

**STATEMENT BY**

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**Subcommittee on Military Personnel  
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MR. CHAIRMAN, SENATOR GRAHAM, AND DISTINGUISHED MEMBERS OF THE SUBCOMMITTEE, the Enlisted Association of the National Guard of the United States (EANGUS) appreciates the opportunity to submit our views regarding the Defense Department's budget submission for Fiscal 2009 and its possible effect on the National Guard.

The Enlisted Association of the National Guard of the United States is the only military service association that solely represents the interests of every enlisted soldier and airmen in the Army and Air National Guard. Our constituency base is comprised of over 414,000 soldiers and airmen, their families, and a large retiree membership. The Enlisted Association of the National Guard of the United States receives no federal funds or federal grants.

The Army and the Air National Guard are part of the "Reserve Component," a term which is commonly used to refer collectively to the seven individual reserve components of the Armed Forces. The role of the Reserve Component as codified in law is to "provide trained units and qualified persons available for active duty in the armed forces, in time of war or national emergency, and at such other times as the national security may require, to fill the needs of the armed forces whenever more units and persons are needed than are in the regular components."

The War on Terror has taxed the resources of the U.S military and, in particular, the Army. The Army has responded by relying very heavily on the citizen soldiers of the National Guard and reserves. Currently, the Reserve Component has over 95,000 service men and women on active duty. Since the beginning of the War on Terror, 527 National Guardsmen have been killed in action or suffered disease or non-battle related mortality. Thousands more have been wounded and their lives have been changed forever. On the other hand, involvement of the reserves in the war on terror has filled the ranks with the most combat experienced force since World War II.

We would like to highlight a few issues we hope will be taken into consideration during the committee's review of the Fiscal 2009 budget and the Future Years Defense Program.

#### ***EARLY RETIREMENT***

We greatly appreciate the subcommittee's support for earlier retirement eligibility. In Public Law 110-181, signed by President Bush on January 28<sup>th</sup> this year, the provisions for earlier retirement were a significant advance on this issue. This issue is the number one priority issue for our association, and the number one issue that the three senior enlisted leaders of the National Guard Bureau face as they travel and talk with Guard members. But as pleased as we are with the provisions in that law, we are deeply concerned that the provisions are not retroactive to the beginning of the war on terror. Over 600,000 reservists have served in the war, around the world,

since September 11, 2001. Without the retroactivity, it screams to those veterans that their service doesn't count as much as it should.

We see the provisions as a tangible incentive for those members with 20 years of service or more, our most experienced force. They have no bonus or other incentives to stay, and they cannot retire and receive an immediate annuity. By allowing the possibility of earlier retirement, it incentivizes their service and they will stay with the Guard. When they stay, we all win, retaining their vast and important experience. The same senior enlisted leaders at the National Guard Bureau will tell you that they are losing that experience just after 20 years of service, and the earlier retirement eligibility is just the incentive needed to retain them in boots.

So we thank you for what you've done so far, and encourage you to continue to work on this issue to include the 600,000 who have valiantly served their country by making this law retroactive to September 11<sup>th</sup>.

### ***COMPENSATION***

We thank the subcommittee for its work on raising the pay of military members above the ECI. We believe there is still a pay gap between what military members are paid and what their comparable civilian counterparts earn, despite what the Defense Department says. The Department includes in its calculations the intangible benefits a military member receives, which are difficult to quantify. For example, they include commissary privileges—quantifying that benefit will differ from person to person, depending on whether or not they use the commissary and if they do, how much. We do not believe the intangible benefits can be used in the metrics to compute the pay gap.

Our members are civilians when not in federal service, and they experience that gap once they are ordered to active duty. For some, it has caused their families to rely on government programs and to even consider bankruptcy as avenues to solve their dire financial problems. We encourage the subcommittee to continue to strive to close the pay gap, which will have a profound effect in the lives of our members and their families.

Bonuses and other forms of cash compensation that the subcommittee has authorized not only attracted but motivated our citizen soldiers and airmen to serve their country and then remain in that service. Recruiting and retention of National Guard members is at an all time high, and all of them are volunteers. We don't view returning to conscription a viable alternative to the benefits the National Guard enjoys today.

