global partners, we will protect the maritime freedom that is the basis for global prosperity. We will foster and sustain cooperative relationships with our allies and international partners as we enhance global security in a constantly changing environment.

Informed by the *Sailing Directions* and our *Navy Total Force Strategy for the 21<sup>st</sup> Century*, we have crafted our focus areas...

**Warfighting First:** We will manage military personnel strength to deliver an affordable, sustainable and resilient Force that meets mission needs. We will deliver a Force that is operationally ready—assignable and deployable. To remain operationally effective, we will deliver a career-continuum of technical training and advanced education.

**Operate Forward:** We will deliver “fit” and balance to the Fleet—not only the right *number* of Sailors, but also the right skills and experience for the job. We must also anticipate

Fleet and Combatant Commander priorities to meet operational needs and provide the regional skills required for theater security and cooperation of our Joint and coalition partners.

**Be Ready:** We will attract, recruit, and retain a high-quality Force through recruiting and outreach efforts—we must be competitive for the best talent in the nation. Most importantly, we will continue to care for Sailors and their families...the foundation upon which our Navy is built.

### III. END STRENGTH

Our FY13 Navy budget request appropriately balances risk, preserves capabilities to meet current Fleet and Joint requirements, fosters growth in emerging mission areas, and provides vital support to Sailors and Navy families. The request supports active end strength of 322,700, and selected reserve end strength of 62,500. These levels will allow us to meet Fleet and the Joint Force operational demands while optimizing personnel readiness as articulated in the recently released *Sustaining U.S. Global Leadership: Priorities for 21<sup>st</sup> Century Defense*. The President's \$28.9 billion request for Active Navy Manpower, Personnel, Training and Education seeks \$27.1 billion in Military Personnel, Navy (MPN) appropriations and \$1.8 billion in related Operation and Maintenance, Navy (O&MN). The reserve request includes \$1.9 billion for Reserve Personnel, Navy (RPN) and \$24.7 million in related Operation and Maintenance, Navy Reserve (O&MNR).

In FY13, there is no OCO funding requested for active component end strength in support of non-core Individual Augmentee (IA) mission. Following an assessment of the reserve

component's funding, and ability to cover previous active component-sourced non-core IA requirements, 5,900 man-years of OCO funding was requested to support 4,500 reserve IA billets throughout the fiscal year. We will continue to fill IA requirements, when possible, with reserve component personnel funded through OCO appropriations.

As we work to stabilize Navy end strength with emphasis on achieving warfighting wholeness, we continue to shift billets from shore duty to sea duty while preserving nearly 600 critical shore billets in sea-centric ratings, including regional maintenance centers, afloat training groups, Fleet electronic warfare training and Ballistic Missile Defense AEGIS billets. We expect last year's sea/shore-flow requirements changes to result in reduced at-sea gaps this year and in FY13. We continue to apply Sea Duty Incentive Pay to encourage and reward Sailors for extended or repeat sea duty service to help further mitigate our gaps at sea.

Navy will continue to size, shape, and stabilize the Force while carefully monitoring personnel and Fleet readiness. As required, we will apply, evaluate and adjust existing and new force-shaping tools designed to retain the right skills, pay grade, and experience-mix necessary to provide mission-ready Naval Forces, as required.

#### **IV. FORCE MANAGEMENT: ACHIEVING BALANCE, MAXIMIZING INVESTMENTS**

We must always remember that the men and women of the All Volunteer Force in our Navy have remained versatile, adaptable and committed to the Nation during a time of

unprecedented, sustained combat operations, and at tremendous personal sacrifice. As we take the necessary steps to properly size and shape the Navy to meet current and emerging requirements, we must be vigilant to ensure the readiness of the All Volunteer Force, while maintaining trust with those who serve in our Navy.

We expect to finish FY12 below end strength controls, largely due to effective force management policies within the enlisted force. At the same time, we are over-executing our officer strength. To remedy this imbalance, we plan to stabilize enlisted strength while gradually reducing officer strength. Our strategy focuses on rebalancing the Force to achieve the right mix of officers and enlisted personnel by increasing enlisted accessions over time, reducing officer accessions in a controlled manner through judicious application of force management tools to address officer overages in specific skills. We will achieve proper force balance while respecting the sacrifices of Sailors and their families by using voluntary measures to the extent possible before resorting to involuntary actions. Through careful combination of both, we will meet dynamic force management challenges and maximize investments in our people.

Our use of force management tools will be continuously evaluated as end strength and Force structure is reduced. We will keep a watchful eye on indicators of shifting behavior and on economic trends and act quickly to preserve our ability to attract and retain the highest-quality Sailors while achieving and then maintaining the right balance of seniority, skills, performance, and experience to deliver optimum military personnel readiness to the Fleet.

Perform-to-Serve (PTS) remains our primary, and most effective, enlisted force-balancing tool, allowing us to manage enlisted continuation behavior by rating. Based on performance ranking, PTS identifies Sailors at career decision points, up to 14 years of service, who are best qualified for in-rate reenlistment, conversion from overmanned to undermanned specialties, or separation from the Navy. In FY11, we converted 1,052 Sailors, narrowing critical manning gaps, while 6,765 Sailors identified by PTS separated at their End of Active Obligated Service (EAOS). We plan to separate another 6,650 Sailors through PTS in FY12, and fewer in FY13. PTS has significantly improved enlisted manning balance permitting us to offer in-rate reenlistment to significantly more Sailors while returning advancement opportunity to historic norms.

To further assist in rebalancing the Force and relieve pressure on Sailors in a PTS reenlistment window, Enlisted Retention Boards (ERB) were implemented as an additional force management tool. The ERB was necessary to ensure we could reduce inventory within overmanned ratings in cases in which converting Sailors to undermanned ratings was not a viable option. Unlike PTS, the ERB looked at *all* eligible Sailors in 31 overmanned ratings, not just the ones in a PTS window. This past summer, ERB examined the records of approximately 16,000 Sailors in pay grades E4-E8, with at least 7 and less than 15 years of service, who are serving in overmanned ratings, and identified 2,947 for separation in FY12. Approximately 300 of these Sailors, who will have at least 15 years of service by September 1, 2012, are being offered the opportunity to apply for early retirement under Temporary Early Retirement Authority (TERA) enacted in the National Defense Authorization Act for Fiscal Year 2012. We do not intend to use ERB authority in FY13.



We have used, and continue to use, a host of other tools to contribute to ongoing force management efforts for both officer and enlisted Sailors, including:

- High-Year Tenure separations in select pay grades and years of service. We separated 912 Sailors in FY11, and plan an additional 909 in FY12, and slightly more in FY13, through recent changes to High Year Tenure policy.
- Early Transition. In FY11, we allowed 1,541 Sailors to separate up to 24 months before the end of their enlistments, and anticipate authorizing a similar number of separations in FY12, but fewer in FY13.
- Annual performance-based continuation boards. We reduced the number of active duty Sailors in pay grades E7–E9 with over 20 years of service by 187 and expect an additional 50 losses in FY12 and FY13.
- One-year time-in-grade (TIG) retirement waivers for select senior enlisted and officers. We executed 37 officer TIG waivers in FY11 and expect approximately 45 for FY12 and FY13.
- Monthly probationary officer continuation and redesignation boards. These boards authorize release or redesignation of probationary officers (with < 6 years commissioned service). We separated 242 officers in FY11 and anticipate separating 270 in FY12.
- Permitting voluntary retirement of officers with prior enlisted service after eight, vice 10, years commissioned service. Enacted in the FY11 NDAA, we expect to authorize approximately 60 retirements in FY12 and FY13.
- Selective Early Retirement (SER). SER Boards selected 124 unrestricted line captains and commanders for early retirement in FY12. In FY13, we may select approximately 40 Restricted Line and Staff Corps officers for early retirement.

- Voluntary Retirement Incentive (VRI). An authority that allows Navy to precisely target specific commanders (O-5) and captains (O-6) with between 20 -29 years of service in certain specialties and warfare areas to separate and retire voluntarily.
- Temporary Early Retirement Authority (TERA). In FY12, we are offering early retirement to approximately 300 Sailors as an alternative to early separation required by Enlisted Retention Boards. We are evaluating options for further targeted use of TERA in FY13.

Despite significant progress, additional force management actions are necessary to maintain mandated end strength and officer levels with the right mix of skills and experience due to high retention and low attrition. For example, we will soon implement two new policies to facilitate further enlisted force management:

- In FY12 and FY13, we will apply Initial Training Separation Authority to separate fewer than 500 Sailors per year who do not satisfactorily complete their training pipeline, but for whom no suitable vacancy exists.
- We will adjust High Year Tenure thresholds to separate fewer than 1,000 Sailors in pay grades E2-E3 in FY13.

We are contemplating whether additional authorities may be necessary to enhance our ability to properly shape and balance the Force. A range of broad, flexible, options to properly size and shape the Force remains vital to Navy military personnel readiness. We appreciate Congress enacting flexible authorities that provide voluntary means to effectively manage the Force in a way that preserves a positive tone across the Navy.

**V. SAILOR AND FAMILY SUPPORT**

Our FY13 budget request of \$131.7 million for Sailor and family care coupled with the items in the Secretary of Defense and Defense Health Care budgets sustains or enhances our comprehensive continuum of care. The health care proposals in the President's budget are consistent with our efforts in identifying processes that are more efficient, incentivizing positive health behaviors, promoting overall wellness and keeping our Sailors fit and ready to deploy on a moment's notice. This budget keeps faith with those who serve and those who have served, and responsibly meets the demands dictated by the federal budget crisis. With continued congressional support, Navy is committed to retaining funding levels necessary to address the medical, physical, psychological, and family readiness needs of Sailors and their families. I hope you will agree, and support our efforts.

**Comprehensive Continuum of Care**

Through a comprehensive continuum of care, we place the highest priority on the medical, physical, psychological, spiritual and family readiness needs of Sailors and families. Navy's Operational Stress Control Program, Navy Reserve Psychological Health Outreach Program, Warrior Transition Program, Returning Warrior Workshop, Navy Safe Harbor, and our Medical Home Port Program are critical continuum of care elements.

- The Operational Stress Control (OSC) program is our proactive approach to address the personal readiness of our Sailors and their families. OSC is comprised of training, assessment, policy, and tools to support and build Sailor, family, and unit resilience. It enables leaders to foster a climate in which Sailors use available resources to stay fit and ready without stigma. OSC, with complementary and integrated support from the Navy Chaplain Corps, provides assistance for stress reactions before they become stress problems. A 2011 Behavioral Health Quick Poll found most Sailors reported using positive methods to cope with stress.
- The Navy Reserve Psychological Health Outreach program improves the psychological health and resiliency of Reserve Component (RC) Sailors and families. Teams of psychological health outreach coordinators and outreach team members, located at the five regional reserve commands, provide psychological health assessments, education, and referrals to mental health specialists.
- The Warrior Transition program provides Individual Augmentees the opportunity to decompress and transition to life back home. Through small group discussions, chaplains and medical personnel prepare Sailors to resume family and social obligations, return to civilian places of employment, and reintegrate into the community.
- Returning Warrior Workshops help remove stigma that may prevent Sailors from seeking support during demobilization and reintegration.

- Navy Safe Harbor supports the non-medical needs of wounded, ill, and injured Sailors, Coast Guardsmen, and their families. This network of recovery care coordinators and non-medical care managers, at 18 locations across the country, provides individually tailored assistance to 748 enrolled Sailors, 43 enrolled Coast Guardsmen and an additional 777 Sailors considered assist cases. The FY13 budget request supports our enduring goal to provide the highest quality care to our wounded, ill, and injured.
- Medical Home Port program is a team-based primary care model focused on optimizing relationships between patients, primary care providers and other health care professionals to enhance health and readiness. Beginning this year, mental health providers will be embedded within Medical Home Ports alongside the rest of the care team, and will facilitate regular assessment and early behavioral intervention for Sailors and families. This will enable treatment in settings in which patients feel most comfortable and will reduce stigma associated with seeking care. Early detection and intervention in the primary care setting reduces the demand for time-intensive intervention in behavioral health specialty clinics. The presence of behavioral health within the Medical Home Port promotes increased comfort among primary care providers in treatment of behavioral health issues within their scope of practice in collaboration with the embedded specialists.

#### **Behavioral Health**

The Navy Behavioral Health program goal is to develop an organizational climate that encourages psychologically healthy, resilient and mission-effective Sailors. It provides Navy-wide resources for suicide awareness and prevention, intervention skills, and risk mitigation

procedures. We track and analyze data on suicide-related behaviors and deaths to identify trends and develop additional policy, training and outreach to prevent suicide risk. A 2011 Behavioral Health Quick Poll reflects positive trends in the percentage of Sailors attending Suicide Prevention Training and who recognize proactive suicide-prevention efforts occurring at their commands.

### **Suicide Prevention: All Hands, All of the Time**

Every Navy suicide represents a tragedy that affects command cohesiveness and the loss of a valued shipmate; a loss the Navy is determined not to accept. Our comprehensive strategy to combat suicide incorporates four pillars: Education and awareness; Operational Stress Control; Intervention; and Post-intervention support; a leadership-led effort with a foundation built on a comprehensive array of education and outreach.

Navy's Suicide prevention approach builds combined Sailor, family and command resilience with a goal of changing behavior through personal resilience; peer to peer support; leadership intervention throughout the chain of command; enhancing family support; and fostering a command climate where help-seeking behaviors, when required, are expected in order to restore personal readiness.

We have implemented a year-round strategic communication plan focused on Navy's "Ask - Care - Treat" model, or ACT, which emphasizes the value of peer-to-peer support. Additionally, targeted suicide assessment training is provided for primary care providers at large Medical Treatment Facilities as another viable means to identify at-risk Sailors.

The Suicide Prevention Coordinator network is growing with the addition of webinar training that has trained more than 500 new suicide prevention coordinators in 18 webinars since December 2011 and additional webinar training is planned for members of the Public Affairs community. We are also continuing to make progress in implementing recommendations of the DOD Task Force on Prevention of Suicides Among Members of the Armed Forces. Moreover, in FY13, we will provide targeted chaplain training, guidance and tools for leaders, to facilitate successful reintegration of Sailors into their units following behavioral health or other medical treatment. We will improve integration of suicide prevention into the broader array of resilience and prevention efforts to provide a coherent approach to comprehensive wellness, resilience and prevention.

**Sexual Assault: Not in my Navy**

There is no place for sexual assault in the United States Navy. We are committed to eliminating sexual assault completely; to ensuring compassionate support for sexual assault victims; to investigating all cases thoroughly; and to holding perpetrators accountable within the full extent of the law. Since 2005, we have worked to build a robust Sexual Assault Prevention and Response (SAPR) program, and we are already engaged in a number of new initiatives to combat sexual assault. These collectively are critical investments in both individual Sailors and in Force readiness. In addition to other direct measures, we will use a proven process of tiered training for sexual assault prevention and response and provide Navy's SAPR-Leadership training to all E-7 and above leaders and every Sailor through SAPR-Fleet training. This process

served us well in the repeal of Don't Ask Don't Tell and we anticipate this will resonate in our campaign to eliminate sexual assault from our Navy.

Our immediate goal is to measurably reduce the frequency of sexual assaults involving Sailors. Our first and perhaps most important tool has been a strong, consistent, top-down leadership message of intolerance for sexual assault. We are pleased to already be seeing Department-level leadership forums translating into special workshops and other sessions conducted by regional commanders and commanding officers. Our second core strategy involves updated training tools for Navy-wide use. We have already worked with civilian experts to review relevant content in a broad range of Navy training curricula spanning the full continuum of leadership development. We are developing special new video programs for all Sailors to emphasize the criticality of sexual assault issues, and the responsibility of every Sailor to actively intervene in protecting shipmates in vulnerable situations. In addition, we have undertaken special initiatives focused on those most at risk – our youngest Sailors just out of recruit training. Our “Bystander Intervention” program uses locally trained instructors in small-group sessions to educate and mentor Sailors at “A-Schools” Navy-wide. At TSC Great Lakes, we have combined this effort with a number of simultaneous other initiatives – and we have developed a process of periodic anonymous surveys to assess our impact. After a year of progressive effort, it is still too early to speak of definitive outcomes, but the initial signs are encouraging. In 2011, over 67,000 Sailors participated in an anonymous, web-based sexual assault survey conducted by the Navy Secretariat. We plan to repeat that process every 2-3 years worldwide to help us understand issues and trends in the underlying incidence of sexual assault. If it is necessary along the way, we will use our best accumulated data and insight to adjust



course in combating sexual assault. Civilian experts, including researchers at the Centers for Disease Control, tell us this kind of approach is cutting-edge and breaking new ground. However, that is not all we are doing.

In just the past two years, we have conducted site visits and special training at Navy sites worldwide. We have talked to stakeholders including senior commanders, SAPR program managers, Sailor focus groups, and even individual sexual assault victims. We have brought Sexual Assault Response Coordinators and installation commanders together from across the Navy for programs civilian experts on sexual assault prevention summits. We have given special training to NCIS agents and JAG lawyers on the unique aspects of sexual assault cases. NCIS recently hired new criminal investigators with extensive civilian backgrounds in sexual assault cases for every major Navy (and Marine Corps) installation. We are working on tool kits for commanding officers to help them make the right decisions in complex cases.

In summary, there is no place for sexual assault in the United States Navy. We take the challenge seriously, we are engaged on numerous fronts, and we are committed to a sustained effort.

## **VI. RECRUITING**

Navy has worked hard to achieve strong recruiting success over the past four years by projecting the Navy as an employer of choice and attracting the nation's very best men and women for America's Navy. Our brand, "America's Navy - A global force for good", captures the diversity of our Navy missions while also appealing to our target recruiting market. In FY11 and through FY12 to date, Navy's "total force" recruiting achieved accession recruiting goals for

officers in the active component (AC) and enlisted recruiting goals in both the active and reserve components (RC). Additionally, we attained the best quality future Sailors in history with 98.7% of accessions entering as high school diploma graduates (HSDG) and 88.2% of accessions scoring in the upper 50th percentile on the Armed Services Vocational Aptitude Battery (ASVAB).

Adapting to the current challenges of the recruiting environment and in anticipation of an improving economy, Navy recruiting is investing in the future with improvement of its Information Technology (IT) systems and streamlining its processes as part of its innovative Recruiting Force 2020 strategy. This strategy will provide an agile, mobile and highly responsive capable recruiting force.

Looking ahead, we will continue to aggressively attack specific recruiting areas, particularly in the healthcare profession where all military services have had difficulty in attaining specialized medical professionals. An additional challenge is RC General Officer recruiting where we achieved nearly 80% of our FY11 goal primarily due to the high retention of active duty officers in the unrestricted line communities. We continue to work closely with the Office Chief of Naval Reserve (OCNR) and BUMED on several aggressive initiatives to address both challenges as we keep Medical and RC General Officer recruiting as our top officer recruiting priorities.

The FY13 budget requests \$276.0 million for recruiting programs including accession incentives, advertising, and support for our active and reserve recruiters. This represents a reduction of \$34.1 million from FY12 mainly due to adjustments in marketing and advertising.

Our budget request ensures that the recruiting force remains appropriately sized and resourced for success.

Accession bonuses remain critical to meeting our goals for recruiting health professionals, nuclear operators, and special warfare/special operations personnel. We maintained bonus levels for nuclear officers and health professionals, and continue to offer enlisted accession bonuses to special warfare/special operations and other critical ratings to meet increased demand. A favorable recruiting environment has enabled us to reduce the number of ratings eligible for an accession bonus from 67 in 2008 to six in 2012. The FY13 active budget request for bonuses, special pays, and incentives, represents a \$22.1 million reduction from FY12.

An integral component of achieving our force management goals include competing for the best talent in our nation's colleges and universities. Our Naval Reserve Officers Training Corps (NROTC) program has 61 units located at 75 host institutions with 87 cross-town institution agreements. While the NROTC program has more than sufficient capacity for our current requirements, Navy recognizes the value of engagement and presence on the campuses of America's elite colleges and universities and appreciates the high quality educational experience provided to future military leaders at these institutions. The highest quality applicants ever for our NROTC program in FY11 further reflected Navy's recruiting success.

To broaden outreach efforts and generate recruiting leads, and to offset reductions in paid media advertising, we are expanding our use of social media and other technologies. Navy

Recruiting Command has over 100,000 active followers across 19 prominent social media sites, including 15 Facebook communities of interest. However, face-to-face contact with recruits in the field remains the cornerstone of our sustained success in attracting high quality, diverse individuals.

## **VII. RETENTION**

We continue to closely monitor retention behavior across the Force and project we will meet our FY12 overall officer and enlisted retention goals. While we have been able to make selected reductions in retention bonuses, Sailor retention behavior indicates we must continue to apply bonus programs to critical skill areas that are less responsive to changes in the economic environment and which require significant investments in training and education.

### **Enlisted Retention**

Despite a decade at war, Navy continues to experience high levels of retention among enlisted personnel across the force, due in large part to Navy's efforts to provide a quality life-work experience, increases in basic pay and housing allowances, and contributing economic conditions. Additionally, we experienced higher retention among female Service members, especially within critical technical and warfighting skilled areas. FY11 aggregate enlisted retention was 63.9%, which is elevated relative to historical norms, even though we utilized several force management tools to suppress reenlistments.

Active Navy Retention	FY11 Achievement	
	Reenlisted	Expected
Zone A (0-6 yrs)	66.0%	59.0%
Zone B (6-10 yrs)	67.0%	66.0%
Zone C (10-14 yrs)	72.7%	72.0%

Our new and existing policies encourage longer-term career behavior as Sailors commit sooner to stay for longer periods. While affording increased predictability of future personnel readiness, higher retention also contributes to increased competition for reenlistment.

This past year, 14,544 Sailors were discharged before the end of their contracts, slightly above the projected attrition of 14,300; we project similar attrition in FY12. Misconduct-related discharges this year are within one percent of misconduct discharges in FY11. Reserve enlisted attrition rates continue to trend lower than the historical average, evidence of the high quality Force we have recruited.

Demand in civilian industry for highly trained nuclear-qualified Sailors challenges our ability to meet nuclear retention goals. We are committed to retaining Sailors with critical skills in high demand in the civilian sector, as well as Sailors in specialties that continue to experience high operational tempo in support of OCO, such as special warfare/special operations and independent duty corpsmen. Selective Reenlistment Bonus (SRB) remains the most important tool in our efforts to retain these highly skilled Sailors.

