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COMMISSION ON THE NATIONAL GUARD AND RESERVES HOLDS A
HEARING ON NATIONAL GUARD AND RESERVE ROLES AND MISSIONS

MARCH 8, 2006

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WITNESSES:

SENATOR MARK PRYOR (D-AR), CO-CHAIRMAN,
SENATE RESERVE CAUCUS

SENATOR LINDSEY GRAHAM (R-SC), CHAIRMAN,
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U.S. DEPARTMENT OF DEFENSE

LIEUTENANT GENERAL RAYMOND ODIERNO,
ASSISTANT TO THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF

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

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1 PUNARO: Well, good morning. With the permission of our witnesses, the
2 commission will come to order. I have a very brief opening statement, because we want to
3 get right to our two important first witnesses here this morning.

4 Welcome, everyone, to the first public hearings of the independent Commission on
5 the National Guard and Reserves. Obviously, the commission is eager to hear from the
6 members of Congress who are joining us here this morning. So, I'm going to give a more
7 detailed statement this afternoon about the mandate of the commission and our activities.

8 In summary, the commission was established by the Ronald Reagan National
9 Defense Authorization Act of Fiscal Year 2005. The commission is charged with
10 identifying and recommending changes in law and policy to ensure that the National Guard
11 and Reserves are organized, trained, equipped, compensated and supported to best meet the
12 national security requirements of our nation now and in the future.

13 The Congress has given us a daunting mandate and one that we take very seriously.
14 These initial two days of hearings are to assess the current and future roles and missions of
15 the Reserve components. In other words: What do we want the National Guard and
16 Reserves to do in order to meet the security requirements of the United States?

17 The various assessments assigned to the commission by authorizing statute cannot
18 be addressed without first understanding what it is we want and need our Reserve
19 components to do. We look forward to extensive input from the Congress, both on the
20 subjects of this hearing as well as on other important policy areas in our statutory mandate.

21 We look forward to your guidance as well as what you believe should be the
22 overarching policy principles that should guide our assessments and recommendations.
23 Knowing very well about the demands on members' schedules, we appreciate your
24 participation, and we will be flexible as possible.

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1 Again, thank you for being here, and we look forward to receiving your views,
2 recommendations and priorities. And I believe -- with the agreement of our two witnesses -
3 - I believe we're going to start this morning with Senator Mark Pryor, from Arkansas, who
4 is co-chair of the Reserve caucus.

5 Senator Pryor?

6 PRYOR: Thank you, Mr. Chairman. And thank you for having me here. Certainly
7 it's a great privilege for me to be here with Senator Graham this morning.

8 This commission is charged under the Defense Authorization Act of 2005 with
9 carrying out a study of the roles and missions of the National Guard and the other Reserve
10 components of the armed forces. In doing so, we're considering recommendations about a
11 vital component of our nation's defense, one that pre-dates the Declaration of Independence
12 by 140 years.

13 The first permanent militia was established in 1636 in the Massachusetts Bay
14 Colony, and since then, militias and Guard units have fought in every conflict from the
15 Pequot War of 1637 to the current one. The name "National Guard" was first adopted
16 before the Civil War by New York State's militia in honor of the Marquis de Lafayette, who
17 commanded the Garde Nationale in the early days of the French Revolution.

18 By the late 19th century, many states had begun to rename their militia the National
19 Guard. In 1912, Congress created the Regular Army Reserve. The National Defense Act of
20 1916 required that all states rename their militia units National Guard, and it also prescribed
21 qualifications for National Guard officers and allowed them to attend U.S. Army schools,
22 required that each National Guard unit would be inspected and recognized by the War
23 Department and ordered that the National Guard units would be organized like regular
24 Army units.

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1 The Guard played a major role in World War I. Its units were organized into
2 divisions by state, and those divisions made up 40 percent of the combat strength of the
3 American Expeditionary Force. During World War II, all 18 National Guard divisions saw
4 combat, and the Guard was instrumental in the early months of the war, as America built up
5 its regular forces.

6 During the Cold War era, the Guard and Reserve, or Reserve Component, were
7 rarely tapped. From 1945 to 1989, Reservists were involuntarily activated by the federal
8 government only four times, an average of less than one per decade. Since the end of the
9 Cold War, however, the nation has relied more heavily on the Reserve component.

10 Since 1990, the Reserve component has been involuntarily activated by the federal
11 government six times, an average of once every two years. And those are just involuntary
12 federal activations. There have been many others under voluntary orders, training orders or
13 state orders.

14 Today, the total strength of the Reserve component is 1.1 million men and women,
15 and clearly their role in the nation's defense is changing. They are no longer a manpower
16 source of last resort. The Reserve component is a vital daily contributor around the world.

17 As these troops deploy more often for longer periods and take on more
18 responsibilities, the commission must look at what are the appropriate roles and missions,
19 and what are the likely missions for the Reserve component in the type of conflicts we can
20 expect to engage in during the coming decades.

21 Their benefits, too, should be reexamined in light of their contributions. Among the
22 many issues that the commission should be addressing, I believe the following are among
23 the most important.

24 First, rebalancing: whether the proposal to create 117 Active Army modular

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1 brigades, 106 in the Army Guard and 56 support brigades in the Reserves gives us enough
2 projection and flexibility we need and whether the breakdown among the Guard units at 28
3 combat brigades and 78 support brigades gives us enough combat readiness.

4 The balance of skills among the Active and Reserve forces is as important as the
5 balance of manpower. The Reserve forces cannot carry out their mission if they lack the
6 appropriate skills to do so. Are the skills and training received by the Reserve component
7 appropriate to its missions?

8 Second, readiness: In a long, irregular war, we can expect to face large and small
9 conflicts at unpredictable intervals. Select Reserve and Guard units must be more
10 accessible and readily available than they have been. The commission should look at the
11 best ways to accomplish this so that commanders can access the skills and manpower they
12 need in the least amount of time while acknowledging and respecting the impact of
13 deployments on families and jobs.

14 Third, corps size: Do we have enough people in the Reserve component given the
15 length and repetitions of deployment we see today to accomplish the Reserve component
16 missions on an ongoing basis? Or, should the Reserve component be a larger component of
17 the total force, given its unique role as comprised of true citizen soldiers? Are retention and
18 recruitment sufficient to keep the Reserve component at current or desired future levels?

19 And fourth, finally, the domestic role: We cannot expect a catastrophe such as
20 Hurricane Katrina on a regular basis, but we must be able to react to such an event, natural
21 or manmade, whenever one occurs. Is the training for the Reserve component sufficient for
22 these events? Does there need to be better coordination with the Department of Homeland
23 Security?

24 Are new or expanded authorities needed for use in the event of natural or manmade

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1 disaster? And perhaps most importantly, has the role of the Reserve component in overseas
2 operations grown so much that it does not now have adequate manpower and equipment to
3 respond to a crisis at home?

4 It is an honor for me to be the co-chair of our Reserve caucus in the Senate, and I'm
5 confident that the talent and experience that is gathered here in this room will be sufficient
6 to produce thoughtful and valuable recommendations. I want to thank you all for your
7 service to the country, and continue to do what you are doing. Thank you.

8 PUNARO: Thank you very much, Senator Pryor. It's going to be very helpful.
9 Your leadership in these matters is not surprising to those of us that had the privilege of
10 working with your father when he served here in the Senate. He was another tremendous
11 champion of our Guard and Reserve forces.

12 We will now here from Senator Lindsey Graham from South Carolina, who is not
13 only chairman of the Manpower and Personnel Subcommittee of the Senate Armed Services
14 Committee that has to consider and grapple with a lot of these issues each and every day,
15 but he's also an Air Force Reservist. So he knows firsthand and has dealt with many of
16 these issues as he as risen up through the ranks as a Reservist.

17 Senator Graham, Mr. Chairman, thank you so much for being here this morning.
18 We look forward to hearing from you.

19 GRAHAM: Well, thank you, and we're not desperate enough yet to call me up, so
20 that's the good news.

21 Mark, I think, represents the best of the Senate in terms of showing that this issue is
22 not a Republican/Democrat issue, it's an American issue. And I know he'll bring a lot to the
23 table when we come together on legislation.

24 I want to thank each member here. I'm sure you're doing it for the money. But y'all

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1 are giving your time and your energy to do something I think would be very valuable to this
2 body. It's to have sort of a third-eye look at where we're going and how we're going to get
3 there, when it comes to Guard and Reserves.

4 But as you mention, you know, I'm still in the Reserves. I do my little bit. But I've
5 been in the Guard, I've been on Active Duty, I've been in Reserves. And I've had the
6 chance to compare the talent, and the Guard and Reserves are amazingly talented people.

7 I was at the Swamp Fox unit at McIntire Air National Guard base, probably the best
8 F-16 squadron in the whole Air Force during the first desert war. But Mark mentioned this,
9 and I think we need to think about it really hard -- How has the role of the Guard and
10 Reserves changed in the war on terror versus the Cold War?

11 When I was in Germany from '84 to '88, we were worried about the Russians
12 coming through the Fulda Gap with heavy armor, and the 130 was a nice thing to have, but
13 nobody really relied on it much. I've been to Iraq four times, and you take a number of C-
14 130 flights to get around in the theater, from Kuwait or wherever you're going. It's the air
15 taxi within the theater of Afghanistan in Iraq.

16 I've flown with an Active Duty crew once. And I've probably taken 20 flights. The
17 air bridge between the United States and the Mideast is being flown predominantly by
18 Reservists.

19 At Charleston Air Force Base, the Reserve command there, about 90 percent of their
20 pilots and air crew members have already hit their statutory two-year maximum, where you
21 can be involuntarily called up for two years. Within the entire Reserve flying community,
22 about two-thirds of those who are Reservists who fly have already exceeded their two years
23 and do it voluntarily. The point is utilization rates.

24 You asked, "What should the Guard and Reserve do?" Apparently everything.

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1 Because we're asking them, literally, to do everything. Every civil affairs officer I've ever
2 met in Iraq or Afghanistan has been a Reservist. And in the war on terror, they're worth
3 their weight in gold, like the military policemen.

4 During the Cold War, military police units were nice to have but not on the front
5 lines of the battle. In Iraq, they are worth their weight in gold, and most of them come from
6 the Guard and Reserve. Everybody in Bosnia is a Guard member.

7 A military policeman is an infantry-trained person who understands law
8 enforcement. In what we're doing in Afghanistan and Iraq, a civil affairs person is truly the
9 solution to the problem. Medical specialists: When you go throughout the military, you'll
10 find that every other person you meet in the medical community comes from the Guard or
11 Reserves.

12 This is not going to change. As long as the war on terror exists -- which, I think it
13 will exist for many years to come -- the specialties that are currently housed in the Guard
14 and Reserve are going to be at high demand. We're either going to change those to Active
15 Duty billets, or we're going to restructure the Guard and Reserve so that they can be there,
16 at a state of readiness that we need, without driving people out.

17 Recruiting and retention is amazingly good, but I would argue to you it is not going
18 to sustain itself. We have a chronic recruiting and retention problem in the Army Guard,
19 and to ignore it -- we do so at our own peril.

20 The number of people getting off Active Duty going into the Guard -- 50 percent of
21 your Guard force and Reserve force comes from people getting off Active Duty who want
22 to stay in -- half of those people are not coming in to the Guard and Reserve because they
23 see the Guard and Reserve as another form of Active Duty. And we must address that.

24 Now, I along with Senator Clinton, in a bipartisan effort here, we've extended

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1 TRICARE, military health care of the Guard and Reserve community. Three years ago, the
2 Guard and Reserve was the only federal employee group, part time employees, who did not
3 receive any medical health care as a benefit of their service.

4 Any temporary employee in a congressman or senator's office, a temporary
5 employee, is eligible for full-time medical health care through the federal government.
6 Now, because of what we've done recently, every Guard and Reservist who is subject to
7 being deployed can sign up for TRICARE, military health care, for themselves and their
8 families.

9 And how has that played out? It's played out in a huge fashion. Twenty percent of
10 the Guard and Reserve has no health care, so now you're providing health care service to
11 people who were uninsured, making service more attractive.

12 About 20 percent called to Active Duty were unable to go to the fight because of
13 health care problems. We do not have continuity of health care when it comes to keeping
14 our force ready. It is in our best interest to provide medical service and health care to Guard
15 and Reservists, so they're ready to go to the site. We can help recruiting and retention.

16 And the backbone of the Guard and Reserve is small-business people, people who
17 come from small businesses. And if you could help those employers, who have done a
18 heroic job, and they are the unsung heroes in this war, by helping them with their health
19 care burdens, in terms of their Guard and Reserve employees, you would be doing a great
20 service to an employer community who I think has been overlooked.

21 We need to look at retirement. One day I hope to be retired. Three more years to
22 go. But in the Guard and Reserve, you have to wait until you're 60 before you can get your
23 retirement. There's legislation floating around this building that would allow Guard and
24 Reservists to retire at 55 if they serve three years.

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1 And you need to look at the number of people getting out at 20 years of service in
2 the last three years versus a historic model. The Guard and Reserve has historically served
3 for a very long period of time. It's like a family. Not your normal military unit. People
4 serve together continuously for decades. You don't get deployed and move around like you
5 do on the Active forces, so it really is a community in the truest sense of the word.

6 But the proposal is, for every two years you stay on past 20, you can retire a year
7 early. If you serve 22, you can retire at 59. And go all the way up to 30, and you can retire
8 at 55.

9 If we don't do something like that, and I don't know what it costs, but the benefit is
10 huge. If we don't look at something like that, we're going to lose people at the 20-year point
11 in droves. Because families are getting stressed to the breaking point in the Guard and
12 Reserve.

13 One key difference between an Active Duty unit and a Guard and Reserve unit is in
14 an Active Duty unit, it's usually in an Active Duty base, where they've got a chaplain down
15 the street, a commissary, BX, a child-care center where you can drop your kids off. There
16 is an enormous support network to deal with the stress of deployment.

17 In the Guard and Reserve community, you have to make it up as you go. Now we
18 have family support services that are getting more robust in the Guard and Reserve, but in
19 the first Gulf War, I was a JAG officer called to Active Duty, and I spent an inordinate
20 amount of time trying to deal with the legal problems that occur when a member of a family
21 is sent to the desert for a year and the spouse is left behind.

22 Sometimes, it's their first time being in charge of the family household. You know,
23 when you have to renegotiate contracts, the pay goes down. Half the people in the Guard
24 and Reserve get a drop in pay when they're deployed.

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1 So we need to look at a more robust support network, for Guard and Reserve
2 members' families when they are deployed. We need to look at the compensation package.
3 We need to beef up the Soldiers' and Sailors' Civil Relief Act to give some legal protection
4 to Guard and Reserve families left behind with a dramatic loss of income.

5 I could spend literally all day talking about how the Guard and Reserve is under
6 stress in this war unlike any other war. But I have a lot of confidence that you will look at
7 this for the months to come and issue a report that will realize that the Guard and Reserve
8 utilization rates from the state component to the federal component are not going to go
9 down in my lifetime. They are probably going to remain the same or go up.

10 And the final thought I would leave with you: If we don't increase the size of the
11 Active Army and the Marine Corps, the "boots on the ground" forces, we're going to break
12 the Guard and Reserve. Because they're filling in at a level that's unsustainable. And if you
13 don't do something about a greater force, the rotation schedule for Active troops are going
14 to drive people away.

15 We have a chronic, building problem on our hands, and all we have done is provide
16 acute solutions. A little more money here, a little better benefit there. Not only do we need
17 to restructure how the force will be utilized in a time of war, we need to restructure the
18 benefits offered to those who choose to do this part-time job that America depends on full
19 time. Thank you very much for your service.

20 PUNARO: Thank you, Mr. Chairman, for that very powerful statement. And could
21 I impinge on your time for just a few seconds?

22 GRAHAM: Absolutely.

23 PUNARO: Obviously, our report is due to your committee in a year, but we also
24 owe your committee a 90-day report, which will have our initial findings, and how we're

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1 going to do our job and any thoughts. And I was just wondering: Is there a couple of issues
2 in your subcommittee's inbox that you're grappling with right now in the hearing sessions,
3 where if we were able to shed some light on it in our initial 90-day report, would be helpful
4 to you and your fellow committee members?

5 GRAHAM: Great question. Number one: Report back to us your view of whether
6 or not the extension of health care benefits to Guard and Reservists had a positive effect.

7 Number two: Look at whether or not lowering the retirement age for those people
8 who serve to 30 would have a positive effect, and is it affordable?

9 The next thing I would ask you to do is look at the support network of families and
10 give us some view of whether or not we need to beef that up. And why are we having
11 shortfalls in the Army Guard?

