

**Prepared Statement**

**of**

**The Honorable David S. C. Chu  
Under Secretary of Defense (Personnel and Readiness)**

**Before the**

**Senate Armed Services Personnel Subcommittee**

**on**

**“Personnel Overview”**

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## **MILITARY PERSONNEL POLICIES**

### ***Active Duty Recruiting.***

Never in the history of the All-Volunteer Force (AVF) have our armed forces faced as challenging a recruiting environment as they have during the past several years. First, the Global War on Terrorism (GWOT) has placed unprecedented demands on the Services as our volunteer military is now into its seventh year of a protracted war in Iraq and Afghanistan. Second, youth willingness to serve, the heart of our AVF, has declined and influencers of youth (e.g., parents, teachers) are less likely to recommend military service today than in recent years. Third, the economy has remained strong and labor markets tight. Unemployment (currently at 4.9 percent) is relatively low by historical standards, and earnings are up – providing youth with lucrative post-secondary high school choices. Fourth, recruiting goals for the Army and Marine Corps have increased as they grow their forces.

Despite these challenges, the Services have met, and continue to meet, their recruiting goals – thanks to significant legislative initiatives and new authorities granted by Congress and the hard work of the recruiting commands and recruiters in the field. During FY 2007, the Active duty components recruited 166,302 first-term enlistees and an additional 14,870 individuals with previous military service, attaining over 100% of the DoD goal of 180,377 accessions.

While meeting our quantitative goals is important, we also need to have the right mix of recruits – recruits who will complete their term of service and perform successfully in training and on the job. The “quality” of the accession cohort is critical, and we have long reported recruit quality along two dimensions – aptitude test scores and educational attainment. Both are important, but for different reasons.

Aptitude test scores are used to select recruits who are most likely to perform satisfactorily in training and on the job. All military applicants take a written enlistment test, the Armed Services Vocational Aptitude Battery (ASVAB). One component of that test is the Armed Forces Qualification Test (AFQT), which measures math and verbal skills. Those who score above average on the AFQT are in Categories I-III A. We value these higher-aptitude recruits because they do better in training and perform better on the job than their lower-scoring peers (Categories III B-IV).

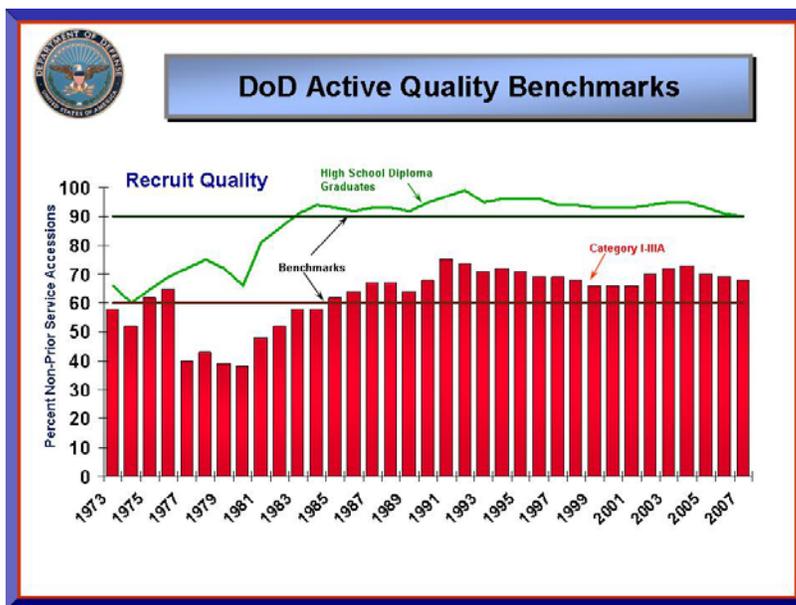
We also value recruits with a high school diploma. The high school diploma has long been the best single predictor of successful adjustment to military life. About 80% of recruits with traditional high school diplomas complete their first three years, while only about 50% of those without a traditional diploma do so. The first-term attrition of those holding an alternative educational credential, such as a high school equivalency or a General Educational Development (GED) certificate, falls between those two statistics. In short, enlisting youth with traditional high school diplomas is a good investment. Studies have estimated the attrition at over \$50,000 for each person who leaves service early.

In conjunction with the National Academy of Sciences, the Department reviewed how best to balance educational attainment, aptitude, recruiting resources, and job performance. With an optimizing model, we established recruit quality benchmarks of 90% high school diploma graduates (HSDG) and 60% scoring above average on the AFQT. Those benchmarks are based on the relationship among costs associated with recruiting, training, attrition, and retention, using as a standard the performance level obtained by the enlisted force cohort of 1990 — the force that served in Desert Shield/Desert Storm. Thus, the benchmarks reflect the aptitude and

education levels necessary to minimize personnel and training costs while maintaining the required performance level of that force.

For over 20 years, the Services have met or exceeded the Department's quality benchmarks for Active duty recruits (Figure 1). Although the Army missed its HSDG benchmark in 2007, DoD met its overall goal: 90% of Active duty new recruits were high school diploma graduates. This compares favorably to the national average in which about 70% to 80% graduate from high school with a diploma. In addition, DoD exceeded its aptitude quality benchmark, with 68% of new Active recruits scoring at the top half of the AFQT, well above the DoD benchmark of 60%.

**Figure 1. DoD Quality 1973-2007**



FY 2008 Active duty recruiting efforts are positive to date. Through January, all Services met or exceeded numerical recruiting objectives for the Active force, and the Army achieved 18,829 of its 18,600 recruiting goal, for a 101% year-to-date accomplishment (Table 1). However, the active Army fell short of the HSDG goal, accessing 82% recruits with a high

school diploma versus the standard of 90%. Although the Army accessed 58% of new recruits who scored at or above the 50<sup>th</sup> percentile on the AFQT – slightly below the DoD benchmark of 60% – we expect the Army to achieve this DoD benchmark by the end of FY 2008.

**Table 1. FY 2008 Active duty Enlisted Recruiting Through January 2008**

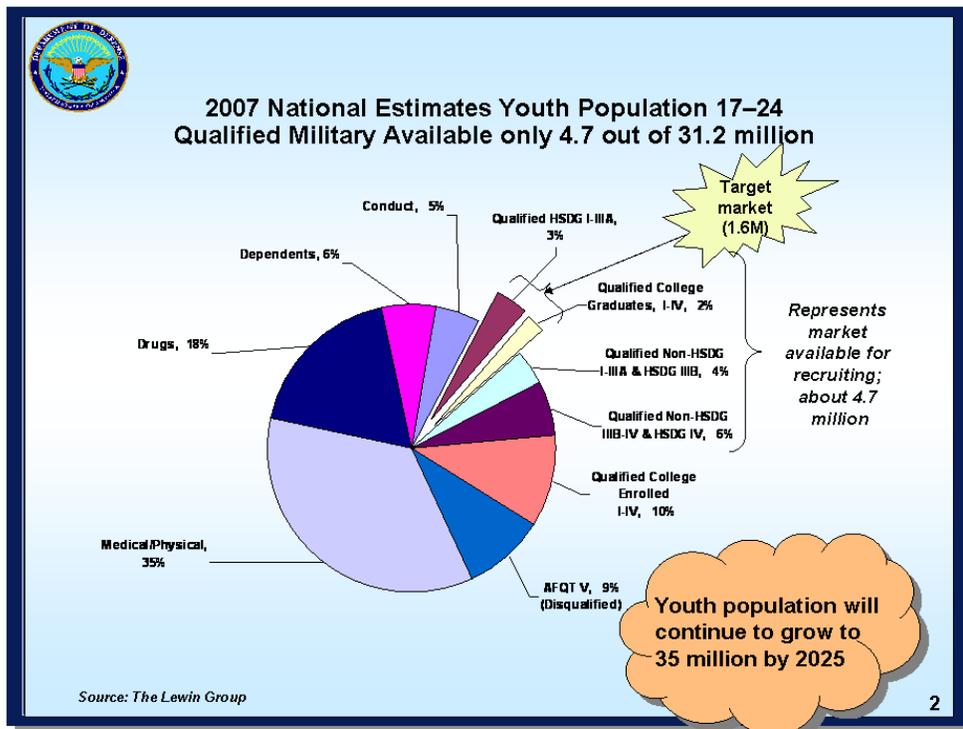
AC Enlisted Recruiting (Through January)	Quantity			Quality	
	Accessions	Goal	Percent of Goal	% High School Diploma Graduate (HSDG); <i>DoD Benchmark = 90 percent</i>	% Scoring at / above 50th Percentile on Armed Forces Qualification Test; <i>DoD Benchmark = 60 percent</i>
Army	18,829	18,600	<b>101%</b>	<b>82%</b>	<b>58%</b>
Navy	10,067	10,067	<b>100%</b>	<b>94%</b>	<b>73%</b>
Marine Corps	11,113	10,740	<b>103%</b>	<b>94%</b>	<b>65%</b>
Air Force	9,263	9,263	<b>100%</b>	<b>99%</b>	<b>78%</b>
<b>DoD Total</b>	<b>49,272</b>	<b>48,670</b>	<b>101%</b>	<b>92%</b>	<b>68%</b>

We should not lose sight of the fact that, although the youth population is large, a relatively small proportion of American youth is qualified to enlist when we consider other factors besides education and aptitude. It is an unfortunate fact that many of the contemporary youth population are currently ineligible to serve. About 35% are medically disqualified (with obesity a large contributing factor), 18% abuse drugs and alcohol, 5% have conduct/criminal

issues, 6% have dependents, and 9% are in the lowest aptitude category (Figure 2). Another 10% are qualified, but attending college. That leaves less than 5 million – or about 15% of the roughly 31 million youth ages 17-24 – who are available to recruit (25% including those in college).

Our recruiting success has not come easily. It has been the result of long hours and hard work by the 15,000 dedicated and professional military recruiters. These recruiters often stand as the sole representative of our military forces in local communities, and they have my most sincere respect and gratitude. Equally important has been the unwavering support from the

**Figure 2. Qualified Military Available, 2007 Estimate**



Congress for our recruiting efforts. Throughout my time in this office, you have assisted us with authorities and programs that have helped the Services to expand the recruiting market in responsible ways.

We appreciate your assistance expanding military recruiter access to high schools. The

No Child Left Behind (NCLB) Act of 2001 opened the doors for military recruiters to provide information on military service opportunities to juniors and seniors in over 22,600 high schools nationwide. Through the enforcement of these laws, the Services report that all high schools have complied with the provision of student directory information to military recruiters, who, in turn, provide information to young people about the opportunities and nobility of military service.

The establishment of a National Call to Service program has been very helpful. This shorter-than-normal, 15-month enlistment option allows us to offer military service options to youth who, due to the length of traditional enlistment terms, would choose not to serve. Over 9,000 young Americans have enlisted under this option.

The new \$2,500 bonus for those transferring between Armed Forces components has been a helpful incentive in getting members to transfer from one Service to another and serve a minimum of an additional three years. This program has helped the Army access over 1,500 new soldiers from other Services that otherwise may have left the military – saving over \$50,000 in recruiting and training costs per experienced transferee.

We also thank you for helping us to increase the maximum age for enlistment. This has expanded the recruiting market by raising the maximum age for enlistment in a Regular Component from 35 to 42 years.

In addition, we appreciate the new accession bonus for Officer Candidate School (OCS). Creating a new officer through either the Service Academies or Reserve Officer Training Corps is a four-year process. The Services use OCS not only to produce a portion of their new officers annually, but in times of growth, this valuable program provides a surge capacity that cannot be duplicated. The accession bonus provides the Services an incentive to attract recent college

graduates for these programs – particularly important as we grow the force in the Army and Marine Corps.

Most important, you provided us the opportunity to conduct the *Army Recruiting Demonstration Program*. This authority is permitting the Army to test innovative marketing and incentive programs in support of recruiting efforts not otherwise permitted in law, and we plan to work with you to expand this initiative to the other Services for the purpose of addressing the continuing challenges in the recruiting and retention environment.

***Active duty Retention.***

Retention programs help shape the force to ensure we have the right numbers and mix of Active duty personnel with the right experience. This is particularly challenging during this era of changing force structures. Thus, we thank you for your substantial assistance over the past several years in obtaining new and enhanced programs and authorities for the Military Departments to encourage military personnel to remain in Service.

Notably, the FY 2006 NDAA increased the maximum reenlistment bonus from \$60,000 to \$90,000, and it expanded eligibility for the bonus from 16 to 20 years of Active duty, and 18 to 24 years of service. It also amended the critical skills retention bonus (CSRB) authority to include Reserve component members and members assigned to high priority units. The amended statutory authority for the CSRB established eligibility to Reserve component members with a designated skill or who volunteer to serve in a designated high priority unit, not to exceed \$100,000. It also established an exception to allow members in designated Special Operations Forces and nuclear critical skills to receive a CSRB beyond 25 years of service; and we appreciate your extending that authority to all qualifying members in the FY 2008 NDAA. The

incentive bonus for transfer between Armed Forces and the increase in the maximum amount of the bonus for such transfer – from \$2,500 to \$10,000 – all have been very helpful. Finally, authorizing pay and benefits to facilitate voluntary separation of targeted populations of Service members have proven invaluable.

For almost seven years – since 9/11 – retention has remained relatively strong in the Active duty force. The Marine Corps and Army met or exceeded their overall reenlistment goals each year. While the Air Force and Navy did relatively well, they did not always meet all retention goals, which were often complicated by force shaping goals. Both Services have adjusted their retention bonus programs to target deficient skills better.

In FY 2007, all four Active duty Services met or exceeded their aggregate reenlistment targets. The Marine Corps surpassed its overall aggregate reenlistment mission (110%), exceeding its FY 2007 targeted end strength by a comfortable margin. The Air Force fell short of its Zone B (mid-career) reenlistments mission and will use the Selective Reenlistment and CSRB programs to maximize mid-grade retention in FY 2008. The new, expanded CSRB authorities are helping to provide the Services with additional flexibility to better target specific critical skills for retention.

Through January 2008 (Table 2), the Army, Navy, and Marine Corps exceeded their retention missions. The Air Force is fairing well in Zone B and has recently adjusted its retention bonus programs in order to counter some challenges in Zones A (initial) and C (career). Force shaping efforts within the Air Force, along with its FY 2008 funding priorities, could complicate Air Force's overall retention effort.

**Table 2. FY 2008 Active duty Enlisted Retention Through January**

	Reenlisted	Mission YTD
<b>Army</b>		
- Initial	10,794	9,292
- Mid Career	8,572	7,158
- Career	6,272	5,195
<b>Navy</b>		
- Zone A	4,242	4,425
- Zone B	3,039	3,106
- Zone C	1,833	1,767
<b>Marine Corps</b>		
- First	6,156	3,169
- Subsequent	7,137	2,708
<b>Air Force</b>		
- Zone A	4,509	5,187
- Zone B	2,422	2,376
- Zone C	1,793	2,014

As always, our retention efforts ultimately support the delivery of experienced performers to higher ranks. In recent years, the grade proportions have shifted upward slightly as we

continue to field weapon systems and units with fewer lower-grade positions, and we greatly appreciate the new FY 2008 NDAA authorities – the increase in authorized strengths for Army officers on Active duty in the grade of major; the increase in authorized strengths for Navy officers on Active duty in the grades of lieutenant commander, commander, and captain; and the increase in authorized daily average of the number of members in paygrade E-9 – that will facilitate our adjustments to these grade structure changes.

The Army continues to use Stop Loss; as of December 2007, the Army Stop Loss program affected less than half of one percent of the total force (7,404 Active, 1,370 Reserve, and 2,027 National Guard soldiers). The Active Army Unit Stop Loss program takes effect 90 days prior to unit deployment or with official deployment order notification, if earlier, and remains in effect through the date of redeployment to permanent duty stations, plus a maximum of 90 days. Reserve component Unit Stop Loss begins 90 days prior to mobilization, or with the official mobilization alert deployment order notification, if later, and continues through mobilization, and for a period up to 90 days following unit demobilization. The Army shares the Secretary of Defense's goal of minimizing the use of Stop Loss.

The retention of Army company grade officers (lieutenants and captains) must be significantly enhanced to meet new force requirements. Although the FY 2007 company grade loss rates were 8.1% – below the historical average of 8.5%, and well below the pre-9/11 loss rates of 9.1% – the Army increased its promotion rate to captain to 98% in order to meet its growth demand. Additionally, the Army implemented an innovative incentives program that offers captains in specified year groups a “menu” of incentives. Officers may choose from five different programs, which include up to a \$35,000 bonus or graduate school, in return for an additional three-year service commitment.

### ***Shaping the Force.***

We are balancing our end strength needs – increasing where we must, decreasing where it makes sense. To that end, the permanent end strength increases of the Army and Marine Corps focus on combat capability, while continued planned reductions from transformation efforts in the Active Air Force and Navy manpower programs, and the Navy Reserve, balance risk with fiscally responsible manpower program decisions.

To support these programmed strength reductions, we developed an integrated package of voluntary separation incentives and coupled these with the targeted incentive authority the Congress recently provided, allowing us to offer monetary incentives to shape the Services by offering incentives to non-retirement eligible officer and enlisted personnel in specific grades, skills, and year-of-service cohorts. We plan to continue the judicious use of these tools to ensure our forces meet readiness needs and are effective, flexible, and lethal.

### ***Force Development.***

Over the past year, we embarked on the second leg of a journey that began over two decades ago with the enactment of the Goldwater-Nichols legislation. This continuing journey, empowered with special authorities contained in the FY 2007 NDAA, allowed the Department to recognize joint experience whenever and wherever it occurs in an officer's career.

Implementation of these authorities helps build an officer corps with the critical competencies required for counter-insurgency warfare, peace making/keeping, and nation building.

The Department is implementing a Joint Qualification System that is a true total force system. Reserve Component officers, full partners in this system, have the opportunity for the

first time to have their joint experiences recognized and earn the same qualifications as their Active component counterparts.

