

TESTIMONY OF
THE
NAVAL RESERVE ASSOCIATION

BEFORE THE
SENATE COMMITTEE ON ARMED SERVICES
MILITARY PERSONNEL SUBCOMMITTEE

ON
MARCH 11, 2003

The Navy Reserve Association

“An association is not necessary to protect the Naval Reserve from the Naval Establishment, but is vitally needed to cooperate with the Navy in the solution of the many and complex problems that arise in the administration of a Navy composed of both regular and reserve career personnel.” NRA Resolution, #1, 1954

With association roots that can be traced back to 1919, the Naval Reserve Association (NRA) is devoted solely to service to the Nation, Navy, the Naval Reserve and Naval Reserve officers. It is the premier national education and professional organization for Naval Reserve officers, and the Association Voice of the Naval Reserve!

Full membership is offered to officers who have held Naval Commissions; WO-1 through O-10, however NRA members come from all ranks and components.

NRA has over 22,000 members from all fifty states. Forty-five percent of the Naval Reserve Association membership is drilling and active Reservists and the remaining fifty-five percent are made up of reserve retirees, and involved civilians. The National Headquarters is located at 1619 King Street Alexandria, VA. 703-548-5800. Our point of contact is Ike Puzon, Director of Legislation.

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Naval Reserve Association does not currently receive, has not received during the current fiscal year, or either of two previous years, any federal money for grants. The Association has accepted federal money solely for Naval Reserve Recruiting advertisement in our monthly magazine. All other activities and services of the Association's are accomplished free of any direct federal funding.

OPENING STATEMENT -

Chairman Chambliss, Senator Nelson, and distinguished members of the subcommittee, on behalf of the 86,000 active Naval Reservists and the mirrored interests of all members of the guard and reserve components, we are grateful for the opportunity to submit testimony.

A popular fad in the press is to write about the plight of the mobilized Reservist. These articles emphasize the anxiety of being away from work and or family. As was stated in Wall Street Journal, "The activation of tens of thousands of military reservists is beginning to interrupt careers and disrupt workplaces on a scale not seen in more than a decade."¹

A climate of despair is being painted about the Reservist. Focus is being placed on the needless hardship for too many members of the Guard and Reserve, for their families and for their employers. The Naval Reserve Association would like to dispel this Myth. In defense of the Reservists, let it be said that it is a statistical few that complain about their circumstances. Portrayed as a predicament by the press, most Reservists, instead, view mobilization as an opportunity to serve their country.

If Reservists have an Achilles' heel, it is how often they are willing to sacrifice family and employment to serve their country. Reservists have shown us time and time again that they'll volunteer when asked, despite the impact of their personal and professional life. This service beyond self is not appreciated by many on the Active side or in DoD.

Since 1990, the Active Duty services have grown languorous from a diet of contributory assistance, recall, and mobilization support. The number of contributory man-days has risen from 1 million in the late 1980's to nearly 13 million a year over the past few years. Rather than confront budget appropriators, the Active Components have been content to fill their force shortfalls with Reserve manpower.

"Part-time Reservists are being turned into full-time soldiers and airmen through extended and unpredictable active-duty assignments," Congressman David Hobson (OH-7) said in a letter to Secretary of Defense Rumsfeld, last year. "The services are not properly manned to conduct this new type of war in which we now find ourselves, and the Reserves are bearing the brunt."²

"If we want to have a total force, if we want that concept to work, we've got to be respectful of the fact that people in the Reserves and the Guard have jobs. And they're perfectly willing to be called up, but they only want to be called up when they're needed and for something that's a real job. And they prefer not to get jerked around and called up two or three or four months before they're needed and then found they're not needed

¹ Massive Call-Up of Reservists disrupts Careers, Workplaces; Kemba J. Dunham, Kris Maher and Greg Jaffe, Wall Street Journal, Feb. 18, 2003.