12 If you could do that in the next 90 days -- and I guess the last thing, you shouldn't
13 ask that question to me, I'll load you up -- the last thing is: What would happen if the
14 Reserve air crews in this country all of a sudden said, "You know, I can't fly anymore."
15 And we don't have the ability to make them fly. What would happen to our air bridge in the
16 theater of operations?

17 I think it would be a scary scenario for this country, and we need to deal with that.

18 Thank you very much.

19 PUNARO: Thank you, Mr. Chairman. We'll try to strap those on, maybe not give
20 you the final answers, but give you some of our initial thinking. Thank you again, and
21 thank you for your service, sir.

22 Well, we'll be hearing from the chairman of the House Armed Services Committee
23 here shortly, Congressman Duncan Hunter. It might be appropriate to elaborate a little bit
24 on what the commission will be addressing in some of the major questions that we're

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1 looking at. And when our next witness comes, obviously we'll shift right to that.

2 So, under our statutory charter from the Congress, we're going to be addressing
3 several major questions such as the appropriate roles and missions for our Guard and
4 Reserve components in meeting our national security needs, some of which our first two
5 witnesses have touched on here this morning.

6 What is the best use of the Reserve components and personnel for our national
7 security, also for homeland defense and disaster response? And in addressing that issue, I
8 think we have to take into account some of the issues that both Senator Pryor and Senator
9 Graham outlined for us here this morning, and that is:

10 What is the balance between what is in the Active component and what's in the
11 Reserve component? What is the balance between what the Guard and Reserve might be
12 doing to deal with overseas contingencies, supporting our Active component, and what the
13 Guard and Reserve might be called on to do at home?

14 And when they're called on that at home, what's the balance between what happens
15 between the federal government and the state government? And some of the difficult issues
16 that people are looking at now in the lessons learned from some of our recent natural
17 disasters: Who is in charge? Who should be in charge? How do you get to the fight? How
18 do you operate?

19 We also want to talk about the proper accounting of Reserve members on Active
20 Duty in the Department of Defense, another issue our two witnesses addressed here this
21 morning. And it's provided to us in our statutory charter.

22 Right now, there are multiple categories of pay statuses, multiple laws, rules and
23 regulations. Those of us on the commission that have served in the Guard and Reserve
24 component know full well how complex and overlapping and confusing the rules and

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1 regulations can be, not just to people who serve in the Guard and Reserve and sort of know
2 the system, but also to the Active component and the combatant commanders, that would
3 like to have, from my experience, a much more seamless, much more easy way for the
4 Guard and Reserve to provide the kind of help they need as they move back and forth
5 between the various statuses.

6 We also are going to be looking at the effectiveness of the current organization and
7 structure of the Guard and Reserve. The basic building blocks of the organizational
8 arrangements and the basic force structure has changed very little over time, since most of it
9 got started -- the modern structure and organization -- in the late '50s and some of it in the
10 earlier '70s.

11 And of course, the national security threats and other statutes have changed three or
12 four times over since then. So we want to look at that. Another requirement in the law for
13 the commission is to look at the adequacy of the current organization and funding of
14 training.

15 Training is pretty much a basic building block for any military force, certainly for
16 the Guard and Reserve. And there, the question that the average soldier, sailor, airman,
17 Marine, Coast Guard man or woman in a Reserve component force: Well, what is it that
18 you want me to do? What is it that I need to be trained to do?

19 And some of the acronyms of the Pentagon refer to them as METLs or mission
20 essential task lists. And there are certain METLs that you have to meet from your
21 individual service. The Army will have certain training standards that the troops will have
22 to match up to, and then there are certain METLs for operating in a joint environment.

23 What are the skills that you need to bring when you're going to be operating in a
24 joint environment? And certainly, I know that the department and others are looking at:

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1 How do you operate in the interagency mode and what kind of training is appropriate for
2 that?

3 Again, all of us on the commission can hearken back to some of our own
4 experiences. In mine, serving as the division commander of the 4th Marine Division was
5 General Pace, the current chairman of the joint chiefs, was the marine forces commander in
6 Norfolk.

7 Although administratively and for organization and training, equip, we reported to
8 the Marine forces Reserve, operationally, we would report to General Pace. And he would
9 come meet with our commanders on a fairly frequent basis, so we understood from the
10 person that we were going to go fight with, whatever that contingency was: Here's what I
11 need to make sure that your troops are trained and ready to do.

12 And I would say from some of the testimony that we heard this morning, and some
13 of the other information we've gathered, you know, there is some sorting out that needs to
14 occur there, and there's some prioritization. You can't be trained for everything. You can't
15 be 100 percent up-to-speed on every single possible mission that's out there, so there has to
16 be some prioritization.

17 And obviously, you've got to have adequate funding. Nothing happens in the
18 military if you're not ready, and you've got to be operationally ready. And that means
19 you've got to have the forces that you need, they've got to be trained, they've got to have the
20 equipment on hand, that equipment has got to be maintained and functioning.

21 Our whole military-readiness reporting system, whether it's Active Duty, Guard and
22 Reserve, looks very carefully at the status of that readiness, the status of personnel
23 readiness, not just the number of people that you have in your unit, but the skills of the
24 people that you have in your unit. You have to have both. You have to have the adequate

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1 size, and then they have to be trained in the proper military skills.

2 And then, you can have the best-trained people in the world, but if you don't have
3 the proper equipment, and that equipment's not on hand and it's not maintained, then the
4 greatest people in the world will be less successful and will be less able to succeed at the
5 task that we've given them. And so, operational readiness is another area in the
6 commission's statute that we've been required to look at by the Congress.

7 We also are asked to examine the effectiveness of policies and programs for
8 achieving personnel readiness. Chairman Graham alluded to the medical readiness issue
9 and the family readiness issues and the key areas of recruiting and retention.

10 All of those things have to operate in sort of a seamless fashion. You can't have one
11 without the other. You can't have the greatest ready equipment on hand and then not have
12 ready people, and vice versa.

13 And of course, as Senator Graham indicated this morning, and I think it would be
14 very helpful to the commission's deliberations, some of the issues associated with people
15 that are coming off the Active Duty flowing into the Guard and Reserve components.

16 Typically those are referred to as prior service, people that have already served in
17 some capacity, coming to the Guard and Reserve. Right now, and I know the commission
18 and the commissioners are spending a lot of time looking at the statistics, we probably have
19 the most experienced Guard and Reserve forces, in terms of their experience in combat and
20 their experience in natural disasters and other kinds of contingencies, certainly that we've
21 had since I had the privilege of serving in uniform.

22 And by the way, you have that on the Active side as well. They have different
23 systems for maintaining that currency and maintaining those skill-sets and that experience.
24 I know for a fact that -- I'm sure that the Guard leadership does not want to lose that

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1 tremendous experienced force, because it takes a long time to replace that kind of
2 experience.

3 Again, I think people have to understand that it takes 20 years to train a good
4 battalion commander. It takes 15 to 20 years for somebody to rise from the enlisted ranks --
5 the core of our troop formations are staff non-commissioned officers, that become sergeant
6 majors, the backbone of our military force, our great enlisted force. And you don't want to
7 lose that experience that we have now. And I think that's another one of the challenging
8 areas.

9 Chairman Graham also talked about compensation and benefits, and particularly
10 health care and health insurance. If you look at the continuum of what our Guard and
11 Reserve has been asked to do now, Senator Pryor outlined a very good history of the Guard
12 and Reserve when they functioned primarily as a strategic Reserve, that is, to be used
13 primarily for large contingencies, whether it be the Soviet-Warsaw Pact, crossing the inner-
14 German border and the Fulda Gap or having to respond to a contingency in North Korea or
15 some other troubled spot, and you were basically in the Guard and Reserve, organized,
16 trained and equipped to have plenty of warning time, a lot of strategic warning, a lot of
17 tactical warning, and be able to basically get ready and have a lot of time to prepare.

18 That's just not the way the Guard and Reserve is being used today. It's being used
19 more as an operational Reserve, as our witnesses indicated and as we've seen in DOD
20 testimony before the Congress already this year. And that's one of the issues that we'll go
21 into in the hearing this afternoon.

22 What are the implications of moving from a strategic Reserve to an operational
23 Reserve? What does it mean for training? What does it mean for organization? What does
24 it mean for rules and policies?

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1 And we look forward to the testimony of Undersecretary of Defense David Chu and
2 Lieutenant General Odierno, who's been heavily involved in working all of these issues in a
3 joint and interagency process. So we need to look at the implications in the compensation
4 and benefit area for an operational force/a strategic force.

5 We also have been charged under the law to look at the effectiveness of the
6 traditional military career paths. That is, we know what it's been traditionally. Is that going
7 to work for the future? You know, what is the right skill mix? How do they get the kind of
8 joint training and joint education so essential in the Active Duty military force? What about
9 the interagency experience?

10 If you look at most of the activities that we find our Active and Guard and Reserve
11 personnel involved in, it's certainly always joint. More often than not, it's involved with
12 coalition partners, and more often than not, involved with some very significant interagency
13 process.

14 And so we'll be looking very carefully at professional military education, education
15 in general. We'll be looking at the lessons learned of all the recent activities, in terms of
16 what that tells us.

17 We've also been charged under the law to look at the adequacy of the funding
18 provided for the equipment and personnel in the Active Duty in the Reserve military
19 accounts. We've got an extensive outreach program going already to stakeholders, those
20 that we know have a keen interest in the work of the commission and without whose input
21 we wouldn't be able to come up with thoughtful objective and looking at the long term.

22 One of those key stakeholder groups, of course, the governors. The governors'
23 responsibility in their states for the National Guard, also for good order and discipline in
24 their states, whether it's a manmade disaster or emergency, or if it's a natural disaster.

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1 We've already met with a number of the governors and gotten some initial input.
2 They, of course, are very concerned about the equipping issue.

3 I think that's a pretty good summary and rundown of what some of the facts in our
4 charters are. And we're now joined by the two distinguished co-chairmen of the Senate
5 Guard and Reserve caucus, Senator Kit Bond and Senator Patrick Leahy.

6 Welcome, Senators, to the commission. Not only welcome, but these are two
7 individuals that have been co-chairing and leading this role as far back as most of us can
8 remember, they didn't just come to this issue in the last couple of weeks or last couple of
9 years.

10 They've been the leaders in the Senate of the Guard caucus and the leaders in terms
11 of ensuring that many of the tough questions that the commission's been asked to deal with
12 get the right answers. So we very much look forward to their input here this morning.

13 Senators, Senator Bond, I guess? I'll let y'all sort it out, but the floor is yours, and
14 thank you again for coming over.

15 BOND: Thank you very much, Mr. Chairman. Senator Leahy and I appreciate the
16 invitation to speak to you today about the importance of the National Guard.

17 I have the pleasure of having commanded the Missouri National Guard for eight
18 years, and when I got to Washington in 1987, they returned the favor, and I set up the
19 National Guard caucus.

20 We have over 70 members in the Senate. And we have taken a very active role, and
21 we appreciate what the commission is doing.

22 You have a tough task to evaluate and make recommendations to ensure the Guard
23 and Reserve are tasked, organized, trained and equipped, compensated and supported to
24 meet the security requirements of the United States, and fulfill their paramount domestic

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1 civil support missions.

2 In the weeks leading up to the release of the defense budget, Senator Leahy and I,
3 along with more than three-quarters of the Senate, found it necessary to voice concerns
4 about a proposal that we heard about to reduce National Guard force structure and end
5 strength.

6 This decision, if in fact it was a tentative decision, was made without any
7 substantive input of the National Guard. Similar to this misdirected decision was the Air
8 Force's recommendation in 2001 to eliminate the B-1 mission from the air Guard, and just
9 last year, we witnessed a contentious debate between the U.S. Air Force and numerous Air
10 National Guard leaders who expressed frustration at having almost no substantive impact
11 into the back deliberations and subsequent recommendations.

12 It mystifies us as to why the strategic department in the total force is not given a
13 substantive voice in decisions affecting elements as force structure, personnel, equipment
14 and readiness. We were successful this one instance, in convincing the Army and the
15 Pentagon to reconsider cuts to the Guard. The National Guard still does not have a
16 substantive voice in key decisions that impact its force structure, personnel, readiness and
17 budget.

18 I'm going to ask unanimous consent to submit a lot longer statement for the record.
19 But, being a Senator, it's still long enough, anyhow. I'm sure you won't miss it.

20 Despite the enormous contributions, we are seeing policy recommendations from
21 the Department of the Army, Air Force and the secretary of defense, that fly in the face of
22 logic. In terms of the Guard's role as a strategic role in the Active military, we see the
23 Guard often treated as a lesser partner.

24 We see recommendations to cut end strength. We see the Guard continuing to

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1 deploy under a World War II-era system. Guard troops leaving from mobilization stations
2 that are halfway across the country before heading to a theater of operations.

3 Last year, the regular Air Force imposed a new force structure on the Guard through
4 a base realignment closure process with little consultation with the states. Same time,
5 policymakers suggest that Active military needs to be placed in charge of the military effort
6 to support civilian authorities in homeland emergencies.

7 That recommendation goes against well-founded posse comitatus laws that prevent
8 the use of Active military in emergencies. And it goes against all the evidence since
9 September 11th that demonstrates the National Guard can significantly improve security
10 and respond to emergencies effectively when it serves under the command and control of
11 the nation's governors on a Title 32 status.

12 Governors from across the country have stated emphatically, time and time again,
13 that they should remain in command of their National Guards, and that such an arrangement
14 is optimum in the event of a natural or manmade disaster. Let me suggest an alternative
15 approach: The situation is complex, but the National Guard caucus is actively exploring a
16 legislative option that we believe could provide a relatively simple solution.

17 Quite plainly: We need to empower the National Guard. We need to give the
18 Guard more bureaucratic muscle so that the force will not continually be pushed around in
19 policy and budget debates within the Pentagon. This elevation and empowerment of the
20 Guard would involve four central planks.

21 First, we should allow the National Guard Bureau to establish more formal
22 relationships with the Office of the Secretary of Defense and the Joint Chiefs of Staff.

23 Second, we should give the Guard more muscle in the existing relationships,
24 elevating the chief of the National Guard to a four-star position and adding the chief to the

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1 Joint Chiefs of Staff. I've been around the military long enough to know that if you're in a
2 room with a guy with more stars on his shoulder, he's the one that does the talking, and if
3 you're lucky, you get to listen, not talk.

4 Third, we should ensure the Deputy Commander of U.S. North Command is a
5 member of the National Guard. Finally, we should give the National Guard a budget that is
6 separate from the service procurement accounts, allowing the Guard to buy items particular
7 to its duties in a manner similar to the special operations command.

8 I saw this when I visited our National Guard in Missouri after Katrina. We knew
9 that the Guard only had about 35 percent of the equipment it needed. We deployed an
10 engineer battalion from Jefferson County, Missouri, to Louisiana.

11 They did a wonderful job. They said, "We need your other battalions." We said,
12 "Well, we've got the people, but we don't have the trucks, we don't have the equipment, we
13 can't go." They could not respond to that emergency because they did not have the
14 equipment.

15 Well, as I said, we look forward to questions, and we look forward to working with
16 you, because we think we have a tremendous resource that has been shuttled out of the
17 decision-making process and asked to take on tasks in the civil support in our nation and
18 providing 40 to 50 percent of the boots on the ground in combat areas. We need to treat
19 that as an equal partner, not as an unwanted stepchild.

20 Thank you very much, Mr. Chairman. Senator Leahy?

21 LEAHY: Thank you, Mr. Chairman. One of the things you'll find me in total
22 agreement with Senator Bond is that we've tried to run the -- and reasonably been
23 successful with -- the National Guard caucus, is that it is a truly bipartisan effort.

24 The two of us are co-chairs, but also in bringing in senators across the political

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1 spectrum. Chairman Punaro, if I might say, with all of you, all of you are doing a great job
2 in taking the time to be on this commission. And I compliment you, Mr. Chairman, your
3 work with the Marine Corps, but also your work with our mutual friend, Sam Dunn.

4 The last time, in fact, I saw you, was at the Marine Corps marathon. And my young
5 Lance Corporal Leahy was running and doing a lot better job than Senator Leahy would
6 have in that marathon.

7 The National Guard has performed spectacularly, no more so than since September
8 11th, whether in Iran, Afghanistan or elsewhere. They provided air cover over key cities,
9 increased security at the nation's airports, our borders, right here in the capital on 9/11.

10 I saw the Vermont air Guard flying cover over New York City for weeks on end, in
11 aging F-16s around the clock following 9/11. I asked them where they were basing the
12 planes out of, they said out of Burlington, Vermont. It took 20 minutes to get to New York
13 City. I think of that every time I have to fly from Burlington to New York City. It doesn't
14 work quite that way.

