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BUILDING A F.A.S.T. FORCE: A FLEXIBLE PERSONNEL SYSTEM FOR A MODERN MILITARY

HEARING

BEFORE THE

SUBCOMMITTEE ON PERSONNEL

OF THE

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

ONE HUNDRED FIFTEENTH CONGRESS

FIRST SESSION

MAY 3, 2017

Printed for the use of the Committee on Armed Services

Available via http://www.govinfo.gov/

U.S. GOVERNMENT PUBLISHING OFFICE
38–452 PDF WASHINGTON : 2019

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BUILDING A F.A.S.T. FORCE: A FLEXIBLE PERSONNEL SYSTEM FOR A MODERN MILITARY

WEDNESDAY, MAY 3, 2017

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

The subcommittee met, pursuant to notice, at 2:30 p.m. in Room SR–232–A, Russell Senate Office Building, Senator Thom Tillis (chairman of the subcommittee) presiding.

Committee Members present: Senators Tillis, Ernst, Gillibrand, McCaskill, and Warren.

OPENING STATEMENT OF SENATOR THOM TILLIS

Senator TILLIS. I want to call the hearing to order.

The Senate Armed Services Committee will, first off, welcome everyone. Thank you for coming.

The Senate Armed Services Subcommittee on Personnel meets this afternoon to discuss the findings and recommendations of the Bipartisan Policy Center's Task Force on Defense Personnel Reform.

Today we welcome a distinguished panel of witnesses representing the task force: Senator Jim Talent, former senator from the great state of Missouri; Ms. Kathy Roth-Douquet, CEO [chief executive officer] of Blue Star Families, welcome back; and Major General Punaro, former Staff Director for the Senate Armed Services Committee. Welcome back.

The Bipartisan Policy Center established a task force led by co-chairs Secretary Leon Panetta, Senator Jim Talent, General Jim Jones, and Ms. Kathy Roth-Douquet, to assess the Nation's imperative to improve Defense personnel systems to better meet unpredictable future national security needs.

Prior to establishing a final report, the 25-member task force published a series of white papers examining the strengths and weaknesses of Defense personnel policies and practices, and in March 2017 the task force published its final report, "Building a F.A.S.T. Force: A Flexible Personnel System for a Modern Military." This comprehensive report included 39 distinct recommendations that will provide a fully engaged, adaptable, sustainable, and technically proficient force of the future.

The Senate Armed Services Committee and the subcommittee in particular have been focusing on reforms aimed at developing more

flexibility and permeability in the military and civilian personnel systems. This discussion today will continue these efforts.

I want to recognize the extremely valuable work of the task force and also thank the witnesses for being here today. I look forward to hearing your testimony and the questions that follow.

Senator Gillibrand, welcome to the committee as Ranking Member. Would you like to make any comments?

STATEMENT OF SENATOR KIRSTEN GILLIBRAND

Senator GILLIBRAND. Thank you, Senator Tillis. I join you in welcoming our witnesses today. As we learn more about the report and recommendations of the task force, I agree that it's important for us to carefully examine the Department of Defense's (DOD) military and civilian personnel systems to ensure that they meet the needs of our 21st Century workforce.

For more than 40 years, we've depended on volunteers to defend our Nation. Those who are serving our military today and their families are serving because they choose to do so, not because they're required to serve. In that time, our country, our economy, and the nature of the threats we face have all changed significantly.

The military personnel system that supports this All-Volunteer Force has served us well, but it has not kept pace with the changes in society. We don't need to completely replace the current system, but we should and will carefully examine it to see where it can be updated and improved. It's essential that our All-Volunteer Force is recruited and managed and retained with 21st Century tools that address the needs of this generation of servicemembers and families.

The task force produced a series of analytical papers and examined the strengths and shortcomings of current personnel policies and practices and made 39 specific recommendations to improve the personnel system. While all 39 recommendations warrant careful study and analysis, there are a few areas I'd like to address today at this hearing.

I'm particularly interested in how we can best serve our military families. We all know that families play a critical part in the servicemember's readiness and his or her decision to stay in or leave the military. I would like to hear from you today about making it easier for military spouses to find and sustain a career, especially when relocating, improving access to and quality of Defense Department-provided childcare services, and creating on-base childcare coordinators to advocate for military families in the local community, and to build private-public childcare partnerships.

Another area I'm very interested in hearing about is how to build and support a flexible cyber workforce with the highly skilled specialized skills that are necessary to handle the growing cyber mission.

I'd like to hear about the continuum of service that would make it easier to repeatedly transition between Active, Guard, and Reserve components; expansion of lateral entry authority to allow mid-career civilians to enter the military at higher ranks; and the expansion of the Reserve Officer Training Corps program to all lev-

els of higher education to include post-graduate and community college students.

Finally, I'm curious about your recommendations that encourage creation of technical non-command career track for certain officers.

In last year's NDAA [National Defense Authorization Act], I worked on developing military justice expertise among our judges and advocates. One area that I asked the Department to look at was additional O–4 to O–6 positions that would allow officers to specialize, be it in military justice or in cyber.

Again, thank you to the witnesses, and I look forward to hearing about your recommendations.

Senator TILLIS. Thank you.

Senator Ernst, would you like to say anything before we move to the testimony?

Senator ERNST. I'd just like to thank our witnesses for being here today.

Senator TILLIS. Well, thank you.

I look forward to all your opening comments.

We'll begin with Senator Talent.

STATEMENT OF SENATOR JAMES M. TALENT, CO–CHAIR, BIPARTISAN POLICY CENTER TASK FORCE ON DEFENSE PERSONNEL

Senator TALENT. I thank you, Mr. Chairman. I thank the Ranking Member. Her comments stated the theme of our report. I'll go ahead and give the opening statement anyway and struggle along without my reading glasses.

We're very pleased with how the subcommittee and the committee have focused on personnel issues, and we're grateful for the opportunity to talk about our task force report in this hearing.

The foundation of America's military strength is the quality and morale of the men and women who have chosen to service. We on the task force are grateful, as we know you are, to all those who volunteer for the Armed Forces. It's their dedication and their sacrifice that, in a world of growing risk, keeps our country and our people safe.

Yet, we can't take the strength and the quality of our servicemen and women for granted. We have to recruit and keep the best people with the most cutting-edge capabilities going forward, and as you all know, that's already a problem. The Air Force is 1,500 short in terms of pilots. The Navy is struggling to maintain nuclear-qualified officers. The Marines are short in their sniper scout capabilities. All the branches are struggling to build and maintain new cyber units, which Senator Gillibrand mentioned.

The military must also, going forward, engage the entirety of American society, and that's a problem too. The military is becoming a kind of family business. About 80 percent of today's recruits come from a military family. About half of them come from the South. The Northeast is severely underrepresented in that, and as far as we can tell and as far as we were able to determine in our deliberations, it's not because young people are opposed to service in the military; it's because they've never really engaged with the idea. We think that's largely because the Department is not doing

as good a job as it should of engaging with them on a broad spectrum.

So those problems are the tip of an iceberg that we're concerned are going to keep getting bigger and bigger unless we act. The underlying problem, as the Ranking Member said, is that the current military personnel system was developed in World War II. It was refined for the Cold War, and that was a time when war, which while it certainly was not simple, was not as complex as it is today, and that was a time when American society was very different than it is today.

In 1960, only 25 percent of married couples in the country had two income earners. Today it's 60 percent. So American families have come to rely on two incomes, and it's difficult to maintain two incomes in a military family if you're the second wage earner and your spouse is moving every 1 or 2 years and you don't even know where they're going to be going.

The post-World War II period saw hardly any women in uniform. Today, 15 percent, thankfully, of our servicemembers are female, and they're serving in virtually every military specialty. Sixty years ago, few servicemembers were married. Today, over half of servicemembers are married, and 41 percent of them have children, and 20 percent of the females on Active Duty are married to somebody else on Active Duty, which presents its own unique challenges when it comes to balancing family with military demands.

So going forward, if the military is going to recruit and retain a volunteer force with the necessary skills, it needs to do two things. It needs to recruit, assign, and promote in a way that develops and retains value across a wide range of skills, including the highly technical skills; and it needs to better accommodate the evolution of American society and the American family, and it needs to do those things without sacrificing the aspects of the system that are working well.

So we want to examine those challenges. We formed a task force of 25 members that come from all different backgrounds, from the military or former military, like the General, former public officials like me, really powerful advocates for families like Kathy, and people from medicine and the law. We began. We examined the threats, the likely needs of the Department going forward. We had a number of focus groups and listened to people all throughout the services. All of them supported, by the way, strong personnel reform.

Our report offers 39 recommendations. I'm not going to try to go through them all now. They cover the waterfront. I would say that if you think about them as coming in four categories, it might be useful for you: recruiting, assignments, promotion, and career progression. That covers a lot of the recommendations. The military lifestyle or accommodating military personnel policies to the military family; and then reform of compensation and services. We think we can have a compensation package that is more affordable, but also more satisfying to military servicemembers.

I'll just close. In our written statement we recommend five changes you could do if you were of a mind to in this year's NDAA.

Expand lateral entry—Senator Gillibrand touched upon that—to allow more mid-career civilians to enter the military at higher

ranks and on flexible terms. Of course, the military already does this. But to reach out into the civilian workforce, pull people out mid-career to help with particular specialties, whether it's military justice or cyber or finance or engineering.

Improve our recruiting efforts, and we've really tried to highlight this by coming up with a common e-application form, because young people, of course, live online. If we had one form, it would enable the Services to work together rather than competing as much and make the whole process more accessible to young people.

We recommend enhancing and expanding the Selective Service System to include all young American adults, and also at the time that these young people register, we recommend having them take the military aptitude test. This is so that we can engage. It's an access point that already exists where the military can engage, the Armed Forces can engage with people and they can engage with the Armed Forces, and we can develop an inventory of skills so that we can reach out on an individualized basis and recruit.

Finally, improve access to and the quality of the Department's childcare services. Kathy, I'm sure, will want to talk more about this. This is a very important thing for military families. The childcare centers are good where we have them, but we don't have enough, and there are long waiting lists, so we need more of them. But we also need some flexibility in order to help military families with other kinds of arrangements that may be available in the places where they're posted.

I don't know if I went over the 5 minutes. Secretary Panetta and General Jones send their regards to the committee and their regrets that they couldn't be here. We are happy to be here, and we're looking forward to your questions. Thank you, Mr. Chairman.

Senator TILLIS. Thank you, Senator.

Ms. Roth-Douquet?

STATEMENT OF KATHY ROTH–DOUQUET, CO–CHAIR, BIPARTISAN POLICY CENTER TASK FORCE ON DEFENSE PERSONNEL

Ms. ROTH-DOUQUET. Thank you. I appreciate the comments of Senator Talent and agree with all of them. The only thing I would like to mention is that the currently serving force, as you know, Active Duty, Guard, and Reserve and their families, they love their mission and they love their service. There are things that make continuing to serve extremely difficult for them, and they don't help national security.

In many ways, our current personnel system is a little bit like trying to do your job in a straightjacket. It doesn't help anybody. When our members hear that this committee, that you senators are willing to look at and take on this issue, they are tremendously excited and motivated because they know this is a very arcane topic. It's hard for Americans to understand that there are things about the way our day-to-day lives are managed that make it difficult to do our job and that interfere with our missions and have nothing to do with what's going on in Syria and North Korea.

The missions don't deter us. The inability to have a say in stewarding our own careers as a family do, and the difficulty of

having the whole person engaged in their career in the military, the whole person being someone who has a family.

So we are very grateful to have you hear us talk about this, and that in itself is a huge benefit, and we look forward to the rest of this conversation.

[The joint prepared statement of Senator Talent, Ms. Kathy Roth-Douquet, and Major General Arnold Punaro follows:]

JOINT PREPARED STATEMENT BY SENATOR JAMES TALENT, MS. KATHY ROTH-DOUQUET, AND MAJOR GENERAL ARNOLD PUNARO

Good afternoon Chairman Tillis, Ranking Member Gillibrand and members of the committee. Thank you for inviting us here to discuss the Bipartisan Policy Center's Task Force on Defense Personnel.

The foundation of U.S. military power is the quality and morale of the men and women who have chosen to serve the Nation—in and out of uniform. This fact is especially true after more than 15 years of conflict and heightened risks for the Nation. Meeting these challenges has led to frequent deployments in what remains a challenging global security environment.

The Nation and its leaders must not take our strength for granted. We fear our military lacks the capability to attract, use, and keep the unconventional, technical, and cutting-edge talents and skills that it needs to meet future threats and new realities. We must meet rapidly evolving and unpredictable national security challenges ahead. More than ever, the U.S. military must fully engage the entirety of American society, not only to expand the military's access to talent, but to also reconnect the Nation to its military. The highly capable men and women needed for an all-professional force will always have out-of-uniform career opportunities; the United States must ensure that national service remains a compelling calling and creates a sustainable lifestyle for individuals and families.

While the military personnel system has many strengths, we have all seen cases where it serves as a barrier to readiness and performance. Further, as American society has changed substantially since the post-World War II era—in which the modern military personnel system was shaped—the adverse impacts on military families are increasing. While our research and experience suggests that American servicemembers and military families are more than willing to make sacrifices to achieve the mission, many of the negative impacts these members and families endure are unnecessary for national security needs. The problems the military faces today with recruiting and retention are a consequence of legacy policies that need updating in ways that many other organizations have successfully implemented.

To examine these challenges, the Bipartisan Policy Center launched the Task Force on Defense Personnel. Over the last year, our 25-member task force carefully reviewed the issues confronting our military, our troops, and their families. We started our effort by looking at the threats facing our Nation and the capabilities our military needs to counter them. Only after we had answered those two questions did we begin crafting our policy recommendations. The reforms we're advocating will help ensure our military is prepared for the complex global security environment ahead.