Joint officer management is not the only area of significant improvement for the officer corps. Mandatory retirement age limitations, with origins dating back over 150 years, were amended to account for increased longevity and, as a result, valuable military experience was retained across the Department of Defense. The Department also redoubled efforts to develop a credible and sustainable cadre of senior military intelligence leaders by working with the Director of National Intelligence to create a viable National Intelligence Structure and to provide general and flag officers to fill critical positions in each major intelligence organization.

Now, as we look to the future, the next steps are clear; we must capitalize on the momentum gained and deliver general and flag officer management systems that seamlessly integrate with the changes to joint officer management. The numerous controls put in place over the years to address a myriad of issues must be reassessed. The statutory framework supporting the management of our senior leaders must be at least as flexible as that of the joint officer management system and the Senior Executive Service. We need the flexibility to develop general and flag officers with competencies and experience necessary to lead and counter emerging threats. We intend to work diligently with the Congress on this subject.

### ***Reserve Component Recruiting and Retention***

With the initial mobilization of Reserve component members for the GWOT, the Department established a policy of judicious and prudent use of the Reserve Components in order to sustain them during the war. We continue to assess the impact of mobilization and deployments on the National Guard and Reserve, and adjust policies as needed to sustain a

strong Reserve force. The most recent change occurred last January, when Secretary Gates published a new utilization for the force.

It is evident that Reserve component contributions to the war effort are significant, with almost 600,000 Selected Reserve members mobilized in support of GWOT operations since September 2001. This represents about 44% of the 1.3 million who served in the Selected Reserve during that period. These data do not include the 14,500 members of the Individual Ready Reserve (IRR), who have been mobilized during the past six and a half years. The use of the IRR is modest compared to Operation Desert Storm, when we mobilized 30,000 Individual IRR members.

### ***Military Compensation***

The current administration, with your support, has improved overall compensation significantly, helping the Department sustain our highly skilled AVF. Since 2001, as a direct result of the close cooperation between the Department and the Congress, average basic pay has increased 32% and housing allowances by nearly 70%, eliminating out-of-pocket housing costs. Together, we have more than doubled hardship duty pay, provided Combat-Related Injured Rehabilitation Pay, established traumatic injury protection insurance, and increased the maximum for Service member's Group Life Insurance to \$400,000, as well as increasing the Death Gratuity from \$6,000 to \$100,000. The increases to Family Separation Allowance and our Hostile Fire/Imminent Danger pays were made permanent, and our military members are now able to participate in the Federal Thrift Savings Plan.

The Department continues its strong commitment to provide a secure standard of living to those who serve in uniform by requesting a 3.4% increase in military pay for all Service

members in the FY 2009 budget. This increase is equal to earnings increases in the private sector as measured by the Employment Cost Index.

To better manage our force, you established critical skills retention bonuses and increased enlistment and reenlistment bonuses from \$12,000 maximum to \$40,000, along with establishing, and later increasing, Assignment Incentive Pay. These tools are flexible and allow precise targeting to help us sharply focus on specific needs, rather than casting a wide net.

To further refine our tool set, the tenth Quadrennial Review of Military Compensation (QRMC) initially focused on consolidating special pays, bonuses, and recruiting and retention incentives into fewer, broader, and more flexible authorities which you have adopted in the FY 2008 NDAA. I will be sending the first volume of the QRMC report to you shortly. By consolidating over 60 separate pays into eight broad pay categories, the Department now has increased flexibility to target specific skills, and the quantity and quality of personnel filling those positions.

One of our remaining tasks is to rebalance compensation for our single military personnel. Based on recommendations from the QRMC, the Department set the “without dependents” Basic Allowance for Housing rate to a minimum of 75% of the “with dependents” rate. The Department will review the QRMC report and determine if additional improvements are warranted.

The QRMC helped the balance of entitlements and discretionary bonuses and incentive pays. We are convinced that the expansion of entitlements, and the creation of new ones that do not directly and measurably improve recruiting, retention, or readiness in a manner commensurate with their cost, should be discouraged. Rather, the Department requests the

Congress provide for more discretionary funds in special and incentive pays. Currently, those pays account for only 4% of the Military Personnel account.

In a separate effort, and as follow-on to a 2001 comprehensive report to Congress on the Uniformed Services Former Spouses Protection Act (USFSPA), the Department is also requesting Congressional support for a balanced package of proposed improvements for military members and former spouses, and to streamline the efficiency of administering accounts. Our USFSPA proposals are grouped into four major areas: 1) retirement pay; 2) Defense Finance and Accounting Service (DFAS) improvements; 3) procedural improvements; and 4) Survivor Benefit Plan (SBP). Proposals include initiatives to prohibit court-ordered payment of retired pay prior to retirement; compute divisible retired pay based on rank and years of service at divorce; allow direct payments from DFAS in all cases (not just cases with more than 10 years of marriage); and allow split of SBP between former and current spouses.

#### ***Defense Travel Management Office.***

The Defense Travel Management Office (DTMO) was established in February 2006, to consolidate and synchronize disparate, stove-piped and independent commercial travel programs within the Department. The DTMO provides oversight for commercial travel management, travel policy and implementation, travel card program management, training, functional oversight of the Defense Travel System (DTS) and customer support, and has embarked on several major efforts to improve oversight and services for Defense travelers. In March 2007, we received a report containing recommendations resulting from a congressionally mandated, independent study of the Defense Travel System (DTS). This study concluded that the Reservation Refresh version of DTS, which was deployed in February 2007, provides lowest-cost routing, improves system usability, and

allows travelers to access a more complete airline flight inventory. The study's authors, from the Institute for Defense Analyses (IDA), concluded that there is no basis to abandon the DTS in favor of another travel system or process. The Department has accepted all recommendations from this important study and we are committed to implementing them.

We established enterprise partnerships and a governance structure for Defense Travel and are developing a Travel Enterprise performance management program. To improve customer support, we conducted a comprehensive review of existing travel training programs and enhanced our training programs by establishing 23 distance learning modules we will implement this year. We established a Travel Assistance Center to provide help to all Defense travelers. Currently, the Navy, Marine Corps, Defense Agencies, and the After Hours Recruit Assistance program have transitioned to this support concept; in addition, the Army and Air Force will begin using it this calendar year. We also conducted the first DTS Customer Satisfaction Survey, using the Department's "Quick Compass" survey vehicle, and collected feedback on various aspects of Defense Travel via Interactive Customer Evaluation tool (ICE).

In September, another key milestone for Defense travel was attained when the DTMO awarded an Indefinite Delivery/Indefinite Quantity contract for worldwide Commercial Travel Office (CTO) services. For the first time, the Department is leveraging an integrated management approach to standardize CTO requirements, establish consistent standards of service, and ensure consistent levels of service for the traveler.

The coming months will bring even greater improvements in oversight and customer service for Defense travel. My office is partnering with the General Services Administration (GSA) and the State Department to conduct a comprehensive review of Federal and Department travel policies. This comprehensive review provides an excellent opportunity to ensure policies are modernized,

simplified and understandable by travelers and managers across the Federal Government. The Department recently selected Citibank to provide government travel charge card services under the SmartPay® 2 master contract administered by the GSA for implementation across the Department in November 2008. This transition will affect more than 1.2 million Defense personnel who have travel charge cards.

***DoD Disability Evaluation System.***

In honor of the men and women of our Armed Forces, the citizens of the United States have a long and proud history of compensating Service members whose opportunity to complete a military career has been cut short by injuries or illnesses incurred in the line of duty. Congress mandated the development of a system of rating disabilities in 1917. Over time, that system has been further refined to the benefit of Service members and their families. The Career Compensation Act of 1949 formalized the code the Military Departments utilize today.

In addition to DoD disability compensation, former Service members may be eligible for disability compensation through the Department of Veterans Affairs (VA) for service-connected disabilities and for VA pension for veterans who are permanently and totally disabled and meet certain income requirements. The key difference between the DoD and VA disability compensation systems is in the nature of the disabilities that are rated. The Military Services award disability ratings only for medical conditions which make the individual unfit for continued military service, with the intent of compensating for the loss of a military career, whereas VA awards ratings for service-connected disabilities, to compensate for the average loss of earning capacity. Military disability ratings are fixed upon final disposition, while VA ratings can vary over time, depending on how a person's condition progresses.

The process of transition from Service member to veteran has been fraught with duplicative and sequential steps requiring time and effort to navigate.

The Department was informed over the last year by the thorough and thoughtful reports of the Task Force on Returning Global War on Terror Heroes, the Independent Review Group, the President's Commission on Care for America's Returning Wounded Warriors (Dole/Shalala Commission), the Veterans Disability Benefits Commission (Scott Commission), and the DoD Task Force on Mental Health. We have reviewed these reports and, where possible, are making changes within policy and where supported by legislative revisions.

A fundamental goal of our efforts is to improve the continuum of care from the point-of-injury to community reintegration. To that end, in November 2007, a DoD and VA collaborative DES Pilot was implemented for disability cases originating at the three major military treatment facilities in the National Capitol Region (Walter Reed Army Medical Center, Bethesda National Naval Medical Center, and Malcolm Grow Medical Center).

The DES Pilot is a Service member-centric initiative designed to eliminate the often confusing elements of the current disability processes of our two Departments. Key features include a single medical examination and a single-source disability rating. A primary goal is to reduce by half the time required for a member to transition to veteran status and receive VA benefits.

To ensure a seamless transition of our wounded, ill, or injured from the care, benefits, and services of DoD to the VA system, the Pilot is testing enhanced case management methods, identifying opportunities to improve the flow of information, and identifying additional resources for Service members and their families. VA is poised to provide benefits to the veterans participating in the Pilot as soon as they transition out of the military.

## **RESERVE AFFAIRS**

### ***National Guard and Reserve Forces.***

In recent years we have seen an unprecedented reliance on the Reserve components (RC) – since 9/11, over 623,000 Reserve component members (including Selected Reserve and Individual Ready Reserve) have been mobilized; of that number 164,000 have served more than once. Looking at recent trends, and looking to the future, it is clear that we have left behind the old model of “maybe once in a lifetime mobilization.” Recognizing that transformation, this administration has presided over the largest set of changes in policy and statute, arguably since the inception of the AVF, to transform the Guard and Reserve from a purely strategic force to a sustainable Reserve force with both operational and strategic roles.

The Department began this transformation in 2002 with the publication of “Reserve Component Contributions to National Defense,” as part of that year’s Quadrennial Defense Review. That document provided the seminal intellectual foundation for transitioning to an Operational Reserve, proposing new ideas for building force capabilities and creating flexibility in force management to sustain an all-volunteer Operational Reserve. The proposals addressed included changes to Active/Reserve force structure, potential roles and missions in overseas conflicts and in homeland defense, and a new approach to personnel management entitled “continuum of service.”

Since that time, with the support of Congress, legislation was enacted and we implemented numerous initiatives that facilitated the successful transition to an Operational Reserve. Although we have clearly accomplished much, we still have much to do. The following will briefly summarize the considerable progress that has been made and efforts that are continuing.

### ***Utilization.***

When I started my tenure as the Under Secretary, the Department had inherited an Active/Reserve force structure that was not designed for the extended conflict of the kind we now face. The military was designed to maximize immediate combat power in the Active force while using Reserve components as a repository for capabilities needed in the later phases of major theater war, combat augmentation and combat support/combat service support (CS/CSS), such as military police, engineers, and civil affairs.

In the 1990s, force downsizing, along with reduced budgets and rising operational tempo, spurred an increase in the use of the Reserve components, particularly in CS/CSS. Demand for these skills has sky-rocketed in the current conflict, to include Reserve component combat power, and the Guard and Reserve have proven essential to success in the conflict.

As events unfolded following the attacks of 9/11, we recognized this increasing reliance would require a different kind of Reserve component with changed expectations and policies. Our policies on mobilization, force structure rebalancing, personnel management, training, readiness, equipping, and family and employer support have changed significantly during what is now the largest mobilization of the Guard/Reserve since the Korean War—in a war that has lasted longer than World War II.

### ***Mobilization Policies.***

We authored mobilization policies that institutionalized judicious use as the core principle of Reserve component utilization to include the latest mobilization policy issued by the Secretary on January 19, 2007. This document is the underpinning of predictability (one-year

mobilization, 1:5 utilization) for the Operational Reserve, and it is widely supported by military members, families, and employers alike. In addition, we set a standard of notifying members a minimum of 30 days prior to mobilization. We routinely exceed this goal, now providing alerts to units one year or more in advance. We now foresee notifying units up to two years prior to mobilization. We have streamlined the mobilization process. These and other changes have sustained the Reserve components during a period of extensive mobilizations. Our success is reflected in recruitment and retention of Reserve component members. (The six DoD Reserve components combined achieved 108% of their recruiting goals in the first four months of FY 2008, and attrition during the last six years—the global war on terrorism years—has been lower than the previous ten years.) Clearly, the changes in compensation and benefits that recognized the increased operational role of the Guard and Reserve, as well as the pride guardsmen and reservists take in serving their country in these challenging times, are major factors in these achievements. And it is also fairly evident that our policies needed to evolve to sustain a reasonable level of utilization of an Operational Reserve force. The principles established in January 2007 that now guide this utilization appear to be serving us well:

- Involuntary mobilization for members of the Reserve forces will be for a maximum one year at any one time
- Mobilization of ground combat, combat support and combat service support resources will be managed on a unit basis
- The planning objective for involuntary mobilization of Guard/Reserve units will remain a one year mobilized to five years demobilized ratio and we will move to the broad application of 1:5 as soon as possible
- The planning objective for the Active force remains one year deployed to two years at home station
- A new program was established to compensate or incentivize individuals who are required to mobilize or deploy early or often, or to extend beyond the established rotation policy goals

- All commands and units have been directed to review how they administer the hardship waiver program to ensure they are properly taking into account exceptional circumstances facing military families of deployed Service members
- Use of Stop Loss will be minimized for Active and Reserve component forces

Our policy has set the standard for judicious and prudent use, provides predictability, and ensures Reserve component members are treated fairly, and allows for their individual circumstances to be taken into consideration.

### ***Rebalancing.***

Using personnel data to analyze utilization of individual Service members by occupation and skill from 9/11 to the present, we have instituted policies and practices that significantly improve how we manage people to ensure the burden is shared more equally across the force and to alleviate stress on the force. We found which skill sets were in much higher demand and those that were not. Some were weighted so heavily toward Reserves that it put Reserve component members in jeopardy of repeated, extensive mobilization. New force management approaches were developed to achieve a better allocation and mix of capabilities in our Active and Reserve components to meet the demands of the global war on terrorism and sustain an Operational Reserve.

Over the past five years, we developed a rebalancing effort in the Services that initially transitioned 89,000 billets in less-stressed career fields to more heavily used specialties—such as military police, civil affairs, and others. As of this year, we have rebalanced about 106,000 billets and working with the Services, they have planned and programmed an additional 99,000 billets for rebalancing between FY 2008 and 2012. Although the amount and type of rebalancing varies by Service, key stressed capability areas include: engineers, intelligence, special

operations, military police, infantry, aviation, space and combat air superiority. By 2012, we expect to have rebalanced about 205,000 billets. Rebalancing is a continuous and iterative process. The Department will continue to work closely with the Services as they review and refine their rebalancing plans to achieve the right mix of capabilities and alignment of force structure. This will greatly help reduce stress and support the Operational Reserve by providing a deeper bench for those skills that are in high demand. However, easing the stress on the force is more than just rebalancing the military.

### ***Personnel Management.***

At the outset of the conflict, it also became clear that many of our Reserve personnel management policies and practices were too rigid and inflexible. We knew that we could employ better practices in managing personnel.

One of our signature initiatives is transforming personnel management to create a “continuum of service.” This approach provides greater opportunities for reservists to volunteer for extended periods of Active duty and additional flexibility in managing Reserve personnel. It offers innovative accession and affiliation programs to permit individuals with specialized skills to contribute to military mission requirements. This supports the Operational Reserve because it considerably widens the aperture in how people can serve. Working with the members of this Committee and your staffs yielded many legislative proposals related to the continuum of service, the cornerstone of our efforts.

Reserve Affairs has been leading a continuum of service working group to collaborate with the Services to make the changes necessary to Department policy and legislation to improve the continuum of service for all Services. The record shows that between 2002 and 2007, over

164 separate legislative changes directly affecting Reserve personnel management were enacted, establishing the statutory basis and support for the transition to the Operational Reserve.

Together, the Congress and the Department established a new personnel strength accounting category, “reservists on Active duty for operational support,” which permits Reserve component members to serve up to three years out of four on Active duty, without counting against Active duty strength or grade ceilings, and always being treated as reservists for promotion purposes.

Legislative accomplishments also include elimination of perceived and real limits on service for reservists; (179 days before a member counts against limits of Reservists serving on Active duty) artificial eligibility thresholds (140 days on Active duty) to qualify for the same housing allowance as Active duty members receive, and TRICARE Prime; expansion of critical skill and other bonuses for reservists; and access to a world-class medical benefit (TRICARE) for Selected Reserve members and their families, regardless of the duty status of the member.

We have work left to do, particularly with some of our educational assistance programs, and in our continuing efforts to remove impediments and barriers to transitioning Reserve component members between Reserve and Active service. But we have made tremendous progress in cementing the underpinnings of the Operational Reserve with a manpower management system vastly different than the one that supported once-in-a-lifetime mobilization. One of our final steps will be implementation of the [Defense Integrated Military Human Resources System \(DIMHRS\)](#), which beginning this year will provide transparent, single-system personnel management.

***Training, Readiness and Equipping.***

Our Reserve forces, which now have more combat veterans than at any time since World War II, are the best-equipped and best-trained that our nation has ever had. We recognized the old mobilization/training model for a strategic reserve of “mobilize, train, deploy” would not work in a world requiring a more agile and quick response to rapidly developing operations. We have transformed from this old model to a new mobilization/training model of “train, mobilize, deploy.” Your help in crafting the FY 2005 NDAA authorizing the mobilization of reservists for individual training, makes unit post-mobilization training more efficient.