15 But these attacks have been a turning point for the Guard. They've had to perform
16 spectacularly -- in fact, we could not maintain the force levels we have in Iraq and
17 Afghanistan today without the Guard.

18 We also have, as Senator Bond pointed out, you have things like Katrina and Rita.
19 They're called upon in that. In my part of the country, in major ice storms or floods, they
20 are called upon.

21 You can't just keep putting on more and more and more duties on top of the Guard
22 and then not address the strings on the physical resources, but also on the people and the
23 families on the National Guard.

24 Something I thought about Sunday when I was there to see another deployment of

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1 Iraq Guard to Iraq. I was in Vermont with my wife, saying goodbye, and in our state,
2 everybody knows everybody else. We know the people that are going. We know the
3 families that are suffering. We know how hard it is on all of them.

4 And our country has to respond. Our country has to show, not only the resources,
5 but show the support that they need, just as we do with our full-time military. We have to.

6 So it bothers us in the Guard caucus when we see, so many times, short thrift, on
7 policy and budget discussions. We don't see the integration of the National Guard into
8 long-range plannings.

9 We saw the proof for this trend late last year, when the Army announced it'd seek to
10 cut almost 17,000 personnel from the Guard. The Air Force would seek an unspecified
11 level of further cut.

12 Three-quarters of the United States Senate, 75 senators, across the political
13 spectrum, both parties, joined us in opposing those recommendations. And the Pentagon
14 backed off.

15 But I think that is why we have the suggestion that both Senator Bond and I make,
16 that they've got to be more integrated. This is a position I've come to.

17 My position has evolved on this over the years I've been in the Senate. But now I
18 strongly believe that we need to give them, the Guard bureau, more authority. I believe its
19 chief should be a four-star position on the Joint Chiefs.

20 I know that what Senator Bond speaks of, when you count the stars in the room and
21 you know who speaks. I think we should have a National Guard deputy and northern
22 command. Again, my thinking has evolved over the years, both as a member of the
23 Appropriations Committee, early on as a member of the Armed Services Committee.

24 We want this commission to know that you have an ally in the Senate's National

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1 Guard caucus. Eighty-two senators. I don't know of any caucus in the Senate that has the
2 kind of variety we do, or the input that we do. So I come here to demonstrate the fact that
3 this is not a Republican or Democratic proposal.

4 This is a well-thought-out proposal on the part of our caucus. We have a full
5 statement to be joined with Senator Bond in these recommendations. And, it is an honor
6 and a pleasure to be here with you.

7 PUNARO: I want to thank both co-chairs and ask a real quick question, because we
8 would look forward to working very closely with you -- and with your excellent staffs, who
9 also have done so much for the Guard over the years -- on this legislation, and get some
10 better insights as to how you might be drafting it up.

11 Do y'all see this as legislation you're looking to move through this legislative cycle?
12 Or as something that's perhaps down the road a little bit, just to give us a timing sense? We
13 have a 90-day report, but our real report back to you all is in a year.

14 BOND: Mr. Chairman, I think that if the commission finds this to be a worthwhile
15 proposal, we would welcome your input. And if you could put something in the 90-day
16 proposal, then we will get it started. I know that some of our friends in the Pentagon may
17 have a minimum amount of high enthusiasm for it.

18 Like Senator Leahy, I believe very strongly and support the Active military. First
19 Lieutenant Bond has just returned with the RCT8 from Fallujah and is now at Camp
20 Lejeune, so in no way do I want to belittle the value and the bravery and the ability of our
21 Active, but I think that our Guard and Reserve deserve more. And we would like to work
22 with you, if you believe this is a supportable idea, you could help us move it this year.

23 PUNARO: Thank you, Mr. Chairman.

24 LEAHY: I agree with that. If we had the support of this commission and that was

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1 the recommendation from you, it would give us enormous momentum, and we would
2 induce it, probably, to go through this year. Whether it would make it this year or next
3 year, I don't know. I am convinced, and I said this has been an evolution in my own
4 thinking. I am convinced that such legislation will eventually pass.

5 PUNARO: Thank you both, and we look forward to working very carefully. And
6 thank you for coming over this morning.

7 LEAHY: Thank you. Good to see you all.

8 PUNARO: Thank you very much.

9 LEAHY: I see a lot of familiar faces.

10 PUNARO: Well, I think this would be a good transition point to talk a little bit
11 about our reports since we asked this morning about issues that might be a little bit more
12 timely.

13 The commission under the law is required to issue two major reports. The first is a
14 90-day report, which we officially started on 1 March of this year. That report will come to
15 the Congress and to the secretary of defense on 1 June, 2006.

16 And under the statute, we're required in that report to basically indicate to the
17 Congress and to the secretary of defense how the commission is going to go about fulfilling
18 the statutory requirements and all the assessments that I outlined a little earlier, how we're
19 going to organize, how we're going to approach it, what we see as some of the issues that
20 we're going to tackle.

21 And then we're also requested to, but not required to, provide any initial findings
22 and thinking that we have on some of the issues in our charter, including some of the issues
23 our first two panels of witnesses have raised. That, of course, will be for the commission as
24 a whole to deliberate on as we gather information and do our outreach in the next couple of

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1 months, as to what we actually would be able to accomplish and provide useful insights into
2 in that time frame.

3 I think it's important to understand that the Congress really created this commission
4 to take a long-term view of the long-term future of the Guard and Reserve and actually felt
5 it was useful to have an organization that is reduced from the day-to-day, what some people
6 call the "tyranny of the inbox" and that is doing so much with issues that are right in front of
7 your face, that you can't take a longer, more thoughtful look.

8 So the major requirement of our commission is to make a report to the Congress and
9 the secretary of defense in one year, that obviously would be March 1st, 2007, and cover in
10 that report our recommendations, our findings, our observations, and what legislation, what
11 policies, what regulations, directives, practices, for changes that we find that are required,
12 and put those to the legislative branch and the executive branch.

13 So the major emphasis of the commission's work will be stepping back from the
14 day-to-day and looking at, you know, what are the threats and the national security needs
15 now and in the future? How do you best meet those requirements? And then what are the
16 problems of meeting those requirements? And then what are the various alternatives for
17 dealing with some of those problems?

18 And of course, our focus is primarily on the Guard and Reserve component.
19 Obviously, though, you can't really address those questions if you don't look at it in a
20 whole. Of course, DOD has referred to these areas as the "total force," that's the policy
21 that's been in effect since the mid-'70s, where you, when you look at a national security
22 requirement, you take a look at how best do we meet that requirement, taking into account
23 not just the Active component but also the Guard and Reserve components.

24 And that's how we've arrived at the structures that we have today. On the other

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1 hand, we recognize that there are some fairly compelling issues that the legislative branch
2 and others, such as the executive branch, for example, are grappling with right now, which
3 have been identified by our witnesses here this morning. And we look forward to taking
4 those on.

5 Senator Graham gave us a couple that I thought that typically, we call they're in the
6 "too-hard box" because they're very, very difficult and complex issues, and I know our
7 commissioners look forward to providing whatever initial insights we can in the areas that
8 our panel's outlined for us this morning.

9 How are we going to go about gathering that information and coming up with
10 findings and recommendations? We're going to do it through a wide variety of means. One
11 means is of course a public hearing, like we have here this morning.

12 Most of the information that we need, we're going to obtain it through the hearing
13 process, and through field visits. This is our first round of hearings here, today and
14 tomorrow. This afternoon, we're going to hear from defense witnesses. And the chairman
15 of the House Armed Services Committee has just arrived.

16 Chairman Hunter, we're ready for you, sir, and we're very glad. One of the
17 architects of the legislation that created our commission, Chairman Hunter is chairing
18 hearings with the combatant commanders this morning, I know.

19 And we were a little nervous, Mr. Chairman, because we knew that if we held you
20 up from getting your hearing underway, they wouldn't blame you, but I'd hear about it from
21 General Jones, who's testifying. So we're glad to have you here this morning and look
22 forward to your advice and counsel, sir.

23 HUNTER: Well, you know, it's great to be an architect until the enemy that you've
24 created comes back and starts throwing you into hearings. And I was told I was going to be

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1 subpoenaed and then cross-examined thoroughly.

2 But, Mr. Chairman, thank you.

3 And thanks to all the great members who have devoted so much time. And this is
4 kind of the heart and soul of our country, and that's good Americans who come together for
5 the purpose of helping the country. And shaping the Guard and Reserve is something that
6 is now increasingly critical to our national security future.

7 And I've got a prepared statement, Mr. Chairman, if I could offer this for the record.
8 I'd just give you a couple of thoughts if I could.

9 First, just reflecting yesterday, I was talking with one of the great members of the
10 commission, Mr. McKinnon, and just reflecting on the days of Vietnam, when the Guard
11 was considered to be the way to kept from going into the war zone.

12 And that perception stuck for a long time, and we came out of that era with the
13 determination that it would never happen again, that we would go in as a total force.

14 And looking at the warfighting theaters today, and the fact that you had Guard
15 commanders commanding large areas of operation, some fairly intense combat operations,
16 that was in AOs that were populated with Active and Guard entities and combat forces, and
17 running those forces so effectively that you couldn't tell a difference between the Guard and
18 the Active forces. That we had indeed achieved what we had thought about, and what we'd
19 determined we would do some 15, 20 years ago, and that is to go to war with a total force.

20 So the first think I'd like to do is to say that we tend to dwell in this place, in this
21 city, on the things that we've done wrong. And every now and then we need to dwell on
22 things that we've done right. Bringing the Guard into combat operations, in a seamless and
23 integrated way, has been a very, very important thing. Let me just give you a couple of
24 concerns that I have, that I think are going to be -- and I'm sure you share some of these

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1 concerns -- and it's simply this.

2 The 70 combat brigades, combination of Active and Guard combat teams obviously
3 manifests a reduction in the earlier blueprint for the Guard, a small reduction in the Active
4 force blueprint, but a larger one for the Guard. And the rationale that's been given to us has
5 been that we're going to have fewer units that have been blueprinted earlier, they're going to
6 be well-equipped, they're going to be full-up.

7 So two concerns. One is that we have the capability to in fact full-up those units. If
8 we do go to the lower level, and especially if we knock out what is essentially in the Guard
9 40 percent of the tip of the spear for us, that is, heavy combat armor, heavy divisions, that
10 what you have left necessarily must be in fact full-up, fully modernized and ready to go.

11 The second question, and maybe the threshold question is: Should we do that? And
12 if you look at that, you're going to see that the committee defense review in parallel with the
13 QDR has done its own QDR.

14 We finished on the House side with our defense bill last year, thanks to guys like
15 John McHugh, we finished our bill in May. Our Senate counterparts had lots of exigencies,
16 judgeships, etc. They didn't get off the floor till Thanksgiving.

17 We had a little time on our hands and we did a QDR of our own, and using many of
18 the same analyses and same operational plans that were used essentially by the Pentagon.
19 We are finishing that defense review shortly, and we're coming up with a higher
20 requirement.

21 And of course, we label the deltas between what perhaps one analysis says we
22 should have in terms of force structure for a given operation and what another one says is
23 manifested in what you would call "acceptable risk."

24 So the two questions:

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1 Will the nation have the resources -- and I think this is going to be an advocacy
2 position for this committee -- to full-up the Guard force structure that is left, if we in fact
3 follow the new blueprint, not the old blueprint? But perhaps preceding that question, is this
4 change, in this dropping of some heavy-combat power, especially in consideration of the
5 requirements of a Korean theater, a Taiwan theater, a theater that requires heavy
6 conventional force capability -- is that the right move?

7 And so, two questions, I think that's just to summarize where I'm concerned. And
8 we have with us Mr. McHugh, who really is the total force operator. I think we've put the
9 Personnel Subcommittee label back on his subcommittee so people knew what it was,
10 because they weren't sure what "total force" meant. They kept going to McHugh for jets
11 and all kinds of new bomber aircraft and things.

12 But he really is the total force guy. He understands the Guard and the Active and
13 the synergy that now exists between them. So those are just a few of my thoughts, and I
14 want to listen to my colleague, Mr. Chairman. Thanks for letting me show up. And thanks
15 for not letting Mr. McKinnon swear me in.

16 PUNARO: Thank you, Mr. Chairman. We look forward to staying in close touch
17 with you. And I'd also like to say thank you for loaning us the use of one of your great
18 hearing rooms. And of course, as always, the HASC staff has been terrific, been
19 tremendously supportive, and I know we've been a little bit of an extra burden on them
20 when they've been very busy, so we really appreciate it.

21 HUNTER: OK, one last think I'd like to say very quickly, if I could, Mr. Chairman.
22 Wade Rowley is right between you and me, and he was one of our nominees for this
23 commission for one reason.

24 He was a guy in the Guard, as a National Guard leader, who came down on the

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1 border when we had massive drug trade coming across the southern border -- 300 drug
2 trucks a month steaming across, loaded with cocaine and other narcotics, lots of violence, a
3 no-man's land, automatic weapons.

4 And Rowley came down and worked his force, the California Guard, but also
5 rotating Guard units from around the country to come in and under the plan that then-
6 Secretary Cheney had assisted us with. We built the single fence and then the double fence
7 between San Diego and Tijuana.

8 And we knocked the 300 drug trucks a month down to nothing. The reason I liked
9 Captain Wade Rowley is because when some of the guys in the drug trade on the other side
10 started shooting at us, he put flack jackets on his operators, and he got out there with them,
11 and they continued to move and build that bed for that border fence that we put up.

12 We dropped the drug smuggling, the drive-through drugs, down to zero as a result of
13 that fence. What that manifested in my mind, I won't forget that, was the peacetime use of
14 the Guard at its optimum. A perfect fit. We had welders who were learning their welding
15 trades knocking down this Desert Storm-type landing mat, putting that up, heavy equipment
16 operators.

17 And you had a can-do guy in Wade Rowley from a logging family in Oregon, who
18 knew how to get things done. So the beauty of the Guard, that I saw also in Iraq, when I
19 was over there -- and I can't go three minutes without telling people that my kid was over
20 there, Duncan, as a Marine and did a couple tours.

21 And one thing that he told me about Fallujah and about the Reserve and Guard units,
22 he said: These guys, when they come in, they know how to do all these things. They've got
23 electricians, they've got plumbers, they've got business guys. They know how to put
24 together quarters that are really comfortable. And they also know how to do all these things

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1 with a civilian population.

2 You know, we are involved, whether we like it or not, in nation-building. We swore
3 off nation-building after Somalia, but we are in real nation-building in Iraq, and sometimes
4 you've got to do that. And that flexibility, that ability of a Guard unit, to move into an AO
5 and to not just kick doors in and take fire and return fire, but to be able to fix power lines,
6 fix water lines, do lots of things that we do that require civilian disciplines, is unmatched in
7 the Active military.

8 The Active military can't have that capability. You have in the Guard essentially a
9 special forces in the area of nation-building. That's a major asset for our country. And
10 what you folks do, I think, and what you recommend, I would hope, would reflect that great
11 talent that right now we're projecting in the warfighting theaters in Iraq and Afghanistan.
12 So, I'll show up and listen to my great colleague, Mr. McHugh, whose heart and soul is with
13 the uniformed personnel of this country.

14 PUNARO: Thank you, Mr. Chairman.

15 Chairman McHugh?

16 MCHUGH: Thank you very much, Mr. Chairman. I should say at the outset the
17 full committee chairman's kind comments. The problem was not that the people were
18 asking me for jets. The problem was that I was saying "OK." So that got me into a little bit
19 of trouble, which leads me to my next comment.

20 I'm truly sorry I wasn't here to witness the whole comments that the chairman made,
21 but having absolutely no knowledge of what he said, I want to say also that I fully agree.
22 I'm still trying to make amends for all those jets I tried to give away.

23 But before I get to my prepared text, Mr. Chairman, just let me say how much I
24 personally appreciate, and I know I'm reflecting the comments of the chairman, your

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1 willingness to serve on this very, very vital commission.

2 This is a time of great challenge for the Guard and Reserve, but for the total force in
3 its entirety. And your willingness to step forward with the incredible expertise that you
4 have across the entire membership is deeply appreciated and coming at a critical time.

5 I would tell you that I'm looking forward to this chance to provide my views, with
6 regard to the roles and missions of the National Guard and Reserves. And hopefully I can
7 give you a couple of areas that I hope you find the time and you feel the merit exists, to
8 examine as you go forward.

9 The scope we've given you, as the Congress, as the Armed Services Committee, is
10 certainly ambitious. Moreover, just as we tend to do in this town, as many of you know
11 through direct experience, we've not given you a whole lot of time to do it in, just a year.

12 And that's a very important mission, a lot of challenges, and not a lot of time. As
13 chairman of the Personnel Subcommittee, I can assure you that we've been struggling with
14 many of these same issues. For the last several years, we've been in a policy and statutory
15 catch-up mode.