Members of the task force possess considerable expertise on all matters related to defense personnel management. They have a variety of backgrounds and relevant experience, including former elected and appointed officials with congressional, White House, Pentagon, and other cabinet-level agency experience; former servicemembers (enlisted, officers, Active, and Reserve); and private-sector experience in business, medicine, higher education, nonprofits, and as advocates for servicemembers and military families.

As part of our research, we organized several focus groups with the military community. This afforded us a deeper understanding of the impact of personnel policy on servicemembers and their families. We heard from officers, enlisted, and warrant officers from every branch of service, both Active and Reserve. We also spoke with their families. Nearly everyone told us they strongly supported major reform of the personnel system. They expressed growing concern that today's military lifestyle harms recruiting and retention for the next generation of servicemembers.

Our deliberations were not easy. Task force members came with diverse viewpoints and strongly held beliefs, some of which were challenging to reconcile. Nonetheless, the entire task force believes that, as a package, our recommendations would significantly improve current defense personnel policy and build a stronger military.

THE PROBLEM

National security needs must drive defense personnel policy to build a military well-positioned to advance the Nation's interests. Since the threats facing the Nation continuously evolve, military recruitment, retention, and management policies must continuously evolve as well. If personnel policy fails to meet national security needs, it becomes wasteful and inefficient, degrading the military's capability. Our military faces this precise challenge today.

Policymakers have resisted these reforms, in part, because of a false perception that the military has access to all the people it needs. Critics will point to the success of the all-volunteer force as evidence for leaving the current personnel system in place. However well-intentioned these critics may be, they rely on a logic not applied to other military capabilities. We do not wait for U.S. fighter jets to become obsolete before beginning to design their replacements, for example. While recognizing the value and strengths of the legacy personnel system, it can and must be improved without breaking a military that is still exceedingly capable.

Three key dynamics form the rationale for defense personnel system reform:

- new and unique demands on the military due to the changing global security environment;
- unaffordable growth and expanded scope of personnel costs; and
- dramatic changes in American society and its connection to the military.

As an indication of these three overarching challenges, we are already seeing worrying recruiting and retention trends in specific occupational specialties across the force. The Air Force faces a severe and growing pilot shortage in the Active and Reserve components, and increased cash retention bonuses are doing little to improve the situation.

Similarly, as the Army looks to increase its overall end-strength, they are offering large cash bonuses to convince soldiers to extend their enlistments. In some cases, the Army is offering bonuses to soldiers in exchange for just 12 months of additional service. In the recent past, we've also seen recruiting standards drop when the Army tried to grow too quickly.

The Navy strains to retain officers who operate its ships' nuclear reactors and has recently increased the Nuclear Officer Incentive Continuation Pay by 15 percent. While money can help, it is not the only or even most important factor in service-member retention decisions.

The Marine Corps has announced that it has a "critical" sniper shortage due to high washout rates from sniper training. One of the main issues identified as a factor in the shortage is the high-turnover rate, driven by a lack of career progression. These remain fundamentally personnel policy challenges.

Though these acute challenges represent a small percentage of the total force, these specialties are indicative of the skills the military will rely upon more as it looks to the future. Specialized, experienced, and highly trained personnel will become more, not less, important in the unpredictable and complex security environment our country faces.

The New Global Security Environment

National security concerns and U.S. military success in the future global security environment remain primary factors for policymakers to consider when assessing the need for personnel reform. Without question, when today's military and civil service personnel systems were created, the United States faced very different threats than the Nation faces today. In the wake of World War II, the Soviet Union loomed as perhaps the only danger confronting the Nation. Those were simpler times.

While core U.S. national security interests have largely remained constant in the quarter-century since the end of the Cold War, the threats arrayed against those interests are spreading geographically, transforming strategically, and evolving technologically. Once viewed as archaic, the threat of great-power conflict— with the resurgence of Russia and rise of China—is suddenly relevant again. Add to that the more diffuse threats from malicious non-state actors, who have mastered the techniques of unconventional warfare while metastasizing across much of the world. Rogue nations have made tremendous technological advances, allowing them to erode much of the traditional military superiority long enjoyed by U.S. forces.

Worse, these trends have coalesced to create a gray zone of conflict, in which adversaries seek to erode the existing international order—not through military victory but through a prolonged wearing down of both established norms and the willingness of responsible actors to uphold them. In such conflicts of attrition and ambiguity, nation states deploy proxies, non-state actors field sophisticated weaponry,

and new domains like cyberspace allow weaker powers to exploit unforeseen vulnerabilities.

In this new normal, a military designed to wage only conventional war against great powers will not be enough. The United States must become capable of winning against more-opaque adversaries as well. Success against future enemies on new battlefields will require not only physical strength and vigor but, increasingly, mental agility, technical experience, and rapid innovation. Our current military personnel system is not designed to build the sort of force we will need to confront this wide-variety of threats.

Rising Personnel Costs

The nature of the all-volunteer, professional military requires that servicemembers be better compensated than they were during the days of the draft. This is especially true for the highly skilled, well-educated personnel who fill the ranks of the U.S. military. However, over the past several decades, servicemember personnel costs have grown rapidly. In just the last 15 years, the average cost of an Active Duty servicemember has increased, in real terms, by over 50 percent. This trend is unsustainable. Unless controlled, personnel costs will confront the Nation with a choice between an insignificant force and a significant debt.

Increases in cash compensation and the cost of health care benefits have been prime drivers of rising personnel costs. But the military's reliance on compensation as its sole tool to incentivize recruiting and retention results from a personnel system too inflexible to provide servicemembers with incentives that might be just as, or more, valuable to them, but less costly to taxpayers.

The Budget Control Act of 2011 dramatically increased this problem. Arbitrary budget constraints combined with a rigid personnel system, imposed even as the tempo of military operations abroad remains high, forced the military into a vicious cycle. With limited funds, the military reduced its end strength; with fewer troops available, each servicemember carries a heavier burden; as the difficulties of service grow, more incentives are needed to retain servicemembers; as options for meaningful incentives are sparse, bonus pay becomes more common; as more money is spent on compensation, less is available to grow the force.

Growing Civilian-Military Divide

We fully recognize that the unique culture of the U.S. military is essential to its success, and the current personnel system contains many elements that are important to sustaining that culture. The Defense Department is not a private company or a nonprofit organization; it can and must demand that its servicemembers make sacrifices that are foreign to the civilian world. In fact, the ethic of sacrifice is part of what attracts so many outstanding people to service in uniform.

However, the task force also believes that to recruit and retain the talent needed to address emerging threats, Services must attract Americans from all sectors in our society. This demands fundamental changes to some aspects of military life. Because a more-inclusive and dynamic labor force has emerged in the United States over the last seven decades, defense personnel policies should reflect fundamental socioeconomic changes. For example, many of today's military spouses—who are both male and female—want, expect, and need to be able to pursue a career. The biggest obstacle to military spouse employment is the requirement to move every 2 to 3 years. Perhaps the military requirement of frequent relocations is of lower value to the Defense Department than retaining valuable servicemembers by allowing them to remain in one place. Additional factors like the rising rates of obesity, changes in education, and the demographics of society itself further illustrate the need to rethink how the military approaches personnel policy.

The biggest mistake—indeed, the worst outcome for the Defense Department—would be to do nothing. Building on the work done in the last several NDAAs, this committee should take meaningful action to make fundamental personnel reforms in the Fiscal Year 2018 NDAA. Through bipartisan cooperation and leadership from public officials, the United States can ensure that its longstanding military advantage can endure well into the 21st Century.

THE SOLUTION

While military and defense-civilian personnel systems serve many purposes, and must meet varied goals, a handful of key outcomes are especially relevant in the increasingly complex national security environment. To ensure the Nation's continued national security and military advantage, defense leaders in the Congress and the Pentagon should design personnel policy with the goals of building a force that is:

• *Fully engaged by American society.* The United States is fortunate to have an abundance of talent and experience across its diverse population. The personnel system must serve as a bridge—not a barrier—to accessing this talent, especially hard-to-find or in-demand capabilities. The military must be able to consistently acquire top talent, whether experienced or entry-level, and to retain that talent amid a competitive employment marketplace, even if those individuals are not well-suited, or do not wish, to progress toward command.

• *Adaptable to new threats as they arise.* Because future national security needs are uncertain, personnel policy must be able to accommodate changing requirements. Rather than waiting years to train new troops, commanders should be given the tools to quickly find and use the capabilities they need to achieve their missions: more of one skillset, less of another, or entirely different capabilities, such as mastery of new technologies or familiarity with certain languages or cultures. Recently, the perennial answer to unexpected military needs has been to use special operations forces, which is an unsustainable long-term solution. The "new normal" national security environment requires the rest of the force to also develop the capability to succeed in unconventional missions.

• *Sustainable, both financially and culturally, for long-term success.* Regardless of the Defense topline, the military must meet its personnel needs efficiently. More importantly, at the same time, DOD must ensure that servicemembers and defense civilians are competitively compensated. Additionally, personnel policy must also support the personal lives of servicemembers. If the conditions of military life force servicemembers to choose between their family's well-being and a military career, the family will win and the military will lose access to a critical segment of the talent pool. Lastly, Congress must remove or significantly increase the Budget Control Act caps that have inhibited intelligent strategic decisions on Defense program growth and priorities.

• *Technically proficient.* The skillsets required by the military will only become more technical as the national security environment becomes more complex. Whether developing new capabilities to confront the increasingly difficult challenge of defending the frontiers of space and cyberspace, applying new technologies and greater individual decision-making to existing military roles, building language skills and cultural knowledge, or maintaining expert-level trauma-care capabilities, these challenges are fundamentally personnel issues. A personnel system that cannot consistently build and retain these types of capabilities has failed, with profound implications for military readiness and national security.

To achieve these desired outcomes, our report presents a comprehensive package of 39 bipartisan proposals to improve the effectiveness of military personnel policy. Taken together, the recommendations contained in this report aim to prepare the military to confront the threats of the future, while also keeping promises made to today's servicemembers and meeting the needs of military families. A Fully engaged, Adaptable, Sustainable, and Technically proficient (F.A.S.T.) military will ensure the future force is as strong as the one the United States has fielded for the last 70 years.

Immediate Actions:

Our Task Force recommends five proposals that can and should be implemented in this year's National Defense Authorization Act.

• *Expand lateral-entry authority to allow midcareer civilians to enter the military at higher ranks.*

Allow individuals with non-combat-specific skills (e.g., acquisition, cyber, finance, engineering, medical, law) to enter the military at higher ranks in the officer, warrant officer, and enlisted corps. Lateral-entry authority could reincorporate individuals with prior service who desire to reenter the military. Those who have acquired valuable skills after their military service could be allowed to rejoin at a higher rank. In previous wars, this avenue for lateral entry was frequently used. For example, during World War II, William S. Paley, the cofounder of CBS, was brought into the Army as a colonel to work in psychological operations using the broadcast medium. The Fiscal Year 2017 National Defense Authorization Act lateral-entry pilot program for cyber personnel should be expanded to cover more occupational specialties.

• *Improve and synergize online military recruiting efforts by creating a cross-service common application and expanding web-based recruiting tools.*

Optimize recruiting by closing and consolidating some "brick-and-mortar" recruiting offices to free up resources for a more robust online recruiting system. E-recruiting is a more effective way to appeal to a demographic that is more comfortable with digital processes and less likely to walk into a physical recruiting center. Current digital platforms are insufficient and disjointed. Active and

Reserve components and individual Services use different systems for their officer and enlisted cohorts. The U.S. military fights as a joint, total force. Therefore, its recruiting efforts should be organized as a joint operation that integrates all components (i.e., Active, Guard, and Reserve). Too often, the different services and components are competing against each other for talent. This competition is inefficient and works against the military's total-force mantra.

- *Enhance and expand the Selective Service System to include all young American adults.*

  Create a gender-blind Selective Service System (SSS) that gathers more data about the unique skills and experiences of registrants. Important information gathered through this system could include language or cultural skills, educational qualifications, or other technical qualifications. This database should allow the military to more easily identify and focus specialized recruiting efforts on individuals with demonstrated high-demand skills and aptitude.

  Additionally, all Selective Service registrants should complete the Armed Services Vocational Aptitude Battery to expose millions of younger Americans to the possibility of military service.

- *Create an online database to automate and increase servicemember influence over future military assignments.*

  Personnel assignment systems, while prioritizing needs of the service and mission, should ensure that people are assigned to positions that best reflect their individual skills and talents. Assignments closely aligned to a servicemember's unique abilities are more likely to enhance individual and unit performance, in addition to serving as a strong retention tool.

  Therefore, we propose a pilot program within each service that provides servicemembers more influence over their future assignments and allows commanders greater input in staffing decisions. Each pilot would last at least 5 years and would encompass a range of career fields, including operational and administrative specialties. These pilot programs should be evaluated periodically for their impact on unit performance individual performance retention, commander satisfaction, servicemember satisfaction, and impact on the national security mission.

- *Improve access to and quality of Defense Department-provided childcare services.*

  The Defense Department should take significant steps to increase access to childcare Department wide. First, to increase funding for child development centers (CDCs), the Services should have the authority to pay for CDC construction and renovation through their operations and maintenance accounts rather than through their military-construction budgets. Furthermore, to address the ongoing staffing issues at CDCs, the Pentagon must take steps to streamline the hiring and retention process for CDC staff (especially for those transferring between duty stations) and reevaluate CDC staff compensation. Next, to increase access for families with complex employment schedules, the Department should explore options for increasing access to part-time and hourly childcare.