During pre-mobilization, units certify individual medical, dental and administrative readiness and certify certain individual and theater specific skills in order to minimize time at the mobilization station to maximize “Boots on the Ground (BOG).” The standardization of processes, procedures and applications for units at home station will allow the transfer of certification documentation to the mobilization station and significantly reduce the need to recertify pre-mobilization processing and training.

Training transformation is a dynamic and constantly evolving process that will ensure all individuals, units and organizations of the Total Force receive the education and training needed to accomplish tasks that support the combatant commanders. The combination of web-based technologies and distance-learning methodologies are cost-effective alternatives to sending individuals away to resident courses and units off to live-training events. In many cases, units can train at their home stations and individuals can complete required courses on their home computers. While these training technologies can never completely replace the need for some forms of face-to-face education and training, they do help reduce post-mobilization time spent preparing for deployment overseas by allowing individuals and units to complete more pre-deployment requirements before they mobilize. Likewise, Innovative Readiness Training allows

units and individuals to carry out training that improves their mobilization readiness while at the same time undertaking projects that serve the larger community.

We are also looking at increased Active/Reserve component (AC/RC) integration to improve Reserve component availability to the warfighter as a critical step in the continuing evolution of the Operational Reserve. Integration of the Active and Reserve components support the Department's transformation to a capabilities-based force that will help relieve stress on the force. Integration will increase warfighter capability, facilitate equipment utilization, and provide a method to increase deployment predictability.

Furthermore, we have supported the development of force-generation models by the Services, which ultimately provide predictability for an Operational Reserve force, accompanied by a training and equipping strategy that will provide more first-line equipment to be positioned in the Reserves and which will also allow more training be conducted in the pre-mobilization phase at home station. We have achieved major progress in programming funds and equipping our Reserve components for an operational role. We are progressing in changing equipping priorities to align better with Service force generation models and to raise the importance of homeland defense in equipping considerations.

### ***Equipping Strategy.***

The Reserve components of each Military Department need to be properly equipped not only when deploying, but in order to stay trained. The design of the Reserve component equipping strategy is envisioned to procure and distribute equipment to maintain a degree of readiness that is responsive to the combatant commanders' request while sustaining capabilities to respond when called upon here at home. The strategy also must take into account the

Department's support to state Homeland Defense (HLD) missions, while maximizing equipment availability throughout the force.

The Department's goal is to analyze what and where the greatest needs lie and design and achieve the strategy that is the best fit for today's Operational Reserve—rather than relying on an outdated equipping strategy for a purely strategic reserve force. Major changes in current thinking as well as new concepts are needed for equipping the RC force. Focusing on availability, access, and transparency in distribution of equipment and resources must be paramount. The Department's ultimate goal is to fully equip units using a transitional approach designed to provide an equipped, trained, and ready force at various stages of a Service's rotation policies, while factoring in our Homeland Defense mission.

***Families, Healthcare and Employers.***

During this time of transition to an Operational Reserve, we recognized that support of families and employers is vital to success. The Department has devoted substantial resources and efforts toward expanding the support for our families. The challenge is particularly acute for widely-dispersed Reserve families, most of who do not live close to major military installations. Thus, we have developed and promoted websites and electronic support for families, have promoted use of the 700 military family service centers for all Active, Guard and Reserve families to provide personal contact, and have hosted and attended numerous family support conferences and forums. Reintegration training and efforts to support members and families following mobilization, particularly for service in the combat zones, are vital. The reintegration program in Minnesota forms a basis for the Yellow Ribbon Reintegration Program for all Guard and Reserve members required in FY 2008 NDAA. The Department is fully committed to

implementing this program, which will provide Guard and Reserve members, and their families, the support that will help them during the entire deployment cycle—from preparation for Active service to successful reintegration upon return to their community and beyond. We are moving quickly to stand up an interim Office for Reintegration Programs, which will operate until permanent staff, facilities and required resources are determined. We will continue to work with State Governors, their Adjutants General, the State family program directors as well as with the Military Services and their components to ensure an integrated support program is delivered to all Guard and Reserve members and their families.

The Defense Management Data Center (DMDC) is creating a website for Reserve personnel to check the status of all of their benefits. This website is in the final stages of approval and should go live in the very near future.

The Department has fully implemented the TRICARE Reserve Select (TRS) program, which offers an affordable healthcare program to all Selected Reserve members and their families (unless they are covered under the Federal Employee Health Benefit Program). This is a valuable benefit that our members and their families appreciate. The transition from the three-tiered TRS program to the comprehensive program authorized in the FY 2007 NDAA has been very smooth and we continue to publicize this much improved benefit.

We implemented a policy requiring Reserve component members to complete a periodic Health Assessment annually. In addition, Guard and Reserve members complete a pre-deployment health assessment to identify non-deployable health conditions and a post-deployment health assessment to identify deployment related conditions prior to releases from Active duty. Those members identified with health related conditions post-deployment are provided evaluation and treatment.

Because health and adjustment concerns may not be noticed immediately after deployment, a Post Deployment Health Reassessment (PDHRA) is provided within 90 to 180 days after redeployment to address mental health and physical health concerns that may develop. The PDHRA is designed to identify conditions that emerge later and facilitate access to services for a broad range of post-deployment concerns. Establishing the Yellow Ribbon Reinforcement Program across all Guard and Reserve units and commands will facilitate identifying symptoms and conditions, and ensuring members receive the care and treatment they need and deserve.

The support for employers over the past six years mirrors the increased support for families. We doubled the budget of the National Committee for Employer Support of the Guard and Reserve (ESGR). We developed an employer database which identifies the employers of Guard/Reserve members, expanded the ESGR state committees and their support (over 4,500 volunteers are now in these committees) and are reaching out to thousands more employers each year. The Freedom Awards program and national ceremony to recognize employers selected for this award has become a capstone event, in which the President has recognized in the Oval Office in each of the past two years the annual Freedom Award winners (15 recipients per year from more than 2000 nominees). Never in the history of the Guard and Reserve have families and employers been supported to this degree and they appreciate it, as this effort is critical to sustaining an Operational Reserve.

***Commission on the National Guard and Reserves.***

The Commission tendered a report in March 2007 evaluating the “National Guard Empowerment Act” as directed by the Congress. The Secretary responded quickly to the

recommendations of the Commission and directed development of plans to implement the Commission's recommendations. Of the 22 plans developed:

- Eight are complete or now embedded in DoD processes
- Nine have met their objective of producing directives, memoranda, recommendations, or policies, and are progressing through the staffing process
- Work is on schedule for the five remaining plans that have longer implementation objectives

We have completed a preliminary review of the Commission's final report and we are pleased that the Commission supported two of our major strategic initiatives—an Operational Reserve and the Continuum of Service. We disagree, however, with the Commission's views on the Department's ability to respond to homeland operations. . And I was disappointed that the Commission downplayed the many, significant changes that the Department and Congress have made to facilitate the transition to an Operational Reserve and institutionalize the Continuum of Service. Much has already been accomplished.

We will conduct a comprehensive review of the Commission's recommendations and propose courses of action for the Secretary to consider.

Because our Reserve components will be asked to continue their role as an operational force, we are developing a DoD directive to provide the framework for an Operational Reserve in a single document. The National Guard and Reserve continue to be a mission-ready critical element of our National Security Strategy.

Working together, we can ensure that the Reserve components are trained, ready and continue to perform to the level of excellence they have repeatedly demonstrated over the last six and a half years.

## **FOREIGN LANGUAGE AND REGIONAL PROFICIENCY**

Foreign language and regional proficiency, which includes cultural awareness, have emerged as key competencies for our 21<sup>st</sup> century Total Force. Skills in foreign language and cultural understanding are increasingly important “soft” skills in the Department of Defense. Our forces are operating with coalition and alliance partners and interact with foreign populations, in a variety of regions, with languages and cultures different from ours. Past experience has proven repeatedly that we enhance partnerships with our allies and coalition partners when we are able to communicate and when we demonstrate an understanding and respect for the cultures of our allies and coalition partners.

Our challenge lies in the reality that language and regional proficiency take time to develop and sustain. And even when we devote that time, the next threat to security will very likely require different language and cultural capabilities, in an entirely different region of the world. Any solution, whether it is policy-driven, programmatic, scientific, or pedagogic, must be adaptable and agile to meet the challenges of tomorrow as well as the requirements of today.

### ***Essential Soft Skills.***

Three years ago, the Department did not have policies in place to effectively manage a true Defense enterprise-wide approach to establishing foreign language skills and regional knowledge. These skills were not core competencies within the Total Force, but resided mostly within the Intelligence community professionals, Special Forces, and the Foreign Area Officer program. Now we have Department of Defense directives and instructions that institutionalize attention to these needs. Three years ago, cultural training was sporadic across the Department.

Now this vital training, referred to as Regional Area Content, is incorporated into all aspects of our officer Professional Military Education, and the Services are extending it to all enlisted professional military education as well.

*Strategic Guidance.*

The Strategic Planning Guidance (FY 2006 through FY 2011) directed development of a comprehensive roadmap to achieve the full range of language capabilities necessary to carry out national strategy. The resulting 2005 Defense Language Transformation Roadmap, through its 43 specific actions, has guided the Department in building language, regional and cultural knowledge skills required to meet our many and diverse mission requirements. The Roadmap provides broad goals that ensures a strong foundation in language, regional and cultural proficiency, a capacity to surge to meet unanticipated demands, and a cadre of language professionals—our ability to provide the right resource, at the right level of competency, at the right place, at the right time.

The 2006 Quadrennial Defense Review drove an increase in funding of approximately 50% through the Future Years Defense Program for initiatives to strengthen and expand our Defense Language Program. These initiatives span technology, training, education, recruitment, and outreach programs to our Nation. The Strategic Planning Guidance for FY 2008 through 2013 outlines the national commitment to developing the best mix of capabilities within the Total Force and sets forth a series of additional roadmaps that coincide with the goals of the Defense Language Transformation Roadmap.

To unify Department efforts to ensure oversight, execution, and direction for DoD language and culture transformation, the Deputy Secretary of Defense assigned the Under

Secretary of Defense for Personnel and Readiness responsibility for the overall Defense Language Program. The Deputy Secretary then created a board of senior leaders to oversee this effort. The Deputy Under Secretary of Defense for Plans was appointed the DoD Senior Language Authority (SLA). We now have Senior Language Authorities for each Combatant Command, in each of the four Services, the Joint Staff, Defense Agencies, and Defense Field Activities. The Defense Language Steering Committee, composed of these members and principal Office of the Secretary of Defense (OSD) staff, serves as an advisory board and guides the execution of the Roadmap. The Defense Language Office is now in place to ensure oversight and execution of the Defense Language Transformation Roadmap and to institutionalize the Department's commitment to these critical and enduring competencies.

### *Screening and Assessment.*

A critical initiative of the Defense Language Transformation Roadmap is to identify the capabilities and resources needed across the Department to meet mission requirements. We have nearly completed a three-year effort to identify the language and regional proficiency requirements necessary to support operational and contingency planning and day-to-day mission requirements. Simultaneously, we initiated reviews of all relevant doctrine, policies, and planning guidance to ensure that they include where appropriate the need for language, regional and cultural capabilities.

Before 2004, we had never conducted a comprehensive assessment to identify the specific languages and proficiency levels of the Total Force. We are now asking every Service member and inviting every civilian employee to indicate language proficiency beyond English. We are pleased to report that we have over 280,000 foreign language capabilities in-house. As

you would expect, it consists primarily of the foreign languages traditionally taught in the United States such as French, German and Spanish. However, a surprising number are proficient in languages of contemporary strategic interest ranging from Chinese to Tagalog to Igbo. Individuals are now routinely screened as part of the military accession and civilian hiring process and we now have database capabilities that allow us to identify needs and match them to existing resources.

In order to encourage Service members to identify, improve, and sustain language capability, we implemented a revised Foreign Language Proficiency Bonus (FLPB) policy, and, with the support of Congress, increased the proficiency bonus from \$300 maximum per month, up to \$1,000 maximum per month for military personnel. The number of enlisted personnel who currently receive this incentive pay has increased about 21% since implementation of this policy change. Congressional support now provides equitable language proficiency bonus policies for both the Active and Reserve components.

In an effort to identify gaps in capability, we are developing a Language Readiness Index (LRI), which will be integrated into the Defense Readiness Reporting System's network of software applications. The LRI will compare foreign language requirements to the language capability of individuals available to perform missions across the Total Force, resulting in the identification of the gaps in the language capability. The LRI is designed to be used by DoD Agencies, Combatant Commands, and the Services to provide decision-makers with the tools necessary to assess language risk and take appropriate action.

*Foreign Area Officers.*

High levels of language, regional and cultural knowledge and skills are needed to build the internal and external relationships required for coalition/multi-national operations, peacekeeping, and civil/military affairs. In 2005, the Department began building a cadre of language specialists possessing high-level language proficiency (an Interagency Language Roundtable (ILR) Proficiency Level 3 in reading, listening, and speaking ability, or 3/3/3) and regional expertise. We are working to identify the tasks and missions that will require this professional-level proficiency and determine the minimum number of personnel needed to provide this language capability.

The Foreign Area Officers (FAOs) program fulfills the Department's need for this cadre of language and regional professionals. FAOs are highly educated, have professional-level fluency in at least one regional language, and have studied and traveled widely in their region of expertise. In 2005, there was no unified approach to fielding Foreign Area Officers (FAOs). Two Services did not have FAO programs. The Department now requires all Services to establish formal FAO programs, standardizing the requirements that one must meet to become a FAO. Our FAOs must have, in addition to a broad range of military skills, experience with the political, cultural, sociological, economic, and geographical factors of the countries and regions in which they are stationed; knowledge of political-military affairs; and must be professionally proficient in one or more of the dominant languages in their region of proficiency. The Services have dramatically increased the number of FAO positions to approximately 1,600.

***Pre-Accession.***

We start building language skills in future officers prior to commissioning. The 2006 Quadrennial Defense Review recognized that there is insufficient time available during most

military careers to build advanced language capabilities throughout the Force for other than FAOs and those specialties that require the use of language full-time. The three Military Service Academies have enhanced their foreign language study programs to develop language and cultural knowledge. They now require all non-technical degree cadets and midshipmen to take four semesters of foreign language study. The United States Military Academy and the United States Air Force Academy have established language majors in Arabic and Chinese. The United States Naval Academy, for the first time in history, will offer midshipmen the opportunity to major in a foreign language beginning with the Class of 2010.

We are expanding opportunities for members of the Reserve Officers' Training Corps (ROTC) to learn a foreign language. Of the 1,322 colleges and universities with ROTC programs, 1,149 offer foreign language study, but many of the languages we need for current operations are not widely offered at this time. Therefore, the Department has launched a program to award grants to colleges and universities with ROTC programs to expand opportunities for ROTC cadets and midshipmen to study languages and cultures critical to national security. Increasing the number of what we call "less commonly taught languages" in college curricula remains a challenge in which we are actively engaged. We seek your support for a FY 2009 legislative proposal to support the Secretary's goal of encouraging ROTC cadets and midshipmen in Senior ROTC to study foreign language courses of strategic interest to the Department. The proposal would award up to \$3,000 dollars per year to a ROTC student studying a language of interest.

***Post Accession.***

Since the 9/11 terrorist attacks, we have redirected training toward the strategic languages, such as Arabic, Chinese and Persian Farsi. The Defense Foreign Language Institute Foreign Language Center is the Department's schoolhouse for training military personnel. Over 2,000 Service members graduate each year having studied one of 24 languages. In 2006 we implemented the Proficiency Enhancement Program designed to graduate 80% of the students at increased language proficiency levels. We are well on our way to achieving this goal. Changes include reducing the student-to-instructor ratio, increasing the number of classrooms, creating improved expanded curricula, retooling faculty training, deploying classroom technology integration, and expanding overseas training. Cultural awareness has also been added to every language course.

The Defense Language School's foreign language and cultural instruction extends beyond the classroom, offering Mobile Training Teams, video tele-training, Language Survival Kits, and online instructional materials. Since 2001, the Defense Language School has dispatched over 434 Mobile Training Teams to provide targeted training to more than 50,000 personnel. Deployed units have received over 800,000 Language Survival Kits -- mostly Iraqi, Dari, and Pashto.

### ***Increasing the Capacity to Surge.***

Ensuring that we have a strong foundation in language and regional proficiency involves reaching out to personnel who already possess these skills to employ in our work force. All of our military services have developed heritage-recruiting plans to bring personnel into the Force with key language skills and regional proficiency. These plans focus on reaching out to our heritage communities and their children who possess near-native language skills and knowledge

of the culture. One particularly successful program is the Army Interpreter/Translator (09L) Program. This pilot program was launched in 2003 to recruit and train individuals from heritage Arabic, Dari, and Pashto communities to support operations in Iraq and Afghanistan. The program was so successful that in 2006, it was formally established as a permanent military occupational specialty with a career path from recruit through sergeant major. More than 450 native/heritage speakers have successfully graduated; an additional 150 personnel are currently in the training pipeline.

### ***Defense Language Testing.***

Another critical component of our effort to improve language capability is to validate and deliver tools for measuring language proficiency. We have taken steps to strengthen our Defense Language Testing System by updating test content and delivery. Delivering these tests over the Internet greatly increases the availability and accessibility of these tests to Defense language professionals worldwide.

### ***Supporting the National Agenda.***

In January 2006, the President of the United States announced the National Security Language Initiative (NSLI). The Initiative was launched to dramatically increase the number of Americans learning critical need foreign languages such as Arabic, Chinese, Russian, Hindi, and Farsi. The Secretary of Defense joined the Secretaries of State and Education, and the Director of National Intelligence to develop a comprehensive national plan to expand opportunities for United States students to develop proficiencies in critical languages from early education through

college. The White House provides ongoing coordination as partner agencies work to implement this plan.