We do ask the subcommittee to consider raising the amount of Family Serviceman's Group Life Insurance payable for children from \$10,000 to \$25,000, remaining at no cost to the military member. The cost of care and even funerals has risen, and \$10,000 would be only a partial reimbursement against any costs for a child.

### ***INACTIVE DUTY (IDT) TRAVEL***

Our association and its members greatly appreciate the subcommittee's authority for IDT travel that was in Public Law 110-181, amending Title 37 of the United States Code to allow for payment of travel and expenses related to inactive duty training outside of normal commuting distances. The law allows for payment of up to \$300 per round trip with conditions. It was a good first step. However, with the increasing cost of fuel, as well as the impact on airline tickets, this very issue alone could determine whether a Guard member decides to stay or leave the service.

We would encourage the subcommittee to remove the restrictions and, for the most part, limit the determining factor to the normal commuting distance. In the case of the Virgin Islands and Hawaii, where the Guard is spread out over several islands, we would ask the subcommittee to place exceptions in Title 37 Section 408a for those two geographic locations so that they don't have to meet the normal commuting distance restriction.

### ***TRICARE FEE INCREASES***

For yet another year, the Defense Department has provided Congress a budget with false assumptions regarding the savings that will be accrued to fund TRICARE, and have asked for increases in fees, co-payments and deductibles. As the GAO report on TRICARE Reserve Select shows, the Defense Department is really not a reliable source for estimating its costs for health care programs. The GAO report doesn't mention the initial \$300 million that Congress gave the Department for TRICARE Reserve Select in Fiscal 2004 for a pilot project that never was. The GAO report says in Fiscal 2005, the Department estimated its costs for the program to be \$70 million, and actual costs were \$5 million. In Fiscal 2006, after raising rates for users 8.5%, the Department estimated the program costs to be \$442 million, and their actual costs were \$40 million. It is evident to the average person that the Department can't estimate costs for health care. The GAO report also said that the Department doesn't have a reliable or accurate accounting system.

We believe all military members, and especially our National Guard members, have paid the cost of health care with their service and their lives. The Future of Military Health Care Task Force reported that the military health care system needs to be very generous, and we agree. The Task Force reported that the military health care system should not be free, and we agree—and the price is being paid every minute of every day in the lives of our soldiers and airmen and their families. The Task Force reported that the military health care system should be fair to the American taxpayer, and we agree, once the American taxpayer makes the same sacrifices that members of the military make, and the numbers say that less than 1% of the American taxpayers are willing to serve their nation in its military forces.

We thank the subcommittee for not raising the fees, co-payments and deductibles on TRICARE, and urge the subcommittee to require a greater accountability of the Defense Department before any other sacrifices, monetary or otherwise, are required of our members or veterans.

A related issue is the provider fee schedule, and its tie to Medicare rates. More than a legislative band-aid needs to be applied to revamp the provider fees, to prevent the decrease of fees and increase the pool of eligible providers, especially in rural areas. This affects TRICARE Standard and TRICARE Reserve Select. As an example, the TRICARE fee schedule is so little, most providers in the state of Alaska will not accept TRICARE (acknowledging there is a provider access problem in Alaska as well) rendering TRICARE Reserve Select a useless benefit to many of those Guard and reserve members who live in the state.

We also suggest the subcommittee consider allowing gray area retirees the option to buy into TRICARE Reserve Select at the same rate as currently serving members. When our Guard members retire prior to reaching age 60 or in conjunction with the early retirement provisions in Public Law 110-181, they will have a lapse in health care. We propose the subcommittee consider allowing this small group of retirees the ability to buy into TRICARE at the same rate as those on TRICARE Reserve Select.