Long Term Reform:

Aligning personnel policy with the threats facing the Nation and the changes in American society requires a strategic long-term reform effort. The Defense Officer Personnel Management Act only passed in 1980 after several years of development and negotiation. A similar approach is needed today. As part of this long-term personnel reform effort, we recommend the following proposals:

- *Replace predetermined, time-dependent promotions with a fully merit-based military promotion model.*

  To increase the flexibility of the personnel system, the military should shift away from a promotion system that is heavily influenced by predetermined timelines. Rather, the personnel system should embrace greater consideration of merit when promoting officers and enlisted servicemembers. A merit-based model should rely more on the performance and experience of individual personnel and less on predetermined timelines.

  This recommendation might cause some individuals to be promoted sooner than normal. Some would likely be promoted later than current timelines. These are both desirable outcomes. The military will benefit if its most talented personnel, who meet the requirements for promotion, are promoted ahead of their peers. The military also benefits from allowing individuals more time to develop, to pursue education, or to build a greater level of technical expertise.

- *Replace "up-or-out" promotions processes with a "perform-to-stay" system.*

  For officers, remove DOPMA and ROPMA field grade officer strength tables to allow the Services to extend the careers of valuable servicemembers who are

not competitive for continued promotion. Additionally, we should allow individual servicemembers to voluntarily remove themselves from promotion consideration to continue building technical expertise. At the same time, these servicemembers could continue to strengthen their professional résumés to become more competitive for future promotions.

For enlisted servicemembers, although there are few statutory limitations on their ability to continue serving, the Military Services have implemented policies that mimic the officer system of up-or-out. Service secretaries should use their authority to ensure valuable, high-performing enlisted members are not being forced out of the military just because they are not competitive or interested in further promotion.

- *Replace the military pay table to ensure compensation is commensurate to increased responsibility and performance.*

  Congress should direct the department to recommend a new pay table (to completely replace the existing pay table) that is based on rank (i.e., "time-in-grade") rather than on time (i.e., "time-in-service"). The pay table would include a base pay for each rank, incremental pay raises based on time served at that rank, and an additional incentive pay for certain occupational specialties to sufficiently compensate high-demand skills and experience. The final component of this pay table would be the new retirement system's midcareer retention bonus for selected personnel. The new pay table should be designed to keep overall compensation constant. As new personnel authorities are implemented, it is likely that the overall manpower profile of the force will change (i.e., lateral entry could yield more midlevel officers while also requiring fewer junior or senior ranking officers). This new time-in-grade-based pay table would facilitate efficiency, performance, and readiness improvements to promote a more-flexible force.

- *Expand the use of warrant officer positions and create a technical, non-command career track for officers and enlisted personnel.*

  Direct all services to use warrant-officer ranks to retain technical expertise. Additionally, this reform should also allow officers with needed technical skills to remove themselves from the command pipeline by pursuing alternative promotion pathways or transferring to warrant-officer ranks. These alternative promotion pathways would allow officers to continue advancing up to a certain point based on technical knowledge and expertise, without having to fill a command billet along the way. For example, health care providers should have access to a career track that enables skilled clinicians to continue to receive promotions and raises while delivering patient care, instead of being forced to pursue command and leadership assignments. Promotion criteria for these alternative pathways and expanded warrant-officer positions should be relevant to the job duties.

- *Create a continuum of service by making it easier to repeatedly transition between Active, Guard, and Reserve components.*

  Combine the Defense Officer Personnel Management Act (DOPMA) and the Reserve Officer Personnel Management Act (ROPMA) into one unified officer-management statute. The Services should eliminate the requirement for different officer commissions and enable greater permeability between Active and Reserve components.

- *Other important changes include the following:*

  Create a culture of permeability that supports a continuum-of-service paradigm; Provide greater opportunities to transition among the Active, Guard, and Reserve components; make Reserve component service an option throughout a military career; and, finally, encourage those servicemembers leaving Active Duty to consider Reserve component service by extending the reserve position vacancy window beyond the date of separation from Active Duty.

THE F.A.S.T. FORCE IN ACTION

Our recommendations, if implemented, would help the military solve some of its most pressing personnel challenges. As it relates to the fighter pilot crisis, instead of relying on an ineffective and expensive retention bonus to stem the loss of experienced aviators, we propose giving them more of what they want, which is additional time in the cockpit. Individuals with highly desirable cyber skills would be allowed to enter the military with advanced rank commensurate with the value of their experience. By offering flexible career models, the military can ensure that it does not force people to choose between uniformed service and private sector experience.

New merit-based promotion policies would allow the highest performing servicemembers to move up the ranks more quickly, while also allowing other

servicemembers to develop greater depth of experience in technical specialties like space, cyber, and trauma care.

Lastly, our recommendations would finally allow the military to bend the cost curve for military personnel without breaking our promise to those who volunteer to serve. By offering meaningful incentives and reforming the traditional 20-year military career, the Defense Department can ensure that it continues to attract highly capable personnel, while at the same time offering competitive compensation and benefits to the men and women who protect our nation.

CONCLUSION

A key strength of the U.S. Armed Forces is its unique culture, characterized by selfless service, integrity, and sacrifice. None of our recommendations are meant to supplant the values that make the military the most well-respected public institution in the eyes of the American people. We recognize that good policy is necessary, but not sufficient by itself, to achieve a high-performing personnel system. High-quality leaders are required to provide crucial mentorship and guidance to the troops under their supervision.

Our recommendations would augment the strengths and minimize the weakness of the current personnel system in service of the Nation's security needs. Congress should approach Defense Department personnel reform with the same mindset. By focusing personnel reforms on achieving desired national security outcomes, we can both honor the promises made to today's military and improve the performance of the force for the future.

Senator TILLIS. Thank you.

General Punaro?

STATEMENT OF MAJOR GENERAL ARNOLD L. PUNARO, USMCR (RET.), BIPARTISAN POLICY CENTER TASK FORCE ON DEFENSE PERSONNEL

General PUNARO. Mr. Chairman, Members of the subcommittee, I have a supplementary lengthy statement that I would ask just be submitted for the record.

Senator TILLIS. Without objection.

General PUNARO. Two quick points. I got my start as a young staffer here in the Armed Services Committee in the early 1970s working for this subcommittee when my boss, Senator Nunn, was the chairman. This subcommittee, in my view, is the most important one on the Senate Armed Services Committee. I was here 24 years, 14 years as either the minority or the staff director, because it affects every single thing in our military, the men and women, the families, retirees, and the people in our military are the heart and soul of the military. That's what makes it the world's finest military, and this subcommittee has always been ahead of the Pentagon. This subcommittee had to save the volunteer force from going under in the late 1970s and early 1980s—John Tower, John Stennis, Sam Nunn, John Warner.

When John McCain and John Glenn were at the helm of this subcommittee, they kept from breaking the force when we drove down a million people at the end of the Cold War. This subcommittee, when the hot war started after 9/11, made sure that our military and the families had the support they needed, and they've always been ahead of the Pentagon. If you wait on the Pentagon to basically come in for all the changes that are needed, they won't get done. We're at that same standpoint today.

The other thing that I would say is they've got the great staff on the Personnel Subcommittee, and I'll give you a pretty good example of why we need to make the changes. I see in the back of the room the Honorable Robert Wilkie, an individual I've had the privi-

lege of knowing and working with for decades. He served on Active Duty, served in the Reserves, worked on the personnel staff, worked on the committee staff, went back on the personnel staff, served in high-level positions in government, served in industries. Guess what, Members of the subcommittee? If he'd been under the strictures of Defense Officer Personnel Management Act (DOPMA), Reserve Officer Personnel Management Act (ROPMA), he wouldn't have been able to have that career.

That's the kind of flexible career, Senator Gillibrand, that you talked about that we need in the service. We need to make it easy for people like Mr. Wilkie and others, others on the staff who have served in the military, to come in and out and have different positions, learn more, go to ever-increasing periods of responsibility, and we don't have that today because today's manpower and personnel systems basically assume we want every single person that joins to be the chairman of the Joint Chiefs, and so we manage them that way.

That's not what industry does today. This will not keep our volunteer force, the world's finest military, 10 years from now. The changes you have to make, some are immediate, but most of them you'd have to phase in over a 10- to 15-year period. That's why the subcommittee has got to get out in front of the Pentagon.

Thank you.

[The prepared statement of General Punaro follows:]

PREPARED STATEMENT BY MAJOR GENERAL ARNOLD PUNARO, USMC (RET.)

Chairman Tillis and Ranking Member Gillibrand and members of the committee: Senators Ernst, Graham, Sasse, McCaskill, and Warren, I want to thank you for the opportunity to appear today with Senator Jim Talent and Ms. Kathy Roth-Douqet to discuss the work of the Bipartisan Policy Center's Task Force on Defense Personnel in producing its report entitled *Building a F.A.S.T. Force: A Flexible Personnel System for a Modern Military.* I was honored to work with them and many others on this very important subject.

The report produced by the Task Force presents its assessment of the Nation's imperative to improve DOD's defense personnel systems to better meet ever changing future national security needs and our country's evolving service-age population. It offers a comprehensive package of 39 bipartisan proposals to improve the effectiveness of military personnel policy. As a whole, these recommendations aim to prepare the military to confront the threats of the future while also keeping promises made to today's servicemembers.

I appear here as a private citizen and a member of this Task Force and do not represent the Secretary of Defense Reserve Forces Policy Board which I chair, nor the Defense Business Board or National Defense Industrial Association on which I served. I believe, however, that my personal and professional experience is relevant to these matters. I have served 24 years with the Senate Armed Service Committee with 14 of those years as the staff director supporting the Chairman and the Committee as well as 35 years of commissioned military service in the U.S. Marine Corps. I chaired the Independent Commission on the National Guard and Reserves from 2005–2008 which Congress established to assess the future roles of the Reserve components. As a Marine Major General, I also served on the Reserve Forces Policy Board (RFPB) for 5 years prior to retiring in 2003, and I have served as the Chairman of the newly structured independent RFPB under four Secretaries of Defense since 2011.

I would like to personally commend the members of this subcommittee for the work they have done to improve the lives of our soldiers, sailors, airmen, marines, and coastguard. The Fiscal Year 2017 National Defense Authorization Act and the personnel reform initiatives contained within it are just some of the examples of how you have led the way in tackling tough issues and making much needed reforms. I can speak from personal experience that this subcommittee and its House counterpart have stayed in front of the Pentagon for decades.

Many of the challenges the Department of Defense (DOD) faces will take years to address. We can rest assured, though, that despite the strategic challenges throughout the world, the United States military, as the bedrock of national security, protects our citizens and interests, preserves regional stability, renders humanitarian assistance, and imparts stability to the world. The demands on our U.S. military personnel have never been greater, and our soldiers, sailors, airmen, and marines form the foundation of our national military power. An outdated personnel system, rising personnel costs, and the growing divide between our military members and the Nation they serve pose significant challenges to recruiting and retaining the most talented people necessary to meet our country's ever-changing security needs.

THE PERSONNEL SYSTEM—TIME FOR A CHANGE

The combination of statute, regulation, culture, and tradition which forms the Department of Defense's Personnel System is long overdue for reform. Defense personnel management statutes, policies and information systems have not kept pace with demographic or technological changes. While core U.S. national security interests have largely remained constant in the quarter-century since the end of the Cold War, the threats arrayed against those interests have changed dramatically. Today's global security environment is more complex and unpredictable than ever before. This environment should be the primary factor for policy makers when deciding how to reform the personnel system.

Personnel management reform should include a strategy for a modern military workforce that is diverse, technologically skilled, and provides flexible career opportunities. This new system must be viewed by potential entrants as a desirable and competitive career option; attracting high quality recruits and maintaining the best and the brightest for advancement and leadership of the Nation's Military Services. It must develop professionals, promote institutional values, embrace diversity, and maintain key elements of service culture. It must produce a force that both represents and is connected to the population it protects. The system must be fair with transparent policies, practices, and processes. It should be cost effective, produce ready servicemembers, and be seamlessly integrated across components. It must be much more flexible and incorporate world-class business practices in terms of assignments, advanced schooling and training, family considerations, and non-traditional opportunities. Ultimately, our Armed Forces must remain capable of deploying rapidly and sustaining military power in response to a variety of threats at home and abroad to win the Nation's wars, support our allies, and defend our interests.

The Defense Officer Personnel Management Act of 1980 (DOPMA) and its follow-on Reserve component counterpart, the Reserve Officer Personnel Management Act of 1994 (ROPMA), updated the original 1947 personnel policies in place for much of the Cold War. Three of the things Congress hoped to accomplish with DOPMA included providing a predictable and uniform promotion system, standardizing career lengths across the Services, and ensuring proper proportionality of senior officers through the force. The first step to essential modernization of the personnel system is to provide flexibility by making bold statutory reforms to DOPMA and ROPMA. I had the opportunity to work on DOPMA with my boss, Senator Sam Nunn, as a relatively new Senate staffer in the 1970s. He chaired the Manpower and Personnel Subcommittee when DOPMA was revised over a 4 year period in the late 1970s. By then, the system which was developed right after World War II had been in place almost 25 years and we knew some changes had to be made as the military adjusted to the newly formed All-Volunteer Force. We also knew then that some of the policies we enacted would need to be revisited in the future. However, there have been very few significant changes in almost 40 years, and some view the current system as an inflexible Cold War-era relic. Our current personnel policy is complex and burdensome to not only the individual military member and his or her family, but also to the organization.