The focal point for the department's role in the National Security Language Initiative is the National Security Education Program (NSEP). NSEP represents a key investment in creating a pipeline of linguistically and culturally competent professionals into our workforce. NSEP provides scholarships and fellowships to enable American students to study critical languages and cultures in return for federal national security service. NSEP partners with universities, providing grants for the development and implementation of National Flagship Language Programs, specifically designed to graduate students at an ILR Level Three (3/3/3) language proficiency (in reading, listening and speaking modalities) in today's critical languages. These programs provide a major source of vitally needed language proficiency in the national security community. As part of the Department of Defense's contribution to the National Security Language Initiative, we have expanded the National Language Flagship Program to establish new flagship programs in Arabic, Hindi, and Urdu and to expand the Russian flagship to a Eurasian program focusing on critical central Asian languages. The flagship effort serves as an example of how the National Security Language Initiative links federal programs and resources across agencies to enhance the scope of the federal government's efforts in foreign language education. For example, the flagship program is leading the way in developing programs for students to progress through elementary, middle, and high school and into universities with more advanced levels of language proficiency. This enables our universities to focus more appropriately on taking a student from an intermediate or advanced level to the professional proficiency. While focusing on early language learning, this effort has already succeeded in enrolling ten students, as freshmen, from Portland, Oregon high schools in an experimental

advanced, intensive four-year Chinese program at the University of Oregon. We have also awarded a grant to the Chinese flagship program at Ohio State University to implement a state-wide system of Chinese programs. Finally, we awarded a grant to Michigan State University to develop an Arabic pipeline with the Dearborn, Michigan school district, announced in conjunction with the Department of Education's foreign language assistance program grant.

### *National Language Service Corps.*

Our second commitment to the president's National Security Language Initiative is the launching of the National Language Service Corps pilot program. This effort will identify Americans with skills in critical languages and develop the capacity to mobilize them during times of national need or emergency. The National Language Service Corps represents the first organized national attempt to capitalize on our rich national diversity in language and culture. This organization has a goal of creating a cadre of 1,000 highly proficient people, in 10 languages by 2010 and began recruiting in January 2008.

Recently, the department coordinated a series of regional summits to engage state and local governments, educational institutions, school boards, parents, and businesses at the local level in addressing foreign language needs. The National Security Education Program reached out to the proficiency of its three flagship universities – in Ohio, Oregon, and Texas to convene these summits and to develop action plans that reflect an organized and reasonable approach to building the infrastructure for language education at the state and local level.

Industry, academia, federal, state, and local governments, business, non-governmental organizations and our international partners must continue to work together in order to achieve our mutual goals. The United States continues to seek out and increase collaboration in today's

global world. The Department of Defense is leading an effort in the public and private sectors of the United States to develop a globalized workforce through the development of language, regional and cultural capabilities and is deeply committed to this initiative. We have fundamentally transformed our approach to foreign language and cultural capabilities and in doing so have ignited a spark across the nation that is resulting in increased language and international education programs in schools and colleges. The need for language, regional and cultural competence is real and critical and is not confined to the department of defense or the shores of the United States. We clearly face a world challenge that will require that we embrace the diversity that makes us who we are, while at the same time, enable us to work together to solve the complex global challenges that we face.

The Department has, since 2001, led a national effort to address serious national shortfalls in foreign language expertise. The context for languages has changed dramatically in less than a decade – we need to address more and more languages at higher levels of proficiency. We recognize that we cannot address our own language needs or those of the broader national security community and federal sector without a strategic investment in the development of a more globalized professional workforce – one that is multi-lingual and multi-cultural. The results of our own Department language transformation roadmap are impressive. But we also recognize that in order to successfully address our ever-expanding needs we simply must invest long-term in key “leverage points” in the U.S. education system. Enlarging the recruitment pool will serve to lower the costs and allow the Department to devote more time to mission-critical skills. And as a side benefit it will serve to change attitudes and increase the national capability to respond to military, diplomatic, economic and social needs.

## DEFENSE HEALTH

A crucial part of my portfolio as the Under Secretary of Defense for Personnel and Readiness is the health of our Service members. Over the last seven years the Military Health System (MHS) has implemented significant new programs for its more than nine million beneficiaries, overhauled contracts, leveraged new technology, provided global health and support around the world, and made dramatic improvements in battlefield medicine and care of the wounded, injured and ill.

### *Force Health Protection.*

Force Health Protection embraces a broad compilation of programs and systems designed to protect and preserve the health and fitness of our Service members – from their entrance into the military, throughout their military service to their separation or retirement, and follow-on care by the VA. Our integrated partnership for health between Service members, their leaders and health care providers ensures a fit and healthy force and that the continuum of world-class health care is available anytime, anywhere.

In 2007, we recorded remarkable war-wounded survival rates, the lowest death-to-wounded ratio in the history of American military operations, and the lowest disease non-battle injury rate.

- **Lowest Disease, Non-Battle Injury Rate.** As a testament to our medical readiness and preparedness, with our preventive-medicine approaches and our occupational-health capabilities, we are successfully addressing the single largest contributor to loss of forces – disease.
- **Lowest Death-to-Wounded Ratio.** Our agility in reaching wounded Service members, and capability in treating them, has altered our perspective on what constitutes timeliness in life-saving care from the *golden hour* to the *platinum fifteen minutes*. We are saving Service members with grievous wounds that were likely not survivable even 10 years ago.

- Reduced time to evacuation and definitive tertiary care. We now expedite the evacuation of Service members following forward-deployed surgery to stateside definitive care. We changed our evacuation paradigm to employ airborne intensive-care units. Wounded Service members often arrive back in the United States within 3–4 days of initial injury.

One of our most important preventive health measures in place for Service members today – immunization programs – offer protection from many diseases endemic to certain areas of the world and from diseases that can be used as weapons. These vaccines are highly effective, and we base our programs on sound scientific information verified by independent experts.

The Department has programs to protect our Service members against a variety of illnesses. We continue to view smallpox and anthrax as real threats that may be used as potential bioterrorism weapons against our soldiers, sailors, airmen and Marines. To date, through the use of vaccines we have protected almost 1.6 million Service members against anthrax spores and more than 1.1 million against the smallpox virus. These vaccination programs have an unparalleled safety record and are setting the standard for the civilian sector. Since the Food and Drug Administration (FDA) published the Final Order confirming that the anthrax vaccine absorbed (AVA) is safe and effective for its labeled indication to protect individuals at high risk for anthrax disease, we restarted the mandatory anthrax vaccination program.

Insect-repellant-impregnated uniforms and prophylactic medications also protect our Service members from endemic diseases, such as malaria and leishmaniasis, during deployments. Since January 2003, DoD environmental health professionals have analyzed more than 6,000 theater air, water, and soil samples to ensure that forces are not unduly exposed to harmful substances during deployments.

We published a new DoD Instruction, “Deployment Health,” in 2006. Among its many measures to enhance force health protection is a requirement for the Services to track and record

daily locations of DoD personnel as they move about in theater and report data weekly to the Defense Manpower Data Center. We can use the data collected to identify populations at risk for exposure, to easily assign environmental exposures on a population basis, to study long-term health effects of deployments, and to mitigate health effects in future conflicts.

Among the many performance measures the MHS tracks is the medical readiness status of individual members, both Active and Reserve. The MHS tracks individual dental health, immunizations, required laboratory tests, deployment-limiting conditions, Service-specific health assessments, and availability of required individual medical equipment. We are committed to deploying healthy and fit Service members and to providing consistent, careful post-deployment health evaluations with appropriate, expeditious follow-up care when needed.

Medical technology on the battlefield includes expanded implementation of the Theater Medical Information Program and enhancements to the Theater Medical Data Store in support of OIF and OEF. These capabilities provide a means for medical units to capture and electronically disseminate near-real-time information to commanders. Information provided includes in-theater medical data, medical surveillance analysis and reports, environmental hazards and exposures, and such critical logistics data as blood supply, beds, and equipment availability. Theater Medical Information Program (TMIP) enhancements, particularly in the capture, distribution, and expanded access to inpatient and outpatient medical information, enables DoD and VA health care providers to have complete visibility into the continuum of care across the battlefield, from theater to sustaining base.

With the expanded use of the web-based Joint Patient Tracking Application, our medical providers also will have improved visibility into the continuum of care across the battlefield, and from theater to sustaining base. New medical devices introduced to OIF provide field medics

with blood-clotting capability; light, modular diagnostic equipment improves the mobility of our medical forces; and individual protective armor serves to prevent injuries and save lives.

DoD has been performing health assessments on Service members prior to and just after deployment for several years now. These assessments serve as a screen to identify any potential health concerns that might warrant further medical evaluation. This includes screening the mental well-being of all soldiers, sailors, airmen and Marines in the Active Force, Reserves and National Guard.

We are also ensuring our Service members are medically evaluated before deployments (through the Periodic Health Assessment), upon return (through the Post-Deployment Health Assessment) and then again 90–180 days after deployment (through the Post-Deployment Health Reassessment). These health assessments provide a comprehensive picture of the fitness of our forces and highlight areas where we may need to intervene. For example, we have learned that Service members do not always recognize or voice health concerns at the time they return from deployment, but may do so after several months back home.

For the period of June 1, 2005 to January 8, 2008, 466,732 Service members have completed a post-deployment health reassessment, with 27% of these individuals receiving at least one referral for additional evaluation. By reaching out to Service members three to six months post-deployment, we have learned their concerns are physical-health concerns, e.g., back or joint pain, and mental health concerns. This additional evaluation gives medical staff an opportunity to provide education, reassurance, or additional clinical evaluation and treatment, as appropriate. Fortunately, as these clinical interactions occur, we have learned that only a fraction of those with concerns have diagnosed clinical conditions.

Mental health services are available for all Service members and their families before,

during, and after deployment. Service members are trained to recognize sources of stress and the symptoms of depression, including thoughts of suicide, in themselves and others, that might occur because of deployment. Combat-stress control and mental health care are available in theater. In addition, before returning home, we brief Service members on how to manage their reintegration into their families, including managing expectations, the importance of communication, and the need to control alcohol use.

During the return from deployment process, we educate Service members and assess them for signs of mental health issues, including depression and Post Traumatic Stress Disorder (PTSD), and physical health issues. During the post-deployment reassessment, we include additional education and assessment for signs of mental and physical health issues.

After returning home, Service members may seek help for any mental health issues that may arise, including depression and PTSD, through the MHS for Active duty and retired Service members, or through the VA for non-retired veterans. TRICARE is also available for six months post-return for Reserve and Guard members. To facilitate access for all Service members and family members, especially Reserve component personnel, the Military OneSource Program—a 24/7 referral and assistance service—is available by telephone and on the Internet. Additionally, we have fielded the DoD Deployment Health and Family Readiness Library (<http://deploymenthealthlibrary.fhp.osd.mil/>) to provide a convenient source of deployment health and family readiness information for Service members, family, health care providers and commanders. We also provide face-to-face counseling in the local community for all Service members and family members. We provide this non-medical counseling at no charge to the member, and it is completely confidential.

To supplement mental health screening and education resources, we added the Mental

Health Self-Assessment Program (MHSAP) in 2006. This program provides military families, including National Guard and Reserve families, web-based, phone-based and in-person screening for common mental health conditions and customized referrals to appropriate local treatment resources. The program also includes parental screening instruments to assess depression and risk for self-injurious behavior in their children, along with suicide-prevention programs in DoD schools. Spanish versions of the screening tools are available, as well.

Pandemic influenza represents a new threat to national security. With our global footprint and far-reaching capabilities, we are actively engaged in the Federal interagency effort to help effectively prevent, detect, and respond to the threat of avian influenza, domestically and internationally. The President's National Strategy for Pandemic Influenza includes the DoD as an integral component in our nation's response to this threat. One example of this integrated response is DoD's medical Watchboard website, established in 2006, to provide ready access to pandemic influenza information for DoD Service members, civilians, and their families, DoD leaders, and DoD health care planners and providers. The DoD Watchboard is linked to [PandemicFlu.gov](http://PandemicFlu.gov) for one-stop access to U.S. Government avian and pandemic influenza information.

### ***Then and Now – Traumatic Brain Injury (TBI).***

Seven years ago, TBI was not part of our nation's vernacular. Today, the MHS is working on a number of measures to evaluate and treat Service members affected or possibly affected by TBI. Our new Defense Center of Excellence for Psychological Health and Traumatic Brain Injury will integrate quality programs and advanced medical technology to give us unprecedented expertise in dealing with psychological health and TBI. In developing the

national collaborative network, the Center will coordinate existing medical, academic, research, and advocacy assets within the services, with those of the VA and Health and Human Services (HHS), other federal, state and local agencies, as well as academic institutions. The Center will lead a national effort to advance and disseminate psychological health and traumatic brain injury knowledge, enhance clinical and management approaches, and facilitate other vital services to best serve the urgent and enduring needs of our wounded warriors and their families.

***Then and Now – Extremity Injury.***

Under the leadership at Walter Reed, the Military Advanced Training Center opened in September 2007 to accelerate improvements in amputee care. Together with prosthetics research and innovations developed and tested at the Center for the Intrepid in San Antonio – a great gift from the Fisher family – nearly 15% of amputees can now remain on Active duty. Many others are helped by the Computer/Electronic Accommodations Program.

***Then and Now – Health Informatics.***

Over the last seven years, the MHS developed and implemented Armed Forces Health Longitudinal Technology Application (AHLTA), DoD's global electronic health record and clinical data repository. The MHS continues to add capabilities to AHLTA, which does not yet have an inpatient record. The MHS will have requirements for a joint DoD-VA inpatient record, and work on that will soon begin.

AHLTA, DoD's global electronic health record and clinical data repository, significantly enhances MHS efforts to build healthy communities. AHLTA creates a life-long, computer-based patient record for each military health beneficiary, regardless of location, and provides

seamless visibility of health information across our entire continuum of medical care. This gives our providers unprecedented access to critical health information whenever and wherever care is provided to our Service members and beneficiaries. In addition, AHLTA offers clinical reminders for preventive care and clinical-practice guidelines for those with chronic conditions.

In November 2006, we successfully completed worldwide deployment of AHLTA Block 1 at all DoD MTFs. Our implementation-support activities spanned 11 time zones and included training for 55,242 users, including 18,065 health care providers. DoD's Clinical Data Repository is operational and contains electronic clinical records for more than nine million beneficiaries. AHLTA use continues to grow at a significant pace. As of January 4, 2008, our providers had used AHLTA to process 66,491,855 outpatient encounters, and they currently process more than 124,000 patient visits per workday.

The MHS is accelerating AHLTA's responsiveness with version 3.3, which will be appreciably faster and more user friendly.

### ***Then and Now – Health Care Communications.***

Seven years ago, MHS communications were mostly one-way. Today, with the arrival of web 2.0, the MHS has an opportunity to be transparent about quality, satisfaction and cost effectiveness. TRICARE launched a new website in 2007 with a new approach to delivering information to its beneficiaries that is based on extensive user research and analysis. A key feature of the redesign is that users now receive personalized information about their health care benefits by answering a few simple questions about their location, beneficiary status and current TRICARE plan.

Recently, the MHS launched a new website, [www.health.mil](http://www.health.mil). Its purpose is to inspire innovation, creativity and information sharing among MHS staff.

***Then and Now – Health Budgets and Financial Policy.***

TRICARE benefit has been enhanced the implementation of TRICARE for Life, expansion of covered services and new benefits for the Reserve component. These benefit enhancements have come at a time when private-sector employers are shifting substantially more costs to employees for their health care. TRICARE has actually moved in the other direction.

At the direction of Congress, we executed new health benefits which extend TRICARE coverage to members of the National Guard and Reserve. We implemented an expanded TRICARE Reserve Select (TRS) health plan for Reserve component personnel and their families, as mandated by the FY 2007NDAA. Today, more than 61,000 reservists and their families are paying premiums to receive TRS coverage. In addition, we made permanent their early access to TRICARE upon receipt of call-up orders and their continued access to TRICARE for six months following Active duty service for both individuals and their families. Our FY 2009 budget request includes \$407 million to cover the costs of this expanded benefit.

The Department is committed to protecting the health of our Service members and providing the best health care to more than nine million eligible beneficiaries. The FY 2009 Defense Health Program funding request is \$23.6 billion for Operations and Maintenance, Procurement and Research, and Development, Test and Evaluation Appropriations to finance the MHS mission. Total military health program requirements, including personnel expenses, is \$42.8 billion for FY 2009. This includes payment of \$10.4 billion to the Department of Defense Medicare Eligible Retiree Health Care Fund, and excludes projected savings of \$1.2 billion,

based on recommendations provided by the Department of Defense Task Force on the Future of Military Health Care for benefit reform.

As the civil and military leaders of the Department have testified, we must place the health benefit program on a sound fiscal foundation or face adverse consequences. Costs have more than doubled in seven years—from \$19 billion in FY 2001 to \$39.9 billion in FY 2008—despite MHS management actions to make the system more efficient. Our analysts project this program will cost taxpayers at least \$64 billion by 2015. Health care costs will continue to consume a growing slice of the Department’s budget, reaching 12% of the budget by 2015 (versus 6% in 2001).

Simply put, the Department and Congress must work together to agree on necessary changes to the TRICARE benefit to better manage the long-term cost structure of our program. Failure to do so will harm military health care and the overall capabilities of the DoD – outcomes we cannot afford.

***Budgeting for the Defense Health Program (DHP).***

The MHS utilizes a collaborative, disciplined process to develop the DHP budget. Throughout the process, the MHS analyzes and validates requirements identified for funding by the three Service Medical Departments and the TRICARE Management Activity (TMA). We balance resource priorities to achieve an integrated, effective budget that reflects senior leader guidance and allocates required resources to sustain operational readiness while continuing to provide high-quality, accessible health care. The following MHS committees review and make recommendations on issues pertaining to the development and execution of the DHP budget:

- The Resource Management Steering Committee, includes the senior resource managers for the Service Surgeons General and the TMA Private Sector Care Program.

