

**HEARING TO RECEIVE TESTIMONY ON THE
FINAL REPORT OF THE COMMISSION ON
THE NATIONAL GUARD AND RESERVES**

Thursday, February 7, 2008

U.S. SENATE
COMMITTEE ON ARMED SERVICES

Washington, D.C.

The committee met, pursuant to notice, at 9:34 a.m. in Room SD-106, Dirksen Senate Office Building, Hon. Carl Levin, chairman of the committee, presiding.

Members Present: Senators Levin [presiding], Byrd, Reed, Akaka, Warner, Collins, Dole, Thune, Martinez, and Wicker.

Committee staff members present: Richard D. DeBobes, Staff Director, Leah C. Brewer, Nominations and Hearings Clerk, and Mary J. Kyle, Legislative Clerk.

Majority staff members present: Gabriella Eisen, Counsel, Richard W. Fieldhouse, Professional Staff Member, Gerald J. Leeling, Counsel, Peter K. Levine, General Counsel, Michael J. McCord, Professional Staff Member, and William K. Sutey, Professional Staff Member.

Minority staff members present: William M. Caniano, Professional Staff Member, Christopher J. Paul, Professional Staff Member, Diana G. Tabler, Professional Staff Member, and Richard F. Walsh, Minority Counsel.

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

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

**OPENING STATEMENT OF HON. CARL LEVIN, U.S. SENATOR
FROM MICHIGAN**

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

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

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

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

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

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

ties in an incident of national significance or a catastrophic incident.

Now, although we've only had a few days to review this extensive report, we can already conclude that many of its 97—excuse me—95 recommendations are very significant and far-reaching. The report contains, for instance, recommendations for creating a sustainable Operational Reserve, enhancing the Defense Department's role in the homeland, creating a continuum of service, including personnel management, for an integrated total force, developing a ready, capable, and available Operational Reserve, supporting service members, families, and employers; and reforming the organizations and institutions that support an Operational Reserve.

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

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

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

The Commission's recommendations will now be reviewed by Congress and by the Departments of Defense and Homeland Security.

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

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

The Commission has tackled some very difficult issues of national importance. The Commission freely acknowledges that a number of its recommendations will require intensive study by

Congress and the executive branch. The report will provide the vehicle for a very important debate.

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

Senator Warner?

STATEMENT OF JOHN A. WARNER, U.S. SENATOR FROM VIRGINIA

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

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

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

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

Chairman Levin: The record will show the entire list of commissioners. [The information previously referred to follows:] [COMMITTEE INSERT]

Senator WARNER. Right. And I'd make a further suggestion to the Chair—and this is a matter we can discuss more fully with our staffs—but, I think the committee should take the initiative to invite comment from other entities, such as the National Guard Bureau, the Reserve organizations, and, indeed, the Department of Defense, such that the record reflects, with greater accuracy, and we just don't rely on press conferences and press reports of those who had reason to challenge some of the findings in this committee. I think a full record is very important for the Senate, so I urge the Chair that that be done.

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

Senator WARNER. I thank the Chair.

I will put the balance of my statement in, but I would like to make this one observation. As our committee considers this report, I've found myself thinking of the origin of the total-force concept, which is linked to our magnificent All-Volunteer Force. Not long after he took office, then-Secretary of Defense Melvin Laird—and I was privileged to join at the Department with him as a part of his team in the Navy secretariat—Laird recommended that President Nixon appoint a Commission to determine the most practical means for ending the draft. The Gates Commission concluded that,

quote, “An All-Volunteer Force,” end quote, was a practical alternative to the draft, but this force would require greater reliance on the Reserve and the National Guard. Now, that prescient thought has certainly come to play in these conflicts in both Afghanistan and Iraq.

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

I thank the Chair, and I’ll ask that my balance of my record be placed in. [The prepared statement of Senator Warner follows:] [COMMITTEE INSERT]

Chairman Levin: Thank you very much, Senator Warner.
Chairman Punaro?

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

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

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

Chairman Levin: That will be—

General Punaro: As you are—thank you, Mr. Chairman.

Chairman Levin: That will be done. [The information previously referred to follows:] [COMMITTEE INSERT]

General Punaro: As you indicated, and have already introduced our three fellow commissioners here this morning—Will Ball, Patty Lewis, and Major General Gordon Stump—each with an extraordinarily distinguished career and unique expertise in many of the subject matters addressed by the Commission, we’re here, as Senator Warner indicated, on behalf of our eight other fellow commissioners, and we thank you, Mr. Chairman, and we thank the ranking member, Senator McCain, for the support you’ve given the committee—the Commission, the support we’ve gotten from the sister committees and the other committees of jurisdiction. The cooperation we’ve had from the Congress and the Department of Defense and the executive branch throughout our 2 and a half years has been one of the most pleasant surprises, because there are a lot of commissions around town, and a lot of ’em doing a lot of good work, and ya’ll—everybody has day-to-day busy schedules, but we could not have had better support from the Congress and from the Department of Defense.

The Commission would like to pay special tribute to Senator Warner, one of the principal architects of the legislation creating this Commission—we all know, retiring at the end of this Senate session. And, as we said in our transmittal letter to you, Mr. Chair-

man, and to the Secretary of Defense, Senator Warner is a true statesman, in the finest sense of the word. Bipartisanship and a tireless advocacy for a strong national defense have been the hallmarks of his long and remarkable career in service to this Nation. And I would say, as a matter of personal privilege, Secretary Ball and I have served in the Navy and Marine Corps team, as did Senator Warner in his career in uniform. We had the privilege to be staffers on the Armed Services Committee, working, not only with you, but with Senator Warner and other members of the committee, and we're both Virginians, and we couldn't be more proud of the service of our senior Senator from Virginia over these long many, many years. And the Commission adopted that, unanimously, and, I know, shared by the members of the committee.

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

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

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

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

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

So, both the Congress and the Department were out of the blocks very quickly on that initial report.

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

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

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

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

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

Other recommendations, particularly in the area of personnel management, will take careful thought and analysis by DOD and Congress to determine how best they should be implemented in order to achieve the desired outcome. Even if Congress and DOD agree with all of these sweeping recommendations in personnel and benefits, they couldn't be dealt with this year. The Personnel Subcommittees—the best—as good as they are, and the staff, as good as they are, these are not issues that lend themselves to action this year by either DOD or the Congress. For example, when the Department revised the Defense Office of Personnel Management Act in the late '70s, it took them 4 years to work on it. It took the Congress 4 years to pass it. Hopefully, on these, it won't take that long, but it's certainly not something, Mr. Chairman, we believe, that Congress or the Department could address this year. But, what we would hope is—and, by the way, once you—say, you did make changes, they would be phased in over a long period of time—a number of years for some, 20 years for others. But, actually, that's the best way to do these kind of changes.

So, while they don't lend themselves to legislative action, some of 'em, we think it would be important for Congress to establish a statutory framework for addressing all of the 95 recommendations. That would be very desirable, particularly given the transitions that are going to occur at the end of the this year, both in the executive branch and the Congress, so that there's an ability for subsequent executive branch and subsequent Congresses to not have to start from scratch, but build on the work—the good work that I know will already be done.

We can't emphasize too strongly that our recommendations are in no way a critique of officials currently serving in Congress or the Pentagon, or their predecessors in previous administrations or Congresses. We didn't intend this to be a report card on anyone. Many of these problems have persisted for decades and have often

seemed intractable; others are tied to the new and emerging threats that we face in this area. And it's understandable, given the operational commitments that have, by necessity, been a high priority, the Department of Defense has not been able to fully develop strategies for the Guard and Reserve that are focused many years in the future. They have made real progress in many areas since 9/11. They've addressed the immediate challenges of recruiting and retention, made sure the mobilized Guard and Reserve units, when they go downrange, are fully trained and equipped, and made a downpayment, even, on solving some of these complex personnel management issues.

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

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

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

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

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

And our conclusion number 1 states, in part, "The Nation requires an Operational Reserve Force." And we go along, then, in our recommendation number 1, to say, "Congress and the Department of Defense should explicitly acknowledge the need for, and create, an Operational Reserve Force. In order to place the Reserve components on a sustainable path as part of that force, Congress and DOD must modify existing laws, policies, and regulations related to roles and missions, funding mechanisms, personnel rules, pay categories, equipping, training, mobilization, organizational structures and Reserve-component categories. These significant changes to law and policy are required if the Reserve components are to realize their full potential to serve this Nation and if existing

adverse trends in readiness and capabilities are to be reversed. Moreover, the traditional capabilities of the Reserve components to serve as a Strategic Reserve Force must be expanded and strengthened.”

So, why did we—why did we come to that conclusion, Mr. Chairman and members of the committee? When we started, 2 and a half years ago, many of us went to a conference that was sponsored by DOD, and at that conference, one of the members of the Joint Staff, Major General Tommy Dyches, who was the assistant to the chairman for Reserve matters, serving on Active Duty, made the statement, “We’ve—we’re evolving to an Operational Guard and Reserve.” And that’s—makes a huge difference. And he says, “But we’ve changed none of the laws, rules, regulations, funding, training, equipping, all the things that would be required.” So, that was the conclusion of the special assistant to the chairman of the Joint Chiefs of Staff at the time.