Unfortunately, there were some unintended consequences resulting from DOPMA/ROPMA implementation, one of which is the "up-or-out" promotion system. Officers generally have two opportunities for promotion at each grade. Those who twice fail are required to separate from the service, retire if eligible, or continue to serve until retirement in their current grade with a waiver with no chance of being promoted. Subsequent legislation, such as Goldwater-Nichols, created requirements for officers to accomplish specific items primarily related to joint service—check certain "boxes"—at certain times throughout their career to remain competitive. This time-based career management system created an officer corps with a lack of professional diversity in terms of career experiences. It also heavily discourages servicemembers

from pursuing alternative career paths and often penalizes non-conforming career choices. "Up or out" instead pushes servicemembers out of the force when they are most experienced. A competency-based career management system, organized around the mastery of knowledge, skills, and abilities, would encourage more flexible career paths, thereby permitting longer assignments, greater opportunity for graduate education, time-outs for family responsibilities, the lateral entry of skilled professionals, and longer overall careers. Such changes better reflect the new career patterns in the private sector and offer a more competent and seasoned force with less turnover and attrition.

From 2005 to 2008, I was fortunate to chair the independent Commission on the National Guard and Reserves established by the Congress and we addressed these very issues. The Commission recommended that Congress implement a more flexible promotion system based on the achievement of competencies. Under this new system, the timing of and opportunities for promotion should vary by competitive category (career field), depending on service requirements.[1] The Task Force report also makes the correct point that both the up-or-out nature of the 20-year career and the limited ability for the military to quickly meet manpower needs create inefficiencies, resulting in higher costs.[2] As RAND economist Richard Cooper testified to Congress, the only way to truly control costs for the professional military is to change the up-or-out promotion system to selectively reduce personnel turnover and to change accession requirements.[3]

Merging DOPMA and ROPMA into a single system would create a personnel system best suited for today's military "Total Force." The Total Force includes all organizations, units, and individuals that provide the capabilities to support the Department of Defense in implementing the national security strategy. It encompasses the regular Active component members, the Reserve components, which includes the National Guard, civilians, members of the Individual Ready Reserve, and contractors. In implementing policy reforms for the Total Force, the Reserve components must certainly be included. They have transformed from a seldom-used Cold War Strategic Reserve in the 1970s and 1980s, to an indispensable operational force that is frequently and routinely employed to the meet the Nation's defense needs. The Department's culture needs to change to embrace Active and Reserve members, as well as civilian employees as members of the same team—not separate competing teams. To that end, the Department should encourage and incentivize continued service in the Reserves to preserve talent from the Active component that would be otherwise lost through reductions or routine transitions from the Active force.

The Department should encourage and facilitate a seamless transition between the Active and Reserve components and remove barriers impeding it. As the military strives to become more adaptable and to better respond to an unpredictable security environment, it should ensure the ability to quickly access talent in its Reserves. Reserve component service should be an option throughout a military career as a means of preserving costly investments in training and experience.

To achieve this level of Active-Reserve permeability, Federal law must be changed. Current law requires officers who desire to transition between the Active and Reserve component to gain a separate Reserve officer commission, through a process known as "scrolling." This process takes up to 6 months and likely discourages many highly qualified personnel from continuing to serve in the Reserves. To facilitate the transition, Congress should amend current statutes to create a single type of commission, a "universal appointment," in lieu of the current regular and Reserve commissions. Our system must provide greater opportunities to transition between the Active, Guard, and Reserve components. Only after creating this culture of permeability and support of a continuum-of-service paradigm will we be able to recruit and retain the best talent for our military.

In addition to the key initiatives previously mentioned, the Department should implement several other reforms to create a personnel system that improves the career management, permeability, and flexibility of service options, and makes the best use of civilian and military skills found throughout the Total Force.

The Department should create an integrated Total Force pay, travel, and personnel management system that is modernized and accessed through mobile technology. This system will increase permeability by enabling streamlined transitions between components. Additionally, it will improve the ability of Reserve component members to manage their careers by enabling seamless movement of all administra-

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[1] Commission on the National Guard and Reserves: *Transforming the National Guard and Reserve into a 21st Century Operational Force,* January 3 L 2008, 19.

[2] Task Force on Defense Personnel, March, 2017, 25.

[3] Bernhard Rostker. *I Want You' The Evolution of the All-Volunteer Force.* RAND Corporation. 2006. 365. Available at: *http://www.rand.org/pubs/monographs/MG265.html.*

tive and other records between components/services. Both the Army and the Air Force are currently working to field Integrated Pay and Personnel Systems—Army (IPPS–A) and Air Force Integrated Pay and Personnel System (AF–IPPS)—which could serve as a model for the other Services. Earlier attempts to field the same system DOD wide-DIHMRS-failed after significant costs.

Some other personnel reforms may include employing best practices from the private sector to advertise, apply for, review, and select best qualified candidates for assignment to positions across the Total Force. In order to provide access to the deepest talent pool possible, it is also important to ensure all members have opportunities to compete for special assignments or educational opportunities at pivotal times throughout their careers without fear of their career being negatively affected.

The Services are experimenting, on a very small scale, with sabbatical programs to allow servicemembers on Active Duty to "take a knee" for educational or other personal reasons. The Army's Career Intermission Pilot Program is already seeing the first return of soldiers to the force who took time off It is now time to broaden the program and allow those in uniform to consider it as simply another path possible on the way to a more fulfilling military career. These opportunities should be available to all servicemembers in order to meet the changing demands in their personal lives, for full-time educational opportunities, or family and employment obligations. Members should have the ability to pause promotion clocks during periods where they would be less available for military service. During periods where personal needs or civilian professional requirements make military service difficult, pausing promotion clocks would prevent members from being forced out due to lack of competitiveness for promotion and allow them to continue service once these demands subside.

Further, the Reserve component has great potential to contribute in specialties that are more immediately transferable from civilian occupations, such as health care, public affairs, and cybersecurity—yet current policy doesn't maximize this potential. Especially after considerable resources are spent training servicemembers, the military is missing an opportunity when only a small percentage choose to remain in the Reserves following completion of initial Active Duty service.

Let's take the cyber mission as an example. As the Department of Defense builds the cyber force, use of these valuable skills developed by civilian industry, at little to no cost to the government, can provide immense benefits to the Department. The Reserve Forces Policy Board formed a Cyber Task Group in 2013 to study the best use of the Reserve component in this arena, and they made several key recommendations. One of their recommendations was that Reserve component personnel be included in the development of Cyber Mission Force requirements which would reduce long-term costs, while leveraging civilian-acquired skills, service-invested training and experience, and enhancing continuity and longevity. The study recommended the Secretary of Defense direct a Total Force approach toward manning the Cyber Mission Force. The study also recommended U.S. Cyber Command and the Services review niche cyber needs outside the Cyber Mission Force construct to take advantage of the full range of civilian-acquired skills within the Reserve component. [4]

As you know, the Fiscal Year 2017 National Defense Authorization Act authorizes the Secretaries of the Military Departments to conduct pilot programs to recruit and confer original appointments to qualified individuals as commissioned officers in a cyber specialty. [5] This is certainly a step in the right direction, but it does not include members of the Reserve component. I encourage you to expand this authorization. If the Reserve component is utilized effectively, it can be a valuable source of uniformed talent, with the added benefit of valuable private-sector experience, oftentimes at a lower cost. This concept benefits the nation just the same if military members leave the Active component to pursue career goals in the private sector, yet remain in service in the Reserve component.

RISING PERSONNEL COSTS

Our domestic fiscal environment is just as challenging as our complex and unstable security environment. Budget impacts created by the 2011 Budget Control Act (BCA) and sequestration have resulted in deep cuts year after year to U.S. military readiness and capabilities. Since passage of the BCA, security conditions have changed and are dramatically less stable than they were in 2011. Military personnel systems must be financially sustainable for the department and taxpayers, and

[4] Reserve Forces Policy Board. Improving the Total Force: Using the National Guard and Reserves, RFPB Report Fiscal Year 2017–01, November 1, 2016, 56–57.

[5] S.2943, Sec 509.

must complement-not displace-other national security needs. A high quality, professional force must be competitively compensated, but inefficient compensation costs cannot be allowed to force out other military necessities. Honoring the commitments made to current servicemembers, military retirees, and their families is a military necessity and a moral obligation for policymakers. However, it is also imperative to ensure that future generations of servicemembers are competitively compensated while also having the best training and equipment available.

By many accounts, the All-Volunteer Force (AVF) has been a great success. It has provided the military with high quality personnel and has proven effective in both peace and war. Military leaders, politicians and the American people themselves all prefer it to the alternative. It is here to stay. But it is expensive and the cost growth trends are unsustainable on their current path for both current and deferred compensation.

Former Secretary of Defense Thomas Gates, Chairman of the Commission in 1970 that recommended the All-Volunteer Force, warned the following three fundamental changes were needed to ensure sustainability of the AVF: First, reform the up-or-out promotion system; second, eliminate the cliff retirement system, which only benefits those who stay 20 years and then incentivizes them to leave right away; and third, change pay and compensation from one of tenure and longevity to a pay system that rewards skills and performance. Forty-seven years later, we've touched only a few of those items, so it should not surprise us that former Secretaries of Defense, such as Gates, Panetta, and Hagel, and many former senior military leaders, like General Ron Fogleman and Admiral Gary Roughead have all stated that the "all in" costs of the AVF are unsustainable. [6]

The independent Congressional Budget Office and Government Accountability Office have released a number of analytical reports documenting this fact, as have many members of the think tank community. A definitive work is the interim report by the Military Retirement and Modernization Commission. Highly overlooked, this report was published in June 2014 and consisted of over 300 pages of the full costs related to running the All-Volunteer Force both inside and outside DOD. They avoided any opinions, and stated just the facts, which are inescapable: the all-in costs are well over $410 billion per year; well in excess of the 30 percent of the DOD budget benefits-based lobby groups are fond of quoting. [7] This does not include the staggering $1 trillion in unfunded liabilities for military retirees; today, we have over 2.4 million retirees compared to the 1.1 million on Active Duty. There is a consensus among defense experts from the left and right that we need to address these adverse trends. [8]

Military personnel costs have increased sharply over the past 15 years. Since 2001, pay per Active Duty servicemember has grown over 80 percent (in current year dollars, or about 50 percent in constant dollars). Military pay has increased 40 percent more than civilian pay since 2000 and enlisted servicemembers are now paid more than 90 percent more than civilians with comparable education and experience make (83 percent more for officers). Non-cash benefits cost a further $48 billion a year—mostly for health care, but also for commissaries, housing, and family programs. [9]

One way DOD has adapted to these higher costs is by relying more on the Guard and Reserves, a true bargain for the taxpayers in terms of cost. Before the Vietnam War, the Guard and Reserves comprised only 26 percent of the Total Force. With the end of the draft and the establishment of the Total Force policy in the early 1970s, the proportion began to rise. By the end of the Cold War, when the full cost of sustaining the All-Volunteer Force was becoming apparent, the Guard and Reserves comprised 36 percent of the Total Force. In fiscal year 2015, the proportion grew to 38 percent. [10] In some services, such as the Army, the Reserve component consists of roughly 50 percent of the Total Force.

As the Department faces fiscal challenges from internal cost growth and external budget pressures, the question arises whether to continue this long-term trend can be sustained. That requires an assessment of relative costs and capabilities for Active Duty, Guard and Reserve personnel.

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[6] National Commission on the Future of the Army, (July 16, 2015) (written testimony by Major General Arnold Punaro, USMCR (Ret.)).

[7] Military Compensation and Retirement Modernization Commission, *Final Report,* January 2015.

[8] Punaro. NCFA Testimony

[9] Punaro, NCFA Testimony

[10] Reserve Forces Policy Board, *Improving the Total Force: Using the National Guard and Reserves,* RFPB Report FY17–0 1 November 1, 2016, 18.

All analyses show that Guard and Reserve forces cost much less in peacetime. At the individual level, guardsmen or reservists cost 15 percent (according to GAO) or 17 percent (according to the National Commission on the Structure of the Air Force) of comparable Active Duty personnel.

However, the relative cost increases when full time support, equipment, and operations are added. For ground units, analyses found that Guard and Reserve forces cost the following proportion of Active Duty forces:

- Congressional Budget Office: 30 percent
- RAND: 23–25 percent
- DOD's Total Force Policy Report to Congress: 25–26 percent
- Commission on the National Guard and Reserves: 23 percent
- Reserve Forces Policy Board: 22–32 percent (all functions, not just ground)

These standard comparisons capture pay, unit costs, and some benefits. However, they leave out benefits that significantly increase the Active Duty costs: PCS, commissaries, family housing, day care, health care, dependent schools, and parts of retirement, as well as costs borne by the Departments of Labor, Education, Treasury, and Veterans Affairs. [11]

The Reserve Forces Policy Board has shown that these benefits add hundreds of thousands of dollars to the annual costs of one full time Active Duty soldier. Some have argued that these benefits should not be considered compensation, but are incidental to military life. I disagree. These are services that civilians and reservists also use but must pay for themselves. Further, like compensation, these benefits exist to help recruiting and retention; if they do not, then they should be eliminated. At the very least, we should agree with the RFPB's recommendation that DOD needs to assess and better understand these costs so future manpower analyses can be informed by accurate cost data.