² Citizen Soldiers Report Long Tours, Little Support, Gregg Zoroya, USA Today, Jan 16, 2003

and sent back home with a "sorry about that," said Secretary of Defense Rumsfeld in a speech in late January.³

If there is a raw nerve among Reservists, it is caused by how individuals are being utilized, and how often that individual is being called up. Pride and professionalism is a large factor in the profile of a Reservist. They want to be used how they have been trained, and they want to complement the Active Forces. Too often, they have been called up to do a marginal job, or stand weekend or night watches allowing active members time off. In situations like this, we often hear from our members that the active duty personnel of a particular command are not working overtime. The model used by the Navy calls for active duty personnel to be working a sixty hour work week before Reservists would be involuntarily recalled to active duty. Quite often, the requirement for recall is nothing more than to fill in the gaps in existing active duty manning. Recall and proper use of Reservists needs constant monitoring and attention.

Another raw nerve among Reservists is attempts by the Navy to deny individuals their full entitlements. Over and over, Reservists are asked to make a voluntary mid to long term commitment of combining drills with multiple sets of 29 day orders. There is an institutional bias to issuing Reservists one set of orders for longer than 30 days thereby denying them greater entitlements. We strongly believe that this is an injustice to the individual and his/her employer that Congress should question.

Over a year ago, Principal Deputy Assistant Secretary of Defense for Reserve Affairs met with the Military Reserve Associations and asked how frequently is it acceptable to recall Reservists? His hope was an answer measured in years that could be programmed into a formula. Reservists are not inventory numbers, but individuals. On the first recall they will answer smartly, on the second recall they will do their duty, by the third they start believing the press reports.

In today's American way of war, the way a Reservist is used and recalled is vital to successful military operations, and essential to gaining the will of America. As Deputy Secretary of Defense Paul Wolfowitz has said, "How we manage our Reserve Components will determine how well we as a nation are prepared to fight, today and tomorrow."⁴

The question we are asking is: "Are the DoD legislative initiatives taking us in the right direction for a sound Military and a strong National Defense?" We hope that DoD is learning lessons from the past to avoid repeating mistakes in the future, and the Naval

³ Remarks by Secretary of Defense Donald H. Rumsfeld to the Reserve Officers Association 2003 Mid-Winter Conference and 18th Annual Military Exposition, Washington, DC, January 20, 2003.

⁴ Remarks by Deputy Secretary of Defense Paul Wolfowitz, to the Reserve Officers Association 2002 National Conference, Philadelphia, PA, June 20, 2002.

Reserve Association stands ready to assist in turning lessons learned into improved policy.

Again, thank you for this opportunity. Details of specific concerns by our Association on DoD initiatives follow, we hope you can help address them:

DEPARTMENT OF DEFENSE INITIATIVES:

Roles and Missions

A Pentagon study has highlighted that the Guard and Reserve structure, today, is an inherited Cold War relic. As a result, the Guard and the Reserve organization has become the focus of "transformation." While it won't be denied that there could be a need for change, transformation for transformation sake could be disadvantageous. Visionaries need to learn lessons from the past, assimilate the technology of the future, and by blending each, and implement changes that improve warfighting.

The Reserve Component as a worker pool.

Issue: The view of the Reserve Component that has been suggested within the Pentagon is to consider the Reserve as of a labor pool, where Reservists could be brought onto Active Duty at the needs of a service and returned, when the requirement is no longer needed. It has also been suggested that Active Duty members could be rotated off active duty for a period, spending that tenure as a Reservist, returning to active duty when family problems, or educational matters are corrected.

Position: The Guard and Reserve should not be viewed as a temporary-hiring agency or as a personnel depot. Too often the Active Component views the recall of a Reservist as a means to fill a gap in existing active duty manning. Voluntary recall to meet these requirements is one thing, involuntary recall is another.