We were huge skeptics, Mr. Chairman, of this concept of an Operational Guard and Reserve. One of the reasons was, many members of the Commission had served in the Guard and Reserve. General Stump and I served in the Guard and Reserve when it was a Strategic Guard and Reserve, you know, in the ’70s and early ’80s. We served in the Guard and Reserve as it began evolving into an Operational Guard and Reserve, starting with the first Gulf war, intensified during the decade of the ’90s, and certainly highly intensified after 9/11, when over 600,000 members of our Guard and Reserve components had been called up, mobilized, sent forward, and an additional 68 million man days have served here at home, such as the 55,000 for the Guard in Katrina.

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

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

So, three reasons, then, that we were converted from skeptics to believers. And, again, this isn’t a conclusion that should be challenged by the Department of Defense; this is our core recommendation, because this is what the Department says they’re doing. Again, our point is, you may be doing it, but we haven’t made the fundamental changes that are required to make it sustainable over the long term.

Conclusion—reason number one is that, without the 600,000 Guard and Reserve personnel that have been mobilized, if we were to meet the force levels in Iraq and Afghanistan, if we were to meet the commitments that the combatant commanders in the National command authorities required overseas and home, you couldn’t have done it without this Guard and Reserve. You’d have had to go back to the draft; there’s no question about it. We believe the

draft is politically unacceptable. We believe it's militarily undesirable. The Commission came to that conclusion. And that's because the All-Volunteer Force was never designed for sustained combat.

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

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

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

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

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

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

We felt like—and one of the things we did is—there are a lot of myths about, How much do the Guard and Reserve cost? So, we not only did our own analysis, we not only asked the Pentagon to do an analysis, we went out to the GAO, we went to the CBO, we went to the Library of Congress. And every study came in showing that they're about 70 to 75 percent cheaper than having the equivalent capability in the active component, no matter how you look at it. So, for 7 to 9 percent of the DOD budget, the Guard and Reserve provide 44 percent of the available manpower. GAO found that a drilling reservist received 15 percent of the amount of individual compensation—that's both direct, indirect, and deferred—

compared to the amount of an Active Duty servicemember. And Active Duty servicemember, roughly 126,000; about 19,000 for the Guard and Reserve. The Active Duty costs have doubled in the last 5 years, when they program for an Active Duty person. So, the cost of the active Duty, mainly because of the deferred benefits, is on a rapidly escalating path. The OSD comptroller, Dave Patterson, testified that Reserve-component costs for personnel in O&M were 20 to 29 percent of those for the active component. And the RAND Corporation actually costed out the—maintaining a Brigade Combat Team in the National Guard compared to the active Army, and it was 30 percent compared to an Active BCT; for the same amount of money, you could get three times the capability. Now, that doesn't deal with the availability issue, but it's really the economics.

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

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

So, that was—that's our core conclusion, Mr. Chairman, that the Nation requires this Operational Reserve, and we need to make all those changes to make it happen.

So, with that, that concludes my comments, and I believe, with your permission, Mr. Chairman, General Stump's going to talk about our conclusion number 2, which is enhancing DOD's role in the homeland. [The prepared statements of General Punaro, General Stump, Mr. Ball, and Ms. Lewis follows:]

Chairman Levin: Thank you.

General Stump?

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

General Stump: Thank you, Mr. Chairman, and thank the committee members, for allowing us to testify. And, personally, thanks to you for allowing me the opportunity to serve on this Commission.

The—prior to 9/11, we, in the homeland, were satisfied that we were safe, the cold war was over. And we had even gone to the measures of getting rid of air defense, and, just a couple of days prior to 9/11, were going to completely eliminate those air defense

responsibilities. Then came 9/11. In 45 minutes, more people were killed on 9/11 than the attack on Pearl Harbor. That was a wake-up call.

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

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

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

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

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

The Guard has stepped up. General Blum and the National Guard Bureau attempt to distribute force structure throughout the States that is—that covers the consequences of the—any problem that could come up in the State. They have recently stood up the National Guard Chemical, Biological, Radiological, Nuclear, and Enhanced Response Force Packages, 17 of them. They are located in all of the FEMA regions. These are packages that the National Guard, on its own, stood up, because they know that, when the time comes and there's a major disaster, that they're going to be called upon. Unfortunately, these are smaller packages, and can

only respond for the first 72 hours, until we have a Federal response to follow on, to take care of what's really going on, especially with a dirty bomb in—such as a nuclear explosion.

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

DOD should support civil support requirements for—DHS should support the civil—excuse me—DHS should general civil support requirements for DOD, and should validate them, and the DOD should validate those requirements, as appropriate.

I learned, in my early days as the Adjutant General, if I were looking for support for National Guard requirements, unfunded requirements, that when I came to you to talk about them, the first thing that you asked me was, “Well, how will this help the National Guard? How will it help the active Duty? And, by the way, does the National Guard Bureau support what you're asking for? And has the Federal Government, through the Future Years Defense Plan, put this in the requirements list?” And before I could answer all of those questions, you would not consider any funding.

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

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

The Secretary of Defense should ensure that forces identified as rapid responders to domestic catastrophes manned, trained, and equipped to the highest levels of readiness. The Commission has found that the Nation is not prepared to handle a major catastrophe here in the United States. The—NORTHCOM has identified a—consequence management response forces which should be formed, trained, and ready to meet these disasters. They should be packages consisting of several thousand joint personnel from several units, identified and organized to perform the chemical, biological, radiological, nuclear, and explosive consequent management missions with capabilities including medical, decontamina-

tion, communications, logistics, transportation, and public affairs. These are forces that would follow on after the initial response that the National Guard has stood up on their own to handle these major catastrophes. These need to be stood up and resourced.

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

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

We had testimony from the Governor of Delaware about this specific subject. I asked her if she would like to use the Reserve—the Army Reserve Forces in her State for responses to domestic emergencies, and she said, "Yes, as long as they're under my command and control." Today, we have emergencies out there, and smaller ones—98 percent of all the emergencies are small and handled at the level of the Governors and the National Guard without the help of Federal forces. But, we have Reserve components that are within the States that are not used, because they're Title 10, and there is not a way to activate those forces.

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

Now, I would like to emphasize that one of the recommendations is to look at possible rebalancing of the National Guard and Reserve Forces once the requirements have been defined by DHS for the homeland security mission. In no way does this Commission recommend that the National Guard become strictly a homeland defense force. That's a program which will not work. You can't recruit, you can't retain to it, we can't help the active Duty with their Brigade Combat Teams and cut down the deployment times, if, in fact, we start taking away some of the capabilities, which some people might say are not required, like a Brigade Combat Team,

for the homeland security mission. I can tell you, the time that I was in—the Adjutant General of Michigan, I had 10,000 Army Guard soldiers in the State, and I had a brigade—a combat brigade. Those people were in my homeland security mission. I didn't need the tanks, but I did need the organization, I needed the leadership, I needed the Humvees, I needed the communication networks, and so forth. So, we are not recommending that the National Guard get out of those particular dual-mission-type capabilities.

So, with that, I would be happy to answer any questions, at the end.

Chairman Levin: Thank you very much.

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

Chairman Levin: Thank you.

Ms. Lewis?

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

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

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

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

Senator BYRD. Mr. Chairman?

Chairman Levin: Senator Byrd?

Senator BYRD. Would the witness please speak more into the microphone?

Ms. Lewis: I'm sorry, Senator. I will be happy to try to do that.

Senator BYRD. Thank you.

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

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

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

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

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

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

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

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

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

Our next recommendation, we recognize, is a very sensitive one with regard to reform and creation of a single retirement system. I want to emphasize that our recommendations in this area propose voluntary participation in a new system for a period of time, and would be entirely prospective. That system would foster more

flexible career paths, including earlier vesting, government contributions to a Thrift Savings Plan, and a significant retention bonus at critical decision points. It would be—could be used as an enhanced force management tool. Clearly, it's an area of great sensitivity, and we recommend a transition period and an evaluation of the level of interest in such a new program prior to any mandatory program change.

Next, we recommend that Congress amend Goldwater-Nichols to now require Reserve-component officers to be joint-qualified at—and, at the end of a 10-year transition period, to make such joint qualification a criterion for promotion to flag or general officer, like their Active Duty counterparts.

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

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

For the members, we recommend additional housing allowance and travel reimbursement, that I previously mentioned. We also propose making it easier to use the Selected Reserve Montgomery GI Bill benefits, and we recommend a series of improvement in servicemember protections under USERRA and the Servicemember Civil Relief Act.

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

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

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

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

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

In the area of demobilization and transition assistance, we focused our recommendations on issues that seemed particularly problematic to National Guard and reservists returning to their civilian communities, often located at considerable distance from any military support network. We did not attempt to re-create the fine work done by the various senior-level groups—review groups that

have reported since last spring, or of Congress's own landmark Wounded Warrior legislation. And, instead, we recommended establishment of a Cabinet-level group to oversee implementation of these recommendations, coordinate interdepartmental concerns, and address funding issues within OMB.

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

And, again, I'm privileged to have been able to be a part of that. Thank you.

Chairman Levin: Thank you so much, Ms. Lewis.

Mr. Ball?