16 We've been trying to recast what has been a Cold War-based array of statutes to
17 better support and fundamentally transform the role of the Reserve component. Over the
18 last four authorization bills, a rough count shows that we have adopted at least 25 major
19 reforms of Reserve component personnel policies, mobilization authorities, pay, bonuses,
20 health care and other benefits.

21 And from where I sit, at least, there are many new Reserve component policy and
22 statutory recommendations that we certainly could be adopting. The question that we face
23 in the Congress and the Armed Services Committee, certainly in the Personnel
24 Subcommittee, and as a result, of course, you face, is which ones should we adopt?

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1 I believe the commission can be very, very helpful in assisting us and clarifying
2 those near-term legislative priorities for our Congressional attention. And I think the key to
3 your function as a commission is that independence. Your independence can put you in a
4 very valuable and fundamentally effective position to advise us on what I think we can
5 characterize as mid-course corrections in policy and statute that we ought to be focusing on.

6 As many of you know, when you're up to your whatevers in alligators, it's tough to
7 keep your eye on a single set of objectives. And we have such dedicated members on the
8 full Armed Services Committee, both sides of the aisle, but sometimes, one of our greatest
9 shortcomings is our willingness, in fact our anxiousness, to try to strike out in so many
10 different directions, and try to provide help in so many different areas, that frankly, we fall
11 short. So, your focus, your guidepost could be very helpful there.

12 Another area I'd commend your attention is the issue of Reserve component
13 peacetime performance of operational missions. As you know so very well, prior to
14 September 11th, 2001, Reserve component personnel were providing peacetime operational
15 support equivalent to 33,000 full-time, Active Duty personnel.

16 Since that time, Congress has removed barriers to peacetime operational support,
17 including the 179-day rule, but we've also authorized DOD to have up to 31,500 Reservists
18 on Active Duty, voluntarily, for up to three years, performing peacetime operational
19 support. That's a big, big change, and we need to focus upon that and what it means for the
20 future.

21 As a harbinger of that, it's my understanding that DOD may ask in the '07 defense
22 authorization to further expand the authorities for Reserve component peacetime support.
23 It's reflected, the QDR recently recommended new authority to be enacted to allow the
24 mobilization of federal Reserves, Army Reserve, Navy Reserve, Air Force Reserve, Marine

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1 Corps Reserve, in response to natural or manmade disasters.

2 And as you know, previously, such a response was exclusively a National Guard
3 area of responsibility. I also understand the authority, maybe you saw it, the use of full-
4 time support, AGRs and military technicians, to perform operational missions and functions
5 assigned to their units.

6 Currently, authorities in most cases limit those authorities in peacetime roles to
7 training and administration of the Reserve components. This commission's perspective on
8 the peacetime operational support issues would be enormously helpful to the full Congress,
9 to Armed Services Committee, but particularly to the subcommittee I have the honor of
10 chairing.

11 Is the trend of increased reliance headed in the right direction? I suspect you heard
12 some of the chairman's comments in that regard. And to what extent does that reliance on
13 the Guard and Reserve units and individuals to perform peacetime operational support
14 missions conflict with the availability of Guard and Reserve units to train for and perform
15 in wartime missions, or with their ability to support state missions?

16 All of us go home on the weekends, we have governors, we have state legislators,
17 and if my colleagues' experience reflects my own, governors are very concerned about the
18 availabilities of that National Guard to function in the case of say another Hurricane
19 Katrina.

20 Finally, I ask you respectfully to consider the question of current mobilization
21 authority. I believe DOD has correctly, currently interpreted current law by determining
22 that a Reservist can be involuntarily mobilized multiple times, but only for a cumulative
23 total of two years. There's some controversy about that, but as I said, I do believe that's the
24 proper sequence of that requirement.

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1 As the global war on terrorism continues, however, there are increasing numbers of
2 Reserve component personnel who have already reach and would soon reach their two-year
3 limit and of course will no longer be eligible for involuntary mobilization.

4 That's going to present significant policy and operational challenges and questions
5 beginning this fiscal year and increasing to an even greater extent in '07. Volunteers may
6 indeed be able to fill part of that gap. I think that's an open question.

7 And as a result, I think it's critical that we have the commission closely examine that
8 24-month mobilization limit with the objective of recommending, if appropriate, policy
9 and/or statutory options for DOD and the Congress to consider in that regard.

10 Some of my brief thoughts: I know you've got a very full agenda. I don't wish to
11 monopolize the time, but I do appreciate the opportunity to share my views with you. I'll
12 try to respond to any of the questions you might have. And as I said, if you ask them of the
13 chairman, you can trust that's my answer, too.

14 PUNARO: We thank both chairmen. The one question we had, and we're very
15 cautious in questioning members of Congress...

16 HUNTER: You should be.

17 PUNARO: ... was that we owe you a full report in a year, and that's supposed to be
18 one where we kind of step back from the day-to-day inbox and the too-hard box and give a
19 more thoughtful look at the future. But we also owe you a 90-day report.

20 And you may have ticked off a few of the things that, if we could, and I'm not
21 saying that we will actually be able to do on all these issues -- but there are a couple of
22 issues that are kind of hot ones for the full committee and the subcommittee that we can
23 maybe shed some light on in our 90-day report that would be helpful to y'all.

24 HUNTER: That would be great.

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1 BOND: It really would. And, Mr. Chairman, I appreciate that. And I tried to stay
2 away from -- maybe I wasn't all that successful -- but I tried to stay away from appending
3 an opinion after my questions because I don't want to try to prejudice you. And by the way,
4 I thought that would be negatively, if you knew what I thought, you'd probably do the
5 opposite. But I appreciate that.

6 PUNARO: Right. And thanks again to both. Chairman Hunter, also to brag on
7 Wade a little bit more, as you know, he came up through the ranks, because he served first
8 in the enlisted ranks, so he's an incredibly valuable member of our commission, as all the
9 other appointees that you sent our way.

10 HUNTER: Well, listen, my thanks to everyone here, and I will say about Captain
11 Rowley, I was up on the border fence. We were knocking down a new anti-drug program
12 here a couple of months ago.

13 One of the locals came up to me and said, "How's that construction going? It's never
14 been as productive as when Rowley was here." And so, you've still got the legend out
15 there, Captain Rowley. And a good job awaits you, because you know we've now passed
16 legislation in the House to build another 700 miles of border fence. So, we do need you.

17 But I think there is a serious reflection on what we did on the border there, in terms
18 of interdicting narcotics and bringing the National Guard in to do something in an area
19 where local law enforcement and the people that were charged with anti-narcotic
20 operations, DEA, etc., were being overwhelmed by the drug lords.

21 You truly did have a national emergency. You had an inability of the domestic
22 agencies to handle the problem. And so we brought the Guard in. And you at some point,
23 as John very articulately -- you know, listening to him, I just said, "Thank God for John
24 McHugh." Because he's got this great leadership.

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1 But he referred to this standard that we need to build with respect to the use of the
2 Guard and the gamut of their domestic activities. And one thing that we all do not want to
3 see is -- because the country's had a little taste of the Guard in watching Hurricane Katrina.

4 And they've seen all these dysfunctional agencies, and they've seen the good old
5 Guard go in there and get kudos for knocking the ball down. And the last thing we want to
6 see is to see states and subdivisions there of, cities and counties, start looking to the Guard
7 as the go-to entity in areas where they should be carrying the ball.

8 I'll never forget the battles we had with Cap Weinberger over whether we brought
9 the military into the drug war at all. And, you know, he was up there on ABC saying:
10 Look at these guys in the Armed Services Committee. They want me to stand up with a
11 row of rifles and shoot down all the drug planes as they fly over.

12 And we went in and we saw Cap and said: That's not what we want. We want you
13 just to use your surveillance, etc. And we're going to use the Black Hawk helicopter. And
14 he said: I got it.

15 And the next week, on "Good Morning America," he said: These armed services
16 guys want me to shoot down all the drug planes. And Cap Weinberger was doing what he
17 thought was necessary for his force, the Department of Defense, and that was to keep them
18 from diverting to another mission, which, while it was important in his estimation, and I
19 think there is a role, incidentally, and we did prevail, and we do use our military capabilities
20 against the drug lords, and that's an important thing.

21 But I would remind, there's a little lesson there, and that was that you do have to
22 keep the force ready to go. And you're going to have, I think, a pull on the Guard in lots of
23 areas, because the world and the nation have seen the capabilities of the Guard.

24 And there's going to be a lot of people with stressed budgets who say, "Let's use the

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1 Guard." And I think we need to have a metric that is set, or a standard that is set, that, while
2 it allows us to handle those exigencies, those narcotics trucks running the border, those
3 Katrinas or those other types of emergency situations, we don't become in any way a "go-
4 fer" for the subdivisions of state government.

5 Another commercial. They just come to me, time after time. But thank you for
6 letting us be with you.

7 PUNARO: Well, thanks again. We look forward to working with you and your
8 committees, and with the House Armed Services Committee staff.

9 HUNTER: Thank you.

10 MCHUGH: Thank you very much, all.

11 PUNARO: Again, to pick up, in terms of our process that we're going to be
12 following, to gather the information to make both our initial report and our final report,
13 public hearings, and again the first round to start today and tomorrow.

14 We are hearing obviously from the leadership of the authorizing committees, the
15 leadership of the Guard and Reserve caucuses, the leadership of the Personnel
16 Subcommittees that basically work and initially mark up so much of the legislation that
17 governs the activities in these areas.

18 We will be hearing this afternoon from the senior leadership of the Department of
19 Defense to get the Office of the Secretary of Defense and the Joint's staff perspective, at
20 least initial perspective, on the broader set of issues of roles and missions.

21 We'll be hearing tomorrow morning from the vices of the military departments, the
22 assistant commandant, the vice chief of staff of the Army, the Air Force, the Navy, to get
23 more of the military department and a military perspective of these same bigger-picture
24 roles and issues.

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1 And then tomorrow afternoon, we'll hear from some of the country's outside leading
2 experts in these broad policy areas, not necessarily specific to the Guard and Reserve, but
3 the issues of the future threats and requirements and assessment of our current strategy and
4 funding activities.

5 And then, we will, over the course of the next months, throughout, begin to focus in
6 on more detailed questions in certain areas, such as personnel and compensation and others.
7 Another way that we are going to gather the information is through various stakeholder
8 groups, with a great outreach to people that have interest in this area, whether at the federal
9 level, whether it's the state and local level, whether they're in the business community, the
10 family community.

11 We sent out on March 1st over 530 letters to various separate and different
12 organizations, asking for their views. This is not a Washington-centric organization.

13 As you've heard this morning, a lot of this capability resides outside of the
14 Washington beltway, and while a lot of the focus of effort is here with the leadership and
15 the Congress and the Department of Defense, a lot of the information that should guide our
16 deliberations has got to come from people outside the beltway, and so we're devoting a
17 significant amount of resources to contacting the organizations and individuals.

18 We have a Web site, www.cngr.gov, where you can send information in. At this
19 point, we're going to back to hearing from our next witness, who is Senator Ben Nelson,
20 from the great state of Nebraska, who happens to be the ranking member of the Personnel
21 Committee of the Senate Armed Services Committee, and also brings the perspective of
22 having served as a governor.

23 And that's one of the really critical stakeholders for the work of this commission is
24 to go out and visit with the governors and get their input. They certainly have very keen

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1 interests and observations here. So, Senator, thank you very much for coming over here
2 this morning and sharing with us your views and direction.

3 NELSON: Thank you, Mr. Chairman, General Punaro. I want to thank everybody
4 for this opportunity to be here today, and to say that I take great pleasure in being here.

5 I can tell you that as a former governor, I have indeed had the requirement to call
6 out the Guard and to rely on their very capable resources and their service to support the
7 people of Nebraska on several occasions. The response was in many cases just more than I
8 had expected, but exactly what we had hoped for.

9 This topic today, as you all know, and I think everybody associated with the military
10 in one way or the other realizes, how important it is to sustain the all-volunteer force. And
11 because in 2004 Senator Chambliss and I included legislation to create this commission in
12 the FY '05 Armed Services Committee bill so that we would have this occasion to learn
13 more and to identify a modern, if you will, new century of Reserve and Guard components.

14 Since September 11th, the Reserve component, especially the Army National Guard,
15 have transformed out of necessity from strategic Reserve to an operational Reserve. And
16 how they should be organized and equipped has become a central question for me and for
17 many of my colleagues.

18 And what does that mean in terms of function, commitment and compensation?
19 These were the questions we asked then, and they're the questions I think we ask now.

20 And I felt strongly then, and I still feel strongly, that Congress needs an independent
21 commission to conduct a comprehensive review. So I'm pleased to share my thoughts today
22 as a member of Congress and a former governor.

23 But what the Congress needs most now are individuals with experience with the
24 Guard and Reserve to present critical analysis and present actions Congress should

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1 consider, as well as tell us what you think about what the Reserves and the Guard should
2 be, in fact, doing.

3 Last year, I recommended a person I believe can do that job to Senator Levin.
4 General Larry Eckles was an assistant division commander who served full-time with the
5 Army National Guard for many years. And as someone who understands the Army combat
6 structure and support mix that it takes to field a division, I knew he would be a good man
7 for the job.

8 Now, it's also good to know that Nebraska and the Midwest are well-represented on
9 the commission. When we consider the National Guard and Reserve components, we
10 naturally think of their important role in homeland security today.

11 In fact, the Army Guard represents the first incarnation of America's homeland
12 defense, when communities banded together to protect themselves from the dangers of the
13 New World. Those militias fought off the British and secured America's independence.

14 After that war, the founding fathers gave Congress the authority to fund and arm the
15 militia, but recognizing the role of the militia in protecting the new states, they left the
16 appointment of officers the responsibility of the states. This is how the unique dual role of
17 the National Guard was born.

18 With every military conflict, the role of the National Guard and Reserve
19 components in our nation's defense change, as they should. From Lexington, Concord and
20 Charleston, to Kabul, Fallujah and Baghdad, the battlefields may change, but the mission
21 stays the same: to protect and defend America.

22 I spend a good deal of my time in the Senate working on Army and Air National
23 Guard issues, so it's those components that I'll spend the bulk of time discussing. An
24 important question I hope that the commission will address is how the Guard will continue

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1 to meet their historic mission and also continue to serve in its unique dual role.

2 I've worked to address some of the concerns facing the Guard in recent years in my
3 role on the Senate Armed Services Personnel Subcommittee, and as ranking member. For
4 instance, we conducted hearings into deployment schedules and body armor supplies and
5 combat pay.

6 Some issues have been resolved, but many still linger. Recent reports that the
7 Department of Defense was considering a reduction in the level of troops in the National
8 Guard concern many of us in Congress and many military families.

9 With the increasing reliance on the National Guard to perform battlefield operations
10 to security to transportation to combat, the wisdom of reducing the number of troops to
11 perform those duties seems questionable. I hope this commission carefully studies this
12 proposal, and its impact on state-based operations.

13 We've also learned that the deployment of Guard units in Afghanistan and Iraq have
14 depleted their equipment. Part of the problem is that when a unit is activated for service, it
15 takes some equipment with it. When the troops first return home, they often leave essential
16 gear such as Humvees, trucks, communication and vision equipment behind, due to combat
17 wear, destruction or because it's still needed in the war effort.

18 Even before they're called up, units must provide equipment to other units that are
19 deploying because of the chronic shortages of equipment in the Guard. How bad is the
20 situation? Nationally, the National Guard has only two-thirds of the Humvees, three-
21 fourths of the radios, half of the night-vision devices and one-quarter of the medium trucks
22 it needs to be mission responsive.

23 In Nebraska alone, the shortfall totals more than 1,700 pieces of equipment that
24 would cost nearly \$35 million to replace. The United States never hesitates to call up the

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1 Guard in times of emergency and in times of war. Every time we do it, they heed the call,
2 and meet their commitment.

3 And now, Congress cannot hesitate to meet its own commitment to the National
4 Guard by failing to replenish lost equipment. To do so will certainly threaten the ability of
5 the Guard to respond and will threaten the safety of the brave individuals who serve.

6 The commission should make recommendations on how to meet the equipment
7 needs of the Guard and prioritize equipment that needs to be replaced. Now, I understand
8 that the proposed modernization effort is designed to provide stability in the expected
9 deployment schedule, and I read that the Pentagon aims to get the National Guard
10 deployment schedule ratio down to one year of deployment and five years at home.

11 Considering the long and extended deployment and multiple deployments of the
12 National Guard units at the beginning of the war, and the strain that that's put on the
13 soldiers, their families, their jobs and their employers, I'd like to have this commission also
14 carefully analyze this plan to determine if it's reality-based. Is it possible to do that?