- The Chief Financial Officer Integration Council, includes the Service Deputy Surgeons General and the TMA Deputy Director.
- The Senior Military Medical Advisory Council, includes the Service Surgeons General and the Assistant Secretary of Defense (Health Affairs), Deputy Assistant Secretaries of Defense within Health Affairs and the TMA Deputy Director.

Issues that cannot be resolved within the MHS are addressed in the Department-wide Budget Review. A medical issue team is established and includes representation from DoD staff, as well as representatives from the Military Departments (medical and line), the Under Secretaries of Defense, and the Joint Staff. The team thoroughly evaluates all outstanding issues, develops alternatives, and provides recommendations for coordination within the Department. Final decisions are made by the Secretary of Defense and incorporated into the President's Budget request.

The DHP budget enacted by Congress is distributed to the Army, Navy, Air Force medical components and TMA. The Service Surgeons General approve the allocation of funding provided to the military treatment facilities and oversee the execution of the funds used during the fiscal year. In addition to the funding included in the President's Budget, unbudgeted requirements, such as GWOT emergencies, such as Humanitarian Relief activities, are included in the DoD's request for supplemental funding for validated, essential requirements. During execution of the budget, we use resources that may become available to fund emerging, priority requirements, primarily in the in-house care system. Budgeting for health care benefits is an imprecise science – the 1% (previously 2% through FY 2007) carryover authority authorized by Congress for the DHP has served as an invaluable tool to manage DHP resources appropriately within the enacted budget.

## ***Management.***

The Department has initiated several management actions to use resources more effectively and help control the increasing costs of health care delivery. The MHS continues to implement a prospective-payment system in a phased, manageable way that provides incentives for local commanders to focus on outcomes, rather than on historical budgeting. We are confident this budgeting approach will ensure our hospitals and clinics continue to deliver high-quality, efficient health care to our patients within the military medical institutions.

In addition, the MHS is instituting a new strategic plan that includes actionable metrics. Through this plan, the MHS is strengthening its commitment to military medical forces, to our war fighters, and to our nation's security. The MHS strategic plan takes important steps toward consolidating administrative and management functions across the MHS, and it will strengthen joint decision-making authorities.

With implementation of the BRAC recommendations, the major medical centers in San Antonio and the national capital area will be consolidated. These BRAC actions afford us the opportunity to provide world-class medical facilities for the future while streamlining our health care system and creating a culture of best practices across the Services.

Under the BRAC recommendations, we are also developing a medical education and training campus (METC) that will co-locate medical basic and specialty enlisted training at Fort Sam Houston, Texas. By bringing most medical enlisted training programs to Fort Sam Houston, we will reduce the overall technical-training infrastructure while strengthening the consistency and quality of training across the Services.

In the meantime, we are doing everything possible to control our cost growth. We are executing our new TRICARE regional contracts more efficiently, and we are demanding greater

efficiency within our own medical facilities. However, one area—pharmacy—is particularly noteworthy. Nearly 6.7 million beneficiaries use our pharmacy benefit, and in FY 2007, our total pharmacy cost was more than \$6.8 billion. If we did nothing to control our pharmacy cost growth, we project pharmacy costs alone would reach \$15 billion by 2015.

To address this issue, we are taking every action for which we have authority: promoting our mandatory generic substitution policy, joint contracting with Veterans Affairs, promoting home-delivery, and making voluntary agreements with pharmaceutical manufacturers to lower costs. We also continue to effectively manage the DoD Uniform Formulary. We avoided approximately \$450 million in drug costs in FY 2006, and more than \$900 million in drug costs in FY 2007 due to key formulary-management changes and decisions.

We have worked with industry experts to design and develop the government requirements for TRICARE's third generation of contracts (T-3). The Managed Care Support Contracts are TRICARE's largest and most complex purchased-care contracts. Others include the TRICARE Pharmacy Program (TPharm), the Active duty Dental Contract, and the TRICARE Quality Monitoring Contract. Request for Proposals have either been, or will soon be, released for these contracts. Recent successful T-3 awards include the TRICARE Retiree Dental Contract to Delta Dental of California, and the new TRICARE Dual Eligible Fiscal Intermediary Contract (TDEFIC) to Wisconsin Physicians Services, Inc.

The three TRICARE Regional Directors are actively engaged in managing and monitoring regional health care with a dedicated staff of both military and civilian personnel. They are strengthening existing partnerships between the Active duty components and the civilian provider community to help fulfill our mission responsibilities.

The Balanced Scorecard has guided the MHS through the strategic planning process over the last five years and helped the MHS manage strategy at all levels of the organization. Using this strategic planning tool, the MHS is identifying the most critical mission activities, and then applying Lean Six Sigma methodology to create a data-driven, decision-making culture for process improvement. The Service Surgeons General have aggressively incorporated this methodology into their business operations, and we are already witnessing the fruits of this commitment to building better processes. We also have hired a nationally recognized expert in Lean Six Sigma to help facilitate integration of the National Capital Area and San Antonio under our BRAC work.

***Defense Mishap Reduction Initiative.***

As a world-class military, we do not tolerate preventable mishaps and injuries. The direct cost of mishaps is more than \$3 billion per year, with estimates of total costs up to \$12 billion. We have rededicated ourselves to achieve a 75% accident-reduction goal and are aggressively working toward it. For example, the Marine Corps has reduced its civilian lost-day rate by 62%, and last fiscal year, the Air Force achieved the best aviation class "A" mishap rate in its history.

To reach the next level in military and civilian injury reductions, safety is now a performance element under the new National Security Personnel System and in military evaluations. The Department is implementing Occupational Safety and Health Administration's Voluntary Protection Program (VPP) at more than 80 installations and sites. This program brings together management, unions, and employees to ensure safe working conditions. VPP and our other accountability programs have the highest visibility and support within the Department.

We also technology can address many safety issues. Safety technologies include both systems and processes. For example, we are pursuing the Military Flight Operations Quality Assurance (MFOQA) process to reduce aircraft flight mishaps. We are exploring the use of data recorders and roll-over warning systems as tools to help drivers avoid wheeled vehicle accidents. Our plan is for DoD components to include these and other appropriate safety technologies as a standard requirement in future acquisition programs.

### ***Taking Proper Care of the Wounded.***

The Department is committed to providing the assistance and support required to meet the challenges that confront our severely injured and wounded Service members, and their families. The new Post-Deployment Health Assessment and Post-Deployment Health Reassessment forms with the TBI screening questions and other improvements were officially published September 11, 2007.

The Department is working on a number of additional measures to evaluate and treat Service members affected or possibly affected by TBI. In August 2006, we developed a clinical-practice guideline for the Services for the management of mild TBI in theater. We sent detailed guidance to Army and Marine Corps line medical personnel in the field to advise them on ways to look for signs and to treat TBI.

The “Clinical Guidance for Mild Traumatic Brain Injury (mTBI) in Non-Deployed Medical Activities,” October 2007, included a standard Military Acute Concussion Evaluation (MACE) form for field personnel to assess and document TBI for the medical record. The tool guides the evaluator through a short series of standardized questions to obtain history, orientation (day, date, and time), immediate memory (repeat a list of words), neurological screening (altered

level of consciousness, pupil asymmetry), concentration (repeat a list of numbers backwards), and delayed recall (repeat the list of words asked early in the evaluation). The evaluator calculates and documents a score, which guides the need for additional evaluation and follow-up. The MACE also may be repeated (different versions are available to preclude “learning the test”) and scores may be recorded to track changes in cognitive functioning.

U.S. Central Command (USCENTCOM) has mandated the use of clinical guidelines, which include use of the MACE screening tool, at all levels of care in theater, after a Service member has a possible TBI-inducing event. Furthermore, Landstuhl Regional Medical Center is using MACE to screen all patients evacuated from the USCENTCOM area of responsibility with polytrauma injuries for co-morbid TBI. In addition, MACE is used in MTFs throughout the MHS.

Each Service has programs to serve severely wounded from the war: the Army Wounded Warrior Program (AW2), the Navy SAFE HARBOR program, the Air Force Helping Airmen Recover Together (Palace HART) program, and the Marine4Life (M4L) Injured Support Program. DoD's Military Severely Injured Center augments the support provided by the Services. It reaches beyond the DoD to other agencies, to the nonprofit world and to corporate America. It serves as a fusion point for four Federal agencies – DoD, the VA, the Department of Homeland Security's Transportation Security Administration (TSA), and the Department of Labor.

The Military Severely Injured Center unites Federal agencies through a common mission: to assist the severely injured and their families. The VA Office of Seamless Transition has a full-time liaison assigned to the Center to address VA benefits issues ranging from expediting claims, facilitating VA ratings, connecting Service members to local VA offices, and

coordinating the transition between the military and the VA systems. The Recovery and Employment Assistance Lifelines (REALifelines) initiative is a joint project of the U.S. Department of Labor, the Bethesda Naval Medical Center, and the Walter Reed Army Medical Center. It creates a seamless, personalized assistance network to ensure that seriously wounded and injured Service members who cannot return to Active duty are trained for rewarding new careers in the private sector. The Department of Labor has assigned three liaisons from its REALifelines program, which offers personalized employment assistance to injured Service members to find careers in the field and geographic area of their choice. REALifelines works closely with the VA's Vocational Rehabilitation program to ensure Service members have the skills, training, and education required to pursue their desired career field. The Department of Homeland Security's TSA has a transportation specialist assigned to the Center to facilitate travel of severely injured members and their families through our nation's airports. The Center's TSA liaison coordinates with local airport TSA officials to ensure each member is assisted throughout the airport and given a facilitated (or private) security screening that takes into account the member's individual injuries.

The Military Severely Injured Center has coordinated with more than 40 non-profit organizations, all of which have a mission to assist injured Service members and their families. These non-profits offer assistance in a number of areas from financial to employment to transportation to goods and services. Many are national organizations, but some are local, serving service men and women in a specific region or at a specific military treatment facility.

The American public's strong support for our troops shows especially in its willingness to help Service members who are severely injured in the war, and their families, as they transition from the hospital environment and return to civilian life. Heroes to Hometowns' focus is on

reintegration back home, with networks established at the national and state levels to better identify the extraordinary needs of returning families before they return home. They work with local communities to coordinate government and non-government resources necessary for long-term success.

The Department has partnered with the National Guard Bureau and the American Legion, and most recently the National Association of State Directors of Veterans Affairs, to tap into their national, state, and local support systems to provide essential links to government, corporate, and non-profit resources at all levels and to garner community support. Support has included help with paying the bills, adapting homes, finding jobs, arranging welcome home celebrations, help working through bureaucracy, holiday dinners, entertainment options, mentoring, and very importantly, hometown support.

The ability of injured Service members to engage in recreational activities is an important component of recovery. We continue to work with the United States Paralympics Committee and other organizations so that our severely injured have opportunities to participate in adaptive sports programs, whether those are skiing, running, hiking, horseback riding, rafting, or kayaking. We are also mindful of the need to ensure installation Morale Welfare and Recreation (MWR) fitness and sports programs can accommodate the recreational needs of our severely injured Service members. At Congressional request, we are studying the current capabilities of MWR programs to provide access and accommodate eligible disabled personnel.

Over the last year we have addressed important issues that deserved and received our immediate and focused attention. First and foremost, we are listening. We are actively surveying (by telephone, on the web and in person) our wounded Service members and their families, and we are acting on the answers they provide. Our goal is to improve patient

satisfaction, and these surveys let us know where we need to put resources to continuously improve. In addition to surveys, we encourage leadership to spend time with Service members and their families who are receiving long-term rehabilitative care. On February 14, we held our first webcast town-hall meeting on our new website [www.health.mil](http://www.health.mil) to receive additional, anonymous feedback from the wounded, injured, ill and their families. We are taking all of this input back to DoD leadership – where we have clear leadership – as we develop and implement solutions.

DoD and VA are working together through a Senior Oversight Committee (SOC), co-chaired by the Deputy Secretaries of each Department. It builds on the earlier and continuing work of the Joint executive Council. The SOC is developing implementation plans and future funding requirements for eight "lines of action" that address the disability system, case management, data sharing between the Departments, facilities requirements, personnel and pay support, as well as such wounded warrior health issues as TBI and psychological health. The recommendations and decisions from this group are being implemented now and will drive future funding requests for both Departments.

We can best address the changing nature of inpatient and outpatient health care requirements, specifically the unique health needs of our wounded Service members and the needs of our population in this community through the planned consolidation of health services and facilities in the National Capital Region. The BRAC decision preserves a precious national asset, Walter Reed, by sustaining a high-quality, world-class military medical center with a robust graduate medical education program in the Nation's Capital. The plan is to open this facility by 2011. In the interim, we will sustain the current Walter Reed Army Medical Center (WRAMC) as the premier medical center it is.

### *Process of Disability Determinations.*

We know that both the Service member and the Department expect:

- Full rehabilitation of the Service member to the greatest degree medically possible
- A fair and consistent adjudication of disability
- A timely adjudication of disability requests – neither hurried nor slowed due to bureaucratic processes.

We currently have a pilot program in place to improve the disability process and implement one system that is jointly administered by both DoD and VA. Our goal is to create a process that requires one exam and one rating, binding by both DoD and VA within current law. The new Disability Evaluation System pilot program, which began in late November, will provide smoother post-separation transition for veterans and their families – including medical treatment, evaluation, and delivery of compensation, benefits and entitlements.

### *Process of Care Coordination.*

The quality of medical care we deliver to our Service members is exceptional; independent review supports this assertion. Yet, we need to better attend to the process of coordinating delivery of services to members in long-term outpatient, residential rehabilitation.

The Army's new Warrior Transition Brigade became operational at WRAMC on April 26, 2007. As of February 4, 2008, the 35 Warrior Transition Units throughout the Army had 9,774 wounded warriors assigned to them (this number includes Active and Reserve component members). Many of the Warrior Transition Unit cadres have volunteered for their assignments, and each officer or noncommissioned officer goes through an interview process before he or she is selected.

Each wounded warrior is also assigned a primary care manager, a nurse case manager and a squad leader. They follow up with soldiers after they return to their units or transfer to the VA.

The Federal Recovery Coordination program began in November 2007. The role of Federal Recovery Coordinators is to be the ultimate resource to oversee the development and implementation of services across the continuum of care from recovery through rehabilitation to reintegration, in coordination with relevant governmental, private, and non-profit programs.

### ***DoD-VA Collaboration.***

The 2008–2010 VA/DoD Joint Strategic Plan will improve the quality, efficiency, and effectiveness of the delivery of benefits and services to veterans, Service members, military retirees, and their families through an enhanced VA and DoD partnership. The plan incorporates concrete performance measures and strategies that link directly to the actions of the SOC, joint communications, improved case management, better information sharing, and collaborative training and continuing education for health care providers.

We are committed to working with the VA on appropriate electronic health information exchanges to support our veterans. The Federal Health Information Exchange (FHIE) enables the transfer of protected electronic health information from DoD to the VA at the time of a Service member's separation. We have transmitted messages to the FHIE data repository on more than 4.1 million retired or separated Service members.

Building on the success of FHIE, we also send electronic pre- and post-deployment health assessment and post-deployment health reassessment information to the VA. We began this monthly transmission of electronic pre- and post-deployment health assessment data to the

FHIE data repository in September 2005, and the post-deployment health reassessment in December 2005. As of January 2008, VA had access to more than two million pre- and post-deployment health assessments and post-deployment health re-assessment forms on more than 838,000 separated Service members and demobilized National Guard and Reserve members who had been deployed.

The Bidirectional Health Information Exchange (BHIE) enables real-time sharing of health data for patients being treated by DoD and VA. Access to BHIE data is available through AHLTA and through VistA, the VA's electronic health record, for patients treated by both departments.

To increase the availability of clinical information on a shared patient population, VA and DoD have collaborated to further leverage the BHIE functionality to allow bidirectional access to inpatient documentation from DoD's Essentris System. In December 2007, we announced the enterprise-wide release of enhancements to the BHIE and the Clinical Data Repository/Health Data Repository (CHDR) interfaces. With these enhancements, DoD and VA are now able to view each other's clinical encounters, procedures, and problems lists on shared patients using the BHIE. This adds to the pharmacy, allergy, microbiology, chemistry/hematology data, and radiology reports we made available previously.

Additionally, DoD and VA providers may now view theater data (including inpatient data) from the Theater Medical Data Store (TMDS). And, DoD providers no longer have to log out of AHLTA and into another application to see it.

To support our most severely wounded and injured Service members transferring to VA Polytrauma Centers for care, DoD continues to send radiology images and scanned paper medical records electronically to the VA Polytrauma Centers.

We have worked closely with our partners in the VA, in our shared commitment to provide our Service members a seamless transition from the MHS to the Department of Veterans Affairs. DoD implemented a policy entitled “Expediting Veterans Benefits to Members with Serious Injuries and Illness,” which provides guidance for collecting and transmitting critical data elements for Service members involved in a medical or physical evaluation board. DoD began electronically transmitting pertinent data to the VA in October 2005 and continues to provide monthly updates, allowing the VA to better project future workload and resource needs.

We have provided information for more than 28,000 Service members while they were still on Active duty, allowing the VA to better project future workload and resource needs. When the VA receives these data directly from DoD before Service members separate, it helps to reduce potential delays in developing a benefits claim. This process ensures that the VA has all the relevant information to decide claims for benefits and services in a timely manner.

We are committed to discharging well the joint responsibilities of the DoD and VA. The VA/DoD Joint Executive Council, that I co-chair with DVA Deputy Secretary Gordon Mansfield, provides guidance and policy for our collaborative efforts. Much has been accomplished, but much remains to be done.

## **MILITARY COMMUNITY & FAMILY POLICY**

The Department has long-recognized that families also serve. Since the beginning of the AVF in the 1970's, the Department forged programs to meet the needs of young military families.