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

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

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

Chairman Levin: Would you also, if you would, bring that mike up closer—

Mr. Ball: All right

Chairman Levin:—and talk—

Mr. Ball: Yes, sir.

Chairman Levin:—right into it.

Mr. Ball:—that our units that have returned from forward deployment are facing severe shortages in equipment, personnel, and training, which has complicated the readiness of the units that—of the National Guard, especially, that have returned home.

Our recommendations, to sum up just four of them, are to improve our readiness reporting system—we think there is need for uniformity across the services in readiness reporting; that we—that the Department should undertake a zero-based review of equipment requirements and the need for full-time support personnel to support and assist the National Guard; and more effective focus on medical and dental readiness, which we found to be a major issue in many of our National Guard and Reserve units.

Finally, Mr. Chairman, we strongly suggest the use of new tools for accessing National Guard and Reserve personnel, new types of contractual obligations that will simplify access Guard and Reserve personnel as an integrated part of the Operational Force.

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

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

Chairman Levin: Why don't you repeat—

Mr. Ball: I'm sorry, Senator Byrd. Last point—

Chairman Levin:—repeat that fourth point.

Mr. Ball: Yes, sir. The last point, if I may elaborate briefly, was that utilizing the Operational Reserve as we've—adequately—raises the issue of access to, and availability of, our Guard and Reserve Forces. We think that access for routine employment of the Operational Reserve should not rely on statutory mobilization authorities under presidential selected call-ups. We think these authorities should be Reserved for extreme circumstances only, so as to minimize unplanned disruptions in the careers and family lives of our reservists. So, we do recommend that the services use contractual obligations, which clearly state annual commitments for training, and the dates and durations of activations and deployments, in advance, for operational missions. We think such agreements should be based on the projections for dwell time and activation length set forth in the policies enunciated last year by the Secretary of Defense.

Chairman Levin: Thank you, all.

Why don't we try a 8-minute round for our first round of questions.

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

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

We would suggest, from a Commission standpoint, respectfully, that—I believe, if you have a National Guard personnel that's required to go into a nuclear contaminated environment and protect the lives and citizens and property and way of life, that's equally as challenging and equally as much as—combat as a member of the 82nd Airborne that gets to deploy overseas, you know, in his helmet and flak jacket and put a bayonet in the heart of a terrorist. So, we believe that the threats to the homeland are equally as severe as some of the challenges we face overseas, and we don't think there's—you can make that kind of distinction anymore. And in these catastrophic situations that we face here at home, this is a core responsibility of the Department of the Defense.

Chairman Levin: Is it—

General Punaro: Everyone knows, Mr. Chairman—you know, nobody likes to talk about it, and we worry about—and certainly the Commission does not believe the Department of Defense should be the temporary manpower agency for every situation we face here at home. We're talking about proscribing, particularly for these catastrophic situations—everybody knows that only our Department of

Defense has the command and control, the training, the equipping, the ability to do the deliberate planning, the ability to bring forces to bear, as required, for these kind of situations. There's nobody else in government that can do it. And our view is, these things are just as devastating as any kind of combat situation you could face overseas, so it's not a either/or, Mr. Chairman.

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

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

Chairman Levin: Sure.

General Punaro: So, Mr. Chairman—

Chairman Levin: Yes, please proceed.

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

So, what we think is, the reason you need an integrated pay and personnel system, an integrated retirement system, an integrated management system—if you go the last chart, please—so, our force planners, if they have a mission, if they have a requirement to meet a contingency overseas or a contingency here at home, they look at this total-force pool of all this manpower. And so, we believe we should go to two new Reserve-component categories and get away from the ones that were put in for the cold war. You'd have an Operational Reserve Force, and the Department would put in that Operational Reserve Force and keep, at the highest level of readiness, those forces that they believe are required, for example, for the catastrophic here at home, those forces that are getting ready to deploy overseas, and then individuals that are serving, for example, full time on the staff of the U.S. Northern Command or some other command, or serving in the Pentagon. Then you'd have a Strategic Reserve Force. You'd have a Strategic Ready Reserve and a Strategic Standby Reserve. And that Strategic Ready Reserve would be those units, perhaps, that just got back or aren't

needed in an immediate homeland situation, or aren't needed for a couple of years overseas. They'd be some of the 300,000 individuals in the Individual Ready Reserve. People have an 8-year obligation, many serve only 4 years of Active Duty. The first 2 years they're off Active Duty, their skills are very fresh, they would be in a Strategic Ready Reserve. You'd have—the people that just retired would be in the Strategic Ready Reserve. And then, in the Standby Reserve were those people that were towards the end of their IRR commitment or a much longer period of time in the retired pools. And then, if you absolutely couldn't meet any of your requirements with all that personnel, you'd crank up the Selective Service system.

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

And so, basically, Mr. Chairman, those Guard and Reserve—

Senator BYRD. Mr. Chairman?

Chairman Levin: Senator Byrd?

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

Chairman Levin: Could you put your microphone on?

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

Chairman Levin: That's the current situation.

General Punaro: Yes, sir.

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

General Punaro: No, sir, Mr. Chairman.

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

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

Chairman Levin: Would the size of the Guard need to be increased, overall?

General Punaro: It would, Mr. Chairman.

Chairman Levin: To what number?

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

Chairman Levin: Now, would the—if you could just talk for a moment about the missions. You're recommending that the Department of Defense shift capabilities that are needed for State-controlled missions to the Guard, and you recommend that capabilities that are needed for Federal missions be shifted from the Guard to the Federal—no, excuse me, from the National Guard to the Federal Reserve components or Active Duty military. The bottom line is this. What kind of department missions would the National Guard perform if capabilities for Federal missions are transferred to the Federal Reserve components? Give us some examples of those missions that would be shifted.

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

Chairman Levin: Well, he's got his usual smile on, so I think he's more than—[Laughter.]

Chairman Levin:—he's always willing to give it a try.

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

Chairman Levin: There's no shift of missions, then?

General Stump: No.

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

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

Senator BYRD. I thank you, Mr. Chairman.

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

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

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

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

steps that Congress should consider in making progress in this area?

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

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

So, the—conclusion: number one, Congress needs to adopt, up front, whether they want to do this or not, and direct that in statute; and, number two, we believe that, for—the other change would be our conclusion number two—is that we need to enhance the Department of Defense's role in the homeland, and, by statute, level the requirement for civil support. Then, the Department will sort out—and I believe, because of the compelling arguments, that the Guard and Reserve should have the lead in the homeland—they're closer, operationally, they're a lot more economical in a resting phase, and the active Forces could augment and reinforce the Guard and Reserve, as required, just like the Guard and Reserve augments the active Forces overseas.

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

Senator BYRD. Thank you.

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

The maintenance of a National Guard and Reserve equipped and trained for multiple roles might also domestically—might also dramatically increase the estimated cost of equipping and training the Guard and Reserve. How can Congress assure that there is adequate equipment available to ensure that the Guard and Reserve are operationally capable, while, at the same time, ensuring that the equipment needed within the United States is available in the locations needed when they are needed? Should Congress expect

that the \$54-billion—spelled with a “b,” large “b”—\$54-billion estimate will be inadequate to accomplish this goal?

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

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

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

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

Senator BYRD. General Punaro, thank you.

My time has expired, I am informed.

Thank you, Mr. Chairman.

Chairman Levin: Thank you, Senator Byrd, very much.

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

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

Senator Collins?

Senator Collins: Thank you.

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

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

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

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

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

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

And I noted that, in testimony before your Commission last year, General Blum stated that 88 percent of the forces that come back from Iraq, that are members—units from the Army National Guard, are very poorly equipped. Those are his words.

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

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

So, I believe that your conclusion that there's an appalling gap in readiness is well substantiated by the evidence that you heard, and the testimony before our committee, and our committee's investigation into the flood response to Hurricane Katrina. But, as you're well aware, the Pentagon has been very aggressive, in public press conferences, in disputing that. In particular, Secretary McHale has pointed to the 53 certified Civil Support Teams within

the National Guard as evidence of the ability to deal with catastrophic responses.

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

General Punaro: Why don't—General Stump start first, and then I'll give you our overall Commission perspective on it.

Senator Collins: Thank you.

General Stump?

General Stump: I would be very happy to handle that.

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

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

Now, your finding—I'm glad to hear that you agree with our finding on the unity of command. I will go back to—I still believe that there is no problem with cutting forces for a particular emergency, like Katrina, for a 1- to 2-week period. The Active Duty was not there more than 7 to 10 days, I believe, and the rest of the time, the National Guard was there for unity of command, so everybody knew what was going on—should be able to go to the Governor, because every single response that we have is going to start with the National Guard. It doesn't matter what the government or anybody says, that's just the way it is. The Governors say, "When something goes wrong, I want my National Guard there to handle the situation."