One area of success in utilizing the Total Force and reducing overall costs while increasing efficiency is the U.S. Air Force and U.S. Navy's successful integration of their Reserve component forces as associate units and blended units through shared Active component and Reserve component platforms. Under these concepts, a Reserve component unit aligns and co-locates with an Active component unit in order to utilize their platforms; or, conversely, an Active component unit aligns and co-locates with a Reserve component unit in order to utilize their platforms. This model of Associate Units and Blended Units with shared platforms has been successfully tested and proven by the Air Force and the Navy during Operation Enduring Freedom and Operation Iraqi Freedom. By combining Active component and Reserve component capabilities into multi-component units, there is potential for large cost savings and increased readiness within the Reserve component operational force due to an increase of Active personnel in the units. Alternatively, there should be enhanced opportunities for Guard and Reserve personnel to serve on Active Duty staffs and in key positions that are traditionally held by Active personnel to help prepare them for senior assignments. This would also create a larger pool from which to select senior Reserve component leaders.

Another concept would increase the numbers of Active component military members serving in Reserve component units (under the NDAA 1992 instituted Active Component / Reserve Component Title 11 program). History suggests that title 11 programs have never been fully manned. Additionally, the title 11 program was not highly regarded as career enhancing—particularly for O–6s competing for General Officer/Flag Officer promotion. Therefore, in order to have better integration in the Total Force, measures should be taken to make these assignments attractive. As an example, the USMC Reserve's Inspector Instructor Program could serve as a model for the other Services to utilize as a Title 11 Reserve component integration tool.

In this fiscally constrained environment, it is also essential that we maintain an Operational Reserve. An Operational Reserve provides ready capabilities and capacity that are accessible, routinely utilized on a predictable basis, and fully integrated for military missions that are planned, programmed, and budgeted in coordination with the Active component. [12] This was one of the fundamental issues the Commission on the Guard and Reserve was asked to study. I was a skeptic going into this task-I knew the difficulties associated with the changes in policies, budgets, and laws that would be needed. After two and a half years of study we came down fully in support of the Operational Reserve as supported by DOD. I am even more convinced now that maintaining an Operational Reserve is essential. This does not mean the balance and mix of the Total Force should remain static and conform to

[11] Punaro NCFA Testimony

[12] Reserve Forces Policy Board. Improving the Total Force: Using the National Guard and Reserves. RFPB Report FY 17–01, November 1, 2016, 34.

the current plans, or that every unit can always be at full-combat readiness at all times. But an appropriate mix is essential.

The Nation can ill-afford to ignore the rich capabilities of the National Guard and Reserves or the lessons learned and experience gained over the last 15 years of combat and other operations. Reserve component members bring unique capabilities and professional expertise to the Total Force gained through years of experience in the civilian sector. The Department must learn to better exploit this expertise going forward. Rich repositories of talent reside in the Reserve component that is cost-prohibitive to develop in the Active component (i.e. doctors, nurses, lawyers, computer analysts, cyber experts, engineers, etc.). After enduring a period of significant force structure reductions and budget cuts, continued investment in a strong National Guard and Reserve Force provides numerous benefits to the Total Force and is essential in achieving U.S. national security objectives going forward. It is equally vital that senior leaders understand the importance of, and define specific roles for Reserve forces in future strategic and operational plans.

BRIDGING THE GROWING CIVILIAN-MILITARY DIVIDE

The growing civilian-military divide cannot be ignored. A key component in looking at this issue is the Abrams Doctrine, first articulated by the legendary Army leader General Creighton Abrams. That doctrine is just as relevant today as it was coming out of the divisive Vietnam War: the Army should not go to war unless the Nation goes to war, and the Nation goes to war only if the Guard and Reserve are mobilized to join the fight. [13]

As a relatively new Senate staffer in 1973 with a tour as a Marine infantry platoon commander in Vietnam in 1969–1970, I had a chance to meet General Abrams when he came to see my boss, Senator Sam Nunn. General Abrams outlined to Senator Nunn how to maintain a powerful Army as the size of the Active Army was decreasing since the U.S. combat role in Vietnam was drawing down. 1973 also marked the first year the All-Volunteer Force came into effect. Abrams embedded a relationship between the Active and Reserve components within his new force structure so close that it would be impossible to employ the Active Army in major conflicts without relying on the Guard and Reserves. And he ensured, as the Active force was drawn down, that the Army's combat power was increased. He made the Guard the combat Reserve of the Army and placed significant combat support and combat service support capabilities in the Army Reserve. Secretary of Defense Melvin Laird used this philosophy to create the Total Force policy implemented by Secretary of Defense Jim Schlesinger. It has proven incredibly successful.

Before I met General Abrams, I had no intention of going into the Marine Corps Reserve-the Reserves were not viewed with the same prestige in the 1970s as they are today. But his vision of their importance convinced me to join. However, the capabilities and the cultural barriers did not change overnight, and only took place after the call-up of the Guard and Reserve in Desert Shield and Desert Storm, the increased use of the Guard and Reserve during the 1990s, and the over 945,000 servicemembers that have been mobilized since 9–11. [14] General Abrams' vision has now been proven correct many times over. The country requires a powerful ground force, and the Total Force Army is embedded in the fabric of our Nation from its revolutionary roots, and this same doctrine applies to all of our Reserve components.

Many of you may have seen the change of responsibility between Chief of the National Guard Bureau General Lengyel and General Grass in August. I was present for that really inspiring event. I was struck by the comments of then Secretary of Defense Ash Carter. The Secretary said, "Today 's Guard is battle tested—an agile, flexible, deployable force wit h combat experience and a broad range of skills gained both on the battlefield and in civilian life. The National Guard is a critical component of our total force, bringing to bear the experience and skills of our citizens warriors wherever and whenever needed to confront the challenges of a complex world."

This is a powerful statement from the then civilian leader of the world's largest and most complex organization, with over 3 million employees, including 1.3 million Active Duty personnel and 818,000 Guard and Reserve, over 5,000 facilities on over 30 million acres of land worldwide, and an annual budget of over 580 billion dollars.

Carter went on to say: "The more deeply integrated the Guard becomes in all facets of planning and execution, the better prepared the Nation becomes. The presence, skill and readiness of citizen warriors across the country give us the agility and flexibility to handle unexpected demands, both at home and abroad. It is an essential component of the total force and a lynchpin of our readiness." Let me re-

[13] Punaro NCFA Testimony.
[14] OASD (Force Readiness) monthly report, April 20, 2017.

peat that—the lynchpin of our readiness . . . and they live in communities throughout this great country.

In addition to members of the Guard and Reserve being an ever-present fixture in our communities, there are other opportunities to integrate military members back into society after their Active service is complete. To partially address the issue, Syracuse University, in partnership with DOD, the Schultz Family Foundation, and the private sector, is participating in a job placement and training pilot program at Joint Base Lewis-McChord and Camp Pendleton. They will launch similar initiatives at 16 additional military installations over the course of the next two years. The pilot program initiative is a step forward. However, a more comprehensive program needs to be developed that will provide a "one stop shop" for transition, ease military members and their families into civilian life, and help to retain hard-won combat experience and skills in the Total Force.

Military members are recruited and enter service from the communities in which they grew up and went to school. Members often return to these locations upon completing Active service and many remain affiliated with the military by serving in a Guard or Reserve unit or by joining the Individual Ready Reserve. Others leave the military entirely and enter our Veteran ranks.

The current transition process begins and ends at their last Active Duty location, which is very rarely in the community from where they came or where they intend to live and work. While transition programs have been improved, they don't really cover transitions beyond discharge and are primarily focused on pre-discharge preparations. As a result, separating servicemembers end their service in one location and must abruptly begin new lives with little or no coordination between their separation points and their ultimate home communities.

In order to provide a more holistic, coordinated transition and promote the well-being of our members, families, and communities, DOD should integrate and facilitate collaboration of all of the government resources that are geared toward the transition process. This recommendation was outlined in the April 2012 Report of the Reserve Forces Policy Board on Avoiding Past Drawdown Mistakes to Enhance Future Total Force Capabilities. In this report, the RFPB recommended the development of long-term "one stop shop" Reserve community transition centers, utilizing existing, and well-established programs in community facilities throughout the country. [15]

This recommendation could be executed as Military Entrance Processing Stations (MEPS) "in reverse" that would serve as transition facilities where servicemembers would complete the separation process while experiencing a positive hand-off from the military to their civilian communities. When service personnel first leave their communities to begin their military service, they enter service at a MEPS.

When they leave the military, they should transition at a community-based location where all government agencies and community-based organizations are present. These stations would optimally be established in or collocated with existing Guard armories and Reserve centers throughout the United States, of which there are 4,542. In addition, the Guard and Reserve have more than 160,000 full-time people already supporting these centers. This whole of government, whole of society approach would provide direct links to employers, educational and technical training institutions, local medical resources, Veterans Service Organizations, local Chambers of Commerce, Departments of Labor and Education representatives, and the full range of community support agencies available to transitioning servicemembers and their families. Embedding these facilities in Guard armories and Reserve centers would also offer immediate access to those servicemembers who want to continue to wear the uniform by facilitating instant entry into one of the Reserve components or at least having them leave acquainted with the range of options for continued service.

Recruiting for talent retention will become increasingly important as Reserve component mobilizations and deployments continue to decrease and sequestration budgets degrade readiness. In 2015, 165,686 non-retirement servicemembers separated from the Active component and only 56,583 joined the Guard and Reserves. [16] The Reserve component can capture even more valuable talent, save training dollars, and achieve a higher experience level across their forces if the Department would proceed with this proposal.

Take for example, an Air Force enlisted aerospace propulsion mechanic who completes his/her service at Joint Base Langley-Eustis, VA and returns home to Atlanta, GA to be officially discharged. After completing initial base out-processing functions at Langley, he/she would report to Dobbins Air Reserve Base in Marietta,

[15] RFPB Report, 63.
[16] RFPB Report, 65.

Georgia to receive his/her discharge after linking into the "total force and total community" resources already established there. At Dobbins today, a Developmental Training Flight (DTF) unit prepares delayed enlistment airmen for basic training and enhances their understanding of the Air Force mission and military culture. Their mission could be expanded to serve those airmen transitioning back to civilian life. Dobbins ARB is near the Department of Veterans Affairs (VA) Atlanta Regional Benefit Office, Atlanta VA Medical Center, Decatur Clinic, and multiple community based outpatient clinics, Atlanta MEPS, and a significant number of large civilian employers. Private sector partnerships could be struck with companies like Delta Airlines, based out of Hartsfield-Jackson International Airport in Atlanta, to secure civilian employment for separating servicemembers. With points of contact established by these community based entities in the Dobbins Center, transitioning service personnel would be able to access all of them. The servicemember separating at Dobbins would become acquainted with Air Force Reserve, Air National Guard, and other Reserve component opportunities in the local area and the benefits of Reserve component service—things like TRICARE Reserve Select, tuition assistance, and others. Whether the individual leaves at 4 years, 1 year, 12 years, or 20 years, this community-based transition program, vice an Active Duty-based transition program underscores the commitment we make to the force.

CONCLUSION

As I close, I want to commend this subcommittee for taking a hard look at these problems and identifying and implementing several key reforms. Oftentimes, you have been on the cutting edge and well in front of the Pentagon. The pilot program providing direct commissions to cyber positions, shortening the length of joint duty assignments, leave for primary caregivers after the birth or adoption of a child, the Blended Retirement System, and granting equal survivor benefits to Reserve component members are just a few examples from the last National Defense Authorization Act. As a Nation, we need to keep moving in a direction that recruits and retains the very best members for our military in order to meet the ever-changing national security challenges we face.

Thank you very much for offering me the opportunity to share my views with you.

Senator TILLIS. Thank you, General. Thank you for recognizing truly the senior person. I learn from Robert Wilkie every day. I call him Forest Gump because I tell everybody, with all of his experience that you've summarized, he has a story for just about everything.

Senator TALENT. Mr. Chairman, he doesn't say that to every subcommittee chairman either. When he says he likes this subcommittee, he really means it.

Senator TILLIS. Well, I agree. I think that you hit on something very important, because the business of the military and taking care of our personnel is really the scope of, substantially the scope of this committee. There's a lot of opportunity.

Senator Talent and I were talking about how the way that we're going about reform and improvement right now is measured and incremental, but it's things that are within reach that we should focus on that over time make a huge difference, and I think we saw good results out of the committee with the Ranking Member and the then-chair, Senator Graham, and I'm hopeful that we'll make even greater progress this year.

Because there are so many pressures, the op tempo, the limited resources, the concerns with readiness, all these other factors that affect morale and ultimately the ability to keep the soldier at the same time lethal and safe are being challenged, I think the things that came out of the task force are very, very important, and very great cookie crumbs and great indicators for places that we should prioritize, and I appreciate your work.

I had one question on the lateral entry program. It has more to do with the types of skills that you would most likely—you would

want to be looking for skills where you'd really benefit, depending on where someone is experienced coming from the private sector, and for some level of service. How do you do that and do it in a way that makes the spouse at home happy with the kind of compensation that they're going to potentially receive? Because if you look at a cyber job, for example, cyber talent right now is generally making, at least in the industry I came from, highly skilled people start out in the low six figures and move up from there.

So did you spend much time discussing those sorts of challenges and have any thoughts on the subject?

Senator TALENT. Yes, we did talk a fair amount about that, and I think it would be important for the Department to have the authority and the desire to structure fairly flexible packages for people. Now, obviously, there are pay bands, and this is not like hiring in Silicon Valley. But people don't generally join the Armed Forces primarily for money. So the idea is if there's a systematic effort to recruit people for need for a mission that's recognized as important, I think we can expect that a fair number of people with skills in this area would be interested in being there, even though they would take almost inevitably a financial hit, and I think this is the history of the Armed Forces in our wars and our other efforts. People have been willing to sacrifice.

The problem is when the process is so opaque either it forbids it or you have to jump through so many hoops, and you don't know when it's going to be resolved, and you don't know if it's ever going to be resolved.