By our close monitoring of retention behavior, we apply adjustments to SRB levels on a semi-annual basis, or as required. We have adjusted SRB levels five times in the past 18 months, reducing the number of eligible skill areas by 26% compared to FY11. In FY12, 33 of 84 ratings will receive SRB; the pool of eligible Sailors is 2.3% of our active enlisted Force, representing a 60% reduction compared to FY11. Our SRB plan targets high-demand skill sets unaffected by slowing or down economy, to include special warfare/special operations, information technology, medical, cryptology, and nuclear ratings. The FY13 budget request includes \$107.3 million for new SRB contracts for active duty Sailors, a slight reduction from FY12. The FY13 SRB budget for selected reserve Sailors is 13% less than FY12, a reduction achieved by realignment of resources within the Navy Reserve Comprehensive Bonus Strategy to target the most critical specialties.

#### **Officer Retention**

Active and reserve officer retention rates remain high due, in large part, to targeted incentive pays, improved mentoring, flexible career options, and increased emphasis on life-work integration initiatives and current economic conditions. Retention of female unrestricted line (URL) officers beyond initial minimum service requirement (MSR) has increased in the last four years in both the surface warfare community (19% for Year Group 2001 to 33% for Year Group 2004) and aviation community (14% for Year Group 1998 to 27% for Year Group 2001)<sup>1</sup>.

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<sup>1</sup> Because Minimum Service Requirement (MSR) is different for Surface Warfare (five years) and Aviation (seven years), two comparable year groups (i.e., includes women who are past their initial service obligation) were examined to more accurately capture overall URL female retention. YGs 98 and 01 which both had only 7 year MSRs for prop/helo and 8 years for jets (10 USC 653).

Initiatives to improve retention of Selected Reserve (SELRES) officer communities by 2014 include targeted officer affiliation and retention bonuses, increased accession goals, and Continuum of Service programs.

Although the overall loss rate for junior officers increased slightly from FY09 to FY10, economic conditions have contributed to surface and submarine communities meeting retention goals for the third consecutive year. With signs of an improving economy, we are closely watching junior officer retention since retention through the operational department head tour is a critical metric for monitoring the health of these communities.

After a decade of war, we are seeing signs of increased operational stress on Naval Special Warfare (SEAL), Special Warfare Combatant-Craft Crewmen (SWCC), Combat Support and Combat Service Support personnel; increased operational tempo, decreased dwell time, and deployment unpredictability have contributed to a decrease in junior officer retention, particularly at the lieutenant commander (O-4) level. Mentorship and increased access to family support programs and operational stress control resources are primary tools to mitigate the effects of stress on these officers and their families. The FY13 budget request includes \$7.6 million for targeted incentive pays to retain these critical officers.

We have experienced slight improvement in medical community retention, largely due to competitive incentives and bonuses. Select subspecialties; including dentistry, psychiatry, clinical psychology, clinical social work, physician assistants, general surgery, preventive medicine, family medicine, mental health nurse practitioner, perioperative, and nurse

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anesthetists, continue to require attention. The FY13 budget request includes \$76.4 million for special and incentive pays to retain these critical medical professionals.

#### **Retention and Compensation Going Forward**

The Budget Control Act of 2011 mandates reductions in federal spending at levels that require every area of the budget to be scrutinized for efficiencies to produce cost savings. With the current budget situation, the Navy believes that every area of the budget, to include personnel costs, should be examined for efficiencies that could lead to cost savings. However, before any changes are made, complete understanding of the impact those changes might have on the service member and the Navy should be understood. The current compensation system, to include incentive pay, retirement and other benefits, is a major factor in retention for service members. Any changes to this compensation package must be examined to ensure that Navy retention requirements are met.

We routinely review special and incentive pay and bonus programs, adjusting bonus levels and eligibility in response to manning levels, in addition to reducing enlisted accession bonuses, Assignment Incentive Pay (AIP) and SRB. Over the past year, we have reduced officer bonuses in the aviation, and intelligence communities. Additionally, we restructured the Submarine Support Incentive Pay program to efficiently address shortfalls at specific career points and reduced total program costs by over 58 percent since FY09. We will continue monitoring retention rates in FY12 to determine the need for further adjustments for select officer communities.



The current military compensation system, including retired pay and other monetary and non-monetary benefits, is a major factor in the success and quality of the All Volunteer Force. Navy strongly supports protecting the retirement benefits of those who currently serve by grandfathering their benefits; Navy is working closely with the Office of the Secretary of Defense (OSD) and other services on this effort. Any changes to compensation, especially the retirement system, must be fair to the Sailor and suitably reward the individual and their family for their service. As we examine the personnel budget, we must carefully consider, before imposing any cuts, the potential impact on Sailors and Navy military personnel readiness.

#### **VIII. LEARNING AND DEVELOPMENT**

Education and training are strategic investments that enable our highly skilled force to meet the demands of CNO's *Sailing Directions* and the *Navy Total Force Strategy for the 21<sup>st</sup> Century*. In response to the demands of our increasingly diverse and technologically complex world, we have increased our focus on Science, Technology, Engineering and Math (STEM) in our accessions and education programs. The \$1.5 billion FY13 education and training budget invests in innovative training technologies and increases our investment in simulators, curricula, and instructors targeted at critical mission areas.

##### **Accessions Training and Education**

We continue to invest in the Navy's ROTC program as an essential contributor to a diverse work force and diversity of thought and, in concert with appropriately-sized U.S. Naval

Academy and Officer Training Command accessions, we have the officer accessions capacity we need to meet USN and USMC requirements. New investments in cyber education at USNA will ensure our flagship institution produces officers with the technical education and core competencies necessary to excel in this area as 21<sup>st</sup> century warriors.

We have no plans to close Navy ROTC units, and in fact have recently restored the historic Navy ROTC presence at Harvard, Yale, and Columbia, and have opened host units at Arizona State University and Rutgers. Although the Navy's Junior ROTC program has included closures, they have occurred in accordance with federal guidelines, and the bulk of the affected units have substituted Navy National Defense Cadet Corps (NNDCC) units in their stead. We are evaluating re-opening some JROTC units previously closed under federal guidelines, but which have restored student enrollment above the statutory minimum enrollment threshold. Recruit Training Command (RTC) is appropriately sized to support current enlisted accession requirements and prepared to meet the increases associated with economic changes.

#### **Technical Training and Skills Development**

The Navy continues to adjust staffing and student throughput of our accessions pipeline schools in response to the changing size, missions, and make-up of the Force. We have initiatives in progress to optimize the efficiency and responsiveness of the supply chain that takes a Sailor from "the street to the Fleet". For 2013 we made critical targeted investments in our technical training schoolhouses focused on improving readiness in key mission capabilities areas including Integrated Air & Missile Defense; Anti-Submarine & Surface Warfare; Command,

Control, Communications, Computers, Combat Systems, and Intelligence; and Ballistic Missile Defense.

The FY 13 budget request supports additional investments in simulators, trainers and new technologies that allow us to deliver Sailors to their commands with the skills needed to perform their missions faster and at reduced cost. Coupled with training aboard ships, simulators increase training opportunities and effectiveness across the Fleet while minimizing stress on equipment, operating costs and risk to our Sailors. Examples of our FY13 simulator investments include the Integrated Air & Missile Defense Advanced Warfare Trainer for our Ballistic Missile Defense platforms and the Aegis Ashore Team Trainer for shore based Ballistic Missile Defense. The Littoral Combat Ship (LCS) training program is based on the Virtual Ship Centric Training Strategy, which uses virtual simulators in the ashore LCS Training Facility to cover the full breadth and depth of ship operations and maintenance training.

We continue to invest in the development and application of innovative training technologies that offer tremendous potential to provide our Sailors the best technical training in less time with improved understanding and retention. The field of intelligent tutoring is a focus area for the Future Naval Capabilities Capable Manpower science and technology program, and our enlisted cyber-warriors are currently participating in a very promising Digital Tutor pilot course that combines classroom, instructor led training with advanced computer-based one-on-one tutoring to increase a student's motivation and problem solving skills.

**Joint and Professional Military Education**

In the past year, the Navy has held education summits to examine the role of Joint education, professional education and technical education in the career paths of our unrestricted line, restricted line and staff officer communities. The results of these summits, combined with a thorough review of the education requirements coded to all Navy officer billets, are informing an ongoing review of the Navy's education strategy. A review of Naval Post Graduate School (NPS) curricula is underway to examine ways to reduce time required to complete in-residence degrees, which, in conjunction with expanded distance learning opportunities, will better align with our officer career tracks and allow greater flexibility in meeting the Navy's Joint, and professional education requirements. In the past year, we have also begun new masters degree programs at the NPS for cyber operations and for energy management.

A progressive continuum of professional military education, including degree opportunities, also exists for enlisted personnel. Junior enlisted pursue professional military education through distance learning hosted by the Naval War College, while senior enlisted personnel are afforded the opportunity to attend the Senior Enlisted Academy (SEA), which graduated 505 senior enlisted Sailors from its six-week resident course in FY11.

**Voluntary Education**

The Navy's on-line Virtual Education Center (VEC) website and counseling service has proven very successful in providing centralized management of Tuition Assistance (TA)

requests, Sailors' academic transcripts and virtual counseling. The VEC has enabled the Navy to reduce operating costs by downsizing or eliminating local Navy College Offices at some bases while also reducing paperwork and processing time and increasing accessibility to educational opportunities for our Sailors.

Navy continues to maximize education opportunities through programs specifically tailored to meet the needs of our Sailors and their families. The Navy College Program for Afloat College Education (NCPACE) makes college courses available to Sailors assigned to ships and submarines deployed around the world. The Navy College Program Distance Learning Partners (NCPDLP) program offers both associate and bachelor degree programs through partnerships with accredited civilian institutions. These institutions provide maximum credit for military training and experience for every Navy rating and combine those credits with courses they offer to meet degree requirements. Sailors may use Tuition Assistance to offset their education costs in both NCPACE and NCPDLP.

The Tuition Assistance (TA) program is the primary means for Navy personnel to pursue their off-duty education goals. The TA program management controls we implemented in 2010 require Sailors to have a plan with clear educational goals to emphasize both professional development and academic success. These controls have helped us remain within our established funding limitations while providing a more equitable opportunity to use the program. Our management controls have improved academic success as evidenced by the reduction in the non-completion rate of TA-funded courses from 16% in FY09 to 7.5% in FY11.

**Credentialing**

The demand for credentialing examinations continues to be very high, indicating the significant value Sailors place on gaining professional recognition for their training and experience. In FY11, we funded 19,762 certification exams, a 43 percent increase over FY10. The Navy Credentialing Opportunities Online (COOL) website experienced 497,002 visits, a 65 percent increase over FY10, and 30,460,627 hits, an 11 percent increase. Sailors in all 83 ratings have applied for funding, and 94.2 percent of those completing voluntary certification examinations via Navy COOL funding passed, far exceeding the national average pass rate of 75-85 percent, and represents a positive return on investment. In 2011, Navy COOL and Navy's Credentialing Program was awarded "Best Workforce Development Program" by *Human Capital Management Defense*, and the Navy COOL program was recognized through the Training Top 125 Award for the second consecutive year.

In 2012, work has already begun to implement several improvement recommendations from the President's Employment Initiatives DoD/VA Veterans Employment Task Force and to develop Navy COOL pages to display credentialing opportunities for Navy's 198,000+ civilian employees. In addition, we will waive the time-in-service prerequisites to make COOL available to all Sailors affected by the ERB to help posture them for success as they transition to the civilian workforce.

**Navy Language, Regional Expertise, and Culture (LREC)**

Cultural, historical, and linguistic expertise remains essential to fostering strong relationships with global partners and to enhance our ability to execute missions in multinational environments. Over the past year, LREC efforts paid dividends in every geographic area of operations, including support for Operation TOMODACHI in the Far East, Operation ODYSSEY DAWN in the Mediterranean, and Operation CONTINUING PROMISE in Latin America. Navy's LREC program in FY11 provided language and cultural training and products to over 67,000 Sailors and Officers, 49 Flag Officers and 46 Senior Leaders heading to overseas assignments.

We recently expanded the Navy Reserve Language Culture and Pilot Program to include all selected reserve personnel. In FY12, we are increasing opportunities for overseas study, language and cultural immersion, as well as professional exchanges with foreign navies for U.S. Naval Academy midshipmen. We are also pursuing full implementation of in-country language immersion training for Foreign Area Officers (FAOs), and transitioning the Personnel Exchange Program (PEP) to redefine long-standing agreements with traditional allies and partners, while realigning towards nations in regions of increasing strategic importance. In anticipation of the shift in focus outlined in Secretary Panetta's *Sustaining U.S. Global Leadership: Priorities for 21<sup>st</sup> Century Defense*, LREC product development emphasis is transitioning from Central Command (CENTCOM) to the Asia-Pacific region, Indian Ocean perimeter, and West Africa.

This past year we participated in Maritime Security Cooperation activities and supported the Joint Force in Afghanistan and Pakistan with enhanced language and cultural capabilities through the Afghanistan – Pakistan (AFPAK) Hands Program. We also provided timely, tailored

language, and Afghanistan/Pakistan training and culture products to 3,695 Navy Individual Augmentees (IAs) and to Sailors assigned to units deploying to the CENTCOM Area of Responsibility.

## **IX. BUILDING FOR THE FUTURE**

As we navigate through a period of change, Navy must take action now to posture itself for success in the future. Evolving missions, shifting workforce demographics, and increased competition for skills will require new and innovative approaches to attracting, recruiting, and retaining the nation's best talent. Mission success starts and ends with a highly skilled, highly capable workforce. To build an effective future Force, we remain focused on developing and sustaining a diverse workforce, providing our Sailors with opportunities for greater work-life balance, and promoting open, frequent communication with families.

### **Diversity Initiatives**

Diversity is a Navy strategic imperative. By 2020, demographic projections indicate that minorities will comprise nearly 40 percent of the Navy's recruitable market, with minority representation continuing to increase over time. Navy's ability to access and retain the talents of varied sectors in our society has a direct impact on mission success at home and abroad.

We recognize the value of diverse ideas, perspectives, and experiences to remaining competitive in an increasingly global environment; our Navy draws strength and innovation from



this diversity. Navy continues to effectively execute our accession strategy of “moving the needles,” maintaining a high number of diverse applicants and enrollments in both NROTC and U.S. Naval Academy class of 2015. In recognition of our efforts, Navy received the 2011 *Diversity MBA Magazine*’s Best Places for Diverse Managers to Work, ranking number 26 on the list of the top 50 organizations for Diversity Leadership, and the only government organization included on the list of Fortune 500 companies. Additionally, the Association of Diversity Councils recognized the Navy’s Strategic Diversity Working Group (SDWG) as the nation’s number one diversity council for 2011.

#### **Expanding Opportunities for Women**

Gender diversity remains an important focus area for Navy, 23% of our enlisted accessions were women in FY10 and FY11, and we are on-track to bring in a similar number of women in FY12. We are exploring ways to further increase the number of women in the Navy in the future. With few exceptions in which the combat exclusion applies, the vast majority of billets (93%) are available to women, including ship, aviation squadron, afloat staff, naval construction force units and most recently, specific submarine platform billets.

In FY11, Navy began the integration of female officers into the submarine force. Five of the eight crews being integrated during the first round are successfully integrated and the remaining three will be by the end of March 2012. Our second round will include one additional SSGN and SSBN (i.e., four additional crews); women are currently in the training pipeline for integration in November 2012. We will continue to integrate women on submarines in a brisk

yet responsible manner, while leveraging the insights from the studies and the lessons learned from initial integration efforts.

### **Life-Work Integration**

In an All-Volunteer Force, life-work integration and flexible career options are key to attracting, recruiting, and retaining the talent of a new generation just entering the workplace. With 75 percent of Fortune 500 companies reporting a chronic "talent shortage" among mid-level employers, Navy continues to address the imperative to retain talent and provide a work environment that is personally and professionally rewarding. Navy's ability to recruit and retain the talents of varied demographics has a direct impact on mission success. We are actively creating programs to enhance personal and professional development while providing life-work balance.

Sailors and their families continue to benefit from comprehensive parental support programs including paternity and adoption leave, extended operational deferment for new mothers, and expanded childcare. We continue to support life-work integration while meeting mission requirements through initiatives such as Career Intermission, telework, and other flexible work options.

**Communication with Navy Families**

Navy recognizes that social networking and the Internet can greatly facilitate communication efforts with Sailors and their families. We continue to promote open, frequent communication with our Sailors and their families and encourage development of social networking accounts, mobile applications, public websites, and publishing newsletters to Sailors and their families via email.

The Navy Recruiting Command "Navy for Moms" website received a 2011 *Workforce Management Magazine* Optimas Award for "Service." Through this award-winning website, families of current Sailors can share information with families of future Sailors and answer many questions about Navy life. Since its establishment in March 2008, more than 36,000 members have used the website to discuss issues with others who share common concerns.

"Military One Source" provides information on many topics, including parenting and childcare, educational services, financial information and counseling, civilian legal advice, crisis support, and relocation information. This free, 24/7 information and referral service offers practical solutions, background information and advice via the telephone, email, or the web to all active duty and reserve Sailors, and their families.

Social media venues such as Facebook have quickly become a primary and effective means of communicating with a wide audience, including family members. Additionally, in cooperation with Navy's Chief of Information's social media team, we are able to connect to a much broader audience by taking advantage of the U.S. Navy official Facebook page, which currently has more than 400,000 fans.

**Recognized for Results**

Our efforts have culminated in Navy's recognition as a Top 50 organization. Top 50 organizations encourage innovation and focus on performance, while taking care of their people through programs and policies that support a culture of trust, respect, and collaboration. In October 2011, Navy received several awards for Business Excellence in Workplace Flexibility from the Alfred P. Sloan Foundation. These awards recognize initiatives introduced at six different organizations across the Navy that promote flexible work options while still achieving business goals. For the third year in a row, Navy received the prestigious *Workforce Management Magazine's* Optimas Award. This marked the first time in the award's 21 year history an organization has won three consecutive years.

Navy continues to earn recognition for its high quality training and development programs. In the three years since Navy began participating in the American Society for Training and Development (ASTD) awards program, no other organization has won more awards for "Excellence in Practice." Most recently, Navy was honored with an ASTD BEST Award, ranking third out of 32 best training organizations from a prestigious list of recipients from six nations. For the second year, *Training Magazine* recognized Navy as one of the premier training organizations in the country, ranking seventh out of 125 organizations recognized. We remain committed to seeking out best practices across industry and benchmarking our programs against the best in the nation.

**X. CONCLUSION**

The President's FY13 budget request supports critical programs that will ensure Navy's continued success in delivering the personal component of CNO's *Sailing Directions*, the *Navy Total Force Strategy for the 21<sup>st</sup> Century*, and key capabilities in support of *Sustaining U.S. Global Leadership: Priorities for 21<sup>st</sup> Century Defense*. I look forward to working with you as we continue to shape the Navy to meet current and emerging requirements, while confronting the challenges the future that lie ahead. On behalf of the men and women of the United States Navy, and their families, I extend our sincere appreciation for your leadership, commitment and unwavering support. Thank you.

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HOUSE ARMED SERVICES COMMITTEE

STATEMENT  
OF  
SHERYL E. MURRAY  
ASSISTANT DEPUTY COMMANDANT FOR MANPOWER & RESERVE AFFAIRS  
UNITED STATES MARINE CORPS  
BEFORE THE  
SUBCOMMITTEE ON PERSONNEL  
OF THE  
HOUSE ARMED SERVICES COMMITTEE  
CONCERNING  
MILITARY PERSONNEL OVERVIEW  
ON  
MARCH 6, 2012

NOT PUBLIC UNTIL RELEASED BY THE  
HOUSE ARMED SERVICES COMMITTEE

Chairman Wilson, Ranking Member Davis, and distinguished Members of the Subcommittee, it is my privilege to appear before you today to provide an overview on Marine Corps personnel.

### **I. Your Marines**

The Marine Corps is our Nation's expeditionary force in readiness. We are ready to respond to today's crisis - with today's force – TODAY! At any given time, approximately 30,000 Marines are forward-deployed in operations supporting our Nation's defense. Our individual Marines are the Corps' most sacred resource, and the quality of our force has never been better.

The young men and women who fill our ranks today recognize the global, protracted, and lethal nature of the challenges facing our Nation, and their dedicated service and sacrifice rival that of any generation preceding them. Marines and their families know that their sacrifices are making a difference, that they are part of something much larger than themselves, and that their Nation stands behind them.

### **II. End Strength**

New strategic guidance issued by the President and the Secretary of Defense provides the framework by which the Marine Corps will balance the demands of the future security environment with the realities of our current fiscal environment and the lessons learned from ten years of combat. The new strategy includes a reduction in our Active Component end strength from 202,100 beginning this fiscal year to 182,100 by the end of FY16, while maintaining our Reserve Component at 39,600 Marines. Although reshaping the Marine Corps to a force of approximately 182,100 Marines entails some risk relative to current and anticipated capacity requirements, we believe that it is manageable. Your new Corps will have fewer infantry

battalions, fixed wing, aviation squadrons, and general support combat logistics battalions than we had prior to 9/11. However, it adds cyber warfare capability, special operators, wartime enablers and higher unit manning levels—all lessons gleaned from recent combat operations.

Our intent will be to conduct our drawdown in a measured way beginning in FY13. Our plan is to reduce our end strength by approximately 5,000 Marines per year and will be accomplished by some accession cuts, natural attrition, and voluntary separation and retirement authorities. The drawdown cannot be accomplished by accession cuts alone – that is a lesson learned from the last drawdown in the 1990s. In addition, we have no plan to conduct a reduction-in-force (RIF) our Marines; they will be allowed to complete their current period of service. Our all-volunteer system is built upon a reasonable opportunity for retention and advancement; wholesale cuts undermine the faith and confidence in service leadership and create long-term experience deficits with negative operational impacts. Such an approach would no doubt do significant long-term damage to our ability to recruit and maintain a quality force.

Our overarching goal must be to keep faith with our Marines and their families.

### **III. Marine Corps Reserve**

Our Reserve Component continues to make essential contributions to Total Force efforts in Overseas Contingency Operations. In 2011, we continued to refocus our recruiting and retention efforts on meeting our Reserve Component authorized end strength. These efforts included increases to the non-prior service recruiting mission, lowering rates of attrition, and discreet targeting of those Marines eligible to receive an incentive. As a result, we achieved over 99.8 percent - 39,527 - of authorized end strength in FY11 (not including reservists who served on active duty at least three of the prior four years).



Our incentives budget is \$5.4 million in FY12, and we project an end strength of 39,254, approximately one percent below our authorized level. For FY12 and beyond, we have refined the use of incentives to strengthen manning in specialties and grades where we remain critically short. In particular, the recruitment of company grade officers and aviators remains most challenging. Targeted incentives and transition assistance outreach programs help us to attract junior officers who are leaving the Active Component. While transitioning officers from the Active Component provide the bulk of our company grade officer leadership, we have had considerable success commissioning officers directly into the Reserve. The Reserve Officer Commissioning Program, which includes Officer Candidate Course – Reserve (OCC-R), has produced a total of 410 lieutenants for the Marine Corps since its creation in 2006 and has increased company grade officer fills from 21 to 45 percent. More importantly, it enables the Marine Corps Reserve to place officers in critical small unit leadership positions at the platoon and company level.