Now, in small—and Katrina was a relatively small event, nothing like what would happen with a nuclear disaster—there's no reason why—when the—and the Governors know when the—when they're out of Schlitz. I mean, we have State pacts that are effective between the States, and that we can go to the National Guard forces within four or five State regions, and that's what the Governors do, even before they call on the Federal response forces, because they would rather have National Guard Forces which come from another State under their command and control than bring the active Duty in and have somebody come in and say, "Okay, now we're in charge." So, I think the answer is, having these particular

Active Duty Forces chopped to the command and control under the Governor to these dual-hatted people who have been trained to do that, is an effective solution for—

General Punaro: Senator Collins, there are two deficiencies. And I think it's really a matter of perspective. And we made the point, we're really looking at where we need to go, not how far we've come. We'd like to give great credit to the Department of Defense for what they've done and the changes they've made and the improvements they've made since 9/11. Secretary McHale—I have tremendous respect for him—he served as my regimental commander when I was commanding general of the 4th Marine Division. And he's as hard a charger, go-to-the-sounds-of-the-guns person you'd find. But, all the great improvements that have occurred, if you look at these catastrophic scenarios, we have an extremely, extremely long way to go. And we need to go ahead and—as General Stump said, we haven't put resources against those high-end capabilities. So, that's a gap and a deficiency that we need to—we believe should be filled to reduce this risk and to reduce the gap.

The second thing is, on the command and control, take out the command-and—like, who's going to be in charge. Forget about whether it's the Governor or it's an Active Duty commander. The key in this area—and your committee and this committee has pointed it out—the key is deliberate planning. It's, basically, getting ready ahead of time. It's coordination. It's training. It's working—DHS, NORTHCOM, the National Guard, the State and local governments all working together. This is why we emphasize so strongly that the U.S. Northern Command should put as much energy and effort into developing the contingency plans for the homeland scenarios, particularly the high-end ones, that the Pacific Command does for the defense of the Korean Peninsula. General Stump and I had units that were in the war plans for the defense of the Korean Peninsula. Every unit knows who they are, where they are, what equipment to bring, when to show up at the deployment station, et cetera, et cetera. For these high-end catastrophics, you need those same kind of contingency plans here in the United States. And you work all this stuff out in advance. And then, frankly, it probably doesn't really matter who's in charge, because it's all figured out in advance.

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

Senator Collins: Thank you.

Chairman Levin: Thank you, Senator Collins.

Senator Warner?

Senator WARNER. Thank you, Mr. Chairman.

I want to just pick up, General Punaro, on—I'm going to quote you back, "Doesn't matter who is in charge. It will all have been worked out in prior training." [Electronic buzzing.]

Senator WARNER. Is that me, or—well, maybe I'm bugged.
[Laughter.]

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

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

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

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

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

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

Senator WARNER. We as a—we, as a nation. I mean, I want to get—we, as a nation.

General Punaro: We, as a nation, have not sorted out this "who's in charge" issue.

Senator WARNER. All right.

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

Senator WARNER.—with Michigan. But, quite apart from that nepotism, you've held up here on your own—[Laughter.]

Senator WARNER.—very well.

General Stump: Thank you, sir.

When you have a catastrophic event, one which takes out all of State government, or much of State government, and you have

mass casualties, obviously the DOD and the active Duty will be in charge. You will have—it will be a transition—

Senator WARNER. Start right there. You've got to determine whether or not, in fact, it has been taken out. I mean, just—

General Stump: That's true.

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

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

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

Senator WARNER. Correct.

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

Senator WARNER. All right.

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

Senator WARNER. Right.

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

That scenario that we're talking about now is going to be 1 or 2 or 3 or 5 percent of what's really going to happen in the future. Most of the time, we have scenarios, such as the World Trade Center or Hurricane Katrina, where it can be handled on the local level, with a little bit of help. But, when you get to the catastrophic events, as you have just described, it's obvious that the Federal Government will have to be in control, because they will have the majority of the forces, and I'm sure that there will be no problem with the Governors yielding to their control. But, again, it's dependent upon what that disaster in the scenario is.

General Punaro: And, Senator Warner, our point is, the bulk of the forces that that—perhaps Active Duty commander is part of Joint Task Force Civil Support, which is NORTHCOM's standing task force to roll in with command and control—the bulk of those forces, we're arguing, should be Guard and Reserve units, because

they're already going to be there. So, the—you know, again, these things can be planned, coordinated, and worked out in advance. The military has extensive procedures for transferring commands. You know, phase lines and demarcation lines. So, I mean, they know how to do this. It's just—the problem is, nobody has sat down and sorted it all out.

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

General Punaro: Well, I think what I heard General Stump say is that, that's his view of how it ought to happen; it doesn't mean that's been—that's the way it's been—

Senator WARNER. Okay.

General Punaro: —worked out that it will happen.

Senator WARNER. General, help me—

General Stump: Right.

Senator WARNER. —out, here.

General Stump: Yeah. No, what I'm saying is, that's the way it—in my opinion, it will happen.

Senator WARNER. Oh.

General Stump: But—

Senator WARNER. Our—

General Stump: —have we—have we set down a program and a plan to do that? No.

Senator WARNER. Okay.

General Stump: But—

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

General Stump: Amen.

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

General Punaro: That's a negative, Mr. Chairman.

General Stump: We've been here 2 and a half years, sir. [Laughter.]

Senator WARNER. Well, you've done a commendable—I'll get to that in a moment.

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

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

General Punaro: Senator Warner, you're absolutely correct, we don't want a pickup game. And, after my many years of service on

the Armed Services Committee, I'm not bold enough to go up against the esteemed staff directors and general counsels, particularly someone that has a lot more understanding of the law than I do. And, there again, I'm going to throw this one over to General Stump, because he has the day-to-day practical experience of how this actually should work.

General Stump: What we're saying is that the operational control—that if you have—you have Title 10 Forces that are there for—

Senator WARNER. Right.

General Stump: —Katrina, that the Governor or the commander or the Adjutant General or the dual-hatted person would exercise operational control, assign missions so that the—so that the—they are coordinated with what the National Guard is doing, and they're coordinated with what the active Duty is doing, and—et cetera. Command—one of the definitions of the "command" would be that the disciplinary—

Senator WARNER. Execution.

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

Senator WARNER. But—

General Stump: —particular incident.

Senator WARNER. —your bottom line is, this has got to be fixed. It is not clear now. Is that—

General Stump: Yes, sir, we agree, 100 percent—

Senator WARNER. All right.

General Stump: —on that.

Senator WARNER. We agree—

General Stump: And that's what the—

Senator WARNER. —on that.

General Stump: —Commission recommends.

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

And, if I—the chair would indulge me, just to give us—

Chairman Levin: This will be made part of the record. [The information previously referred to follows:] [COMMITTEE INSERT]

Senator WARNER. General Punaro and good and dear and valued friends on this Commission, I think you've done a wonderful job. And the Commission is not worth much its salt if it didn't stir up some sort of controversy. But, somehow, in my preliminary visits with you prior to the public issuance of the report, I specifically asked of you, informally, just conversationally, How has this checked out with the DOD and the Research and Guard Bureau? And I somehow got the assurance that things were in pretty good shape. And then, we hit a small volcano when this situation rolled out into the public view.

General Punaro: Senator Warner, we had extensive coordination and consultation, not only with the Department of Defense, but

with the relevant congressional committees, with stakeholders outside of government. We felt, from day one, it was very important to be as transparent as possible. We worked very directly with the Reserve-component chiefs. And, during the course of those extensive consultations, particularly as we got close to sending the report to the printer for the final time, we made the rounds in the Department of Defense, including some of the senior people that are responsible for these areas. And I would say, based on those consultations, we're surprised at those comments. We think some of those comments are not accurate, but we were—we are as surprised as you are, based on our extensive round of consultations. We didn't hold anything back.

Senator WARNER. Well, my time has expired.

But, what I would suggest, Mr. Chairman, is that we invite the Commission, before it—

When do you expire?

Chairman Levin: As soon as possible. [Laughter.]

General Punaro: As soon as possible, but, legally, the end of April.

Senator WARNER. Well, I would suggest, Mr. Chairman, that we extend an invitation for them to put in, as we say in the law, a surrebuttal, which means you'll have the opportunity to comment upon the criticism that, thus far, has been directed to you.

General Punaro: Thank you very much. We'd appreciate that. And, again, I believe the GAO reports that come out, here in the next couple of months, are going to back us up pretty well on our observations on NORTHCOM.

Senator WARNER. Well, again, we're in—you know, honest differences of opinion—

General Punaro: Right.

Senator WARNER. —by people of the—tremendous conscientious public servants having a difference of opinion. But, as—we've got make sure that, at some point time, General Stump writes the committee, "I am now satisfied that this matter has been clarified." [Laughter.]

General Punaro: And, again, Senator Warner, we want to give NORTHCOM tremendous credit for what they've done since they've been stood up. So, again, we're looking forward—we're not, kind of, looking backwards.

Senator WARNER. We're figuring out the roadmap forward.

Thank you, Mr. Chairman.

Chairman Levin: Talking about coordination—according to the BlackBerry, U.S. Capitol Police are assisting Amtrak Police and the D.C. Fire Department with a train accident at Union Station. I'm not sure how that directly applies to this discussion, but it does talk about, at least, coordination.

Senator WARNER. Do you think the Senate will stop doing its business and all flee down there to—

Chairman Levin: I doubt—I hope not.

Senator Thune, I guess we'll call on you next.

Senator Thune: Thank you, Mr. Chairman.