15 With any reduction in force size, I and other members of Congress will need
16 assurances that fewer soldiers don't mean longer and more frequent deployments. This is a
17 critical issue that will impact future recruitment and current, as well as future, retention
18 levels.

19 One of the main concerns that came out of the controversy earlier this year over the
20 proposed changes to the Guard's force structure and the equipment shortages is the lack of
21 consultation with the states' governors in developing a plan to modernize the Guard.

22 Senator Lindsey Graham of South Carolina and I joined together in successfully
23 getting passed a Senate resolution calling for the full equipment funding for the Guard and
24 recommending that the Department of Defense consult with the governors on

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1 modernization plans.

2 In addition to our resolution, all 50 governors signed a letter to the administration
3 seeking consultation on any proposed changes to the Guard. When you consider the unique
4 dual role of the Guard, serving the president and serving the governors, consultation simply
5 makes sense and is essential. It's essential that the governors be actually part of the plan,
6 not an afterthought.

7 When I was governor, I used to say that Washington just treated me like the branch
8 manager for the federal government. And I wasn't, and the current governors aren't either.

9 As a former governor, I fully understand this role. Most Nebraskans will recall the
10 blizzard that roared out of Colorado in October of 1997 and slammed into Nebraska,
11 causing extensive damage that would take weeks to clear up. It was fall, and most trees still
12 had their leaves.

13 Branches snapped under the weight of more than a foot of heavy, wet snow and ice.
14 The resulting power outages left 125,000 Nebraskans without electricity for days, and in
15 some cases, even weeks.

16 As governor, it was the responsibility of my office to declare a state of emergency,
17 which activated the National Guard to help in clean-up and rescue operations. They
18 responded with troops and equipment that made the effort proceed smoothly and efficiency,
19 just one example of when a state needs to call up the National Guard.

20 Every one of our nation's governors over the last many years could probably provide
21 a similar testimonial, and I'm sure that you've heard some already. So as the commission
22 proceeds in this important work, it's my hope that somehow a balance can be struck that
23 enables the Guard to meet its operational duties on the battlefield abroad and in times of
24 emergency back here at home.

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1 The recently released White House Katrina report calls for changes to state National
2 Guard training to include priority missions to prepare and deploy in support of homeland
3 security missions. It also suggests federal agencies need to incorporate the Guard into
4 planning and preparation for the federal response to catastrophic disasters. I think that is an
5 important part of the report, and I hope this commission will look very carefully at those
6 suggestions.

7 So as I close, I also want to briefly mention a unique Nebraska Air National Guard
8 mission, which has been sometime in the making. In January of 2005, the 170th operation
9 support squadron was stood up at Offutt Air Force Base.

10 It was designed to enhance the 55th wing at Offutt. The 55th is Air Combat
11 Control's largest combat wing. It's responsible for worldwide reconnaissance command and
12 control, presidential support, treaty verification and airlift missions. The 170th operation
13 support squadron is among the first associate units to be formed between the U.S. Air Force
14 and the Air National Guard and the first Nebraska Guard unit stationed at Offutt Air Force
15 Base.

16 I think that this total force concept is the kind of innovative thinking that benefits
17 both Active Duty and Reserve components. So when all is said and done, this commission
18 should consider how the Reserve components fit into the changing nature of warfare and
19 how they can benefit the total force.

20 We expect recommendations on how to construct Reserve components that fight
21 efficiently and safely to protect our communities. Like the term "militia" defined the role of
22 the National Guard in Lexington and Concord, the recommendations from this commission
23 should constitute a new, clear, 21st century, post-9/11 definition of the National Guard and
24 Reserves that will define its role on the battlefield of the future.

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1 Thank you, and I'd be happy to respond to any of your questions.

2 PUNARO: Thank you, Senator. We very much appreciate that look, of course. We
3 look forward to working very closely with you and your subcommittee. The one issue that's
4 on our mind is we have our final report that's delivered in a year, but we also are required
5 under the law to give the Armed Services Committee is a 90-day report with any initial
6 findings.

7 And even though we might not be able to tackle all these, are there a couple of hot-
8 button items that you and the subcommittee are concerned about looking at this year that
9 might benefit from us providing some insights in our 90-day report? You probably
10 mentioned a couple of them here already. I was just wondering if there might be others.

11 NELSON: Well, I think if you prioritized the others, the most pressing points that
12 need to be addressed first, I think that's obviously what the 90-day report would indicate. If
13 you could also provide a list of those things that are still on the agenda at that time to be
14 considered, that would be helpful as well.

15 We're not expecting -- I certainly think it would be overly ambitious to think that
16 we're going to have it all resolved in 90 days and have it done thoroughly and in the manner
17 that you would feel comfortable providing and that we would be comfortable receiving, so I
18 think that it will be more than a good start heading down in the right direction. I do believe
19 that people today understand that the Guard is no longer a weekend project, every once or
20 twice a month.

21 It's far more important than that. It's operational. It's not simply supplemental or in
22 any way additional. It's absolutely part of the warfighting effort that we've got going today.
23 And certainly, I think that's what it has to be tomorrow, as well. So I'm looking forward to
24 looking at the 90-day report, but I think we're most of all interested in having a thorough

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1 and complete review on it.

2 PUNARO: Thank you very much. And again, we look forward to staying in close
3 touch with you and the committee staff. Thanks again, sir.

4 NELSON: Appreciate it. Thank you, everybody. Thanks for serving on the
5 commission.

6 PUNARO: Well, as we await the arrival of our next witness, again, picking up in
7 terms of our input from all the stakeholders: the members of Congress, the organizations
8 and the people we've reached out to of course include the military; the individual
9 servicemembers; the veterans' groups; the first-responder community, that's just police and
10 fire and medical and that whole organization; obviously employers in small, medium and
11 large businesses; state governments; local governments; and there are a wide variety of
12 associations that work in these areas.

13 As we gather the information from our hearings both here and around the country,
14 and we have a major research and analysis plan. A large part of our commission staff, who
15 are primarily subject-matter experts that come to us from various organizations, are
16 collecting information, are doing a thorough evaluation of a lot of the lessons learned, are
17 out there.

18 One great thing about our government is they typically, no matter what the event is,
19 even if it's a training exercise or something of the magnitude of Katrina, they always do
20 lessons learned. The military actually has an official lessons learned system. And there's a
21 wealth of information in those lessons learned.

22 And you can also go back and benchmark from previous activities lessons learned
23 and see what lessons were learned but unlearned over the years. There are a lot of things
24 that people forget about, so in many of the cases, there are not a lot of new cases to be

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1 learned, but basically coming up and working in a fashion to make sure that we have
2 processes and procedures in place to avoid a problem that we've seen and spotted in the
3 past.

4 So the staff is doing that. There are also a number of topics that were outlined by
5 witnesses here this morning are ones that we have actively under review. And our
6 commissioners are specializing in certain areas, going out and working on those. Again,
7 looking at one of the threats here at home and abroad, etc.

8 We have with us this morning the ranking member of the House Armed Services
9 Committee is our next witness, Ike Skelton, well known to the national security community,
10 well known to the Guard and Reserve community for his significant leadership in all these
11 areas.

12 Congressman Skelton, thank you so much for coming over this morning. We also
13 have walking into to the hearing room the chairman of the Senate Armed Services
14 Committee, Senator John Warner, also one of the principal architects of this legislation.
15 And with deference, I'm going to allow our Congressional members to sort out who's going
16 to speak first...

17 SKELTON: Mr. Chairman, we always let the visitors go first.

18 PUNARO: Thank you, Congressman Skelton. Chairman Warner?

19 WARNER: Well, I appreciate that opportunity. We do have a vote in the Senate at
20 11:30. And I'd like to, Mr. Chairman ask you now to accept my statement in its entirety be
21 placed in the record.

22 PUNARO: Without objection, Mr. Chairman.

23 WARNER: And I first want to thank each of you, particularly those nominees that I
24 was privileged to draft onto this committee, because I do believe, with all deference to my

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1 distinguished colleagues in the House, this concept originated in the Senate. And it sort of
2 originated with me because I felt so strongly about it.

3 Would the chair and the members just indulge me in a little story, which I think
4 underlines my sincerity of interest on this matter. Thank you, sir. I can't even remember
5 the year now, but I'd been in the Marines in Korea, and I came home.

6 And I went through that period where I had to make a decision. Do I stay in the
7 Reserve or do I get out? And it was a short decision. I wanted to stay in. And I did. And I
8 don't regret it. And then I'll fast forward. Every two weeks of the summer, I signed up and
9 went somewhere and did marvelous training things in the Marines, cold weather training,
10 all kinds of exciting trips.

11 Then I got married, as most do in a period of time, and my wife was pregnant with
12 her third child, I think it was. And I was headed down to a two-week period to, of all
13 places, back to boot camp, Yemassee, South Carolina, in the middle of July. And all of the
14 attributes of Yemassee were there, hot, sweaty, and my wife suddenly decided in her fourth
15 month of pregnancy, she wanted to go and see what I did on these two-week trips. This was
16 my 12th year in the Reserve.

17 Anyway, the first night was a parade, and she rather liked that. The second night
18 was an outdoor movie in the old days, where you sat in the car. I forgot the third and the
19 fourth, but I remember the fifth night. It was in the wee hours of the morning, I was
20 awakened by her, and she had a shoe, and she was taking the shoe and kind of working me
21 over, and saying, "It's Marine Corps or me. You have to make a decision."

22 So I finally got a hold of the situation, shipped her back home, finished the two
23 weeks, but then had to resign. And it was with deep regret to me because I was up for the
24 zone of major, and maybe I'd have made, maybe not, but my father had been a major in

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1 World War I. I always felt I wanted to attain his rank.

2 Thank you for the indulgence, but that period that I was in the Reserve, I cherish it.
3 It was absolutely superb training. And I just want to see the young people of today's
4 generation have those same opportunities I had. Now, it's a heck of a lot more complex
5 today than it was when I went in.

6 I remember in 1950, I was a member of a Reserve squadron. I was a ground officer
7 for the aviation unit, and it will be our aviation unit, it was Anacostia. And we had all the
8 old airplanes that the Navy didn't want, junky old stuff that they gave the Marines. But we
9 had a marvelous squadron.

10 And, by golly, when they hit Bengo (ph) there, and we went off to that war in 1950,
11 these fellows all called up 30 or 40 days, and no time to wait around, they were gone. And
12 I went with them, and then I split off and went back to Quantico.

13 But I joined them up again in Korea. They were in various squadrons over there,
14 and I used to go to different airbases to see my old guys. And I remember those Reserves
15 were flying missions right with the regulars within two or three months of being called back
16 and going into action.

17 And it just was a magnificent chapter of the Reserves being integrated into the
18 Active forces. And I just think that that's what you've got to use as your goal to make
19 certain that your framework enables them to make a rapid transition and integrate into the
20 regular forces.

21 And you've got to, and I put it into this erudite statement I'm going to give you,
22 we've got a deal with what we call "expectation management." Charlie Amos with me here,
23 as you know, he went through a couple of years of Rumsfeld boot camp over in the
24 department and survived and came back to join the staff.

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1 But Charlie said, and I agree with him, and he put that in here, that when these
2 young people get into the Reserve and the Guard, they've got to fully understand what that
3 commitment is, and not only the uniformed person, be it male or female, but the balance of
4 the family has got to understand, because if there's that abrupt call-up, which can happen,
5 unexpectedly, there's got to be a family decision.

6 One thing that's changed from my days in the military to today, and it's a good
7 change, that families are all involved in the decision with regarding to the spouse that goes
8 off. You've got to work on the operational versus strategic concept and one thing and
9 another.

10 But the other thing I forewarn you and that is, I remember so well when I reported to
11 Quantico was an old, barnacled, three-star Marine general called Franklin A. Hart,
12 commandant of the Marine Corps schools. And I had the misfortune of having to be his
13 aide for about 90 days, and he had utter contempt for the Reserves.

14 He felt they were just second-class citizens. And he gave me that lecture almost
15 every morning in one way or another. But I, nevertheless, look back on it with a certain
16 degree of fondness about this fellow.

17 His nickname was "Jock Strap Hart," because he had gained his generalship purely
18 because of his supremacy in football during the '30s, where he was captain of the Marine
19 Corps football team. I didn't even know one existed. He had fought in World War I with
20 all the famous generals that I knew in the Marine Corps and survived it.

21 But, anyway, the question is to make certain that the regulars have a sense of
22 confidence in the Reserve and Guard, a sense of respect. And how you work that, I don't
23 know. I don't know if it's a paper thing.

24 But the regulars have got to feel that these folks, if we need them, they're there,

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1 they're trained, they're ready and we're going to treat them as equals. So, work on that.

2 Now, the more difficult situation is the compensation package. You've got to
3 remember that the regular person is 12 months a year, in a career is probably 10-15 moves
4 with the wife, whereas the Reserve and Guardsman has the privilege of staying with his
5 family, without all the moves, one thing or another.

6 And, therefore, I feel that the Active have got to have certain, clear benefits over and
7 above what the Reserve and Guard receive. And I think they'll understand that -- the
8 Reserve and Guard. Now, when integrated, it's equal. But up to that point, all of these
9 benefits, I think -- you can't let that benefit package look lopsided too much, but at the same
10 time, there's got to be a differential between the Active and the Reserves.

11 With that, I think I'll beat a hasty retreat unless you have a question or two. You've
12 got to work with the governors, I do hope you draw on their expertise. There's nothing like
13 a governor. I tell you, when they come to the Senate, the period of integration is tough.
14 And it takes a long time for them to get over the fact that they were governing.

15 You made a good one. I couldn't say the same about Duncan here, but...

16 (LAUGHTER)

17 But you've got to work out the fact that they look upon this as personal property.

18 Lastly, I love to tell old stories. Old Strom Thurmond, who was chairman of the
19 Armed Services Committee, and old John Tower to a lesser extent, Strom more so -- every
20 time a bill went through, and I think the presiding chairman up there remembers it, Strom
21 would say: Well, double that for the Guard and Reserve. Double this, you know. Your
22 boss, Sam, always said: One-thirty? How many is the Guard and Reserve getting? Don't
23 worry about the Active.

24 You've got to sit tight on that. We can't here in the Congress go overboard to try

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1 whatever reasons to give them equipment that the regulars need. You've got to balance out
2 those packets. But you don't want second-hand stuff to be dumped into the Guard. With
3 that, I'm happy to respond to any inquiries.

4 PUNARO: Mr. Chairman, we know you've got a busy schedule. I want to also
5 mention -- and thank you for your great insights -- that one of your distinguished appointees
6 to the commission, Les Brownlee, is not U.A. or AWOL today. As you know, he's had a
7 fairly serious back operation and of course we all send him our best wishes for a speedy and
8 complete recovery.

9 WARNER: Good man. Wonderful, wonderful soldier.

10 PUNARO: Super and going back to his old 82nd Airborne days, and all his great
11 combat tours -- now recovering a little bit. I guess one question with permission?

12 WARNER: Sure, sure.

13 PUNARO: As we look at the way you drafted it up, you asked us to sort of step
14 back from the day-to-day and take a very thoughtful, long-term look at the roles and
15 missions of the Guard and Reserve and give a final report in a year.

16 But also, I know both the House and Senate Armed Services Committee have lot of
17 issues that are in your current inbox, and we owe you a 90-day report with our initial
18 findings, describing to you how we intend to conduct our work, which of course, we're
19 going to work with you very closely, with the two committees before we've sent that 90-day
20 report up to make sure we're on the right path.

21 But are there any particular items that you see as chairman of the Senate Armed
22 Services Committee that you think could benefit from us...

23 WARNER: I think, to the extent you could help us on trying to look at the health
24 programs, health is a cost that is really devouring military budgets right now. For example,

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1 I think the Guard and Reserve that are called to Active Duty of course get it I think for a
2 period as they go back to their civilian roles should be entitled so some assistance in that
3 area.

4 Just take a look at our bill as we go along, and see if one of the pieces in there that
5 really need attention now that can't wait until the final report. I say most respectfully to you
6 that the work product that you're going to crank out -- I know most -- it's going to be a very
7 valuable product for the guidance of the military committees. You'll find that this
8 commission report will be, I think, well received throughout the ranks, Active and Reserve.

9 PUNARO: Thank you, Mr. Chairman.

10 WARNER: Anything else from anybody?

11 PUNARO: The other commissioners? Of course, then we have your other...

12 WARNER: What about Rhett Dawson. Is he asleep or listening? My other chief --
13 how are you, Rhett? Do you remember how Strom used to say: Double it up. Double it
14 up.

15 PUNARO: I might add, Rhett, Will and I just met with Governor Dirk Kempthorne,
16 a former member of the Senate Armed Services Committee.

17 WARNER: Good man.

18 PUNARO: And we've outreached to the governor. And of course, Commissioner
19 Patty Lewis is going to be our health care expert, and she's going to tackle that issue.