To complement outreach efforts and the use of incentives, and to address the challenges of geographic constraints, we offer occupational specialty retraining and partial travel reimbursement. Inactive duty training travel reimbursement is a critical tool that allows us to compensate specific Reserve members for some of the costs incurred during travel between home and their assigned training center. This reimbursement authority aids us tremendously to fill Selected Marine Corps Reserve units that have been chronically short of critical leadership. We thank this Subcommittee for supporting continued authority for this program. The Prior Service Military Occupational Specialty Retraining Program is also crucial in our efforts to join enlisted Marines to units that are located in areas of the country where it is geographically

challenging to recruit. Both programs have helped us to build positive trends with respect to recruiting and retention and are integral to our future success.

This year we increased efforts to fully staff Reserve aviation squadrons. To achieve this goal, we developed a number of Reserve aviation manpower initiatives designed to encourage transitioning Active Component aviators to affiliate with Reserve units. Since there are a limited number of Reserve squadrons, the use of travel reimbursement, incentives, and aviator retraining programs are critical to achieving our staffing goals. Altogether, these programs, combined with our prior service recruiting efforts, should provide for at least 90 percent manning of critical combat arms and company grade officer billets by September 30, 2015, with Reserve squadrons reaching this mark one year later.

#### **IV. Recruiting**

The Marine Corps is unique in that all recruiting efforts (officer, enlisted, regular, reserve, and prior-service) fall under the direction of the Marine Corps Recruiting Command. Operationally, this provides us with tremendous flexibility and unity of command, allowing us to meet accession requirements.

Our professional recruiting force continues to achieve recruiting goals in support of our Total Force with a focus in recruiting quality men and women with character, commitment, and drive. To meet future challenges in the recruiting environment, it is imperative that we maintain our high standards both for our recruiters and those who volunteer to serve in our Corps. Recruiting quality youth ultimately translates into higher performance, reduced attrition, increased retention, and improved readiness for the operating forces. Our actions, commitment, and investments today in recruiting ensure a high state of readiness in our Corps tomorrow.

In FY11, we achieved over 100 percent of our enlisted and officer recruiting goals for both the Active and Reserve Components. On the enlisted side, we accessed over 99 percent Tier 1 high school diploma graduates and over 74 percent in the upper Mental Groups of I-IIAs, both exceeding Department of Defense quality standards. Our FY12 Mission for enlisted Marines is 28,500 regulars (active component) and 5,450 reservists. In FY12, we expect to meet our annual recruiting mission to include all quality goals. Additionally, we expect to have a strong population of qualified individuals ready to ship to recruit training as we enter FY13. The FY13 Mission forecast is 28,500 regulars and 5,700 reservists.

The Marine Corps seeks to reflect the diversity of the Nation and be representative of those we serve. Diversity remains a strategic issue that raises our total capability by leveraging the strengths and talents of all Marines. In FY11, a tremendous amount of effort and resources was placed into communicating the Marine Corps diversity message through community outreach, recruit marketing, training and education. This enduring challenge requires the Corps to strategically evaluate our current efforts in order to drive toward improved capabilities.

Our officer accessions mission has continued to decline over the past two years in light of a planned drawdown of forces. Our FY12 accession officer mission is 1,450 active duty and 125 Reserve officers. Historically, the Active Component has been the exclusive source of lieutenants and captains for the Reserves. As previously noted, filling company grade officer billets for our Selected Marine Corps Reserve units is traditionally our greatest challenge, but the success from the OCC-R program is proving to help in remedying this shortfall.

Our recruiting command is taking a hard look at its advertising budget, evaluating critical areas. It is imperative that we maintain the momentum within a competitive media environment and still provide the basic awareness level when reaching out to an increasing number of critical

audiences (prospects and their influencers, officer candidates, and multicultural audiences) to include our diversity outreach. It is imperative that we acknowledge that today's successes are dividends from the investments made in recruiting and advertising four to five years ago.

Our greatest asset is the individual Marine and recruiting remains the lifeblood to the Corps and our bedrock to "Make Marines, Win Battles, and Return Quality Citizens." We thank you for the generous support you have provided to us and look forward to working with you to ensure continued success in the future.

## **V. Retention**

In FY11, the Marine Corps achieved both its accession and retention missions and completed the year with a 201,497 Active Component end strength (including 340 Reservists who served on active duty at least three of the prior four years). For FY12, we will continue to assess all recruiting and retention missions, enabling the Marine Corps to successfully meet our mission requirements and poise the force for the impending drawdown.

Even with our successes in recruiting, retention, and overall end strength, the Marine Corps must continue to shape our force to meet continuing mission requirements and fill critical military occupational specialties (MOSs) with the most qualified Marines. Incentive pays remain critical to this effort, allowing the Marine Corps to fill hard to recruit positions, such as crypto linguists and reconnaissance. Enlistment bonuses also allow us to ship new recruits at critical times to balance recruit loads at the depots and meet school seat requirements. It is important to note that only eight percent of new Marine Corps recruits receive an enlistment bonus; the Marine Corps budget for enlistment bonuses has decreased from \$75 million in FY08 to \$14.7 million in FY12.

Selective Reenlistment Bonuses (SRBs) similarly allow us to shape our career force. SRBs target critical MOSs and allow us to laterally move Marines to these MOSs. There are currently 14 of 205 occupational specialties where the on-hand number of Marines is less than 80 percent of what is required. Our SRB funding has decreased from \$468 million in FY09 to \$108.6 million in FY12.

#### **VI. Women In Service Review**

As directed by the Fiscal Year 2011 National Defense Authorization Act, the Marine Corps, alongside the other Services, conducted a review of the laws, policies and regulations that may restrict the service of female members. The findings were delivered to Congress last month. The Marine Corps requested an exception to policy that would allow for the assignment of Active Component female company grade officers and staff noncommissioned officers (E-6 and E-7) into select Ground Combat Element (GCE) units (Artillery, Tanks, Assault Amphibian, Low Altitude Air Defense, Combat Engineer and Combat Assault) down to the battalion level, in military occupational specialties (MOSs) already open to female Marines. This will open 97 officer billets and 274 Staff Non-Commissioned Officer billets for assignment of female Marines during 2012.

Concurrent with the exception to policy, the Marine Corps will conduct responsible research to generate data that can be used to make informed decisions and potentially develop appropriate gender neutral tests to screen males and females prior to assignment to the GCE. We must ensure that all Marines assigned to the GCE have the required physical aptitude. This research will include a force survey and a research study that will assess the potential impact on recruiting, MOS classification, entry level training, and promotions in order to inform future

assignment decisions. We will report back to the Secretary of Defense with an initial assessment in November 2012.

The Marine Corps is committed to utilizing the skills and abilities of our Marines to achieve the highest levels of unit readiness and focus on mission accomplishment. We are proud of the contributions that women make across the Marine Corps and want to ensure female Marines continue to have opportunities to be successful.

## **VII. Diversity**

The Marine Corps is committed to attracting, mentoring and retaining the most talented men and women who bring a diversity of background, culture and skill in service to our Nation. In both representation and assignment of Marines, diversity remains a strategic issue. Our diversity effort is structured with the understanding that the objective of diversity is not merely to strive for a force that reflects a representational connectedness with the rich fabric of all the American people, but to raise total capability through leveraging the strengths and talents of all Marines.

We are near completion of a new comprehensive campaign plan to focus our diversity effort in areas where improvement is most needed and anticipate release of this roadmap this year. This is an effort facilitated through our standing Diversity Review Board and a Diversity Executive Steering Committee chartered to establish the foundations for diversity success in the Total Force. In addition, since 2010, we have conducted leadership seminars that introduce diverse college undergraduates to Marine leadership traits and leadership opportunities in the Marine Corps; we are actively seeking new communities within which to continue this effort.

The Marine Corps has established minority officer recruiting and mentoring as the highest priority in our recruiting efforts. Because we acknowledge the accession and retention of

minority officers has been a challenge for our Corps, we are committed to taking steps to further facilitate the mentoring and career development of all our officers with emphasis on our minority officers in order to encourage the retention of our best officers no matter their background.

Overall, we seek to communicate the Marine Corps diversity mission through community outreach and recruit marketing; to ensure continued opportunities for merit based development and advancement; and to optimize training and education to increase the understanding for all Marines of the value that diversity brings to the Total Force.

#### **VIII. Taking Care of Marines, Sailors and Families**

Marine families are America's families and a model for the Nation. The Marine Corps will continue to take care of its Marines and families through enhanced family readiness and family care programs. Marine communities are a team, and our programs promote increased socialization and community connection through official unit communication, readiness preparation and information, and referral opportunities. These programs seek to improve resiliency by training Marines and families how to cope with the rigors of life in the Marine Corps, whether at home or deployed.

**Family Readiness.** The Marine Corps has almost 400 Family Readiness Officers, who connect Marines and families at the grassroots level to critical information and referrals and assist families during all phases of deployments. We recently completed an overhaul of all 78 modules of our Marine Corps Family Team Building Training to ensure we are providing relevant, standardized and timely support and information to our families. In Fiscal Year 2011, we provided 5,869 Marine Corps Family Team Building training sessions (16 percent more than Fiscal Year 2010) helping 189,276 participants (10 percent more than Fiscal Year 2010).

Family readiness also benefits from dependable yet innovative communication tools that help families effectively manage their lives in times of stress. eMarine, a secure website, delivers readiness information to Marines and their families whether they are on active duty stationed at large installations or in the reserves living in remote locations. It gives family members access to documents, photos and videos, discussion forums, and vital information about their Marine's unit from anywhere in the world, 24/7.

The Marine Corps conducted a full review during Fiscal Year 2011 of its Family Readiness programs to ensure they adequately support the mission and operational requirements of the Marine Corps. While our programs conform to the Commandant's guidance and Congressional direction, we are developing program plans and supporting resource requirements to maintain capabilities at appropriate levels.

**Family Care.** Family care programs support the care and development continuum of Marine Corps children from birth into their teens. Family care includes our school liaisons, who provide approximately 70 school districts with information about the needs of Marine Corps families and access to beneficial training and counseling services to support teachers and students. Marine parents are comforted by the support of a local education expert, who provides meaningful insight to new transfers and those with questions on local education policies.

Child care services remain a high priority. In Fiscal Year 2011, we provided 15,927 child care spaces, which reflects an 18 percent increase in capacity from Fiscal Year 2010. The Marine Corps opened five new child development centers in Fiscal Year 2011 and plans to open five more in Fiscal Year 2012. The Marine Corps has completed a Child Development Program and Facility Master Plan, which reviewed child care capabilities and costs across the Marine Corps. This plan will facilitate efforts to build multi-capable, adaptable services, reexamine



structure, and ensure that our programs are prepared to deliver child care in an efficient manner. We will continue to standardize our processes in Fiscal Year 2012 and will work to enhance child care for Marines and families serving on independent duty or at locations that are isolated from military bases and stations. We are also expanding our staffing model to include nurses at our Child Development Centers and behavioral health specialists at our installations across our family programs.

Families enrolled in our Exceptional Family Member Program (EFMP) strongly endorse our focus on providing a continuum of care and the improvements made to their level of support. Two years of increasing enrollments and a reduction in issues experienced by families relocating to new duty stations demonstrate this approval. EFMP had only 4,500 enrolled family members in Fiscal Year 2008; it has over 10,000 today. The Marine Corps continues to underwrite the cost of up to 40 hours of short-term respite care per month for enrolled families, providing more than 450,000 hours of respite care in Fiscal Year 2011. We continue to transform our program, which the Department of Defense (DoD) and our sister services continue to recognize as a premier program. Marine Corps policy ensures that the assignment and relocation process is sensitive to EFMP family needs and allows Marines to remain competitive for promotion while maintaining a continuum of care for exceptional family members.

**Personal and Professional Development.** We recognize and encourage all Marines and their spouses to pursue and achieve their life goals while serving in the Marine Corps or beyond as veteran Marines. Our Personal and Professional Development (P&PD) Program supports Marines and their spouses with their education, employment, financial fitness, and transition readiness goals. This program integrates the efforts of several formerly-disparate programs (education services, transition assistance, spouse employment support, personal financial

management, relocation assistance, library programs and the Marine For Life network) to ensure we provide our Marines and spouses holistic education and support.

One of our most significant initiatives is to revise and improve our Transition Assistance Management Program (TAMP) to better meet the needs of our transitioning Marines and their families. TAMP is being integrated and mapped into the lifecycle of a Marine from recruitment, through separation or retirement, and beyond as veteran Marines. A revised and improved Transition Readiness Seminar (TRS) has already been piloted at five separate installations with full implementation scheduled this month. The week-long TRS includes a mandatory standardized core curriculum along with four well-defined military-civilian pathways: (1) university/college, (2) vocational/technical training, (3) employment, or (4) entrepreneurship. A Marine will choose the pathway that best meets his or her future goals and will have access to individual counseling services within each pathway. This tailored approach will target the individual circumstances and needs of Marines and facilitate a practical learning experience with specific transition readiness standards that are effective, relevant and beneficial.

The integration of our Marine For Life program in the P&PD Program has improved our ability to work with the civilian community to find opportunities for our transitioning Marines and their spouses. Marine For Life also provides an avenue for Marine veterans to reach back for assistance or to volunteer their services to assist transitioning or veteran Marines in their communities.

Regarding spouse employment opportunities, we see that tying these programs more closely with formerly Marine-focused programs, such as transition assistance and on-base education, creates significant synergy. Many of the same employers who seek Marine veterans are also interested in employing Marine spouses. We look forward to working with the Joining

Forces Initiative, which seeks to streamline certification and licensure procedures for Marine spouses. We also support parallel efforts to qualify Marines for certifications based upon military training and experience.

Our P&PD Program provides a variety of classes and tools to help Marines and their families such as relocation assistance and libraries that provide resources that our Marines and families require. Our personal finance counseling efforts are enabling Marines to make responsible financial decisions that help them improve their lives. We have created a new personal financial management curriculum that covers 34 major topics including saving and investing, credit and debt management, and smart home buying, selling and renting. These efforts help ensure that we are not focusing solely on those in financial distress but also on preparing Marines and their families to be financially stable and prepared.

Bringing all of these programs together to offer an integrated set of personal and professional development services will enable Marines and their families to be more effective, and more ready, while serving on active duty. At the same time, these services will help Marines be better prepared to make the transition back to civilian life after a four year enlistment or a 30-year career.

**Behavioral Health Integration.** The integration of our behavioral health programs seamlessly weaves our efforts in sexual assault, suicide, combat and operational stress, substance abuse and family advocacy/domestic violence into the larger support network of command structures and the health and human services across the Marine Corps. We focus on evidence-based practices to ensure we are providing effective support in these critical areas and utilize our Behavioral Health Information Network, which is a web-based clearinghouse for the latest information on behavioral health. This integration further benefits from our Behavioral Health

Advisory Committee, a committee chartered for the purposes of examining promising practices and making recommendations on our behavioral health programs. A Universal Training module, which is in development, will consolidate all behavioral health risk and protective factors into a single training package. This integration effort will help us to institutionalize resiliency in order to strengthen Marines and families by increasing their ability to cope with the stress of combat operations and the challenges of life in the Marine Corps, whether at home or forward deployed.

*Sexual Assault Prevention and Response.* Our Sexual Assault Prevention and Response Program follows a holistic approach to prevention and response, utilizing a top-down leadership message of support and an emphasis on bystander intervention. Marines have an inherent responsibility to step up and step in to prevent sexual assault. Our priority is to reduce the number of incidents as well as reduce the number of unreported sexual assaults by utilizing a consistent and focused emphasis on command climate. The Marine Corps has revitalized our curriculum for Non-Commissioned Officers to include a new video-based bystander training, entitled “*Take a Stand*,” designed to reduce stigma by stimulating conversation and engaging Marines with a more personalized message about sexual assault prevention.

We are developing a Command Team training module, updating our annual training and enhancing our training for all first responders. We have staffed our installations with subject matter experts, positioned to have the greatest impact on victims and victim care. In addition, 24/7 Helplines are available at all major installations and reserve headquarters to provide resources and advocacy for victims. These Helplines are answered by victim advocates who are trained to provide immediate services to victims of sexual assault.

We continue our focus on accountability for those who violate the Uniform Code of Military Justice. The Marine Corps Trial Counsel Assistance Program (TCAP) trained 118

Judge Advocates in sexual assault investigation and prosecution best practices in Fiscal Year 2011. TCAP will continue this training in Fiscal Year 2012 and plans to train approximately 125 Judge Advocates and 75 enlisted paralegals. The DoD-wide release of the Defense Sexual Assault Incident Reporting Database will enhance current case management capabilities.

*Suicide Prevention.* In Calendar Year 2011, we lost 33 Marines to suicide and we recorded 171 suicide attempts. While we have seen two consecutive years of decreased suicides and evidence of change in Marine attitudes toward behavioral health, we still have much work to do. Leaders prevent suicide by strengthening all Marines and encouraging Marines to engage helping services early, when problems are most manageable. We continually encourage Marines to recognize, acknowledge and seek help for stress reactions, and we deploy evidence-based prevention practices such as peer-to-peer suicide prevention training. The Marine Corps will work closely with the DoD Suicide Prevention Office to implement recommendations of its Joint Task Force on the Prevention of Suicide. Our award-winning “*Never Leave a Marine Behind*” suicide prevention program, which is peer-led and continually updated to reflect emerging evidence-based practices, is tailored to reflect the culture and values of the Marine Corps. We will continue to forge strong relationships with Federal agencies, academia, and private industry in order to further our understanding of suicide prevention.

*Combat and Operational Stress Control (COSC).* COSC helps Marine leaders maintain their warfighting capabilities by addressing the negative impacts of stress. COSC enhances force preservation, readiness and the long-term health and well-being of Marines and their families. Every battalion or equivalent unit across the Total Force will have an Operational Stress Control and Readiness (OSCAR) team by mid-2012. OSCAR teams are comprised of mentors (selected unit Marines and leaders), extenders (unit medical and religious personnel), and mental health

professionals, who provide a network of support. As of January 2012, the Marine Corps had trained over 5,000 Marines as OSCAR mentors, who help reduce stigma and act as sensors for the commander by noticing small changes in behavior and taking action early before stress becomes a medical issue. COSC is incorporating lessons learned into new courses in COSC fundamentals for all levels of enlisted professional military education.

Our DSTRESS Line, which will have a global capacity by mid-2012, addresses the full spectrum of behavioral health needs, whether they are problems arising from the everyday stressors of life or a suicidal crisis. DSTRESS Line is a “by Marine/for Marine” counseling center for Marines, attached Sailors, and families, who can call, chat online, or Skype with a veteran Marine, Fleet Marine Force corpsman, or Marine Corps family member.

We will also initiate an alcohol abuse prevention campaign across the Total Force in Fiscal Year 2012. Alcohol misuse continues to have an impact across the spectrum of behavioral health including suicide, sexual assault and family advocacy/domestic violence. Our campaign plan includes input from Marines and substance abuse experts from the Federal government and outside sources, and it initiates courses of action that will reduce the alcohol-related problems faced by Marines and their families.

**Marine Total Fitness.** In Fiscal Year 2012, we will also continue to develop our Marine Total Fitness concept to develop Marines of exemplary physical, psychological, spiritual and social character. Marine Total Fitness will insert resilience-based information and concepts into all aspects of a Marine’s training and readiness. It will also position the Marine Corps to properly support the Department of the Navy’s 21st Century Sailor and Marine concept. This concept is a set of policies and objectives across the spectrum of wellness that seeks to maximize

the personal readiness of our Sailors and Marines in order to hone the most combat-effective force in the Department's history.

**Casualty Assistance.** The Marine Corps Casualty Assistance Program is committed to ensuring that families of our fallen Marines are treated with the utmost compassion, dignity and honor. Always seeking to improve survivor assistance and demonstrating a record of quick, effective action, our Casualty Assistance Program is a 24-hour-per-day operation manned by Marines and civilians trained in casualty reporting, notification and casualty-assistance procedures. Casualty Assistance Calls Officers assist the next-of-kin with burial arrangements, applications for benefits and entitlements, contact with benevolent and philanthropic organizations, and obtaining reports of investigation. Within days of the incident, families are connected to representatives from the Tragedy Assistance Program for Survivors, a nationally-recognized provider of comfort and care to those who have suffered the loss of a military loved one. The Marine Corps reaches out to the next-of-kin approximately 60 days after the loss to help resolve any remaining issues and to let the families know that they are still part of the Marine Corps family. We will remain steadfast in our support of our Marine Corps families who have paid so much in service to our Nation.

#### **IX. Semper Fit & Exchange Services**

I want to thank Congress, especially this Subcommittee, for your continued support for our Marine Corps Semper Fit and Exchange programs. In the FY12 National Defense Authorization Act, you and your colleagues included a provision which allows us to access credit for business operations through the Federal Financing Bank and thereby lock-in the best possible interest rates. Thank you for your hard work on that bill.

The Commandant continues to stress that the Marine Corps will keep faith with our Marines, our Sailors, and our families. We repeat this theme in all that we do as we strive to deliver capability-based programs all the way down to the unit level.

**Semper Fit & Recreation.** Our Semper Fit and Recreation programs support the readiness, resiliency, and retention goals of your Marine Corps. Our efforts are primarily focused on the areas of fitness, sports, health promotion, and recreation, as they are essential in maintaining a fit Marine. We recently introduced High Intensity Tactical Training (HITT), a comprehensive strength and conditioning program geared towards optimizing physical performance and combat readiness. HITT is designed to reduce the likelihood of injury while in theatre; initial feedback from Marines is positive and Corps-wide rollout of the program, including use in Afghanistan, is planned for early 2012.

Social resilience is linked with unit cohesion and we are identifying unit-driven recreational activities to provide at Marine Corps installations. Operation Adrenaline Rush, currently offered at two installations, assists Marines in reintegration by empowering small unit leaders, maintaining combat readiness, and reinforcing unit cohesion. The program offers opportunities for outdoor recreation activities such as whitewater rafting and deep sea fishing.

Overall, Semper Fit makes every effort to deliver high quality programs and services to Marines and their families. Our programs are vital to the continued success and development of your Marines and your Corps.