And thank you very much, panel, for being here. And thank you for over 2 years of very hard work on this Commission and a report that, I'm sure, that will, in your words, generate lively debate—I'm

sure already has, today. But, I fully understand the strain that's placed on our Guard and Reserve Forces since September 11th, as the men and women of South Dakota's Guard units have been extremely busy around the world. Since that event, our men and women have been deployed to 36 countries on six different continents. Over 94 percent of South Dakota's Army Guard personnel have deployed, and 75 percent of its Air National Guard units. In fact, the first company of the 189th Aviation Regiment and Black Hawk unit is on its fourth deployment since 2001. And I'm proud to report that South Dakota is fully of young and not-so-young patriots that have answered that call to duty, and, despite everything we've asked of them, they continue to answer the call. In fact, per capita, South Dakota ranks in the top ten States in the number of total deployed servicemembers, and is within the top five States for recruiting and retention.

And I would also like to single out our South Dakota employers for recognition, who do an outstanding job of supporting our Guard and Reserve during deployments that present many difficulties within our communities. These fine people are our greatest resource. And, as such, I will focus my questions on the three components to keeping these personnel in the service—the members, their families, and their employers.

As you know, our defense budget is already under immense strain, and many priorities are competing for a limited amount of resources; and, more and more, we're having to look for cost-effective ways to important policy. And so, I would open with this question, to anyone on the panel who would care to answer, and that is, In your view, what retention policies do you see that would be most efficient, in terms of our use of money? In other words, where do we get the most effect per dollar spent?

Ms. Lewis: Thank you, Senator Thune.

Creation of—and support of an Operational Reserve require some fundamental changes to our personnel policies and programs. And we have taken some ideas that have been developed by the Department of Defense over time, and projected what the potential workforce of the future would look like and what would appeal to that generation of workers. And we have determined that some significant personnel management changes need to occur.

In that regard, our first would be a promotion system based on competency rather than time in grade. Our second is an integrated compensation system, a similar system—the same system for the active and Reserve component—and an integrated retirement system.

Now, changes of this magnitude carry significant risk, and our people are our most valuable source, and we understand that. So, in these far-reaching proposals that we have suggested, we—for example, in retirement, we propose earlier vesting—a 10-year vesting, a matched government contribution to a Thrift Savings Fund, bonuses at key gates in one's career, to encourage retention. Those are significant changes, and that sort of change in the retirement system may have significant merit, or may not appeal to some specialties within our military departments; for example, potentially, combat arms.

So, we would propose a transition period, where a new system would be offered. The old system would still be in place. We could assess the level of interest in a more portable, flexible benefit package. And, if that's something that seems, as we believe it would, to be appealing to the force of the future, we recommend something of that nature.

But, certainly, the competency-based promotion system is also a very significant change, but we feel that there would be opportunities to retain people with a great deal of experience at a certain level. They're happy functioning at that level, don't need to move higher through the system, but we could value that experience, and reward it with that sort of system.

I know that's not a real specific answer, but our changes are something that are rather dramatic, over a period of time, to support a very different force of the future.

General Punaro: Could I add, sir, that there are some short-term incentives, as well. We recommend some enhanced benefits in the medical readiness, the dental readiness, travel reimbursement, beefing up the GI Bill and educational benefits. So, there are seven or eight short-term benefits that you could apply to the Force today while you deliberate on these longer-term changes that will be required if you're going to retain, over the long term, of the Operational Guard and Reserve.

And I would like to also say we have benefited from South Dakota on our Commission, because our deputy general counsel, Colonel Tony Sanchez, comes from the South Dakota Army Guard. He's a terrific guardsman, he's a super counsel, very knowledgeable, and we really appreciated South Dakota's Guard lending to him—lending him to us for this past 2 years.

Senator Thune: Well, thank you. We do what we can to help. And—

I also was heartened to see one of your recommendations as easy and cost-effective to implement, such as the Web site that would give one-stop shopping to families for information on TRICARE and other complex programs. And, I guess, in the same vein, I would just ask a general question with regard to what policies you see as the most cost-effective ways to increase the way that we care for the families of members of the Guard?

Ms. Lewis: Yes, sir. Guard families have particular needs, as many don't live near military bases and don't have the support structure that Active component does. They also face the challenge of become suddenly military when a member is activated, and their family does not have the same support infrastructure. So, they do have unique issues.

We recommend enhancement of the current system. We recognize Military OneSource is a valuable Web-based information source, but we think that there needs to be additional information provided to those family members about the programs that are available to assist them. We also propose more funded support for full-time support, at the unit level, for families, and a stronger role for the families in mobilization and demobilization initiatives.

For the—would you like me to address employers, as well?

Senator Thune: That would be great, if you could.

Ms. Lewis: You mentioned that—

Senator Thune: Yeah, actually, that was—yeah, that would be good.

Ms. Lewis: We recommended an enhanced role and additional resources for the National Committee for Employer Support of the Guard and Reserve. We elevate the access of employers by development of a council that would have direct access to senior leadership in DOD to convey employer issues. And we recommend a one-stop-shopping point for information on government laws and programs that impact employers.

We recognize they're a full partner in supporting our Reserve-component members. We've looked at some particular initiatives—I would suggest, the healthcare initiatives, with the stipend. We recognize that employer benefits are costly, and, if there are ways that we can partner with the employer community to provide ongoing care for servicemembers' families, that may be a positive initiative that would assist them, as well.

Senator Thune: Thank you, Ms. Lewis.

One final question. It appears, evidently, my time is up. But, I would direct this to General Punaro. If you could just—as the ranking member of the Armed Services Readiness Committee, I was a little shocked to read your assertion, the 88 percent or worse of the Army National Guard combat forces here in the U.S. were not ready. And, I guess, what—I'm wondering what DOD says about this. Do they agree with your figures? And what is the major problem, here? Is that equipment? Is it training? Is it personnel? If you could, just, maybe home in on that a little bit.

General Punaro: I would say that that is General Blum's figure. We verified it with the Guard Bureau right before we went to final print. I don't believe that one would be in dispute. And it shouldn't really be surprising, because, as General Casey, the Chief of Staff of the Army, has said, we're consuming our readiness as fast as we can build it. So, when we reported, last year in March, that it was 88-percent not combat ready, those are the units that are back here at home, not the ones that are getting ready to deploy or are deployed. It's a tad worse this—right now, at this point, this year, for those units. And it's mainly their heavy formations. And it's a combination of the three major elements of readiness. It's personnel availability, as well as personnel skills, it's equipment availability, as well as equipment on hand, and it's also training.

So, this, I don't think, is a fact—a figure that's in dispute or in contention. And it's—and Admiral Mullen, I believe, testified before the committee yesterday—understandable, given the treadmill that these units have been on. And so, that's why we believe that—and, obviously, for an Operational Guard and Reserve, you've got to have a much different system of funding and prioritization if you're going to have these units that are going to be—continue to be used, more ready than they are under the kind of old system.

Senator Thune: Thank you all, again, very much for your good work, and I'm glad that Tony Sanchez could contribute to your efforts. So, thank you all.

Thank you, Mr. Chairman.

Chairman Levin: Thank you, Senator Thune.

Senator Akaka?

Senator Akaka: Thank you. Thank you very much, Mr. Chairman.

And welcome, to our panel and the commissioners, who have worked so hard and finally did report out, in March last year, and have come forth with six major conclusions and with all of the—a little less than 100 recommendations—94, I think it was, that you finally reported out.

And it was good to know that you were working hard to try to set up an operational group for the 21st century, which includes the National Guard and the Reserves. And I want to say all of this just to thank you for your work and what you've done, in doing that.

General Punaro, it is critical—and we—and I'm thinking about the adequate defense of the homeland areas—it is critical that we maintain the readiness of our Nation's Guard and Reserve assets in order to ensure adequate homeland protection and response in the event of an attack or natural disaster. I understand that the Commission's conclusion was that this capability for our Reserve Forces has been degraded, due to current operational demands. In my home State of Hawaii, maintaining this capability is a particular concern, due to the, of course, unique geography and time required to supply reinforcements, should a National Guard lack the resources or personnel needed in case of an emergency or natural disaster there.

Assuming an inability, in the short term, to address some of the more complicated changes the Commission proposes to address the broad challenges facing the Guard and Reserves, my question to you is, What immediate actions need to be taken to ensure that a gap in protection of American lives and property in the homeland does not exist?

General Punaro: Senator, the—I think—we think the most immediate thing is a recognition of the high priority that the homeland missions should receive, and, therefore, if the Department of Defense supports that—and, I would say, Secretary Gates is one that has directed the Department to give these civil support requirements a much higher priority than they had in the past. So, the Secretary of Defense, in my judgment, has taken a very decisive step, after our report last March, to say, "These things need to be given a higher priority." That means, if they have a higher priority in the Department, they will have a higher priority for funding and resourcing. And, for example, right now the Hawaii Guard has only 38 percent of its critical dual-use equipment that it would need for a homeland situation. But, in the long term, the Congress is going to need to speak, statutorily, that these types of missions need to be given equal priority to the overseas missions. And that's the way it's going to play out.