The two top reasons why a Reservist quits the Guard or Reserve is pressure from family, or employer. The number one complaint from employers is not the activation, but the unpredictability of when a Reservist is recalled, and when they will be returned.

The structure of the Guard and Reserve is a system of billet assignments that are tied to progressive training tiers. To yank individuals out, or drop in active members who are in hiatus would impair training and personnel readiness.

100% mission ownership.

Issue: Department of Defense is looking at changing the reserve and active component mix. "There's no question but that there are a number of things that the United States is asking its forces to do," Rumsfeld said. "And when one looks at what those things are, we

find that some of the things that are necessary, in the course of executing those orders, are things that are found only in the Reserves."⁵

Position: America is best defended through a partnership between the government, the military and the people. The Naval Reserve Association supports the continued recognition of the Abrams Doctrine, which holds that with a volunteer force, we should never go to war without the involvement of the Guard and Reserve, because they bring the national will of the people to the fight. While a review of mission tasking is encouraged, the Active Component should not be tasked with every mission, and for those it shares, no more heavily than their Reserve counterparts.

Historically, a number of the high percentage missions gravitated to the Reserve components because the Active Forces treated them as collateral duties. The Reserve has an expertise in some mission areas that are unequalled because Reservists can dedicate the time to developing skills and mission capability, and sharing civilian equivalencies, where such specialization could be a career buster on Active Duty.

Augmentees:

Issue: As a means to transform, a number of the services are embracing the concept that command and unit structure within the Reserve Component is unnecessary. Reservists could be mustered as individual mobilization augmentees and be called up because often they are recalled by skills and not units.

Position: An augmentee structure within the Naval Reserve was attempted in the 1950's/1960's, and again in the 1980's. In one word: Failure! An idle force, Reservists of that period could not pass the readiness test. The image of the Selected Reservists, sitting in a Reserve Center reading a newspaper originates from the augmentee era. Some semblance of structure is needed on a military hierarchy. Early on, Naval Reservists created their own defense universities to fill the training void caused by mission vacuum.

Combining Active and Reserve Appropriations:

Issue: The FY04 Defense budget request makes it clear that OSD intends to consolidate all pay and O&M accounts into one appropriation per service. These consolidations would require various legislative changes before they would become law. The rationale for the consolidations is to provide greater flexibility for the Active chiefs to move monies from the Reserve and Guard pay accounts to fund Active component pay and O&M shortfalls. Managing fewer appropriations would also make managing pay and O&M easier.

Position: The Naval Reserve Association strongly opposes the proposed consolidation of all Guard, Reserve and Active pay into one service pay appropriation. We similarly oppose the proposed consolidation of all Guard, Reserve and Active operations and maintenance accounts into one service O&M appropriation. While we support seeking

⁵Secretary of Defense Donald H. Rumsfeld made this observation Nov. 4, 2002 to the Pentagon press corps amid questions of reports that Reserve and National Guard soldiers were being overtaxed with mobilization requirements since last year's terrorist attacks on this nation.

efficiencies wherever possible, we view the proposed "business" consolidation as ill conceived, misrepresented as inefficient, and as an attempt to reduce Congressional oversight. We oppose it for a variety of other reasons, as well.

Under current law, the Reserve chiefs are the directors for their respective Reserve pay and O&M appropriations. Public Law 90-168, as amended by the FY97 NDAA, vested in the Reserve chiefs full management and control of their respective Reserve financial resources. Consolidating Reserve and Active pay into one appropriation would divest the Reserve chiefs of this authority and preclude their executing the programs and responsibilities, and maintaining the readiness mandated by Congress.

Much of the Guard and Reserve annual training occurs during the fourth quarter of a fiscal year, the same time frame when the Active components are most likely to run short of funds and may desire to use Reserve pay and O&M to fund their own shortfalls. Allowing the Active components the "flexibility" to use Reserve funds whenever they need to pay Active component bills means that somewhere a Reserve soldier or sailor will not be paid, a Reserve unit will not be trained for mobilization, or Reservist will not receive the specialized training needed for promotion, and ultimately retention. The Active Component will have flexible funding at the cost of Reserve Readiness.