As the American standard of living has changed, military programs and policies have been updated to match improvements and cultural changes going on in the nation as a whole. In 2002, we published the first Department of Defense Social Compact, recognizing the three-way relationship among the Service member, the family and the Department.

In the President's State of the Union Address this January, he addressed the sacrifices military families make for America. He acknowledged the responsibility of the nation to provide for our military families, and asked that Congress support military families' need for more child care for well deserved educational opportunities, and for support to spousal careers.

### ***Child care.***

We have a robust child care program in DoD and our child development services continue to be a national model. Yet, we still have unmet demand for thousands of children. The President directed the Department to build more centers and provide more care.

To increase the availability of child care, the Department proposes to accelerate the child development center construction program and to increase public-private ventures with nationally recognized organizations. Our plan would result in an additional 58,000 child care spaces.

### ***Spousal careers and education.***

Our survey of Active duty military spouses in 2006 not only confirmed that the vast majority of military spouses want to work (over 77%), but that they want a career – a portable

career. An overwhelming 87% of military spouses would like to further their education, but the cost of education is their primary reason for not enrolling in school or training.

In an effort to meet the educational needs of military spouses, the Department partnered with the Department of Labor to make Career Advancement Accounts available to military spouses at 18 installations as a pilot program. These accounts enable spouses to pursue college or technical training and credentials or licenses to advance them into high-demand occupations in health services, education, information technology, financial services or trades (e.g., electrician, plumber). Spouses will be able to obtain recertification or licensure training as they move from state to state. Congressional authority to include spouses in a nationwide program is required for FY 2009 implementation.

The President also proposed that a Service member's unused Montgomery GI Bill benefits be made transferable to the spouse or dependent children. This will provide further support to our military families in an area of great concern to them. While the Department enjoys limited existing authority to offer such transferability in critical skills in return for an extension of service, we anticipate soon forwarding proposed legislative language that would grant broader authority to carry out the President's initiative.

### ***Family support of the National Guard and Reserves.***

Reaching the geographically dispersed families of the National Guard and Reserves has always been a challenge. In response to Congressional direction, we established the Joint Guard and Reserve Family Assistance Program in 15 states. Partnering with the Red Cross, this program facilitates a federal, state and local team that can offer benefits and transition assistance throughout each of the participating states.

### ***Morale, Welfare, and Recreation (MWR).***

Recognizing that participation in recreation, fitness, sports, cultural arts programs are key to active living which leads to improved personal health and well-being and helps build strong families and healthy communities, the Department plans to explore ways to expand the military MWR benefit to those who do not have access to installation MWR programs. This will include pursuing national partnerships to provide discounts for fitness and other recreation programs. We are working with many non-profit organizations that provide recreation opportunities and also the National Recreation and Park Association to partner with state and local community parks, recreation and library departments to enlist their support in meeting the needs of our military personnel, particularly the National Guard and Reserve members.

An additional component of family well-being is the ability to stay in touch. Military spouses indicate that being able to communicate with their Service member is a primary factor in being able to cope with deployments. Affordable phone rates ease the burden of deployment and we've been aggressively working to reduce phone rates. We've provided access to computers and Internet service in our family support centers, recreation centers, installation libraries, and youth centers to help families stay connected.

Service members have free access to the military internet by using their military e-mail address, including aboard ships. They also have free internet access at 610 MWR-operated internet cafes in Iraq and 43 MWR-operated internet cafes in Afghanistan – an increase of 478 cafes over the last year. MWR Internet cafes offer voice over internet protocol phone service at less than \$.04 per minute.

The Exchanges also provide unofficial telephone service at low international rates for both land and sea based deployed members. The Army and Air Force Exchange Service operates 73 call centers with 1,664 telephones in Iraq, Afghanistan, and Kuwait. The Navy Exchange Service Command (NEXCOM) supports most ships in theater with one, 10, or 20 telephone lines depending on the size of the ship.

***Military OneSource (1-800-342-9647 and [www.militaryonesource.com](http://www.militaryonesource.com)).***

Launched in 2002, Military OneSource provides support services 24/7 for our troops and their families. Military OneSource is one of the Department's resounding successes, proven especially useful during Hurricane Katrina. Military OneSource offers free, convenient access to confidential resource and referral support for Service members and their families. When a Service or family member calls or emails, a master's level consultant provides assistance. Military OneSource is especially beneficial to those geographically separated from installation services or those who are unable to seek assistance during traditional working hours.

***MilitaryHOMEFRONT Web portal ([www.militaryhomefront.DoD.mil](http://www.militaryhomefront.DoD.mil)).***

This portal is the Department's "Google" for quality of life information. As a sister site to Military OneSource, the HOMEFRONT provides the library of Department of Defense information on quality of life issues, useful to installation staff and policy makers. In FY 2007 there were over 1.7 million visits to the site.

To help our Service members and their families plan smooth relocations, usually every three years, to their next duty locations, we have developed a new online tool called Plan My

Move. Plan My Move provides a fully customizable calendar and 'to do' list that links individual moving tasks with related installation information and points of contact.

A second new tool is *MilitaryINSTALLATIONS*. From any page on the MilitaryHOMEFRONT users can access information about military installations throughout the world. MilitaryINSTALLATIONS includes specifics about twenty three different topics of interest on each installation (such as child care, check in procedures or housing).

In the past two months, MilitaryHOMEFRONT, in coordination with the Joint Guard and Reserve Family Support Assistance Program, has introduced *MySTATE* ([www.mystate.mhf.DoD.mil](http://www.mystate.mhf.DoD.mil)), a powerful new tool providing state and local Service members and their families across the nation with access to various organizations and businesses that offer special discounts and services specifically for military personnel and their families. MySTATE includes state directories, locations of programs and services, maps, directions and much more. It also gives users the opportunity to provide feedback on the organizations or businesses listed.

Another important communication tool is the military spouse career network Web portal, [www.military.com/spouse](http://www.military.com/spouse). Spouses can use this site to search for employment opportunities at their new installation. Over 400 spouse-friendly employers are actively recruiting military spouses for their vacant positions; these organizations can post jobs at no cost and can search this exclusive database for military spouse candidates. Since this site was opened in 2005, there have been 3.6 million spouses who have visited the site, and over 7.2 million job searches have been conducted. Over 36,000 spouses have posted resumes.

***Financial Readiness Campaign.***

We aggressively promote a culture within the military that values financial competency and responsible financial behavior. The eight “pillars” of the Campaign represent the personal financial readiness objectives for military personnel. Mission success will be determined by all Service members and their families meeting each pillar’s objective. The pillars are:

- To protect valuable security clearances by resolving financial issues early
- To establish, maintain, and protect good credit
- To develop financial stability by living within one’s means
- To establish routine savings
- To participate in military benefit programs such as the Thrift Savings Plan (TSP) and the Savings Deposit Program (SDP)
- To maintain enrollment in Service member’s Group Life Insurance (SGLI)
- To utilize legitimate, low-percentage alternative loan products and avoid predatory lenders
- To take advantage of military MWR Programs as a healthful option to spending money

From February 24 to March 3, 2007, the Department held its first “Military Saves” Week Campaign, a social marketing campaign to encourage military members and their families to start a savings plan and to “Build Wealth, Not Debt.” The Military Services each engaged with this first Military Saves Week and had over 50 on-installation credit unions and banks participating, nearly one million public affairs items sponsored, almost 80,000 saving events/actions held, and 8,500 new “Military Savers” enrolled. Defense Credit Unions reported nearly a tenfold increase in the number of special certificates opened during this week thanks to savings account incentive programs and a nearly five-fold increase in deposits. This year’s Military Saves Week will take place February 24 to March 2, 2008, and we are expecting even

greater success at enrolling Service members and their families to become part of what the Campaign calls the “Military Savings Community.”

*Military OneSource* now features telephonic financial counseling to augment those programs provided by the Services. At the request of National Guard and Reserve units, the Department dispatched Military Family Life Consultants with financial readiness specialties to attend special events such as drill weekends and reunion ceremonies to meet with Guard and Reserve members and families and provide education on many aspects of financial readiness.

### ***TURBO TAP.***

The key to a successful transition is understanding military benefits earned during service in the military. The TURBO TAP web portal is a joint initiative between the Department of Defense, the Department of Labor and the VA and allows each Service member to obtain a lifelong account to connect them to veteran benefits’ information. This portal was launched in 2007. The key partners in the TurboTAP effort are currently assisting DoD in expanding and promoting the new TurboTAP.org website and online Individual Transition Plan Accounts system which link Service members to transition assistance services and benefits, many of which have significant cash value. Examples include the Montgomery GI Bill, the Thrift Savings Plan and the Savings Deposit Program.

In the fall, *DoD TurboTAP Mobile Training Teams* began training the National Guard and Reserves. This highly specialized outreach team travels to state level deployment support and reintegration programs at the request of National Guard and Reserve Component leaders to connect Service members to the benefits they have earned through military service. The TurboTAP Mobile Training Team provides information about transition assistance, service-related benefits, and

related on-demand counseling services. By the end of 2009, it is our goal to have TurboTAP fully integrated into deployment support, transition assistance and financial awareness programs in all 50 states.

***Predatory Lending Regulation.***

On October 1, 2007, the Congressionally mandated Predatory Lending Regulation went into effect, capping the annual percentage rate on three specific types of loans to 36 percent, these include payday loans, vehicle title loans, and tax refund anticipation loans. I thank the Congress for its support of this critical piece of legislation; it is already showing positive results in protecting our Service members and families from unscrupulous practices within the fringe banking industries. Feedback from the field indicates that lenders are refraining from offering these loans to Service members and their families. State regulators have said that their examinations of payday stores have shown general compliance. A few lenders have developed products that comply with the restrictions in the regulations and we have heard of only one lender modifying a payday loan product in an attempt to evade these restrictions. The trade group representing military banks reported that one major member has seen a significant increase in the use of alternative loan products by Service members and their families.

Since the implementation of the regulation, the Department has continued to work with the Federal regulators on interpretations and answers to questions. Additionally, the Department is developing relationships with state regulators. In November, we sent letters to governors expressing the Department's interest in working together to ensure the protections afforded to Service members and their families are enforced. Our initial review of states indicates at least 28 are committed to working with the Department on the oversight and enforcement issue.

*The Department of Defense Education Activity (DoDEA).*

DoDEA has provided military students with an exemplary education for over 60 years. It recently received expanded authority to create educational partnerships with local education agencies that educate military students to complement the work of the National Governors Association. The ongoing relocation of thousands of military students through Base Realignment and Closure (BRAC), global rebasing, and other force structure changes, has created an urgent need and obligation to partner with military-connected communities to ensure the best possible educational opportunities for students. On October 1, 2007, DoDEA launched the Educational Partnership Directorate (EPD) to fulfill this mission.

There are many facets to improving the education of school-age military students. From the strictly education perspective, EPD will develop partnerships with schools and districts to focus on educational best practices and to provide online/alternative learning opportunities for students worldwide. From the transition support perspective, EPD will facilitate agreements at the local, state, and federal levels to reduce the many transition and deployment issues that military students face. Other facets of EPD's mission and strategy are to:

- Gather, disseminate, and promote research-based educational best practices
- Manage the MilitaryStudent website, the primary vehicle for communication to parents, students, service representatives, and local schools
- Support and influence foreign language education, to include strategic languages, in partner schools and districts
- Establish a virtual school district for military students that can be accessed by school districts nationwide and homeschoolers worldwide
- Provide information to parents and commands about school choice, including information and, upon request, assistance in establishing charter schools

- Marshall resources to meet the unique educational and transition needs of military-connected schools and districts
- Administer the DoD Supplement to Impact Aid to eligible schools nationwide

The Department has also recognized that some of the key issues important to the quality of life of Service members and families require more than individual state effort. For example, school transition issues that impact military children, such as differing enrollment, placement and graduation rules, require interstate cooperation. Consequently, the Department sought out the assistance of the Council of State Governments (CSG), which among other services, works with state governments on issues that are inherently the responsibility of the state, but require an interstate effort. CSG has developed an interstate compact, with the assistance of a variety of national and state-based education stakeholders, which will resolve many of these transition issues confronting military children. The interstate compact is now being reviewed by states for consideration during their 2008 legislative sessions. At last count, 24 states were actively considering the compact and 15 state legislatures have bills under review. We are working with states to have a minimum of 10 adopt the compact, at which time the compact will be enforceable.

State assistance to accommodate the transient nature of military life is equally impressive. A total of 48 states are supporting the educational needs of Active duty service families by extending in-state tuition rates while the family resides within the state regardless of residency, and 34 of these states continue that coverage for family members after the Service member has reassigned out of the state, as long as the family member stays enrolled in a state institution of higher learning. As another example, 21 states now provide a departing spouse unemployment compensation as a result making a military move – an increase of 11 states since 2004.

### ***Sexual Assault Prevention.***

In 2004, I was directed to review the Department's sexual assault prevention and response policies and programs. As a result, we quickly assembled the Care for Victims of Sexual Assault Task Force and charged it with recommending changes that would enhance the quality of care and support for victims. The Sexual Assault Prevention and Response Joint Task Force followed and focused victim care, prevention, improved reporting, and accountability for offenders. Both Task Forces published a report with a series of recommendations and findings. We have acted on these recommendations. One of the major recommendations focused on the Department's need for a single point of accountability regarding sexual assault policy. In 2005, we established the Sexual Assault Prevention and Response Office, and institutionalized a research-based policy supported by three pillars: care and treatment for victims, prevention through training and education, and system accountability.

This new policy revolutionized the Department's sexual assault response structure and established programs that are quickly becoming the benchmark for America. At the heart of the policy is a reporting system that respects the privacy and needs of the victim. One of the greatest challenges in responding to sexual assault is motivating victims to report the crime and get much needed medical and psychological care. National studies indicate that as many as 8 out of 10 sexual assaults go unreported in the civilian sector – largely because victims are fearful of the life-changing consequences and loss of privacy that often come with a public allegation. Consequently, we introduced a reporting system that allows victims to make a choice about how they report the crime of sexual assault. Our policy encourages victims to make an Unrestricted Report – that is a report to military law enforcement and command – that allows the Department to investigate and hold perpetrators accountable. However, should victims feel unready to

participate in the military justice system, they may choose to make a Restricted Report. This option enables victims to receive medical care, mental health care, and other support services without initiating a criminal investigation or alerting their command structure. This flexible reporting system is designed to respect the needs of victims and encourage them to get care quickly. Experts in this area inform us that quicker entry into care often translates into a healthier recovery and improved coping by victims.

Our policy also created a new and unique framework for an expanded and comprehensive response system. We now have 24/7 support network at all military installations and for deployed units worldwide. Sexual Assault Response Coordinators and Victim Advocates are now available to provide consultation and support so that our military members understand their options and get the care and support they need. We believe the response structure we have now institutionalized will continue to instill trust and confidence in Service members who are victims of sexual assault and spur them to come forward for assistance.

Responding to these horrible crimes is only half the battle. Clearly, we owe it to our people to eradicate sexual assault from military service. Toward this goal, the Department implemented an aggressive and wide-reaching education program in 2006. Mandatory training about sexual assault and its prevention is now required at every rank and in all professional military education programs. In addition, Sexual Assault Prevention and Response Office (SAPRO) conducted a worldwide Sexual Assault Response Coordinator (SARC) Conference in June of 2006, training more than 350 professional from installations worldwide. The Military Services have also expanded their training programs to adapt training curricula to their unique needs, providing prevention training to over one million Active duty and Reserve Service members.

We have only just begun our efforts to prevent sexual assault. SAPRO is currently developing a strategic plan to guide the military services' efforts to stop this crime before it happens. Again, we are tapping the experts in this field to guide our path. Last July, SAPRO partnered with the National Sexual Violence Resource Center to convene a Prevention Summit with leading military and civilian advocacy experts. As a result of this summit, SAPRO is continuing to work with the Services and the national experts to develop a prevention policy that fosters a research based, measurable, and effective approach to stopping this crime. The expert consensus is that bystander intervention should be a major focus on our efforts. We have discovered that by teaching people how and when to act, we may be able to turn bystanders into actors. This bystander intervention approach, augmented by a powerful social messaging campaign, holds great promise. No sexual assault prevention effort has ever occurred on such a widespread level. We hope to provide a benchmark for the nation.

Our aggressive training and outreach program, coupled with the new reporting option, has sent an unmistakable message: The Department cares about its Active duty Service members. I believe our Service members are hearing us. After two full years of the new policy being in effect, we are seeing victims making both Restricted and Unrestricted reports and entering care. While we are saddened when even one sexual assault occurs, we see members use of the Restricted Report process as a very positive indicator of confidence in the program. We believe that these military members would never have sought this service had they not had the ability to select how and when to engage our support system.

***What is the future of Family Support?***

Along with the common stressors of daily living, there are stressors unique to military service – and the GWOT places new demands on every aspect of military life. From the anxieties of nation building in hostile environments to the significant number and length of family separations, the stress currently affecting the military has not been of this magnitude since the inception of the AVF.

The Department has made family support a priority and redesigned and boosted family support in a number of ways to recognize the crucial role families play in supporting Service members deployed worldwide. While outstanding support is provided through installation family centers, family and spousal support groups, and family assistance centers, we know more needs to be done. Looking to the future:

- We must address how the Department defines “family”
- We must build programs and resources to deliver family support to meet wartime levels of engagement to recognize the sacrifices families endure
- We must provide equitable family support programs and services for Reserve Component families
- We must reach out to the community to augment support programs to meet the needs of the military who live off the installation and Reserve Component families
- We must resource joint family programs to meet the needs of the total population to be served, regardless of Service and Component
- We must provide high quality support programs that Service members and their families can expect to receive, regardless of their location
- We must address the needs of special interest groups:
  - Severely injured Service members and their families
  - Family members of the deceased
  - Family members with special needs
  - Family members with incarcerated Service members
  - Extended family members who care for children of deployed single and dual military parents
  - Individual Augmentees, AGRs, IRRs, ROTC

- We must develop effective partnerships with federal, national, state, local, and private agencies to meet the needs of military members and their families regardless of where they reside
- We must synergize our efforts to build systems instead of silos. Our work will not be effective if it is done in a vacuum - it requires integration, collaboration and communication with all helping professionals – including a partnership with our clinical colleagues
- We must leverage technology to meet the communication needs of the “digital generation”

## **READINESS AND TRAINING**

### ***Improving Readiness Assessment and Reporting.***

Since 2000, the Department has fundamentally changed the way we view and assess readiness. We have come from an inflexible, Cold War approach which was based on the prescribed resources assigned to a unit. Our old view of readiness was a static analysis with known adversaries based on plans that changed little over the years. We assessed ourselves as ready against a stationery target.