So, right now, because everybody is so operationally busy, it's hard to get these units back up to speed, because we're, kind of, on a treadmill. But, I think it really relates back to the Department recognizing that this is—these missions at home need to enjoy a much higher priority now than they have in the past. Again, I believe Secretary Gates—he'll obviously have to speak for himself, because wording is very important here, and, you know, your—the counsels would want his—these things said in very, very

precise terms, so we're not creating too broad a mission for the Department of Defense. But, in simple terms, the civil support requirements have got to be generated by the Department of Homeland Security. The Department of Defense needs to take them, working with the U.S. Northern Command, and working with the Guard Bureau, and make a determination, which of those are valid for the Department of Defense. The ones that are valid, then, need to be put into the Department's resourcing process, and then, that's how they're going to get funded and that's how the readiness is going to improve.

Senator Akaka: And let me further ask, Would you think that greater integration and collaboration of local and State law enforcement with the Department of Homeland Security—would that help to address any short-term resource mismatch until DOD can assume a greater role?

General Punaro: Senator, we think that's essential, and that's—that's one of the key roles why Department of Homeland Security has to be the lead, because they can bring to bear—and they need to look at these scenarios and say, "Okay, here's one for the Justice Department, here's one for Health and Human Services, here's one for the Agriculture Department." The answer to everything is not the Department of Defense. So, again, we emphasize this increased coordination and planning of everyone involved. And, again, that's the role of the Department of Homeland Defense, and we are not that encouraged that they are moving out as quickly as they need to be in playing that role of pulling everybody together and making sure all the assets that are available—this is why we argue that Guard and Reserve units, particularly the Title 10 Reserve units—if you have, for example—I don't know what happened, in terms of a response in Tennessee, but I know, from personal experience—I guarantee you there are Title 10 Reserve Forces whose personnel have come to the fray and helped out in these devastating tornados that have happened down in Tennessee—I guarantee you—because it's the way it happens all the time. When the Amtrak train went off the trestle in Mobile, Alabama, and went into the water, the 3rd Force Reconnaissance Company of the United States Marine Corps' 4th Marine Division, a Reserve Division, they had the rubber raiding rafts, they had the scuba gear, they were the first people on the scene, they were the first responders. They are our Title 10 Force.

The American citizens, they don't care whether it's Active Duty, National Guard, Reserve, State police, local police, Federal police. The taxpayers are paying for every single bit of this capability. Our Nation owes it to the—our taxpayers to get all this coordinated and allow all this capability to be brought to bear in these domestic contingency situations, not just the Department of Defense.

So, we would agree with you wholeheartedly on that.

Senator Akaka: Thank you.

General Punaro, as we speak about the U.S. Northern Command and the troops that would be assigned to that, one of the recommendations of the Commission is to substantially increase the number of Guard and Reserve billets at U.S. Northern Command, which has primary responsibility for, of course, defense of North America. By virtue of their familiarity with local communities, and

combined with the cost of mobilization and—this seems to make them, really, the most of our personnel. My question to you is, What is the biggest obstacle in current DOD personnel management and staffing practices to achieving this desired status in the command?

General Punaro: That is really a tough question. And I want to be very careful in the way I answer it, because the people at the U.S. Northern Command, I guarantee you—and most of 'em are Active Duty personnel—that command really grew out of the old command that had the North American defense, the NORAD mission—they get up—they come to work every day dedicated to the security of this Nation and put in long, long hours making sure they do everything they can to improve the situation. So, that's not in question.

The issue really is the experience, training, and culture. And—for example, Lieutenant General Blum, who's the head of the Guard Bureau, everybody knows to be a very dynamic leader, a warrior. He's led in combat, he's led in peacetime. He understands civil support, and he understands how to get 55,000 Guard personnel to the Gulf Coast, in Katrina. That didn't come through Northern Command, that came out of the Guard Bureau.

No one in their right mind would put General Blum in charge of a nuclear carrier battle group, because—he's a great three-star general—no one—because he has no training, no experience, no frame of reference.

So, our thought is—and this is—the Northern Command is a specialized command. It is a command that is focused on a very complex, very difficult mission, which is protecting the homeland, particularly in scenarios that require interface with State and local government, with law enforcement, with first responders. Active Duty military personnel do not have the background and experience, they haven't worked in that system, they don't know what they don't know. And Guard and Reserve personnel, they do this every single day. They are the emergency managers in the State. They are the hazardous-material coordinators in a local community. Therefore, it would make sense for the U.S. Northern Command to have a lot more personnel like that on the staff in key roles.

And, you know, they are looking at that, but the preliminary decisions that we understand they're—have been—that are going to be made is, we don't think they're going to get anywhere close to having the number of people they need, with the kind of experiences they need, to basically shift the culture and experience base of that command.

That's not a negative comment on the incredibly dedicated professional personnel and the commander that's working there every day. Again, we would not put General Blum in charge of a carrier battle group. We need to put the people in these billets that have the years and years and years of training, experience, and ability to handle these new daunting missions.

Senator Akaka: Thank you. Thank you very much, General.

Thank you, Mr. Chairman.

Chairman Levin: Thank you so much, Senator Akaka.

Senator Wicker?

Senator Wicker: Thank you, Mr. Chairman. And thank you for your kind words of welcome, both yesterday and this morning. And I appreciate the opportunity of serving with you.

And I thank the members of the panel for their testimony.

I do find it interesting that the Commission was surprised at the degree of criticism that met the report. From some quarters, you would almost characterize it as a firestorm. We're—I take it that the recommendation, General Punaro, was unanimous. Was it a unanimous recommendation of the Commission?

General Punaro: The ones that have drawn the criticism were unanimous. We had—over a 2-year period, we made 118 recommendations; 117 of those recommendations were totally unanimous; and on one, the one to, basically, have the directors of the Air Guard and the Air Reserve all—to be dual-hatted, both under the Chief of the National Guard Bureau and the military departments, not one that the—we've heard a lot of talk about yet, we had a dissent on that by one commissioner who has very, very good arguments against it, but the rest of the Commission—

So, our report really, in effect, is totally unanimous, and on the ones that we've heard some criticism about—for example, saying that the Commission is recommending turning the National Guard into a domestic response force only, we were quite surprised at that criticism, because, as General Stump, a member of the Air National Guard and an Adjutant General, said, that's just absolutely not the case. So, that one was a very surprising comment to us.

And, again, on the core ones, of creating an Operational Reserve, enhancing DOD's role in the homeland, the one that Senator Collins identified, that we say it's an appalling gap in our preparation for catastrophic, those were not only unanimous, they were ones that we sat down and thought about, long and hard, and debated, long and hard, and said, "We want to make sure that we can back up those comments."

So, again, the extensive consultations that we had, even with—particularly with the people that are responsible for some of these areas, some of the comments surprised us.

I will say that we were very encouraged by Secretary Gates' comments, before this Commission and before the House Armed Services Committee, where he said, "The Department has an open mind, going to take a hard look at it," his comments, yesterday, did not reflect some of the initial statements made by some of the Department spokesmen, who, perhaps, did not have, you know, a lot of time to read the details.

Senator Wicker: For example, assistant Secretary of Defense for Homeland Defense, Paul McHale, says that, "This is sharply at odds with the position we have taken in our strategy for homeland defense and civil support, and that what the Commission is recommending is that the National Guard become a domestic disaster-response capability, exclusively. We think that's wrong."

Do I understand that you, also, would think that is wrong, and your response is that that is, in fact, not the substance of the recommendations?

General Punaro: We—if that is, in fact, what our recommendations were, which they absolutely, totally aren't, we would certainly

make the same criticisms of our report that Secretary McHale did. But, that's just as—General Stump—I'm going to ask him—

Senator Wicker: Okay. Well, I—

General Punaro: —to respond, but if—

Senator Wicker: —I think you've given—

General Punaro: Okay.

Senator Wicker: —me the answer. And I—

General Punaro: All right.

Senator Wicker: I'm—

General Punaro: Yeah.

Senator Wicker: I'm very much limited in time.

General Punaro: Okay.

Senator Wicker: But, I appreciate—if General Stump would like to—

General Punaro: Elaborate, for the record.

Senator Wicker: —add to that, for the record.

And General Blum has been mentioned several times in testimony this morning. He—at this particular press conference, he was standing right next to Secretary McHale and said that if the recommendations were followed, quote, “We would unhinge the Volunteer Force, and we would break the Total Force.”

Let me just ask you—I served 4 years Active Duty in the United States Air Force. I was a judge advocate, and I can assure the members of the panel I didn't do anything special. After that, I transferred directly into the Reserve, and retired, eventually, at the rank of Lieutenant Colonel. As I say, I was not a hero, in any sense, but I did have a chance to observe a lot. I was able to serve on Active Duty at an operational base. I was able to serve at a headquarters-type level, and then to serve for quite a while at a training base. And during that time, I saw the development of this concept of Total Force, which seemed to me to be an excellent move.

What is your definition—what is your understanding of the concept, General, of Total Force? And what would be your response to this quote from the press, which may or may not be an accurate quote, that—from General Blum—that we would “break the Total Force”?

General Punaro: I was not aware of that quote from General Blum, and I hope it was misquoted, because, if it wasn't misquoted, it would be at significant variance from General Blum's own testimony before our Commission.

Senator Wicker: You support the concept of Total Force.

General Punaro: Absolutely. I would say—

Senator Wicker: You think, under the recommendation, that—

General Punaro: We take—

Senator Wicker: —you would go forward.