Inferred changes to DOPMA and ROPMA:

Issue: It has been suggested within a DoD Roles and Missions study that promotions in the Reserve Component need not be tied to Active Duty promotion rates. It was further stated that allowing a skilled Reservist to remain at a certain mid-grade rank enlisted or officer rank longer would allow that individual to perform a vital mission longer.

Position: While NRA might support a change to the "promote up or out " policy; we in no way endorse having the Selected Reserve become an advancement wasteland.

Issue: Secretary Rumsfeld has also publicly stated that he has the Personnel & Readiness office looking at how DoD can get the benefit of people in a specific job longer, and how we can have people increase the number of total years they serve if they want to. He is willing to extending military careers beyond 60 years of age.

Position: While current policy permits individual waivers to retain certain skill sets, the Naval Reserve Association feels that authorizing changes to the length of tenure would have a negative impact and a rippling effect. History has shown time and again, if senior leaders are not encouraged to retire, there will be a retention collapse in the middle ranks, which erodes the long-term future of a component force. Few are so skilled, that a junior member can't fill the position with similar qualifications.

Pay and Compensation

Issue: A premature release of information in the form of a Naval Reserve survey, revealed a DoD initiative to end "two days pay for one days work," and replace it with a

plan to provide 1/30 of a Month's pay model, which would include both pay and allowances. Even with allowances, pay would be less than the current system. When concerns were addressed about this proposal, a retention bonus was the suggested solution to keep pay at the current levels.

Position: Allowances differ between individuals and can be affected by commute distances and even zip codes. Certain allowances that are unlikely to be paid uniformly including geographic differences, housing variables, tuition assistance, travel, and adjustments to compensate for missing Healthcare.

The Naval Reserve Association holds reservations with a retention bonus as a supplemental source. Being renewed annually bonuses tend to depend on the national economy, deficit, and political winds. Further, would this bonus just be grandfathered to current Reservists, with some future generation forfeiting the bonus as an income source?

As one Reservists said, "With the nonreimbursed expenses for commuting and training, I couldn't afford to drill at one days pay."

Healthcare

Healthcare readiness is the number one problem in mobilizing Reservists. The governments own studies show that between 20-25% of Guardsmen and Reservists are uninsured.

We applaud the efforts of the TRICARE Management Activity. TMA has a strong sense of who the customer is. They emphasize communications, and are proactive at working with the military associations. NRA would like to see a continued effort at:

- Ensuring quality coverage for mobilized Reservist to provide continuity of healthcare.
- Seeking consistency of how TRICARE is implemented for mobilized Reservists and families between regions, and
- Establishing a TRICARE Health plan for uninsured drilling Reservists, similar to the successful SELRES Dental Program.

Business Initiative:

Issue: Many within the Pentagon feel that business models are the panacea to perceived problems within military structure.

Position: Reservists have the unique perspective of holding two careers; many with one foot in business and one foot in the military. The Naval Reserve Association suggests caution rather than rush into business solutions. Attempted many times in the past, business models have failed in the military even with commands that proactively support.

Among the problems faced are:

Implementing models that are incompletely understood by director or recipient.

Feedback failure: "Don't tell me why not; just go do it!"

The solution is often more expensive than the problem.

Overburdened middle management attempting to implement.

Cultural differences.

While textbook solutions, businesses, too, are frustrated by numerous "false starts" with these models.

Retirement: Age 55.

Issue: A one sided debate is being held through the press on whether changes should be allowed to Guard and Reserve to lower the retirement payment age. At a recent Pentagon press conference, Thomas F. Hall, the Assistant Secretary of Defense for Reserve Affairs, said he has "thought a lot about" lowering reserve retirement age. Hall said it would be "expensive" and might encourage Reservists to leave the workforce at too young an age. The Defense Department is now studying the issue to be part of a report to Congress next year.