20 WARNER: And with that, I beat a hasty retreat. Thank you, sir.

21 PUNARO: Congressman Skelton?

22 SKELTON: Chairman, thank you very much. I appreciate this opportunity to be
23 with you. The work that this commission does is very, very important. Do not
24 underestimate the impact it will have. And we anticipate your findings and your thoughts.

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1 The Defense Authorization Act for Fiscal Year 2005 established this commission,
2 and the intent is to study the roles and missions of the National Guard and Reserve as well
3 as the compensation, benefits, health care that are provided the members.

4 This is a monumental task the role of the Reserves and Guard have changed
5 dramatically from a Reserve force to an operational force. February of this year, 127,000
6 National Guard and Reserve personnel were mobilized and deployed in operations around
7 the world were there.

8 But in a different perspective, during Fiscal Year 2002, the Reserve components
9 provided 42 million days of support to the Active component. In 2005, 68 million days of
10 support. So, you're looking at a changing world, one where you can't tell the difference
11 between Active, Guard and Reserve.

12 My visits to Afghanistan and Iraq tell me that everyone is carrying the burden
13 regardless of whether they are full-time or not. So, the whole landscape has changed. You
14 must look at that in today's context and help make recommendations. There is nothing like
15 a spouse coming up to you, saying, "When my husband gets home, he's getting out of the
16 National Guard.

17 And I'll tell you something else, Congressman. Everybody else in his unit is, too."
18 Now, of course, that's not going to happen. But that is a reality that you must deal with.
19 Look at the families, make sure that you make your benefit or your compensation package
20 and other recommendations regarding deployment and call-ups, so that there is a lesser
21 impact on the family. And, by the way, Mr. Chairman, I ask unanimous consent that my
22 entire statement be put into the record.

23 PUNARO: Without objection.

24 SKELTON: One area that needs serious consideration, and one that's not in my

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1 prepared statement, is the area of PME -- professional military education.

2 If you're on Active Duty, and you're going through the ranks: captain, major,
3 lieutenant colonel. And if you're really dead serious about what you do, you're going to end
4 up in the Army at Fort Leavenworth or intermediate school, or possibly, you might be
5 picked up for one of the senior war colleges.

6 But when everyone is working equally, decisions must be made, recommendations
7 to flag officers must be made. Whether it comes from a National Guard major, a Reserve
8 lieutenant colonel or a lieutenant commander or a commander to the admiral, those persons
9 should have full knowledge through the war college situation that we have for the Active
10 Duty. It's difficult to do that.

11 Only a handful are picked and chosen from the Guard and Reserve ranks to go to the
12 intermediate or the senior war colleges. But yet, the decisions that are coming and
13 recommendations that are coming from the Guard and Reserve officers are just as important
14 as their Active Duty colleagues.

15 This is a major challenge, I think, that must be looked at seriously, or at the end of
16 the day, you might get an erroneous recommendation from some lieutenant commander to
17 the admiral saying, "This is really what we should do, Admiral," and the admiral follows
18 that. When in truth and fact, an education based upon history, based upon strategy, based
19 upon operational law or based on tactics, from the various war colleges, would serve that
20 admiral or that general well, because of the recommendations and the work that the
21 Reservist or Guardsman might give.

22 This is a big challenge for you to look at that. And, Mr. Chairman, it is one that
23 must be solved. I'm not sure what the answer to that is. I hope you will ask your Active
24 Duty counterparts who will testify before you what their recommendations might be, other

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1 than the mere token of that major or lieutenant colonel going to the intermediate or senior
2 war colleges. Because their role in that headquarters, their role in the field, will be parallel
3 to the Active Duty major, lieutenant colonel, colonel, you name it.

4 And you want that person making good judgment. And the good judgments come
5 as a result of the study within the war colleges, both intermediate and senior. I hope you
6 will take that as a serious challenge to your committee.

7 I have spoken at length about the benefit challenges that you have, regarding the
8 Guard and Reserve. It's in my prepared remarks, and I know that everyone here is fully
9 familiar with that. All of you here have been there and done that. So we're not telling you
10 anything you don't know or that you have not experienced yourself. I commend you on this
11 very important work that you do now.

12 I do recognize my friend and my appointee from Webster County, Missouri. I do
13 not recognize my appointee from Lafayette County, Missouri. There is someone that has a
14 beard that somewhat resembles Stanton Thompson, but I certainly hope that Stanton
15 Thompson will show up in person and we can all greet him and thank him for his service as
16 well as Don Stockton from Webster County. Mr. Chairman, thank you.

17 PUNARO: Thank you, Congressman Skelton, not only for your comments here this
18 morning, and particularly your emphasis on the joint PME, but for your sustained
19 leadership in all matters of national security, as far back as any of us can remember. So
20 thank you very much, sir.

21 Our next speaker and witness is another individual, Congressman Gene Taylor, the
22 co-chair of the National Guard and Reserve caucus, an individual that not only has served
23 on the House Armed Services Committee for an extended period of time, but frankly has
24 been one of the stalwarts on the Guard and Reserve issue, again, as far back as any of us

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1 here -- many of us have had the privilege of working with him and for him over the years,
2 so thank you for being here this morning, and we look forward to your guidance, sir.

3 TAYLOR: Thank you, Chairman Punaro. And, since the only thing I do worse than
4 speak is read and speak, I will spare y'all the boredom of a prepared statement.

5 But there are a couple of things I would like to mention. And again, I want to thank
6 all of you for giving me the opportunity to visit with you. The first thing is health care for
7 Guardsmen and Reservists.

8 By the secretary of defense's own admissions, and I'll paraphrase, there are three
9 types of Guardsmen and Reservists: those who are in Iraq, those who have been to Iraq or
10 those who are going to Iraq and Afghanistan.

11 Since it is treated as the total force in every way, except one, and that's health care.
12 Those who have not yet been to Iraq are treated as second-class citizens when it comes to
13 health care, and that's wrong.

14 From a mobilization point of view, if you take the time to look, you will see that the
15 mobilization of those Guardsmen and Reservists who are not covered by TRICARE has
16 been slowed down significantly, because of the lack of proper health care, and in particular,
17 the lack of proper dental care.

18 So I see this as a mobilization issue, I see it as a retention issue. I like them, I
19 admire and I respect our Joint Chiefs of Staff. But quite frankly, I think when they have
20 gotten to that point in their career, some of the suggestions that they have made with regard
21 to upping the co-pays for TRICARE are wrong.

22 I think they have lost touch with the E5s and E6s and lieutenant colonels. It is a
23 huge factor in both recruiting and retention, as far as the payments to TRICARE and
24 accessibility. Again, getting back to our Guardsmen and Reservists. If they're going to be

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1 considered one force, they should be treated the same as the Marine to the left of them, the
2 regular Army soldier to the right of them, in every respect, including their health care.

3 And since many of them, that might well be the best job they have, if they don't get
4 their health care through the Guard and Reserve, they're just not going to get it.

5 We offered something on the House floor last year, it actually one in committee, it
6 disappeared by the time it hit the floor, under a technicality. It was a close vote.

7 But I would really hope that this commission will come out for TRICARE for all
8 Guardsmen and Reservists for any number of reasons. The young ones could certainly use
9 the help when their spouses have children. The older ones, it's just a simple fact that as we
10 get older in life, our health care needs and costs increase, and so as far as retaining people at
11 the tail end of their careers, it's going to be important.

12 And it's the right thing to do, quite frankly. And, we should not be discriminating
13 against them or taking advantage of them because they're not full-time Guardsmen and
14 Reservists.

15 The second thing I would like you to take a look at, and I happen to represent South
16 Mississippi where the hurricane hit. We had a terrible tragedy the night of the storm.

17 We had a young Marine who survived the battle of Fallujah came home, wanted to
18 spend more time with his family, so he leaves the Marine Corps but joins his local Guard
19 unit. On the night of the storm, he is assigned to a small town called Poplarville,
20 Mississippi.

21 A call comes in from an elderly couple that is afraid that their house is going to be
22 destroyed by the storm; they're calling for someone to come rescue them. It turns out it's
23 this young sergeant's own grandparents.

24 He requests permission to fill that mission, is issued a Humvee, and in the course of

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1 trying to rescue his own grandparents, the ground has gotten soft, the telephone poles have
2 sagged, the wires attached to those poles are now crossing the highway, and the Guardsman
3 is killed in a collision with those telephone lines the night of the storm.

4 At the funeral, I am approached by a representative of the Mississippi Guard who
5 reminds me that had that soldier died on Active Duty in Iraq, the benefit for his widow and
6 children would have been twice what it was, because he was acting in a Guard or Reserve
7 capacity.

8 If you die serving your country, whether it's 20 miles from your home or 7,000
9 miles from your home, it really shouldn't matter. Because of the great work of Lieutenant
10 General Blum within the Guard Bureau and others within the regular Army, we were able to
11 have his orders backdated Title 32 so that his widow and children did get the maximum
12 benefit. But what if that hadn't happened?

13 And again, it should not take backdating the orders. It ought to be -- again, if you're
14 serving your country, it really doesn't matter how you die or when you die. You ought to be
15 getting the same benefit. The tragedy to that family, the tragedy to the mom and dad was
16 the same. Ironically, I think it was actually harder on the family, because I think, once the
17 son had gotten home, the natural reaction is you think he's going to be okay.

18 Reequipping the Guard: going back to the hurricane, it might possibly have been
19 the finest hour for the Mississippi National Guard, when you consider that they are
20 approximately 8,000 strong, 4,000 of them were in Iraq the day of the storm.

21 The 4,000 that were home did a magnificent job. One of the units that did a
22 magnificent job was the 890th, an engineering unit that had already been to Iraq and had
23 been ordered to leave every stick of equipment they had behind in Iraq.

24 By the time the storm hit August of last year, only 60 percent of their equipment had

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1 been reconstituted. Now, to their credit, with the equipment they had, they did a
2 magnificent job of clearing roads and getting the roads open so we could get emergency
3 services personnel in there to evacuate those people who still needed to be removed.

4 But the bottom line is, regardless of how you feel about the war in Iraq, I think it's
5 fair to say that one of the hidden costs of this war has been the equipment that has been left
6 behind that has not been replaced. And it has to be replaced.

7 This isn't the last natural disaster. If you speak to the Navy oceanographic lab, they
8 tell us that we're in for at least a decade of storms as bad as Katrina or worse, and more of
9 them. It's fair to say that we have not seen the last of terrorist activity on our shores, for so
10 many reasons.

11 And quite frankly, I want you to know that the real heroes in my opinion, in the
12 immediate aftermath of that storm, was the United States military, and in particular the
13 United States National Guard. They just did a phenomenal job for the people of Mississippi
14 and they saved FEMA from being a total embarrassment, by going around FEMA in many
15 instances and doing what they knew they had to do.

16 The same thing can be said for the Coast Guard and the Coast Guard Reserve in the
17 case of New Orleans. A heck of a lot of commanders just took the initiative. Remember, it
18 was the end of the month, probably all of their steaming dollars were used up, probably all
19 of their air dollars were used up.

20 They just, with or without orders, did the right thing, and they should be
21 commended for that. But the equipping of the Guard and Reserve, with both what's
22 happened in Iraq and what's going to happen and has happened domestically, is incredibly
23 important. And I would beg you to look at that.

24 And above all, again, for the sake of all of the Guard, I can't be more emphatic about

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1 the need to see to it that they have one health care system. I think it is -- particularly as they
2 start having families, and remember, as you know, half of these guys, half of these ladies
3 are married -- as they start having children, and the cost of having a child is an enormous
4 cost to a young person.

5 If we can help them with that, that in itself is an incredible incentive to either join or
6 to stay in the service. Again, thank you for the opportunity. I wanted to keep it short and
7 brief. But those are three points that I would certainly hope that you take a good, hard look
8 at.

9 PUNARO: Well, that's tremendously helpful. And I wonder because of your
10 significant personal experience with Katrina and your own personal situation, where you
11 know firsthand the devastation to you and your family that you mentioned -- you know, the
12 Marine that was in the Guard that died in the service of his country.

13 One of the big issues, and you filed it more carefully than most and didn't involve it
14 all. But we now have a significant report about Katrina lessons learned from the White
15 House. One of the most difficult issues that this commission has to sort out is this whole
16 issue of federal versus state and the balance of authority.

17 And as you pointed out, the circumstance with the Guardsman that, because he was
18 in Guard status, may not have been eligible for what he would have been eligible for in
19 Title X, however the governors feel very strongly. We are just now beginning to look at
20 some of the lessons learned, don't have your firsthand experience.

21 I just wonder if you have any thoughts for us as we try to sort out this issue of the
22 balance between the state and the federal and who's in charge. And as you've pointed out,
23 we're going to see significant additional natural disasters in the years ahead, as well as
24 terrorists.

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1 And I think we are -- Rhett Dawson, one of our commissioners has described it
2 publicly as one of the big, hairy issues that we've got to deal with, and we would very much
3 appreciate any inside guidance you can give us.

4 TAYLOR: General Punaro, again, the first thing in reconstituting is equipment.
5 Please take a very serious look at communications.

6 My home county, Hancock County, was probably the hardest hit of any individual
7 area. On the night of the storm, we had, I believe five National Guardsmen on Active Duty.
8 There was one satellite phone out of this entire county. It's just hard for us to imagine. For
9 approximately a week after that, there was not a single landline that worked. There was not
10 a single cell phone that worked.

11 The only communications in and out of this county was the one satellite phone that
12 the National Guard had. About four or five days later, some handheld satellite phones were
13 brought in. And to just give you an idea of the aggravation of this, on that, if you finally
14 establish a link, if you turn your head ever so slightly, that link's broken. General Blum, I
15 cannot begin to tell you what a great job he did.

16 I was fortunate enough to have his personal cell number going into the storm. I was
17 able to get a hold of him either Tuesday night or Wednesday, and he really did a
18 phenomenal job of mobilizing those assets. The Mississippi Guard showed a great deal of
19 initiative on their own. They just started doing things that needed to be done. The
20 communications were huge.

21 What we're going to find getting back to the equipment -- and I don't say this
22 happily, because those of you who testified before the Armed Services Committee over the
23 year have made me aware of the threats that remain in Korea, the threats that remain with
24 Iran, around the world.

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1 And you will find -- one of our great frustrations is when you went to look for tents,
2 they're all spoken for. When you look for bladders, for example, so that you can turn a
3 dump truck into a fuel truck, because fuel was so short, they're all gone.

4 Looking for things like cots, like MREs, and believe me, when my home
5 communities have to resort to looting the Wal-Mart, the Winn-Dixie, the Saver Center in
6 order to feed the local population and the first responders, for about the first three days.
7 And you're asking where the MREs are and all you can be told by FEMA is, "They're in the
8 pipeline."

9 Believe me, y'all have done a wonderful job over the years that made me think,
10 "Well, what if the Koreans simultaneously decide to do something? Or what if the Iranians
11 do something right now? Is there really enough stuff in the inventory to take care of both?"

12 And again, I think that is going to become the Guard and Reserve's mission, and
13 quite frankly, I don't say this happily, I think that any potential enemy of the United States,
14 one of the first things they're going to do is blow the levees in New Orleans.

15 All it takes is an auger and a couple of sticks of dynamite to recreate what happened.
16 And that's just got to be part of the game plan. We've got to figure something like that is
17 going to happen, and we're going to be responsible for taking care of those 5,000 people.

18 Generators were in horribly short supply. There was no electricity for 180 miles.
19 Again, that's an inconvenience to some, but if you're in the intensive care of a local hospital,
20 it is life and death. It's also how you get your water, it's also how the sewage stations have
21 to get going.

22 I cannot emphasize the importance of equipment, of proper training. Absolutely no
23 offense to the 82nd Airborne. They are phenomenal soldiers. But I think you will find that
24 in a disaster recovery mode, your National Guardsman who might be a hometown mechanic

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1 or electrician has probably got the skills we need a little bit better than a guy for kicking
2 down doors and shooting people.

3 There's a place for both, but in disaster recovery, in all probability, in the recovery
4 after a terrorist event, that Guardsman's skills and that Reservist's skills are going to be
5 indispensable. And again, since we are having a little trouble with recruiting and retention,
6 we need to find ways to get them interested in joining, interested in staying. And if you
7 think back in your own lives, when you were a bit younger, not quite as financially secure,
8 health insurance is a huge part of that.

9 PUNARO: Thank you, sir. Thank you, Congressman Taylor, for your continuing
10 leadership in this area. Our final witness here today is Congressman Steve Buyer, the
11 chairman of the House Veterans Affairs Committee and also the co-chair with Congressman
12 Taylor of the National Guard and Reserve caucus and also a Reservist in his own right.