General Punaro: We take the Total Force concept to its next level, we're arguing for greater integration. I was there in the Reserve when the Total Force concept was developed by Mel Laird, and it said that what we're going to do is, when we have a requirement, we're going to look to see which part of our force—Active, Guard, Reserve, Individual Ready Reserve—can best fulfill those missions and would be most economical for the taxpayer, and we need to be move integrated. So, you know, over the continuum

since then, we've become more and more integrated. We believe we need to take it to the next step. We believe you need a totally integrated Active and Reserve component—interchangeable. Use those parts that make the most sense for that particular mission, take into mind the fact that the Guard and Reserve may be more economical for certain missions than the active component, and have the ability for an Active Duty Force commander to surge up and down.

So, I would say that no one is a greater adherent to the concept of Total Force than the members of the Commission. Again, I did not know General Blum made that comment, and I would hesitate to offer, but I certainly, if asked, could produce a lot of quotes from General Blum, not only in public, but in private, that I believe would be at significant variance with that comment, if it's accurate.

Senator Wicker: Thank you.

And if I have time for one more question, Mr. Chairman.

If you will—someone in the panel, if you would, describe your deliberation process, as far as the recommendation with regard to the health benefits program, and, specifically, the recommendation, as I understand it, that we move to a Federal Employees Health Benefits Program instead of the TRICARE program.

Ms. Lewis: Thank you for the opportunity to clarify that, Senator Wicker.

In no way do we think that the current TRICARE Reserves Select Program should be eliminated. We think it's a very thoughtful and deliberate program that provides some excellent benefits to our Reserve-component members.

Many of those Reserve-component members, though, live in areas away from the hub of where that support exists, around a military base, and, in those more isolated locations, often it's challenging to find a TRICARE-standard provider. So, we weren't—our recommendations are not in lieu of existing programs, but actually are proposing to offer an alternative that may provide a more comprehensive approach in areas where TRICARE access is more limited or challenging.

The Federal Employee Health Benefit Program has a wide network, with a variety of plans throughout the country. We thought that might be a possible viable option for Reserve-component family members.

Also, our recommendations with regard to a stipend, we thought were important. We heard, from a number of focus groups that had—were populated by family members, Reserve-component members, employers, and I was, quite frankly, surprised at the level of support that employers—pleasantly surprised at the level of support that employers want to continue to provide to those families once those servicemembers are activated. They want to continue their private-sector plans and offer that continuity of care and minimize the disruption to those families. So, we thought it would be viable to explore a stipend, either to the servicemember or that employer, to assist in providing that continuity of care.

But, I'm pleased to clarify, it was not at the exclusion of the existing excellent TRICARE Reserve Program.

Senator Wicker: Thank you, ma'am.

And thank you, Mr. Chairman.

Chairman Levin: Thank you so much, Senator Wicker.

Let me go back to some of the discussion about coordination.

I don't think that any lack of coordination is tolerable, in terms of responding to a domestic crisis. We don't have to—we don't have to resolve some of the more—or the basic issues that you raise, it seems to me, in order to have coordination when it comes to a respond to a catastrophic—response to a catastrophic event. And I don't think the American people would tolerate, for one minute, any catastrophic event not being coordinated, in terms of response. I think they were appalled with Katrina. We were. I remember the—some of the hearings, which Senator Collins, I believe, at the time, was chairing, relative to the response to Katrina.

In your report, you take up the issue of coordination, and you're critical, I believe, of the lack of coordination now, and then you also make these other recommendations.

Can't we have a highly coordinated response plan right now, with the existing units, under the existing control, with the existing roles and missions that are assigned, both to Active Duty and Guard? Can't we have a coordination plan, which is really solid, right now?

General Punaro: Mr. Chairman, we should have such a plan.

Chairman Levin: Is there any reason we can't have it?

General Punaro: In our judgment, no.

Chairman Levin: We don't have to resolve all the fundamental issues and the directions that you're talking about for the Guard missions and Active Duty and their missions, and giving missions at home a higher priority for the Guard, and so forth—we don't have to resolve all of that in order to have coordination which is absolutely rock solid, would you agree with that?

General Punaro: Yes, sir, Mr. Chairman.

Chairman Levin: That coordination, you say, does not exist right now.

General Punaro: Well, they will tell you they certainly are doing—

Chairman Levin: Not "they," but what will you tell us?

General Punaro: We don't—we do not find the—again, we're not looking back, we're looking at the gap and looking—

Chairman Levin: I mean now.

General Punaro:—forward. Right now, we do not have the level of coordination planning that we should have for these—for the—particularly the high-end situations.

Chairman Levin: All right. That—do you agree with that, by the way, General?

General Stump: Yes, sir.

Chairman Levin: Okay.

General Stump: There are 15 scenarios that have been proposed of disaster responses that can be out there, and we need to include, not only the Guard and the Reserves, but the active Duty and the Governors and the first responders, et cetera.

Chairman Levin: All right.

General Stump: And that's not there now.

Chairman Levin: I'll just tell you flat out, there's no excuse not to have that coordination now. I know that the Homeland Security

and Governmental Affairs Committee will be looking into this—I believe, next week.

I wasn't—I said there was a date on it. And, again, I very much appreciate your and Senator Lieberman's agreeing to this sequence of hearings. And I hope you would pass that along to Senator Lieberman for me.

That's going to be intolerable, period. I mean, we're going to have Northern Command in front of us in March, and we're going to raise this issue with them.

Now let's talk about the future.

General Punaro: And, Mr. Chairman, as part of our consultations—I won't say with who, but with a very senior official at NORTHCOM—I suggested to that official that they would be answering these very questions.

Chairman Levin: All right.

Now, we also have these other basic questions, which are—you very properly raise. We want Guard and—units up to speed, in terms of equipment, training. We want the missions that they have, particularly here at home, to be given a higher priority. I think that's clear, that there's greater threats now to the homeland, that the Guard are in a very unique position to respond to. We ought to give them all the capability and equipment that are needed to respond to those kind of catastrophes here at home, so that they can respond to a greater number, a greater level of catastrophes without calling in the active Duty folks. I think that's right. That's clear. We ought to do it.

Who's going to be in charge of those units is where you're going to get into all kinds of problems—political problems. The Governor is in charge of our National Guard. The 82nd Airborne's called in, is the Governor going to be in charge of the 82nd Airborne, ultimately? I don't think anyone here is proposing that. On the other hand, that's the direction that you're going, in essence, if you're going to be putting a National Guard general in charge of Active Duty Forces. Who's in control of that National Guard general, the adjutant? It's the Governor. And so, the question then—we have two alternatives here. You want a Governor in charge of the 82nd Airborne, that's one, or you want an Active Duty general, who's charged—usually focused on other things—to be in charge of the domestic response? That's the question you raise. General Punaro, that was the one you raise.

And there's—to me, if it's one or the other, I'd rather have the active Duty general in charge of the National Guard response than I would to have a Governor commanding the 82nd Airborne, if that's my option. I don't think that is the only option. I think there may be a way, which you've discussed, which is to put some more National Guard folks up at NORTHCOM. But, still, you'd have to have a NORTHCOM commander who's in command of those. But, nonetheless, if there's a shortfall, in terms of that capability at Northern Command, which you allege there is a very serious shortfall, it seems to me that at least is a way of bringing in that capability, that experience, as you put it, to respond to disasters and local events, to bring that into NORTHCOM. At a minimum, it seems to me, that's what we should be talking about.

So, in terms of the coordination, we're going to—that's a short-term problem.

General Punaro: Mr. Chairman, could I mention that—

Chairman Levin: Please, yeah.

General Punaro: —you've hit on a very interesting and very important concept that we think has merit. For example—and that's why I said it doesn't have to be either/or—the commander of NORTHCOM could be a Guard or Reserve person. General Pace testified, before our Commission, that there are people in the Guard and Reserve today that are totally capable of being the four-star commander of NORTHCOM. The component commands could be commanded by Reserves. For example, Army North doesn't have to be commanded by a three-star Active-Duty general, it could be commanded by a three-star Guard general. The Marine Forces Reserve—Marine North—is commanded by a reservist, Lieutenant General Jack Bergman. So, when you start embedding the Guard and Reserve personnel in the NORTHCOM billets, either as the commanders or the planners or the J-1s or the J-3s, I think you're going to begin to see these seams close in, and I think you're going to see the kind of experience and coordination that all of us desire. So, that's another thing that needs to be worked on.

Chairman Levin: And I've just been handed a note that the commander of Joint Task Force Civil Support for NORTHCOM is a National Guard—

General Punaro: Super.

Chairman Levin: —already. I mean—so, that's—is already taking place.

Without getting into these impossible-to-resolve political disputes, where every Governor and every four-star Active-Duty general is going to just [sound effect] go like that, we don't need to wait for coordination, and there's ways of achieving the experience factor in ways which don't require us to do things which the public, I think, would not accept, nor should they.

Now, I'm going to stop there, since everyone's nodding their head. I'm just—I think—I'm ahead, I think I'll stop with being ahead.

Senator Collins?

Senator Collins: Thank you, Mr. Chairman.