Position: Over the last two decades, more has been asked of Guardsmen and Reservists than ever before. The nature of the contract has changed; Reserve Component members would like to see recognition of the added burden they carry. Providing an option that reduces the retired with pay age to 55 years carries importance in retention, recruitment, and personnel readiness.

Most military associations are hesitant to endorse this because they envision money would be taken out of other entitlements, benefits, and Guard and Reserve Equipment budgets. The Naval Reserve Association suggests an approach to this issue where neither cost nor expense would be an issue.

The Naval Reserve Association recommends that Reserve Retirement with pay be allowed prior to age 60, but it be treated like Social Security retirement offset, at lower payments when taken at an earlier age. If a Reservist elects to take retired pay at age 55, it would be taken at an actuarially reduced rate, keeping the net costs at zero.

Most of the cost projected by DoD is for TRICARE healthcare, which begins when retirement pay commences. Again following the Social Security example, Medicare is not linked to Social Security payments. NRA suggests that TRICARE for Reservists be decoupled from pay, and eligibility remains at age 60 years

With Social Security as a model, Reservists understand the nature of offsetting payments. The only remaining expense in this proposal would be the administrative startup costs and adjustments to retirement accrual contributed to the DoD retirement accounts.

Retention concerns should be set aside. Commissioned officers typically reach ROMPA limits at age 53. While enlisted are allowed to drill to age sixty, many in the Navy are limited by High Year Tenure policies that take them out of pay before then. Drilling without pay motivates many to submit their retirement requests. By age 50, an enlisted has either already retired or is a "career" sailor.

At a minimum, hearings should be held to broaden the debate.

DEPARTMENT OF THE NAVY INITIATIVES

Restore Reserve Promotions to Reserve Officers on Temporary Recall (Three Years or Less)

Issue: In the Navy, there is a different promotion system for recalled and mobilized Naval Reserve officers. Officers who are recalled to Active Duty are placed on the Active Duty List (ADL) for statute promotions. Mobilized Officers are kept on the Reserve Active Status List (RASL).

To properly match the Reserve officer's exclusion from the active duty list as provided for by 10 U.S.C. 641(1)(D) with a corresponding exclusion from the authorized grade strengths for active duty list officers in 10 U.S.C. 523. Without this amendment, the active component would have to compensate within their control grades for temporary recalled Reserve officers who are considered, selected and promoted by RASL promotion selection boards. This compensation causes instability in promotion planning and a reduction in "career" ADL officer eligibility and promotion for each year a Reserve officer remains on "temporary" active duty. Therefore, Naval Reservists are temporarily recalled to active duty and placed on the ADL for promotional purposes. End result – failure of selection due to removal from RASL peer group.

Position: The Naval Reserve Association strongly supports language changes to Title 10 USC 523 that would enable the Navy to recall Reservists for three years or less and allow them to remain on the RASL under 10 USC 641. A ULB to correct is being submitted by DoD. This provides the services grade strength relief for the small percentage of Reserve officers who would possibly be promoted while serving on temporary active duty. Granting relief is a Win - Win situation. By removing the instability in promotion planning for the active component, Reserve officers can be issued recall orders specifying 10 USC 641 (1)(D) allowing them to remain on the RASL for promotion purposes.

Equipment Ownership

Issue: An internal study by the Navy has suggested that Naval Reserve equipment should be returned to the Navy. At first glance, the recommendation of transferring Reserve Component hardware back to the Active Component appears not to be a personnel issue.

However, nothing could be more of a personnel readiness issue and such transfer is ill advised. Besides being attempted several times before, the impact of this issue needs to be addressed if the current National Security Strategy is to succeed.

