

**THE COMMISSION ON  
THE NATIONAL GUARD AND RESERVES**

**HEARING ON PROPOSED CHANGES TO  
THE NATIONAL GUARD**

**DECEMBER 13-14, 2006**

**PANEL 1 – DECEMBER 13, 2006, 8:00 AM**

**WITNESSES:**

**DR. DAVID CHU, UNDER SECRETARY OF DEFENSE  
FOR PERSONNEL AND READINESS**

**THOMAS F. HALL, ASSISTANT SECRETARY OF DEFENSE  
FOR RESERVE AFFAIRS**

**GEORGE W. FORESMAN,  
UNDER SECRETARY FOR PREPAREDNESS,  
DEPARTMENT OF HOMELAND SECURITY**

*Transcript by:  
Federal News Service  
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ARNOLD PUNARO: Okay. Are you ready to get started? Anytime. Thank you. The commission will come to order. Welcome to the 7<sup>th</sup> set of public hearings of the Independent Commission on the National Guard and Reserve. At the outset of today's hearing I want to note that today, December 13<sup>th</sup>, is the 370<sup>th</sup> birthday of the National Guard. And we're mindful of the tremendous contribution of the National Guard these past 370 years, but particularly of the men and women in the Guard and their families that have supported them through the years, so to all members of the National Guard, but particularly to our two commissioners, Gordon Stump and Larry Eckles, who served with such distinction in the National Guard, happy birthday to each and everyone of them.

The commission is chartered by Congress to identify and recommend changes in law and policy to ensure that the National Guard and Reserve are task-organized, trained, equipment-compensated and supported to best meet the national security requirements of the nation now and in the future. Congress further expanded the commission's charter in section 5.29 of the National Defense Authorization Act for fiscal year 2007 directing the commission to report on, not later than March 1<sup>st</sup>, 2007, on the advisability and feasibility of implementing the provisions of S2658 and HR5200, the proposed titled, quote, "National Defense Enhancement and National Guard Empowerment Act of 2006," end quote.

This legislation would increase the responsibilities of the National Guard Bureau within the Department of Defense, make the chief of the National Guard Bureau a member of the Joint Chiefs of Staff, expand the role of the chief of the National Guard Bureau and increase the rank of the chief to four star general, give the National Guard Bureau more influence in the Pentagon's planning, programming and budgeting process, and create a separate budget for National Guard training and equipment for civil support programs and activities, and elevate the role of the National Guard Bureau in responding to domestic crises.

These are the major provisions that – the law required us to comment on 15 separate different provisions, so we're going to cover all of those as well as these.

As you can tell from the description, the proposed National Guard Empowerment Act is a complex and multifaceted piece of legislation that evokes strong feelings from supporters as well as people that may not be in favor of it. In fulfilling its new mandate, the commission is seeking information from a broad spectrum of witnesses in order to get as complete an understanding as possible of the pros and cons of each provision of the bill. Today and tomorrow, we will hear from senior leadership within the Department of Defense, the Department of Homeland Security, the Department of the Army, and the Department of the Air Force, and from a panel of proponents of the legislation. We asked the congressional sponsors of the legislation in the House and the Senate who

could best represent their position on the legislation. Those individuals were invited, and they will testify tomorrow afternoon.

I should note parenthetically, because many others, including our witnesses, have been participants in the legislative process over a very, very long period of time in many different administrations – and I just want to say for the record the sponsors of the legislation they're – the chief sponsors Senators Bond and Leahy in the Senate with many, many co-sponsors, and Congressman Tom Davis and Congressman Gene Taylor in the House with many, many co-sponsors. These are not fair-weather friends of the Guard and Reserve. These are longtime supporters of the Guard and Reserve; these are individuals that have always been strong supporters of the Pentagon. I would say that a lot of the success the Guard and Reserve is having today in the operational context can be traced back to things that their supporters in Congress put in place five, 10, 15 even 20 years ago to ensure that the people would have the proper equipment, training, et cetera, and because so many times when people have different views on legislation they try to basically look at people's motivation and say, why would they be doing this? Well, the proponents of this legislation are among the strongest supporters of the Department of Defense, just as are the people that sponsored the Goldwater-Nichols legislation back in the mid '80s, another piece of legislation the department was pretty strongly opposed to at the time, and today they would tell us it's one of the best pieces of legislation the Congress ever passed.

I don't make that to say what the commission's views of the legislation are, I just think it's important for us to always maintain a perspective. And people can differ on provisions and differ on process of legislation, but that doesn't mean that everybody's not motivated by the same instinct to have a strong national defense.

So while we're firming up the witness list for the commission's second National Guard Empowerment Act hearing in January – we're going to have another hearing in January. We expect to hear from the chairman of the Joint Chiefs of Staff or his designee, the secretary of the Army, and the chief of the National Guard Bureau, General Blum. General Blum, I invited him to testify here in December, but schedules didn't work out so he's going to be testifying in January. I would say to you that he has answered a series of written interrogatories the commission sent to General Blum and he sent us a very, very thoughtful response, and I'd like to enter that without objection – his response of November 30, 2006 into the record at this point.

In seeking to give the chief of the National Guard Bureau a larger voice in decision-making and resource allocation within the Pentagon, this legislation would alter a number of existing relationships in DOD, the Joint Staff and the services, and, frankly, probably in the interagency process as well. Before making any recommendations, the commission wants and needs to fully understand those ramifications from the perspective of each stakeholder. We also need guidance from our witness on the broader strategic framework they believe should inform our decisions. Only then do I think we will have the proper foundation to make recommendations to the Congress. And of course as a commission, there's nothing self-implementing about a commission. We make

recommendations to the Congress and the Department of Defense and they take it from there.

Dr. Chu and Secretary Hall, we asked you as representatives of the secretary of Defense to give us your candid analysis, as you always have, of this legislative proposal. We also ask that where possible, if you have alternative approaches, that you would suggest to solve what you see as some of the problems in need of solutions.

To give you only a few examples of some of the tough questions: Is there a need to create a joint activity to coordinate the role of the non-federalized National Guard forces in domestic crises, and is the National Guard Bureau the appropriate entity to fill that role? Are there ways to provide high visibility for National Guard training and equipment for civil support programs in the Pentagon's planning, programming and budgeting process?

Dr. Chu and Secretary Hall, one of the things that we have not been able to get our hands on, and we've talked to a lot of folks and had a lot of hearings, and that is – and I'm scratching my head: Who sets the requirements? Who is setting the requirements in these areas? And I know a number of our commissioners – we can't figure out who it is, to be candid about it. And maybe it's everybody, maybe it's nobody, but there doesn't seem to be a good handle on who is supposed to be identifying what is needed for these missions and how does it get into the budget? And so we'll have some questions for you on that.

Should the National Guard Bureau, for example, participate in the Joint Requirements Oversight Council, the JROC processes, on behalf of the Homeland Security civil support capability that's so critical for the future, and should that be formalized? Are there ways to improve the dialogue among DOD, the National Guard, NORTHCOM and the nation's governors, and with DHS? Does DOD plan to take a proactive role in addressing the questions that S2658 and HR5200 seek to address?

So Secretary Chu and Secretary Hall, I want to again welcome you this morning for your second appearance before the commission. We look forward to your testimony. Both of you have tremendous experience in this area, not just in your current jobs, but in past jobs, and have been at the central part of the Pentagon in dealing with every one of these issues here for a long period of time. And I think we should also recognize and say that the 500-or-so-thousand guard and reserve personnel – I believe somewhere in the neighborhood – that have been called up by most accounts, not, say, by 98 percent – 99 have performed magnificently. So independent of all the things we're looking at in this prospective legislation, we shouldn't take that as a critical commentary on the performance of our men and women in uniform and the families and employees that support them.

So without objection, your prepared statements will be put in the record, and we look forward to your testimony. And thank you for coming early in the morning. I know you've got a lot going on back at the Pentagon with the outgoing secretary of Defense

and the incoming secretary of Defense, so we really appreciate you giving us a little bit of your valuable time here this morning.

Dr. Chu.

DAVID CHU: Thank you, Mr. Chairman, members of the commission. It's a privilege to appear before you this morning. Tom Hall and I have a combined statement that I hope you would accept for the record that lays out our views on the various provisions of the two bills that are the focus of this morning's hearings.

MR. PUNARO: Without objection.

MR. CHU: Let me, if I may, summarize our perspective on behalf of department about those provisions.

The department has looked at these provisions carefully. We have studied them. We have analyzed them in light of the issues that exist regarding the management of the nation's military forces. The bottom line is the department does not, let me underscore, does not support the provisions in these two bills. And let me outline two of the three reasons for our opposition and then ask Secretary Hall, who has both current responsibilities and past experience as a commander in the Reserve regarding these issues, to speak to the third.

I think the first reason that we oppose these provisions is that it would change, in our judgment in an adverse way, the responsibilities the nation has entrusted to the three military departments to organize, train and equip military forces, the so-called Title 10 responsibilities. Our belief is that the provisions of this bill would confuse the lines of authority and lines of responsibility for these decisions; that is, that they're not helpful in creating the kind of forces the country ought to have for the future. And I do think that is ultimately the question in front of the commission: Who should perform what role within the Department of Defense? What is the role of the National Guard Bureau versus other actors in the department? We see these provisions as vulcanizing the department, dividing the department rather than unifying its efforts.

The second reason for our concern with the provisions of the two bills is that it does not, in our judgment, respond really to the types of problems that Chairman Punaro outlined in his opening statement, the problems the department has identified as issues that we must confront. So these are solutions, but they are not well tied, in our judgment, to statements of the problem, and therefore we think they are likely to cause adverse, if unintended, consequences in the management of the nation's military establishment.

The commission asked us also to look at several other issues. I do want to comment on one specifically because it is an issue in which the department has supported a change in the current statute, and that is the provision that was in the House version of the 2007 National Defense Authorization Act. That received approval in the final conference report, however, but a provision that would clarify the status of a National

Guard officer serving under Title 10, who has been authorized to retain his state commission, to make clear that he or she can exercise command authority over Title 10 forces as well as Title 32 forces. We do think this would be a helpful provision as we seek to have all elements of military power brought to bear in response to the challenges the country faces both at home and in the area in which we live.

If I might, I'd like to turn very briefly to Secretary Hall, who I think would describe a third reason that we are not supportive of the provisions of these two bills.

THOMAS HALL: Thank you, Dr. Chu. And, Mr. Chairman, members of the commission, it's good to be with you again. I think you're absolutely the right group to take this task on. I'm confident that when you pronounce upon this, your work will be very important to the future of the Guard and the Reserve, and I look forward to that.

Two issues, really, to me are dominant in this end. It is the issue of intended consequences and unintended consequences. Throughout my time on active duty, in particular in commanding one of these reserve components for four years, I was constantly enjoined with one principle and told along the way, this is the goal of the Guard, Reserve, active duty administration, and that is to better integrate and to bring together the components into one Army, one Air Force, one Navy, one Marine Corps.

And we worked diligently to look at the Army and the Air Force in particular, and say, we don't have a separate Reserve, we don't have a separate Air Guard, we don't have a separate Air Force. They are one force. They programmed their resources together, they buy their equipment together, their training standards, and if we get away from putting together those forces, it will have unintended consequences. And to me, in a way, part of the unintended consequence of this bill would be to reverse that process, now to have a fracture of authority. Who would program for the Air Force Reserve equipment? Who would program for the Air Guard equipment? Who would program for the active Air Force? Would that equipment be compatible? Would it be purchased at the same time?

So when you give separate authorities the opportunity to program and control different resources – in my experience, I ran into problems with the Naval Reserve. We didn't end with compatible equipment unless we programmed it together. So I think we have to worry about that.

The second point is I worry that an unintended consequence of this is to put a myopic view on the Guard. The Guard is extremely important. And as the chairman said, they perform magnificently. They are two of the 10 components – two if you count the active duty. The four reserve components have the same issues – the Naval Reserve, Air Force Reserve, Marine Corps Reserve, Coast Guard Reserve, Army Reserve – so they are not addressed in this. And so one of the unintended consequences is to view just the Guard and their equipment, but what about the reserve components? And I believe we have it right, and it ought to be the Army and the Air Force to control them.

And finally, I have read the charter of the National Guard Bureau carefully. I know you have. I read it three or four times, and I've looked at all provisions currently of the charter, as it exists, as a joint bureau of the Air Force and Army, and I've asked myself, what is wrong with the charter? Does it have in that charter the necessary things for General Blum and his component commanders to do what they need to do? And if it does not, then we need to rewrite that charter and make it a joint activity of the secretary of Defense. And I've come to the conclusion, I see no advantage in doing that. It appears to me it is the right charter for the two services to execute what they need.

So I always believe that if we make change, it ought to add value and make sense and not change for change's sake. And my honest opinion – and I've not been told to say this at all – is I have not seen that this offers any advantages for the services or department. And that is my personal view. If it did, if that were the case, I would be obligated, and I would tell you that. And that's based on a lot of experience in actually commanding one of these units, these kind of forces we're talking about.

That's my view. I look forward to your questions.

MR. PUNARO: Okay. Anything else?

MR. CHU: No, sir.

MR. PUNARO: Okay. Dr. Chu and Secretary Hall, thank you again for your testimony. I'm going to start with some questions, Dr. Chu, that kind of – simple arithmetic. And I do this with some trepidation as a poor, humble Marine who spent three years in the fourth grade going up against the most brilliant analytical and policy mind we probably have in government, Dr. Chu. I think it's very important, Dr. Chu, to get some understanding of the numbers. Let me talk to you a little bit about – first set the stage. It's my understanding we have roughly 1.3 million active duty personnel. Is that about right?

MR. CHU: One-point-four. Yes, sir.

MR. PUNARO: One-point-four million. And we have roughly about, what, 800,000 drilling reservists that are in units that are drilling reservists, correct?

MR. CHU: Yes, sir. That's correct.

MR. PUNARO: And if you add in the Individual Ready Reserve that floats up to a little over 1.2 million total?

MR. CHU: That's correct.

MR. PUNARO: Okay. So that's kind of the big-picture arithmetic. Now, one of the things that the commission has come across in both our visits and our hearing, that I know is troubling to a lot of the members of the commission – I know it's troubling to

those of us that have had the privilege to command in uniform – and that’s this issue of cross leveling. And that cross leveling is basically you have a unit, and in the military it’s been kind of almost an inviolate principle that you train as you fight and you keep unit integrity, whether an infantry company, an infantry battalion, you don’t break that unit up.

And so what we’re seeing as we travel around, is, for example, when we were out in San Antonio for our hearing in July with the reserve component chiefs, a number of the commissioners went up to Fort Hood where one of the Guard brigades was training up to go over to Iraq. And it was our understanding from talking to the people there – and you’re all familiar with the equipment – they said they were having to basically get a full-up brigade to go over to Iraq. They were having to draw personnel from over 40 states.

In September, when we met with the infantry battalion commanders that had been to Iraq and back from the Army Reserve, the Marine Corps Reserve, and the Army Guard, the Marine infantry battalion commander talked about the unit they were preparing from the 24<sup>th</sup> Marine regiment, a regiment I know extremely well from my previous jobs – they were training up a battalion and they were having to draw from 21 different cities to get enough people to fill out that battalion. Now, that’s not the difference between zero and 21, because a Marine infantry battalion is going to have four companies, three rifle companies and HNS company battalion headquarters. It’s typically going to be in five cities. Each company – each city will have a company so – but they’re having to go to 21 cities, not five cities to get enough folks.

General Bergman, the commander of the Marine Forces Reserve, said that what we are doing right now is turning that train-as-we-fight principle on its head. The Marine Corps infantry battalion commander that testified called cross leveling evil. He used that term “evil.” And we’ve had some testimony that suggests that we’ve had casualties in combat because of the breakdown in unit cohesion the way we’re putting these units together.

And when you try to kind of scratch and find out why are we cross leveling – and here’s a more recent example. This was from the FORSCOM Mobilization Conference. The Army National Guard mobilized 250,000 since 9/11. Each subsequent mobilization since 9/11 had required more cross leveling between units and states. The Army Reserve for example stated that it gets harder over time to cobble together units. The U.S. Army Reserve has reassigned 62 percent of soldiers from non-deploying units into deploying units for the last two rotations compared to 6 percent in FY02 and 39 percent in FY03.

Here’s an example of a brigade combat team for OIF. I won’t say what the unit is, but just to give you the flavor – to put this unit together, they’re having to draw about 2,500 soldiers from Minnesota, 600 soldiers from Indiana, 305 soldiers from Nebraska, 117 from New Jersey, 77 from Kentucky, 18 from Utah, 117 from Kansas.



I've been in the military a long time, and I'll tell you, I wouldn't want to have to take command of a unit going into combat that kind of looks like to me it's a patchwork quilt. And when you scratch the surface, people say it all comes back to OSD policies, that they will not let us use the full 24 months and they will not let us take people over – we have people now that they've just – Patty Lewis, Commissioner Lewis, visited the MOB station at New Jersey. They're turning soldiers away that are coming to mobilize, even though they have a year left on their time to go of the 24 months because they've already did one.

So, Dr. Chu, you're used to the buck stopping at your desk, and the way we hear it in the field is they kind of zero in on your office and say, this cross leveling is a policy of the office of the secretary of Defense, and if you commissioners could do one thing, try to get that fixed.

So I hope my arithmetic is pretty accurate, and I look forward to both yours and Secretary Hall's comment on that.

MR. CHU: Well, let me answer your question. It is an important question for the country. Let me begin my answer by echoing the praise that you offered in your opening statement for the service of our guard and reserve personnel, particularly since September 11<sup>th</sup>, 2001. It's been magnificent. They've performed in an extraordinarily fine fashion.

Now, to the cross leveling issue – I think what you're hearing, if I may, Mr. Chairman, is a difference in perspective between the operational chain of authority in the military service and the personnel community. The reality is, as the personnel community knows, that in any unit that is deployed, we replace people before and during its deployment. The issue is how many and for what reason.

And to go back in time just a little bit to the 1990s, before September of 2001, the then-chief of staff of the Army, Eric Shinseki, was concerned because units being sent to the Balkans were often 40 percent active units, roughly 40 percent new personnel. Why? Because the Army had made promises to people that if they had served in Korea and on a company tour, they would not be sent again for a fixed period of time. To honor those promises they needed to change people in the units that were being deployed. It doesn't mean that they couldn't be deployed, but the Army wished to honor those promises.

The issue really here is what commitments have we made to the personnel in the guard, reserve and active communities, and should we honor those commitments? There is a tone, to speak very candidly, in the operational chain that we should not honor those commitments, and what my office has recommended consistently and the secretary has underscored is we need to honor those commitments. And one of those reserve and guard communities is they are not on active duty; they are in the reserve components of the United States, and they are not on continuous service. We need to be judicious and prudent in how we ask them to serve. We are delighted if individuals wish to volunteer for additional service, so to the New Jersey example. If people wished to serve additional periods of time, a door is open, and we take volunteers for additional service all the time.

Now, to come back to the underlying causes of why do significant numbers of personnel need to be moved into units that are being prepared for deployment? First, I think we do need to recognize that coming out of the Cold War, a typical reserve component unit was not manned at 100 percent. That was a resource policy. We did have – although I know prior administrations disliked the term – in essence we had tiered readiness. We kept active units at a high level of readiness; reserve component units were at various lower levels of readiness, including some at very low levels of personnel fill, especially fill in terms of MOS qualification as far as the Army is concerned.

And so beginning on September 12<sup>th</sup>, 2001, as we began to use these units, we did have to put people in these units from other sources. That could be other units. It was largely a choice, I would underscore, of the uniform leadership of the separate military services to cross level within the reserve community. They could have done it differently; they could have used active personnel. They chose to cross level the reserve community. There are pros and cons for and against that choice.

As time continues in this, one of the issues, one of the realities that the personnel community has to deal with is that personnel in our units turn over in the reserve components, very roughly speaking, one-fifth to one-sixth every year. So we have a unit that was mobilized in support of, let's say, of the Afghanistan operations in 2001, 2002. It comes home in late 2002 and it begins to prepare itself for future operations. Every year there's an infusion of new people, a departure of former members of that unit. After a while, the effective service, often the Army, comes back and says, well, I'd like to use that unit again. And the secretaries agree, but the provision that he has generally – generally, but not exclusively – enforced has been, I don't want someone who has had less than five years' rest – which is effectively the policy he laid down July 2003 – less than five years rest to be told that he or she must involuntarily serve again until that period of rest and recuperation has been accomplished.

And I think that is at the heart of the discontent that you've described. It's a clash between what the operational community would prefer and what the personnel community recognizes in reality in a volunteer force: You must not overuse any one community or we will not persuade young Americans to join and to continue to serve – as they have done; a remarkable story in this country, in my judgment, a story that is not sufficiently heralded. I hope the commission, with its appreciation of what the reserve community can help us tell that story – remarkable story of how young Americans have stepped forward in this period of difficulty to the colors, and have stayed with the military forces. Extraordinary outcome in which retention of both active and reserve component is very healthy. And that is a tribute I think to leadership of the department, the uniform leadership of the department in terms of what they've done with this personnel.

Now, if you mobilize a unit again, as far as the unit is concerned, before that five year period is up, so if you're going to have some people in a unit who are brand new, never served before. That's typically the case. You're going to have some people who

have served before. Some of those who have served before are happy to volunteer again; some are not. And so those who are not, we do need to replace, and I think that's where some of the cross leveling comes from.