I just wanted to ask two final questions. Ms. Lewis, many of us—indeed, all of us—are very concerned about the stress that repeated and lengthy deployments have placed on our National Guard members, their families, and their employers. Many of the recommendations that you've made, as far as improving the retirement and healthcare and GI Bill benefits, speak to that concern. Obviously, all of us would like to see shorter deployments, which would help a great deal.

The President, in his State of the Union Address, proposed some changes in educational benefits that would allow returning servicemembers, if they were not going to use the educational benefits, to transfer that benefit to their spouses or to their children. Did you, in the course of looking at the benefit package, take a look at that idea?

Ms. Lewis: Senator Collins, we did make some recommendations without—with the timeframe with which a member could use their

Montgomery GI Bill benefits upon their return. As far as transferability, we did not make any particular recommendation in that regard.

There are two factors that go into these—some of these benefit programs. One is whether they're a recruiting tool, and one is whether they're a retention tool. Certainly, transferability would aid in retention, but there is some question about transferability impacting future recruiting if a benefit was already accrued through a parent rather than a young person themselves. So, we didn't make any particular recommendations in that regard. I know it's a sensitive issue, and I know there's a lot of appeal to allowing that transferability. But, we did—we did make the extended access available for GI Bill benefits for the servicemember themselves, and then focused our other recommendations on longer-term tools that the Department could use for recruiting and retention, which would include a further evaluation of how to use educational benefits.

Senator Collins: Thank you.

The retirement changes, in particular, that your report recommends, are an issue that comes up, time and time again, when I talk to members of the Maine National Guard, so I appreciate having your recommendations in that area.

Finally, General Punaro, I want to just clarify, one last time for the record, part of your report that has created some confusion about what you see as the role of the National Guard for homeland security versus an Operational Force that is deployed in times of war.

Your report states that the National Guard and Reserves should play the lead role in supporting the Department of Homeland Security, other agencies, and States in response to major catastrophes. Then, in recommendation number 5, which is where I think the confusion has occurred, the language says that the Commission recommends shifting capabilities determined to be required for State-controlled response to domestic emergencies to the National Guard, and then shifting capabilities currently resident in the National Guard that are not required for its State missions, but are required for its Federal missions, either to the Federal Reserve components or to the active Duty military. That—I know the chairman brought up this language, too—that has created some confusion, where people think that you're saying, if you're transferring the capabilities for Federal missions to the active Duty or the Reserves, that you're no longer envisioning the Reserve being really part of the Total Force. That's not what you're saying, correct?

General Punaro: That is absolutely correct. And I think we had in there somewhere, "as appropriate," but it's clear we did not word it as precisely as, probably, we should have. And the concept really is—and this is why we say it would not reduce—in fact, we believe, enhance their warfighting capability—our Active Duty military and the combatant commanders that basically control our operations overseas; they're generally forward deployed. So, the active Duty military's going to go first overseas, the ones that are already there, as well as the immediate reinforcements. And the Guard and Reserve, as required, augments and reinforces the active compo-

ment overseas, so they have the lead. This is not a command-and-control issue, it's just a sequencing issue.

So, for the homeland, particularly those catastrophic situations, which, we would argue, are every bit as difficult as overseas war, that the Guard and Reserve, because they are forward deployed in the continental United States in 5,000 communities, they have the command and control, they have the situation awareness, they have the geography, as well as the cost benefit of being at a resting phase when something isn't going on—they should have the lead. That doesn't mean they're the only people, and that doesn't mean that's their exclusive mission; it's really a question of sequencing the forces.

If they can't do it in a particular area, as the chairman has pointed out, and is NORTHCOM's contingency plans with Joint Task Force Civil Support, the active would roll in very quickly, bring in the augment and reinforcing, and you'd have what you need. So, it really is more of a sequencing issue, and then playing to the operational skills and geography of the various forces.

But, you—I would see the Guard—the Guard is going to be relied on increasingly, not just at home, but overseas. There's no way you can make up a gap that we have in what our requirements are with the active component alone—600,000, again, mobilized for, you know, the wars, another 68 million man days—if you tried to replicate, in the active Force, the operational capability we have in our Guard Reserve today, and put it all on Active Duty, it would cost—and we costed this out and backed it up—close to a trillion dollars. Well, that money, you know, doesn't exist, and it wouldn't make sense for the taxpayers, anyway.

So, you know, we appreciate the opportunity to get very firmly on the record that we absolutely do not recommend, you know, converting the National Guard into domestic crisis response force only.

However, as you—as DHS develops these requirements, as your committee and the Congress has required by law, and the requirements come to the Department of Defense, the Department of Defense then will validate 'em, so, if they agree with them, they'll say, "Okay, we have this requirement. Who are we going to have satisfy this requirement? Is it going to be the Guard? Is it going to be the Army Reserve? Is it going to be the active Army?" That's what we mean by rebalancing. The Department may decide that they need to rebalance, and they may say, "We're going to put every bit of it in the Guard, without taking anything away that they have now, or we may decide that the Army Reserve, the mass decontamination—maybe that ought to be in the Guard instead of the Title 10 Force." So, that's really more of a, kind of, force-structure thing, not a roles and mission change.

And I know you've been very tolerant, and I know—but this is so important, and, as you said, it's created somewhat of a firestorm by misunderstanding.

General Stump, did you want to add anything on that?

General Stump: Well, I can understand your confusion, when I read it and I look at it, but I know what our deliberations were, and there were no instances where—if you go through the reports, you will find—nowhere in the report do we identify any force struc-

ture which should be moved from the Guard to the active Duty, because it's only required for the overseas mission.

My personal experience, in the State of Michigan I had 10,000 Army National Guard people. I can tell you that I had every one of them on an assignment for a State mission.

So, it was probably a poor choice of words, and I know it has caused some confusion, and we have had a lot of questions about that, because, immediately, they assume that, "Okay, because you don't need tanks in your homeland security mission, therefore let's get rid of Brigade Combat Teams." Wrong, kimosabe. You need the Brigade Combat Teams for the State mission, because if you have a natural disaster and a catastrophe, you need the people, you need the Humvees, you need the communication equipment.

And also, we can't—you can't back down from where we are now on the Operational Reserve for those forces that are in the National Guard. If you take those out now, the active Duty are under a lot of stress now, and they would be even in more stress if we took those things out.

So, unfortunately, I think it was a poor choice of words. That's not what we mean, and that's not what we recommend. And I would defy somebody to define what those requirements are in the National Guard that are not—you cannot use for the homeland mission.

Senator Collins: Thank you.

I think it was important to clarify that issue. I was confident that was not what you meant. But, when my staff was confident that was what you meant, I realized that there was considerable confusion over that. I think this hearing has clarified that.

As I recall, at one point one-third of the soldiers in Iraq, at the high point, were National Guard or reservists, so there's no way that you could take away that capability, dedicate it solely to homeland defense, domestic preparedness issues. You just couldn't do it, for the reasons that the—that Chairman Punaro has said. But, I did want to clarify that for the record.

I do think that our reliance—and, I would argue, over-reliance—on the Guard and reservists in Iraq and Afghanistan does require us to rethink the issues that your committee has spent 2 and a half years looking at. And the benefit recommendations, the recruitment and retention issues, the competency versus time and service issues, are all extremely valuable to our deliberations.

And, finally, as Senator Levin has mentioned, Senator Lieberman and I will be following up on this in our committee, which Senator Levin is the senior member of, as well—in fact, he could be chairman if he wanted to, I believe—and we are going to continue to pursue this. I think the work we did, in looking at Hurricane Katrina, was very helpful in giving us a base understanding, and you've certainly built on it. So, thank you for your work.

And thank you, Mr. Chairman, for an excellent hearing.

Chairman Levin: Thank you very much, Senator Collins.

The—I think we have clarified a number of issues here this morning. There's got to be a greater focus inside the Guard on the new threats. They've got to be given the capability, the equipment, the training to address these new threats. They're of a higher level than they've ever been, domestically. We need to have this coordi-

nation in place between our Reserve Forces and our Active Duty Forces. There's no reason why that coordination should not be there now. I'm sure NORTHCOM feels that it is there now; they've made statements to that effect. But, we will be able to press them when they come here in March. In the meantime, their response will be made part of the record. [The information previously referred to follows:] [COMMITTEE INSERT]

Chairman Levin: And what we'll do is this. We will ask all of the various entities that have an interest in this matter to give us their comments on your Commission's report. We'll ask them for that by the middle of March. You could out of existence, April—what day?

General Punaro: End of April, sir.

Chairman Levin: End of April. If we got comments in by, let's say, March 15th, would that give you enough time to respond with any comments?

General Punaro: Yes, sir, Mr. Chairman.

Chairman Levin: All right. I think that was Senator Warner's suggestion, that you have that opportunity.

So, we will send out the report to the entities that would have an interest in it—surely, the agencies that have that kind of an interest, and a number of other entities and organizations—make their responses part of the record, or find a way to have their responses printed, and then give you the opportunity, for 30 days or so, to comment on their comments.

And, again, our thanks to all of you for a very stimulating report. It's important that these issues be raised. You've raised them with intelligence and experience. They've stirred up a lot of reaction, which is your intent. And we look forward to the reaction, because you've raised some important issues that need to be addressed.

And, with that, we will stand adjourned.

[Whereupon, at 12:09 p.m., the hearing was adjourned.]