Position: The overwhelming majority of Reserve and Guard members join the RC to have hands-on experience with equipment. The training and personnel readiness of Guard and Reserve members depends on constant hands-on equipment exposure. History shows that this can only be accomplished through Reserve and Guard equipment, since the training cycles of Active Components are rarely, if ever, synchronized with the training or exercise times of Guard and Reserve units. Additionally, historical records show that Guard and Reserve units with hardware maintain equipment at or higher than average material readiness and often better training readiness. Current and future war fighting requirements will need these highly qualified units when the Combatant Commanders require fully ready units.

Reserve and Guard units have proven their readiness. The personnel readiness, retention, and training of Reserve and Guard members will depend on them having reserve equipment that they can utilize, maintain, train on, and deploy with when called upon. Depending on Active Component hardware has never been successful for many functional reasons. The NRA recommends strengthening the Reserve and Guard equipment in order to maintain highly qualified trained Reserve and Guard personnel.

Closure of Naval Reserve Activities:

Issue: A proposal has been made, suggesting that a large number of Naval Reserve Centers and Naval Air Reserve Activities be closed, and that Naval Reservists could commute to Fleet Concentration Areas to directly support gaining commands and mobilization sites.

Position: The Naval Reserve Association is opposed to this plan for the following reasons:

- A. The Naval Reserve is the one Reserve component that has Reserve Activities in every state. To close many of these would be cutting the single military tie to the civilian community.
- B. The demographics of the Naval Reserve is that most of the commissioned officers live on the coasts, while most of the enlisted live in the hinterland, middle America. The Naval Reservists who are paid the least would have to travel the farthest.
- C. The active duty concept of a Naval Reserve is a junior force, a structure based upon enlisted (E1-E3s) and officers (O1 - O2's): billets that can't be filled because the individuals haven't left the fleet yet. When the Coast Guard "transformed" its Reserve force, it forced a restructuring that RIFFed many senior officers and enlisted leadership from the USCGR ranks, and caused a number of years of administrative problems.
- D. If training at fleet concentration centers was correctly implemented, the Navy should bear the expense and burden of transportation to, and housing while on site. Additionally, at locations such as Naval Station Norfolk, the overlap of Active Duty and

Reserve training has shown an increased burden on Bachelor Quarters and messing facilities. Frequently, Reservists must be billeted out on the economy. With these extra costs, training would prove more expensive.

E. Such a plan would devastate the Naval Reserve; retention would plummet, training and readiness would suffer.

Replacement of Full Time Staff (TARs) with Active Duty "Station Keepers"

Issue: Another suggested initiative would be the replacement of Full Time Staff (TARs) with Active Duty "Station Keepers".

Position: This has failed in the past, because the Active Navy doesn't commit its best or its brightest to administer Reservists. Such duty is not viewed as career enhancing, and those who complete the assignments tend to do poorly before competitive promotion boards. The assignments tend to often gravitate to unqualified second and third string players who are dead-ended in their careers, and Reservists retention, recruitment, readiness and morale tend to suffer.

CONCLUSION:

The Four "P's" can identify the issues that are important to Reservists: Pay, Promotion, Points, and Pride.

Pay needs to be competitive. As Reservists have dual careers, they have other sources of income. If pay is too low, or expenses too high, a Reservist knows that time may be better invested elsewhere.

Promotions need to be fairly regular, and attainable. Promotions have to be through an established system and be predictable.

Points reflect a Reservist's ambitions to earn retirement. They are as creditable a reinforcement as pay; and must be easily tracked.

Pride is a combination of professionalism, parity and awards: doing the job well with requisite equipment, and being recognized for one's efforts. While people may not remember exactly what you did, or what you said, they will always remember how you made them feel.

If change is too rapid with any of these four, anxiety is generated amid the ranks. As the Reserve Component is the true volunteer force, Reservists are apt to vote with their feet. Reservists are a durable resource only if they are treated right. Current conditions about the world highlight the ongoing need for the Reserve Component as key players in meeting National Security Strategy, we can't afford to squander that resource.