**Marine Corps Exchange and Temporary Lodging Facilities.** The Marine Corps Exchange (MCX) is inextricably linked to our mission of taking care of Marines and their families and is an important part of the overall non-monetary benefits package. Our success is measured on the program's value and contributions to the readiness and retention of our Marines,



as well as our ability to provide unparalleled customer service, premier facilities, and valued goods and services at a savings. With MCX, unlike any other retail store, Marines can rely upon a high quality product at a fair price and know that the proceeds are returned to their community, creating a stronger Marine Corps. Like other Marine Corps Community Services (MCCS) facility master planning efforts, MCX is executing branding strategies, and our aggressive re-investment into our main stores is near completion. We are also expanding the branding strategies to focus on our Marine Marts and Temporary Lodging Facilities (TLFs). All Marine Corps design standards are focused on energy efficiency and sustainability.

**Deployed Support.** Deployed support is one of the most important services we provide. Our Exchange, Recreation and Fitness, Communication, and MCCS Amenity Wi-Fi services not only boost and maintain morale, but also help to reduce mission-related stress.

**Exchange.** Ongoing missions in Afghanistan include the operation of two Direct Operation Exchanges Tactical at Camps Leatherneck and Dwyer, one Tactical Field Exchange at Camp Delaram II, one Imprest Fund Site at Forward Operating Base (FOB) Edinburgh, and numerous Warfighter Express Services Teams operating out of Camps Leatherneck, Dwyer, and FOB Edinburgh.

**Recreation and Fitness.** We assist in providing sports, recreational, and fitness equipment to units throughout Helmand Province. This transportable equipment includes sports/recreation cooler kits filled with sports gear and board games, electronic game kits, Theater-in-a-Box kits, and functional fitness equipment for use in austere environments. Reading materials, both electronic and paperback, are also available.

**Communication.** Morale Satellite services are available to forward operating bases, combat outposts, and other austere locations. We have delivered 13 satellite communications

systems to units in Afghanistan. Each system has two phones which each provide 6000 free minutes per month and five laptops that allow internet access, social networking, and chat/video capabilities to deployed Marines. In 2011, we provided over a half-million minutes of telephone air time. In addition, approximately 23,683 Marines were able to use the Morale Satellite services at several different FOBs/COPs, including over 2,100 telephone calls over the Thanksgiving and Christmas holidays.

MotoMail, supported by Marine and Family Programs and first offered in December 2004 is another form of communications support which continues to serve Marines and families. MotoMail allows friends and family members to submit letters and pictures online to deployed Marines and a Marine will receive their letter within 24 hours of submission. Since implementing this free service, over 4.1 million letters have been created and delivered.

*MCCS Amenity Wi-Fi Solution.* The Marine Corps Community Services Amenity Wireless Fidelity (Wi-Fi) Solution program deploys Wi-Fi capability at no cost to Marines and families. This morale and welfare initiative helps Marines stay in contact while separated from their families. The Wi-Fi is conveniently located at temporary lodging facilities, exchange food courts, libraries, education centers, child and youth centers, clubs, and Wounded Warrior Program facilities. Since its inception, our Wi-Fi program has been popular with Marines and their families. As of the first of this year, the program is available on 19 Marine Corps installations with 240 buildings receiving Wi-Fi coverage.

#### **X. Wounded Warrior Regiment**

The Marine Corps is grateful for this Subcommittee's recognition of the service and sacrifices of wounded, ill, and injured (WII) Marines and their families. Your Marines continue to sustain wounds on the battlefield, including catastrophic injuries that present significant

quality of life challenges. Marines also continue to be injured in training accidents, become ill, and experience other tragedies that require a wide range of interconnected non-medical care. Through our Wounded Warrior Regiment (WWR), we provide this care - from the point of injury or illness through return to duty or reintegration to civilian communities.

Our WWR is a single command with a strategic reach that provides non-medical care to the total Marine force. The Regimental Headquarters in Quantico, Virginia, commands the operation of two Wounded Warrior Battalions (at Camp Lejeune, North Carolina, and Camp Pendleton, California) and multiple detachments in locations around the globe, including at major Military Treatment Facilities and Department of Veterans Affairs Polytrauma Centers. All WWR elements function as a cohesive team to allow for consistent, top-notch services for WII Marines, their family members, and caregivers.

The Marine Corps approach to wounded warrior care is to return recovering Marines to their parent units as quickly as their medical conditions permit. Allowing Marines to “stay in the fight” is what makes our care model unique and successful. When WII Marines remain with their parent units, they are supported by their regular command structure with the full assistance of our WWR’s comprehensive assets. WII Marines with medically acute cases (typically when their recoveries are more complex and medical treatment or rehabilitation is expected to exceed 90 days) are joined to a WWR element where they are enrolled in programs to not only heal them medically, but also strengthen their mind, body, spirit, and family during recovery and rehabilitation.

There is no one-size-fits-all approach to warrior care. Each case is unique based upon the Marine’s phase of recovery, their location and family situation. Care does not lend itself to a process, but rather, it is a relationship between the WWR and the WII Marine. With this in

mind, we have taken steps to ensure that our WWR has the right mix of staff at its locations. Over the past year, our WWR has adjusted its staffing model to meet the heightened demand for administrative support that is a key component of wounded warrior care. Administrative support includes, but is not limited to, travel facilitation, non-medical attendant orders, and various pays and entitlements, such as Traumatic Servicemembers' Group Life Insurance, Special Compensation for Assistance with Activities of Daily Living (SCAADL), and transition assistance. With regard to SCAADL, in addition to ensuring payment to qualified Marines immediately following release of the Department of Defense Instruction, our WWR is currently working with the Office of Wounded Warrior Care and Transition Policy to provide our SCAADL-qualified Marines access to caregiver training materials. As leadership is an integral part of the healing process, our WWR assigns specially-trained Marine Section Leaders to various locations where WII Marines are joined to maintain good order and discipline and ensure that these WII Marines are provided leadership, mentorship, and encouragement on a daily basis.

**Assets and Capabilities.** Now in its fifth year of operation, our WWR continues to refine its programs and services. Many program improvements are based upon sound feedback from WII Marines, their family members and caregivers. Our fundamental assets and capabilities are available to WII Marines whether they are joined to the WWR or remain with their parent command.

**Recovery Care Coordinators (RCCs).** We currently provide RCCs to approximately 1,240 WII Marines, 60 percent of whom are joined to the WWR and 40 percent remain with their parent command. Our 49 RCCs are located at 14 sites and serve as the WII Marine's central point of contact to help them set and meet their recovery and transition goals. RCCs work in coordination with other members of the Marine's recovery team (Marine leadership, medical

case managers, non-medical case managers, and others) to ensure recovery and transition actions are fully coordinated. Recent improvements to the RCC program include standardizing Comprehensive Recovery Plans (CRPs), the WII Marine's "life map," by implementing a quality assurance program for consistent CRP development and documentation. We have also developed a robust training program that provides RCCs with the critical skills necessary to identify WII Marines' needs, translate those needs into concrete goals, and then provide actionable steps to help the Marine meet their goals. To facilitate a smooth transition process, the RCCs have instituted a practice whereby they hand-off cases of Marines who leave the Marine Corps to other WWR assets for post-transition monitoring and to provide for any ongoing or residual care coordination requirements. Our RCCs coordinate with the Department of Veterans Affairs' Federal Recovery Coordinators (FRC) on cases where WII Marines have been assigned an FRC to ensure a smooth transition to VA services.

Warrior Athlete Reconditioning Program. When a Marine is wounded, ill or injured, our WWR helps focus them on their abilities through the Warrior Athlete Reconditioning Program (WAR-P). WAR-P provides activities and opportunities for Marines to train as athletes, to increase their strength so they can continue with military service or develop healthy habits for life outside of the Marine Corps. WAR-P, which is mandatory for Marines joined to the WWR, does more than help WII Marines maintain a healthy body; it counters declining self perception, depression and stress that may be associated with their injury. Under WAR-P, WII Marines have more than 20 activities to choose from, including swimming, cycling, running, wheelchair basketball, and strength and conditioning.

Sergeant Merlin German Wounded Warrior Call Center. The Marine Corps continues to honor its commitment to keep faith with WII Marines through our WWR's Call Center, a

Department of Defense Best Practice, which renders various types of resource and referral assistance to WII Marines and Marine veterans. Our trained Call Center staff includes retired Marines and Marine veterans or family members of Marines augmented by a small staff of psychological health professionals. They not only receive calls on a 24/7 basis, but also conduct outreach efforts to check on the well-being of WII Marines. Combat-wounded Marines who remain with their parent units are contacted at prescribed intervals to determine if they have any needs or issues. If needs are identified, the Marine is referred to a non-medical care manager for resolution. These calls can result in assignment to a Wounded Warrior Battalion or the assignment of a Recovery Care Coordinator, or both. This Call Center also serves as the WWR's hub for its new social media efforts, which includes Facebook, Twitter, and a new WWR App.

*Strategic Communication.* Clear, consistent, and accurate information regarding services and eligibility must reliably reach WII Marines, their family members and caregivers. To address this need, the WWR continually disseminates information on its programs and services to various audiences, including Marine Corps leaders, to ensure the total Marine Corps force, including all wounded warriors and commanders are aware of the WWR's services.

*Community Reintegration.* As the vast majority of WII Marines reintegrate to their communities, our WWR has taken steps to ensure they are highly competitive in a difficult job market. We provide specialized transition support through Transition Cells, located at WWR Headquarters and Wounded Warrior Battalions. Transition coordinators, both Marine Corps and civilian employees (including representatives from the Departments of Labor and Veterans Affairs), work closely with Marines to reach their employment and education goals. Based on the WII Marine's ultimate goals, the transition coordinators determine their needs, develop

pathways, provide coaching and resources, and help network for employment and careers. For WII Marines who are joined to the WWR, their transition to civilian life begins as soon as their medical conditions allow (typically at outpatient status). They must start an education program, participate in an internship, or return to work (ideally in a military occupational field commensurate with their established goals).

*Integrated Disability Evaluation System (IDES) Support.* The Marine Corps supports the current IDES process as it enables the recovering service member and family to continue to receive our support and transition smoothly to VA benefits from active duty status. While not a universal concern, some Marines have expressed dissatisfaction with the IDES process due to the variance in their final DoD compensation package and their VA compensation based on the same VA disability rating determination. This is because DoD compensates for medical conditions that are determined to be military unfitting by the service Physical Evaluation Board (PEB), whereas VA compensates for all disabling medical conditions incurred or aggravated during a period of active duty. Although the Marine Corps does not own the IDES process, we own the Marine and it is our responsibility to be their advocate. Over the past year, we have taken several actions to improve IDES performance. These actions include:

- providing Marine Corps leadership with detailed IDES case processing information, resulting in their ability to work closer with the Regional Medical Commanders on specific issues impacting IDES performance;
- enhancing the PEB administrative staff and bolstering manning to perform field-level counseling and case processing assistance;
- providing Marine Corps disability evaluation attorneys with a list of Marines entering the IDES process for proactive advocacy prior to the Medical Evaluation Board (MEB) referral; and
- ensuring all Marines referred into the IDES receive a pocket-sized information pamphlet on the IDES process which provides detailed information on the establishment of the DoD and VA compensation based on the VA determined disability rating. It also

identifies all actors (PEBLOs, VA Military Service Coordinators, DES Attorneys, and Independent Medical Reviewers) in the IDES process and describes how the Marine can work with that actor to achieve a better outcome. Also, Marines appointed a Recovery Care Coordinator receive additional counseling and support through the process.

These initiatives have positively impacted case backlogs and improved case processing timeliness in the MEB and improved customer satisfaction as evidenced in DoD's Quarterly IDES Performance Survey reports.

**Program Assessment.** The WWR recognizes the importance of sound data to measure program effectiveness and inform changes in the way we serve WII Marines and their families. Since the WWR was established in 2007, several surveys have been conducted. The most recent survey was administered to WII Marines joined to or supported by the WWR and posed questions relating to our various care coordination assets: Section Leaders, Recovery Care Coordinators, the Wounded Warrior Call Center and Battalion Contact Cells, Family Readiness Staff, and District Injured Support Coordinators. Findings from the 2012 Care Coordination Survey reveal that satisfaction levels have increased for Marines injured prior to 2007 and are now consistent with WII Marines injured post 2007. Much of this equalization can be attributed to the reach-back capability that the Wounded Warrior Call Center possesses, conducting outreach calls to offer assistance. There was also an increase in satisfaction levels in the following areas: WWR personnel; the level of information provided / ability to provide information; and ability to provide support to family members. One of the most important data points from the survey: 81 percent of respondents agreed or strongly agreed that WWR personnel do a good job of coordination with each other to make things easier for them.

Our WWR has also been assessed by the Department of Defense Task Force on the Care, Management, and Transition of Recovering Wounded, Ill, and Injured Members of the Armed



Services. We are pleased to point out that we were recognized for several best practices, including our Hope and Care Centers, customization and delivery of the *Keeping It All Together Handbook* to families at detachments, and our *IDES Pocket Guide for Marines*.

WII Marines and their family members and caregivers have sacrificed much and I can assure this Subcommittee and Congress that we will fully honor their sacrifices by continuing to provide them quality care and support to posture them for success, whether they return to duty or transition back to civilian life.

#### **XI. Civilian Marines**

Our Civilian Marines support the mission and daily functions of the Marine Corps and are an integral part of our Total Force.

In recognition of the need to study and clearly define our civilian workforce requirements in light of civilian labor budget reductions, we proactively conducted a full review of the Total Force in late 2010. This measure resulted in a self-imposed hiring freeze from December 2010 to December 2011, but prioritized requirements within affordable levels and aligned resources with capabilities. It also ensured the civilian labor force was shaped to support the mission of the Corps today and for the future. As a result of our efforts, the Marine Corps avoided drastic reductions of civilian personnel and was able to reduce its workforce from approximately 21,000 direct funded Full Time Equivalencies (FTEs) to 17,501 without drastic downsizing impacts.

Our FY13 civilian personnel budget reflects efforts to restrain growth in direct funded personnel. By establishing budgetary targets consistent with current fiscal realities, we will be able to hold our civilian labor force at FY10 end-of-year levels, with some exceptions for critical workforce growth areas such as acquisition, intelligence (National Intelligence Professionals),

information technology, security (Marine Corps Civilian Law Enforcement Personnel), and cyber.

The civilian labor budget represents less than 5 percent of the Marine Corps' FY12 budgetary submission, demonstrating that our "best value" for the defense dollar applies to our civilians as well as our Marines.

## **XII. Health Care Efficiencies**

The Marine Corps supports the reforms in military compensation programs included in the President's fiscal year 2013 budget. The President's budget acknowledges the reality that military pay, allowances, and health care costs cannot be ignored in our comprehensive effort to achieve savings. The compensation reforms are sensible. Modest pay raises continue—no reductions, no freezes. TRICARE care enrollment and deductibles fees increase for retirees, but they are comparatively moderate and tiered based on retirement income. Pharmacy co-pays trend toward market rates and encourage the use of generic drugs and mail-order delivery. In all cases, costs remain substantially less than those in the private sector.

## **XIII. Conclusion**

To continue to be successful, we must always remember that our individual Marines are our most precious asset, and we must continue to attract and retain the best and brightest into our ranks. Marines are proud of what they do. They are proud of the "Eagle, Globe, and Anchor" and what it represents to our country. With your support, a vibrant Marine Corps will continue to meet our Nation's call.

Thank you for the opportunity to present this testimony.



**SES Sheryl E. Murray,  
Assistant Deputy Commandant, Manpower  
and Reserve Affairs Department**



Mrs. Murray assists the Deputy Commandant for Manpower and Reserve Affairs (DC M&RA) in the operation and management of the M&RA Department, its programs, plans, policies and studies, ensuring integration of all its diverse functions towards accomplishment of the Marine Corps mission. The M&RA Department involves a broad range of functions important to active and reserve component Marines, family members, and Civilian Marines. The M&RA divisions are: Reserve Affairs, Personnel Management, Manpower Plans and Policy, Personal and Family Readiness, Manpower Management Information Systems Support, and the Wounded Warrior Regiment.

Prior to this appointment, she served 34 years as a commissioned officer in the U.S. Marine Corps. Her first assignment was as the Assistant Depot Adjutant and then as a Series Commander, Woman Recruit Training Command, Parris Island, SC. Throughout her military career, she held Manpower and Personnel assignments at myriad Marine Corps commands including: Camp H. M. Smith, Hawaii; Marine Corps Air Station, Okinawa, Japan; Marine Corps Base, Quantico, VA; Marine Corps Base, Camp Lejeune, NC; Second Marine Aircraft Wing, and 3d Force Service Support Group, III Marine Expeditionary Force, Okinawa, Japan.

As a colonel, her assignments included Inspector/Assistant Chief of Staff, G-7, Marine Forces Pacific; Head, Promotion Branch, M&RA; and Deputy Director, Division of Public Affairs. In 2000, she was assigned to the Joint Staff, as the Chief, Personnel Services Division, and then as the Vice Director, J1/ Manpower and Personnel. In 2003, she was assigned as the Deputy Director, Reserve Affairs, M&RA, HQMC. She served as a Military Representative to the Defense Advisory Committee on Women in the Service and from 2001 to 2003 she was the U.S. Delegate to the Women in NATO Committee.

Her command tours include Commanding Officer, Education Center Company, Quantico, VA; Commanding Officer, 4th Recruit Training Battalion, Parris Island, SC; and Commanding Officer, Headquarters and Service Battalion, Marine Forces Pacific. She retired from the Marine Corps in 2006. Mrs. Murray was appointed to her current grade in 2007.

Her civilian education includes a Bachelor of Arts in Political Science, Huron University, and a Masters of Science, Business Administration, Boston University. She graduated from the Marine Corps Amphibious Warfare School, the Marine Corps Command and Staff College, and the Industrial College of the Armed Forces. Her personal awards include the Defense Superior Service Medal, Legion of Merit with two gold stars, Meritorious Service Medal with two gold stars, Navy Marine Corps Commendation Medal, and Navy Marine Corps Achievement Medal.

120

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE SUBCOMMITTEE ON MILITARY PERSONNEL

COMMITTEE ON ARMED SERVICES

UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: MILITARY PERSONNEL OVERVIEW AND DOD'S PROPOSED PERSONNEL  
EFFICIENCIES

STATEMENT OF: LIEUTENANT GENERAL DARRELL D. JONES  
DEPUTY CHIEF OF STAFF MANPOWER, PERSONNEL  
AND SERVICES UNITED STATES AIR FORCE

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UNITED STATES HOUSE OF REPRESENTATIVES

The Airmen of our great Air Force serve the Nation with distinction. They performed valiantly during 20 continuous years of combat operations dating back to Operation Desert Storm, while simultaneously supporting multiple broad-spectrum operations across the globe. Confronted with the realities of the current and future constrained fiscal environment facing our Nation, the Air Force remains committed to recruiting, developing, and delivering to the battlefield innovative Airmen who can influence processes and inspire people to reshape and redefine the battlespace. My commitment as the Air Force's Deputy Chief of Staff for Manpower, Personnel and Services is to align the Air Force's greatest resource, our Airmen, to support the national security strategy. We must do so while making extremely difficult resource priority decisions while at the same time guaranteeing we fully support our Airmen and their families. As we prioritize missions, it is critical we balance capabilities between our active and reserve components to maintain a robust national security posture in a dynamic global environment.

#### **CONTINGENCY OPERATIONS**

Our Airmen remain at the forefront of today's conflicts and other contingency operations around the globe, serving proudly alongside our sister service brethren. Today there are more than 91 thousand Airmen either forward positioned or deployed worldwide in our Nation's defense with an additional 134 thousand Airmen providing direct support to our joint war fighters, representing 43 percent of our Total Force directly supporting Combatant Commander requirements. In an effort to increase at-home time for Airmen between deployments and to better utilize pre-deployment training resources, the Air Force established a 6-month baseline

deployment length starting in late 2010. We are on track to complete this transition by October 2012. At the same time, Air Force 365-day deployment taskings have increased to 2,300, up from 689 in 2005, now representing 7% of the Air Force's total deployments.

#### **MILITARY AND CIVILIAN PERSONNEL BUDGETS**

The Air Force is committed to maintaining and sustaining the appropriate size and force mix to align with the new defense strategy, ensuring we meet mission requirements. The programmed Total Force military end strength for FY13 is 501,000 personnel. This includes approximately 328,900 active duty, 70,500 Reserve and 101,600 Air National Guard personnel; a reduction of 9,900 from FY12. Detailed assessments of future conflict scenarios and deployment rotation requirements drove force structure adjustments resulting in the corresponding personnel reductions. The FY13 budget includes a total budget authority request of \$34.2 billion for Active Duty, Air National Guard and Reserve military personnel. Included in this budget is a 1.7% military base pay increase, 4.2% increase in the housing allowance and a 3.4% increase in subsistence allowance, and an 11.4% decrease in Operational Contingency Funds (OCO). In addition, the Civilian Personnel Budget requested for FY13 is \$12.4 billion and includes a 0.5% pay raise after a 2-year pay freeze. The FY13 programmed total force civilian strength is 185,900.

#### **COMPENSATION REFORM**

The costs for military pay, allowances and health care have risen significantly in the last decade. As budgets decrease, the Air Force supports the President's budget to achieve savings in this area to prevent drastic cuts in forces, readiness, and modernization. As part of a DoD-wide effort, we are participating in the development of multiple proposals to meet deficit reduction targets and slow cost

growth. The adjustments to the TRICARE benefits included in the budget reflect the proper balance and the right priorities.

#### **MILITARY FORCE MANAGEMENT**

The Air Force will sustain excellence with a smaller, more agile and modernized force. We continue to realize record high retention and remain vigilant on force management efforts as we continue to size and shape the force to meet congressionally mandated end strength. The Force Management Program is a tailored, multi-year program managing the force along the 30-year continuum of service, which leverages voluntary measures first, incentivized programs where needed, and implements involuntary measures as required to yield a high quality force.

The FY12 voluntary force management programs include active duty service commitment waivers; time-in-grade waivers; reduced enlistment contract waivers; 8 versus 10 commissioned years of service waivers for retirement for prior-service officers as granted in the FY11 NDAA; voluntary separation pay; and Palace Chase transfers to the Air Reserve Component. Finally, we plan to utilize the Temporary Early Retirement Authority granted in the FY12 NDAA by targeting a very limited and specific number of Airmen in selected skills.

The FY12 officer involuntary force management program resulted in 610 losses and included the following: 1.) Force Shaping Board for probationary officers with less than 6 years Total Active Federal Commissioned Service; 2.) Reduction in Force board for Captains and Majors 3.) Lieutenant Colonel Selective Early Retirement Board (SERB) and 4.) Colonel SERB. The FY12 enlisted involuntary force management program was limited to date of separation rollbacks.

In FY13, the Air Force's voluntary programs are similar to those in FY12 and the only involuntary action is a projected Force Shaping Board in September 2012 for probationary officers with less than 6 years of Total Active Federal Commissioned Service. Additionally, the Air Force will continue to use limited selective continuation and reduced promotion opportunities to Major (90%) and Captain (95%).