There are various ways to deal with the issue. One of the ways that we could consider, and we raised that issue in the department, is we could offer various kinds of incentives to encourage people to volunteer. The military departments have tried programs like this in limited areas of endeavor. But there are a variety of ways to deal with the issue.

Everyone agrees that you want the units to be cohesive and effective. I should note however that for the typical reserve community, particularly in the Army, the period of training prior to deployment is usually approximately six months long. That's an important opportunity to build the cohesion, to build the kind of teamwork that you want to see, the opportunity – if you look at our history, an opportunity that's very much in the skill of what the country did in World War II. I'm reminded by the fine photograph behind you of what we did in that conflict. And typically in that conflict, we built units by putting together, training together as the source of that cohesion.

MR. PUNARO: Dr. Chu, let me come back to that in my second round.

MR. CHU: Yes.

MR. PUNARO: But before turning over to Commissioner Ball, let me talk about another arithmetic issue that you and I have talked about in the past. So we have 1.4 million in active duty, and let's just say roughly we've got 300,000 deployed. The question is, what are the other 1.1 million people on active duty doing on any given day, particularly when you ready about, holy smokes, we don't have enough folks. Well, when you testified in March, we talked about the military people that are tied up in positions that are not inherently military and not inherently governmental. And I see this as a major factor in areas that we have to review and in the force structure, and the question – it's a logical question for the taxpayers – what the heck are the other 1.1 million folks doing? You did a landmark study back in around 2001, 2002 and said the number in the military serving in inherently non-governmental positions was in excess of 300,000. The department's done a lot to try to kind of convert more overhead to trigger pullers. It's very, very difficult. You've done about 20,000.

The other point I would make is it's my understanding is the active duty Army, the institutional Army or the overhead Army, is roughly 50 percent of the Army. Is that still correct?

MR. CHU: That's approximately correct. Yes, sir.

MR. PUNARO: So what is being done then to get these military people that are serving in nongovernmental jobs – passing out towels in the gym, being military police at federal prisons, things of that nature – what are we doing to get more trigger pullers out

of the people we have in uniform today, and what are we doing in the Army to convert some of that 50 percent overhead into trigger pullers, because as we all know, the most expensive asset we have in the military is people, and an increase of 10,000 active duty soldiers is 1.2 billion – parenthetically, I might add that if you did that in the Guard and Reserve it's about 300 million, being the bargain for the taxpayers that it is. But what are doing to convert these military positions that are serving in inherently nongovernmental jobs, that are serving in 50 percent of the Army in the overhead and converting them to trigger pullers?

MR. CHU: That's an excellent question, sir. The short answer is a great deal is being done. As you noted, we have converted across all four military service approximately 20,000 positions thus far.

MR. PUNARO: That's of the 300-and-some-odd thousand.

MR. CHU: Right. We have plans for at least an additional 10,000. I think when the fiscal year 2008 budget is unveiled, you will see plans for a somewhat larger number than that.

In parallel – and Secretary Hall can speak to this – we have undertaken substantial rebalancing within the military sphere. I hope no one is handing out towels, or the particular examples that you –

MR. PUNARO: But it came out of your study, so I'll send you that page.

MR. CHU: Good. We hope we've ended those practices; let me put it that way. But we are also in the process of rebalancing the military positions from areas of less need to areas of greater need. And the Army has spoken eloquently to that: less air defense, less field artillery, more military police, more intelligence, more civil affairs and so on and so forth. And that, department-wide, amounts to about 125,000 slots, speaking of the slots that were actually filled. There's a larger number one could quote if you look at some positions that weren't filled in the past.

The third thing that we're doing in parallel is taking each business area and looking at that business area – now I'm speaking to the support establishment – in terms of, could we reconsider business practices? And let me give you an important function that consumes about 1,600 Army reservists, which is postal support. I co-chair, with the undersecretary of Defense for Acquisition, a postal oversight board, one of whose most important charges in this administration is to re-look at how we do postal activities. And we are contracting more of that out, and we're looking at whether we can take further steps both to find efficiencies within the current military operation and ask ourselves, can we ask the private sector of the United States Postal Service to do more, of which would of course put less burden on –

MR. PUNARO: I applaud that effort because Marines and soldiers should be delivering bayonets into the heart of an insurgent, not delivering mail to the front line of the battlefield.

MR. CHU: It's important that the mail gets through. The issue is, how do you do that job, if can you minimize the amount of military personnel? There is an issue – I don't want it anyway to trivialize this problem – who does, as people phrase it, the last mile? Who takes the mail to Fallujah, so to speak?

MR. PUNARO: Right.

MR. CHU: But there are also technological solutions to that as well, I should note.

MR. PUNARO: But you say – basically what I hear saying is there is a lot more to be done in this overhead and infrastructure area.

MR. CHU: And there's one final element of the effort that I think I would emphasize, and I have talked personally with the current commander of the Army's Human Resource Command on this matter, which is we want to be sure that the burdens of current deployments are shared equally across everyone within a specialty community and, as appropriate, across specialty communities. And I regret to say that's not necessarily the case at the moment. We need to be sure everyone with the appropriate specialties has an opportunity to serve in these four areas. He is taking steps to make sure that does happen.

MR. PUNARO: Thank you.

Commissioner Ball, thank you for your patience, sir. Commissioner Ball.

WILLIAM BALL: Thank you, Mr. Chairman. And thank you, Dr. Chu, for your appearance today. I want to echo the chairman's comments concerning your distinguished service and your willingness to appear once again before this commission.

MR. CHU: It's a privilege, sir.

MR. BALL: We undertake to fulfill our responsibilities.

I wanted to raise a couple of questions on the subject of the National Guard and military support for civil authorities, which is part of our mandate, and cite, if I may, your prepared testimony where you made the observation that certain provisions of the HR5200 and S2658 suggest that the use of military personnel to conduct missions and requirements should be expanded to support civil authorities. Many of these functions, you continued, are more appropriately under the purview of other federal departments, and the Department of Defense should not become the default manpower source for other

federal agencies or state or local governments. That would place a strain on our military forces, particularly the National Guard.

Now, we have also reviewed, of course, the Defense Department's strategy for homeland defense and civil support, which offers a somewhat different take on this question. And that document contains a statement that I quote: "Homeland defense and civil support are total force responsibilities. However, the nation needs to focus particular attention on better using the competencies of the National Guard and reserve component organizations." And it observes that the National Guard is particularly well suited for civil support missions. This document I believe is dated July of last year.

So my first question is simply to ask for your comments on reconciling these statements concerning the use of the National Guard for military support to civil authorities with a rather explicit statement in the Department's homeland defense strategy, as well as the comments that you have made in your statement. And so the question is, to what extent and how well suited— to what extent should the nation rely on the National Guard for the performance of civil support missions?

MR. CHU: I think, Commissioner Ball, that there is a consonance between these two statements. What I tried to emphasize, what we tried to emphasize in our testimony this morning, is that we should not see the Guard as the unique asset for homeland support missions, and we saw in fact the opposite in Katrina. We used all elements of the force. We used active duty troops in Katrina. And so I think what we are trying to argue this morning is let's not particularize this mission to the National Guard; let's use all elements of national strength in responding to any particular homeland crisis or difficulty we face, and in our judgment that includes other federal agencies. We want to strengthen — this was in fact, if you look at the Department of Defense, one of the precepts coming out of — what can the Defense Department do to strengthen the capacity of other federal agencies to respond so that there isn't an early recourse to military forces as the only option the country possesses?

I do think language in the homeland security strategy document is appropriate. It speaks to how we can better use the competencies that I would argue means what is the relative competence of the Guard, and may be absolutely always the choice everyone wants to make, but we ought to reserve its use, in our judgment, for those areas of endeavor where, relatively speaking, it is the strongest solution. There are other solutions in some of these areas if we can put them into place, if we can do the necessary planning, if we make the necessary preparations.

I will give an important, and I think unfortunate, situation as an example. Let's take the question of, should there be a smallpox outbreak, who provides support? The administration advocated that public health workers on a significant scale ought to receive inoculations. There's debate, I recognize, in the public health community about the risk of inoculation against the benefit of protection. The president's position was we needed a better first response force. The outcome we have in this country now is the

military force in the United States are largely inoculated against smallpox. The public health community unfortunately is not.

And I think that's what I'm getting to with this statement here this morning. We need to be sure that everyone picks up his or her share of the responsibilities. Otherwise, what will happen too often is while maybe it shouldn't be our first responsibility, we are the ones who are prepared. The Guard is a magnificent force. It does a great job. It will respond if asked. The question for the country I think is, what's the best way to use all strengths of the United States of America?

MR. BALL: Well, I can understand that, and I think that's a good – your observation is that all too frequently perhaps in the past the National Guard has been turned to functions that in the future other agencies and departments should develop skill sets to deal with.

MR. CHU: And if I may add, it should and certainly would be, from this department's perspective, a partnership. We're not suggesting necessarily either/or. But I think an early recourse in every circumstance to military force and the Guard specifically is not necessarily wise national policy.

MR. BALL: Well, thank you for that answer.

Mr. Chairman, I know we'll have some discussion on this very point and the programming and resourcing that accompanies this question.

If I may, Dr. Chu, I'd like to turn to another matter before the commission. That is the proposal to make the chief of the National Guard Bureau principal advisor to the secretary of Defense and the chairman of the Joint Chiefs on National Guard matters.

In a letter to the commission dated November 30<sup>th</sup>, General Blum states that the chiefs of staff of the Army and the Air Force ably represent the federal Title 10 war-fighting interests of the Army and Air National Guard on the Joint Chiefs of Staff. However, he says what they lack is deep experience in working with civilian authorities on domestic operations. And he suggests that as the Department of Defense is foremost military officer with experience in the employment of the National Guard of the several states, as well as matters pertaining to domestic response and support operations generally, that he should have an advisory role to the Joint Chiefs of Staff when they are discussing matters related to those issues.

So our question we would like your response to is do you agree with the chief of the National Guard Bureau's suggestion regarding this role – that is, an advisory role on matters related to domestic deployment of the National Guard – and that that advisory role should be in addition to the representation of the Army and Air National Guard through the chiefs of staff of the Army and Air Force on the Joint Chiefs of Staff?

MR. CHU: I certainly agree with the view that we want all the best advice we can get in solving any problem that confronts us. What we do not agree with – I do not agree with is the mechanism that is proposed. I do think, as we said in our written testimony, this undercuts the role of the chairman. And this is a fundamental governance question I think for the commission and the Congress to wrestle with: Who do you want to be the principal advisor to the secretary of Defense and the president on military affairs? Do you want one person – and there is a great deal of leadership management theory that it's good to have such responsibilities focused in one place – or do you want a proliferation of advisors? I think, as our testimony said, we favor the unity of effort that is embodied in current statutory language that the chairman is the principal advisor on military issues.

Now, to this question of how does the chairman render such advice and what is the basis – evidentiary basis for that advice, I think there is substantial structure there now, both formal and informal, to produce good results. The chairman, as you know, has the assistant for Guard matters on his staff. The chief of the National Guard Bureau under the current set of statutes basically reports to two service secretaries in this regard: the secretaries of the Air Force and the Army. But he's certainly available, and is consulted by the chairman, the secretary of Defense, other leadership elements of the department. When it comes to personnel matters, we talk to the National Guard Bureau and to General Blum specifically, including on this issue of cross leveling – what is appropriate, what should we do, what should we not do? What is the right periodicity for reserve service, which is really the question underlined in a cross-leveling debate.

So there are strong, and I would argue, effective mechanisms in the department now to get advice from all parties with good expertise on the subject at hand, in front of those making decisions. Do we need to change the statute and change the statutory role of the National Guard Bureau chief? We don't think so.

MR. BALL: Let me ask you a somewhat hypothetical question related to this matter, and that is an alternative that we have discussed only briefly here at the commission, but may discuss further, and that would be to make the chief of the National Guard Bureau the principal advisor to the secretary and/or chairman of the Joint Chiefs only for matters related to the use and integration of the National Guard forces in their state capacity. So under this proposal the chief would retain – the chief of the National Guard Bureau would retain his current advisory responsibilities to the Army and Air Force with respect to the federalized use of the National Guard. And so, in your judgment, would a split advisory arrangement of this sort make any sense, from your perspective?

MR. CHU: I think the question I would urge we first confront is what problem are we solving by putting into statutory language who should advise the secretary on these matters? I'm not sure it's wise to do so beyond what the statutes already do. The statutes create, at least in my humble judgment, the chairman as the focus of military advice to the secretary and the president. Certainly the secretary and the president talk to a range of military advisors in making any decision. We're seeing that happen right now on the fundamental issues confronting us in the conflict in Iraq. But I'm not sure that it's



useful to prescribe that advisory role because one of – and I'm coming back to what Secretary Hall mentioned – one of the unintended consequences, I believe, of that language, even more circumscribed issue, as you described it, will be to undercut the role of the secretaries of the Air Force and the Army in supervising the two guard components because now the chief of the National Guard Bureau will have three bosses at least, not the two that he currently possesses.

So I don't think that's helpful because I think, again, unity of effort in terms of solving these complex issues so decision-making in crisp, it is clear, it is based on a wide range of advice, but we do come to conclusions. What I fear in these prescriptive solutions is a department that would be less able in the future to reach a unified conclusion on matters of importance before the country. I think for the department's effectiveness we ultimately do have to make choices. What I fear about some of these prescriptive solutions we would not make choices; we would do some of everything, which means in my judgment we would do little very well.

MR. BALL: My next question was a really – I think you've gotten into that – was exactly, were there to be a split in responsibilities along the lines of that I mentioned in my original question, how exactly would that work in addressing questions of personnel benefits, training, provision of equipment and other managerial issues? Would that itself be complicated?

MR. CHU: I think it would be problematic because, again, this comes back – this is what the commission is here for, and I think it's very important advice you're going to render the country: How do you want to govern the Department of Defense? Do you want the three service secretaries to be responsible for organizing, training, equipping military forces along service lines? If the answer is yes, I think various formulations that give a subordinate of those service secretaries the right to appeal over his or her head – I mean, that's really what this creates, in my judgment – to the secretary of Defense, are not wise.

MR. BALL: There are some other questions we can address on this issue later I think in the hearing, Mr. Chairman, but I think Dr. Chu's testimony on that has clarified at least his perspectives on this issue that we've discussed before. The budgeting and programming process in how that has operated in the past is clearly among the issues that have given rise to this question. And then the resource allocation responsibilities, this is where I think we'll need to develop this record a little carefully.

But I appreciate very much your comments, Dr. Chu, and your observations.

MR. CHU: Thank you, sir.

MR. PUNARO: Thank you, Commissioner Ball. And as we switch over to Commissioner Lewis, Dr. Chu, Secretary Hall, I feel to thank you again for the significant cooperation we received from your offices, from the entire Department of Defense. As we go about doing our job – we have a very large data request over in the

department now. We're very fortunate to have the Office of the Secretary of Defense for Legislative Affairs – a senior official there, Dan Wilmot, is doing yeomen's work helping us get access to all that, and frankly, with the commission sometimes it's a little trepidation – you worry about what kind of cooperation you'd get, but as I've said many, many times before – and I hope it will still be the same way after we issue our March 1 report because we still got another one to go – we'll see the kind of really, really open-door policy and assistance could not be better, and I personally thank you and thank your staffs for that.

So, Commissioner Lewis.

PATRICIA LEWIS: Thank you, and good morning, Dr. Chu and Secretary Hall.

MR. CHU: Good morning, ma'am.

MS. LEWIS: Thank you for appearing again. I'll start with one very short question just to allow you an opportunity to be concise on the record. Dr. Chu, the commission has been specifically asked to address the issue of whether the chief of the National Guard Bureau would have a seat on the Joint Chiefs of Staff. I know you spent some time in exchange with Commissioner Ball about split responsibilities. Could you please provide us your position on that?

MR. CHU: Yes, ma'am, delighted to. No, we do not think it would be wise to give him or her, in the future, a seat of the Joint Chiefs of Staff.

MS. LEWIS: Okay.

MR. HALL: Could I just come in a second?

MS. LEWIS: Please.

MR. HALL: I think it's also important for General Pace's testimony for the record before congressional hearings in which he did not see an advantage for that, and so I think he's on the record from that also. And I know you'll hear from him, but I think that is important, due to his position, that he sees no advantage for the department or has not seen the need for that.

MS. LEWIS: We look forward to his testimony. And thank you for that comment.

I certainly understand – and you've conveyed well this morning – the department's lack of support for the specific legislative initiatives that we've been asked to address that certainly the distinguished members that drafted that legislation felt that there were issues that needed to be addressed, and I think that you both have referred to issues this morning. And we understand that the department's been grappling with some of the issues within the department. Specifically we understand the National Guard

Bureau has sought joint activity status for many years and even developed and circulated within DOD a concept and implementation plan to become a joint activity, but this proposal received significant non-concurrences within the department.

More recently, we understand the department's been actively considering a proposal to keep the National Guard Bureau a joint bureau of the Army and Air Force, for the federalized issues that we discussed a few minutes ago, and create additional responsibility as a joint activity of DOD to handle those non-federalized issues. The specific question is: Des DOD favor turning the Guard Bureau into a joint activity of any kind?

MR. CHU: I always hesitate to say we would not consider a joint activity of any kind, but to the real issue here – should it be a joint activity, a joint bureau – we would prefer to keep it as a joint bureau. I think this goes back into the issue of governance. Are the two military departments, the volunteer Army and Air Force, in charge of organizing, training, equipping these forces, or do you want a third party responsible for that function? We think it's better to keep it within the Army and the Air Force lanes, the changes you appreciate, of a joint bureau which reports to the two service secretaries, to joint activities that change to now they report to the secretary of Defense.

MR. HALL: Could I comment briefly?

MS. LEWIS: Yes, please.

MR. HALL: What I did when I got this – was trying to be a little different, I went and read what a joint activity is two or three times, and I think that you have all been provided that, so I wanted to see, if you're a joint bureau or if you're a joint activity, what are the differences? And does it offer a tactical or other advantage in becoming a joint activity? And I couldn't see from the definition of a joint activity that it would improve upon being a joint bureau. So first I looked at that, and I think that's a fundamental question.

But I think one of the issues at stake here is a joint duty credit and do the members serving in the joint bureau, or in my office or anywhere, else get joint credit? I think we should we look at that because part of the issue here is there is, I think, a feeling if you become a joint activity the Department of Defense, getting joint credit for all the members that are serving is easier. That's a separate problem. And that's a little bit at the basis of that, and I hate to see us try to solve that problem by going away from a joint bureau. What we ought to do is examine, in the joint bureau status, the people that work for General Blum, do they qualify for joint credit and joint duty and should we be working hard on that? And I think we should, as well as in my office where some people in the joint status don't get it.

So I think we need to attack that problem rather than saying going to the joint activity will suddenly give it an advantage. And I do not see, from reading the definitions and studying it, that it would.

MS. LEWIS: Thank you.

Could you possibly comment, if the change did occur to a joint activity, how that would affect the nature of the relationships with NORTHCOM? Is there any issue there that you would want to comment on?

MR. CHU: I think that's a separable issue. It's what the relationship is to NORTHCOM. In my judgment, the main impact of changing from joint bureau activity is to have the National Guard Bureau chief report to the secretary of Defense as opposed to the two serve as secretaries. As Secretary Hall pointed out, part of the issue here is, well, what credit do people serving in the current bureau get? That's a different problem. Again, I think that's why particular attention to what's the problem we're solving here is meritorious. If that's really the problem, we can solve that through a different mechanism.

MS. LEWIS: Thank you. And let's turn a little more specifically to the promotion opportunity issues. When an officer is recommended to the president for initial appointment as an O9 or O10, the chairman of the Joint Chiefs of Staff must submit an evaluation to the secretary of Defense of that officer's performance as a member of the joint staff and another joint duty assignment. The reserve component chiefs are currently exempt from a joint duty experience requirement, and that waiver expires December 31<sup>st</sup> of this year.

Many of the joint duty assignments, including interagency assignments served by reserve component officers, have not met the joint duty requirements of the Goldwater-Nichols Act. The Goldwater-Nichols Amendment, included in a defense authorization act for '07, significantly expands the type of assignments that should now qualify for joint duty credit once the legislation becomes effective October 1<sup>st</sup> of 2007. As you know, the commission is tasked by Section 3 as S2658 and HR5200 to look at the issue of promotion opportunity for reserve components to three-star positions of importance and responsibility. One of the impediments is a difficulty in meeting these joint duty requirements of Goldwater-Nichols. Could you please discuss DOD's implementation plan for the Goldwater-Nichols amendments that were included in the authorization act for 2007?

MR. CHU: Yes, Ma'am. We were very pleased to see Congress act favorably on these provisions because the department had advocated these changes as a way to move forward to deal with some of the issues that you've just described. So we are postured to begin as the law permits on the 1<sup>st</sup> of October this coming year with these new rules.

Our view going forward is that joint qualification really comes from a variety of sources. The past few years much focused on the amount of calendar time you'd served in a particular post. We think we need to re-think, as you suggest, which posts qualify; what experiences do they individually offer; and secondly, I think also need to be re-look at this question, amount of time necessary – those who have had an intense experience,

let's say planning a major military operation, or a different experience in a joint billet than those who had what I would call more normal peacetime duties to execute.

So there's an intensity factor that needs to be considered. I do think that helps the reserve community especially as we go forward. We are working on the details of how this is going to be implemented. We don't have them all decided yet, but I am confident that they will in the end give reserve component officers equal opportunity for advancement. As you point out, they need that joint experience qualification in order to advance in the future.

MS. LEWIS: Secretary Hall, would you like to add anything?