#### ***DENTAL FUNDING***

One of the largest readiness needs, other than equipment, for the National Guard is dental treatment prior to mobilization and deployment. Currently authorized just prior to mobilization, during the alert period, there is still a problem with dental readiness and 90 days just isn't enough time to diagnose and treat our National Guard. In addition, dental insurance rates through the TRICARE Reserve Dental Program are steep. Family coverage for National Guard members is almost \$84 per month, and our Individual Ready Reserve cousins pay over \$101 monthly, and rates are set to increase in February next year another 5%. When added to TRICARE Reserve Select rates, our citizen soldiers and airmen and their families are paying \$337 monthly for basic services. That's a lot of money for over a third of our members, and they will make an economic decision to self insure rather than to pay those premiums. When they decide to self insure, military readiness for deployment is severely degraded.

We seek your help in providing authority for the dental readiness of our members. Whether through additional government subsidizing of the dental contractor, space available treatment in military or veterans treatment facilities, or another idea that the subcommittee may have, something must be done to relieve this situation, and we request your assistance.

### ***MONTGOMERY GI BILL***

Education benefits were once the prime reason Guard members enlisted but at this particular time it is no longer is as much of a motivator. We are distressed by that fact, and have long been promoters of the educational benefits of military service. We recommend the subcommittee amend Title 10 of the United States Code and move the entire Montgomery GI Bill program into Title 38. The Defense Department recently testified that they have no opposition to this action. Further, we recommend the subcommittee fix the inequities between active and reserve benefits and reset the benefit to 47% of the active duty benefit—those benefits have shrunk to less than 29% of the active duty benefit in the last eight years. Additionally, we recommend that the subcommittee authorize transferability of benefits from the service member to his/her spouse or family member should the service member be unable to use his/her educational benefit. We also recommend to the subcommittee that consideration be given to expansion of benefits based on cumulative periods of active duty due to multiple deployments of Guard and reserve members. Finally, we recommend that the 14-year time limit on Chapter 1606 benefits be lifted, and eligibility for entitlements be extended to a set period of time (i.e. 15 years) after separation from service, without tying expiration of benefits to the date of initial eligibility.

### ***REPORT, COMMISSION ON THE NATIONAL GUARD AND RESERVE***

The Commission on the National Guard and Reserve rendered their report on January 31, 2008, and made 95 recommendations. In a macro sense, we disagree with the Commission's recommendations. The report takes a precarious step towards assimilating the National Guard into the active forces, losing its Constitutional mandate and charter, and relegating the Guard to limited roles and missions. As a trade-off, the report recommends more joint assignments, commensurate rank with responsibility, and accountability of active component commanders for reserve strength and readiness. Although a few of the recommendations seem worthy of consideration, the majority of the document discounts the militia as nothing more than bill payers for active duty billets and structure.

One recommendation is for the Department of Homeland Security to determine civil support requirements, not the Defense Department. We do not believe that the Department of Homeland Security has the capability or expertise resident in the agency to determine the homeland security requirements for the Guard. We oppose the Department of Homeland Security determining or dictating requirements for the National Guard.

The report recommends diminishing the full time support workforce in the Guard and replacing them with active component soldiers. The Guard had such an arrangement in the early-1980s, when the Guard first started their Active Guard Reserve program. Today, with heavier commitments and more deployments with which to deal, full time support is critical to mission

success. The Army Guard is funded for less than 60% of their full time support requirements. The Air Guard is somewhat better. This necessary full time force pays dividends in preparing lives for war, and cannot be sacrificed on the economic altar. We oppose any degradation of the full time support program.

We agree with the Commission that the Chief, National Guard Bureau should be promoted to General and have a seat on the Joint Chiefs of Staff. Traditionally, the Joint Chiefs have all been active component officers, all fine men. However, they are combat-oriented, wartime focused officers. There is no representation that relates the homeland security mission so critical to America. The Chief, National Guard Bureau, brings that focus to the panel. Likewise, the top officers at NORTHCOM need to be National Guard, either Army or Air, due to the complexity of coordinating with individual states and their governments. An active component officer knows little to nothing of communicating with state governments, especially for emergency planning and response.