While we must take proactive measures to manage the force to remain within end strength, the Air Force is committed to ensuring a smooth transition to civilian life for our Airmen. We have increased our focus on improving our Transition Assistance Programs and are actively participating with the Veterans Employment Initiative Task Force in an effort to reduce veteran unemployment. We are committed to providing appropriate resources towards increased Transition Assistance and Veteran Employment efforts as we continue to collaborate with OSD.

#### **RETENTION, RECRUITMENT, BONUSSES AND INCENTIVE PAYS**

The Air Force accesses, retains and grows motivated and uniquely qualified Airmen to meet the security threats of today and the future. We must carefully tailor accessions to meet current needs, while also considering the future, as under-accessing Airmen ripples through the force for the following 30 years. Therefore, while our force management plan includes reducing some officer and enlisted accessions, we balance those with future needs. We project reducing enlisted accessions for FY12 and FY13 by 1,030 and 1,232 individuals respectively, and reducing officer accessions in FY12 by 30, but no reductions FY13.

The Air Force seeks the highest quality recruits to fill our ranks as Airmen retire or separate through normal attrition. To support these efforts, we have included \$82 million in the budget for the Air Force Recruiting Service to support Total Force recruiting operations, and an



additional \$97 million for advertising in FY13, a slight reduction in the total recruiting budget from FY12. In 2011, the Air Force experienced great success in recruiting, meeting all enlisted and officer recruitment goals for the active duty and reserve forces. Notably, the quality of recruits entering the Air Force greatly increased. For our CAT 1-III A recruits, the average score on the Armed Services Vocational Aptitude Battery (ASVAB) increased from 90.47% in 2010 to 98.5% thus far in FY12. We anticipate continued overall recruiting success in FY12 and 13. However, there are nine Air Force career fields, such as linguist, special operations, and explosive ordnance disposal specialties with high operational demand where critical shortages remain. We budgeted \$14.5 million in Initial Enlistment Bonuses in FY13 to attract these skills. Active duty, non-line officer recruiters met 99% of their 2011 goals. We increased our efforts to recruit Fully Qualified Health Professionals, meeting the goal of 25 Fully Qualified Health Professional officers in FY11 and increased our goal to 55 in FY12.

The Air National Guard (ANG) met their enlisted recruiting goals in FY11 and they are on track for FY12. However, ANG officer recruitment goals have fallen short, primarily due to difficulty in recruiting Health Professional officers. In response, the ANG is executing precision recruitment efforts in FY12 towards Health Professional officer candidates using a heightened advertising campaign to help meet officer recruiting goals by FY13.

The Air Force Reserve continues to attract and retain qualified prior service and non-prior service recruits. For the 11th straight year, the Air Force Reserve Command Recruiting Service has led the Department of Defense in meeting recruiting goals. Our ability to retain trained Active Component Airmen in the Reserve Components greatly reduces training costs, and enhances the repository of talent and expertise available to meet the Air Force's surge and steady-state requirements.

Retention rates remain at an all-time high in the Air Force as a whole and contribute to the need for multiple force management programs to remain within end strength. However, retention is still problematic for some skills and year groups and we need investment to counter low accession year groups of the past and retain critical war-fighting skills for the future. Bonuses have proven the most effective, responsive and measurable tool for retention to encourage Airmen to remain or retrain into career fields with high demand requirements. Training and replacement costs far outweigh the amount invested in bonus programs, leading the Air Force to allocate \$420.4 million in FY13 for Special and Incentive bonus pay. The Air Force has portioned \$232 million of these funds for Selective Reenlistment Bonuses (SRB) for 78 Air Force specialties, down from 89 in FY11. SRB investments have shown to improve retention up to 1-8% per SRB increment, depending on the enlistment zone, and have proven a critical tool in retaining our needed specialties for the future.

Retention of senior non-commissioned officers (SNCO) in certain high-demand specialties such as combat control and pararescue is challenging. Therefore, the Air Force targeted \$2.85 million in enlisted critical skills retention bonuses towards retaining these SNCOs beyond retirement eligibility. Additionally, we are investing \$10 million in critical skills retention bonuses towards several officer specialties with acute manning problems including special operations pilots, remotely piloted aircraft operators, and special operations control and recovery operators. The application of targeted critical skills retention bonuses helps offset potential retention problems magnified by low manning levels in these specialties coupled with growing requirements and a limited pipeline production capacity.

#### **AIRMEN DEVELOPMENT**

One of our primary initiatives within force development is an effort to better define, identify, and track institutional, occupational and cross-functional competencies. During FY13, we will continue to institutionalize a process allowing force development stakeholders at all levels to quantify and measure specific skills on both an individual and aggregate basis. Doing so will allow us to develop Airmen within the Total Force more deliberately by matching training, education and experiential opportunities to real-world requirements. The Air Force is developing cross-cultural competence for all Airmen. We must prepare all Airmen to deliver the global vigilance, reach and power our Nation expects. To support this requirement, we will focus our efforts on 1.) Building expertise in foreign language, regional, and cultural skills, 2.) Recognizing joint experience in an Airman's career, and 3.) Ensuring our educational offerings address current and anticipated requirements for language and regional expertise.

#### **DIVERSITY**

The Air Force recognizes a diverse force is a military necessity and continues on a strategic path to attract, recruit, develop and retain a diverse and inclusive workforce of highly qualified individuals who reflect the rich tapestry of the Nation we serve. Our Airmen recognize the importance of maintaining a diverse force, which was reflected in a 2011 Total Force diversity survey in which 75% of Airmen agreed it is important for the Air Force to attract, recruit, develop and retain a qualified, diverse workforce to maintain our edge as a superior military organization. Further, 88% of Airmen believe the Air Force is successfully maintaining proper diversity within the Total Force.

Outreach programs remain a key to attracting and recruiting diverse talent. To that end, in partnership with OSD's Office of Diversity Management and Equal Opportunity, the Air

Force plans, coordinates and provides oversight to national-level diversity outreach programs supporting our goals and objectives. Further, by recognizing a need to better utilize resources, we now make use of Total Force criterion to determine which events to attend using a synchronized calendar of events and a return on investment template. We have 80 events planned for 2012 including the Black Engineer of the Year Awards, Joint Women's Leadership Symposium and the Hispanic Engineer National Achievements Award Corporation Conference. Finally, the Air Force will execute the Government-wide Diversity and Inclusion Strategic Plan according to the guidance established by OPM and will continue on its journey to become the leading employer of choice within the Federal government.

#### **SUPPORT TO AIRMEN AND THEIR FAMILIES**

The Nation owes a debt of gratitude for the sacrifices made by our Airmen and their families. Therefore, quality of life programs must continue as one of our highest priorities. As our force changes, we must adapt our programs and services to ensure we meet the needs of today's Airmen. Additionally, we must tailor our offerings based on the utilization of services and the availability of suitable alternatives.

We recently completed the second generation of our Caring for People Survey. More than 100,000 Total Force Airmen voiced their opinions in this online survey conducted from December 1, 2010 to January 3, 2011. The survey measured quality of life satisfaction levels of the Air Force community to include Airmen, spouses, Air Force civilians and retirees; across multiple domains including medical care, housing and support for families. The research showed respondents expressed satisfaction in housing, installation schools, military benefits, dining facilities, fitness centers, child development centers and youth programs. Information,

Tickets and Travel, along with the Air Force Food Transformation Initiative were standouts, competing with comparable industry leaders in the travel and food service industries. Some areas of concern include a sense of Air Force community, financial issues, spouse support, medical care for families and job satisfaction.

We have a project team developing base prototypes, technological innovations and efficiencies addressing concerns of not only those identified in the Caring for People Survey, but other surveys and focus groups. The team will provide tools to installation commanders to help them determine how to shape quality of life programs according to the needs of their local Air Force community. Strengthening partnerships within local communities to take advantage of the services they provide is another key focus area. Furthermore, we could consolidate or divest quality of life activities not financially viable or not well-utilized in order to redirect resources to other places where they matter most to Airmen, their families and the mission.

Our successful Food-Transformation effort continues as a high priority through FY12 and 13. A customer satisfaction rating of 75 at the six Food-Transformation installations as compared to 67 at others indicates we are on the right path and we will strive for continued improvement. Another indicator of success in our first year, we served an additional 530,000 customers and provided 133,000 more meals to our junior enlisted members at Food-Transformation installations as compared to the previous year. Based on the initial success of this program and with congressional support, we anticipate expanding Food-Transformation to seven additional installations in FY13.

It is important to recognize the contributions of non-pay programs enhancing the quality of life for our Airmen and their families. The Defense Commissary Agency operates as a

nonprofit organization and can save a family of four an estimated \$4,500 a year. Providing groceries and household items at cost saved patrons a total of \$2.7 billion in the previous fiscal year. Additionally, the Army Air Force Exchange Service (AAFES) provides merchandise and services to military members and their families at competitively low prices. The 3,100 facilities located in over 30 countries provided an average 24% savings to customers compared to competitive retail stores. Additionally, AAFES gives back to the military community through significant dividend contributions. In FY10, AAFES provided \$90.6 million to the Air Force communities they serve. AAFES also offers employment benefits as 31% of employees are military family members.

We continue to strengthen our Air Force community by meeting child care needs through a robust construction effort to increase the number of available child care spaces and reduce our shortfall by the end of FY12. We are also adding 74 accessible child care playgrounds and 26 accessible community nature parks in support of Air Force families with special needs. The Air Force Expanded Child Care program assists Airmen who need child care for unusual shifts, extended duty hours and drill weekends. Additionally, we funded our new respite child care program for special needs children at seven bases and we will expand it to other locations throughout the upcoming year.

We are also expanding our Exceptional Family Member Program (EFMP) to support the more than 18,400 Air Force families with special needs members, a 10% increase since the end of FY10. To do so, we placed 35 EFMP Family Coordinators at installations with the highest concentrations of families enrolled in the program and are adding 36 EFMP Medical Coordinators through FY16 to support families needing specialized medical care and included \$3 million starting in FY13 to fund respite care and other EFMP related programs.

The Air Force also recognizes the important role and sacrifices of the members of the Air National Guard (ANG), Air Force Reserve (AFR) and their family members. While we provide most of the same great family member programs and resources to these families as we do the active component, we realize ANG and AFR families often have difficulty in accessing these available resources due to limited support staff and the distance to active duty installations. Therefore, we have fully supported programs unique to the ANG and AFR, such as the Home Community Care program, which provides fee-assisted, in-home quality child care during scheduled drill weekends. Returning Home Child Care for deployed personnel is another ANG/AFR family program benefit, funding 16-hours of no-cost child care per child following deployments of 30 days or more. Finally, a Defense Management Data Center survey administered to ANG/AFR families highlighted the congressionally supported Yellow Ribbon Reintegration Program (YRRP). This survey indicated 83% of respondents expressed high satisfaction with the YRRP events, and 77% said the information presented increased their confidence in their ability to find and utilize vital resources that would prepare them and their loved ones for continued military service.

#### **AIRMEN AND FAMILY RESILIENCY**

A key factor in maintaining the health of our Air Force is increasing our Airmen's resilience. Our resilience efforts include a number of programs falling under the umbrella of the Comprehensive Airman Fitness (CAF) model designed on four pillars of resilience: Mental, Physical, Social and Spiritual. This program provides tools to help Total Force Airmen and their families withstand, recover and/or grow in the face of stressors and changing demands. It is our goal to first expand education and training of the CAF model to our accession and professional military education units. Next, we will provide Master Resilience training Air Force-wide to

individuals who provide face-to-face resilience skills training at the installation level. Further, the base-level program will incorporate incentives for Airmen and family members to utilize existing resources offered at the Airmen and Family Readiness Center, Health and Wellness Center, Air Force clinics/hospitals and base chapels.

Meeting a specific need to support Airmen returning from combat operations, the Deployment Transition Center at Ramstein Air Base, Germany provides valuable decompression, reintegration and resilience training for service members exposed to significant danger and stress in combat zones. Since calendar year 2010, over 3,000 Airmen have completed the Transition Center's 2-day program and have reintegrated with their home units and families. The Air Force FY12 budget includes \$7 million for the Deployment Transition Center operations, research, curriculum development, materials and intervention training.

#### **WOUNDED WARRIORS**

The Air Force continues to strengthen our support for our wounded, ill and injured population through our Warrior and Survivor Care Division. Our wounded, ill and injured Airmen deserve our very best and the Warrior and Survivor Care Division is committed to providing them individualized, focused non-clinical support. Through our Recovery Care Coordinator (RCC) program, we have strategically placed 33 non-clinical care managers around the CONUS, Hawaii and Germany. This network of RCCs provide dedicated coverage from the moment Air Force Casualty reports an Airman in seriously ill or in a very seriously injured status. The RCCs serve as independent advocates for each Airman working to ease the burden of administrative and personal requirements as they navigate through the continuum of care.



Our Family Liaison Officers, or FLOs, provide an invaluable service to the families of our wounded, ill and injured Airmen. We have taken the concept used to support families of the fallen and applied it to our wounded warrior families. The FLO coordinates all logistical support for the family members to include arranging lodging, securing transportation, and seeing to the comfort and needs of the family.

While we provide excellent care for all our wounded, ill and injured with RCCs and FLOs, the Air Force Wounded Warrior Program focuses on our combat wounded Airmen. This program provides long-term non-clinical care management for our currently combat wounded who must meet a Medical Evaluation Board or Physical Evaluation Board to determine their fitness for duty. Focused, personal care allows our combat wounded Airmen the opportunity to make informed decisions when their future career path changes due to their injuries.

#### **SEXUAL ASSAULT PREVENTION AND RESPONSE**

We have spent the last two years building a form of community empowerment through bystander intervention education, providing the foundation to motivate Airmen to act within a series of possible strategies when they observe potential sexual assault behaviors. An additional prevention effort will include fielding a risk-reduction training module specifically developed to educate at-risk members about self-protective actions they may take to minimize sexual assault risk. The Air Force is also committed to holding offenders appropriately accountable. We currently fund 24 Air Force Office of Special Investigations (AFOSI) positions dedicated to the investigation of sexual assault in addition to 10 DNA analysts at the U.S. Army Criminal Investigations Laboratory (USACIL) who are dedicated to analyzing evidence for Air Force sexual assault cases. Also, the AFOSI recently enhanced its investigation capability by

providing upgraded crime scene processing equipment to 150 units world-wide. Additionally, both Air Force investigators and judge advocates receive extensive formal SAPR training in the investigation and evaluation of sexual assault cases.

Released in March 2011, the Gallup Prevalence and Incidence Survey of Sexual Assault in the Air Force provided Air Force leadership a baseline of statistical occurrence of sexual assault within the Air Force, enabling leaders to implement effective policies and take appropriate actions to improve the Sexual Assault Prevention and Response Program (SAPR). In 2013, the Air Force will initiate a follow-on survey to continue measuring whether the programs in place are reducing sexual assault and increasing reporting rates.

We have an ongoing structured working group and an Executive Steering Group to provide continual assessment of compliance with public law, task force recommendations and Department of Defense policy changes. This degree of oversight, coupled with learning from field activities during inspection visits, provide tools for enhancing our SAPR Program. From our most senior leaders to our junior Airmen, we remain committed to a zero-tolerance standard of sexual assault.

## **CONCLUSION**

The hallmark of the United States Air Force's success has always been, and will remain, our people. Nearly two decades of sustained combat, humanitarian and stability operations have imposed extraordinary demands on our forces. Yet our Airmen continue to contribute significant capabilities to the joint team and do so with the integrity and excellence familiar to the global community. We will continue to size and shape the force through all necessary means while retaining the highest quality Airmen. We are a smaller force, but a ready force. By sustaining

accessions for the long-term and balancing the total force to meet operational requirements, your United States Air Force, with its joint partners, provides unmatched capabilities across the spectrum of operations.



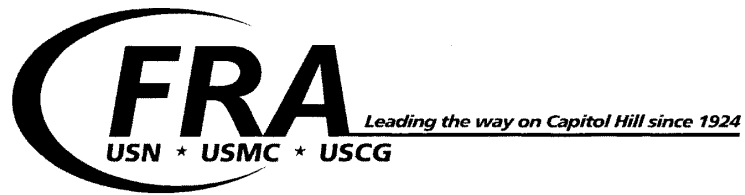
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**DOCUMENTS SUBMITTED FOR THE RECORD**

MARCH 6, 2012

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Statement of  
The Fleet Reserve Association  
on  
Military Personnel Policy, Benefits, and Compensation

Submitted to:  
House Armed Services Committee  
Military Personnel Subcommittee

by  
Master Chief Joseph L. Barnes, USN (Ret.)  
National Executive Director  
Fleet Reserve Association

March 6, 2012

**THE FRA**

The Fleet Reserve Association (FRA) is the oldest and largest enlisted organization serving active duty, Reserves, retired and veterans of the Navy, Marine Corps, and Coast Guard. It is Congressionally Chartered, recognized by the Department of Veterans Affairs (VA) as an accrediting Veteran Service Organization (VSO) for claim representation and entrusted to serve all veterans who seek its help. In 2007, FRA was selected for full membership on the National Veterans' Day Committee.

FRA was established in 1924 and its name is derived from the Navy's program for personnel transferring to the Fleet Reserve or Fleet Marine Corps Reserve after 20 or more years of active duty, but less than 30 years for retirement purposes. During the required period of service in the Fleet Reserve, assigned personnel earn retainer pay and are subject to recall by the Navy.

FRA's mission is to act as the premier "watch dog" organization in maintaining and improving the quality of life for Sea Service personnel and their families. FRA is a leading advocate on Capitol Hill for enlisted active duty, Reserve, retired and veterans of the Sea Services. The Association also sponsors a National Americanism Essay Program and other recognition and relief programs. In addition, the FRA Education Foundation oversees the Association's scholarship program that presents awards totaling nearly \$120,000 to deserving students each year.

The Association is also a founding member of The Military Coalition (TMC), a 34-member consortium of military and veteran's organizations. FRA hosts most TMC meetings and members of its staff serve in a number of TMC leadership roles.

FRA celebrated 87 years of service in November 2011. For over eight decades, dedication to its members has resulted in legislation enhancing quality of life programs for Sea Services personnel, other members of the uniformed services plus their families and survivors, while protecting their rights and privileges. CHAMPUS, (now TRICARE Standard) was an initiative of FRA, as was the Uniformed Services Survivor Benefit Plan (USSBP). More recently, FRA led the way in reforming the REDUX Retirement Plan, obtaining targeted pay increases for mid-level enlisted personnel, and sea pay for junior enlisted sailors. FRA also played a leading role in advocating recently enacted predatory lending protections and absentee voting reform for service members and their dependents.

FRA's motto is: "Loyalty, Protection, and Service."

**CERTIFICATION OF NON-RECEIPT  
OF FEDERAL FUNDS**

Pursuant to the requirements of House Rule XI, the Fleet Reserve Association has not received any federal grant or contract during the current fiscal year or either of the two previous fiscal years.



### SYNOPSIS

The Fleet Reserve Association (FRA) is an active participant and leading organization in The Military Coalition (TMC) and strongly supports the recommendations addressed in the more extensive TMC testimony prepared for this hearing. The intent of this statement is to address other issues of particular importance to FRA's membership and the Sea Services enlisted communities.

### INTRODUCTION

Mr. Chairman, the Fleet Reserve Association salutes you, members of the Subcommittee, and your staff for the strong and unwavering support of programs essential to active duty, Reserve Component, and retired members of the uniformed services, their families, and survivors. The Subcommittee's work has greatly enhanced care and support for our wounded warriors and significantly improved military pay, and other benefits and enhanced other personnel, retirement and survivor programs. This support is critical in maintaining readiness and is invaluable to our uniformed services engaged throughout the world fighting the global War on Terror, sustaining other operational requirements and fulfilling commitments to those who've served in the past.

### STOP DOD SEQUESTRATION

As mandated by the 2011 Budget Control Act, failure of the Super Committee in 2011 to develop a bipartisan plan to contain the growth of the national debt will force implementation of "sequestration" in January 2013 unless Congress intervenes. Failure to act will trigger across-the-board cuts with half coming from the Defense budget. FRA fully concurs with HASC Chairman McKeon, who stated "Defense counts for less than 20 percent of the federal budget but totals more than 50 percent of our deficit reduction efforts, while domestic spending has exploded. No one is discussing lighter or more agile entitlement programs."<sup>1</sup>

With the American military out of Iraq and the conflict in Afghanistan winding down, some are suggesting the possibility of a "peace dividend." Although there have been victories in the War on Terror, there has been no peace treaty with terrorism and the additional \$500 billion defense cuts could jeopardize essential military pay and benefit programs, which would negatively impact recruiting, retention and overall military readiness. For these reasons, FRA strongly supports the "Down Payment to Protect National Security Act" (H.R. 3662) sponsored by the distinguished HASC Chairman, Rep. Howard P. "Buck" McKeon (Calif.) The legislation would amend the Budget Control Act by excluding the DoD budget from the first year of sequestration (2013).

DoD has already identified over \$450 billion in budget cuts over the next 10 years. While operations are winding down in Iraq and Afghanistan, the Nation however, is still at war and slashing DoD's budget further will not reduce the associated threats.

Less than one percent of the population is shouldering 100 percent of the burden of maintaining our national security, and the punitive reductions mandated by sequestration would force major across-the-board cuts to all programs and could potentially threaten the All-Volunteer Force.

<sup>1</sup> *Washington Post*, Jan. 12, 2012, [Obama's Damaging Blow to Our Military](#), Rep. Howard Buck McKeon

# **BUDGET DEVALUES MILITARY SERVICE**

FRA's membership is especially concerned about the Administration proposed FY 2013 budget which includes plans to drastically increase existing TRICARE Prime enrollment fees, implement new fees for TRICARE Standard and TRICARE-for-Life beneficiaries, and increase pharmacy co-pays. If approved, fees would be tiered based on the beneficiary's retired pay. These increases are a major concern to the entire military retiree community and since mid-February that concern has prompted nearly 11,000 messages to Capitol Hill via FRA's web site Action Center.

Our members are also concerned that the budget calls for the fees to be increased based on health care inflation after FY 2017.

The budget also calls for a commission to study and propose changes to the military retirement system. This BRAC-like process would bypass the expertise of the Senate and House Armed Services Committees and only allow Congress an up-or-down vote on the commission's recommendations. FRA appreciates SecDef Panetta assuring those currently serving that they will come under the current retirement system, but wonders why there is no similar commitment for those who served in the past? The budget also requests an active duty and Reserve pay hike that is equal to the Employment Cost Index (ECI) only for FY 2013 and FY 2014, and makes deep cuts in Army and Marine Corps end strengths.