MR. HALL: I think it's a slightly larger issue, and I know it's going to come up so I'll comment on it now. I believe that implementing legislation that restricts the ability of the president or the secretary of Defense about whom he should assign a certain type officer to certain type position should be resisted. I have always believed that the president ought to be able to assign a guard, reserve or active duty officer of any grade to the positions for which they are qualified without having it dictated to him. You might even assign an active duty officer to command a reserve component. I remember that happening. Or you might, vice versa, assign a reserve officer to command an active unit. But I think when we get provisions that restrict that ability, we should look the best qualified officer all the way up through O10 to go to any of those billets – guard reserve or active duty.

MS. LEWIS: Thank you. And when you do get more clarification on your proposed implementation, if you could provide it to the commission, we would –

MR. CHU: We'll be delighted to do that.

MS. LEWIS: Thank you.

MR. PUNARO: Thank you.

Commissioner McKinnon.

DAN MCKINNON: Secretary Hall, I'd like to start out with you if I could. Nine-eleven changed the whole world. It changed the world particularly as far as the military here in the United States is concerned, with the Guard and Reserves – you've got over 50 percent of them have been involved with Iraq and Afghanistan. And as I understand, when they started they had about 65 percent of what the required equipment was going into that situation over there. They're down to around some 30-some-odd somewhat percent now of what they feel that they should have. And so, if you're talking to a – one stars sort of talk to one stars; two stars sort of talk to two stars; three stars sort of talk to three stars; and four stars sort of carry all the weight, so why wouldn't it be logical to have a four star on the head of the guard to discuss the issues in that area of decision-making at the Pentagon? Because it likes to me the Guard's not getting the kind

of equipment they deserve, and so maybe they're not getting the representation they need at the level they need to get that equipment. So argue with me why it wouldn't make sense to have them at the same level as the active guys when it comes to talking about the equipment that is necessary?

MR. HALL: A couple of thoughts on it. First, I took a look at the EOH equipment on hand because I have read the same reports about 20 to 30 percent, so I did a run the other day by all components, guard reserve forces and exactly what their equipment on hand is, and interestingly enough, except for Army Reserve and the Army Guard, the other components are running at about 80 to 90 percent of equipment on hand, but zeroing in on the Guard and the Army Reserve, collectively it's between 50 and 60 percent, not down to 20 or 30 percent.

I intend to pull the string a little bit more on that because I go out to individual units and ask them, what is your EOH? We've had in the past a goal of having 70 percent of equipment on hand at any one time. You could argue whether that's the right goal or not. We're clearly below that. We have about \$38 billion identified to go into National Guard equipment if you look at the present programs, the supplementals and the out years, and I think we need to ensure that that 38 billion flows towards the Guard.

So I agree with you completely with you that equipment is necessary for training, it's necessary for people wanting to join and operate it, and necessary for war-fighting. The real question that I think gets back – is that process going to be enhanced by a four-star separate officer becoming the equipment guru for the Army and the Air Guard by the two chiefs of staff? I think also we have to look at any time we have a four-star position, does the range of responsibilities, the people that they control and the resources all warranted? That's a question that has to be answered.

General Blum has consistently said – and you'll receive testimony from him – that he has not been asked for his advice that he hasn't given it and hasn't been received. So I don't see at the present time any advantage in that position being a four star. What I think has to work is what the Army is doing, and let's zero in on the Army, to recognize that if we're going to use the Army Guard and the Army Reserve as an operational force, then we can no longer have tiered readiness; we can no longer have casketing equipment. We need to step up to the plate and put the dollars there to buy that equipment, and I think they're doing it. Part of our job, and all of ours, is to track that to make sure that equipment in fact that is appropriated and designated does come to those components. I believe that commitment is there on behalf of the Army. It certainly has been for the Air Force for a long time.

So I think we have a process in place that can accomplish that. And I think we need to make that process work under the present level that we have rather than say that we can just solve this by making a four star. I think we need to make our process work today.

MR. MCKINNON: Well, just to sort of counter that a little bit, in the private world you have directors. In a corporation you have a director and then you have vice-presidents, executive vice-presidents, and it works up. The same thing in the military is sort of the stars are sort of the equivalent of that, as I see it. And I think the Congress seems to feel that they need an advocate of some kind.

MR. HALL: Well, if I could, that's probably primarily why we elevated to three stars the positions that I used to hold as a two star, and we determined that the appropriate level in all of that process was three stars for all of our guard and reserve components and our chairman. And I think that is – from my personal opinion, that is about the right level, and we need to make it work, and then we made that change. Now, should we make everyone a four star, making everybody the CEO instead of having different ones to solve the problem? I don't think that's the problem. I think we need to make the process work.

MR. PUNARO: Mr. McKinnon, would you yield on that point real quickly?

Secretary Hall, you're right, but I would remind you that that was an initiative of the Congress, not the Department of Defense. The Congress first recognized the need to elevate it. The department was opposed to that legislation, as they typically are when you talk about increasing the number of stars. They're pretty conservative. And then they came around and said, okay, it's a good idea. So I would say the proponents of this legislation that say four star would point out that's one where the Congress had it right, too.

MR. HALL: Well, it occurred a little late for me, Mr. Chairman, but I would welcome that.

MR. PUNARO: Well, we can make it retroactive. (Laughter.)

MR. MCKINNON: I had one other point.

MR. PUNARO: Okay, thank you.

MR. MCKINNON: I just want you to yield back my time.

MR. PUNARO: You got it. You got it back.

MR. CHU: I had one other point, Mr. Chairman, on this issue of rank. The Congress actually has two different views, as you know from your past service, on flag officers generally, specifically three and four stars, but the totality as well. It does constrain the department in peacetime. And so I do think there is a real issue here, and Secretary Hall has diplomatically raised it, which is do we want to re-elevate everyone, having just elevated the reserve components to three stars. We don't think that's a –

MR. PUNARO: Doctor Chu, you are correct: the Congress speaks with forked tongue.

MR. CHU: I want to make sure, Mr. Chairman, I didn't say it that way.  
(Laughter.)

MR. MCKINNON: On the other side of that, however, I understand the DOD says we're in a long war, so I'm not sure when we'll get back to peacetime.

Anyway, Secretary Hall, a moment ago we were talking about promotions and the best qualified people and all that. There's a discussion about who runs NORTHCOM and whether the deputy should be a guard fellow or actually whether should even the leadership be that way. And if want to talk about qualifications, if you've got the guard leading NORTHCOM, which is basically an operation for the domestic part of the United States. Would a guardsman as the head of it be the better qualified person since they have all the contacts and the knowledge of the 52, 54 whatever, different guard units there are throughout all the states? He might be better knowledgeable on that than an active fellow. What do you think about that?

MR. HALL: Two comments. You have a distinguished colleague here that served a long time out there and I'm sure Admiral Thompson will give you all the views on it, having actually been there and served, on what he might see. It is my view, again, and I'll restate what I thought before, the president should determine at the three and four star level who is the best person to command his activities, be they active, guard and reserve, and nominate that. And if that's sustained by Congress and confirmed, then there is no reason I can see it is the best qualified officer in the country to command any of the combatant commands. And I believe that flexibility should remain with the president and should he determine that be a guard officer or a reserve officer or active duty, then he nominates, the Senate confirms, and I just believe that's the rock principle that – rather than to say would a guard be better or reserve be better or active duty. I think it depends upon the best qualified officer.

MR. MCKINNON: Do you think it makes sense to have a dual position as a deputy at NORTHCOM. There's a lot of talk about you have the command and then one to be a guard, one to be an active –

MR. HALL: That's one of the fundamental issues you were asked to look at and actually I think that the person perhaps best qualified – two of them – General Eberhardt (sp) and Admiral Keating, and have they demonstrated their desire and their need that they believe that will strengthen NORTHCOM by putting someone in there. And I would defer to their view as the commanders, both the past commander and the present one, will that in fact assist their mission or not.

MR. MCKINNON: Okay. Just out of curiosity it seems like you – one would get precedence over the other and so you don't – you can't have two fellows running an organization. You sort of got a kind of a totem pole here where you –



MR. HALL: We have models in services where we have different designators. One is the deputy commander, other as the commander, and we have models that we have done that along the way. And I just think you have to look at it and see what would be the setup as for NORTHCOM to operate operationally and seek the advice of past and present commanders who have actually executed that mission. I think they're a bit more qualified to comment on that.

I think both positions, the deputy and the commander, should be the best qualified officer from any of the three components.

MR. MCKINNON: Okay, fair enough.

Dr. Chu, we talked about the world changing with 9/11 and this commission is put together by the Congress to provide them some insight, and that's what we're trying to get. And, you know, Charles Darwin believed a lot of us came from apes or something. I don't but into that, but he had a very interesting statement one time: it's not the intelligent who survive, and it's not the strong who survive, but those who adapt to change. And these issues keep bubbling up with the Congress. At least the record I've read shows that they continue to pop up. And yet DOD opposes – and you in your testimony – I think every single one of them. And I'm just wondering how can the Congress keep coming up with ideas and the DOD doesn't think they're very good ideas?

MR. CHU: The Congress has, under our Constitution, the authority to raise armies and maintain and maintain a navy. I can't remember – they used different verbs in the Constitution. And as you (appreciated on ?) the authority, each year there is an authorization act that as far as personnel matters are concerned, for example, is the source of our ability to recruit and retain a volunteer force. And we advocate for changes every year. In fact, Commissioner Lewis spoke to one set that the Congress has accepted this year, which is how do we think about how an officer develops joint qualifications for more senior assignments.

So we are up there. In fact, the general counsel at the Department of Defense views us as a problem child because we're usually up there with between 150 and 250 from my office alone – 150 legislative proposals every year to change how we do business. And in particular in the reserve/guard lane we have advocated for and the Congress, I am pleased to say, has generally agreed with the whole series of proposals to make this in fact a successful operational reserve. In the Cold War, as we all appreciated, it was a strategic reserve. It was the last resort. It was all-out conflict and that's when we used the reserves.

Starting the '90s, the department, the country started to experiment, I would argue, with using the reserves a little more aggressively in other than a last resort basis. Post September 11<sup>th</sup>, just like your question implies, we've changed our view of what the reserve role should be. We view it as a part of the operational force and so we have advocated a whole series of changes, including a change in the statement of the purpose

of the reserve components of the American military and the Congress has accepted that advocacy as enacted.

We've asked for different compensation authorities, larger compensation authorities to deal with the recruitment and retention issues we face in this environment. We are asking for – we didn't get it last year, as I commented this morning – we would like clarification of the authority of a guard officer who is appointed to command troops in a Title 10 position that he doesn't basically lose his state authority by that decision. We'd like that clarification as well.

So we are all for change, but we are also, if I may – and I don't want this to in any way impugn the motives of those who advance these proposals – we are for constructive change. We don't think these changes are constructive when you think about the larger challenges that Secretary Hall and I have spoken to this morning of managing the entire Department of Defense. This is ultimately, in my judgment, about what are going to be the lines of authority in the Department? Do you want the three military departments to be in charge of organizing, training, equipping the military forces of the United States?

The United States has found it a very successful solution in the six decades that we have been a world power. We think that's still the solution for the future. We think these proposals undercut that success if they were enacted.

MR. MCKINNON: Just as an aside here, we talked – you talked earlier with one of the commissioners about the policies of using reserves and the policy is generally one in six, and we're talking about a shortage in manpower in a lot of our testimony. We're running the military ragged with all the deployments going on. Is there any change in that thought of the one in six to move for the guard to one in five or one in four?

MR. CHU: Let me, if I may, sir, and I don't want to be quarrelsome here. Let me do – let me challenge the statement that we're running military ragged. I think the ultimate test of whether burdens are too heavy is do people who are in the ranks stay with us? And thus far – thus far at least – our people, active, guard and reserve, have stayed with us. Guard, reserve, component attrition, which is the other side of retention, is running at rates that look just like those or better than 1999, before 9/11.

So I do think the people in our ranks understand why they are needed, and needed more frequently forward than would be the case in, as we've all agree, a so-called peacetime environment. The issue out there on one in six, and this is the specific question you've raised, is what period for reserve personnel from an involuntary perspective is part of the contract or compact they accept when they put on the uniform of the United States in a reserve component formation?

The present secretary – Secretary Rumsfeld's policy has been – (unintelligible) – in July 2003 that through the military departments – back to the organizing, training, equipment issue – plan your force structure – plan your force structure so you do not need involuntarily to mobilize more than one year in six. Now, we could choose – the country

could choose a different policy, individuals could volunteer for a different policy, those are all choices ahead of us.

We think – and I rely heavily on the soundings that people like Secretary Hall take with meetings with thousands of reservists every year in town hall sessions across the United States and overseas, we think the reserve compounds have accepted that burden – that that’s reasonable. And I’ve talked with some governors about that: they think it’s reasonable. I would be very reluctant to demand more. I think that that would threaten the viability of our reserve components for the future.

Now, I understand the temptation, that it would be nice to use a reserve unit early. The present secretary has approved the use of units early provided – and this comes back to the cross leveling issue the chairman raised – provided everyone involuntarily mobilized in that unit is either a first time mobilizee, or he or she has volunteered for that additional duty. And a surprising number of people do step forward and volunteer. The question here, ultimately, the cross-cutting question in my judgment is really a question about how frequently should reserve personnel be asked to serve. They are reserve personnel. They are not on active duty. It’s a different status, different set of benefits, different set of rules, different expectations. They do have a civilian career, we need to respect that. They do have a family that does not expect them to be at home as way – as much as a family of an active duty service member would expect, because then they would be an active duty service member. They’ve often had that choice and they’ve made that choice. I think we have to honor that choice.

MR. HALL: Could I comment just for 30 seconds in the interests of time. I talk to more people in this country on a broad range than probably than anybody in the administration because it’s my job. And I’ve talked to hundreds of thousands of people in San Diego in your area, to a Rotary Club, to commerce. I’ve talked to the guard and reserve people themselves and to their families and to the businessmen, and I posed the following question across the spectrum: is an opportunity for an individual to once every six years – if we predict when we’re going to need you, and you serve for about one year or you’re vulnerable to serve every six years, is that supportable by the American public, by businessmen and families?

And I get a resounding, if you will predict when you’re going to need me, tell me far enough ahead, and if it’s about one year or less, then we will support that every six years – five years at home and go for one year. But when you move that down to one in two, one in three, and you make that 18 to 21 months, over the long term that’s not supportable. And I’m looking at the long term preserving the all-volunteer force, and that’s what I get from hundreds of thousands of people. If you will get to that model we can support it, but if you start moving that down without predictability in two years and for long periods of time, we cannot sustain that. And I’ve got to tell you, that’s nationwide and hundreds of thousands of people.

MR. MCKINNON: Okay. Really appreciate your testimony. Both of you.

MR. HALL: Thank you again.

MR. PUNARO: Commissioner Stump.

MR. STUMP: Good morning. It's glad to see you back testifying us on legislation that's going to be very important to the National Guard. When we elevated the chiefs to three stars, I believe part of it was to put the – I mean, the reserve chiefs to three stars, part of that proposal was also to make the chief of the guard be a four star, which did not happen, but we got the two two-star advisors. Prior to elevating those chiefs to three stars, the chief of the National Guard Bureau was a three star and they were two stars, so there's some precedent for a one level higher in that particular case.

We were asked to look at the advisability of making the chief of the National Guard Bureau a four-star general. And on the one hand, let me say that the chief of the National Guard Bureau is responsible for \$21.3 billion budget, 54 joint force headquarters, a joint force of more than 450,000 Army and Air National Guard members, more than 200 general officers, more than 3,000 facilities nationwide, coordinates National Guard domestic emergencies, homeland defense, homeland security operations, interfaces with 53 governors and the combat commanders, and manages the readiness and resourcing of the guard for the title 10 war fight mission.

Now, on the other hand, testimony from General Jones, the former commander of EUCOM, when he testified before us in October said I don't see the absolute need for another four star and another member of the joint chiefs. And then at the same hearing General Smith, the commander of Joint Forces Command, when asked whether it would be helpful if the chief had a fourth star said, I don't know what the benefit would be, but I don't know what the downside of that would be, other than possibly separating of stovepipes.

What criteria would you use to make an officer in the military a four star general?

MR. CHU: I think this is ultimately, Commissioner Stump, comes back to the phrase that I know Chairman Punaro remembers from his days on the Senate Armed Services Committee staff. This is a position of importance and responsibility, and that's how positions at both three and four stars level are designated. Many of them are not necessarily specified in law as three or four stars positions, and so the president may recommend and if the Senate agrees, confirm an individual in that position with that grade. So there's a determination every time for a three or four-star position in general that the president and Senate agree this should have this grade for these reasons.

It doesn't preclude the president in asking for that. There's nothing in the statute that says he couldn't do that if that were his view. I think where both Secretary Hall and I both balked is prescribing it in statute. That's sending a particular signal that it's not entirely clear to us is intended by the country in terms of what the voice of this advisor versus the other advisors within the department. You spoke to the – (unintelligible) – managing the budget. Actually, the budgets are the province of two military departments

and they have component heads – an Army Guard commander and an Air Guard commander – who really are the ones who deal with – and those are three-star officers, so it's already a divided responsibility.

I grant the Joint Bureau is an unusual arrangement in the department. We think it's an arrangement that can work effectively. That ultimately, in my estimation, is up to the partnership that is forged among the individuals charged by the Senate with its confirmation process with carrying out these responsibilities. If the Senate wishes to instruct us in that process about how it would like that partnership to function, I think there's considerable latitude, as we've seen in high profile confirmation hearings, for those instructions to be conveyed. I think I would draw the line at putting it in statute what the answer has to be.

MR. HALL: Could I comment?

MR. PUNARO: Sure.

MR. HALL: And I don't want to quarrel with you or the statistic that you had, but it's sort of like writing a bio. And I guess my bio, if I wanted to write it, is that I'm responsible for \$33 billion of all the guard and reserve components. I don't own any of that. I have interest in it, I testify on it – all the services. So when you say the chief of National Guard Bureau has \$20 billion and I think you said he has responsibility for 200 and some general officers, well, the governors have all of those tags. Does he have an interest in them? Does he – and he commands nothing. I'm not trying to denigrate. It's just that when you project up, all of those things rise. I think you have to add some specificity. Does he command those? Does he control those generals? Does he have that budget? He has an interest in it and an important interest, and an important job, but to me we have to be a little bit careful in building the bio to say that must come up at a level with everyone else. That is certainly a coordination responsibility, but as you know, he doesn't own all of those or command those. And I just think we need to keep that in mind.

MR. STUMP: I agree, but I think there's probably some four stars in the active duty military who are in a similar –

MR. HALL: That's why I don't want to quarrel. I just want to make sure we keep the right perspective when we're building the case or not building the case.

MR. STUMP: We discussed earlier and you indicated that we shouldn't put it in statute that we should have the best qualified person to be advanced to the rank of three stars. I'd like to go back to when Col. Eberhardt was there and they were picking the deputy commander for NORTHCOM. I believe we had a very qualified National Guard officer who was not considered primarily because he was a National Guard officer, in my opinion, rather than active duty officer.

So I think if we go back and look at the reserve and guard officers who have been considered for three star – we’re investigating that now, but I don’t think we’ll find any, other than the chiefs of the reserve components. So how do we get around – I guess we might not quarrel for the most qualified person, but how do we get around this bias or whatever it is out there that we really aren’t considering the guard and reserve officers for the three-star billets without putting something in the statute to make somebody really consider those people?

MR. CHU: I do think this reflects what Commissioner McKinnon was saying earlier. There’s been a real change here in the last five years in terms of how we see the guard in reserve in this country. And as I emphasized, we see it – the department, and I think others agree, in the Congress especially – as an operational reserve. I think that is going to change that equation that you described.

A different element in my judgment is what Commissioner Lewis mentioned, which is the question of joint qualifications and the change in the statute that will open the aperture on guard in reserve officers not only de facto, but de jure, acquiring that joint qualification. I don’t wish to prescribe here a presumption from my part, but I do think advisory language about considering all officers, including guard and reserve officers, is healthy. I do think that those – I want to be a little careful here because of the privacy issue – but I do think that does, that is starting to occur in the department.

And as you did see, chief of staff at NORTHCOM has been a guard officer now, so we are starting to open the aperture on more substantial total force appointments, not just in the guard reserve lane for guard in reserve officers. You see that now with a number of officers serving at a one and two-star level under the current declaration of national emergency. We have a number of guard and reserve officers. In fact, as an example I think of the success of the guard in reserve. I’ve worked with one gentleman for some time – the better part of a year – before someone alerted me this officer actually is a reserve officer. I had carefully never studied his biography, I had never thought about where – what his commission source originally was.

MR. STUMP: Well, the position, as you indicated, at NORTHCOM was to a two-star position.

MR. CHU: Yes, it was. That’s correct. But to a very significant two-star position is what I am trying to emphasize.

MR. STUMP: We’re concerned about getting beyond that two star.

MR. CHU: Well, I think this is like all these issues (in the Department ?) about who qualifies for the most senior appointments. It is a matter of time, but I would urge we would not make it a matter of statutory prescription. I think in the long run it actually doesn’t help the Guard and Reserve communities because it makes it seem as if they need a crutch of statutory direction. This is sort of reserved for that community. I think that in the long run it isn’t helpful.

MR. HALL: I would just say that cultures are hard to change and what we need to change is the culture, so the fundamental question is, do you do that by a proscriptive type of thing which would limit the flexibility or not? I personally believe (and know ?) now, we have more Guard and Reserve officers who have combat experience than anytime since World War II. We now are going to have a bank of people that have been in the fight and I personally believe they ought to be considered. I know a number of them and when my recommendations in my lane comes, I know a number of them that could serve in three-star positions and could command active units in my judgment.