We had someone on our staff talk to a woman who was serving in a non-profit, in a charitable role in Africa, and she wanted to join to offer those kinds of skills to the military, which we need in today's day and age, obviously, and it was so difficult for her even to access the recruitment process. She eventually was able to do it. I think she got help from a congressman to be able to do it.

So the answer is I don't think the financial aspect of it is—yes, for some people it would be an obstacle. I don't think that's an insuperable obstacle if the process is made receptive, clear, inviting, and the purpose of it is clear.

Senator TILLIS. I think that's another reason why we have to get—once you are part of the military, we've got to clear up a lot of the other issues that you've outlined in the task force report. If they move as they get deployed, they by definition had a career outside of the military, they most likely could go back to it, and that's why it's so important to get a lot of these fundamental processes and policies that you all have touched on with the task force right.

I have one question in my remaining time. I'll probably ask some follow-up questions after the first round. But childcare, in some ways the childcare discussion reminds me a little bit about the VA discussion. There are the people who say it should all be private. There are people that say it should all be run by the Department. Did you all discuss an optimal mix or whether or not you take a position at either of those two extremes?

Ms. ROTH-DOUQUET. We do believe it needs to be a public-private partnership. There's an important role for the government. The reason we need childcare for our Armed Services is so that they

can do their mission. So it really is a national security requirement to have childcare for our military families. That's why the government should be involved.

But most people actually want childcare near where they live, so that requires it to be private. They can't get that childcare near where they live for two reasons. They can't get off of the waiting list to get into those centers because high-quality childcare is often multi-year waiting lists, and the lifestyle of the military, the frequent moves, don't allow us to ever get to the top of those waiting lists. Then it can be quite expensive.

So either the Services can have a role to subsidize that childcare, or as part of the national security requirement we can look at ways to require a certain number of childcare centers to both save space and make it affordable, and make that a State or a County requirement. I think there are opportunities to look at solutions, but we do need a solution.

Senator TILLIS. Thank you.

Senator Gillibrand?

Senator GILLIBRAND. Thank you for being here.

Just on the childcare, to finish up, I like the last idea the best because I don't think subsidizing is going to work because there are a lot of venues where there's not enough slots. I mean, there are States where there are not enough slots for affordable day care. So are you directly recommending that we do public-private partnerships to create on-site day care, or are you suggesting some other method?

Ms. ROTH-DOUQUET. Public-private partnerships to create on-site would be fine, but also to require a certain amount of spots are held, because it's predictable that military people will come in.

Senator GILLIBRAND. Just as a national security priority, if you host a base——

Ms. ROTH-DOUQUET. Exactly.

Senator GILLIBRAND.—you are required to do so, some kind of requirement from the State.

Ms. ROTH-DOUQUET. That's right, and then we recommend an on-base childcare coordinator to help both——

Senator GILLIBRAND. The problem with requiring it of the State is that if there's a base, they're not getting tax revenue. So you're already sucking up the sacrifice because you're hosting a military installation and you're not getting any tax base from that. So then asking them to invest more might be hard for some States, although an excellent idea. I just don't know how you would——

Ms. ROTH-DOUQUET. Well, around BRAC, the BRAC analysis, you have a good analysis of the amount of income that's brought into an area because of a military installation. There does seem to be terrific economic activity that is co-terminus with the base. So you could balance that off, and also you could say this really is something that requires a solution, that the talent needs to get together with the installation to come up with——

Senator TALENT. Senator, can I just join for a second?

Senator GILLIBRAND. Yes, please. Go ahead.

Senator TALENT. I don't think Kathy was talking about requiring the localities to pay for the day care but rather to hold a certain number of slots for service personnel. Or did I get you wrong?

Ms. ROTH-DOUQUET. Both to hold the spots, but then we are going to need to address the cost. Somehow the cost needs to be addressed.

Senator GILLIBRAND. The problem is there are a lot of places that don't have enough childcare and not enough high-quality childcare. I'll work on that idea about what's the best, something this committee can work on, what's the best way to facilitate it, subsidize it, or support it meaningfully.

On cyber, what are your views of how the Department is or is not using the ability to use Reserve components and civilian personnel to fill cyber needs?

General PUNARO. Senator, from my experience, and also as the current chairman of the Reserve Forces Policy Board, although I'm not speaking in that capacity here today, I want to make that clear, it's moving in the right direction, but it's not moving fast enough. Certainly, in speaking of lateral entry, there are areas, as Senator Ernst knows, where you have individuals in their civilian skills that are in the military in that same skill. They tend to be much more experienced and mature than what we're able to train in the Active Duty military.

Cyber is so complicated and so difficult, as Senator Tillis, the chairman, pointed out. It takes them 3 to 4 years to train somebody to be in the cyber mission force up at Fort Meade. Once they're trained, they're off Active Duty within a year or two of that, and they're going right out into the private sector for those big jobs. We'd like to capture them in the Guard and Reserve because then we don't lose that benefit, plus we have them available.

But when they started the cyber mission force, the 6,000, it was all Active Duty with no Guard and Reserve. You know the statistics. The Guard and the Reserve, when they have—I don't call them competitions, but when they have these exercises, they always do a lot better because they're working at Google and Microsoft. We can also site Guard and Reserve units in the centers where you have—like Austin, Texas, and San Antonio and Seattle.

So there's a lot more opportunity for the Guard and Reserve to be used, and you've got to crank the Guard and Reserve into the contingency option. I can speak from personal experience. My youngest son, Dan, is a captain in the Army National Guard, and he trained signal, and then he went cyber. He's got an MBA. He's got a couple of technical degrees. Their unit, they're standing up in Virginia, the first Guard cyber unit. Their role is to augment the cyber mission force at Fort Meade. The skills of the people in his unit are far superior to those that they train on Active Duty.

So it's moving in the right direction. It's not moving fast enough, and I think——

Senator GILLIBRAND. But what's making it slow? Because in the last NDAA we gave them authorities for authorizing more hires, and also direct-hire protocols and special pay authorities. I've been pushing this for 5 years. Why are they so slow?

General PUNARO. The building defaults to they prefer Active Duty because they figure, well, we've got them 24/7, and we don't have the aggravation of having to bring in the Guard and Reserve and the complicated duty statuses, 32 separate duty statuses now. The committee and the Department are working to reduce those

down, but it's a cultural thing, Senator. They just like Active Duty. That's just their default position. It's quicker for them, but it's more expensive, and the people aren't as skilled.

Senator TALENT. This is a partial answer to your concern, Mr. Chairman, because to the extent that we can make this capability resident in the Reserves so they can continue working their regular jobs, the financial issue that you raised begins to go away.

Senator TILLIS. Senator Ernst?

Senator ERNST. Thank you. Well, this is a great discussion, so thank you to the panelists for being here today, I appreciate it.

Just following up on some of this discussion about those high-level skills that we need in the military, Senator Talent, you had mentioned I think the pilot shortage that we have. What about requiring longer commitments for those that are trained as pilots and then go into those specialty areas? Maybe instead of a 4 to 6 year commitment, maybe they have an 8 or 10 year commitment. Is that something that has been considered?

Senator TALENT. I don't recall us talking about that specifically. Now, where we do get at that is in the recommendations regarding altering the up-or-out system, and the way the promotion and career progress in the military is pegged to command. I mean, the system basically assumes that everybody in the service wants to eventually become Chief of Staff and puts them on a career path to become Chief of Staff. Well, you know this.

I think there are many pilots—and we did have evidence to this effect—they want to fly. They don't necessarily want command. If they're pushed into a system where they have to train, have to do things that aren't part of their vocation and their love, or if they're pushed out because they're not being promoted according to the terms of that system, then we lose them. We did discuss that an awful lot.

I don't see any reason why, if we had a more flexible recruiting system, why you could not try and negotiate packages like that. I think you'd probably have to have compensation flexibility to do that.

General PUNARO. So, for example, when we created the medical school at Bethesda for military doctors in the early 1970s—Scoop Jackson was one of the leading advocates of that—it took almost 10 years. They've got almost a 10 year commitment after that. The academies, I think they have 6 years now, 5. That ought to be longer. They're getting a huge, expensive education, and the statistics are they don't stay any longer than the OCS [Officer Candidate School] or the ROTC [Reserve Officers' Training Corps] people. A lot of them do stay.

But pilots, the up-or-out system takes people—if you're a major and you're the best squadron maintenance officer that they ever had in that squadron, and that's all you want to do, why can't you do that and stay in and do it longer? But the up-or-out system doesn't allow you to do that.

I think the payback period—for example, on cyber, we spend—I mean, if you want to be cyber trained in the military, you've got 2 to 3 years' worth of schooling. Just the basic cyber warrior now at Fort Gordon is 9 months. They ought to incur an obligation for training for these specialty skills that are in high demand on the

outside, and as Senator Talent said, a lot of people—so, telling a war story here, as a general officer I didn't get a lot of military air, but if I'm flying down to Camp Lejeune, you can't ever get there, so you get to fly at Andrews. I said, I don't want to fly at Andrews, I want to fly to Fort Belvoir. Why? Because Andrews will be a Gates Lear jet. It will be two Air Force 1st lieutenants who have been flying for a year-and-a-half. I want to fly with the Army out of Fort Belvoir in a C–12, a Beach Craft King Air, because it will be a CW–05 who has been flying for 25 years.

Why can't we let people in the military fly for their career and recognize they're never going to be Chairman of the Joint Chiefs or Chief of Staff of the Air Force, and have a payback period? But we don't let you do that.

Senator ERNST. Right, and I do tend to agree with that. In the Reserves and the National Guard, we tend to be a little more flexible. I have some great E5 truck drivers that want to be truck drivers, or whatever the case may be. They may not necessarily want to be a platoon sergeant or a 1st sergeant someday. So I think it's great that we have that discussion. I know Senator Gillibrand and I have talked about that with the JAG Corps [Judge Advocate General]. Some people want to be prosecutors. They don't want to be stuck somewhere else leading an admin team or whatever it might be. So I think that's very, very beneficial.

But one thing with recruitment from the civilian ranks, whether it's in cyber or other areas, if you're looking at somebody who has already developed those skills, during his confirmation hearing Secretary Mattis had mentioned that the warrior ethos is not a luxury, it is essential when you have a military.

So pulling somebody maybe out of a Google or a situation like that, understanding it is still the military and there is a different culture within the military, and there are standards that have to be adhered to, maybe those standards could be broadened a little bit, but understanding it is still the military, how do you address that?

General PUNARO. Well, I think, for example, in the Vietnam era you had the planners that came in after their medical school and served on Active Duty, and they would put their captain bars on and go right in and didn't get any training in how to be an Army soldier. They need to do that. But today, Senator, we have 350,000 Active Duty military serving in inherently non-governmental jobs. They're not in anything that has to do with the warrior ethos.

So what I would do is I'd try to get our Active Duty military back out on the tip of the spear. By the way, we've cut the war-fighting forces by 250,000 people. That's where I'd focus the warrior ethos. Everybody that comes into the Department of Defense is not going to be a warrior, and we ought to get our Active Duty military and have the warrior ethos there, and the Guard and Reserve, and have these other jobs filled by either civilians or contractors. Some of them don't even have to be done at all.

But you're right, you want people to basically have the history, tradition, and culture, but they can get that going pretty quickly on the Active Duty military side.

Senator TALENT. Senator, I think you've touched on an important issue which we did discuss a lot. This system does work for certain

core functions. I mean, that's why it's there and why it's lasted so long, what we think of as the traditional war-fighting functions. I do think you should be careful that in any changes you make you don't do any harm to the system where it is functioning well.

I also think that in our discussions with the former general officers and flags who are on the task force, it's going to be easier to really get the cooperation of the building if they see that you all are sensitive to the fact that the traditional cultural norms are very important for everybody.

At the same time, as General Punaro said, we do this already. We do it with military lawyers. My wife was ROTC, and then was in the JAG Corps. She went through enough training to understand and inculcate the basic norms of the service, and we all think that that's important. But as a practical matter, we have a lot of specialties and a lot of technical MOSs [military occupational specialty] where you don't need to do that the way you would if your goal was to command an armored brigade.

Senator ERNST. Thank you.

Ms. ROTH-DOUQUET. If I might just add, too, that one of the strengths of our military is that it is imbued with the culture of the civilian society, the citizen soldiers. The Services did not want us to move to an ROTC system in the early 20th century. They were worried that that would remove us from the warrior ethos. But our political leadership made a decision that this is the strongest way for a democracy to lead in the world, is to be trained in all aspects of society and bring people from all aspects of society.

So I believe that broadening this actually strengthens the military, even though it may make people uncomfortable who are in the Services in the short run, but that's part of our political leadership's opportunity to help us with.

Senator ERNST. Thank you very much.

Senator TILLIS. Senator McCaskill?

Senator MCCASKILL. Thank you so much, and a special welcome to Senator Talent. It's very good to see you, and thank you for your work on this, and to all of you for your work on this. I really appreciate the recommendations. I think many of them are good, old-fashioned—I would call it Missouri common sense that we need to adjust and evolve in terms of the needs of our military.

I particularly was supportive of the recommendation to include all young American adults as part of the Selective Service System. I think that's an important marker that we need to put down. We came close to doing that last year, and the thing got stymied. I don't remember why. We've all been stymied so many times around here, it's hard to keep track.

I want to talk about an experience I had where I was going around the state talking at various military bases in Missouri, and I stopped at the National Guard unit out at Jefferson Barracks where they stood up a cyber unit within the National Guard, and much to my surprise, as part of that unit was the premiere IT cyber specialist from Monsanto.