FRA supports a defense budget of *at least* five percent of GDP that will adequately fund both people and weapons programs, and is concerned that the Administration's spending plan is not enough to support both, particularly given ongoing operational commitments associated with the new defense strategy.

Future spending on national defense as a percentage of Gross Domestic Product (GDP) will be reduced despite significant continuing war related expenses and extensive operational and national security commitments. *Wall Street Journal* editorial writers noted, "Taken altogether, the (defense) budget could shrink by over 30% in the next decade. The Administration projects outlays at 2.7% of GDP in 2021, down from 4.5% last year (which included the cost of Iraq and Afghanistan). That would put U.S. outlays at 1940 levels – a bad year. As recently as 1986, a better year, the U.S. spent 6.2% of GDP on defense with no detrimental economic impact. What's different now? The growing entitlement state. The Administration is making a political choice and sparing Social Security, Medicare and Medicaid, which are set to hit nearly 11% of GDP (without health care reform costs) by 2020."

Make no mistake about the importance of these entitlement programs, however, DoD and VA benefits are also important and essential to maintaining that All Volunteer Force and our national security.

#### **TRICARE FEE INCREASES**

Health care benefits are important to every segment of FRA's membership. The continued growth in health care costs is not just a military challenge but a challenge for the entire society. FRA believes that military service is a unique profession and notes minimal projected savings associated with DoD management efficiencies and other initiatives in FY 2013 and beyond, while retirees are targeted for major fee hikes. These proposals also follow the 13-percent military retiree TRICARE Prime increase imposed this year.

Our members are also very concerned about a proposed new TRICARE-for-Life (TFL) enrollment fee beginning in FY 2013. This is viewed as another failure to honor commitments to those who served past careers in the military. These personnel have not benefited from the significant pay and benefit enhancements enacted since 2000.

The Association believes that military retirees have earned their TRICARE benefits with twenty or more years of arduous military service with low pay. As you know, many retirees believe that they were promised free health care for life.

FRA strongly opposes premium increases for TRICARE beneficiaries' based on health care inflation. The Consumer Price Index (CPI) is the basis for military retiree annual cost-of-living-adjustments (COLAs), the purpose of which is to maintain purchasing power for the beneficiary.

#### **RETIREMENT COMMISSION**

The Administration has proposed the creation of a BRAC-like Commission to review and "re-form" the current military retirement system. Numerous studies and commissions have focused on the military retirement as an opportunity to reduce overhead costs for the Pentagon. The latest is the Defense Business Board (DBB) proposal to replace the current system with a 401(k) plan similar to what corporations offer their employees. This concept has created significant anxiety in the career active duty community. An FRA online survey released last October resulted in strong opposition responses to proposals to "civilianize" the current military retirement system. More than 1,700 current and former service members responded and nearly 95 percent believe retiree benefits offer the most appeal if they were joining today. More than 80 percent of active duty and Reserve component respondents said they'd shorten their term of service if retirement benefits were changed to conform with the recommendations.

FRA believes that military service is unlike any other career or occupation, and requires a unique retirement system. Career senior NCOs are the backbone of our military and their leadership and guidance are invaluable and a result of many years of training and experience.

#### **WOUNDED WARRIORS**

FRA believes post traumatic stress should not be referred to as a "disorder." This terminology adds to the stigma of this condition, and the Association believes it is critical that the military do all it can to reduce the stigma associated with PTS and TBI.

FRA also believes the Armed Services and Veterans Affairs Committees should remain vigilant regarding their oversight responsibilities associated with ensuring a “seamless transition” for wounded warriors transitioning from DoD’s Military Health System (MHS) to the Department of Veterans Affairs (VA). FRA strongly supports efforts to create a Joint Virtual Lifetime Electronic Record (VLER) for every service member and believes this would be a major step towards the long-standing goal of a truly seamless transition from military to veteran status for all service members and would permit a DoD, VA, or private health care provider immediate access to a veteran’s health data.

According to *Navy Times* editors, “Even before sequestration takes effect budget cuts have impacted the Office of Wounded Warrior Care and Transition Policy with the elimination of 40 percent (44 positions) of the staff, and all 15 contract employees in the transition policy section that leaves only two full-time civilian employees.”<sup>2</sup> Budget cuts have also resulted in the cancellation of the Virtual Transition Assistance Program (VTAP) website that was scheduled to replace the current Turbo TAP website. FRA is concerned that these cuts could negatively impact transitioning wounded warriors.

The Association also notes the importance of the Navy’s Safe Harbor Program and the Marine Corps Wounded Warrior Regiment (WWR), that are providing invaluable support for these personnel.

#### SUICIDE RATES

Suicide in the military is a serious concern for FRA and the Association notes that active duty suicides have been reduced or at least leveled off but suicides for non-active duty Reserve Component personnel are increasing. “More than 2,000 service members killed themselves in the past decade, including 295 in 2010 compared with 153 in 2001.”<sup>3</sup>

Master Chief Petty Officer of the Navy (MCPON) Rick West testified on February 16, 2012 before the House Military Construction, Veterans Affairs Appropriations Subcommittee (MilCon/VA) and stated that in 2011 there were 51 Navy active duty suicides and seven Navy Reserve suicides which represents an increase from 39 active duty suicides and six Reserve suicides in 2010. To reduce the suicide rate the Navy has implemented a multi-faceted approach with communication, training, and command support, designed to reduce individual stress and strengthen psychological health of Sailors. The Navy efforts fall within the scope of their broader family readiness programs.

At the same hearing, the Sergeant Major of the Marine Corps Micheal Barrett stated that in 2011 there were 33 Marine suicides and 171 failed suicide attempts. During the previous year, 37 Marines committed suicide and there were 172 failed attempts. The Marines have deployed peer-to-peer suicide prevention training and is working with the DoD Suicide Prevention Office to implement the recommendations of the DoD Joint Task Force on the Prevention of Suicide. Despite these initiatives, suicides continue and efforts to address the reasons for suicides must continue to be a top priority. FRA appreciates the provision in the FY 2012 Defense Authorization that

<sup>2</sup> *Navy Times* Editorial, January 16, 2012, Page 4

<sup>3</sup> ABC News, Rising Suicides Stump Military Leaders, September 27, 2011, Kristina Wong

requires pre-separation counseling for Reservists returning from successful deployments. In addition, FRA supports Representative Thomas Rooney's (Fla.) bill (H.R. 208) that authorizes reimbursement for mental health counseling under TRICARE.

#### **COLA ADJUSTMENTS**

Under current law, military retired pay cost of living adjustments are rounded down to the next lowest dollar. For many of these personnel, particularly enlisted retirees, their retired pay is sometimes the sole source of income for them and their dependents. Over time, the effect of rounding down can be substantial for these personnel and FRA supports a policy change to rounding up retiree COLAs to the next highest dollar.

#### **RESERVE EARLY RETIREMENT**

A provision of the FY 2008 NDAA reduces the Reserve retirement age requirement by three months for each cumulative 90-days ordered to active duty. This is effective upon the enactment of the legislation (January 28, 2008) and NOT retroactive to October 7, 2001 and the Association supports "The National Guardsmen and Reservists Parity for Patriots Act" (H.R. 181) sponsored by the Subcommittee's distinguished Chairman, Representative Joe Wilson (SC), to authorize Reservists mobilized since October 7, 2001, to receive credit in determining eligibility for receipt of early retired pay. Since 9/11/2001 the Reserve Component has changed from a strategic Reserve to an operational Reserve that now plays a vital role in prosecuting the war efforts and other operational commitments. This has resulted in more frequent and longer deployments impacting individual Reservist's careers. Changing the effective date of the Reserve early retirement would help partially offset lost salary increases, promotions, 401(k) and other benefit contributions. The Association urges the Subcommittee to support this important legislation.

#### **RETENTION OF FINAL FULL MONTH'S RETIRED PAY**

FRA urges the Subcommittee to authorize the retention of the full final month's retired pay by the surviving spouse (or other designated survivor) of a military retiree for the month in which the member was alive for at least 24 hours. FRA strongly supports "The Military Retiree Survivor Comfort Act" (HR 493), introduced by Rep. Walter Jones (N.C.).

Current regulations require survivors of deceased armed forces retirees to return any retirement payment received in the month the retiree passes away or any subsequent month thereafter. Upon the demise of a retired service member in receipt of military retired pay the surviving spouse is to notify the department of defense of the death. The Department's financial arm (DFAS) then stops payment on the retirement account, recalculates the final payment to cover only the days in the month the retiree was alive, forwards a check for those days to the surviving spouse (beneficiary) and, if not reported in a timely manner, recoups any payment(s) made covering periods subsequent to the retiree's death. The recouping is made without consideration of the survivor's financial status.

The measure is related to a similar pay policy enacted by the Department of Veterans Affairs (VA). Congress passed a law in 1996 that allows a surviving spouse to retain the veteran's disa-

bility and VA pension payments issued for the month of the veteran's death. FRA believes military retired pay should be no different.

#### CONCURRENT RECEIPT

FRA supports legislation authorizing the immediate payment of concurrent receipt of full military retired pay and veterans' disability compensation for all disabled retirees. The Association strongly supports Rep. Sanford Bishop's "Disabled Veterans Tax Termination Act" (H.R. 333) and Senate Majority Leader, Harry Reid's "Retired Pay Restoration Act" (S. 344). Both proposals would authorize comprehensive concurrent receipt reform, and Rep. Gus Bilirakis' "Retired Pay Restoration Act" (H.R. 303) would authorize current receipt for retirees receiving CRDP with a disability rating of 50 percent or less.

FRA also strongly supports House Personnel Subcommittee Chairman Joe Wilson's (S.C.) bill (H.R. 186), that expands concurrent receipt for service members who were medically retired with less than 20 years of service (Chapter 61 retirees) and would be phased-in over five years. This proposal mirrors the Administration's proposal from the 110th Congress. In 2008, Congress voted to expand eligibility for Combat-Related Special Compensation (CRSC) coverage to Chapter 61 retirees and the proposed legislation would, in effect, extend eligibility for Concurrent Retirement and Disability Pay (CRDP) to all Chapter 61 retirees over five years. A less costly improvement to pursue in an austere budget year would be fixing the so-called "glitch" for Combat Related Special Compensation (CRSC) that result in compensation declining when the VA disability rating increases.

#### CHILD CARE

Access to affordable, quality child care must be a high priority for all the military services. Adequate and reliable child care helps reduce stress on a military family that has one of the parents deployed. Sergeant Major of the Marine Corps Micheal Barrett testified before MilCon/VA Appropriations Subcommittee on February 16, 2012 and stated that child care remains a high priority for that service. The Marine Corps provided 15,927 child care spaces in FY 2011, which reflects an 18 percent increase in capacity from FY 2010. The service developed a Child Development Program and Facility Master Plan, which reviewed child care capabilities and costs. The report will assist the Marine Corps in providing this benefit in a more efficient manner. MCPON Rick West stated at the same hearing that at the end of this year the Navy will complete its expansion efforts by adding 7,000 new child care spaces to meet the Office of Secretary of Defense (OSD) guidance to provide 80 percent of potential child care needs. This expansion has reduced waiting times to three-months or less.

#### UNIFORMED SERVICES FORMER SPOUSES PROTECTION ACT (USFSPA)

According to *USA Today*, "At the end of FY 2011, the military divorce rate reached its highest level since 1999, as nearly 30,000 marriages were dissolved. The overall military divorce rate of 3.7 percent edged out the most recent civilian (divorce) rate."<sup>4</sup> FRA urges Congress to review the

<sup>4</sup> USA Today, Dec. 14, 2011, [Military Divorce Rate at Highest Level Since 1999](#), Gregg Zoroya

USFSPA with the intent to amend the language so that the Federal government is required to protect its service members against State courts that ignore the Act.

The USFSPA was enacted 30 years ago; the result of Congressional maneuvering that denied the opposition an opportunity to express its position in open public hearings. The last hearing, in 1999, was conducted by the House Veterans' Affairs Committee rather than the Armed Services Committee which has oversight authority for USFSPA.

Few provisions of the USFSPA protect the rights of the service member, and none are enforceable by the Department of Justice or DoD. If a State court violates the right of the service member under the provisions of USFSPA, the Solicitor General will make no move to reverse the error. Why? Because the Act fails to have the enforceable language required for Justice or the Defense Department to react. The only recourse is for the service member to appeal to the court, which in many cases gives that court jurisdiction over the member. Another infraction is committed by some State courts awarding a percentage of veterans' compensation to ex-spouses, a clear violation of U. S. law; yet, the Federal government does nothing to stop this transgression.

There are other provisions that weigh heavily in favor of former spouses. For example, when a divorce is granted and the former spouse is awarded a percentage of the service member's retired pay, the amount should be based on the member's pay grade at the time of the divorce and not at a higher grade that may be held upon retirement.

FRA believes that the Pentagon's USFSPA study recommendations are a good starting point for reform.

## HOUSING

FRA supports reform of enlisted housing standards by allowing E-7s and above to reside in separate homes, track the Basic Allowance for Housing (BAH) to ensure it is commensurate with actual housing costs, ensure adequate housing inventory and that housing privatization programs are beneficial to service members and their families.

The Marines are the youngest and least married of the four services. FY 2012 was the last year of a five year barracks construction effort to replace and update facilities. The FRA notes that Marines have 100,000 bachelor enlisted housing units. These projects were developed to meet 90 percent of the housing requirements of 202,000 and will meet just less than 100 percent of the projected reduced end strength force.

According to MCPON West during the above referenced testimony, the Navy is continuing to invest in Homeport Ashore Program to provide off-ship housing for junior Sailors who would otherwise live on the ship. Despite multi-year efforts to address this issue, there are still 5,400 single Sailors E-1 through E-4 living aboard ships while at their homeports. This program will finally eliminate aboard ship living at home port by FY 2016.

The Navy has 3,500 family housing units that are inadequate and the service plans to reduce inadequate housing from the current 36 percent to 10 percent by FY 2017. The Marines have

24,000 family homes (including PPV) and the FY 2013 budget provides \$20 million to restore 44 family homes. The Navy and the Marines have privatized 97 percent of their family housing and when their Public Private Venture (PPV) is complete the Navy will own less than 100 homes.

#### **MILITARY RESALE SYSTEM**

FRA strongly supports adequate funding for the Defense Commissary Agency (DeCA) to ensure access to the commissary benefit for all beneficiaries. Since 2000, DeCA's budget has remained flat in real dollars, meaning the agency has done more with less for the past 11 years. The Association also strongly supports the military exchange systems (AAFES, NEXCOM and MCX), and urges against revisiting the concept of consolidation. FRA instead urges a thorough review of the findings of an extensive and costly (\$17 million) multi-year study which found that this is not a cost-effective approach to running these important systems.

#### **MILITARY VOTING**

In the past two years, 47 states and the District of Columbia enacted laws to protect the voting rights of military and overseas citizens, according to a report recently released by the Pew Center on the States. These changes are associated with a provision in the FY 2010 NDAA that requires all states to provide military voters with ballots no later than 45 days prior to each election, to ensure adequate time to complete and return them. The provision also allowed states and D.C. to transmit ballots to voters electronically and eliminated requirements for notarization and witnesses. FRA wants to express its appreciation for helping deployed service members to get the opportunity to vote. The Association recommends that this subcommittee periodically have oversight hearings to ensure that deployed service members are not being disenfranchised.

#### **CONCLUSION**

FRA is grateful for the opportunity to provide these recommendations to this distinguished Subcommittee.



Statement for the Record

Reserve Officers Association of the United States  
And  
Reserve Enlisted Association

for the

House Armed Services Committee  
Subcommittee on Military Personnel

PERSONNEL ISSUES

March 6, 2012



*"Serving Citizen Warriors through Advocacy and Education since 1922."™*



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RESERVE STRENGTH. RESERVE LIFE.

The Reserve Officers Association of the United States (ROA) is a professional association of commissioned and warrant officers of our nation's seven uniformed services, and their spouses. ROA was founded in 1922 during the drawdown years following the end of World War I. It was formed as a permanent institution dedicated to National Defense, with a goal to teach America about the dangers of unpreparedness. When chartered by Congress in 1950, the act established the objective of ROA to: "... support and promote the development and execution of a military policy for the United States that will provide adequate National Security." The mission of ROA is to advocate strong Reserve Components and national security, and to support Reserve officers in their military and civilian lives.

The Association's 58,000 members include Reserve and Guard Soldiers, Sailors, Marines, Airmen, and Coast Guardsmen, who frequently serve on Active Duty to meet critical needs of the uniformed services and their families. ROA's membership also includes officers from the U.S. Public Health Service and the National Oceanic and Atmospheric Administration, who often are first responders during national disasters and help prepare for homeland security. ROA is represented in each state with 54 departments plus departments in Latin America, the District of Columbia, Europe, the Far East, and Puerto Rico. Each department has several chapters throughout the state. ROA has more than 450 chapters worldwide.

ROA is a member of The Military Coalition, where it co-chairs the Guard and Reserve Committee. ROA is also a member of the National Military/Veterans Alliance. Overall, ROA works with 75 military, veterans, and family support organizations.

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The Reserve Enlisted Association (REA) is an advocate for the enlisted men and women of the United States Military Reserve Components in support of National Security and Homeland Defense, with emphasis on the readiness, training, and quality -of- life issues affecting their welfare and that of their families and survivors. REA is the only Joint Reserve association representing enlisted reservists – all ranks from all five branches of the military.

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DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Reserve Officers Association and Reserve Enlisted Association are member-supported organizations. Neither ROA nor REA have received grants, sub-grants, contracts, or subcontracts from the federal government in the past three years. All other activities and services of the associations are accomplished free of any direct federal funding.

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## INTRODUCTION

On behalf of our members, the Reserve Officers Association and the Reserve Enlisted Association thank the committee for the opportunity to submit testimony on personnel issues affecting serving members, retirees, their families, and survivors.

The Title 10 Reserve and National Guard are no longer just a part-time strategic force but are an integral contributor to our nation's operational ability to defend itself, assist other countries in maintaining global peace, and fight against overseas threats. They are an integrated part of the Total Force, yet remain a surge capability as well. At a time that the Pentagon and Congress are examining our nation's security, it would be incorrect to discount the Reserve Components' abilities and cost efficiencies. Instead, these part-time warriors provide a cost savings solution and an area to retain competencies for missions not directly embodied in the administration's new strategic policy, *Sustaining U.S. Global Leadership: Priorities for a 21st Century Defense*.

ROA and REA would like to thank Congress and this committee for amending Title 10 USC, Chapter 1209 of section 12304a that allows Title 10 Reservists to provide assistance during a time of major disaster or emergency, and for amending Section 515 of Chapter 1209 that now authorizes service secretaries to activate Guard and Reserve members at times other than war or emergencies to augment the Active component. These two provisions should help prevent the Reserve Component from being placed back into Armories and Reserve Centers as just a strategic asset. ROA and REA hope that the administration makes use of these new authorities by providing necessary funding.

## PROVIDE AND EXECUTE AN ADEQUATE NATIONAL SECURITY

The Reserve Officers Association is chartered by Congress "to support and promote the development and execution of a military policy for the United States that will provide adequate national security."

### Requested Action

- **Hold Congressional hearings on the new policy of "Sustaining U.S. Global Leadership: Priorities for the 21<sup>st</sup> Century Defense."**
- **Seek exemption or delay in Defense Sequestration budget cuts.**
- **Study the impact of manpower cuts to Army and Marine Corps on National Security.**
- **Avoid parity cuts of both Active and Reserve Components without analyzing rebalance.**
- **Maintain a robust and versatile all-volunteer armed forces that can accomplish its mission to defend the homeland and U.S. interests overseas.**

The Defense Budget, including current war expenses, is close to 5 percent of the Gross Domestic Product, yet as a percentage of the overall Federal budget it continues to decline. With defense expenses representing less than 20 percent of the federal budget, it seems inappropriate to take half of the budget reduction from National Security.

**ROA and REA question the current spending priorities that place more importance on the immediate future, rather than first doing a short and long term threat analysis.** The result of such a budget-centric policy could again lead to a hollow force whose readiness and effectiveness is degraded.

The administration proposes cutting 100,000 troops. End strength cuts need to be made cautiously. The deployment of troops to Iraq and Afghanistan proved that the pre-9/11 end strengths left the Army and US Marine Corps undermanned, which stressed the force.

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**ROA and REA share concerns about reductions in the Department of Defense, while budgets for other federal agencies increase.** An example of this is the \$13.4 billion budget increase for the Department of Veteran Affairs. Of this, \$10.6 billion is an increase in mandatory funding. When ROA asked the VA's Chief Financial Officer, Todd Grams, what offset is being made to allow this increase, his response was that no offset was needed as all but \$1 billion were for existing programs.

While some VA increase is obviously needed with the ever increasing number of service-connected veterans who are disabled, injured, or ill, every agency should be fiscally responsible to help balance the budget and reduce the ever growing deficit.

Serving members, retirees, families, and survivors are in effect being taxed by defense reductions to be the dollar offsets for other departments. Not only is this unfair, but by making cuts to national security, it puts future warriors at a greater risk.

#### **BASE CLOSURE AND REALIGNMENT (BRAC) COMMISSION**

The President's Budget recommends two more rounds of base closures. **ROA and REA don't support such a BRAC recommendation.**

- 1) BRAC savings are faux savings as these savings are outside the accounting cycle; with a lot of additional dollar expenses front loaded into the defense budget for infrastructure improvements to support transferred personnel.
- 2) Too much base reduction eliminates facilities needed to support surge capability. Some surplus is good.
- 3) Reserve and National Guard facilities should not be included, as was the case in BRAC 2005 when Reserve Component facilities were closed, reducing the risk of closure to active duty facilities.

#### **MILITARY RETIREMENT MODERNIZATION**

Another recommendation in the President's budget is a commission to review deferred compensation. **As structured, ROA and REA do not support this proposal either, but if considered:**

- 1) This should not be a BRAC-like commission. Congress should not give up its authority.
- 2) In one section of the President's Budget, it suggests that the President will appoint all of the members on the commission. Congress should share in appointments.
- 3) While alternatives to current military retirement should be explored, ROA and REA don't support a two tiered system where two generations of warriors have different benefit packages.
  - 3.1) An incentivized retirement option could be offered, rather than making any new mandatory system.
- 4) Should a task force be appointed, ROA and REA recommend that individuals with experience in Reserve Component compensation be among those appointed, as the administration has suggested that both regular and non-regular (reserve) retirement should be the same.

#### **RESERVE STRENGTH**

"The challenges DoD has to face are not going to be handled by circling the wagons here at home," Dennis McCarthy, then-Assistant Secretary of Defense for Reserve Affairs told ROA at its national meeting in 2011. "We're going to continue to need a force that can deploy worldwide ... for the full spectrum of missions."

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“With roughly 1.4 [million] active-duty service members, 1.2 million reserve-component members and likely future missions worldwide,” McCarthy added, “the military will need to continue to rely on reserve strength.”