13 And we welcome you here today, Mr. Chairman, and take particular note that there's
14 a lot of overlap and seems to be a lot of coordination and collaboration between the
15 Department of Defense and the Department of Veterans' Affairs.

16 And we think you can offer some really unique guidance to our commission, not
17 only from your own personal experience as a Reservist, service on the House Armed
18 Services Committee, now chairman of the Veterans Committee, and one that's kind of been
19 a leader on all these issues as long as you've been in the Congress.

20 So, welcome, sir.

21 BUYER: Thank you very much. It has been a challenge to prepare for this
22 testimony, because I tried to put all this together.

23 You're absolutely right. I've sat in the chair where you're sitting right now as
24 chairman of the Personnel Committee, being a good listener to the service chiefs,

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1 developing the force structure in the 1990s, coming out of the first Gulf War.

2 And we wanted to try to get it right, and no one ever imagined we'd be in the quote
3 "long war" scenario. And I do marvel, that's the word I choose, I marvel at how well our
4 military is doing, based on the old force mix. And given the constraints that have been
5 given, it just amazes me.

6 When I think back at the creation of the old E-brigades, and Paul McHale at the time
7 was really advocating to get all those brigades through the NTC, and there was great push-
8 back because, "Gee, they'll never be utilized." And now we're going through our 18th
9 brigade. I mean, it's just amazing, where we are today.

10 And so I've got some different thoughts, and I just want to share these with you and
11 I'd be more than happy to answer any questions that you may have. First of all, overall,
12 with regard to cultural appreciations, I don't think we've come as far as where we had
13 hoped.

14 I think we've come so far, but I don't know -- well, my sensing is that our Active
15 Duty counterparts still do not fully appreciate the capabilities and limitations of the Reserve
16 components. And when I use the word "Reserve Components," I'm encompassing the
17 Guard Bureau.

18 Secondly, I'll give you an example like that. You've got a combatant commander;
19 they've got a particular need, so he goes, "I need such and such by next week." Well, when
20 you think about all the processes it takes to bring that such and such to the theater, when
21 you look at the wickets that have to be passed through before that combatant commander
22 can actually have what he needs, something needs to be streamlined.

23 So if the overall goal is for us to have greater flexibility with increased lethality and
24 smaller forces that can go anywhere in the world, then, you know what? We've got to

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1 streamline some things to be able to do that. And that was the motivation of that comment I
2 made.

3 I think there also continues to be tension between the National Guard and the
4 Reserve components regarding competition for roles, missions and resources. And I think
5 we've gotten a lot better than where we were in the early part of the 1990s, but what I'm
6 saying is that it's still a reality.

7 I want to start off my comments with regard to roles and missions, because that is
8 where it should properly be. The role and utilization of a force by the mission that's been
9 assigned has been generated by a political decision, a policy.

10 But we have a structure that's already been in place. And much of that structure has
11 been there for decades -- decades in its roles.

12 So now we're trying to figure out how we leverage out of that role for that force,
13 then, to be more flexible so it can be utilized when a combatant commander needs that
14 asset. Boy, that only makes sense. But part of that force that comes out of the Guard has a
15 dual mission with the states.

16 And I wish I'd been here for all of Gene's testimony, and I'll make my comments
17 relative to Katrina, but we're in this transition between that strategic force that all of us grew
18 up with, to now it's being classified as this operational force, and I don't know if I can even
19 completely come to comfort with what that means.

20 Because, if we're going to say it's now an operational Reserve, the difference
21 between the strategic Reserve and the operational Reserve -- there are fundamental
22 differences, I believe, in how it would be organized, trained and equipped. I mean, there's a
23 huge difference between those decisions.

24 So, figuring out what the proper role is is extremely important with regard to a

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1 mission. But you don't get to do this in a vacuum, because we're already engaged. So while
2 we're engaged in two theaters of war and other responsibilities in places throughout the
3 world, and equally a responsibility to homeland security, you have to do this on the run.

4 We're having to do this on the run. So it's not as though you get to, in a vacuum,
5 say, "OK, here's what our proper role is. If called upon, these are the missions that they can
6 perform for the president." No. We're already into mission.

7 So what happens is that we've got mission, long-war scenario, putting pressure on
8 what we think should then be -- what is the proper role of the Reserve components with the
9 Active. This is really a little different. So the methodology of your decision-making isn't
10 going to follow textbook.

11 So, if you have to step forward and say, "OK, we're in the long-war scenario." Then
12 you have to ask the question how that force structure presently sits today and how it was
13 crafted on how we perceived would be the proper role and utilization of that Reserve
14 component.

15 In the present long-war scenario, is the utilization rate sustainable? When does it
16 break? That is a fundamental question for you. The reason I say "for you" is that Congress,
17 we created you to help us.

18 We want to tap into your expertise, your intellectual base and your experience to
19 help us answer that type of question. Because if it breaks, then what must we as a country
20 do?

21 Well, we still have our selective service. We have it there as insurance for a nation,
22 which means that if it breaks, that means that the volunteer force cannot sustain itself, and
23 you have to go to a draft.

24 That's why you have to help us answer this tough question. So let me just jump into

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1 this one for a second.

2 In the mid-to-latter 90s, when we developed this force structure and the Reserve
3 components wanted to be more an active role with the Active force, were they loved what
4 the air power and command lift could do with Kosovo, a great role.

5 The utilization of combat support and combat service support proved itself in the
6 first Gulf War. We equipped them to be leveraged into the future and bang, what do we
7 have? We have the long-war scenario. Wow.

8 Now, if we're going to define this as to where we presently are, let's take Iraq. In
9 Iraq, we're saying, "OK, we want the Iraqis to be able to provide for their own security of
10 their own country," and we focus on the training of security forces.

11 Well, who does that relieve? It relieves the Active component. Who's doing the
12 logistical function in the theater? The Reserve components. See what I'm saying?

13 So when I asked that question about the sustainability -- the question is, with regard
14 to now, roles of particular units, are we having too much of a reliance on our combat
15 support and combat service support in the Reserve components below division? I don't
16 know.

17 I just know that this gets even more challenging I think for all of us in the Iraqi
18 theater for example, that we begin to draw down the Active force, and we have a
19 sustainment of the theater combat support, combat service support roles of the Reserve
20 components.

21 That really gets even more challenging as the issue of resolve begins to wear upon
22 the psyche of the American people.

23 So the question is: high demand units. You have a high-demand unit, such as MP,
24 civil affairs, etc. Should these units be more in the Active as opposed to the Reserve?

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1 So the question is, maybe we didn't get that mix right in the 1990s, when we
2 thought, "We could take a lot of the MPs, we'll have our own brigades, and we'll utilize
3 them when necessary," but in a long-war scenario, is that realistic? So I think we need your
4 counsel on that.

5 The other fundamental question I'd like to pose to you will be about the National
6 Guard's role. And that is, overseas combat versus homeland defense. And I hate to say
7 "versus" homeland defense, because they key will be how we come up with the proper force
8 mix of the Guard that creates what I will call synergies of dual purpose.

9 The synergies of dual purpose -- the reason I wish I'd been here when Gene testified
10 is that Gene and I came out of the Bipartisan Select Committee on the Investigation of
11 Katrina. And as we do a redo, we're going to have to refine our national response plan.

12 But when you look at our states, the states whom are always susceptible to
13 hurricanes, so let's just go with North Carolina, South Carolina, Georgia, Florida, Alabama,
14 Mississippi, Louisiana and Texas. And then you look at the Guard and what we have
15 assigned with regard to assets that are located in these states.

16 So you have governors out there who need access to certain equipment to protect
17 their states and to help out in consequence management. Having a heavy armored brigade,
18 is that really the smart thing to have?

19 Now, you might respond and say, "Well, Steve, if you need to have a heavy armored
20 brigade in one of those states, maybe you ought to put it in Georgia.

21 Put it in Georgia, because it's almost like a preposition site. It's very close to
22 Savannah, and your port of Jacksonville. But if you're going to put one somewhere, put it
23 somewhere like that, where you can get easy access to the ports, and you've increased your
24 flexibility of our desire to have a highly mobile force."

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1 But, you know, we needed MPs. We needed access to medical. We needed access
2 to combat engineers, heavy equipment. So thinking about the force mix and how we can
3 properly do that with regard to the Gulf States, I think it's pretty important. I just wanted to
4 share that with you.

5 The other is -- this is an issue that we, and I use the word "we." That would be not
6 only Congress and the Senate, but I would say the Reserve components, along with the
7 Active components, have struggled with this question, and I would invite you to participate
8 in it. And that is, some would argue that the Reserve components need what are called
9 "mirror imaging."

10 So if you're going to have a Reserve component force, well it has to look exactly
11 like the Active force. I would submit not necessarily and that if the goal again is to be
12 highly flexible, it does not necessarily have to be like that. The ultimate question, though,
13 is right-sizing.

14 When we came out of the first Gulf War, we're saying, "Wow, we had some really
15 good performance with regard to round-outs at platoon level, company. What's going to be
16 the right level?" In the 1990s, we said, "We'll do it with brigade size."

17 It's kind of interesting. Everybody's got a different take on this. The Marine Corps,
18 they think the right size is, if you're going to take a Reserve -- what is about the maximum
19 size of a force that you can take out of the Reserve component and put into the war and
20 fight side-by-side the Active? Battalion. The Marine Corps thinks it's -- Mr. Chairman, is
21 that about right?

22 PUNARO: Yes, sir.

23 BUYER: Yeah, they believe it's the battalion size. And I'm not speaking anything
24 against the National Guard brigades that are going, but I'm talking about a level of comfort

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1 and assurances, quality assurances, to the combatant commanders in the field. What do I
2 have on my left? What can I depend upon on my right?

3 And I think we're going to continue to struggle with this one. I really do. And I'm
4 speaking more about on the ground, General Sherrard, than in the air, on your air assets.

5 But on the ground, I think we're going to continue to struggle with it, because it's
6 going to deal with what my good counsel Jim Herbold (ph) describes as "span of control
7 and available time."

8 So those of us who have chosen to be in the Reserve components, we are doing
9 something else with our lives. And in part time, as our intangible service to country, we
10 take up the same 24 hours everybody else gets in a day, and we say, "OK, but I also want to
11 do this to serve my country." But of that small margin of time, where is it utilized that I get
12 the highest -- I don't even know what the best word for this here is -- competency?
13 Readiness?

14 And if the Marine Corps finds that it's the battalion size, I don't know where the
15 Army finds it. And I think we're going to continue to struggle with that question. And I
16 would invite you to jump into that for us. It's complex.

17 And trying to decide what is the right level is important, because that's how we
18 make the decisions on how to say, "That's where we're going to train." And we'll also be
19 able to achieve what I think is the ideal interface. The other is -- let me jump in to benefits -
20 - I don't know how I am on my time.

21 PUNARO: Fine, sir.

22 BUYER: With regard to benefits, I have dealt with this my entire time in Congress.
23 And I just want to open with this: I hate to be redundant to what I just said, but I used the
24 word "intangible."

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1 The men and women who serve on our Active force also served at a great calling to
2 nation. And it's not unlike some of those who serve in the Reserve components. The
3 citizen soldier: an individual who is just a cut above, someone who is just a little bit
4 different than others in their community.

5 And they serve because the fighting intangible deals with selfless service, service to
6 a higher cause, and deep-rooted patriotism. Now, there are some that would say that the
7 more you utilize the Reserve components, that you must also then increase the benefits, that
8 it must correlate.

9 At some point, you begin to insult my conscience. Now, I'm not saying you, I'm
10 saying me, too. Because I don't do it for the pay and the benefits. We're not a vigilante
11 force. We're not a vigilante military. And there can be a correlation, but it cannot get out of
12 balance.

13 But there are some here in Congress that think that "we'll just throw the U.S.
14 treasury at them and they'll feel fine, and they'll feel comfortable, and they'll serve." That's
15 not why these men and women serve. On the personnel issues, I'm going to challenge you
16 on this one.

17 I'm going back to the word "flexibility" again. If we want flexibility, we want to
18 streamline, and you want to gain access to personnel in times of needs, then let's have an
19 Active component and Reserve component unified personnel system. We don't have that.
20 We need a unified personnel system.

21 Now, in the building, they like to say, "Well, you can't do that, because Congress
22 may not let you do that." Oh really? Give us your ideas and your thoughts about a unified
23 personnel system. I think it'd be very important.

24 I think also that the Reserve component personnel, they themselves must have

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1 increased flexibility to move between Reserve components, the IRR, the IMA, Selective
2 Reserve, and the Active component, to move in and out.

3 If we're trying to achieve some seamlessness, they ought to be able to move
4 seamlessly in and out of systems. A ha! If we have a unified personnel system, we can
5 achieve that. Because the real struggle that we have right now is that we're short some of
6 our mid-grade company officers, and those E6s and E7s. And we ought to be able to gain
7 access to them.

8 Also, well this might be really more for the Active, but it's really one that's kind of --
9 it's the allowing for nontraditional career paths to maximize individual skills and
10 contributions. I don't care whether it's from a computer programmer or let's say that --
11 we're not even very flexible if you've got this very sharp female officer who wants to take
12 four years off to have a child. And so she goes off of Active Duty and she goes to the
13 Reserve components, and she wants to get back on Active Duty.

14 Well, if we had that unified system, it might be a little more susceptible to do that.
15 The other is joint service. I think we ought to recognize more opportunity for the Reserve
16 component personnel to join joint professional military education and credentialing.

17 I think this idea that I had years ago about the "Chairman's 10" has proven itself. I
18 came up with that idea because I saw in the first Gulf War some Reserve component
19 general officers not do very well. And it's nothing against them, they were good people.
20 But they didn't have that exact skill level of that Active Duty counterpart.

21 So how do we bring them up to it? And making the "Chairman's 10" was extremely
22 important to do that. And at the same time, letting the Active Duty counterpart learn more
23 about the Reserve components -- and I think it's proven itself. But looking for greater
24 opportunities, I think would be a good thing.

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1 The other is this career management issue. Let me go back to -- if we're having
2 some problems right now, short on first lieutenants and captains, and our E6s and E7s,
3 what's causing that?

4 Well, maybe we're not doing as good a job as we should on career management.
5 Career management. And I think we can do better. What happens is from the Reserve
6 component, you know, they go back, they're drilling in a particular unit in close proximity
7 to their home.

8 And we've got to be able to have someone help manage their careers a little bit
9 better. That gives me some segway into -- we've got problems with diligence in Reserve
10 components.

11 Years ago, what I thought I would do was, as we began to draw down the force, and
12 around '96 timeframe -- matter of fact, I'm going to go back to Jim Herbold (ph), but it was
13 Jim that gave me the counsel that, "Steve, we've got people moving all over this country."

14 And, so we gave them access to government rates for airline travel. You know
15 what? Maybe we need to start making another step. Because we've got open billets.

16 And I think a unit in Montana that can't even find itself a first sergeant. Well, why
17 not? I mean a competent and qualified first sergeant -- they can't afford to do the type of
18 travel. Maybe you've got some unit in California, and the person that's qualified that they
19 want for it is here in Washington, D.C.

20 So we're forcing our Reserve component people as they advance to levels of
21 seniority -- so our E7s, E8s, E9s, our senior officers are saying, "Wait a minute. At some
22 point, I'm going to leave. My civilian job is already stressing me because these are my
23 present demands. I want to continue to give to the country, but I'm paying for this out of
24 my own pocket."

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1 And maybe that's where some of these critical jobs and positions, we, the
2 government, should be paying these expenses for these critical commands. That's what we
3 do in business, right?

4 The business world sends our executives to places and our chief management. And
5 maybe we should be doing that on these nationalized billets on cost of travel.

6 I am going to take up the issue on the GI bill, I want you to know, on the portability
7 issue. It doesn't make a lot of sense when we send those Reserve components and they fight
8 side-by-side the Active Duty, yet the Active Duty has portability of that GI bill and that
9 Reserve component does not.

10 The only way the Reserve component can keep that GI bill benefit is if they stay in
11 the Reserve component. Once they leave, they've lost their benefit. So we want to address
12 that issue here in Congress. And I'll take that up in DA, and I'm probably going to have to
13 get jurisdiction from DOD to do that kind of thing.

14 Reserve retirement: everybody's got an opinion on this one, with regard to the
15 Reserves. However you do it, or however you recommend us to do this one, I'd like for you
16 to examine the unintended consequences of whatever action we take.

17 Because if we were to say -- even this whole idea about walking it down from 30 to
18 25, if someone's from 25 years and they keep it all the way to 30, if we walk down
19 retirement to increase retention, at some point, that's going to have a negative impact on
20 promotions back down line. And I'll just ask for your expertise and counsel on that.