And I personally make that recommendation and ensure that I get that up. Now, that's just me singularly, but I think we have to change the culture and understand we have a different group of people in the Guard and Reserve who have joint experience, combat experience, and we must ensure that they are considered along the way. It's just a question of how we get there, and I don't see right at the present time being prescriptive and limiting the flexibility as the way to go. But we need to change the culture so as to consider everyone.

MR. STUMP: Well, I agree and I think one of the things we're looking at is maybe we do need a crutch because if you have zero, which is what we have now I think, there are no opportunities out there because they're not considered.

Now, getting back to the charter, right now of course it's written by the secretary of the Army and the secretary of the Air Force and is primarily the charter dealing with the title 10 responsibilities. Now, as, Dr. Chu, you have indicated, we did call on the chief of National Guard Bureau during Hurricane Katrina to look at the use of the Guard forces. I understand he even went to the White House to talk to you people. So it appears that whether we change anything or not on the charter, that the chief of the Guard Bureau will be consulted and will be giving advice on the national guard use in the homeland security/homeland defense arena. So what is the problem with codifying that by putting it into the charter that said he will be an advisor and will do these things, because he's doing them anyhow?

MR. CHU: I think there are two – first of all, I would argue, since as you agree, we are consulting the National Guard (Chief ?) and he is an important advisor in these matters. I don't want to in any way suggest otherwise. It's not clear to me why we need to enshrine it in a statute. It seems to me the decision to enshrine it in a statute is a signal of some kind. And what I fear, as you can tell from my testimony this morning, is the signal we send is to the secretaries of the Army and the Air Force, please step aside, this gentleman has primacy in advising the secretary of defense on these matters. You are not in charge anymore. I don't think that's constructive in building a unified force for the future and I think it runs against what the Department has tried to do lo these last 34 years in terms of how the resource allocation system specifically works.

I think to the question of how advice comes to the secretary of defense, to the president ultimately whatever the prescriptions in the statute might be, it's their call

whom they speak to. And that is I think the reality of any situation like this, and therefore the unintended consequence of prescribing in law, I think – further unintended consequence of prescribing in law this role for the National Guard Bureau chief is to undercut what Congress just created, which was the post of assistant secretary of defense for homeland defense. I do think it's important that the civil appointee confirmed by the Senate be seen as in charge. Therefore, I would be worried about this change as far as that officer's responsibilities and role within the department is concerned.

As someone testified earlier this morning, I'd be concerned about are you undercutting the role of the chairman as the principal military advisor to the secretary of defense and the president. I don't wish to be semantic about this, but it seems to me if you're the principal advisor, you're the principal advisor. There should be only one principal advisor. There can be other additional advisors, we can speak to the importance of consulting with a wide variety of people. I think every executive branch entity understands that importance and would celebrate it.

MR. STUMP: One way around that, of course, is having to be the advisor of the chairman, the joint chiefs, rather than going right to the secretary of defense. So that's –

MR. CHU: That's a different formulation, yes, sir.

MR. STUMP: And the other point – we've talked to the governors and the governors feel that they don't have great representation and communications with the Department of Defense. And it would appear to me that if you've got the chief of the Guard Bureau who hears from the adjutant generals, who generally take the direction from their governors, that this would help in the governors' viewpoint when a national disaster happens within their state. In their opinion they are in charge and they expect some reaction from their National Guard and so forth. So it would appear that this might be some way to strengthen in the minds of the governors their interaction with the Department of Defense when disasters happen in their particular states.

MR. CHU: Well, I think that raises much larger issues in my judgment because the Department of Homeland Security under statutes that Congress has only recently enacted is in charge in those circumstances. And so we at the Department of Defense – this may be one of the reason the governors report as they do – are supporting the Department of Homeland Security typically. We are not typically – this comes back to the issue that you raised earlier, Mr. Chairman – we're not typically to be the first responders. We're typically to be in support of others who are the first responders. And I think therefore I would be careful about upsetting a relationship that's in its early stages of development and nurturing. That is to say, the role of the Department of Homeland Security in this country in dealing with domestic crises of various kinds.

MR. STUMP: One controversy that came up obviously were the cuts that the Army put into the '07 budget, which were restored after the letters from and the governors and the letters from the Senate. The – excuse me, I lost my train of thought. Do you think – what would your opinion be of having the National Guard in some way



be represented at the JROC or in the PPBES process, thinking being that at least if this things were coming down the road that they would know what was going to be there, and they could relate that back to the governors and the adjutants general and we could get around this controversy that we've recently had. I think that if they were more properly involved in that particular process that we might be able to avoid what happened with the Army.

MR. CHU: I think you're raising two different issues: the JROC, as you'll appreciate, is a requirements oversight council, particularly focused on weapon system requirements, although not exclusively so. My presumption is the chairman has available to him through his assistant for the guard a channel with which to work. Now, maybe that needs tuning up. That's – one issue is the requirements setting process. It's not clear to me that formalizing the role of the guard on the JROC necessarily deals with the issue you raised, which is a resource allocation issue as opposed to a requirements issue.

That's a matter I think for the department to deal with in terms of how its internal governance works and particularly in each of the two military departments, Army and Air Force, that have a guard function, to be sure that they have – it's our responsibility to ensure that they have strong, consultative processes so that when these decisions are made, all parties have had an opportunity to offer their advice.

Now, coming to this specific controversy, that did occur: All parties did have an opportunity to offer advice, perhaps not on the timelines each party would have preferred. That's one issue out there. Second, of course, as you'll appreciate, the decision – the initial decision wasn't one that some parties celebrated, and that led to the ensuing controversy. Again, this is I think an issue of how the department is managed, not necessarily a matter of useful prescription in terms of statutes.

MR. HALL: Could I comment on that?

MR. PUNARO: Yes, sir.

MR. HALL: Give you a personal opinion on – goes to the heart of your issue and the governance. It has been my recommendation in the past for governance in the department and will continue my recommendation in the future that when any of the bodies considering the budgets or major decisions occur, that the individual who has primary interest or oversight should be part of that process and call. That includes my position or General Blum's, and to have a resource decision where the primary individual that has the expertise isn't there, they need to be there. And I believe that leadership governance we need to have so that person and that body has the advice of that person, be it General Blum, be it me, or others who have interest in the Guard and Reserve. And I hope we're able to do that.

MR. STUMP: I think we can certainly agree with that. Thank you, Mr. Chairman.

MR. PUNARO: Okay, before we go to our second round, and we've got some questions we need to get on the record and the clock's ticking, I want to make sure some of our commissioners that haven't asked any question, if any of them have a burning question, turn to them before we – yes.

J. STANTON THOMPSON: Dr. Chu?

MR. CHU: Yes, sir?

MR. THOMPSON: What would be the Department of Defense's position if there was a dotted line from the chief of the Guard Bureau as a principal advisor to the secretary of the Department of Homeland Security?

MR. CHU: I think that would raise even more delicate problems about who's in charge because now you have a subordinate officer of the Department of Defense, subordinate under current arrangements to the secretaries to the Army and the Air Force –

MR. THOMPSON: But they first –

MR. CHU: – liaising in a way that it's unclear about its intent, in my judgment, with the secretary of homeland security.

MR. THOMPSON: Much testimony is being given to us, though, that the National Guard within – in their state status role working for the governor would in fact be one of the first responders to an event within a given state.

MR. CHU: Absolutely.

MR. THOMPSON: It seems to me like there needs to be a dotted line from somebody in the Department of Defense who can speak for the National Guard with educated knowledge to be able to advise the Department of Homeland Security how that particular tool could be best employed.

MR. CHU: And I think that person under current statutes is the assistant secretary for homeland defense, and the secretary of defense has assigned him that responsibility.

MR. THOMPSON: And so you think that – in your mind, and I'm digging a little bit, but in your mind, a General Blum person speaking to two secretaries of a service through the chiefs of staff, to the secretary of defense, that then tells the Department of Homeland's – or the undersecretary or assistant secretary for homeland defense to go talk to DHS is the best construct, in your mind?

MR. CHU: No, I didn't describe it that way, sir.

MR. THOMPSON: Okay.

MR. CHU: I think what I'm getting to is to whom should the – this is a matter how does the government function ultimately? Do we want a more cohesive, unified approach, or do we want a more dispersed – if I may, I hope do not insult its culture – Japanese-style decision-making? The United States has a fairly more cohesive approach typically, making clear who's in charge, where the buck does stop. And it stops with the cabinet secretaries and ultimately the president. And so it really is the secretary of defense whom the secretary of homeland security is intended, as I understand the statutes, to consult.

Now, Secretary Rumsfeld has given that responsibility on the de facto day-to-day basis to the assistant secretary for homeland defense. I think that's the clear intent of the statutes on this point, by creating that office. He certainly consults with General Blum; he also consults with the chief of the Army Guard Bureau, the chief of the Air Guard Bureau; he will consult with other actors in the department, including for example part of my office, the assistant secretary for health affairs, when it's a health issue – pandemic flu specifically being a case in point – before he advocates for the Defense Department's position with the Department of Homeland Security. So there are consultative mechanisms.

I think the difficulty I see with prescribing a statute that the Guard Bureau chief would also have this consultative role is you're sending a signal to Homeland Security – the Department of Homeland Security – that there are two voices in the department for this function: the assistant secretary for homeland defense and the chief of the National Guard Bureau, and I think that will create confusion. Even with the best role in the world it's going to create confusion. You have two staffs, each of which believe they're supposed to answer the question. The Department of Defense ought to, when Homeland Security calls and says we'd like X done, in my judgment the department should have one answer to that question. You might have ten answers when the staffing process to begin with, but in the end the department has to agree on one answer.

MR. THOMPSON: And so if I can pursue now – if I understood, we've had testimony that has told us that 90-some percent of all National Guard – well, not responsibility is not the – reactions to domestic events will be controlled by the governor, because it will be within their status or Title 32 status –

MR. CHU: That may well be true.

MR. THOMPSON: Okay. Under the current advising mechanism, I get the impression that the governor's requirements within their territorial areas are not efficiently considered as it moves up the DOD advisory chain. We get this from the governors. How then would you suggest governors' input to the requirements process be improved? What answer would you give us for that?

MR. HALL: Whenever I go to the state – every one of them, the first two people I asked to talk to are the TAG and the governor, and they've all been very gracious, and I pose that type of question. And as you know, in the state active duty, the primary advisor

to the governor is the adjutant general, and in a Title 32 also the primary advisor once they're in that status. And the way I have seen it practically work is those adjutants general, in consultation with General Blum, provide the avenue for the governor, to the TAG, to him. And I also saw, in Katrina and Rita, General Blum in lockstep with Secretary McHale, and he was providing the inputs from those states and from his National Guard commanders in the field – the requirements, and then Secretary McHale and General Blum many times accompanied each other on all of these sessions that we were involved in in those. So I think the mechanism is there, and General Blum talks to each one of those TAGs. They in turn talk to their governors, make that known, so I think there is an avenue of communication.

Now, could it be better? Some of them – we learned a lot from Katrina and Rita and I think it will be better. But I think, Admiral, there is an avenue for that and that's what I see out there, and I asked the governors and the TAGs about that very question. And that's how I sort of see the flow, and I see General Blum and Secretary McHale together addressing this, and him providing that input to Secretary McHale consistently. That's what I observe day in and day out in this process. Could it be better – perfect? I don't know, but that's sort of how I see it working.

MR. CHU: I think we also have to be realistic about the big issue here, which is, who is paying the bill? This is a conversation largely about how federal resources are going to be used. The governors are certainly free within their state budgets to do whatever they choose, but ultimately if it's a federal resource I presume it's going to be a federal decision-maker who's going to make the choices. And I think that is one of the issues out there is that sometimes we make choices the governors are not as enthused about, and I understand that.

Now, we do need to have a vibrant consultative process. I think we do. We actually on personnel issues have a very cordial relation with governors where we are advocating for various outcomes that affect military personnel, active as well as reserve and guard, and they've been very responsive to those entreaties from the Department of Defense. So I think there's a good set – not just one channel – a set of channels for communication with the governors.

Does that mean they're always going to like federal decisions about how federal are going to be – are to be used? I would acknowledge, no, they won't always like those decisions. But ultimately, and this is my plea, ultimately someone does have to make the choice. The budget is finite; there's only so much money for a new year, someone must make a decision about who's going to get what.

MR. THOMPSON: Thank you.

MR. PUNARO: Thank you.

Commissioner Stockton, Commissioner Sherrard, anything?

Okay, let me go back to arithmetic then, Dr. Chu. One thing that pops into mind is you talked about who's paying the bills. We have some testimony on this, but I'd like to get the gospel from you two. What percent of the guard's expenditures in a given year are paid for by the federal government and what are paid for by the state government? I think General Lempke when he testified before us, and I will go back and correct it, I think it was either 90-10 or 95 percent-10. But what is the Department of Defense's perspective on – and that didn't matter what status they were in – I mean, the federal government was paying, you know, for some Title 32, et cetera. So what's the percent that's paid for by the federal government? What percent is paid for by the states?

MR. CHU: My recollection, and, Tom, I'll ask you to correct me here, is that on a broad measure of what's being paid for it's typically about 90 percent federal money.

MR. PUNARO: Ninety percent federal. Okay, the second –

MR. CHU: Is that accurate, Tom?

MR. HALL: I don't know exactly, but would you like a break down by all reserve and guard, or just the guard? You know, I guess it would only be the guard –

MR. PUNARO: But the states aren't paying for any of the Title 10 reserves, are they?

MR. HALL: No.

MR. PUNARO: So maybe you could get them – what you consider to be the accurate breakdown for the record for us on that.

MR. CHU: We'd be delighted to.

MR. PUNARO: But you say roughly it's 90-10.

MR. CHU: Roughly speaking, yes, sir.

MR. PUNARO: All right. On cost of personnel, the Wall Street Journal had a big article, I think it was yesterday, talking about cost. And as you recall, we've had these discussions in other forums about the cost of personnel, and the Wall Street Journal article I believe, and you'll know the accurate numbers, roughly five years ago, sort of when you got started in your job, on an annual basis when we tried to figure out how much do you program from an active duty military person, you know, for the programmers to how much is it going to cost? It was around \$60,000 per active duty personnel, give or take. And that of course had been going up for years; it isn't unique to your tenure or anybody's tenure – that cost of an active duty person.

Now five years later, the Wall Street Journal had it at \$120,000 per person, so that would be a doubling. I remember Deputy Undersecretary Paul Wolfowitz right before he

was leaving in a meeting telling us he thought it was closer to \$160,000 per person, and of course, we know a lot of the cost are costs that have been added that the department wasn't necessarily in favor of when you load in the fringe benefits and all the other costs. So what is it, from your perspective, when you're talking about figuring out how much does it cost to have a person on active duty for a year, what is the fully burdened cost? Is it 120, 125, 160?

MR. CHU: Let me, if I may, get you a precise answer for the record, because part of what's happening – I did not see the Wall Street Journal article, I apologize – but part of what's happening, the department has paid more attention to rounding up all the different elements of costs. And so there is the issue here of boundaries: what we're going to count as part of the cost of personnel, and specifically to measure a use which is fully burdened, which –

MR. PUNARO: But that's the cost to the taxpayer?

MR. CHU: Well, but it also has echoes of the business billing structure –

MR. PUNARO: Right.

MR. CHU: – where you have the person doing the work, but you have a lot of overhead that supports him or her. Now we have not thought about the problem that way. We've just taken all people on active duty, which is now a larger number with the activation of the reserve and guard, divided into a set of appropriation accounts that describe personnel expenditures, and there is an issue about what you include in that set. But it is over – the programming number in the department, which is not necessarily the true, full cost of the personnel, is over \$100,000 a year. Yes, sir.

MR. PUNARO: Great. Okay, so it's at least \$100,000, maybe higher –

MR. CHU: Yes, sir.

MR. PUNARO: – and that's just the programming number.

MR. CHU: About right.

MR. PUNARO: All right, so that kind of gets me back –

MR. CHU: I'm not sure it has – well, it has risen significantly in the last decade or so, especially the reasons you've discussed. I'm not sure that 60 versus 120 is a fair compare – an apple to an orange –

MR. PUNARO: Well, the GAO has a pretty big landmark study where they've looked at this and they've got an accurate figure, and we're working with them, so I would like to basically get into a dialogue so that before we get to our March 1 report we can get an agreement on what the real number is so we can take that into account when

you're looking at what is the cost of the active. And we go back to this arithmetic of we've got 1.4 million active duty people, roughly a couple of hundred thousand deployed at any one given time; what are the other, you know, one million doing in that period of time? But I would also pose the question, and you also mentioned that the Army's infrastructure, or the institutional Army is still roughly 50 percent of the army's active duty.

Last week, I happened to be over in the Pentagon and a senior official – bumped into him in the hall and that individual had just come back from a trip overseas – a very rewarding trip, and was talking about bumping into some reservists that were mobilized, medical units serving overseas and saying how excited the personnel in that unit were to be mobilized and to be serving their country in uniform. And an individual told this very senior official in the Pentagon: “You know, we're so excited to be here. You know, no one's called us up in 18 years.” So this was a unit that had not been called on in a very long period of time.

And so I wonder if either you or Secretary Hall has looked at the number of units and/or people that have not been called, that were not called up – let's take the first Gulf War, you know, '90-'91. The number of units and/or people that are in the reserves that have not been called up sent in '90 – since the first Gulf War or during any of that ten-year period between the first Gulf War and 9/11, or in the five years since 9/11. Do we actually have units in the Guard and Reserve that have not been used in that long period of time, and if so, how many?

MR. HALL: Can I comment for just a moment?

MR. PUNARO: Please.

MR. HALL: You hit on a very important point, and let me give you what I know is exact data as of today about individuals. Of the people serving in the Guard and Reserve today, in total, all services, 40 percent have been called up, 60 percent have not. So it's 40 percent of individuals serving today. Now, if you take a cumulative total throughout, it's going to be different. But if you take units, for instance, within the National Guard, we have touched parts of every BCT. So once you take units, we might have had an individual from it. So if you just look at how many units have not been called up, it's not a really good picture because if you take one person out of it, you've touched someone in that unit.

So I choose to look at of the individual serving today, how many have not served, and that's 60 percent. And to me, Mr. Chairman, that is very interesting because I'm interested in the ones that are serving, but are the ones that have not served? What are they doing? Just like on the active duty. So we're putting a lot of energy into understanding where those 60 percent that haven't gone – are they brand new people that just joined? Are they units we don't need? Is our structure and our rebalancing wrong? But that's the picture for individuals. But the units are different; you'll find a higher percentage.

MR. PUNARO: What about if you looked at the broad panoply of units, not just the Army Reserve, the Army Guard, and the Marine Corps Reserve? I mean, what if you looked at all the reserve components, because this component was a – not any of those services; it was either a Navy or an Air Force unit that hadn't been called up in 18 years and – and I'm not saying we don't need them, but I'm saying maybe those units would best be converted over to some skills that are used more often. So do we have units that have not been used since Desert Shield/Desert Storm?

MR. HALL: My statistic was for all services by people, but you're asking –

MR. PUNARO: By people, but I'm asking about the units. Because I mean, the number of people – they're probably not a lot of people in some of these units that were in there in '91 and '92, so I really think you need to look at it from a force structure standpoint, not from a personnel standpoint. Have you all looked at that at all?

MR. HALL: We've asked the service to do that. That's part of the basis for rebalancing. We have the breakdown of rebalancing by service we'll provide. Just let me give an example: for a Naval Reserve, we used to have a lot of naval control of shipping: 5,000 people. We're not probably going to send convoys and queue routes overseas, so that was, when I commanded, dramatically reduced. So we have to look at by service.

We've asked each service to do that, then identify those units which are tied to a Cold War strategic structure and convert those over, and they have done that. And you can see and we'll give you those by service. And that will give you some idea of what people that they haven't used that they think they need to use elsewhere.

MR. PUNARO: What's the – do you have a ballpark on the percentage of units that haven't been called since Desert Shield/Desert Storm?

MR. HALL: Not of units.

MR. PUNARO: Okay. All right.

Commissioner Ball, do you have any additional questions?

MR. BALL: No additional questions.

MR. PUNARO: Commissioner Lewis?

MS. LEWIS: If I could just ask a quick question related to defense support to civil authorities and the requirements and funding. I'm a bit confused about the DOD strategy and policy when it comes to identifying and funding requirements for that support. While the capability's addressed in major strategy documents, the programming



guidance is a bit different. Would you like to comment on that, please? And could you tell me whether there's an advocate for civil support requirements in DOD today?

MR. CHU: My experience, ma'am, is there's an advocate for everything in the department. I'm not sure what divergence you see between the programming guidance and other documents in the department as far as civil support –

MR. LEWIS: Well, the policy and strategy seems to support defense support to civil authorities, but the programming guidance seems not to be behind that support.

MR. CHU: I would have to look – refresh myself of what exactly was said in those documents. It is often the case, as you'll appreciate, that policy and strategy sets a set of goals that are lofty and noble and worth pursuing. Programming guidance just – and I know you know this – is dealing with the here and now reality that we will ask for a budget of X amount next year and for the next six years, and we have to fit everything within that. The programming guidance is generally – each administration a little different take on how to do this – is generally tailored to what the budget elements are likely to be. So they take the larger policy and strategy goals and say, okay, that's what we want to accomplish. Given the resource limits that are going to prevail, at least for planning purposes, what are the highest priority items to pursue? And yes, things do fall off the table, or are deferred, or are pursued less aggressively given those realities.