Now, you can imagine the kind of expertise you have to have in cyber at a company like Monsanto, and they were telling me about the skill of this man. I was very impressed with the work they were doing and found out that he almost couldn't stay in because

of push-ups. I thought, okay, there is something wrong here that we are pulling this kind of expertise into the Guard, and then we are going to turn around and say we don't want you because of push-ups.

I will just say that especially in the IT cyber area, the one thing that is very clear to me after being here on this committee for as many years as I have is the billions and billions of dollars we have wasted in how we acquire IT for the military, because the people who are deciding what we needed didn't know what we needed, and they were depending on the people selling it to us to tell us what they needed. So, of course, the people selling it to us would say, well, we can build that requirement for you, and we can build that requirement for you, and we can do all this from scratch, never considering anything off the shelf, and that's how you get into the kind of problems we've had with DCGS [Distributed Common Ground System], where it has been a multi-billion-dollar project, still doesn't work very well. Off-the-shelf products are going to work better.

I think it is time for us to consider, and I would ask you all, do you believe that we could create a special category for cyber warfare that would embrace the warrior ethos, because it is a form of warfare, but maybe have less in the area of point-of-the-spear traditional warfare-type training?

General PUNARO. Senator, right in the bulls-eye with your comments, and I think the answer is yes, and here would be my comment on it. Let's take that individual in Missouri in the Guard. That's absolutely a person we want in the Guard and Reserve, and we want their skills. If that unit was more integrated into the day-to-day activities of our Department of Defense, particularly on some of the cutting-edge cyber missions that happen at Fort Meade, that would incentivize the people in that unit perhaps to basically get in a little better physical shape.

I think you're going to have to have anybody that's wearing the uniform meet the minimum physical qualifications. They don't have to get 100 percent score on the PF–2, like everybody in the Marine Corps does, but they can certainly do the minimum number. I never could get 20 pull-ups myself. I did okay in the military.

But the problem is you've got to incentivize them, and I think that's the kind of person that the Active Duty military should want involved, and more involved, but there's a little bit of a push-back.

You certainly have categories in the military that have different qualifications and different requirements. I mean, you're going to have a much more stringent physical requirement to be a SEAL [Sea, Air & Land] or be a recon ranger, but the minimum standards aren't that tough, being candid. So I would certainly think you'd want them to meet the minimum standard and incentivize them to do that if they feel like that unit and that individual is going to really be a cyber warrior.

We actually have in the Army now, the Army has a new military occupational specialty for cyber. It used to be Signal Ops. It's now at Cyber, and it's a pretty exciting thing, and the other Services are doing that as well. Our Department of Defense has designated cyber as a warfare domain. So I think there is a recognition of the

importance, and it's moving in the right direction, but it's moving way too slowly.

Senator TALENT. Most of what we've recommended they already do for certain purposes in certain specialties. If the need gets big enough, they'll crash to a work-around. So I think what we're saying is systematize it, think about it beforehand. I agree with General Punaro. As a matter of fact, maintaining good general physical standards is an ongoing challenge for the force, and we wouldn't want to suggest that people can be in bad shape, but you don't need to do as many pull-ups to be a cyber warrior, or push-ups. You're right, and when the need is so great, we ought to have a system that's more flexible.

So a lot of these lateral entry things that we're proposing involve flexibility in terms of standards, career progression, that sort of thing.

Senator MCCASKILL. I just want to also say I was really appreciative of the mention of childcare. It's a big deal, and I appreciate that the bipartisan group called that out in the report. It was terrific. I hope everybody on the committee reads this. It's good work. Most importantly, I hope the Pentagon digests it.

Ms. ROTH-DOUQUET. If I could just echo that. In the Blue Star Survey, when we asked everyone who took the survey what one thing would they most like DOD to do to improve their lives in the military—it was an open-ended response; people wrote it in—the number one thing that servicemembers and their spouses wrote in was improve childcare.

Senator MCCASKILL. By the way, the Guard in my state—I don't know if you have that problem in Iowa or if you guys have that problem, but the Guard in my state, one of the problems when I did a roundtable with women in the Guard was finding childcare for the weekends they had to train, because that is not normal childcare hours, and I'm trying to put in the NDAA [National Defense Authorization Act] some way that if they're going to be training at a base, that they can access the childcare facilities on the base for their children during training, because it's a real issue for a lot of families that are doing weekend training.

Senator TALENT. Senator, generally speaking, if you look at the surveys, and Kathy can speak to this at great length, we tend to focus here, and certainly they do over in the building, on solving retention and other issues through compensation or bonuses or benefits, and that's important to families. I mean, let's not say it's not. But what we were hearing back is a greater and greater level of frustration that the system doesn't seem to understand what they're dealing with.

At the beginning of the hearing Kathy mentioned, and she certainly would know, just the fact that you all are holding this hearing and are listening will be tremendously encouraging to military families because they'll know somebody is paying attention to it, and I think they feel like the system right now is not.

Senator MCCASKILL. I think that makes sense.

Thank you, Mr. Chairman.

Senator TILLIS. I'm glad I think there's consensus among the four of us who are here about the childcare component. Down in North Carolina with the large military presence we have, there's never a

time that I don't get together on the base or in military communities where this isn't half of the discussion. When you have questions or concerns about that, it also distracts the person in uniform from what they're hired to do, what they're doing in the military. So we have to work on it, and I believe this committee agrees it needs to be one of the key areas of our recommendations coming out of the committee.

I have to agree that awareness of the—I guess, Colonel Wilkie, you told me this before. I don't know if he's here right now, but is it 11 states? What's the percentage of——

Colonel WILKIE. As Senator Talent said, over half of the Officer Corps comes from 11 states.

Senator TILLIS. Yes. So even in North Carolina, where you have the tip of the spear, the global response force down in Fort Bragg, you have Camp Lejeune, you've got the largest Coast Guard air station in the United States, a lot of people in various branches, in various national defense positions, all you've got to do is get to Raleigh and the awareness of the military and any connection to the military goes away. You get to Charlotte and it's even further.

I like the idea of the military aptitude test, moving that forward to the point of registration. Was there any discussion about even earlier in the cycle, like in high school?

Senator TALENT. I recall that we did discuss that somewhat. We focused pretty much on the registration point because we just felt that it was, first of all, an existing access point. Second, with high schools, so many high schools differ so much around the country, and then you'd have to pick out exactly when, and we just thought that was the perfect opportunity when they have to think about it a little bit anyway because they have to register, to then provide for this.

Now, we did not work out the details of what kind of a burden it would be and all the other things you'd have to check out. But I think the potential in terms of raising awareness and connecting young people to the military, at least for that episode, is potentially very great. I really think it might have a big impact on recruitment, and they could do some recruiting things around that as well.

Senator TILLIS. General?

General PUNARO. I agree. I think that's very important. The history has been a lot of food fights over the years to try to give our military more access to the high schools. The Solomon Amendment many years ago made it available. At least we can go and recruit now.

One way of getting them earlier is through the Junior ROTC programs. These are great programs. That needs resources. There are places where they'd like to do it where they don't have the resources to do it. But the sooner we can get to them—as you know and the staff knows, the two alarming things that are happening on the recruiting side—and again, we're talking about we've got to have the world's finest military in 2025, not just in 2017. The propensity to enlist is something they track all the time. That's tracking down. The eligible demographic of our 17- and 18-year-olds that are physically qualified is tracking down.

The one that's alarming to me, and I know the staff will be more current than I am, and they can track this down, we have benefitted from the families that have served in our military. Their sons and daughters, brothers and sisters serve in much higher numbers than the regular population. That propensity now, and it's a huge source of our military recruits, is now tracking down for the first time, and that's because they've looked and seen what their parents and their brothers and sisters have done for the last 15 years, and they don't want to do that.

So the sooner we can get and educate—and the other point you make is, and this is why I think the Guard and Reserve needs to have a more prominent role in the future, is because of the disconnect between civilian society and our military. As we neck down through five base closure regions, we've got parts of the country that have no military presence whatsoever. Like you say, even in a great state like North Carolina that generates far more recruits, as does the South, 43 percent, than any other region, you've got pockets that really don't have that.

So that's got to be addressed. You can't have a strong military and you can't be successful on the battlefield if the American people are not connected to and behind our military.

Senator TILLIS. Senator Gillibrand?

Senator GILLIBRAND. Thank you, Mr. Chairman.

I want to focus a little more on spousal hiring, and I'll start with the childcare. So one idea for spousal hiring is hiring spouses to work at these childcare centers, but I do understand that there's a very, very cumbersome background check process, along with Federal hiring timelines. How does that impact the ability to make that happen? Related, what are some of the other challenges you have for hiring spouses? I know there are difficulties with the transfer of certifications across state lines. I understand there are complications because of budget uncertainty. What are your recommendations to begin to solve some of these challenges?

Ms. ROTH-DOUQUET. Thank you so much for asking that question. For childcare, right now it's taking 18 months to get background checks for childcare workers. If you're stationed somewhere for a year or two, or even three, that's just a barrier.

It's not actually only for childcare workers. It's actually to volunteer to be a coach on a sports team or any other place. There are huge bottlenecks.

One opportunity would be to allow anyone to get a check to be certified from the time they become a spouse. This is true for servicemembers as well, by the way, who leave service and become a spouse, their prior——

Senator GILLIBRAND. So maybe we could authorize in the NDAA that we want to create a certification process for these various opportunities that you can do wherever you are, get it done, it's all State certification, Federal certification that should be usable anywhere you are.

Ms. ROTH-DOUQUET. That would be tremendous. I think also to allow certified people to provide childcare businesses on base would be a great opportunity right now. Often that's not possible.

Senator GILLIBRAND. Yes.

Ms. ROTH-DOUQUET. Then in terms of two things for spouse employment that would make an enormous difference and not cost any budgetary dollars. One is 79 percent of military spouses seeking jobs on bases, GS [general schedule] jobs, are not getting them. We have the authority to hire them. People typically think we can't hire them because there's a veteran preference. Well, actually, under law we have the authority to appoint a qualified spouse to a job. People simply aren't using that authority.

Senator GILLIBRAND. We need to make a different preference then? We need to change the language?

Ms. ROTH-DOUQUET. We don't even need to make a different preference. It exists. We need to direct them to actually do it.

Senator GILLIBRAND. Do it.

Ms. ROTH-DOUQUET. They actually have the authority, and most people either don't know it—I think they probably just don't know it. But installation jobs are excellent jobs for spouses because they're career quality. They're GS jobs that you can move up in them. The taxpayer saves money because when you go overseas and you have a trailing spouse taking that job, you're not paying the relocation allowance, the COLA [cost of living adjustment], all the costs that you pay right now to send a veteran overseas to do that same position for three times the pay.

Another thing is licensing. Virtually every job in America today requires a license, whether you're a dog groomer or a nail technician or a lawyer. So even though there's been progress made in transferability of licenses, again the actual application of that has been spotty. Sometimes there may or may not be authority. It may or may not be used. To create a blanket authority, I think again under the NDAA—this was my friend Senator Talent's brilliant idea—you must accept other states' licenses for military spouses for a period of 2 or 3 years, or if you don't you have to waive the fees for them for health reasons only, you have to waive the fees associated with it.

As a matter of national security, and there's a good argument to be made, we have statistics that show that spouses who work are supportive of military service, are supportive of recommending military service, those who do not feel their work has been hurt by the military. It's 80 percent who feel it's been hurt, only 36 percent of them are supportive of staying in the military and recommending military service.

It's the one thing that not only keeps our families strong but it also reduces the need to pay more for the people in uniform because you increase their household income.

Senator TALENT. Senator, if I could briefly, nobody speaks about these issues as compellingly as Kathy. The two of us, the whole task force discussed this question of State certification. Kathy and I pushed pretty hard for a more aggressive recommendation than what's in there. What we have in there is that we recommend working with the States to try and reduce this problem, which is certainly one way of dealing with it.

Now, personally and speaking for myself, I would really consider going much further and much stronger so that if somebody is certified—and you could have a list of different kinds of professions or vocations, and there may be some that you feel are so sensitive

in terms of State concerns that you want to carve out exceptions for that, and I'll just pick one. If somebody is a licensed dental technician and they're licensed in Massachusetts, Senator, it's not some tremendous threat to the dental profession if they get transferred to California to allow them to practice their profession, and you have authority to require that of the States.

If you sent a signal that you were going to, I think the Governors Association at minimum would sit down and start talking seriously, and you probably motivate the States. I think this has real potential. I can't imagine anything more frustrating than finally getting a job at one post or one station, getting transferred without any notice, and then going someplace and finding you've got to pay $2,000 or take an 18-month course to get licensed. It's so frustrating. That doesn't cost any money, really. The States should be sensitive to this anyway.

So I hope you will consider it, but I can't say that that recommendation is in the task force report.

Senator TILLIS. Senator Warren?

Senator WARREN. Thank you, Mr. Chairman, and thank you to our witnesses for being here and for this thoughtful report that you've put together.

I want to ask a question that's related to where Senator McCaskill was going, but I want to ask a different part of it, and that's about the recruiting and retention of highly skilled and specialized technology jobs.

It seems to me that this is an area where we could probably stand some improvements. In Massachusetts, for example, we have some of the best computer scientists and engineers in the entire world, and many of these men and women are looking for ways to serve their country, but they may not think that they are interested in a military career, and the military may not think that they are interested in these people.

It seems to me that our military recruiting system is not very well oriented to recruiting and retaining cyber warriors. So can you all say just a bit about how we might change our recruiting system so that we are identifying and recruiting the best talent for jobs that aren't traditional military specialists? Whoever would like to start on that.