Today, we have, for the first time, given the Department the ability to answer the question, "Ready for what?" We have worked with the Services, Joint Staff, Combatant Commands, and Combat Support Agencies to address the bureaucratic intransigence and opposition to reform cited by Congress to bring about a new readiness reporting system. Combatant Commanders now have a view of their resources and capabilities for assigned missions which did not exist before. Because the new Defense Readiness Reporting System (DRRS) allows the user to "drill down" to root causes impacting the ability to perform missions, it enjoys the support of commanders and the leadership of the joint community. DRRS is a major transformation, moving the focus of force managers from reporting and assessing unit resources to managing force capabilities. We continue to expand the concept of this readiness system through our work with the Department of Homeland Security to develop the National Preparedness System. This system will provide increased situational awareness and assist the Department to integrate and coordinate our response to domestic crisis. Development and implementation of DRRS will continue through 2009.

### ***Joint Training – The Engine of Force Transformation.***

The senior leadership of the department concluded just prior to 9/11, in the Quadrennial Defense Review, that while the Military Departments had established operationally proven processes and standards, it was clear that further advances in joint training and education were urgently needed to prepare for complex multinational and interagency operations in the future. Our ability to successfully defend our nation's interests relies heavily upon the Department's Total Force – its Active and Reserve military components, its civil servants, and its contractors – for its warfighting capability and capacity. The Total Force must be trained and educated to adapt to different joint operating environments, develop new skills and rebalance its capabilities and people if it is to remain prepared for the new challenges of an uncertain future. Our forces must be capable of adapting to rapidly changing situations, ill-defined threats, and a growing need to operate across a broad spectrum of asymmetric missions, to also include stability and support operations and disaster response.

Since 9/11 we have transformed DoD training (T2) to meet the national security needs of the 21st century. With your encouragement and direction we expanded the heretofore successful open, collaborative, transparent and incentivized business process to include a wider array of joint training programs through the Department-wide Combatant Commander Exercise and Engagement Training Transformation (CE2T2) initiative. We created three new joint training capabilities: Joint Knowledge Development and Distribution Capability (JKKDC - joint training and education for individuals), Joint National Training Capability (JNTC - joint unit and staff training), and Joint Assessment and Enabling Capability (JAEC – metrics development and assessments to answer the question are we truly transforming training). Collectively these joint capabilities have created a globally distributed and persistent ability to distribute and access knowledge, reach back for subject matter expertise, and immerse units, staffs and individuals in

to a live-virtual-constructive training environment that replicates the rigor and reality of real-world operations with ground truth, realism, a dedicated opponent and feedback prior to deployment.

Today the focus of joint training is on the deploying Joint force prior to deployment with robust mission rehearsals. Our goal is to ensure that no member of the deployed joint force will experience a joint task for the first time in combat. Lessons learned are garnered on a weekly basis with operational forward deployed commands sharing real-time subjects with stateside training counterparts at Service training centers and schoolhouses. Mission rehearsal exercises now routinely integrate Afghan, Iraqi and coalition partner personnel as participants, mentors and advisors. Cultural and language concerns and matters receive prominent consideration through role-playing. Intergovernmental and non-governmental and international organizations and personnel are habitually included in mission rehearsals.

Ten years ago the DoD had not harnessed the power of individual learning technologies. In great part this was due to the plethora of proprietary software or computing systems that did not allow the exchange of courseware in an interoperable manner. Another Service could not discover learning content developed by one Service for repurpose and reuse for its own needs. In effect, this lack of capability created an inefficient, duplicative and costly development cycle for learning content and courseware while precluding its global exchange.

Since 2001, in collaboration with academia and industry we have made great strides in expanding the Department's Advanced Distributed Learning (ADL) Initiative and the ADL Co-Laboratory System. The vision remains constant – to provide access to the highest quality education and training, tailored to individual needs, delivered cost effectively, anywhere and anytime. The ADL Initiative is recognized across the Department and federal agencies for

having developed the standards and guidelines that define, and are being used to develop, the technology-based global digital learning environment. ADL is a global movement, for example, in use by NATO, Partnership for Peace countries, the United Kingdom, Korea, Singapore, Norway, numerous federal agencies, and industry leaders such as Boeing, Chrysler, and FedEx/Kinko. ADL is the technology enabler of JKDDC. Available courses anywhere and anytime to members of the Armed Forces, interagency or international partners and to the general public grew from zero available courses to over 157 course to include, for example, Joint Antiterrorism Course, Global Command and Control System, Interagency Coordination, Contractors on the Battlefield, Pre-Deployment Cultural Awareness – Afghanistan, and Combating Trafficking in Persons.

We owe a debt of gratitude to the Congress for enacting legislation providing authority for the DoD to distribute to certain foreign military personnel education and training materials and information technology to enhance military interoperability with our allies and partners. I ask that the Congress support the Administration's proposed Building Global Partnerships Act. I ask that the Congress extend to permanent authority Section 1207 of the FY 2007 NDAA.

Another achievement is the designation of training as a Selective Key Performance Parameter in Defense systems acquisitions there by strengthening the process of training our Service men and women in the proper employment of new equipment in task performance, and educating commanders in the proper doctrinal application of the equipment in operations and combat.

***Range Sustainment – Training.***

Over the last ten years our existing training infrastructure, bases and ranges, have come under increasing pressure. Continued and assured access to high-quality test and training ranges and operating areas plays a critically important role in sustaining force readiness. However, the Department finds itself in growing competition with a broad range of interests for a diminishing supply of land, air and sea space and frequency spectrum that we use to test and train effectively. Exacerbating the encroachment challenge, the demands of the military mission are also very dynamic. The increased complexity and integration of training opportunities necessary to satisfy joint mission requirements, combined with the increasing testing and training battlespace needs of new weapons systems, evolving tactics and end-strength growth associated with force transformation, point to a military need for more, rather than less, range and operating area space. The confluence of these competing trends demonstrates a continuing challenge to preserving test and training flexibility and military readiness. Successful range sustainment clearly requires a comprehensive and continuing response.

Since 2001, the Department's Range Sustainment Integrated Product Team (IPT) has actively worked to mitigate encroachment impacts on readiness and coordinated OSD and Service efforts to ensure the long-term sustainability of military readiness and the resources entrusted to our care. Congressional action on selected DoD legislative clarifications, in conjunction with DoD policy and comprehensive planning initiatives, have provided increased mission flexibility, and at the same time have enabled improved environment management on DoD lands. The Department is increasingly working beyond our fence lines to engage with local, state, regional and national stakeholders to address shared interests and build effective partnerships both enhancing the environment and advancing range sustainment and the military mission.

## CIVILIAN PERSONNEL POLICIES

### *Human Capital Planning.*

The Department civilian strategic human capital planning focuses human capital investments on long-term issues. Guiding principles are continually reviewed and refreshed in the Department's Human Capital Strategic Plan (HCSP). Our 2006-2011 HCSP recognizes the need to refocus civilian force capabilities for the future – a civilian workforce with the attributes and capabilities to perform seamlessly in an environment of uncertainty and surprise, execute with a wartime sense of urgency, create tailored solutions to multiple complex challenges, build partnerships, shape choices, and plan rapidly.

Our HCSP is based upon the 2006 Quadrennial Defense Review (QDR) and the 2006 NDAA, and calls for an updated, integrated human capital strategy for the development of talent that is more consistent with 21<sup>st</sup> Century demands. The QDR and the Secretary's leadership and transformation requirements called for a human capital strategy that is competency-focused, performance based, and links compensation and rewards to individual employee performance. Our human capital strategy aims to ensure DoD has the right people, doing the right jobs, at the right time and place, and at the best value. The HCSP is delineated by a DoD enterprise-wide set of human resources goals and objectives that focus on leadership and knowledge management, workforce capabilities, and a mission-focused, results-oriented, high-performing, diverse workforce. These goals and objectives incorporate a competency-based occupational system, a performance-based management system, and enhanced opportunities for personal and professional growth. The Department's Civilian Human Capital Strategic Plan has four goals, which are helping to produce and maintain a future civilian workforce that is decisive, agile, and

integrated with the total force and is capable of supporting the warfighter in carrying out DoD's mission.

The Department's approach to workforce planning, a continuous process that ensures the right number of people in the right jobs at the right time, has become more deliberate and systematic with the publication of QDR 2006. I want to be clear on this point—the Department conducts workforce planning on both the military side and civilian side. However, on the civilian side, workforce planning has been done by each individual Component. The Department developed a new model for workforce planning that will provide both DoD-level workforce planning and component level workforce planning based upon the requirements of QDR 2006.

Now, I would provide some specifics about our new workforce planning efforts. QDR 2006 set the mission direction for reshaping the Defense enterprise for the 21<sup>st</sup> century, and required the new human capital strategy to be “competency-focused” and “performance-based.”<sup>1</sup> This section of my statement will discuss the Department's efforts to reorient its workforce planning to a “competency-focused” approach. Later sections will describe the Department's “performance-based” workforce planning approach.

Recognizing that each DoD component has a discrete mission with unique occupational series and occupational emphasis, the Department's strategy provides an overarching framework for the components to plan, identify and assess workforce requirements and to integrate their own workforce requirements. The strategy also provides for a set of core or common workforce planning requirements which will provide new foundational competencies for the civilian workforce, such as knowledge of joint matters, and enhance any Component mission. It is the combination of DoD and component workforce planning that will provide the Department with important information about its talent needs in the 21<sup>st</sup> century.

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<sup>1</sup> Quadrennial Defense Review Report, “Developing a 21<sup>st</sup> Century Total Force,” 2006, page 80.

The workforce planning strategy consists of the following elements which cascade from the Department-level to the component level:

Phase 1: Setting the Direction: Uses the QDR 2006, the CHSP, and other Component goals and objectives to identify the mission requirements for the next five years and beyond.

Phase 2: Identifying the core competencies for DoD Mission Critical Occupations. Uses surveys, focus groups, research, etc., to validate the essential workforce knowledge, skills, abilities, and behaviors required in the updated mission critical occupations.

Phase 3: Assessing the workforce talent against the Core DoD Mission Critical Competencies. Uses a gap analysis process to compare the current and desired state of workforce talent

Phase 4: Implement the Strategy across the employment lifecycle. Uses enterprise tools to bring the workforce plan to life and defines the measures/milestones to deliver the information, trains and equips the workforces, recruits and retains a workforce.

Phase 5: Monitor, Evaluate and Adjust. Uses performance measurement for ongoing evaluation and adjustments.

We are also working diligently to create and institutionalize a comprehensive competency management framework that can be used across the enterprise. To that end, we have established a multi-faceted component work group to develop common competency taxonomies, job analysis methodologies, workforce planning strategies and tools, competency gap assessment methodologies and common reporting requirements. Our goal is to have a number of these deliverables completed by the end of FY 2008, with the remaining completed during FY 2009.

While this strategic work of building an enterprise-wide competency approach evolves, the Department, and its components and Defense Agencies are addressing immediate competency requirements for those occupations which will be the key to meeting future mission requirements. Thus far, enterprise-wide competency/skill gap assessments have been conducted on the following occupations: human resources; information technology; civil engineers; pharmacists; logistics; and contracts. Additionally, the Department of the Army has completed a full competency gap assessment for 75 of its occupations, starting with its mission critical occupations, and plans on the completion of a full competency gap assessment for 157 of its occupations by the end of FY 2008.

The Department of the Navy (DON) is approaching its competency gap assessment initiative from a total force perspective. Under the leadership of the Assistant Secretary of the Navy (Manpower & Reserve Affairs), the DON is embarking on an aggressive, comprehensive approach that will identify key competencies for critical positions, along with career roadmaps for competency development for those competencies for which gaps have been identified. The Air Force is also conducting competency gap analyses for both those competencies which are institutional, i.e., behavioral competencies that should be present across the enterprise, and those that are technical or functional for their mission critical occupations. Similarly, the Defense Agencies are also conducting competency gap analyses for their mission critical occupations, as is evidenced by the efforts of the Defense Finance and Accounting Service, the Defense Information Systems Agency, and the Defense Logistics Agency.

With the development of an enterprise approach to competency management underway and the conduct of competency assessments ongoing, the Department is now embarking on how best to forecast its future workforce needs. We have formed a work group of component subject

matter experts to develop a Department approach to workload/workforce projections and succession planning, and to gather information on those workload projections initiatives already underway to leverage best practices. We will also discuss with the VA and the Social Security Administration the methodologies they are using to determine their applicability to the Department's needs.

Many efforts are underway within the Department to ensure we have a healthy pipeline in place. We are using a variety of recruitment and compensation programs to meet our talent needs and develop the skills needed for the future. These include intern and career development programs, student employment programs, recruitment at job fairs with diverse candidates, and establishing liaisons with professional organizations to leverage their candidate pools. There are also numerous fellowship and scholarship programs in operation throughout the Department, providing us a pipeline for those positions deemed critical. Two such examples are the National Security Education Program (NSEP), through which the Department grants scholarships in the study of language and cultures in return for service, which are especially important to the Department as it conducts its Stability/Reconstruction efforts throughout the world; and the SMART (Science, Mathematics and Research for Transformation) Program, through which the Department assists students with tuition in the Science, Technology, Engineering and Mathematics arena in return for service, ensuring we keep our edge in these most vital of career fields.

Pipeline/succession planning efforts also include a wide array of education and training, and professional development programs, such as the: Army Fellows Program, Training-With-Industry, Army Comptrollership Program, Graduate Cost Analysis Program, DoD Professional Enhancement Program, Logistics and Acquisition Management Program, Logistics Executive

Development Program and the DoD Professional Enhancement Program. This is not an all inclusive list but provides a flavor of the type of education and training the Department provides to ensure it has the current and future talent it needs.

The Department is also exploring new recruitment methodologies, such as "Boutique Recruiting," which was successfully used to recruit and hire large numbers of positions in the medical arena, to include pharmacists, one our mission-critical occupations. This is in addition to the more standard recruitment sources, such as Federal Career Interns and veterans.

We are also looking at the Department's compensation systems to ensure all needed compensation strategies are available to our managers to recruit and retain the talent needed. We are in process of developing a new "Hybrid" compensation plan for our doctors and dentists that will leverage the best of Title 5 and Title 38 hiring flexibilities. By so doing, we will be able to remain competitive in reaching and keeping those critical medical skills. We also recently obtained approval from the Office of Personnel Management (OPM) to offer retention incentives for moves within the Federal government for mission critical personnel at BRAC bases. This new compensation flexibility will enable us to retain needed skills as we deploy the current BRAC recommendations. These compensation flexibilities are in addition to those currently in use, such as student loan repayment, special salary rates; recruitment, retention and relocation incentives, and the flexibilities offered by the National Security Personnel System (NSPS) compensation system.

As evidenced in the last several years, Department of Defense civilian employees continue to support the GWOT at home and on the front-lines to help build democracies in Afghanistan and Iraq. Just as agile military forces are needed to meet a mission characterized by

irregular, catastrophic and disruptive challenges, the Department needs agile and decisive support from our DoD civilians. It is only through the integration of DoD civilian employees that we can realize the potential of a Total Force. The Department's civilian employees are a critical component as DoD works with the various other Federal agencies, including the Department of State to place expanded Provincial Reconstruction Teams in Iraq and staff the new formed AFRICOM.

At the same time, it is important to ensure that benefits remain balanced and commensurate with the commitments we are requesting of our DoD civilians. In that lane, I want to thank the Congress for reauthorizing the authority to waive the annual limitation on total compensation paid to Federal employees working overseas under the auspice of the CENTCOM and for enacting the a death gratuity of \$100K for those brave Federal civilians who die of injuries incurred in connection with their service in support of a military contingency operation

Additionally, the NSPS improves the way the Department compensates and rewards its civilian employees covered by NSPS and provides a performance management system that aligns performance objectives with DoD's mission and strategic goals. To date, the Department has converted 135,000 employees under NSPS with another 75,000 slated for conversion in FY 2008. .

### ***Acquiring, Developing, and Retaining Civilians.***

The Department's civilian workforce supports DoD's national security and military missions. Technological advances, contract oversight, and complex missions have generated the need for more employees with advanced education and more sophisticated technical skills.

Additionally, there must be a very active campaign to recruit, train, and develop a diverse workforce. We take seriously the responsibility to foster and promote an environment that is attractive to individuals from all segments of society.

The Department is committed to providing disabled veterans who want to serve our country as DoD or Federal civil servant the opportunity to do so. The Hiring Heroes campaign demonstrates this commitment. The Hiring Heroes job fairs concept is a collaborative initiative to inform and educate our wounded Service members on the various employment opportunities available to them within the Department and private sector after they complete their military service. Generally lasting two days, the job fairs offer Service members an opportunity to attend technical workshops covering a variety of topics such as resume writing, job interview skills, dressing for success, and learning about social security and veterans' benefits. Additionally, the job fairs also provide a unique opportunity for wounded Service members to meet with potential employers, veterans' organizations and government agencies. Over 50 organizations usually attend the job fairs.