MR. LEWIS: There is a specific DOD directive that states DOD components shall not procure, maintain any supplies, material or equipment exclusively for providing military support to civil authorities in civil emergencies unless otherwise directed by the secretary, but it does seem that the strategy and policy is a bit broader, so you may want to look at that.

MR. CHU: I think that – if I may comment on that, that goes back to an old issue in the department, back to pre-World War II days where decentralizing procurement authority – letting people buy whatever they thought was nifty – led to units that couldn't work together, couldn't deploy together, couldn't talk – to take a modern analogy, couldn't talk to each other because the communications gear was different. So I do think that the source of that instruction you cite is an effort to try to keep the department unified, not let people buy things that aren't part of a larger plan. I'll be glad to relook at it.

MR. LEWIS: Thank you.

MR. PUNARO: I think we have time for maybe one more question. Commissioner McKinnon, did you have any additional questions?

MR. MCKINNON: I was just wondering about the training aspect which comes under the personnel of the guard.

MR. CHU: Yes, sir.

MR. MCKINNON: Since 9/11, and all the changes that have taken place, what do you think ought to be happening with the training, that is, the weekend warrior two weeks in the summer enough anymore, or should it be expanded so that the guard's getting additional training before they show up to a mob site?

MR. CHU: We have tried to change the training paradigm in the department. I do not want to argue we are there yet. The old paradigm was: mobilize, train, deploy. The new paradigm is much more: train, mobilize, deploy. In other words, just as you suggest, sir, more should be accomplished in the non-mobilized period. We are in active discussion with the components about whether the current structure always makes sense, and I think some of the guard leadership believes we should shift to a longer summer, quote, "summer," but longer annual training period – maybe three weeks plus rather than the two weeks that is now the norm – and in compensation, fewer drills during the year.

Now, this compensation issues that would have to be sorted out if we made that shift, but I do think that that's philosophically a very important change. The department's in the midst of debating how should it shape this future so that there's more training preparation consistent with the force generation models, that particularly the Army wishes to employ in the future. If we have predictability, if we know that this unit is going to be the unit for that capacity in a particular future year, in my judgment – I think that's the judgment of the uniform (division of the ?) department – we need to start training against that objective. We know it's out there; we know that's when you might be called up. We now need to organize some training apparatus so we start preparing for that, not just doing what we used to do in the Cold War period.

MR. PUNARO: Dr. Chu, I misspoke: we're going to get two more questions in in the two minutes we have remaining, but Secretary Hall I believe wants to comment first.

MR. HALL: Here's what they tell me: that we don't have the model right now and we need to change it and I talked to a group – (unintelligible). Here's what we need to do: we need to not just look at a 130 days as the training model, you mobilize and you go to that. The TAGs, National Guard, the units tell me that we need to do more home station training and less centralized mob training. There's a certain amount we have to do. If you tell us enough ahead, we will probably make our annual training three to four weeks. That's what they're doing in the Stryker Brigade in Pennsylvania right now. But – and we will accommodate that, and we can cut down that amount of time to get nearer that one year, but the model now: wait, we're mobilizing, we send you off for six months and 130 days. They can make a difference in that by more home station training and not extend the time as much. So I think we have to change that. But predictability, and tell them what their mission is, and when, and allow them to help manage that process, we can cut that down and change that training.

MR. PUNARO: Commissioner Sherrard?

JAMES SHERRARD III: Dr. Chu and Secretary Hall, just very quickly, just for the record and so that I can fully understand it myself – you made the statement, I believe, that the resourcing of the reserve forces, the Guard in particular, when we discussed the cuts that were going to take place in the Army Guard as well in the Air National Guard and the Air Force Reserve – those are three that I speak about specifically – that their leadership was involved in those resourcing decisions made?

MR. CHU: Yes, sir, but not necessarily at the point that they would have preferred.

MR. SHERRARD: Okay. Well, I can understand that, too, because that happens even inside the services that their unit commanders don't like decisions being made.

MR. CHU: Yes, sir, it does.

MR. SHERRARD: But the other piece of that is there's – we've also received an awful lot of information relating that the TAGs were not involved in that process. And I guess what I'm asking you is do you believe that is a part of the – is it coordination, or is it actual approval? Who should be the one that – when the decision is made, is it made at the service level with input from either the directors, or the – director of the Army Guard or the Air National Guard, or the chief of the National Guard Bureau? When that decision is made, that is a decision that then is taken forward and they have the opportunity to object at the service level, and then later at your level, or not?

MR. CHU: Well, the TAGs typically have not been consulted by the Office of the Secretary of Defense in an organized way in terms of resource allocation choices. Now, there have been individual conversations I should acknowledge. And it's up to each military department the degree to which it wants to consult the guard officer senior in its lane about the program proposal it's going to forward to the Office of the Secretary of Defense for debate within the department.

So I don't want to be too prescriptive about how should that work because of course the TAGs are the TAGs for the whole guard of the – as you appreciate, each state. You've got both the air and the Army elements. My understanding is they do all have some degree of consultative process, but I'm not expert on exactly what they do.

MR. HALL: I think I'm encouraged by the progress we've made. You referred to the second one of the issues about the reduction potentially in the Air Guard of 14,000 to go with the 40,000 equivalence. I think – and I just spoke at the conference yesterday with the Air Guard – it is my impression that the Air Guard leadership was consulted on that potential reduction and that is no longer the plan. And their input was looked at, the personnel cuts have been changed, and so I'm encouraged that perhaps we are learning some from what could be viewed as a mistake in the past with the Army Guard. So it's fair to do that.

And I'm encouraged now because of that process we have a more consultative thing. I speak with them. They have made that input and I think it has made a difference in the current programming for the Air Guard, and I think that's something that we need to learn from, and we need to perhaps ask that and more formalize that process. And I'm encouraged that we have learned as a department from that, and maybe we are moving the right way. Again, I think we can do that without prescriptive legislation. I think we have perhaps learned a lesson in that area.

MR. SHERRARD: Thank you, Mr. Chairman.

MR. PUNARO: Okay. Commissioner Ball? And I have warned the other commissioners, we're just going to keep rolling with our next witness, so anybody that wants to take a break, just take it in place because I'm going to keep the hearing going.

Commissioner Ball?

MR. BALL: Thank you, Mr. Chairman. I just wanted to quickly reference an issue that has arisen in the press with regard to recommendations that are being prepared for the new secretary of defense. And I would not expect our witnesses today to comment on what their recommendations have or will be, but to the extent that Army recommendations are being reviewed with respect to the current policies in effect that both you and Secretary Hall have referred to on voluntary and involuntary service as well as the overall end strength numbers for the Guard and Reserve. Needless to say, given the deadlines facing this commission, we'll need to have the benefit of your thoughts on those issues at some point once they are deliberated within the department.

MR. HALL: I would just say, if I could, that the preservation of the all-volunteer force I think is a critical issue for the nation. I think it's working. I see magnificent result of it, and if we do anything which would move the pendulum to put an unnecessary burden on the back of the active duty forces, then there's going to have repercussions.

If we shift that over and put an unnecessary burden on the Guard and Reserve, that will have repercussions, and I think somewhere in between sharing that is what we have to do rather than driving either the active or the Guard and Reserve into the ground; you will have unacceptable consequences. And I think we're seeking to where is that balance that we can keep people wanting to join and stay in the active Guard and Reserve like they have in the past. To me, that is a critical issue that we'll have to deal with.

MR. PUNARO: And I would add parenthetically, let's not forget the burden on the American taxpayer as we're considering all this as well.

MR. HALL: Yes.

MR. PUNARO: So Secretary Chu and Secretary Hall, thank you very much this morning for your considerable expertise and continuing contributions to the commission, we look forward to staying in close touch. Thank you again for your cooperation with

the commission, you and your immediate offices, as well as the entire department. Please express – I know you're going back over for sessions with the outgoing and incoming secretary of defense – please express the commission's appreciations to Secretary Rumsfeld for his service to the nation, for his tremendous support of the Guard and Reserve during his tenure in office, as well as allowing the department to work in such a cooperative fashion with our commission.

So thank you again for being here this morning, and I'm sure we'll stay in close touch not only as we get our March 1 report ready, but as we go to our broader, longer term report on 1 January, 2008. So thank you for being here this morning and we'll look forward to seeing you again.

MR. CHU: Thank you, Mr. Chairman.

MR. HALL: Thank you.

MR. PUNARO: Okay, the committee will now switch gears as we – our next witness gets organized. And while that's happening, I would say that we're next going to hear from the Department of Homeland Security. Tomorrow morning, as part of this session as we look at our requirements in terms of reporting on 1 March, we'll be hearing from the chief of staff of the Army, we'll be hearing from the chief of staff of the Air Force and the secretary of the Air Force, and tomorrow afternoon, we will be hearing from the proponents of the legislation – some adjutant generals as well as other additional officials.

In our next session, we'll be hearing from the under secretary of the Department of Homeland Defense. And Undersecretary Foresman, as soon as you are comfortable and ready to go, give me the high sign and we'll get rolling. I know you're on a – you're always on a tight schedule. You're a busy individual and we really appreciate you being here this morning. So if you're ready, with your permission, I'll get started, if that's okay?

GEORGE FORESMAN: All right, Mr. Chairman, thank you and –

MR. PUNARO: Okay. In this session, the commission continues its exploration of the provisions of S2658 as well as HR5200, the proposed National Defense Enhancement and National Guard Empowerment Act of 2006. As I noted with regards to the previous panel, the commission is seeking inputs from a wide range of witnesses at our hearings today and tomorrow and again in January. This legislation elicits strong opinions from supporters and opponents alike, and the commission wants to get as broad a perspective as possible from all interested parties before making any recommendations to the Congress and DOD in the March 1 report.

Because of the National Guard's domestic role, some portions of S2658 and HR5200 have impacts well beyond the Department of Defense. The legislation would for example create a new section – 10503A in Title 10 – to prescribe the functions of the

chief of the National Guard Bureau in providing military assistance to civilian authorities, including the identification of gaps between federal and state capabilities to prepare for and respond to emergencies. The Department of Homeland Security has a major stake in any decision on this proposed expansion of the National Guard's role, which DHS might arguably consider their responsibility.

To provide that DHS perspective, our witness this morning is DHS Undersecretary for Preparedness George Foresman, who's making a second appearance before the commission. We look forward to your assessment of the proposed new section, 10503A, as well as any other provisions of the legislation you may wish to comment on.

It would be very helpful to the commission if you would articulate DHS's vision of the national strategy for securing the homeland, focus on how the nation is prepared for foreseeable natural and manmade disasters, including where DHS and DOD fits in, and more specifically what DHS is doing to identify gaps between state and federal capabilities, and once identified, to fill those gaps.

What role do you believe DHS should play in making sure all governments, local state and federal, are prepared for natural and manmade disasters? Are there expanded or different roles you would recommend for governors of the National Guard troops they control on a daily basis? Are there ways you would suggest to improve the dialogue between DHS governors, National Guard leadership and NORTHCOM? Do you have any recommendations for how DHS could or should influence the level of DOD resourcing for the National Guard to perform its homeland security/civil support role?

Secretary Foresman, you have been very generous with your time in talking with commission staff on several occasions. We really appreciate the open-door policy you established for us down at DHS. DHS is a very busy outfit. You've been very generous with your personal time, and it's been tremendously helpful for us to get kind of a ground truth. As you well know, there's a lot of myths when you deal with issues like this and it's very important.

I will tell you the one thing that I mentioned to Secretary Chu and Secretary Hall that we're kind of scratching our head on, and you know, we understand the kind of the military side of the house pretty well, and when we go out there and talk to units we understand whether they have equipment or not or whether they had the right personnel or not. But the issue that seems to be in the ether that we really cannot get our hands around, and I'm hoping you can shed some light on this this morning, is who is responsible for setting the requirements? Because in the Department of Defense, it doesn't matter how great an American you are, you know, or how many times you've been to combat; if you don't have a requirement, money does not get applied in the budget. They don't budget for anything that they would say is not a validated military requirement.

And so we have not yet found the belly button, and maybe there's not one belly button, but we cannot find anybody that's willing to own up and say, "Well, we are the ones that have to establish that requirement." My impression is DHS has a big stake in that issue, so hopefully either in your prepared statement or in the Q's and A's you can shed some light on that for us because to me that's kind of the starting point for all of this.

So with that, we look forward to your testimony here this morning, and we know you're on a tight schedule, so thanks again for being here. The mike is yours.

MR. FORESMAN: Well, Mr. Chairman and members of the commission, thank you for the opportunity to appear today, and it's always good to be back with this group. And, Mr. Chairman, let me say at the outset, I want to make sure that we allow enough time for the right back and forth. This is an exceptionally important issue and one that is center point to how we prepare the nation to deal with risks in the 21<sup>st</sup> century, so it is a very much an important dialogue and one that I'm glad that we are able to have.

This is my second visit with the commission as a whole and it follows a frequent interaction with individual members of the commission as well as your staff over the course of the past six month. I do want to personally acknowledge this commission for its recognition of the very real challenges facing America as it relates to helping to shape the role of our military forces in what I would say is a very complex 21<sup>st</sup> century risk environment. This hearing today is particularly symbolic on this, the 370<sup>th</sup> anniversary of the Guard and it's an important date in that we can look at in terms about talking the future.

Let me assure you that the department is committed to ensuring America's readiness across civilian communities and with our private sector partners and in partnership with the military to deal with the full range of risks and hazards that we face on a day-to-day basis. More than \$18 billion in funding, 15 national planning scenarios, a targeted capabilities list, among other things, form a nucleus to couple with training, exercising and planning to create better national preparedness across the full range of local, state and federal agencies, both civilian and military.

But what do I mean by national capability? During more than 20 years as a responder and as an executive leader, I would offer that efforts to manage risk – and when I talk about risk, I'm talking about it in the context of our national efforts to prevent and protect, as well as to respond and to recover – have been characterized by a decentralized focus on preparing individual civilian organizations to deal with crisis events. These efforts lack the primary focus on ensuring their interoperability with one another or a shared understanding on what constitute readiness on a national scale, and I think, Mr. Chairman, that very much goes to your points earlier. But I would also offer that this decentralized approach is neither right nor wrong. It has simply been the approach as we've evolved over the period, particularly in the last 25 years, with our preparedness efforts in America. But I would also offer that significant progress has been made and the desired national approach is beginning to take hold.

But in a decentralized nation with legal separations between levels of government, it cannot simply be commanded, it must be coalesced, and that's a coalescing of preparedness among local, state and federal, among the various agencies at the local, state, federal, civilian and military, as well as with our private sector partners. And this is important to understand that as we move forward, in the context of domestic crisis events, especially when adding military forces to the mix, it creates the potential for confusion and conflict between the military doctrines of command and control and the civilian doctrine reflected in the need to coalesce.

Let me be perfectly clear. This does not mean that the military and civilian agencies cannot effectively mitigate a crisis together. They do so regularly. It does mean that we need to structure military assets in a way that allows for their integration with civilian agencies under this broader national civilian doctrine for preparedness, and this effort is ongoing. The Department of Defense and the military branches are working closely with the Department of Homeland Security, our other federal interagency partners, as well as state and local governments to incorporate this growing national doctrine for civilian preparedness into their own activities for the broad range of military support to civil authorities.

For instance, as noted to this commission, DOD is using the same 15 national planning scenarios being used by civilian agencies to guide their preparations for that military support to civilian authority mission. This means consistent planning according to a civilian-military shared understanding of the broad overall national mission. This, members of the commission, represents a major advancement.

I want to offer two important observations for this commission as you all move forward. First, the real threat posed by terrorism will not abate in the near term. We will need to use the full forces of civilian agencies at home, coupled with the military and especially the National Guard, to manage the complex 21<sup>st</sup> century risk environment, especially with regard to terrorism. There is not an exclusive mission for any one level or agency of government; it must be a shared approach. Consequently, as we look to the future of structure, strategy and doctrine for the military, and especially the Guard, it must be done in the context of our new emerging national doctrine for preparedness that is guiding the civilian community.

Second, we must continuously strive to plan for the future and not organize according to the last event. 9/11, Katrina, and a host of other disasters over the past 25 years will help inform your work as it relates to the domestic needs for use of the military. But we also have to think about it in the context of the future.

That being said, the national environment today is much different than at any time during our past 25 years. As I noted earlier, previously America was lacking a national unified approach to better unite our civilian resources to be able to deal with crisis events. Today, we in fact have one. It will be important that your deliberations consider this new environment so that we do not structure the Guard or Reserve forces or for that matter the



active duty for the last disaster, but rather for the new and albeit complicated 21<sup>st</sup> century risk environment that demands a unified effort among all of America's resources.

Mr. Chairman and members of the commission, the department has made significant effort over the course of the past five years, and clearly we've made a lot of progress since 9/11. But I think I would underscore my oral comments today, my written testimony today that has been submitted to you with maybe an underlying theme to guide our question and answers today. And that is this: having been in the business for a lot of years, it is difficult to change the course of what we do as a local, state and federal level, particularly in the civilian community, overnight.

But we had about 1,200 great Americans in Washington two weeks ago, state and local officials, who are the center point of our national preparedness efforts. At this national preparedness conference, one of the themes that we asked them to comment on is: are we doing a better job of uniting our national efforts towards a common vision of the future? And wholeheartedly we got a very positive response. But one of the acknowledgements that we got from our state and local partners and that we continuously get from our federal partners is this is something that is not going to be done overnight, and that we have to resist the urges and temptations to continuously adjust our strategic approach lest we give the ability of the current strategic approach the opportunity to take hold.

So with that, Mr. Chairman, I look forward to interaction with you and members of the commission.

MR. PUNARO: Thank you. And thank you, that conference sounds like a great idea because as I understand – I mean, your office is the one that works with the state, local and the private sector partners. You look at threats, you look at the vulnerabilities, you assess risk, you try to make sure that the various scenarios and the various federal response addresses all that, and I believe that would be a correct summary of your office, correct?

MR. FORESMAN: Yes, sir.

MR. PUNARO: I want to kind of walk through and sort of make sure we understand the philosophy of the federal response plan before I get to my specific questions – and these aren't philosophical questions, these are more yes and no questions. Is the following construct for emergency response accurate? Number one: emergencies are handled at the lowest level of government possible until their resources or capabilities are insufficient and then assistance from other authorities is called in. Is that correct?

MR. FORESMAN: Yes, in general, but I would like to provide some additional detail on that when you're ready, Mr. Chairman.

MR. PUNARO: Okay. In some cases, these emergencies require military assistance to civilian authorities through the National Guard in their Title 32 or state

status and sometimes including the Guard from neighboring states as well. Such responses are carried out by the governor of the affected state through the adjutant general of that state, perhaps with the coordinating assistance of the National Guard Bureau. Is that generally correct?

MR. FORESMAN: Well, it's generally correct in the context that the military aspects of the response are going to be carried out under the adjutant general, but we've got a wide array of state structures in place in terms of who is the ultimate responsible state agency for ensuring that coordination with local government.

MR. PUNARO: Okay. Maybe this would be a good time – you were going to offer some clarifying remarks on that first one. My construct was: Don't we try to handle emergencies at the lowest level of government possible?

MR. FORESMAN: Mr. Chairman, we do, and ultimately we need to push the resources and the capabilities and the decision-making down to the lowest level from a tactical standpoint, and also from what I would say a strategic standpoint in the context of a local community. But I would also offer that there have been a number of lessons out of 9/11 and Katrina, and that a linear approach or a stacked approach to doing it may not be the best approach in the future because we recognize – and Katrina is a good example, where you have a notice event, the ability to preposition assets, whether they are state assets to support local government or federal assets to support state and local government. You cannot make a clean break – we've run out of resources locally, we need state help; we've ran out of resources, we need federal help.

MR. PUNARO: Right.

MR. FORESMAN: So I think that part of where we're headed in terms of our national preparedness doctrine is to make sure that it's a much more integrated approach so that you're not hitting a threshold and then saying, gosh, we've got a problem.

MR. PUNARO: Okay. It gets to the next – if the contingency is of a large magnitude where extensive resources and capabilities are required, then the Department of Homeland Security participates and manages the federal aspect of the response in support of the governor and DHS may call on another federal resources including military assistance to civilian authorities through the Department of Defense, primarily NORTHCOM and the National Guard Bureau. Is that generally correct?

MR. FORESMAN: That's generally correct, sir.

MR. PUNARO: If the contingency is a very large scale emergency, then the federal government – the president – would be in charge, and while DHS would remain the lead federal agency, a potential larger role in the response would be played by the military with NORTHCOM as the operational military command. Is that generally correct?

MR. FORESMAN: Generally, Mr. Chairman, but I feel obliged to put one key issue on the table as we go through this. And Katrina I think is a good example for us to follow – that there are a variety of people who are in charge of different pieces and components of the response, and the relationship between the civilian levels of government is, as you know, a consensus relationship in many cases; it's not a command and control relationship. So clearly the president has that clear leadership role from the federal level, but it is not an exclusive role over states and communities.

MR. PUNARO: Yes. And this kind of gets me to the bottom line. I think we have an understanding of the general construct and I think a lot of people come at this, particularly those in the Department of Defense, and I'm not saying right or wrong – I certainly as a former military commander – okay, who's in charge? Am I in charge in this set of circumstances and then somebody else is in charge in another set of circumstances? And everybody likes this bright line. They think there's some magic trigger where control or lead responsibility shifts from the governor to the federal government, and I think in the world we're in now, and I would say the national response plan is not a plan in the traditional military sense: it doesn't address a specific contingency and provide a detailed list of forces or resources that are brought together.