The Reserve forces are no longer a part-time strategic force but are an integral contributor to our nation’s operational ability to defend our soil, assist other countries in maintaining global peace, and fight in overseas contingency operations.

Yet, as discussions occur in both Congress and the Pentagon on how to reduce the budget and the deficit, the peril of lowering defense spending is that the Reserve Components will become a bill payer. As seen in the past, the risk exists where Defense planners may be tempted to put the National Guard and Title 10 Reserve on the shelf, by providing them “hand me down” outmoded equipment and by underfunding training.

An example of this is a recent statement made by Air Force Chief of Staff Gen. Norton Schwartz while speaking at the Air Force Association’s annual air warfare symposium. General Schwartz said, “The active component has been cut to the point at which capacity cannot be reduced further without harmful effects to...readiness, increased capacity and the ability to surge and rotate at a sustainable tempo,” as he was apparently justifying cuts to the Air National Guard and drilling Air Force Reserve, and seeking Reserve component missions for the Active component.

Rather than be limited by historical thinking, and parochial protections, creative approaches should be explored. The Air Force has been successful with associate units that are manned by Active, Reserve and National Guard members. Much in the same way that airlines have numerous crews flying the same airframes, rather than cutting back on Reserve and Guard end strength, more associate crews can fly the same aircraft, while mothballing airframes that might be needed in the future.

The Reserve Component needs to continue in an operational capacity because of cost efficiency and added value. The cost of the Reserve and National Guard should not be confused with their value, as their value to national defense is incalculable.

**The Reserve Components remain a cost-efficient and valued force.** It is just a small percentage of the total services budget:

Army Reserve – 7 percent of the Army budget; 18 percent of the force  
 Army National Guard – 14 percent of the Army budget; 32 percent of the force  
 Marine Forces Reserve – 6 percent of the USMC budget; 16.5 percent of the force  
 Navy Reserve – 7 percent of the USN budget; 17 percent of the force  
 Air Force Reserve – 4 percent of the AF budget, 14 percent of the force, and 20 percent of the capability  
 Air National Guard – 6 percent of the AF Budget and 21 percent of the force.

“Differences in the cost of the active and reserve components relate primarily to three factors,” writes Jennifer Buck, former Director, Programs and Budgets, Reserve Affairs at Office of the Secretary of Defense. “First, the guard and reserve have lower operating and training tempo. Second, they receive part-time pay and benefits, [and only accrue personal leave when mobilized.] Third, the guard and reserve incur smaller infrastructure costs—such as, for example, in family housing.”

Admittedly a member of the reserve who is engaged in operational missions will cost more than one who is used strategically, but even in an operational mode, the tempo for a reservist will be less frequent, bringing down the costs. With a dwell time of four years at home and one year activated, that reflects a cost of about 23 percent when compared to a full time active duty member.

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If it assumed that members of the Reserve components mobilize four times during the course of a career, and members of the active component are sent to an operational conflict seven times during the course of a career a career cost per deployment can be calculated. In *The Cost of the Reserves, Chapter 10*, Jennifer Buck determined that based on differences in pay and follow-on retirement, an active member “costs” the government almost \$2.4 million over a lifetime of service while reserve members cost about \$790,000. In terms of “usage,” it can be calculated at \$336,000 per deployment “opportunity” for the active member and \$198,000 for a member of the reserves.

Value, on the other hand, is more intangible to calculate. The Reserve Component fills an ongoing need for a surge capability as an insurance policy against worse-case scenario’s. Reserve and National Guard members give the armed forces access to civilian skills that would prove too expensive for the uniformed services to train and maintain. With less than one percent of the U.S. population serving in uniform, the Reserve Component also provides a critical link to American communities.

**The Reserve and National Guard should also be viewed as a repository for missions and equipment that aren’t addressed in the administration’s new Strategic Policy.** They can sustain special capabilities not normally needed in peacetime.

Part of the President’s budget includes planned end-strength reductions for both the Army and Marine Corps, by 80,000 and 20,000, respectively. It should be remembered that individuals cannot be brought quickly on to active duty on a temporary basis, as it is an accumulation of experience and training that is acquired over years that becomes an asset for the military. The Reserve is also a repository for these skills.

**In a time of war and force rebalancing, it is wrong to make cuts to the end strength of the Reserve Components.** We need to pause to permit force planning and strategy to take precedence over budget reductions. A Congressional Budget Office report noted that if the Defense Department did not have the National Guard and Reserve, the active-duty Army would need an end-strength increase of 170,000 to fill the combat support gap.

**A strong Reserve is needed for a strong national defense.** For the last 73 years, America hasn’t gone to war without its Reserves. According to the Congressional Research Service, Reserve and Guard members were involuntarily ordered to active duty for military operations 10 times since World War II:

• Korean War (1950-1953)	857,877
• Berlin Crisis (1961-62)	48,034
• Cuban Missile Crisis (1962)	14,200
• Vietnam War (1968-1969)	37,643*
• Persian Gulf War (1990-91)	238,729
• Haiti (1994-1996)	3,680
• Bosnian peacekeeping mission (1995-2000)	19,324
• Iraqi [Operation Northern Watch] conflict (1998-2000)	2,038
• Kosovo conflict, peacekeeping mission (1999-2000)	5,933
○ Iraq and Afghanistan (2001-present)	over 843,000 activations

\* As in many conflicts, newly affiliated Reserve Component members on their initial active duty tour served in Vietnam, but were not included in the above statistics. In Vietnam, 5,857 reservists were killed, which extrapolates to about 260,000 Reserve Component members in theater.

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The Reserve Component also contributed to ending the Cold War, because Soviet war planners had to account for the U.S. Reserve strength as well as its Active Duty numbers. The added military costs to prepare for all contingencies against the U.S. proved overwhelming to Soviet war planners.

**To maintain a strong, relevant, and responsive Reserve Force, the nation must commit the resources necessary to do so.** Reserve strength is predicated on assuring the necessary resources—funding for personnel and training, equipment reconstitution, and horizontal fielding of new technology to the RC, coupled with defining roles and missions to achieve a strategic/operational Reserve balance.

#### **National Guard and Reserve Equipment Allowance (NGREA)**

The Reserve and National Guard are faced with ongoing challenges on how to replace worn out equipment, equipment lost due to combat operations and legacy equipment that is becoming irrelevant or obsolete. The National Guard and Reserve Equipment Allowance provide critical funds to the Reserve Chiefs and National Guard Directors to improve readiness throughout procurement of new and modernized equipment. Continued receipt of NGREA and congressionally added funding will allow the Reserve Components (RC) to continue to close the Active/Reserve Component modernization and interoperability gap.

#### **RESERVE LIFE**

Reserve and Guard members have provided unprecedented service and sacrifice for the past decade. Congress should make a commitment to them to provide lifelong support for them through career growth, civilian employment, seamless health care, family support and deferred compensation that has been promised to them upon retirement. This will be an incentive to continue to serve.

#### **Continuum of Service**

A continuum of service influences the way the nation uses individual service members and the way it employs its Active and Reserve forces. It enables an effective use of our most important national security asset: the men and women who are willing to serve in the armed forces. It allows them and their families to continue to serve throughout predictable life-status changes, and leverages their skills throughout a career that is unencumbered with unnecessary barriers.

By consolidating Active and Reserve personnel procedures and policies, and permitting seamless transition between the Active and Reserve components, individuals can gain better control of their own careers, while the services maximize the efficiency of force structure. A continuum would allow for a flexibility and optimization of the Total Force by allowing special skills and functions to be activated as needed and returned to the Reserve Component when not.

Continuum of service is a human capital strategy that views active (full-time) and reserve (part-time) military service not as two elements of valuable service but as a continuation of service where a qualified individual can serve in different capacities and durations during his or her career. A continuum of service strategy recognizes the tremendous cost of accessing and training each service member and seeks to avoid unnecessary replication of such costs by accessing those skills rather than replacing them.

Taken to its full potential, a continuum of service would require a re-examination of how service is credited and compensated, but would also allow for a more efficient management of our forces in a resource constrained environment.

RESERVE STRENGTH. RESERVE LIFE.

**Reserve Life Issues supported by the Reserve Officers and Reserve Enlisted Associations include:***Changes to retention policies:*

- Permit service beyond current mandatory retirement limitations.
- Retain serving members for skill sets, even when passed over for promotion.
- Support incentives for affiliation, reenlistment, retention and continuation in the Reserve Component.
- Advocate against cuts in Reserve Component; support Reserve commissioning programs
- Reauthorize yellow ribbon program to support demobilized Guard and Reserve members.

*Pay and Compensation:*

- Reimburse a Reserve Component member for expenses incurred in connection with round-trip travel in excess of 50 miles to an inactive training location, including mileage traveled, lodging and subsistence.
- Eliminate the 1/30<sup>th</sup> rule for Aviation Career Incentive Pay, Career Enlisted Flyers Incentive Pay, and Diving Special Duty Pay.
- Simplify the Reserve duty order system without compromising drill compensation.

*Education:*

- Include Title 14 Coast Guard Reserve duty in eligibility for the Post 9/11 GI Bill.
- Exempt earned benefit from GI Bill from being considered income in need based aid calculations.
- Increase MGIB-Selected Reserve (MGIB-SR) to 47 percent of MGIB-Active.
- Include 4-year reenlistment contracts to qualify for MGIB-SR.

*Spouse Support:*

- Expand eligibility of surviving spouses to receive Survivor Benefit Plan (SBP)-Dependency Indemnity Clause (DIC) payments with no offset.
- Provide family leave for spouses and family care-givers of mobilized Guard and Reserve for a period of time prior to or following the deployment of the military member.

*Deferred Benefits and Retirement:*

- Extend current early retirement legislation retroactively to Sept. 11, 2001.
- Change US Code to eliminate the Fiscal Year barrier toward full credit toward early retirement.
- Promote improved legislation on reducing the Reserve Component retirement age.
- Permit mobilized retirees to earn additional retirement points with less than two years of activated service, and codify retirement credit for serving members over age 60.
- Modify US Code that requires repayment of separation bonuses if an individual receives a Uniformed Service retirement annuity.
- Continue to protect and sustain existing retirement benefits for currently retired.

*Voting:*

- Ensure that every deployed service member has an opportunity to vote by:
  - Working with the Federal Voting Assistance Program.
  - Supporting electronic voting.
- Ensure that every military absentee ballot is counted.

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**CONCLUSION**

ROA and REA reiterate our profound gratitude for the bipartisan success achieved by this committee by improving parity on pay, compensation and benefits between the Active and Reserve Components. The challenges being faced with proposed budget cuts are going to make this committee's job that much harder.

ROA and REA look forward to working with the personnel sub-committee where we can present solutions to these challenges and other issues, and offers our support in anyway.

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**QUESTIONS SUBMITTED BY MEMBERS POST HEARING**

MARCH 6, 2012

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#### QUESTIONS SUBMITTED BY MS. BORDALLO

Ms. BORDALLO. 1) In your prepared statement you stated Army was reducing on-board strength to meet targets. How do you reconcile that statement with the statutory prohibition against managing to mandated levels?

General BOSTICK. The targets were driven by budget reductions from the Office of the Secretary of Defense (OSD). However, the Secretary of the Army told the House Armed Services Committee and American Federation of Government Employees that he would add civilian authorizations for in-sourcing actions that he approved, where appropriate.

Ms. BORDALLO. 2) In your statement you reference drawing down on-board strength to meet FY10 levels, which we understand are based on authorized levels. What is the difference between the on-board and authorized levels in the Army?

General BOSTICK. In the FY2012 Budget request, the Army estimated a civilian end-strength of 266,256; this estimate did not include civilians hired for the performance of Overseas Contingency Operations (OCO) funded missions, Civil Works funded missions, or Non-Appropriated Fund missions.

As of month's end, February 2012, the Army's active civilian rolls were 277,987. (+11,631).

Much of this discrepancy is the result of personnel hired to support ongoing operations OCONUS and in critical support roles both overseas and in the United States, much of it funded by OCO monies. Foremost among these are medical services and support (approximately 4,200 in excess of programmed levels), repair and reset of equipment (approximately 2,500 in excess of programmed levels), and deployment and mobilization activities (approximately 4,500 OCO in excess of programmed levels).

While the Army has not yet achieved its estimated end-state for FY2012, it is anticipated that it will through a process of rebalancing and reshaping all elements of our work force—military, civilian, and contractor. And that in doing so the Army will achieve efficiencies when possible and meet new or expanded mission requirements, such as transition programs and Sexual Assault Prevention and Response (SAPR), all within the constraints of the current fiscal environment.

Ms. BORDALLO. 3) In your statement you stated that Army suspended civilian employment offers for certain positions, a suspension that remained in effect for nearly 3 months. During that time, were OMA funded contract actions all suspended? How many contracts for services were extended or options exercised during this time period?

General BOSTICK. During the time period of February 2, 2011 to April 29, 2011, OMA funded contract actions were not suspended. As needed to meet mission requirements, contracts for services were extended and options exercised during that time.

During that time period, the Army extended the period of performance (by modification) or exercised an option on 99 contract actions, for an obligated amount of \$69,868,520.63.

Ms. BORDALLO. 4) Were dollars for contracted workload restrained or limited to the same degree dollars for OMA funded civilians were?

General BOSTICK. No, service support contracts were cut by about \$100 million per year, whereas civilians were reduced by about \$1 billion per year. We are waiting for guidance from the Office of the Secretary of Defense (OSD) on how to implement Section 808 of the National Defense Authorization Act for 2012. This would restrain or limit dollars for contract workload to the same degree as Operations and Maintenance-funded civilians.

Ms. BORDALLO. 5) You've stated that you've established business processes and reporting mechanisms to effectively align requirements, authorizations, on-board strength and associated funding execution for the civilian workforce. How do those processes reconcile with the title 10 total force language enacted in the FY12 NDAA and applicable DOD policies?

General BOSTICK. Although we have established some business processes that will help us move toward this goal, we have not yet fully implemented them. When implemented, we will have greater visibility of our civilian workforce and be able to

link our strategic human capital planning for civilians to the Program and Budget. This will also move us closer to the Total Force Management principles as prescribed in the FY12 NDAA.

Ms. BORDALLO. 6) What are you doing to ensure that the voluntary departures and attrition occurring to meet funded levels are not occurring in mission-critical occupations and that you're not losing highly desired and needed capabilities and competencies?

General BOSTICK. To ensure voluntary departures and attrition in mission critical occupations are not causing us to completely lose highly desired and needed capabilities and competencies, we are having commands manage their positions and on-board strengths against their missions and functions. Although there may be some degradation in the experience level of employees that remain after the voluntary departures and attrition occur, by allowing commands to make these important management decisions the Army is best able to ensure desired and needed capabilities and competencies are maintained while still reducing its workforce.

Ms. BORDALLO. 7) How does the Department of Army's budget request for FY13 reconcile with legislative language set forth in Division A, Section 8012 of Consolidated Appropriations Act of 2012 (P.L. 112-74) which states that "... during fiscal year 2012, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength)", and more specifically, that the fiscal year 2013 budget request be prepared and submitted to the Congress as if this provision were effective with regard to fiscal year 2013?

General BOSTICK. The Army's FY13 budget request complies with Section 8012 of the Consolidated Appropriation Act of 2012 (P.L. 112-74). Army civilian personnel are not managed on the basis of end-strength, but are managed based on executive and legislative guidance, strategic plans, resource levels, workload and mission requirements. As required by Office Secretary of Defense and the Congress, the Army documents the civilian personnel levels supported in the budget request in the OP-8 exhibit. The OP-8 reflects the specific funding for civilian personnel, as well as the number of full time equivalents (FTEs) and end strength.

Ms. BORDALLO. 8) President Obama has made reducing reliance on contractors and rebalancing the workforce a major management initiative of his Administration. In your opinion, given the restrictions on the size of your civilian workforce imposed by the Office of the Secretary of Defense, does the Army's FY13 budget request reflect an appropriately balanced workforce across all major capabilities, functional areas, and requirements?

General BOSTICK. Given that the Army can submit waivers to the Deputy Secretary of Defense if mission requirements indicate the need for increased civilian workforce and as of March 6, 2012, there were no pending waiver request that were submitted from the Army. The Army's FY13 budget request reflects an appropriately balanced workforce across all major capabilities, functional areas, and requirements. The Army's governance of this efficiency initiative included a decentralized review of civilian positions by capability and functional area. The Army Audit Agency is auditing compliance with the statutory prohibition of absorbing civilian reductions with contractors without a public/private competition.

Ms. BORDALLO. 9) Do you believe that all contracted services currently procured by the Department of Army are the most cost-effective, appropriate, and risk-averse source of labor?

General BOSTICK. Improvements in acquiring services in the Army are necessary and efforts are underway to make these improvements. The Army is fully committed to acquiring its contracted services in the most cost effective and appropriate manner, with a focus on minimizing risk to the government. The commitment is pervasive throughout the Army as the result of a September 2011 Secretary of the Army-approved Optimization of Army Services Implementation Plan. The Services Implementation Plan implements an oversight and governance structure, establishes clear lines of accountability, and sets minimum standards to meet requirements for services efficiently and affordably. Specifically, this plan establishes increased oversight and a portfolio governance concept, while establishing Commander's accountability for acquiring services. The Army also completed an Army-wide data call for Commands to identify services requirements and cost savings opportunities by portfolio, providing a forecast to enable effective management of services portfolios. Semi-annual Services Forecasts Updates and Quarterly Services Cost Savings Reports give the Army the ability to continuously track projected services acquisition requirements and cost savings. These actions are in effect today and managed by the Assistant Secretary of the Army (Acquisition, Logistics, and Technology) to comprehen-

sively and efficiently meet mission requirements for contracted services. The Army will continue to strengthen oversight of contracted services.

Ms. BORDALLO. 10) What assurances can you give me that, as civilian reductions or hiring freezes are occurring across Army installations, work is not shifting illegally to contract performance?

General BOSTICK. The Deputy Assistant Secretary of the Army for Force Management Manpower Resources issued instructions to the field explaining the law and regulations prohibiting the shifting of work previously performed by civilians to contract performance. To ensure compliance, we have asked Army Audit Agency (AAA) to audit this specific issue to determine the level of compliance.

Ms. BORDALLO. 11) What processes are in place within the Army to ensure the workload associated with reductions being made in the civilian workforce is in fact ceasing, as opposed to being absorbed by other labor sources such as contractors or military personnel?

General BOSTICK. The Deputy Assistant Secretary of the Army for Force Management Manpower and Resources issued instructions to the field explaining the law and regulations prohibiting the shifting of work previously performed by civilians to contract performance. The Assistant Secretary of the Army for Manpower and Reserve Affairs has issued policy on the use of military manpower. We have asked Army Audit Agency (AAA) to audit this specific issue to determine the level of compliance.

Ms. BORDALLO. 12) To what extent have the existing data sets available to Army planners, specifically the annual inventory of inherently governmental and commercial activities, contributed to the functional streamlining, organizational realignments, workforce shaping decisions, and civilian personnel reductions reflected in last year's efficiencies initiative and continued in this year's budget?

General BOSTICK. The annual Inherently Governmental and Commercial Activities (IGCA) Inventory has not been used for the functional streamlining, organizational re-alignments, workforce decisions, and civilian personnel reductions reflected in last year's efficiencies initiative and continued in this year's budget.

Ms. BORDALLO. 13) In achieving the right mix for the Total Force, how does the Department of Army use the annual inventory of inherently governmental and commercial activities, and associated manpower mix determinations, to identify the civilian workforce reductions reflected in the past two budgets?

General BOSTICK. The Army did not use the Inherently Governmental and Commercial Activities Inventory (IGCA) to identify civilian workforce reductions reflected in the last two budgets. The Office of the Secretary of Defense (OSD) Comptroller and OSD Cost Analysis Program Evaluation used infrastructure codes in the program to identify all civilians performing generating force functions (such as support to military training, depot maintenance, acquisition, power projection) as overhead subject to reductions.

Ms. BORDALLO. 14) As efficiencies are being executed across the Department of Army, is the workload and functions associated with those being tracked as eliminated or divested through the annual inventory of functions?

General BOSTICK. The annual Inherently Governmental and Commercial Activities Inventory, which is what we believe was being referred to here, is not used to track workload and functions eliminated or divested. Only the management at the local organizational level has visibility into the functions eliminated as a result of the targeted civilian reductions. Army Audit Agency is reviewing this matter.

Ms. BORDALLO. 15) How does the Navy's budget request for FY13 reconcile with legislative language set forth in Division A, Section 8012 of Consolidated Appropriations Act of 2012 (P.L. 112-74) which states that "... during fiscal year 2012, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength)", and more specifically, that the fiscal year 2013 budget request be prepared and submitted to the Congress as if this provision were effective with regard to fiscal year 2013?

Admiral VAN BUSKIRK. The Department has established projected civilian funding levels based on overall program decreases, and works daily to balance critical mission requirements with fiscal realities. Current manpower targets represent our efforts to manage civilian personnel within FY 2010 funded levels, with some exceptions for critical growth areas such as the acquisition workforce, joint basing, intelligence programs, shipyards, and in-sourcing of security guards. The measures we are implementing with regard to civilian funding levels are consistent with current law, which directs us to manage civilian staffing levels based on expected workload and funding. An inevitable consequence of this is the use of common management

tools, such as man hours and full time equivalents (FTE), in budgeting and planning. Our procedures allow for the adjustment of budgeted targets in light of unanticipated programmatic and fiscal realities.

Ms. BORDALLO. 16) President Obama has made reducing reliance on contractors and rebalancing the workforce a major management initiative of his Administration. In your opinion, given the restrictions on the size of your civilian workforce imposed by the Office of the Secretary of Defense, does the Navy's FY13 budget request reflect an appropriately balanced workforce across all major capabilities, functional areas, and requirements?

Admiral VAN BUSKIRK. The size of the civilian workforce is a function of the funded workload required to accomplish the Department of the Navy mission. When Department managers make decisions, they strive, consistent with legal requirements, to balance mission priorities, workload, and fiscal realities. The Department of the Navy has been very aggressive in reducing reliance on contractors, particularly service support and advisory and assistance contracts. From the FY 2010 budget request, funding has decreased 25%, from \$4.5 billion to \$3.3 billion, for these types of contracts.

However, the Department has increased funding for maintenance contracts, such as ship, facilities, equipment, and aircrafts, in order to sustain and maintain our force structure and infrastructure for the future. Since FY 2010, funding for maintenance contracts has grown from \$6.6 billion to \$10.3 billion. In some cases, the Navy does not have the organic capability to perform the required work and must partner with the private sector to accomplish this critical maintenance. An example of this is the inactivation of USS ENTERPRISE, which drives nearly \$1 billion of the increase since FY 2010. We are continuing our in-sourcing and acquisition initiatives, to the greatest extent possible, and work diligently to maintain an appropriately balanced workforce of civilians and contractors.