Senator TALENT. I'll just say, Senator, that's a big part of our report, and there's a lot of precedent for this. You know, when the need has been there and they've recognized it, they've been able to do these things. William Paley, who was the head of CBS or something, in World War II was brought in as a PSYOPS [psychological operations] expert with the rank of colonel. There was flexibility in those times to do it.

So I think what we recommend is that they at minimum identify certain areas like you're talking about, and certainly Boston would be a place, in the Boston area, where there's a number of people who might be willing to consider this, with certain specialties, certain skills. They can begin doing it that way, which they really need, and then loosen the rules so they can be more flexible in terms of what the commitment is, maybe some flexibility on compensation, some commitments about how often they're going to move, which would reassure the family, flexibility in terms of rank

and what their path for promotion is, and then definitely ensuring that continuum so that when they do leave Active Duty they go into the Reserves and we don't lose those skills, and then it's easier to activate them in the future.

But General Punaro will be the expert in this.

General PUNARO. So I would say you're right, spot on. The first thing that has to happen is our military has to do what private industry is doing today, and that is they're looking at 2025 and 2030 and determining, if you're General Electric, now headquartered in Boston, Massachusetts, thanks to the taxes in Connecticut——

Senator WARREN. Actually, thanks to the attraction of Boston, Massachusetts.

[Laughter.]

General PUNARO. I won't get into that debate. Unfortunately, the Celtics beat our team last night, but that's neither here nor there.

They figure out in General Electric and all the big corporations what are the skills we're going to need in our company to be successful. We don't do that in the military today. We're looking at, okay, how do we get our quota in the next quarter or the next year.

So the first thing we've got to do is—and once General Mattis and the team has the new strategy for that decade, because it takes that long in the military, as our staff knows. It takes 15 years to train a battalion commander and a 1st sergeant in the National Guard. So what are the skill sets? We know they're going to want the skill set you identified. We know the military is going to be more technical.

Okay. Now that we know we're going to need that skill set, what is the best way to bring them in? Should it be Active Duty? Should it be Guard and Reserve? Maybe it's a defense civilian. Maybe it's a contractor. Maybe it's an FFRDC [federally funded research and development center], like Lincoln Labs. Then you determine what's the right mix.

I'm a big supporter, as Senator Ernst and others know, of the Guard as home base. So if you join the Guard in Massachusetts, or you join the Guard in another state, you're typically going to stay within that state. You're not going to move all over the country like Active Duty. You can stay at work in one of the great cyber firms and be promoted in your civilian job and be promoted in your military job.

It's the flexibility. What we've argued in our report and the good thing about the force of the future that Secretary Carter did, not necessarily the solutions, but I think they did a good job of identifying the problems—that would be a good starting point as you look at what are the right solutions. So we've got to make the military recruiting, retention, and personnel management system much more flexible, just like we do in private industry, just like you would do here in the U.S. Senate. You move people around all the time. They can't do that in the military today under DOPMA/ROPMA.

Senator WARREN. Right.

Ms. ROTH-DOUQUET. Just to add, Dr. Chu helped us with a great suggestion about making G.I. Bill or ROTC relief available for people with graduate degrees, so to bring in someone with a graduate

degree in computer science, forgive their loans in exchange for that service could be a great opportunity.

Senator WARREN. Thank you very much. I just want to say on this one, because I think it's really important, you talk about the tools that are needed, but you're also talking about a very different approach from a management perspective.

So I think it's going to take both. We have to think hard to make sure that the tools are available, but we've also got to think hard about how it is that our senior leaders in the military approach this set of issues.

Go ahead, Senator, as long as our Chair is okay with the time.

Senator TALENT. From my time on the other side of the table, I think as you approach this it's the old carrot/stick thing. You're going to keep pushing, but I would also encourage, both in hearings and in private conversations, encourage the new Undersecretary for Personnel and the Chiefs that if you try these things and something doesn't work as well as we all hoped it would work, we're going to be understanding from our side of the table. In other words—and again, I'll speak as a former Member—it is a little bit unfair to push them to do something and then really come cracking down hard on them when they try it and it doesn't work. I'm not accusing. You're certainly entitled to expect performance and the rest of it, but I think if you sent that message along with the rest of it, it would probably be okay.

Senator WARREN. I think you're right. It seems like what we do right now is we encourage risk aversion and just stick with whatever you've done for the last 100 years rather than encouraging people to take some risks, even recognizing there will be some failures.

Thank you, Mr. Chairman, and thank you.

Senator TILLIS. Thank you, Senator Warren.

Before we got here, it reminded me of a line of questions you asked a prior panel that had to do with helping the transition out of the military into equivalent jobs, which is another area we need to work on, because I think if we work more diligently to define career path and align MOSs to private-sector jobs that are appealing to people that are currently in the military, then they're likely to stay there to get that extra skill that at the point in time they decide to separate they can very quickly go and get a private-sector job. We've got to work on that.

That also requires the licensing for military spouses. It requires stepped-up attention on the part of the States, and it's something that perhaps this committee could look at. I don't know if it's typical to have people from the Governors Association here or legislators, but we really need to heighten this.

Anytime I talk with state organizations, they're open to the idea, but there's no one taking the lead to really force real progress.

Senator Ernst?

Senator ERNST. Thank you, Mr. Chair.

This is a great conversation. We're covering a lot of area, and I think it is really important. Senator Talent, I'm going to go back to something that had been one of your suggestions, creating an adaptable workforce. You mentioned promoting and compensating servicemembers based on merit, which I do think is important. Our

current pay structure provides no financial incentive for our senior enlisted members to lead at the highest levels outside of the Joint Staff, and I'll give you an example of this.

So, you may have the senior enlisted advisor at PACOM [Pacific Command], which literally covers half of the globe, and that senior enlisted advisor is paid at the same base level as a command sergeant major that's working for an O–5. There is very little incentive for some of those enlisted members to continue rising in the magnitude and the scope of their duties.

So do you think that linking compensation to that scope and magnitude of an individual's duties is important?

Senator TALENT. Yes, and we have a number of recommendations, and you've referred to them, Senator, about being able to adjust pay to criteria for performance other than just simply time and rank. If we align that, then, with the flexibility of allowing people to determine a little bit more their own career paths and promotion paths, we begin to individualize it a little bit more. So we then align the financial incentives with creating greater satisfaction and a sense that we have more control, and I think again it's an enormous institution with 2 million people, if you count the civilian employees, so they're not going to be able to individualize this the way a small business would, and you can't expect that. But I think we'll get more satisfied people for longer, and I hope that—because they're really pressed, obviously, from a funding standpoint. But I think if we can increase the sense of satisfaction, then the compensation won't be quite as big a factor.

But I certainly agree, and we do have discussion in here, although not at great length, about the importance of applying this to enlisted as well, these concepts at least to enlisted as well.

Senator ERNST. Yes, I do think there's a lot of talent out there and a lot of weight upon the shoulders of some of our senior enlisted members. Our officers, when they increase in levels of authority, continue to be paid more. But our enlisted members do not. So I think that is a disparity that we need to take a look at and reward those that want to stay and take on greater levels of responsibility.

General PUNARO. Thomas Gates, when he chaired the commission for Richard Nixon that looked at whether we should do away with the draft and go to a volunteer force and recommended that, a recommendation that was opposed by every single person in the military at that time even though the Vietnam War draft was immensely unpopular for our military at the time, it was a steady source of recruits. Gates said at the time we should do this, and we did it in 1973. That was the first year I showed up here on the subcommittee, and we had to deal with the volunteer force, saving it over a 7 year period.

He said three things have to change or the volunteer force won't be sustainable. One of them was get rid of the up-or-out promotion system. Two was look at change in the cliff retirement system in 20 years that encourages your most experienced people to leave at 20 years, and now because they live longer we pay them for 65 years to serve for 20 years. Then the third thing he said was you've got to shift pay and compensation from time and grade and rank

to skills, performance, and responsibility, and we need to make some of those changes.

You'd have to do it gradually. You could do pilot programs. We have skill and proficiency pay. You have jump pay and pilots pay. But why shouldn't the person that's a command sergeant major for the largest geographical command—that's certainly something that ought to be looked at. The military will fight this tooth and nail because they like the simplicity of every E5 gets paid the same thing, whether you're a cook or you're a tank turret mechanic. So it's going to take some real cultural change. Hopefully they will be more open to it than they've been since 1973.

Senator ERNST. Hopefully that cook would be making more if I'm eating that food.

Do you mind if I just—I'm going to touch briefly upon something, no need to comment unless you want to. But we've been talking a lot about recruitment as well, and the ASVAB [Armed Services Vocational Aptitude Battery]. I know in my daughter's high school, which is very tiny in a very rural part of Iowa, all of the kids in her senior class take the ASVAB. That's something that's important to that school counselor, so everyone will take that ASVAB.

Especially showing leadership I think is really important when we're looking at young talent and encouraging that talent to go into our service academies, and this is one thing that I think we do a very bad job of as senators and congressional Members, is making sure that all of our state allotments or slots are filled and sending names to those service academies. I know there are congressional Members that don't make recommendations. They don't make recommendations, and I think that is a horrible thing for that opportunity to slip away from some of those young people in those states that may be able to receive a high level of education that they wouldn't otherwise receive.

So we need to do a better job at being leaders in that area as well, and getting that talent to the right schools. So that's my soap box.

Senator TALENT. Senator, I could not agree more, and I've always made that an important priority in my office. We tried to work with the kids and tote up the number. Particularly in the House I did this from the 2nd Congressional District in Missouri, and then afterwards always had a party for those who just got the recommendations. I'm digressing now but, I'll tell you, if you want to be encouraged, and you all I'm sure do this in one form or another, you get together all those kids who sought to go to one of the service academies and their families and you see the kind of young people that this country is still producing. I'm telling you, that's an encouraging thing.

I could not agree with you more. I love the congressional/senatorial recommendation aspect of this, and I think our offices—because you all are connected to the people, and this is a way of engaging through your offices. It engages the public. People learn about this process because you're out there talking about it. So I couldn't agree with you more.

Senator TILLIS. I completely agree that one of the most enjoyable parts is when we finish the selection and put forth nominations for the academies we have a celebration and an awards ceremony

down in the state, and I'm completely recharged while I'm in the presence of all these young men and women, and on the ride home I feel completely inadequate as a high-schooler when you see their 5.0 grade point averages and their community service and all the things that they do. It is remarkable, and it's inspiring. It gives me a lot of optimism that if we get these sorts of policies right, that we can attract even more and more of those people.

Senator TALENT. Senator, I'm glad I was able to give nominations because I could never have gotten one myself when I was in high school.

[Laughter.]

Senator TALENT. So I completely understand.

Senator TILLIS. That's right. Incidentally, there's a lot in the 39 recommendations. There's a lot of this report that we have to digest, and I have a number of questions for the record that we would like to submit.

General?

General PUNARO. Mr. Chairman, before you close out, with your permission, can I make a quick comment?

Senator TILLIS. Absolutely.

General PUNARO. The one thing that I take away from all this—and thanks to the leadership of Jim Talent and Kathy. I'm a Marine infantry officer. I grew up in the infantry. We're kind of dinosaurs, but the one thing that I think is dramatically different that we need to recognize here in the committee and in the Department of Defense is the role of the family. If we don't make some adjustments—in the private sector, as you know; you're a businessman. I serve on the board of a couple of the top universities in this country—for example, Syracuse Maxwell. It's the number-one government school. When we try to recruit a cutting-edge professor to come to Syracuse, if we can't find an equivalent job for that person's spouse, whether it's a man or woman or whatever, they're not going to come.

In industry, in the industries I work with, when we try to recruit a cutting-edge engineer or a software engineer, if we don't have an equivalent job for the spouse, they're not going to come. When I talk to the people who leave at 10 and 11 years that we ought to keep—one example is a young Navy female pilot who had a Bachelor's and Master's degree in aeronautical engineering, a great helicopter pilot. The problem was the spouse, the moves, and the fact that her husband was not going to be able to work in his field, and they got out. Now, I talked her into staying in the Reserves.

We've got to do something. I don't know the answer. I don't know how to do it, and if it costs money, and I'm one that has been exceedingly concerned about the long-term costs of the volunteer force, there's probably stuff that we're paying over here and we could move it over here. We have got to make a fundamental change in the way that we deal with the military family.

Senator TILLIS. I agree. I think one of you mentioned the need to pilot and try to take these things in steps so that we can make progress and not make it too complicated and really manage the size of the pilot so that we can get measureable results, so we can dollarize.

General, you know the cost of attrition with the amount of money that's being spent. I think that maybe investing in some of the programs that really help the military families, the other programs that are suggested in some of your recommendations, that there is a way, if we focus this on a methodical basis, to show the cost/benefit to this, because it's precisely why you see businesses only going so far with compensation when they look at other things, particularly the generation that's coming up now that look at their engagement with their employer beyond just the money.

So I think the more that we spend on that and the more that we—there's a science to it in terms of personnel policies ultimately affecting attrition and the cost of recruiting, that there's a way to really justify, I think, these investments in time and money.

But I thank you all for the hearing. I appreciate the participation from the Members.

Senator Gillibrand had a pressing issue. She apologized she couldn't stay. She always stays for the duration of these hearings, but she had something taking her back to the office. But I know the two of us on many of the subjects we talked about today share common priorities. I look forward to working with the committee to make recommendations that ultimately get incorporated into the NDAA.

Thank you all for your time and the work on the task force. We look forward to seeing you back before the committee.

This meeting is adjourned. The record will be help open for a period of one week.

[Whereupon, at 3:45 p.m., the committee adjourned.]

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