For example, we have contingency plans in the Department of Defense for just about every scenario. I guarantee you, if, say, we had a scenario in the Pacific with a country that we might have to deal with; every military unit knows who's going to that contingency. They know who's going to run it, they know who's going to be in command and control, the Guard and Reserve units – they know what day they have to show up at their mobilization station, they know what day they're going into the fight, they know who their boss is going to be. So they do these detailed contingency planning, and I don't see a similar situation existing in the homeland area.

Certainly NORTHCOM hasn't put together detailed contingency plans. We have this list of 15 scenarios you talk about, but when you're talking about bringing the forces to bear of the federal government, it seems to me that perhaps on the planning side of the house in working at this before there's an emergency, either natural or manmade, you would eliminate this need that everybody seems to want to figure out when is the governor in charge and when is the federal government in charge. If you had this sort of planned and coordinated in advance, it would make it a lot easier on everybody involved. I mean, is that just not possible in the government the way we work or is that the direction in which we should be headed?

MR. FORESMAN: Well, Mr. Chairman, it's a hybrid. It's the direction in which we should be heading, but let me pull a couple of pieces apart. I think the characterization that that level of planning has not occurred at the state and local level generally speaking, and frankly across the federal/civilian family, is a relatively good perspective pre-9/11. But in the post-9/11 environment, we find ourselves inside of the department under Homeland Security presidential directive number five is the nation's domestic incident manager working with the wide range of federal interagency partners to do that additional level of detailed planning. But it is a little bit easier to plan for a

command and control relationship as it relates to a national defense mission abroad than it is to do a similar level of detailed planning when you're talking about an area as broad and diverse as the United States of America with a full range of threats and hazards that we face.

MR. PUNARO: You're absolutely right. It's a lot harder to plan to operate in the United States than it is to go fight the North Koreans.

MR. FORESMAN: Absolutely, Mr. Chairman. But the point being that we've got a planning doctrine in place, we've got a planning process in place, and that's where my comments were earlier, that we're headed down this road where we're applying – if I would say it this way: we're applying the discipline that we've seen in the military over the course of several hundred years in terms of doing planning, but particularly over the last 50 years – we're applying that same discipline to our civilian community through a wide array of programs.

MR. PUNARO: Let me ask this: would it make sense, because I can't speak to the other civilian agencies and it's a difficult, challenging job and they're not military and they shouldn't be military and shouldn't try to make them military, but for the role that the Department of Defense has to play, they are military and they operate on a contingency planning scenario like they would for deployments overseas. They need to have a time phased deployment list, they need to know what units are going, what gear they need to bring. For the training – for doctrine and training, they need to need their mission essential task list that that unit will have to perform in a domestic emergency and train for that and get ready for that.

For the first – our military has sort of taken the view for years that if we're ready for the big one, if we can go fight the Soviet Union at the peak of the Cold War, holy smokes, we can go fight a fire in Oregon. For the first time I'm hearing our senior military leaders, particularly Army three stars that are commanding forces in Iraq, say maybe just because we're ready for the big one doesn't mean we can deal with these other kinds of contingencies.

I guarantee you it's true as a former commander of a large military unit. You need to train for the specific missions and the missions here at home are different from the missions overseas. And so would it make sense because of this tremendous – and I believe DHS is the place where all the plans should come together and each piece then sent back out – the National Guard is going to be the first responders of the first responders when it comes to the military whether it's the local situation or the medium size situation or the big size situation.

Wouldn't it make sense to get the military brains of the National Guard and their incredible planning capability embedded over in DHS, and let them be your operational planners for the military piece if and when that piece is put into effect?

What it looks to us, like everybody is kind of still in their stovepipes in the Department of Defense. I mean, NORTHCOM says – this is our role, but holy smokes, we don't even want to know where DHS is located because, holy smokes, they might asks us to do something that would cost us more money or make us do some stuff we don't want to do. It seems to me that we ought to embed in DHS some elements of the National Guard, independent of what we do on all these other legislation, because that's the way the world is for he future, that's the way it's going to operate for the future. Why can't we do that?

MR. FORESMAN: Mr. Chairman, I would offer that we've got an exceptionally positive relationship with all of the elements of the Department of Defense and we work very closely with the Guard Bureau. Maybe the way I would offer it is this: we need to embed the National Guard more fully in our national civilian planning efforts, and that's not just DHS. There's a lot of it that goes on in state homeland security and emergency management offices. There's a lot that goes on at the local level. And simply putting them in DHS would give you a federal plan, but it won't give you a national plan.

So as we look to the future, and as we look at our national preparedness efforts, a large part of this is geared towards creating the unification of effort at the state and local level and making sure that as we roll those up, we roll those up in a coordinated fashion. And I would just offer to you this: there is a wide range of planning capability inherent in the military, but it is not exclusive. They do military planning exceptionally well. Civilian planning is different. So what we need is this hybrid approach where we take civilian public safety responders and emergency management officials, probably health officials, and marry them with the military planners that we get a truly –

MR. PUNARO: I'm with you 100 percent. So why not let's try this unique, novel approach. Why don't ewe put hem to civilian and military planners in the same room in the same location and have them work together?

MR. FORESMAN: Well, we have, Mr. Chairman. We actually have defense coordinating officers in all of our ten FEMA regional offices to provide that bridge level. I can't give you a survey of 50 states. I can give you how we did it in Virginia when I was there, and it was a very united effort. But it think the key point is that as we push out guidance to the civilian community, as DOD pushes out guidance and particularly as it relates to the proposal to do assessments – we're required by Congress to do annual assessments on the state of preparedness in America. We don't need the National Guard and the military doing one independent of what the DHS is doing, so we need to make sure that –

MR. PUNARO: So you end up – support that part of the legislation?

MR. FORESMAN: Mr. Chairman, what I would support is that we do – I think it's an internal DOD issue as to whether they believe the Guard should be doing that, but if the Guard is going to do that, it needs to be done in strict consonance and coordination with what we do across the –

MR. PUNARO: Go back to – don't look at it from the Department of Defense's perspective, but would the DHS have any objection if the Guard wanted to send over some of their best thinkers and coordinators to do just the kind of things you just talked about and have them embedded working right next to all your folks and learning about how civilians think, and the civilians learn with that – would you have any objection to that?

MR. FORESMAN: Mr. Chairman, we never have objection for getting smart people around the table to help us solve hard problems, but what I would also offer is there is a preexisting series of relationships, as you know, within the Department of Defense between ASD Homeland Defense, the NORTHCOM, the Guard Bureau. We're not going to tell currently Secretary Rumsfeld or Secretary Gates how to organize to support us. We're going – just as they ask us to do for them, we're going to put in front of them the mission needs that we have for assistance and –

MR. PUNARO: What I hear saying is you don't want to trample on anybody's toes and get trouble with the bureaucracy at the Pentagon, but it sounds to me like you're an open-minded individual and if you thought there was some expertise that could help you do your job better you'd welcome it.

MR. FORESMAN: Any expertise we can get across America.

MR. PUNARO: As I shift to the next questioner, let's go back: Who's responsible for establishing the requirements for military support to civilian authorities?

MR. FORESMAN: Well, the overall requirements in terms of the national preparedness goal and in terms of our national preparedness structure is a responsibility that's assigned to the secretary of homeland security. But having said that, there are component pieces, such as military support to civil authorities – what we're going to do in the law enforcement arena, the public health arena – that are the domain of the relevant federal agencies who work with their counterparts. Secretary Leavitt works with public health officials at the state and local level; Secretary Rumsfeld, soon to be Secretary Gates, will be responsible for ensuring that the military support to civil authorities, both active Guard and Reserve, is constructed in consonance with that overall –

MR. PUNARO: They can't make that up. It sounds to me like they've got – I mean, you've got to tell them what their piece of the action is. Right or wrong?

MR. FORESMAN: Yes, sir. And we have ongoing dialogue and discussions with DOD.

MR. PUNARO: So why is it then that we can't find anybody in the Department of Defense who can tell us whether your requirement is articulated? Do you feel like you

all have articulating that requirement and they're not listening or have you not put the requirement out there yet?

MR. FORESMAN: Mr. Chairman, I think the requirement is out there, but I think this is an evolutionary nature because in the context of – this comes down to a very fundamental issue of communication, and your definition of a requirement, their definition of a requirement, our definition of a requirement may be a little bit different. It's kind of like doctrine. It means different things to different folks in different services. But I would also acknowledge the fact that we do have a national preparedness goal, we do have the target capabilities, so as we do have the universal task list, we do have the planning scenarios. These are at the very early stages of evolution, and I've actually seen a dramatic transformation. I was out at NORTHCOM a couple of months ago with Admiral Keating and General Inge and one of the issues that we talked about is the fact that they're getting a better handle on just what their elements mean. Frankly, there is a degree of ambiguity and this is why we have to have professional conversations back and forth.

MR. PUNARO: Okay. I'll come back in the second round. Commissioner Sherrard.

MR. SHERRARD: Thank you, sir. And thank you, sir, for coming in. You've added some insight that's very valuable to us, and there's much more that we need to dig into.

The issue of the requirements continues to be a big focus that we're being asked to look at. And my concern that I think we as commissioners are facing is currently the National Guard – and I will speak only of the National Guard – their resourcing, their personnel as well as their equipment is based on war time requirements. Obviously there are peacetime requirements – there are things that DHS and the local governments have said they needed. And I think that's what the chairman is driving to. We're having a very difficult time finding where that thread goes as who has identified that, because when decisions are made based on resourcing limitations that exist within the Department of Defense, it can have a very, very devastating impact on our ability to do the things that we are being asked to do inside the confines of our country.

And I guess what I would ask you is: do you see your office or DHS as the one that's responsible for determining what those gaps are or should it be – is it in concert with DOD or is it totally inside DOD to come back and say, these are the changes that we have made, now you assess what impact that is?

MR. FORESMAN: No, sir. I think it's going to have to be done in concert with DOD and HHS and a host of other federal agencies at the federal level, but particularly with our state and local partners. We went through a nationwide plan review that was directed by the president and Congress in the aftermath of Hurricane Katrina, and it was the first real assessment of readiness that we've done in American since I've been in this business and I've been doing this for almost a quarter of a century. And it doesn't mean

that individual components have been done a level of readiness check. As I said in my testimony, they have, but they've looked at it myopically in the context of their own organization, their own level of government. And I think that we're in a position now with Congress having said that they want us to do this national preparedness survey again in '07 that we will have the opportunity to sit down with our federal partners and put a much more exacting cut on where those gaps and potential shortfalls in terms of capabilities.

Now, the one thing that I would caution you, though, is that we're seeing a dramatic rise in civilian capabilities: the ability to do mutual aid today is phenomenally different than it was ten years ago. The use of a standardized national incident management system means we've got the state of California and the state of Georgia operating according to the same doctrine of incident management. These are fundamental shifts, so I think as we go through and do the preparedness survey in '07, it's going to be really important to take a hard look, and I think it's fair to say we're going to have a robust range of federal, civilian and military partners at the table when we look at the data and assess the data.

MR. SHERRARD: Okay. One of the other concerns that I think we as the commission being asked to look at, and it drives back to the issue inside the Department of Defense and the all volunteer force is the number of first responders that are in fact members of the reserve forces, whether they be in the National Guard or in one of the specific service reserve forces. Who is looking at that from your perspective, or are you?

MR. FORESMAN: Well, we're not looking at it in the context of DHS as a federal entity, but, again, that's one of those things that as states go through their level of planning, their level of resource development, they have to take a look at it. We've got about 2 million firefighters, police officers, EMS professionals out there – roughly the size of the armed services – and we know there are a percentage of those who serve in the armed services in Reserve or Guard capacities. But I would offer to you that that is not something that is inherently a good Washington responsibility. It's kind of the incident management, the incident planners responsibility from the state and local perspective to say, I've got a resource pull of 100 people: how many of those are potentially going to get called up for service in the event that we have, let's say, a terrorist attack here at home?

And I know in the experience in Virginia, yes, we had a number of those folks who were deployed and it created some challenges at the local level, but I think part of this is a lot of local governments have now been able to adjust to the new environment in terms of their hiring strategies, and to make sure that where they've got Guard and Reserve that they've got some backfill capability for them. I don't have any empirical evidence to support other than the fact that I spent a lot of time talking with local and state officials.

MR. SHERRARD: Okay. And one last question if I might. When you sit at your level and you are evaluating capabilities that are necessary for us to able to respond to



any major catastrophic event that's going to take place, you deal and have great connection with the National Guard, but I would wonder, do you have insight into the other military capabilities or do you rely strictly on either NORTHCOM and or the Department of Defense to provide that asset? You just tell them what your requirement is and then they provide whatever type of force or capability is going to be brought forward?

MR. FORESMAN: I would actually say it's both. They don't want us to tell them how to do the job, they just say give us the mission. But at the same time, the department has been very, very open with DHS and frankly across a wide range of our federal interagency partners as we've worked through some of these vexing issues under some of our organizational constructs of health and medical issues.

For instance, we've heard great feedback from DOD what their real capabilities versus the perceived capabilities are. And the reason I say this is important. One question I ask local officials or state officials as I travel around the country when they sometimes say, well, the federal government can solve this for me, is I ask them – how many helicopters do you think the U.S. military has available to them? And I get everything from 100,000 to a million. Well, you all know what the actual numbers of aircraft – rotary wing aircraft are in the military.

So a large part of this is having been able to sit down with DOD in very deliberative planning processes at the headquarters level within our components – FEMA, Coast Guard, Secret Service, a whole host of others – and we have I think a very good understanding of what the capabilities are. Though it's maybe not as relevant to the discussion; probably an area where we've made the greatest advancement is on imagery and satellite capabilities, intelligence gathering capabilities that are absolutely critical to be able to do situational awareness.

MR. SHERRARD: Okay. Thank you very much, Mr. Chairman. Thank you, sir.

MR. PUNARO: Thank you. Commissioner Stockton.

DONALD STOCKTON: Good morning. It's good to see you here again, and we appreciate your expert advice. We're trying to, as you know, study some very interesting and complicated proposals. And Secretary Foresman, our March 1<sup>st</sup> mandate requires us to report on a number of proposals that would reorganize the Department of Defense related to the role and standing of the National Guard Bureau and its chief. We would like to know what your views are on the impact of the Guard Empowerment Act provisions would have on the National Guard's ability to fulfill its homeland security and emergency response requirements.

From the perspective of your agency, do you believe that the National Guard has adequate or inadequate power, authority, or command of resources within the Department of Defense that adversely impacts its ability to meet its roles and missions in homeland security and emergency response?

MR. FORESMAN: Commissioner, let me see if I can break that into a couple of pieces there. One, with regard to the organizational construct inside the Department of Defense, clearly, Secretary Rumsfeld, soon to be Secretary Gates, are going to have to work through what is the right construct for the 21<sup>st</sup> century military. The one thing that is abundantly clear in dealing with the state and local officials is there is a reliance, but not a dependency, on the National Guard. And what I mean by that is we've made substantial investments in our civilian capabilities, things that they had no reasonable way to do within the civilian government at the local and state level. They are now better able to do, but there will always be the need for the National Guard, and so from the standpoint of the department's perspective, if you take the national preparedness goal, if you take our targeted capabilities list and you apply those to 50 states in the country, what we're saying to those 50 governors is, you have to be able to articulate as part of a national vision how you're going to accomplish that level of preparedness.

It is incumbent upon, say, emergency managers, adjutants generals, homeland security advisers, state law enforcement officials to be able to sit down and say across the wide range of resources that we have available at our particular state, where are our gaps and shortfalls. And I'm punting the question a little, frankly, because I think as we're going to see this preparedness survey that we do, the succeeding preparedness survey – the follow-on to the national plan review in '07 – we're going to get a better idea of maybe some of the holes continue to exist.

But the other point that it's actually worth making: in the context of the roughly \$18 billion that has been provided to states and communities to enhance their preparedness, many of the capabilities and resources purchased with those dollars are just now beginning to come on line. Some of them were major capital investments. There's an element of training and planning required with them, and so I think from a timeliness standpoint when we start taking a look at capabilities next year, we'll have a much better handle in terms of the individual state X – what it needs capability-wise, what can be provided through it's Guard versus what needs to be provided through the civilian community.

MR. STOCKTON: Do you have any reason to believe that the proposals we have been asked to consider would remedy this problem, such as, one, making the National Guard Bureau a joint activity of the Department of Defense?

MR. FORESMAN: Well, Commissioner, I would offer to you kind of perspective that when you've got an emergency going on and people in camouflage fatigue show up, there's not a distinction between National Guard active and reserve. And, again, internal to the department I think – I hear every day there's an active duty perspective, there's a Guard and Reserve perspective on this, but at the end of the day our desire from the department's stand point is to be able to provide a mission set to the Department of Defense, a mission set at the federal level, and a mission expectation for what they can expect at the state and local level and have them be structured to be able to accomplish that.

MR. STOCKTON: Do you believe making the chief of the National Guard Bureau a member of the Joint Chiefs of Staff as a voting member would assist in dealing with any problems that – from your point of view?

MR. FORESMAN: Commissioner, I will say I've learned one valuable lesson in Washington in the year – position is important, personality is absolutely critical, and I think that part of what we're seeing, and I'm seeing a dramatic transformation in terms of my interaction with senior military officials – for instance, the vice chair the Joint Chiefs of Staff; I had the opportunity to work with Admiral Giambastiani when he was in Joint Forces Command in Virginia. And I think that part of this is getting this new national preparedness doctrine inculcated within our military leadership, and our civilian leadership so that they understand the nexus of the 21<sup>st</sup> century risk management environment.

And so for me to comment on whether they should or shouldn't be part of the Joint Staff isn't appropriate, but the one thing I can comment on is we do need to have a shared national vision among leaders and an understanding of what are the appropriate roles of different element in the agencies, different levels of government, the public sector and the private sector. That will be absolutely critical to success.

MR. STOCKTON: And that leads me into my next question about giving the chief of the National Guard Bureau the responsibility of facilitating and coordinating with other federal agencies, like your own, on the use of the National Guard troops. Would that be beneficial?

MR. FORESMAN: Commissioner, I would just offer this: we're enjoying good relationships across the Department of Defense. General Blum actually asked me – myself and Dave Paulsen to go spend a little time with him with the adjutant generals as we got ready for hurricane season, so he reached out. Admiral Keating reaches out on a regular basis to have us come in and sit down with the active duty component, so I think from my perspective I'm seeing a dramatic difference. And of course my predominant view was state and local – prior to coming to the federal government, it was vice chair of the national commission, but I see a different level of military interaction and collaboration with the civilian community today than I've ever see in my nearly 25 years in this business.

MR. STOCKTON: Would you perceive that if the chief that you deal with on a regular basis as you say, General Blum in this case, if he had four stars, would that be beneficial or not?

MR. FORESMAN: Mr. Chairman, Commissioner, what I would offer is it matters not how many stars they have, it's can they get the mission done? And that's an internal discussion point that I think you all are eminently qualified to comment on, that DOD is going to have to decide on with discussion with Congress, but at the end of the day, we're looking about people who can get the mission done, and frankly I've not run

into anybody in DOD who we haven't gone to and said we have a really hard problem and they haven't stepped up and helped us get it fixed.

MR. STOCKTON: Another aspect of the legislation that we're looking at is whether or not to mandate that a National Guardsman be the deputy commander at U.S. NORTHCOM. What is your view of that?

MR. FORESMAN: Commissioner, I would say that NORTHCOM has come down through their shake out quite well. We continue to enjoy a good relationship with them, and for us it is very much about not who is sitting in the chair, but can they get the mission set done? I will give two or three examples. I can give you two or three examples, but let me just maybe lump everything into getting ready for this past hurricane season. As I sat down with Dave Paulson and we tried to put thoughtful minds together to figure out how to make the organizations hum for the hurricane season, we knew we had a Guard element, we knew an active duty element that was going to need to be considered. NORTHCOM was able to provide that integration, but I will also acknowledge that I know that there are very real and acknowledgeable tensions sometimes between the Guard and Reserve and the active duty forces.

However, having said that, those tensions have not manifested themselves in anything that we've been involved in in the context of preparedness over the past 12 months.

MR. STOCKTON: As you are probably aware, the National Guard Bureau has a charter, and one of the things that we're thinking about on this legislation is the advisability of changing who might be responsible for developing that charter, and what would your view of that be?

MR. FORESMAN: Well, probably my overarching view after having lived through the nationwide plan review and our assessment of preparedness is that when you look at changes in structures with the Guard, it is absolutely critical that you have a process that intimately includes the federal interagency family as it relates to domestic missions, but most importantly the states and the governors. And so in the context of this, I think my one piece of insight would be having spent the vast majority of my career at the state level is governors must be actively consulted when you're looking at the mission roles, responsibilities of the Guard, and how is that going to play on their ability to be able to manage a crisis event.

MR. STOCKTON: Would you be able to say categorically that you're in favor of or opposed to this legislation that we're looking at?

MR. FORESMAN: I would not be able to say at the current time, Commissioner.

MR. STOCKTON: That concludes my questions.

MR. PUNARO: Right. Commissioner Thompson.

MR. THOMPSON: It's been nice to see again.

MR. FORESMAN: Nice to see you, Commissioner.