Through the Hiring Heroes campaign, we offer wounded Service members the opportunity to find new careers, as DoD civilian employees, in over 700 diverse, challenging, and rewarding occupations. Since 2005, the Department has hosted 13 Hiring Heroes career fairs at various major medical facilities including Walter Reed, Madigan Army Medical Center, Balboa Naval Hospital and Brooke Army Medical Center. Five more Hiring Heroes are scheduled between March and September 2008. Additionally, we maintain the Defense website specifically designed for our disabled veterans—[www.DoDVETS.com](http://www.DoDVETS.com). This web portal serves as a resource of employment information for veterans, their spouses, and managers. Through our efforts, many Service members have been offered positions at various DoD and Federal

agencies, but more important, they have been exposed to a network of both DoD and Federal recruiters dedicated to helping them transition back to productive employment where and when they are ready. We continue work with other Federal agencies, including the VA and the Department of Labor, to provide job training, counseling, and reemployment services to seriously injured or wounded veterans.

We have dedicated an office within the Department to help us transform the way we attract and hire talented civilian employees. Under its lead, we have developed a comprehensive outreach program with colleges, universities and professional and heritage associations, reenergized our branding and marketing materials, and revamped our website to align with the interests of those whom we are trying to attract. Our nationwide recruitment campaign takes us to college and university campuses where we personally invite talented individuals to serve the Department. Since the fourth quarter of FY 2007 through the end of February 2008, our DoD recruiters made 50 recruitment visits. An additional 25 visits are planned through FY 2008, budget permitting. In one of these visits alone, the Department made 60 job offers to engineering students, primarily of Hispanic origin. Efforts such as these help ensure the Department has the diverse, talented workforce it needs to meet the challenges of the 21<sup>st</sup> Century.

The Department launched another innovative program in FY 2007, known as the DoD Student Training Academic Recruitment (STAR) program. Under this program, DoD has hired four honors-level student who are responsible for developing and executing a marketing plan, through which students with academic studies match DoD mission critical skills are made aware of and are encouraged to consider employment with the Department. We continue to leverage technology including, importantly, the Internet, to educate and interest talent from a variety of

sources. Our website showcases vignettes of current Department employees who discuss their work and the satisfaction they realize from it, as well as the benefits of working for the Department. We believe these testimonials will further our efforts to have the Department viewed as an "Employer of Choice". In addition, we routinely sponsor live web chats with DoD career functional managers who can answer questions from potential employees about working for DoD as well as provide them with the tools they need to successfully apply for DoD jobs.

Our outreach is not only to those young men and women who are about to graduate from college. In recognition of the OPM's Career Patterns initiative, in which recruitment strategies are developed to target candidate sources in entry, mid and senior points of their careers, we are collaborating with the Partnership for Public Service (PPS) in a pilot program to reach retirees from the corporate world who are looking for challenging work and the opportunity to share their knowledge and talent, while serving the public good. PPS has established the initial pilot with retirees from IBM. Within the DoD, we will be working with PPS and IBM to identify possible placement opportunities in the acquisition community. Although the pilot is in its infancy stage, we are hopeful it may produce yet another source of diversified, qualified talent to fill some of the most critical positions in the Department.

The "Career Patterns" initiative also suggests that the use of different work life dimensions will enhance the success of recruitment efforts. To that end, the Department continues its analysis of our workforce to identify the recruitment strategies that will engender the talent we need for the 21<sup>st</sup> Century.

We have paid special attention this year on improving recruitment and retention strategies for our health care practitioners, especially those caring for our wounded warriors. I'd like to thank you for providing us additional direct hire authority for both our medical and mental health

care practitioners. Through this authority, we will be able to compete more readily with our private sector counterparts and more expeditiously hire the critical care givers we so urgently need. Coupled with this direct hiring authority, we have developed some innovative, enterprise-wide recruitment approaches, gleaned from literature research and industry best practices, to further enable us to recruit the numbers and quality of candidates we need. We have also structured some new salary schedules to enable us to remain competitive in some of our more critical occupational needs, such as nurses and professors at our Health University. Although medical recruitment is a challenge across the Nation, both in the public and private sector, you can be assured we are using a variety of innovative recruitment and compensation approaches to meet this challenge as aggressively as possible. Our wounded warriors deserve no less.

As the Chair of the Federal Chief Human Capital Officer's Subcommittee for Hiring and Succession Planning, I personally work with a number of other Federal agencies and the OPM to streamline and improve the Federal hiring process. The Subcommittee has made a number of recommendations, the benefits of which we hope to see over the next several years.

Additionally, over the next coming months, my Subcommittee will be working closely with OPM on a new project entitled, "Improve the Federal Hiring Experience," which will explore new recruitment methodologies, and strategies for improving end-to-end recruitment cycle time and candidate quality.

While recruiting and supporting the civilian workforce which we need to meet our mission demands, we are also cognizant of our need to support our military families. At the direction of the President in his State of the Union Address, we are pursuing strategies to support the spouses of our Active duty military. We are exploring three approaches to meeting the President's request. When taken together, these three approaches will address the hiring, training

and career portability requirements that are the key to keeping spouses employed as they accompany their military husbands/wives to their different posts of duty.

The first approach is a non-competitive appointing authority for military spouses, which would allow an agency in the Executive Branch to noncompetitively appoint to the competitive service a spouse of an Active duty military member. Such an authority would facilitate the hiring of spouses into Federal positions and would provide a vehicle for spouses to access Federal employment upon completion of training under the Career Advancement Account Program, which together with the Department of Labor, we began piloting in January 2008. The Department is working jointly with OPM in developing legislation that we hope to submit to you very shortly for your consideration. In recognition of the benefits such an appointing authority would engender, I hope it will receive your favorable attention and action.

The second initiative would assist spouses in obtaining Federal positions that provide training for advancement into journey positions, i.e., a military spouse federal intern program. Under this program, the DoD would fund the salary and benefits of a set number of military spouses as they participate in the career intern programs of other Federal Agencies. The spouse would be permanently employed at the host Federal Agency, but first year costs would be borne by DoD. We believe such a program will encourage other Federal Agencies to hire military spouses into their intern programs, thereby giving the military spouse the ability to gain experience and training in a portable career field.

The third initiative being explored is the expansion of the current DoD Military Spouse Preference Program throughout the Federal government. This program facilitates spouses being able to maintain their careers as they accompany their sponsors to new posts of duty, by affording them preference for vacant positions for which they are considered well qualified. The

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### ***World Class Leaders.***

Our HCSP ensures the continuity of world class, civilian leaders who are fully capable of leading DoD's efforts within a larger national security context. To meet this goal, the Department launched an initiative aimed at the deliberate identification, development, management, and sustainment of senior executive leadership for the Department's 21<sup>st</sup> Century requirements. This effort will expand the current, enduring executive leadership competencies to include knowledge of joint matters and building an enterprise-wide perspective acquired through a portfolio of diverse experiences. The definition of "joint matters" expands beyond that prescribed in Goldwater-Nicholas Act to recognize the realities of today's multinational and interagency operating environment. Further, cultural awareness and regional expertise are part of the required core competencies. In the conflicts and wars faced by the Department, cultural awareness, language and regional expertise become key skills needed by every leader.

To build a qualified and talented pipeline to sustain leadership continuity, the HCSP provides for the identification and closing of leadership competency gaps and strengthening of the talent pipeline to ensure continuity of diverse and capable leaders. To ensure the deliberate development of our current and future leaders, we are instituting a new joint civilian leader development system that will have at its core a future-focused framework of competencies based on the OPM Executive Core Qualifications, but strengthened with the DoD-unique requirements

that will enable the Department to accomplish its national security mission in today's complex environment and beyond.

Our DoD joint civilian leader development framework is designed to produce world-class leaders with an enterprise-wide perspective for leadership positions across the continuum from entry to executive level. It will be implemented across the Department later this year, upon completion of our on-going work to formally validate the Defense-unique competencies, define proficiency benchmarks, and identify targeted proficiency levels needed for successful performance at successive leadership levels. This year, we will also complete the initial assessment of the proficiency of our current leadership cadre against the new competency framework. This baseline analysis will identify any systemic competency gaps, and guide future leader development initiatives as needed to close those gaps.

Building upon existing programs, the framework ultimately will include a series of DoD-sponsored courses, programs and other learning opportunities, designed to meet the specific competency requirements of the civilian Defense leader. These opportunities will serve as retention incentives for high performing DoD employees and will also support DoD initiatives to increase diversity in the senior ranks.

Two highly competitive DoD-wide leader development programs are key building blocks of the new leader development framework. The Executive Leadership Development Program (ELDP) and the Defense Leadership and Management Program (DLAMP) have been thoroughly reviewed for alignment to the competency framework. ELDP, with over 20 years of success, will remain as the premier program for high potential mid-level leaders. ELDP provides participants with an extensive exposure to the roles and missions of the entire Department and an increased understanding and appreciation of today's warfighter. The curriculum features

immersion weeks of hands-on experiential training with each of the military services, an overseas command, a unified command, and the National Guard; and topical seminars.

Our review of DLAMP against the framework resulted in the decision to significantly restructure and rename the premier program for high potential senior civilian leaders.

Accordingly, the new Defense Senior Leader Development Program (DSLDP) will be fully developed this year and will admit its first class in early FY 2009. Complementing component leader development efforts, DSLDP will focus on strengthening individuals' enterprise-wide perspective, through a robust program of professional military education, targeted developmental assignments, and Defense-focused leadership seminars, designed to ensure application of critical leader competencies in the joint environment. The transition DSLDP will be complete by the end of FY 2010. Workforce analysis and modeling tools will further ensure the Department's leadership succession plan and strategy is sound, future-focused, and adaptive to mission requirements. We are confident that ensuring alignment of our programs with the DoD-wide competency model and best practices in private and public sector leader development will further position us for strong civilian leadership in the decades ahead.

***Senior Executive Service Pay for Performance.***

The FY 2004 NDAA established a new performance-based pay system for members of the Senior Executive Service (SES). OPM approved the design of DoD's performance management system on April 1, 2005 and on October 9, 2007, fully certified the system for calendar years 2007 and 2008. This relatively new performance system is a critical tool in building a results-oriented performance culture within the Department.

The system expects excellence in senior executive performance, links individual performance with the DoD's strategic goals and priorities, sets and communicates individual and organizational goals and expectations, systematically appraises executives using measures that balance organizational results with customer, employee, and other perspectives, and uses the performance results as a basis for pay and performance rewards.

DoD strengthened performance management training to help build a performance management culture - one with rigorous performance requirements, greater accountability, and deliberate focus on results. The training has focused on the five stages of the federal performance evaluation process, planning, monitoring, developing, appraising, and rewarding.

The Department also strengthened the alignment of individual performance plans to DoD-wide goals. For the second year, the Secretary of Defense issued DoD's top organizational priorities for the performance year. These priorities then are embedded in each component's strategic plans and translated to specific, measurable, and results-oriented performance requirements for executives. Annually, the Department issues an organizational assessment, which supplements that which may be issued by individual components, to help inform executive rating decisions.

The Department performed its first longitudinal study of the performance management system upon completion of the 2006-2007 performance cycles to determine the impact of the performance management system on building a high performing, results-oriented performance culture in DoD over time. Additionally, the Department implemented a common "Tier Structure" for its SES members. The tier structure establishes common pay ranges and associated business rules to support transparency and comparability in executive position and compensation management.

### ***International Workforce Programs.***

The Department recently reviewed the foreign national (FN) human resources program, which covers over 70,000 workers in some 22 countries to ensure alignment with the Department's 21<sup>st</sup> Century requirements. The Department employs the FN workforce under various laws, treaties, and international agreements, host nation labor policies and labor union contracts. The current FN human resources policies have evolved over many decades. It has been over twenty years since there was a comprehensive review of the FN human resources program. To launch the review, the Department hosted a worldwide conference of U.S. and FN human resources personnel. They offered enlightened thinking and a set of recommendations to help refine the current FN human resources program. The Department is considering these recommendations.

The Department continues to be engaged in establishing Status of Forces Agreements (SOFAs) with new NATO partners, such as Romania, Poland, Bulgaria, and the Czech Republic. As part of these SOFAs, the Department has developed a new framework for FN employment which will ensure a ready, capable and agile FN workforce.

### ***Pipeline Reemployment Program.***

The Pipeline Reemployment program enables partially recovered employees with job related injuries and illnesses to return to work. The program supports the President's Safety, Health, and Return-to-Employment (SHARE) initiatives by assisting each Department installation in reducing lost days resulting from injuries. Department of Defense organizations will have resources and funding to reemploy partially recovered injured employees for up to one

year. Returning injured employees to suitable productive duty, as soon as they are able, improves that employee's sense of value to the organization while minimizing the cost of workers' compensation disability payments. To date, the Pipeline program has returned 500 employees to productive positions; 91 employees refused valid job offers and were removed from compensation rolls. This saves the Department approximately \$427.5 million in lifetime cost charges.

In addition to bringing employees back to work, we are striving to improve injury compensation program management across the Department. We have embarked on a program to renew the skills of our field personnel through the development of a comprehensive e-learning curriculum, which provides program managers a thorough knowledge base from which to manage their programs. Additionally, we are collecting the best practices of our field personnel, especially in regard to case management with the Department of Labor, and will be instituting those practices across the enterprise. By so doing, we hope to further reduce costs that the Department may be accruing.

### ***Civilian Force Shaping.***

A number of initiatives influence the size and shape of the Department's civilian workforce. The most significant are upcoming BRAC actions, global repositioning of deployed military and civilians, competitive sourcing, and military-to-civilian conversions. The Department of Defense is committed to providing comprehensive transition tools and programs to assist our valued employees and their families as these force shaping initiatives are implemented.

Since the first BRAC round in 1988, the Department has reduced the civilian workforce by more than 400,000, with less than 10% of that number involuntarily separated. To mitigate the impact of these force shaping initiatives on our civilians, the Department has aggressively sought and obtained authority for several essential transition tools assuring that drawdowns or reorganizations are handled in the most efficient and humane manner possible, while ensuring we have the talent needed to effectively continue Department operations. Employees adversely affected by BRAC may be offered the opportunity to separate voluntarily under the Voluntary Early Retirement Authority or the Voluntary Separation Incentive Payment program, or both. Involuntarily separated employees are also eligible for a number of post-separation benefits and entitlements, including: temporary continuation of health insurance for 18 months with the Department paying the employer portion of the premium, severance pay with a lump-sum payment option, and, unemployment compensation.

The Department will implement legislative changes, as directed by section 1109 of the FY 2008 NDAA to assist employees affected by these actions in transitioning to other positions, careers, or to private employment. We are continuing to establish and foster employment partnerships with Federal agencies, State, county and local governments, trade and professional organizations, local Chambers of Commerce, and private industry. For example, DoD is partnering with the Department of Labor to provide BRAC installations outplacement assistance under their Workforce Investment System (WIS). The WIS consists of over 3,000 State One-Stop Career Centers prepared to offer assistance such as retraining, career counseling, testing, and job placement assistance.

***Emergency Planning.***

We have taken great strides to ensure we have plans in place to continue our operations and safeguard our employees in times of crisis. Significant planning has gone into Pandemic Influenza preparedness. We have developed a human resources practitioner guide for use by managers and human resource practitioners in planning for, and executing actions during emergencies, which include nuclear, chemical and biological attacks, and natural disasters, as well as a resource practitioner guide for use during a pandemic crisis. We have supported this guide with exercise criteria to assess our plans and refine them as needed. We conducted a three-day Pandemic Influenza exercise within the OSD Personnel and Readiness organization. The purpose of the exercise was to assess our ability to carry on essential work, in light of an assumed 40% pandemic absenteeism rate, and our ability to "socially distance" while in the Pentagon, a key strategy for pandemic influenza avoidance. The exercise was extremely valuable in assessing our preparedness and indicating those areas on which additional preparations may be needed. The lessons learned from our exercise have been shared throughout the Department, as well as with our Federal Agency colleagues. We continue to work on our information technology preparedness to ensure essential work will be able to be performed in case a pandemic influenza should occur.

## CONCLUSION

The health of our All-Volunteer Force is best measured by the opinions of its members. Eighty percent of Active duty members believe they are personally prepared, and two-thirds believe their unit is prepared, for their wartime jobs. These views have held steady from the start of OIF (March 2003) through the latest survey (August 2007). Although deployments can place a strain on Service members and their families, two-thirds of members deployed since the start of OIF indicated that access to the Internet and e-mail while away have greatly improved their quality of life. In terms of compensation, more than two-thirds of Service members reported being financially comfortable in April 2007, and four-fifths indicated saving a portion of their household income. In August 2007, more than two-thirds of Service members were satisfied with their medical (69%) and dental (76%) benefits. Overall, in August 2007, 56% of Service members indicated they are likely to stay on Active duty. Based on research using prior surveys, 90% of Service members who indicate they are likely to stay actually do stay. Therefore, we feel confident that almost three-fifths of our current Active duty force will stay in the military.

After declining retention improved between May 2003 and November 2004, Reserve retention intentions have stabilized and are currently at 69%. Reports of family support to stay in the National Guard/Reserve have also stabilized. The June 2007 survey indicates that approximately two-thirds of members say they have not been away longer than expected; average nights away actually decreased from June 2006. Results from this survey also show that roughly three-quarters of Reservists working for employers consider them to be supportive of their military obligations. Where employment problems have occurred and Reservists have sought assistance, roughly two-thirds turned to Employer Support of the Guard and Reserve

(ESGR). Of those who contacted ESGR, 62% reported they were satisfied with the manner in which their request for assistance was handled.

In the past year, we also fielded special surveys to spouses so we could fully understand the impact of deployments on the family. Results indicate that 61% of Active duty spouses and 75% of Reserve spouses support their husband or wife staying in the military. These results are encouraging, as spouses' reports of their support are even higher than members' assessments of spouse support. We plan to continue fielding regular surveys of spouses to better understand the issues facing today's military families.

We continue to have a dynamic, energetic, adaptable all volunteer Total Force. With your help we are confident we can sustain that Total Force. These volunteers have performed magnificently under the most arduous and perilous of circumstances. They have not failed us; we must not fail them.