The commission recommended revamping the retirement system, taking the views of the Defense Advisory Committee on Military Compensation from 2006. Although the recommendation is close to what the Guard currently has, it will be a tremendous culture change for the active component. Without more specificity on the recommendation, it only causes confusion and distrust in the process and the system, two undesirable qualities in a time of war. We believe the parent services, as well as the US Coast Guard, Public Health Service, and National Oceanic and Atmospheric Administration, will all have concerns about this recommendation, even though the report was not inclusive of those organizations.

It recommends shifting capabilities currently resident in the Guard that are not required for its state missions but are required for its federal missions either to the Federal Reserve components or to the active duty military, as appropriate. This means the Guard will do homeland security and civil support missions only and no longer have combat roles or missions. It would be impossible for the Army or Air Force to prosecute the war on terror without the Guard, and impossible for the active components to recruit, train, and retain the thousands of people it would need to replace the Guard capability. We oppose this recommendation.

Another recommendation is for duty status reform—taking 29 statuses down to 2, either on active duty or not. The Commission considers inactive duty training as active duty, and therefore recommends adjusting the pay from receiving one day's pay per drill period to one day's pay for one day. The Commission recommends implementing this within 2 years and completing it within 5 years. This may reduce duty statuses and the Defense Department's liability for pay, benefits and retirement, but it also reduces the financial benefit for the Guard member, to include a reduction of retirement points and eventual retirement compensation (and possibly survivors benefit

annuity payments to surviving spouses). We stand opposed to this recommendation.

We do agree that Basic Allowance for Housing, known as BAH-II, which pays a reduced housing allowance for periods of active duty of less than 30 days, can be eliminated altogether and any period of active duty would receive prorated housing allowance.

### ***SPACE AVAILABLE TRAVEL PRIVILEGES FOR SURVIVING SPOUSES***

When a military member passes away, the surviving spouse is no longer eligible to use the space available travel benefit since that spouse no longer has a sponsor with whom to travel. There is no cost to the government associated with this benefit—if there is a seat available on the military aircraft, the spouse fills the seat. If there is no seat, the spouse does not fly. If there is a small cost to fly, the spouse pays the cost. The spouse would have to comply with all space available standards, such as carrying their own luggage, climbing stairs unassisted, and being financially responsible during their travel.

We believe this benefit is earned by the spouse with the years of sacrifice the spouse endured while their military member served our great nation. Such a small change in the law is the right thing to do for them, as they are one of the few classes of beneficiaries unable to travel on a military aircraft. We encourage the subcommittee to consider legislation to allow surviving spouses to fly on military aircraft space available.

### ***EQUIPMENT SHORTAGES***

Our soldiers and airmen will not remain in the Guard if they have no equipment on which to train, either for sustainment after returning from deployment or in preparation for deployment. As much as TRICARE is a readiness issue, so is equipment and both have personnel implications in recruiting and retention of Guard members.

Within the last couple of weeks, you have heard the testimony of the reserve chiefs, to include the Chief of the National Guard Bureau, with regard to equipment shortfalls in the Guard. Much of the Guard's equipment has been moved to Iraq, and we believe some of that equipment, which was supposed to come back from theater, has been given to the Iraqi Army. A major news source reported in mid-March that refurbished US humvees, which have been used by US forces and were scheduled to be sent home, had been transferred to the Iraqi Army. A total of 8,500 vehicles are part of this action.

Testimony has likened the Guard equipment problem to a local fire or police department being called for help, and not showing up with its required equipment to address the situation. Billions and billions of dollars have been authorized and appropriated by Congress, and the Department cannot

accurately track those appropriations down to the end item being purchased. Indeed, there is doubt that the monies earmarked for Guard equipment were ever used for that purpose.

We want to go on record with our appreciation for the National Guard and Reserve Equipment Account, for without it our Guard would be seriously without any necessary supplies and equipment. We implore the subcommittee to work with the appropriators to ensure the accountability for equipment procurement has proper oversight.

We thank you for the opportunity to express the views of the Enlisted Association of the National Guard of the United States and look forward to working with the subcommittee. We know the subcommittee is well aware of the National Guard, the capabilities it brings to the table, and the undeniable devotion to this nation the Guard has in its citizen soldiers and airmen.