MR. THOMPSON: I want to tell you that in Richmond, Missouri, about four weeks ago, all the local responders including us federal USDA employees all gathered up to start building an emergency agricultural response plan. It's the first time in my 30 years of being a member of the Department for Agriculture that that's so. It's actually getting down to the dirt what you're trying to do.

MR. FORESMAN: Yes, sir.

MR. THOMPSON: The organizational construct right now – well, part of the legislation talks about changing the role of the chief of the Guard Bureau to a principal advisor to the secretary of defense. And if you look at the construct today – I look at it as a different a-word: an advocate rather than advisor. And so the way I kind of look at it right now is that the chief of the Guard Bureau has to convince the secretary of the Army and the secretary of the Air Force and the chief of staff of both of those departments that whatever they think, or that person thinks – and he advocates for the governors and the TAGs, okay? Then that has to go up the chain and just keep getting more people convinced until finally we get to the secretary of defense.

How does a governor, when you look at the civilian side of the house – and your dealings as the Department of Homeland Security – how does a governor advocate? Is there a central hub like the Guard Bureau that is their voice to you on things that are non-military?

MR. FORESMAN: Yes, sir, there is. We have a state – an office of state and local government coordination which is recognizing that our component organizations – ICE, Secret Service, Customs and Border Protection, FEMA, Coast Guard – all deal with state and local officials on a day-to-day basis. At the headquarters level, reporting to me and the secretary, is our office of state and local government coordination. And in many ways that's a customer service group. It's an advocacy group. We also have a homeland security advisory council. All these things seek to inform the secretary and the department leadership on a wide array of issues.

As a practical matter, if a governor has a particular concern, which they do regularly, their staff can either deal with the office of state and local government coordination or the governor will reach directly into the secretary as – in his role as secretary and also as the national domestic incident manager. That doesn't mean he's the incident owner; he's the incident manager.

So we've got a very formalized structure which includes state and local officials in a wide array of methods, but I will tell you it's probably a little bit easier. DHS is now the nation's largest federal law enforcement agency. We touch more constituencies

because of our broad range of mission than every other federal agency today, and so relationships are absolutely essential to our success. I would just offer that a regular ongoing dialogue with governors is important on everything from how we are going to respond to an emergency and disaster to how are we going to implement REAL ID or secure the nation's ports.

MR. THOMPSON: I want to go back to the chairman's requirements issue a little bit. If I look at the current – again, the current construct of organization within DOD, the governors and the TAGs, if they had a defense support of civilian authority requirement they felt within their state, it seems to me like they have to first convince the chief of the Guard Bureau that it's a true requirement. And then the chief of the Guard Bureau has to advocate or convince two separate secretaries and two separate chiefs of staff, and then that requirement moves up the chain until it's finally validated somewhere.

We understand that domestic requirements aren't really in the traditional military requirements validating process at this point. So if – in your context, if you're talking to governors about tools that are needed within the state that might be best put in the toolbox of the Department of Defense, and they start moving up this apparent – (unintelligible) – chain that looks pretty Cold War-ish to me, would you feel from your point of view that that's an efficient way of getting what you believe to be, through the governors, Department of Defense tools that best suit the mission that you've been given?

MR. FORESMAN: Commissioner, I would answer it maybe three ways. First, we've always got to define wants versus needs, and there are a number of initiatives both in the civilian and the military side that are begun at the state and local level in the absence of a detailed information. It's not right or wrong; it's just they may not know about their capability, for instance, that is resident within other states or communities or within the federal government, and so they start solving a problem that in the big scheme of things – we have got to have same level of discipline in the process so that everybody – we don't want to go back to the day of everybody deciding what's the best way to prepare. And so a large part of this through the national preparedness goal is pushing down to the governors the national preparedness goals, where we want to go, letting them look across the organizational construct, TAGs, emergency managers, state police superintendents and others and say, okay, here are the capabilities we need to have as a state.

Now, as a practical matter, adjutants general are going to identify potential needs. Now, most of those needs for the domestic missions have inherently come out of the fact that they are trained and equipped and resourced to deal with the war fighting mission, and there was kind of that dual-use approach. But we clearly understand in the complexities of the 21<sup>st</sup> century threat environment that there may be new tools that are going to be needed by Guard as part of a state response structure, and there is a flexibility for governors to make those decisions within a limited amount of the homeland security funding that they have, but we don't want to take the homeland security funding and have it funding everything in the Guard because that totally diminishes your whole idea of increasing civilian capabilities so that you're not overly reliant on you military forces,

because the Guard is still going to have support the active duty components if we go to war. And so we're raising civilian capability at the same time we're trying to broaden maybe the military capability at the state level.

What I think you're going to see happen, and I just say this based on experience: where the coalescence occurs is usually down at the governor's level or whoever the governor has designated as their action agent to say, okay, my Guard unit is bringing this up as a resource request, the state police is bringing it up as a resource request. They have to make the decision of where they're going to apply their dollars. That's the individual – the individual Guard units.

I think what's going to be important and why this commission is absolutely critical is to look at the mission set for the Guard in the context of the 21<sup>st</sup> century environment, and not individually on a state-by-state perspective but holistically on the perspective of the Guard and Reserve as part of the total military force be able to say – what are the resources we need for the 21<sup>st</sup> century? And we can certainly help inform that as we do with DOD every day, but ultimately it's less about individual states and much more about a comprehensive strategic approach.

MR. THOMPSON: Okay. Thank you.

Mr. Chairman.

MR. PUNARO: Thank you.

Commissioner Lewis.

MS. LEWIS: Secretary Foresman, thank you for coming again today. Along these lines, who were you indicating should be the responsible individual for making those resourcing decisions? I'm sorry, I lost that thread.

MR. FORESMAN: Commissioner, I may have missed that thread when I answered the question. If I did, I apologize. A large part of this is the decentralized approach that existed on preparedness activities even within the federal family no longer exists. We have what is referred to as a domestic readiness group which is a cross-functional enterprise of federal interagency personnel, including DOD, represented at the table, so that when we look at the broad strategies and structures and policies of the U.S. government that we can do – we've got a broad interagency look at it.

When we get to the specific resourcing issues, we engage all of our stakeholders. When we talk about grant programs and grant guidance we invite all of our federal interagency stakeholders, including DOD, to participate in that process. Frankly, DOD has been one of our stalwart supporters in terms of helping us to pare down the right equipment list to have in terms from an eligibility standpoint, so it's a very integrated approach.

But I think that going to both – I think where your question maybe and the commissioner’s comments – clearly we need to look at our resource needs in a more holistic fashion as we go into the future in terms of requests for the Guard, requests for the civilian community. After Katrina, we saw a major infusion of cash into the Guard for communications equipment and the first thing they did was pick up the phone and said, okay, before we start getting a whole lot of stuff what’s the stuff, what’s the stuff we need to get to ensure interoperability with state and local officials? That is not a formal process, but it is an evolving process.

MS. LEWIS: And it will have to continue to be done jointly and with a lot of dialogue, I assume.

MR. FORESMAN: Oh, absolutely.

MS. LEWIS: Is there any capability, either because of lack of authority, training or equipment, that the National Guard or DOD can’t provide in the area of homeland defense, homeland security, or emergency response that we need to provide to meet national preparedness goals?

MR. FORESMAN: Commissioner, what I’d like to do is maybe give you a written response on that because I think there probably are a few areas, but without me ticking them off right off the top of my head, that wouldn’t be reasonable for you and it won’t be reasonable for me. So I’m willing to come back with a written response on that one.

MS. LEWIS: We appreciate that, thank you.

Thank you, Mr. Chairman.

MR. PUNARO: Thank you.

Commissioner Stump.

MR. STUMP: Nice to see you again. We’ve been together on several conversations, but one of the things this legislation proposes is to consider – would require the chief of the National Guard Bureau to identify gaps between federal and state capabilities to prepare for and respond to emergency and make recommendations to the secretary of defense on National Guard programs and activities to address those gaps. It would appear to me that the Department of Homeland Security might be better suited to identify those gaps. What is your opinion on that?

MR. FORESMAN: Commissioner, as I had mentioned earlier, I think this is one of those things where a lot of folks are thinking the same thing, but not always aware of what else is going on, and so given the fact that we have a requirement to do that national preparedness survey again in ’07 and in the context of this, if we do them, we need to them jointly and we need to sit down and do the analysis jointly, but I would just offer to



you that the challenge we find today is there are so many component players, so many levels of understanding that we're trying to get the systematic process.

The national incident management system and the related activities on the national preparedness goal and the presidential directive on national preparedness is such that it is driving us towards this what I would probably best refer to as a unified approach to measuring, assessing and determining preparedness in the future. And we are very much in the infancy of what is going to be a decades long effort, but we've got to make substantial progress and this is kind of the growing pains of a whole lot of people realizing something needs to be done, they start doing it so now we got to coalesce it.

MR. STUMP: I see. When you did your June survey of all those states and got the information back, is there an overall deficiency there or are there some gaps that you could identify that came back from the states that you could discuss, maybe something across the board before we –

MR. FORESMAN: Yes, sir. And one that we've actually had a series of ongoing dialogues and discussions with DOD is planning. About 47 percent of the states in 75 major urban areas – probably not as far as that they needed to be from the context of planning particularly for catastrophic event. And it's not right or wrong, again, the nature of the way that these things have evolved. But a large part of what we're looking at is how do we melt together the discipline of the DOD planning process with the flexibility, say, of the Coast Guard's planning doctrine, with the necessity of FEMA's level of planning, with a whole variety of other issues to develop a national wide civilian planning doctrine that is parallel, consistent and not conflicting with DOD's planning guidance?

And in the short term – back to the commissioner's thing – one of the things that we say that the Guard does bring to the table is a disciplined planning process. I saw that down in Louisiana, with the planning that the Guard had done down there for this coming hurricane season, and taking the discipline and the mechanics of, say, a Guard unit and coupling that with the state and local civilian responders – that's going to give you what I affectionately refer to as the Reese's cup solution – the chocolate, the peanut butter and it comes together and it's absolutely the right piece of candy.

MR. STUMP: Basically, if we didn't have the planning completed, it would probably be difficult for you to identify assets that might need to be filled that we don't have out there.

MR. FORESMAN: I think it is somewhat difficult, but I would also acknowledge the fact that even prior to 9/11 with the forerunner to what is now our Office of Grants and Training, then the Office of Domestic Preparedness, we had been doing detailed assessments at the state and local level in terms of what resources are needed. The challenge is that until we had the national preparedness goal, everybody was assessing their resources according to their own standard. And over the course of the past – really

the past three years, we've been able to put a little more focus on it. So it's difficult but not impossible and, again, it's better than it's ever been since I've been in the business.

MR. STUMP: If you identify assets that are required, the big question that the governors are going to have is who is going to pay for them?

MR. FORESMAN: Commissioner, we're about ready to roll out the '07 grants, and I would offer that that represents another infusion – roughly about \$2 billion – into state and local preparedness activities. Out health investments, our Homeland Security – the investments through HHS, Homeland Security amount to about more than \$18 billion since 9/11, and there are some stuff issues out there. But as we look at the stuff issues, I think part of the stuff issue is being created up front by the fact that we've got an outgoing war overseas, and there are inherent capabilities that states and locals have depended on, maybe from the Guard assets, that they cannot fully expect the Guard is going to be able to provide today, and I don't know that that's a function of new mission as much as it is a replenishment of existing capability and resources. But I would just say that as we go down the road we're going to get to the point where stuff is not going to be the solution: the planning, the training, the exercising – those core competencies are going to be as critical as new stuff.

MR. STUMP: Did you notice as the plans came in – having been an adjutant general and knowing how the governors and adjutant generals think – many times they may have overlooked the Reserve component, the Army Reserves in particular, who have most of the medical capability, which is something that obviously is going to be required in any sort of a disaster. Did you notice in those state plans that came back that they were including the other Reserve components and the National Guard to fulfill the mission?

MR. FORESMAN: Commissioner, I can say that is an observation that was brought to me by the staff and it's less about whether it was Reserve components, but a lot of the Guard – I think a lot of the Guard assets were viewed as, what can I get from another Guard asset versus what can we get DOD holistically, whether it's active or reserve. But again I think this reflects a change in the evolving nature with – inside the Pentagon that we see inside the department. It reflects in the training doctrine the current leaders of adjutants general. You know, we've got a generation of adjutants general out there that understand the complexity to sort of doing the home and the away game concurrently and not becoming so overly reliant upon that the civilian government can't do some basic things that they need to be able to do.

So I think we're in the shake-out cruise, if you will, in terms of getting through that, but I think it's a fair observation, and one that – (audio break).

MR. STUMP: You don't understand; it's Guard or Reserve. This is an asset we need to handle the national emergency.

MR. FORESMAN: Commissioner, that's – clearly, that's a right on point – comment on your behalf, but I also think that we have to acknowledge the fact that we've

always got to be able to look at the big picture and that the real challenge – and if I had a great solution for you all, I would put it on the table, but I do not – the great challenge is how do we look at our holistic national assets, both the civilian and military, and be able to manage those at a strategic level and not have them picked off tactically, if you will, in a way that all of a sudden you say, “Well, we’ve got the right solution to this over here,” only to find out that solution was already deployed.

So as we build that enterprise of integration between what local, state and federal are doing – the common operating picture – I think the mechanics of making it possible, particularly over the course of the next couple of years, is going to become much more viable.

MR. STUMP: Thank you very much.

MR. PUNARO: Thank you.

Commissioner McKinnon?

MR. MCKINNON: Secretary Foresman, it’s good to see you again and I think the department’s really fortunate to have you there in a leadership role.

MR. FORESMAN: Thank you.

MR. MCKINNON: But I want to go back to a couple of things that you’ve talked about. Number one, I believe we’re in a war – almost World War III because our facilities all over the world have been attacked since 1979 from the Iranian Embassy on forward. And so it seems to me we’ve got to get our act together in a way that’s urgent, and I’m not sure I feel the urgency. Evolution of having things put together doesn’t signify urgency to me, or shake-out cruise or these kind of phrases – that somehow we need to get things happening and we need somebody to take charge and have leadership and take ownership and make things happen because we don’t know when the next attack on the United States is going to be.

And it’s not just overseas kind of war; it’s a domestic war potential, and so – and we are required to report back to the Congress to say, “Hey, what ought to be happening here?” And I don’t see – I don’t think the Commission sees any relationship between DHS and DOD and how this all blends together, who’s taking charge, and how it’s all working. And obviously you’ve got to study things, but how do we make things happen in a real quick way so we’re prepared, because you may not have decades to make things happen or years. Something could happen tomorrow just as easy as down the road, and if we don’t have an urgency, and if the American public doesn’t feel there’s an urgency and something happens, there’s going to be a lot of problems floating around. So how we get that urgency going?

MR. FORESMAN: Commissioner, clearly I understand where you’re coming from on that and I continue to look at the picture behind you of troops marching down the

street, and I get a morning intelligence briefing every day and I wake up everyday with a sense of urgency and I go to bed every night with a sense of urgency, and I think 180,000 men and women in the Department of Homeland Security do as well, and I know the federal interagency does.

Don't construe my comments in terms of evolution and other things that I may have said to indicate any lack of urgency. We're pushing – we have very aggressive timelines in terms of what we're pushing with the national preparedness goal, what we're pushing in terms of getting grants out and obligated and used by the states, in terms of getting planning processes into place.

The point I was really trying to make is that operating in the context of a civilian environment – and this is going to be a very protracted war; we don't know when the next attack is going to come – but I would say that, as Winston Churchill once said, we're very much at the end of the beginning. And we've gotten through the visceral reaction on the part of America immediate post-9/11. We've got a wide range of capability in. If anybody thinks we don't, August 10<sup>th</sup> was a clear reminder that we were able to take that British airline plot and in the course of about a little less than eight and a half hours state and local governments, airport officials, and the federal government was able to change the protective posture on airliners and in airports in eight and a half hours, and that's pretty phenomenal when you consider the size of the country.

But I will tell you that as – I guess my comments are offered in the context of we cannot force the change on the part of state and local officials beyond what they are able to adapt to. Recognizing that, we're not allowing a leisurely approach to what we're doing here. The level of – and I'm going to have to give you a totally personal, professional opinion based on 25 years: we have made more progress in the last three years than we made in the preceding 20 year in terms of preparedness in America, and it's been accelerated by a policy level focus in Congress and in the White House, in governor's mansions and in state legislatures, at the local level, and it's been infused by the very real knowledge that there is another attack coming; we don't know when or where. There's clearly going to be another natural disaster; we don't know when or where, but it's going to happen and the American people expect this to be ready. So Commissioner, please understand there is a great sense of urgency.

MR. MCKINNON: What kind of structure would you put in place, though? I mean, we're looking at the structure between DOD and DHS – how particularly it relates to the guard. How do you integrate them? I mean, what kind of – I think the communication is great, but there's got to be a structure because people change and other people kind of leave jobs and all that type of thing, and so what structure is in place or should be in place to have that coordination?

MR. FORESMAN: Well, there are several structures in place and the relationship exists on a number of levels. I've got Admiral Dan Lloyd, who is with me, who is the department's military liaison to the Department of Defense and he has – we have Defense Department liaisons sitting in the headquarters liaison function. We've got defense

coordinator elements sitting in all of our FEMA regional offices actively engaged in the planning process. We have DOD planners spread throughout the department. We are actively engaged with NORTHCOM on what I refer to as reverse in progress reviews: we take turns hosting in progress reviews on a variety of issues. And from the standpoint – we’re not finding – and if the commission wants to make me available, we’re always willing to tweak organizational structure – we are not finding any inhibitions to our ability to be able to do the level of coordination.

There are struggles in certain states – I am aware of that – between the Guard and the civilian community, but I think those are few exceptions, rather than the rule. And I know that there are challenges between the active and the Guard and the Reserve, but again, those are not manifested themselves in problems for us in terms of getting stuff done. Let me be perfectly clear: if we asked DOD to do something and there was a need that we had and they did not fit that need, I have no hesitancy that the secretary, the deputy secretary, myself, or other senior leaders in the department would interact with appropriate levels at DOD to get it fixed, but that is just simply not the case.

The final point I will make is we’ve got a command and control coordination effort that is working across the U.S. government that is looking at – we’re talking about the nation’s incident management system, which is one of many important incident management systems we have in the country; nuclear command and control, being another one. And we’re looking to make sure that these are interoperable, if you will, in the context of not conflicting, that they’re smooth, that there’s consistent doctrine. So at multiple levels on multiple fronts we’re interacting with DOD, but, Commissioner, if you’ve got some specific indicators, I’d love to know them because I’m willing to take them back and work on them and make sure that we take care of any impediments to success.

MR. MCKINNON: Well, is it fair to say then we shouldn’t even recommend anything to the Congress about the relationship between DHS and DOD?

MR. FORESMAN: Well, Commissioner, I’m not going to offer a recommendation because you’ve had the benefit of a lot more insight and conversation than I have, but I would just say that we need to be tied to the hips with DOD, but as I said earlier to one of the commissioner’s questions, it’s got to be about process, not personality when it comes to those relationships. Right now, we’ve got a lot of personality making things happen, got a process making things happen, but we’re going to have a change in the administration in the not too distant future, and we need to make sure that we don’t start over again, but rather we’ve got some consistent processes that carries us into the future.

MR. MCKINNON: I appreciate your thoughts. Thanks.

MR. PUNARO: Commissioner Sherrard?

MR. SHERRARD: Sir, just one follow-up and it ties in, I think, very well with the question that you – the discussion you and Commissioner McKinnon was just having. Referencing your Homeland Security Advisory Council, is there a DOD representation and if so, what levels of representation are they involved with?

MR. FORESMAN: The Homeland Security Advisory Council that I mentioned is an external stakeholders' group predominantly of state and local officials. I'll find out if we've got any adjutants general on there. We engage the federal interagency family, including DOD, through the domestic readiness group. We engage them through our integrated incident management team – planning team. We integrate them at a number of different spots, so there's not just one place where DOD comes into it.

As a practical matter, we are in regular discussion and dialogue with Secretary McHale now, who is headed elsewhere, but Secretary England and others. We see the senior leadership of the Joint Staff regularly in White House briefings, so there is no want for a relationship with DOD and they've been exceptionally supportive. And I've got to particularly compliment Gordon England: the deputy secretary has been just magnificent every time we've called with an issue.

MR. SHERRARD: Okay, thank you very much.

Thank you, Mr. Chairman.

MR. PUNARO: Okay. Before I go back to my second round, I want to see if there are any commissioners that haven't asked any questions yet, if anybody has a question?

Okay. Let me kind of go back to requirements because – and you're going to say, "Holy smokes, they can't seem to get beyond this issue of requirements." So let me tell you why it's really important. You understand it from your previous state hat, but – and a lot of people probably don't understand and they would say it's counterintuitive in the Department of Defense that they wouldn't just figure out without having to do a lot of studies or analysis, holy smokes, we've got to be able to deal with natural and manmade disasters. The National Guard is going to be involved and they should be able to figure out what they need and we ought to pay for it.

But let's take a real simple thing: there's nobody in this room that wouldn't think that the United States Marine Corps needs rifles and bayonets. That's what they're all about, and so people would say, "Okay, fine." You know, surely the Marine Corps gets all the rifles and bayonets they need and people know they need rifles and bayonets, so it just automatically magically shows up in the budget. Wrong. That is absolutely not the way it happens in the Department of Defense and it all starts from a requirement. The Marine Corps has to generate a requirements document for a rifle and a bayonet, and they have to do it as part of a military process called DOCMIL (ph), where they look at doctrine in training and equipping and things of that nature, and they have to generate a very, very substantial amount of paperwork.