Ms. BORDALLO. 17) Do you believe that all contracted services currently procured by the Navy are the most cost-effective, appropriate, and risk-averse source of labor?

Admiral VAN BUSKIRK. While most of the Department of the Navy's (DON) contracted services are cost-effective, appropriate, and risk-averse, DON has appointed a Senior Services Manager (SSM) to develop processes and oversee evaluation of contracted services to identify and correct those that do not meet the above criteria. Additionally, the SSM is executing process improvement initiatives designed to implement and execute services acquisition efficiencies described in the Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)) memo titled "Better Buying Power, Guidance for Obtaining Greater Efficiency and Productivity in Defense Spending", dated September 14, 2010.

The SSM is engaged in improving services acquisition through (but not limited to):—Requirements validation—Improved Requirements Definition—Improved Oversight (Management and Oversight Process for the Acquisition of Services (MOPAS2))—Services Contracts Forecasting—Increased development/use of tools, templates and best practices—Organizational Health Assessments regarding services acquisition—Policy—Robust Spend Analysis (using DOD Services Portfolio Taxonomy)—Market/Business Intelligence—Strategic Sourcing

DON has piloted, and is implementing DON-wide, a Services Requirements Review to establish a uniform review to identify, forecast, validate, assess, plan, and monitor service acquisitions across the Department to ensure the acquisitions are cost-effective, appropriate, and efficient. The review is an integral part of DON's comprehensive implementation of Section 863 of the National Defense Authorization Act for Fiscal Year 2011.

Ms. BORDALLO. 18) What assurances can you give me that, as civilian reductions or hiring freezes are occurring across Navy installations, work is not shifting illegally to contract performance?

Admiral VAN BUSKIRK. The Department of the Navy adheres to the guidelines as set forth in 10 USC Section 2461, which generally provides at (a) (1), "No function of the Department of Defense performed by Department of Defense civilian employees may be converted, in whole or in part, to performance by contractor unless the conversion is based on the results of public-private competition . . ." and 10 USC 2463 provides guidelines and procedures for use of civilian employees to ensure compliance with legislative requirements concerning the use of contracted services.

To manage contracted services oversight, which includes managing appropriate contractor application, the DON established the Senior Services Manager Organization (SSM) within DASN (Acquisition and Procurement) to focus on the following when contracting for services:—Improved Requirements Definition—Improved Oversight (Management and Oversight Process for the Acquisition of Services (MOPAS2))—Increased development/use of tools, templates and best practices—Or-



ganizational Health Assessments regarding services acquisition—Policy—Robust Spend Analysis

The SSM is also engaged with DON and OSD stakeholders to become compliant with 10 USC 2330a (Inventory of Contracts for Services), which requires the DON to complete a review of the inventory to identify any inherently governmental or closely associated with inherently governmental functions being performed by contractors and remediate as required.

Ms. BORDALLO. 19) What processes are in place within the Navy to ensure the workload associated with reductions being made in the civilian workforce is in fact ceasing, as opposed to being absorbed by other labor sources such as contractors or military personnel?

Admiral VAN BUSKIRK. Managers within the Navy strive for the most effective utilization of its human resources by balancing and assigning workload based on validated manpower requirements. DON reduction in civilian workforce has been based on process improvements and/or workload reduction. Transfer of work from government personnel to contractor performance cannot be done without a public-private competition. Recent efficiency reviews monitored levels of the Total Force mix to identify and assess trends. In addition, the DON adheres to the DODI 1100.22, which provides workforce mix guidance to assess instances where human capital shortages and excesses are identified and to align manning levels to achieve a more effective and efficient division of labor.

Ms. BORDALLO. 20) To what extent have the existing data sets available to Navy planners, specifically the annual inventory of inherently governmental and commercial activities, contributed to the functional streamlining, organizational realignments, workforce shaping decisions, and civilian personnel reductions reflected in last year's efficiencies initiative and continued in this year's budget?

Admiral VAN BUSKIRK. The annual inventory of Inherently Government and Commercial Activities and the Inventory of Contracted Services are two of the tools used by department leadership to make human resource and workforce shaping decisions and implement functional streamlining and organizational realignments. The data sets contained within the inventory are used in varying degrees to influence decision-making as we continue to better integrate our Total Force.

All of the resources reduced from DON overhead within functional streamlining, organizational realignments, and workforce shaping reported in the FY 2012 President's Budget request, have remained intact through the FY 2013 budget review.

Ms. BORDALLO. 21) In achieving the right mix for the Total Force, how does the Navy use the annual inventory of inherently governmental and commercial activities, and associated manpower mix determinations, to identify the civilian workforce reductions reflected in the past two budgets?

Admiral VAN BUSKIRK. The Department of the Navy uses the inventory to influence workforce shaping and other manpower and manning decisions as we continue to better integrate our Total Force and comply with the general policy for Total Force management.

Ms. BORDALLO. 22) As efficiencies are being executed across the Navy, is the workload and functions associated with those being tracked as eliminated or divested through the annual inventory of functions?

Admiral VAN BUSKIRK. The Department of the Navy (DON) is committed to tracking efficiencies and ensuring impact to the warfighter, capabilities, and missions is minimized. To accomplish this, the DON continues to leverage existing processes and forums to inform risk management and execution. At the senior-level, the DON continues to utilize two major governing bodies to ensure leadership has the wherewithal to interact on a timely and meaningful basis with those responsible for execution. At the subordinate-level, individual entities within DON continue to manage and document processes and requirements. Overall, this approach is iterative and will continue to inform the way ahead as plans mature. To date, this structure is generating the results needed to successfully track and manage efficiencies.

Ms. BORDALLO. 23) What progress has been made with the requirement from the FY11 appropriations to allocate \$2 million dollars for the development of the Army's Contractor Manpower Reporting System for the Navy?

Admiral VAN BUSKIRK. The Department of Navy (DON) is executing the development of, and is on schedule to meet, the October 2012 initial operational capability detailed in the DON plan dated October 31, 2011. DON has made the \$2M available and is executing the plan into two phases.

Phase 1 completed the technical evaluation of the Army system and developed a performance-based statement-of-work to address required programming changes and database-hosting issues regarding implementation execution in February 2012. Outputs of the first phase included implementation requirements and the associated costs/Independent Government Estimate supporting the second phase.

Phase 2 is underway with two specific focus areas: manipulation of the Army code, and development of the necessary processes for secure hosting and information technology (IT) security. The data programming changes, and testing, necessary to map/use DON data in the Army system's framework code are to be executed by an 8(a) vendor over the next few months (late Spring—early Summer 2012). Concurrently, hosting and IT security arrangements are being developed to provide the proper authority to host, operate, and connect the system to the network.

Ms. BORDALLO. 24) In your prepared statement, you indicated that a full review of the Total Force was conducted in late 2010. To what extent did your inventory of contracts for services contribute to that review?

Ms. MURRAY. The total force review in 2010 did not include a review of service contracts. The Army's contractor tracking system is being evaluated for use/implementation within the Department of the Navy.

Ms. BORDALLO. 25) You stated that you needed to define civilian workforce requirements to meet civilian budget reductions? That seems to be budget-driven strategy, as opposed to strategy-driven budgeting. What requirements did you not execute as a result of these reductions?

Ms. MURRAY. The budget reductions necessitated a strategic review of civilian requirements which is on-going. This includes a review of the workload to determine whether our civilian assets are aligned with the mission and performing functions necessary in a post OEF environment. Marine Corps commands have not identified the inability to execute any requirements to date.

Ms. BORDALLO. 26) You indicated that the Marine Corps implemented a hiring freeze while worked was prioritized and defined. During that time, where Marine Corps contract actions also suspended? How many contracts for services were extended or options exercised during this time period?

Ms. MURRAY. Marine Corps contract actions were not suspended; however, during the freeze, commands were prohibited from entering into new contracts to fill the gap as a result of vacant civilian positions. We are unable to determine how many service contracts were extended during the hiring freeze.

Ms. BORDALLO. 27) You stated the Marine Corps has reduced civilian levels to meet targets. How do you reconcile that statement with the statutory prohibition against managing to mandated levels?

Ms. MURRAY. The Marine Corps is aware of the prohibition against managing to mandated levels as stipulated in 10 USC Section 129. The Marine Corps restrained growth by establishing budgetary targets (not end strength targets) consistent with current fiscal realities.

Ms. BORDALLO. 28) How does the Marine Corps' budget request for FY13 reconcile with legislative language set forth in Division A, Section 8012 of Consolidated Appropriations Act of 2012 (P.L. 112-74) which states that "... during fiscal year 2012, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength)", and more specifically, that the fiscal year 2013 budget request be prepared and submitted to the Congress as if this provision were effective with regard to fiscal year 2013?

Ms. MURRAY. The Marine Corps has restrained growth by establishing budgetary targets (not end strength targets) consistent with current fiscal realities. Civilian personnel are not managed on the basis of end-strength.

Ms. BORDALLO. 29) President Obama has made reducing reliance on contractors and rebalancing the workforce a major management initiative of his Administration. In your opinion, given the restrictions on the size of your civilian workforce imposed by the Office of the Secretary of Defense, does the Marine Corps' FY13 budget request reflect an appropriately balanced workforce across all major capabilities, functional areas, and requirements?

Ms. MURRAY. This will be difficult to answer until all reductions are levied by OSD. At that time, the Marine Corps will have fully implemented Strategic Total Force Management and Planning which will require a determination of the appropriate workforce mix.

Ms. BORDALLO. 30) Do you believe that all contracted services currently procured by the Marine Corps are the most cost-effective, appropriate, and risk-averse source of labor?

Ms. MURRAY. Marine Corps leadership is in the initial stages of developing a methodology for reviewing and assessing the cost effectiveness and appropriateness of service contracts. Department of the Navy implementation of the Army's tool to track contractors will aid tremendously in this effort.

Ms. BORDALLO. 31) What assurances can you give me that, as civilian reductions or hiring freezes are occurring across Marine Corps installations, work is not shifting illegally to contract performance?

Ms. MURRAY. The Marine Corps ensured subordinate commands are aware of the restriction on converting any work currently performed, or designated for performance, by any number of civilian personnel to private sector (contract) work as required by OMB. These restrictions were recently reaffirmed in an OSD memorandum of 8 March 2012. Any alleged violation will be investigated immediately.

Ms. BORDALLO. 32) What processes are in place within the Marine Corps to ensure the workload associated with reductions being made in the civilian workforce is in fact ceasing, as opposed to being absorbed by other labor sources such as contractors or military personnel?

Ms. MURRAY. The Marine Corps has restrained growth in the civilian workforce consistent with current fiscal realities through a hiring freeze that enabled us to prioritize requirements and align resources with capabilities. Subordinate commands are aware of the restriction on converting any work currently performed, or designated for performance, by any number of civilian personnel to private sector (contract) work as required by OMB.

Ms. BORDALLO. 33) To what extent have the existing data sets available to Marine Corps planners, specifically the annual inventory of inherently governmental and commercial activities, contributed to the functional streamlining, organizational realignments, workforce shaping decisions, and civilian personnel reductions reflected in last year's efficiencies initiative and continued in this year's budget?

Ms. MURRAY. The Marine Corps has not experienced personnel reductions but has restrained growth consistent with current fiscal realities. The inventory of inherently governmental and commercial activities will be utilized when the Marine Corps fully implements Strategic Total Force Management and Planning.

Ms. BORDALLO. 34) In achieving the right mix for the Total Force, how does the Marine Corps use the annual inventory of inherently governmental and commercial activities, and associated manpower mix determinations, to identify the civilian workforce reductions reflected in the past two budgets?

Ms. MURRAY. The Marine Corps has not experienced personnel reductions but has restrained growth consistent with current fiscal realities. The inventory of inherently governmental and commercial activities and other workforce mix determinations will be utilized when the Marine Corps fully implements Strategic Total Force Management and Planning.

Ms. BORDALLO. 35) As efficiencies are being executed across the Marine Corps, is the workload and functions associated with those being tracked as eliminated or divested through the annual inventory of functions?

Ms. MURRAY. As missions and workloads change within the Marine Corps, new billets within the affected commands are added and deleted based on new requirements. This eliminates the requirement for review during the annual Inherently Governmental Inventory.

Ms. BORDALLO. 36) How does the Department of Air Force's budget request for FY13 reconcile with legislative language set forth in Division A, Section 8012 of Consolidated Appropriations Act of 2012 (P.L. 112-74) which states that "... during fiscal year 2012, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength)", and more specifically, that the fiscal year 2013 budget request be prepared and submitted to the Congress as if this provision were effective with regard to fiscal year 2013?

General JONES. The Air Force does not manage its civilian workforce by any constraint or limitation in terms of man-years, end-strength, fulltime equivalent positions, or maximum number of employees. Based on fiscal constraints, OSD-directed civilian workforce budgetary targets for fiscal year 2012 achieved through strategic reviews to improve business operations, streamline administrative functions, and eliminate low-priority/overhead functions and expenses. For the fiscal year 2013 (FY13) budget request, the Air Force determined the best workforce mix based on the most-efficient and cost-effective means to perform the Air Force mission. The FY13 budget request also accounted for budget constraints while at the same time returning a flexible, agile, and ready workforce.

Ms. BORDALLO. 37) President Obama has made reducing reliance on contractors and rebalancing the workforce a major management initiative of his Administration. In your opinion, given the restrictions on the size of your civilian workforce imposed by the Office of the Secretary of Defense, does the Air Force's FY13 budget request

reflect an appropriately balanced workforce across all major capabilities, functional areas, and requirements?

General JONES. The FY13 budget request reflects an appropriately balanced workforce that meets required budget reductions that preserves readiness while avoiding a hollow force. The Air Force's "sourcing" of functions and work between military, civilian, and contracted services must be consistent with workload requirements, funding availability, readiness and management needs, as well as applicable laws and statute. The fiscal year 2013 budget request reflects our best judgment today and represents a carefully coordinated approach based on the Department of Defense's strategy and policy that balances operational needs and fiscal reality. The Air Force remains committed to meeting its statutory obligations to annually review missions, functions, and workforce composition, including reliance on contracted services, and to ensure the workforce is appropriately balanced and aligned to our most critical priorities.

Ms. BORDALLO. 38) Do you believe that all contracted services currently procured by the Department of Air Force are the most cost-effective, appropriate, and risk-averse source of labor?

General JONES. The Air Force's "sourcing" of functions and work between military, civilian, and contracted services must be consistent with workload requirements, funding availability, readiness and management needs, as well as applicable laws and statute. The fiscal year 2013 budget request reflects our best judgment today and represents a carefully coordinated approach based on the Department of Defense's strategy and policy that balances operational needs and fiscal reality. The Air Force remains committed to meeting its statutory obligations to annually review missions, functions, and workforce composition, including reliance on contracted services, and to ensure the workforce is appropriately balanced and aligned to our most critical priorities.

Ms. BORDALLO. 39) What assurances can you give me that, as civilian reductions or hiring freezes are occurring across Air Force installations, work is not shifting illegally to contract performance?

General JONES. We are tracking, on a monthly basis, our use of support contractors performing knowledge based services, service support contractors, management support services, and advisory studies to ensure that we achieve already planned/programmed reductions. These actions, coupled with the current monthly tracking of the financial obligations of contract usage, facilitate prevention of inappropriate migration of workload from organic to contract support. In addition, we worked closely with USD (P&R) who developed a memo dated 1 Dec 2011 Prohibition on Converting Certain Functions to Contract Performance. The basic intent of this memo was to inform leadership at all levels and to reiterate the need to be cognizant of not converting work performed by organic personnel to contract performance.

Ms. BORDALLO. 40) What processes are in place within the Air Force to ensure the workload associated with reductions being made in the civilian workforce is in fact ceasing, as opposed to being absorbed by other labor sources such as contractors or military personnel?

General JONES. The main process is the AF's planning, programming, and budget execution process. The Air Force conducted a comprehensive strategic review to increase efficiency, reduce overhead, and eliminate redundancy while preserving or growing the most critical mission areas in our civilian workforce. This force mix determination will be reviewed annually as we submit our president's budget submission to ensure that we maintain the most-efficient and cost-effective means to perform the Air Force mission, taking into account current budget realities.

Ms. BORDALLO. 41) To what extent have the existing data sets available to Air Force planners, specifically the annual inventory of inherently governmental and commercial activities, contributed to the functional streamlining, organizational realignments, workforce shaping decisions, and civilian personnel reductions reflected in last year's efficiencies initiative and continued in this year's budget?

General JONES. The efficiencies initiatives began under Secretary Gates, and continued in this year's budget, were implemented based on guidance to conduct organizational assessments and mission/function prioritization. This guidance required the Air Force to: baseline our organizations; assess and prioritize missions; eliminate duplication; ensure workload distribution; and submit recommendations for organization restructuring and reallocation of manpower, including workforce reductions.

While the guidance did not specifically require DOD components to use their annual inventory of inherently governmental and commercial activities, it is one of many data sets and workload quantification sources that the Air Force utilizes during the planning, programming, and budget execution process.

Ms. BORDALLO. 42) In achieving the right mix for the Total Force, how does the Department of Air Force use the annual inventory of inherently governmental and commercial activities, and associated manpower mix determinations, to identify the civilian workforce reductions reflected in the past two budgets?

General JONES. The Air Force conducted a comprehensive strategic manpower review to size civilian workload contained in our past two budgets with the goal to increase efficiency, reduce overhead, and eliminate redundancy while preserving or growing the most critical mission areas—not necessarily the IGCA review. However, the Air Force continually refines our Total Force skill mix to include civil servants and contractors, to determine the most appropriate, efficient, and cost-effective means of performing Air Force missions. As outlined in Department of Defense Instruction, 1100.22, “Policy and Procedures for Determining Workforce Mix”, as well as Federal Acquisition Regulations 7.5, Defense Federal Acquisition Regulation 207.5, and Air Force Instruction, 38–204, Programming USAF Manpower, the Air Force adheres to the overarching guidance regarding workforce mix determination. Also, the Air Force annually performs a comprehensive annual Inherently Governmental and Commercial Activities review to ensure it has the proper work force mix. This review categorizes all organically performed work as either an inherently governmental function (which must be performed by organic personnel) or a commercial activity (could be performed by organic or contractor support).

Ms. BORDALLO. 43) As efficiencies are being executed across the Department of Air Force, is the workload and functions associated with those being tracked as eliminated or divested through the annual inventory of functions?

General JONES. The annual Inherently Governmental and Commercial Activity review is not currently utilized to track eliminated or divested functions, but rather, identifies current positions that are either inherently governmental or a commercial activity in nature. As efficiencies are realized, government positions identified with performing those functions are removed from unit manning documents. Contractor reductions associated with efficiencies are tracked via a combination of financial commitments and organization surveys.

Ms. BORDALLO. 44) What progress has been made with the requirement from the FY11 appropriations to allocate \$2 million dollars for the development of the Army’s Contractor Manpower Reporting System for the Air Force?

General JONES. The Air Force continues to work closely with OUSD(C), OUSD (P&R), and OUSD (AT&L) to fulfill contractor accounting mandated by Congress. Section 8108 of Public Law 112–10, the Department of Defense and Full-Year Continuing Appropriations Act 2011, required the Air Force to set aside no less than \$2M to implement the Army’s Contractor Manpower Reporting Application with service specific requirements to document the number of full-time contractor employees. We have defined the system requirements; created a beta version of the technical solution to capture these requirements; and have developed the appropriate mechanism to direct all AF contractors to provide these requirements. However, two major hurdles arose during this development that must be rectified soon if we are going to make our projected timeline of 1 Oct 12 to start collecting FY12 service contractor information:

Technical Solution Certification and Approval—We have been working extensively with the Army to implement their existing system for the AF’s use. Our current plan is to initially house this system on the Army’s server so that we are covered by the current Army CMRA until the Air Force has proper certifications to transfer the CMRA program to Air Force servers.

Approval to Incorporate Reporting Requirement in Contracts—The DOD requested emergency processing and approval of a public information collection requirement on 16 Dec 11. This was answered on 7 Feb 12 with the Federal Register Notice Announcement that required a full 60-day comment period for our data collection plan with respect to the inventory of contracts for services. We are not expecting a final decision until May 2012 at the earliest regarding this request.

**QUESTION SUBMITTED BY MR. LOEBSACK**

Mr. LOEBSACK. 45) What steps are being taken to ensure that the Air Force personnel who will have their billets eliminated have access to assistance such as early retirement, placement options with other units, and transition assistance? Do you need legislative authority in order to be able to offer comprehensive assistance to these National Guard and Reserve Airmen who will have their billets eliminated? How and when will the Airmen who will see their billets eliminated in FY 2013 be able to access this assistance, especially if the Air Force requires legislative authority through the FY 2013 National Defense Authorization Act in order to offer these benefits?

General JONES. From an active component perspective, Air Force force management programs size and shape the force to meet congressionally mandated end strength. Our multi-year strategy is focused on managing the force along the 30-year continuum of service. This strategy has allowed the Air Force to leverage voluntary measures first, offer incentivized programs where needed, and implement involuntary measures as required to yield a high quality active component force.

The active component has early retirement authorities that were granted in the FY12 NDAA. We are using the Temporary Early Retirement Authority (TERA) to encourage voluntary losses within the enlisted force—Airmen with 15–19 years of service in the grades of Staff Sergeant through Master Sergeant in overmanned Air Force Specialties. This targeted approach will size and shape the force to end-strength requirements and the skills needed today and into the future.

The Air National Guard is currently pursuing three Force Shaping legislative proposals through the FY13 legislative process to support the FY13 changes in ANG missions and end strength—all of which have been transmitted to Congress by the Office of Secretary of Defense. The first proposal would allow members of the Selected Reserve to qualify for non-regular service retirement with 15, rather than 20, creditable years of reserve service. The FY 12 NDAA provided this authority for active component members. The second proposal, Section 702 of the House Armed Services Committee's NDAA would extend the eligibility of members of the Selected Reserve for TRICARE Reserve Select and TRICARE dental insurance for 180 days at the discounted rate for members of the Selected Reserve that are involuntarily separated without cause due to end-strength reductions or force management actions. And the third proposal would establish a new category of eligibility for military permanent change of station moves of family and household goods—traditional reservists displaced by force draw downs that are hired to fill a bona fide traditional unit vacancy in another reserve unit somewhere else in the country.

These benefits would be available for Guard and Reserve Airmen upon approval of Congress. Access and assistance in leveraging these benefits will be available through support mechanisms already in place whether the Airmen are collocated with active component units or reserve units are geographically separated. The Air Force is committed to ensuring a smooth transition to civilian life for our Airmen who can no longer serve in uniform.