Now, maybe it shouldn't be as much paperwork as they do, but they have to generate a requirements document and nothing gets in the Pentagon budget that doesn't start from a requirements doc (ph) in the budget the president submits to the Congress. The Congress, you know, disposes and makes their own judgments and they look to see if it's a validated military requirement, but in terms of the president's budget in the Office of Management and Budget, in the system that you work in and the Department of Defense works in, somebody's got to generate a requirements document for a rifle and a bayonet, and then it's got to be justified, it has to come up through the Marine Corps system. If it's a joint requirement, it goes to the Joint Requirements Oversight Council and they have to validate that.

Once you have a validated military requirement, then it's put into the programming and budgeting phase and it takes a long time. I mean, you know, this is – people are frustrated because they say it takes 25 years to get a modern weapons system into the field in a timely fashion. Now, that's for the very sophisticated, complicated weapon systems, but it takes the Marine Corps forever because they argue among themselves about what kind of rifle they need. I mean, you think it's simple to figure out, you know, what kind of rifle the Marine Corps wants. They argued for four or five years about improvements to the M16, so even in the Department of Defense, with people that are fanatical about having the right rifle, it takes forever to get that through.

But guess what? If you don't have a requirement, you'll never get anything done. And I mean, you know, they argue about bayonets and whether there ought to be tungsten on tips so it never need sharpening and things of that nature – so requirements. So the problem is the National Guard and the people we deal with in reserves, they're telling us is they don't know what the requirements are. You know, somebody tell us in the National Guard what is it you want us to do in these manmade disasters or these natural disasters or manmade emergencies. What is my requirement? I in the Guard can't dream it up on my own.

Somebody – and I think you've said that you have the responsibility to look at what you think is needed from the federal response plan, which is broader than the National Guard and the Department of Defense, but it certainly includes the National Guard and the Department of Defense, and identify what you think the capabilities are out there now. And of course the Department of Defense comes back to you and hopefully they're saying, well, Secretary Foresman, here's our capability today. You assess that capability and then you say, well, wait a minute. There's a gap. So somebody needs to basically fill that gap. We kind of think it ought to be the Department of Defense or it ought to be HHS or it ought to be Agriculture, but certainly there're gaps that the Department of Defense need to fill. If there weren't, we wouldn't have this legislation.

I mean, the sponsors of this legislation are not critics of the Department of Defense. These are the most conservative supporters who see a tremendous need to basically deal with this problem and they don't see it happening in the federal system

perhaps as rapidly as they need it. They know the National Guard is going to be called when the balloon goes up, and so they want them to have the proper equipment, the proper training, et cetera, et cetera.

So where is the requirement document? Where is the document, the piece of paper that DHS has handed over to the Department of Defense and said these are the requirements that we believe the Department of Defense needs to fulfill in the federal response plan and does that document exist and does it exist by component or is it – does it exist in highfaluting language such as, we want the Department of Defense to be able to help us anytime we need their help. So where is the requirements document coming out of DHS?

MR. FORESMAN: Mr. Chairman, thank you, and I will address it in three parts. The first part is the 15 national planning scenarios were provided to the Department of Defense to be able to generate the requirements piece as it relates to the Department of Defense as a whole. But the second point is you raise the issue of how do we make sure that in that large organization known as the Department of Defense, the equities and the potential needs of states are represented as far as the process goes for a requirements generation. So I think as a practical matter, you've identified an issue that we may be able to solve as part of our national preparedness goal; frankly, as part of our civilian requirements generation process, that maybe as just as we're generating requirements for the civilian community at the state and local level, maybe we need to think about how do we generate a requirements set, if you will, for the National Guard that can then flow up and that the structures that the commissioner and I talked about in terms of interaction back and forth – we can have some level of adjudication.

As a practical matter where the greatest majority of adjudication of requirements occurs today is at OMB. It is a system that while not perfect is functional and is working. It puts a much extra load on Director Portman and his staff at OMB, but they are trying to do kind of that joints requirement work across the board, but clearly it's very much in its infancy.

So I think this is a takeaway for us, is to sit down with our partners in DOD – Guard, active, Reserve, everybody – to sit down with our partners, look at our requirements generation process and make sure we've got a comparable one, because I can't tell you that there is a document that defines the requirements for the Guard in the context of a homeland defense mission, but I also can't tell you that there is not, and that in itself tells you that is guy the who's responsible for preparing –

MR. PUNARO: The Guard doesn't think there is because they sure don't know where it is or who owns it because they don't have it. But you're saying – and I mean, I understand – you're saying you gave them 15 scenarios, your expectation was they were going to take those scenarios and figure out what their requirements were based on those scenarios.

MR. FORESMAN: That is correct, and – but that kind of –



MR. PUNARO: Okay. Let me tell you why that's, in my judgment, a fatally flawed logic because who's telling them what piece of that scenario they're responsible for? You've passed the buck. I mean, you really are the person to design the federal response plan. You all assert that. You say that it's your responsibility. You know, at some point, the president's in charge working through you. So somebody's got to tell the department in those 15 scenarios: "Here's what DHS expects. Here's the piece we expect you to pick up in that scenario," and furthermore, not only that, you know good and well that if you send it over to them, they're not going to roger up to do anything because they don't want to spend their money on those scenarios. They want spend their money on tungsten-tipped bayonets, so we've got to breakdown into process here.

MR. FORESMAN: Mr. Chairman, I'm going to bristle a little at that –

MR. PUNARO: Okay.

MR. FORESMAN: – because I don't believe that is correct from this standpoint. As the planning scenarios went over to DOD and we said to them, that was – your statement would assume that there was no inherent knowledge of the military role and responsibility and support of civil authorities that has been successfully practiced over many, many years. A large part of this is how we redefine it from this point forward, so that there're really two categories. There is a requirements to do the mission as we understand it today, and then there's the second piece: what is the mission of tomorrow going to be, and how do we – because, as you know, can't get agreement on the bayonet and rifle in four years, it's going to take you a little bit of time to plan tomorrow, so we've got to get that agreement.

And we're not doing all 15 national planning scenarios at once as a practical matter, and I apologize for not mentioning this earlier. We're focusing on four specific scenarios because we think those four will identify not only across DOD, but across a federal civilian family, the broadest probably 70 to 75 percent of the requirements. And the target date for getting that planning done is about 90 days away.

MR. PUNARO: Yeah. I'm not suggesting one second people are not well intentioned. I'm just saying the practical reality of how you get money in the DOD budget – and, Gordon, help me out here a little bit because the Guard has indicate to us they don't program anything that doesn't have a warfighting – they are not allowed to program stuff that's just there to support DHS and civil support to military authority. So your suggestion that, well, they understand what they're supposed to do – they don't consider that a DOD requirement and they don't program for it. So DHS has got to say, "This is a gap and as the owners of the federal response plan, we're counting on the DOD to fill that gap. So you folks over there in DOD, the great Americans that you are, you need to start looking at programming some dollars and resources against that requirement."

MR. FORESMAN: Mr. Chairman, two issues here. Issue number one is the goal of what they're supposed to do. That's the piece of the planning scenarios and the national preparedness goal, but the "how to get," if you will, the domestic missions incorporated into the budget prices is not what I was referring to. And, you know, this becomes important for us to be able to articulate reasonable expectations, and I think you've highlighted a great issue that this commission can maybe opine on as we go forward.

MR. PUNARO: (Laughter.) We were hoping you'd roger up and say, I'd like to own this problem and I'll go and beat on a (block of ?) tom-tom. (Laughter.) You saw your colleague Paul McHale. He put his Marine uniform – he's over there fighting the Taliban in Afghanistan and right now, so –

MR. FORESMAN: I'm not sure which one of us has the harder time some days. (Laughter.)

MR. PUNARO: Yeah. I would say your job's a lot harder than Colonel McHale's right now. So I take it there might be a way we could kind of work with you, work with the department. I mean, we're struggling because we want to get on top on this requirements because we know everything – all dollars flow from requirements, and we can wish it to be a different way. It's never going to change in the Department of Defense, and so we really do need to struggle and come up with this. And this is, I think, one of the tremendous frustrations of the National Guard and the tremendous frustration of the sponsors of this legislation because they see that there's a need, there's a requirement, and they don't feel like it's been adequately represented in the planning, programming and budgeting process.

Commissioner Stanton Thompson, do you have a –

MR. THOMPSON: Well, my sense of the reason this legislation is being considered is that Congress doesn't seem to be satisfied – the cultural history of how the Guard and Reserve components have been resourced is going to be changed unless there is an advocate much higher in the hierarchy. So if you were looking at it from the Department of Homeland Security, do you feel comfortable that the governor's requirements are – that the process by which you put it together on your department, that the governor's requirements for securing their infrastructure and the things within the state the DOD probably don't even have an eyeball on – do you think that is okay?

I mean, do you think that – and I would like to know how you – maybe you can't do it today, but I would like to know kind of how that's organized in your department so we can maybe compare that with how – if you feel satisfied that the governors have that adequate voice and getting the pieces of your financial pie. I'd kind of like to know how you all do that so that we can compare it maybe, Mr. Chairman, with how DOD does.

MR. FORESMAN: Let me give you the two-minute version. We'll follow up and provide you a little more detailed version, but the two-minute version is pretty

straightforward. I mean, as we've defined the missions for the states, we've continued to evolve the statewide strategies for preparedness and it continues to be informed by changes in the environment as we see it each and every day. So when X state sends in their request for the dollars this year for –

MR. THOMPSON: A grant request?

MR. FORESMAN: – grant request for resources or technical assistance from the department, that is going to be matched against their statewide strategy – the statewide strategy that we specifically asked them to develop to be able to deal with the unique risk environment that we find ourselves in the 21<sup>st</sup> century. So literally the first step in the process: package comes in the door: okay, is this consistent with the statewide strategy?

I think the point that is made and I'm willing to go back and look and see how many of those statewide strategies include any dialogue and discussion with regard to potential Guard resourcing as it relates to it, but I think as a practical matter we can give you kind of the organizational 101 chart on how we do the requirements generation for the non-Guard assets at the state and local level, and I clearly take – and I take this as a mission when I walk out of here to all of you that we will look at that requirements process and make sure that we're doing a better job of cross-fertilizing the information where it's necessary to DOD.

MR. THOMPSON: This request in the grant process is worked at the program officer level or department head level and then who's the approval authority?

MR. FORESMAN: Well, it's got a multiple approval authorities. We use – it's worked at a program officer, it's worked through a peer review process, then it's got final signoff at senior leadership standpoint inside the department. And ultimately, what we're looking – I mean, we're not trying to micromanage every dollar that is being spent out there. What we're trying to do is to make sure that states and communities understand what the national goal is, that their expenditures target that national goal, their statewide goal, their local goal, and do so in a way that provides for meaningful advancement in preparedness, but we do set national priorities. I mean, we don't just simply say, "Here, tell us all the things you're going to do."

We've got six or seven national priorities, as you will see in the grant guidance when it comes out shortly, and that evolves over a period of time. A lot of it is informed by intelligence and so you will see different priorities three years ago than you will see today because the intelligence tells us we need to target our dollars a little bit differently.

MR. THOMPSON: Okay.

MR. PUNARO: Okay. Let me – you said you had a question?

MR. MCKINNON: I just want to follow up that for a moment. When you talk about grants to the states, do they ask anything for their National Guard?

MR. FORESMAN: Commissioner, I knew you were going to ask – I knew somebody was going to ask that question and I tried to get the answer before I came into the room. I don't know how much of the dollars have been used for Guard assets in 49 of the states. I can tell you my experience in Virginia. The Virginia Guard was one of the recipients of our homeland security funding. I think that is the case in other states, but we will provide you a listing of how many states have provided homeland security dollars.

But let me also be clear –

MR. MCKINNON: For the Guard you're talking about?

MR. FORESMAN: For the Guard.

MR. MCKINNON: And specifically what they asked in the way of items, too, would be helpful.

MR. FORESMAN: Right. In the case of Virginia, I know that what they were looking for was some personal protective equipment to be able to do the protection and prevention mission, but we'll go back and get that.

I do want to offer a caution, though, as we can't look at the homeland security grant program as a funding source for the Guard. It provides a reasonable approach to address some of the exigent circumstances, but I think the broader discussion that we've had here – and I think it's been a very valuable discussion for me – is looking at the broader requirements of our national preparedness and how we manage that requirements generation process. It is not limited to DOD. I mean, we've got same challenge with other federal agencies in doing so in a coordinated fashion.

MR. MCKINNON: Great. Thank you.

MR. PUNARO: Let me close out and attempt to see if I can't get you crossed out with the Department of Defense on another subject, not that you're crossed up with them on any other subject here today. The role of the governors. You look at it from the broad federal response plan. We put a lot of burden on our governors to be in charge during the initial response, and then we've already talked about the graduated escalation and – you know, everybody is working really hard to basically not have this bright line so we get into a food fight over, you know, when does it go federal, et cetera, et cetera, et cetera. So there's a lot of work going on there.

The governors are responsible for the National Guard when they're in their state. These are the same National Guard brigades that get mobilized, they go over to Iraq and Afghanistan. By all accounts, they perform in a magnificent fashion and they come back to the states and then they come back under the governors. And the governors feel a very keen responsibility to make sure those forces are organized, trained, and properly

equipped to go do those mission as well as the back home missions, and they feel an obligation to take care of them when they get back because most of these units aren't located – they're not located on any large military installation like Camp Lejeune or Camp Pendleton, or Fort Bragg or Fort Hood, where there's a built-in infrastructure.

And so the governors – we certainly trust the governors to perform that role. Is that your understanding?

MR. FORESMAN: Yes, sir.

MR. PUNARO: Okay. So if they're competent to be in charge of the guard that goes over and fights as a brigade in Iraq and comes back, would it be illogical to assume that they would be just as competent to be in charge of an Army reserve truck battalion just like they're in charge of a Guard truck battalion in a contingency? And that from a broad macro federal response plan, it seems to me, from your perch and from the taxpayers' perch, when we're talking about protecting the lives and property of the citizens in that neighborhood, the taxpayers – they don't want to hear of stovepipes and turf. We paid for that capability. We gave the federal government our tax dollars. Why can't it all be brought to bear in a rapid fashion?

So why can't we look at it in a more – shouldn't we look at it in a more holistic fashion and why can't the governors be given some authority to basically use all the federal assets that are in their state, understanding that you'd have to make deconflict – and, I mean, this is another reason why contingency planning is so important, because if you have a plan, you know – like we know – we know the military can't send the same unit to Iran and North Korea at the same time, but they know that in advance. And so it's not that hard to figure out.

So why can't the governors be given more control over the assets that the taxpayers have paid for in that state, just like they control – and by the way, the taxpayers pay for 90 percent of the Guard that the government – so the federal government has already ceded the point to the governors that they're paying for the vast majority of the forces that we give them to control in a state's task.

MR. FORESMAN: Mr. Chairman, you've got six points. I'm going to try to digress or digest them and go through them, but first let me be clear: when we talk about sending the Guard overseas. And this is an important distinction that I think clearly this commission understands, but the average citizen doesn't understand this difference between state duty and federal duty. They just see them as guardsmen – as military men and women, who are ready to serve their country the same way with the Reserve and the active components.

But, you know, when we send those units overseas, they are under command of someone; it's not the governor. They are (seated ?) in their federal status when they go overseas, and I think the points that you made with regard to governors – governors feel a kinship: even though they don't have that operational control over them, they feel that

responsibility to make sure that the safety nets have traditionally been there to deal with the family issues as those men and women come – go back and forth or come home and that type of thing.

But the piece as it relates to why not put other assets under the control of the governors, I'd have to sit down and look at the legal construct, but I think this underscores what we're challenged with each and every day: very distinct levels of government with very different roles and responsibilities. And it's not as simply as easy saying that, you know, we're going to do this, that, or the other. We have to respect those roles and responsibilities.

The differences between Reserve or active forces and Guard forces, the differences in the missions – those are distinctions that are lost on the general public in the midst of a crisis, but their distinctions that the general public expects us to understand as leaders in the midst of a crisis so that we do the right level of planning, we apply the resources appropriately. Because the last thing that we want to do is create an environment where we put so much reliance on the military and we have become so decentralized in our approach to managing our military assets that we lack the capability when the next 9/11 happens and we have to secure the borders, we have to project our military strength overseas that we have, in fact, diluted the ability of the military to do that by creating too many command and control structures – too many people who can task into it.

I think clearly as we go through this update of the national response plan, we're looking for additional clarity in terms of the military tasking piece of it. I think the real issue that we get down to is can you apply active duty resources or Reserve resources in a state and local environment and put them under a command and control of the adjutants generals. Again, I'm not going to proffer a personal or departmental level opinion on that, but what I will offer is that the clear understanding on the front end of roles and responsibilities, the maximum utilization of resources is the absolute number one goal.

Having said that, in a decentralized government with multiple levels of government and multiple legal authorities, it's tough but the founding fathers never said it was going to be easy to preserve the democracy. They created something really, really good and so we're working hard every day to work within that construct to make it work. But, you know, I think there are a lot of governors out there who ask the question – and they ask it of me on a regular basis: I've got a Reserve unit in my community. How can we do a better job of incorporating that into our preparedness activities? And I don't know that that equates to: I want to have control over it, but how can we build that into what we're doing on a statewide basis?

MR. PUNARO: I understand it's very difficult, but I mean, just for example, how many seven-ton trucks does FEMA own that can ford rivers and not flood out?

MR. FORESMAN: Mr. Chairman, you know the answer to that is probably not –

MR. PUNARO: Zero.

MR. FORESMAN: Well, actually I don't know that I can say exactly say zero. We do have some heavy equipment in FEMA as an organization, but I mean –

MR. PUNARO: Right, but no one in the United – no one in the commercial world would pay what the Department of Defense pays for a seven-ton truck because nobody in the commercial world needs a truck that can withstand, you know, 7.62 rounds, that can go into a raging river and – you know, so I mean, in the military – and by the way, a truck company in the Army Reserve is the same as a truck company in the National Guard: a truck is a truck is a truck. A truck driver is – they're all trained by the same truck driving school in the military, so there's a lot more similarity.

I mean, you're talking about sort of the legal command and control authorities, but I'm talking about the practical reality of the capabilities the nation expects its government to bring to bear in a disastrous scenario. And my suggestion is there's still too many stovepipes there. I really do believe that DHS owns this over – I mean, the Department of Defense can't own this because they can't work with the civilian agencies. They're into breaking glass and stomping things down, and that's just not the way HHS responds to things. They are kind of the kinder, gentler, you know, folks in government.

So – and we don't want our military to be diplomats. We don't want them to get trained by the State Department. We don't want them, you know, wearing pink shirts and drinking tea and crumbling cookies, you know, and things like that. We want our military to be our military, but natural disasters and manmade disasters are military operations, and that's what the capability they have. And the Guard's frustration is they know they're going to be called out by DHS to do that; they want to make sure they have the proper training, the proper equipment, the proper planning.

And I think somehow our challenge is to basically help you, you know, continue to do the very positive and significant accomplishments that you've made already knowing that as you say it takes a long time.

But my problem is we don't see some of these issues getting joined right now at the highest levels of government. We think we see too much of just kind of talking around the problem and being too nice about other people's prerogatives and turf and you know, we'd kind of like to see some of these barriers – you know, in fact I'll get you a Stryker tank and you can go over there and rumble up steps at the Pentagon if you need some help.

MR. FORESMAN: Mr. Chairman, let me offer three points. I don't think I'm going to need a Stryker tank. They welcome us with open arms over there, but a couple of points. I would have to say that emergencies and disasters are not military events. They are inherently civilian events that require military support, and I think that's an important distinction.

MR. PUNARO: It depends on the level. I would suggest to you a W – the use of crude nuclear weapon under the Nunn-Lugar-Domenici law is a military event.

MR. FORESMAN: Well, it's going to be a military event, Mr. Chairman, but there's going to be a plethora of civilian response associated with it, and –

MR. PUNARO: Correct. Yeah.

MR. FORESMAN: – but the point I wanted to make is it really goes back to the general tone and tenor of the whole discussion today, which I think has been exceptionally valuable. It's the fact that we have traditionally organized our military missions according to their capabilities, and what we are fundamentally talking about doing is organizing the resources according to what we need their capabilities to do. You would basically say, well, we've got a truck company; they can do truck company stuff. But we're trying to look at this holistically in the context of what do all the component pieces we need? What are those things the civilian agencies can do versus the military? Make sure the military has resource to do it. And I will tell you, I've got a t-shirt somewhere in my closet that says "stovepipe buster" because –

MR. PUNARO: (There you go ?).

MR. FORESMAN: – you know, that's very much what this is about is to coalesce under a single vision a whole bunch of inter – independent activities that are legitimately independent.

MR. PUNARO: Well, we thank you so much for your continuing cooperation, for the real significant accomplishments that have been happening at DHS, and all the efforts that are going forward.

The committee is going to recess till tomorrow morning at 10:30 in this same hearing room, 2212 Rayburn, where we will hear first from General Pete Schoomaker, the chief of staff of the Army; followed right after him by the Secretary of the Air Force Mike Wynne; and the Chief of Staff of the Air Force General Mike Moseley. Then we'll recess until the afternoon at 2:00 to hear from Major General Roger Lempke, adjutant general of the state of Nebraska and president of Adjutant Generals Association; Major General Raymond Fred Rees, adjutant general of state Oregon; and Major General Martin Umbarger, adjutant general, state of Indiana and chairman of the National Guard Association of the United States.

So thank you again. We stand recessed until tomorrow at 10:30.

(END)