21 This whole idea on equipping, there are individuals on this panel that are a lot
22 smarter than me and know a lot more about motor pools than an army JAG officer. I just
23 want to make sure that the state governors have the equipment they have to do the jobs that
24 they need to do to not only protect the homeland, but also to do the consequent management

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1 piece on disaster assistance, at the same time to be responsive to our combatants in the field
2 on the needs that they have. We've left so much of their equipment in theater. And there's
3 going to be a tremendous cost of buyback for us to do this.

4 And my dream when I took over and created -- I say took over because Sonny
5 Montgomery had done this for a long time, and then Paul McHale and I created the Guard
6 and Reserve components caucus here in the House. It was to take over the role that Sonny
7 Montgomery had done. And then we got into this whole Congressional add-ons and that
8 whole game that goes on, and my dream was that, I dreamed of the day whereby the
9 services would not slip us lists about unfunded requirements.

10 I dreamed of the day that actually the Active Duty counterparts would take care of
11 the Reserve components because they understood the brotherhood and sisterhood of a one
12 service. Marine Corps is doing a great job. The air assets do a great job on this, but the
13 Army counterpart is not doing as well as others. Coast Guard does a wonderful job.

14 But we're behind. My dream is not even close right now. Let me sort of finish
15 where I had started. I think you have to touch on the presidential recall authority. Because
16 this is about gaining access to the force that is needed by any of the combatant
17 commanders.

18 And right now, I am uncomfortable because we are operating sort of under the open
19 lie. The reason I say that is that, with the requirements that are placed upon this force, we're
20 now saying, "If you'll volunteer -- you know, we can't involuntary-call you, because you've
21 already gone, and I know you want to go back, but if you volunteer, I'll give you an order
22 that says it was an involuntary recall, so therefore it makes your employer happy, and more
23 importantly, it satisfies things on the home front, i.e., your spouse and family."

24 And, let's stop that. If we are truly a system of honor and of virtue and values, then

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1 we need to have a right policy that reflects that. And there's too much gamesmanship I
2 think going on right now. And we need to have -- once you are able to help us define the
3 proper role, and we have the proper presidential authority call-up, we make sure that the
4 process is streamlined, it gives us the flexibility so it's not delayed. OK? I apologize for the
5 shotgun approach on a lot of different issues, but I've lived with this one for a long time.

6 PUNARO: Well, thank you, Mr. Chairman. Those are all very helpful. One
7 thought where you might give us some additional help is your unique perspective from
8 Armed Services, but now chairman of Veterans' Affairs. You're a Reservist yourself.

9 One of the things that governors are telling us is that, you know, they feel this keen
10 responsibility for their troops before they go overseas, but they feel even a keener
11 responsibility when they get demobilized. Because the Guard and Reservists get
12 demobilized in hundreds of little communities all over the country where there is no Fort
13 Bragg or Camp Lejeune or Camp Pendleton.

14 And they worry a lot about, "How do we take care of them, particularly if they have
15 medical issues and family readiness issues?" And I was just wondering what you see as the
16 additional possibility of increased collaboration and cooperation between the Department of
17 Veterans Affairs and DOD, knowing that there's a lot going on now.

18 I'm worried about the injured Active Duty troops, etc. And of course, also mindful
19 that from many veterans' perspectives, they think the VA system is overtaxed as it is. But if
20 we are in this operational Reserve, and our Guard and Reservists are going to be mobilized
21 and demobilized for long and short periods of time, there's got to be a better safety net
22 perhaps than is out there now.

23 BUYER: Your question is timely. At 2:00 we have a full committee hearing. Dr.
24 Winkenwerder will come over. And the subject of the hearing is collaboration. So, this

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1 issue is not going away.

2 When we opened up access of the VA to those who are returning from war, we did
3 that really based on what happened coming out of the first Gulf War. DOD, I'll tell you
4 what, those rascals, they love to cost-shift. They really do.

5 And they'll cost-shift to the VA in a heartbeat. And I have to be mindful of that.
6 And one of them is dental. It's dental. I mean, when you used to talk about medical
7 readiness, we've got to get them to take care of their teeth before they go.

8 But what's happening is they show up at the mob site and they know what they have
9 to do to get them to be mobilized. And then they end up in theater, and sometimes they
10 don't take care of their teeth like they should. And when they come home, they're not
11 interested in hanging around on Active Duty. They want to get home. And so what DOD's
12 doing is then they just trigger them right to the VA, and the VA's picking up the cost. The
13 average cost to the VA right now of that patient: \$1,500.

14 MCKINNON: Mr. Chairman, I just want to follow that up for a moment. We were
15 out at NORTHCOM the other day, or a few weeks ago. And some of the Reservists told me
16 that when a dentist is on Active Duty, he is not allowed to touch the teeth of a Reservist
17 that's on Active Duty at the same time. I'm not sure that's 100 percent true, but it seems to
18 be that if he's got that talent -- for a weekend, I'm talking about...

19 BUYER: Oh that's true, for a weekend drill.

20 MCKINNON: Why not? Because they've talked about the fellows can't go
21 overseas or anywhere else because of their dental problems or other health problems. Why
22 can't a dentist be allowed to do that...

23 BUYER: Well, there's a realistic answer, and that is the American Dental
24 Association is not too interested in letting you gain access to their patient base.

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1 PURANO: But if he's on Active Duty at that time, then...

2 BUYER: Well, you mean during his weekend drill?

3 PURANO: Absolutely, what else -- that's his talent.

4 BUYER: Listen, I don't have any objections to that. I remember back as a medical
5 service corps officer serving as an administrator for a dental clinic, all right? And this is for
6 the 337th General Hospital. And these dentists were sitting around. They didn't have
7 anything to do. And they could have provided the dental care of all the headquarters for the
8 general hospital. You're not going to find an argument with me. The dentists are combat
9 multipliers, because you have more casualties off in the battlefield from dental problems
10 sometimes.

11 PURANO: Well, let him take that one...

12 BUYER: I've got your note.

13 PURANO: Thanks for your leadership. We look forward to following your
14 committee very closely on the issues of collaboration. And I'd also like to note for the
15 record, I'm pleased to see that your chief of staff, Jim Herbold (ph), in his other hat as a
16 colonel in the Marine Corps Reserve has a haircut today that would pass inspection. So
17 thanks again, Mr. Chairman. The commission will recess until the hour of 1:00 p.m. when
18 we'll hear from...

19 PURANO: Sir, the commission would never dare to speak on a congressman's
20 haircut. We'll recess till 1:00 p.m., when we'll hear from our senior OSD and JCS
21 witnesses.

22 (RECESS)

23 PURANO: The commission will come to order this afternoon. It's a pleasure to
24 welcome our senior DOD witnesses to this first round of hearings by the Independent

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1 Commission on the National Guard and Reserves.

2 I want to say, Mr. Secretary, the Department of Defense has been enormously
3 helpful to the commission in this start-up phase of our work. We look forward to what we
4 know will be the department's continued cooperation, and we look forward to working very
5 closely with you and the key principals in the department.

6 I want to specifically thank Assistant Secretary of Defense for Reserve Affairs Tom
7 Hall, seated to your right. He and his staff and his office have been extraordinarily helpful
8 to us, even as we were, sort of, basically getting organized and as we move ahead. So we
9 very much appreciate it.

10 Obviously, independent commissions like this would not be able to do our job if we
11 didn't have the cooperation of the executive branch agencies with which we have to work.

12 We would also like to note and recognize the contributions of all the members of the
13 National Guard and Reserve who have been out serving our country around the globe. My
14 understanding is that since September 11th 2001 well over 500,000 Reserve and National
15 Guard members have been activated for Operations Noble Eagle, Enduring Freedom and
16 Iraqi Freedom, and they have fought side by side with the Active forces, and all Guard
17 Reserve Active from all of the various components have performed magnificently.

18 In this same time frame, tens of thousands of Reservists have supported
19 contingencies at home from floods to fires to hurricanes, as well as the Active forces.

20 So, as established by Section 513 of the Ronald W. Reagan National Defense
21 Authorization Act for fiscal year 2005, the commission is chartered to identify and
22 recommend changes in law and policy to ensure that the National Guard and Reserves are
23 organized, trained, equipped, compensated and supported to best meet the national security
24 requirements of our nation now and in the future.

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1 And we're eager to receive the input from our witnesses on what they believe to be
2 the priority issues this commission should tackle, as well as the overarching policy
3 principles that should frame our assessments and recommendations.

4 And with your indulgence, Secretary Chu, before we turn to you I'd like to say a few
5 words about how this commission intends to approach its work.

6 We embark on our responsibilities with no predetermined conclusions. We intend
7 to gather facts and make our judgments independently and on a nonpartisan basis. Our
8 efforts will be guided by objectivity and inclusiveness.

9 To that end, we will be seeking the views and input of all stakeholders, who have
10 much important information and valuable perspectives to offer at all levels of government,
11 in the business community, the families, et cetera.

12 Our mission is to provide policy recommendations to both the Congress and the
13 Department of Defense at the broader, strategic level in the areas they have assigned to us.
14 And our work and recommendations will be guided by one simple principle: What will best
15 serve the national security interest of the United States?

16 A centerpiece of our statutory tasking is to assess the current roles and missions of
17 the Reserve components and identify appropriate future roles. The issues of how our
18 National Guard and Reserve personnel are trained, equipped and supported depends on
19 what the nation needs and expects them to do.

20 So in this set of hearings we're looking at the role of the National Guard and
21 Reserves within this broader context. In reviewing the Quadrennial Defense Review and
22 recent congressional testimony by both the secretary of defense and the chairman of the
23 Joint Chiefs of Staff, we have noted that the department now views the role of the Guard
24 and Reserve as, quote, "operational", end quote, rather than what some would term an

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1 historic role as a strategic force in Reserve for large-scale mobilizations. The impact of this
2 transformational role on the Reserve components appears to be far-reaching.

3 For this afternoon's panel, we welcome the senior civilian and military leadership in
4 the Department of Defense. The undersecretary of defense for personnel and readiness, Dr.
5 David Chu and the assistant to the chairman of the Joint Chiefs of Staff, Raymond Odierno,
6 and obviously, as I've mentioned, assistant secretary of defense for Reserve affairs, Tom
7 Hall, who can provide the broad departmental perspective on roles and missions in
8 furtherance of national security objectives, as well as on recent decisions like the
9 Quadrennial Defense Review and the president's budget request for fiscal year 2007.

10 These individuals have dedicated their careers to serving our nation, and a number
11 of us here on the commission have had the great privilege of working with Dr. Chu, going
12 way back when he started in the Congressional Budget Office, in and out of government,
13 and know his dedication and commitment to the men and women in uniform has been his
14 guiding principle for as far as we've known him.

15 General Odierno is the assistant to the chairman. He's been in the thick of all these
16 issues that we're dealing with here today, working the interagency because that's the role of
17 the assistant to the chairman. I know he has a lot of miles under his belt here recently,
18 because he was over with the president and the secretary of state in Pakistan and India.

19 And of course, Secretary Tom Hall, well known to the members of this commission,
20 served with many of us as we kind of came up through the ranks together. And these
21 individuals -- again, as we take a look at the future, we don't do so from the perspective of
22 second-guessing or trying to put a report card on things. We're really looking to the future.
23 What do we need to do for the future? We're not looking to give a report card in terms of
24 what's going on here currently.

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1 So we welcome you. We look forward to your testimony. Without objection, your
2 entire statements will be put in the record, and we look forward to hearing from you here
3 this afternoon.

4 Dr. Chu?

5 CHU: Thank you, Mr. Chairman, members of the commission. It's a privilege to be
6 here this afternoon, and, particularly, I'm honored to be joined by General Odierno and Tom
7 Hall in responding to your questions.

8 You posed in your letter to the secretary three broad issues. First, this question, as
9 you've noted, Mr. Chairman, of operational versus strategic role for the Reserve forces of
10 the United States.

11 Second, as our views as a nation change on the role of the Reserve, how does that
12 affect the Active-Reserve mix?

13 And third, given the likely future of military challenges to confront the United
14 States, what changes to the Reserve components' roles and missions are a thoughtful way in
15 which the nation can respond?

16 Let me briefly, if I may, attempt to address each of these three important questions.
17 First, on operational versus strategic, it is certainly the view of this department -- you see it
18 in the Quadrennial Defense Review -- that the Reserve forces of the United States are part
19 of the operational force, and the implications of that change, of course, are far-reaching.
20 They mean, among other elements, that the Reserve components must be well trained,
21 cannot count on a long period of preparation, and that they must be properly equipped.

22 That will not necessarily argue that we do it in the same way as we might have done
23 in the Cold War, and indeed the United States Army, I think, is at the forefront of rethinking
24 how do we best fulfill these objectives in a manner that balances the operational use of this

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1 Reserve force with the reality that it is not an Active force and the individuals who join do
2 not expect -- and will not stay with us -- if they are called constantly to Active Duty.

3 There must be, in the phrase of department employees, "judicious and prudent use of
4 the Reserves." That principle, as you appreciate, is embodied in the secretary's referendum
5 of July 2003 in which he instructed the military departments to plan on future force
6 structure with the view that the Reserve components would be mobilized no more than one
7 year in six. That's a standard that I'm pleased to say that our Reserve forces have accepted
8 and I think is consistent with successful recruiting and retention of those elements.

9 To the second issue that you raise, this certainly does change our view of what the
10 right balance is between Active and Reserve forces. It, speaking frankly, gives the Reserve
11 forces a larger role in our operations that might otherwise have been the case. It implies, at
12 the same time, that we need to rethink who does what, and how many of each type of unit
13 do we have in each element of the force.

14
15 The department has engaged, as I know you understand, in a very significant effort
16 to rebalance, both within and between, the Active and Reserve components of American
17 military forces with an expectation that, in the end, we will change approximately 125,000
18 of the spaces in the total set of components, and we have made, I think, extraordinarily
19 rapid progress in that transformation.

20 The services have completed that change of about 70,000 of the envisaged 125,000
21 that we believe will be necessary.

22 As we think about the future, the Quadrennial department has proposed two specific
23 changes to the statutes that govern the use of the Reserves, but I do think there is a larger
24 question out there that is subsumed in the phrase we have used in the department, "a

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1 continuum of service" -- the view that Reserve personnel can serve at a variety of levels,
2 starting with the very basic which is codified in law -- the 39 days a year with which you
3 are so familiar -- all the way up just to short of full time; that we need to be sensitive both to
4 the issue of when is it appropriate to ask for more. And who is willing to offer more
5 service?

6 This critically depends on the expectations we set for our personnel and the
7 compensation and other inducements that we offer to that added service. The department
8 has been, in my judgment, energetic in rethinking these issues.

9 We have sought additional legislation from the Congress to buttress this continuing
10 service, and I'm delighted to say that Congress has been extraordinarily supportive in
11 responding to these requests. I do think it is one of the elements that made the Reserve
12 forces in these ongoing operations so successful.

13 We may indeed, as time proceeds, ask for additional authorities in that regard, but I
14 think we believe we are relatively well equipped now. Our challenge is to execute what we
15 have already been given.

16 As to longer term in this question of new roles and missions, I do think, as the
17 Quadrennial Defense Review asked, that we will be thinking about whether we should be
18 forming specific units whose members understand as part of the compact they have between
19 themselves and their government that they will be called more frequently, perhaps on
20 shorter notice than we'd otherwise give, and that we would have to compensate them and
21 treat them in a manner consistent with that higher level of service.

22 Stepping back from all the specifics of the current debate and the future issues that
23 we need together to confront, I do want to observe that, in my judgment, the performance of
24 Reserve components of the United States military in this ongoing set of operations has been

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1 nothing short of superb.

2 I was present, as you so graciously noted, at prior mobilizations, and while they
3 went reasonably well, this exceeded that earlier high standard.

4 I think it's a great credit to the Reserve component members, both the Guardsmen
5 and the Reservists -- a great compliment to their leadership; great compliment to the
6 military departments who helped recruit and prepare these people, who were asked to do
7 something unexpected in this decade and have come forward as the nation issues its call in a
8 manner that I think the entire country can, should and does admire. It's a great privilege to
9 be part of the enterprise in which they serve.

10 Thank you, Mr. Chairman.

11 ODIERNO: Mr. Chairman, thank you for having us come today to talk to you about
12 what I think is a very important subject as we look to the future. I just have just a few
13 comments, then we'll go on to the questions.

14 What first I want to talk about is the environment that we're in today. And I think
15 it's important, because it has changed. The warfare in the 21st century, our enemies that are
16 out there, we've heard talk here about the long war and that we have enemies out there that
17 are against the way of life of the United States, will continue to attack the way of life of the
18 United States.

19 And this is not something that's going to go on for one, two, three more years; but
20 will go on, potentially, for five, 10, 15, 20 years. We have to be prepared for that. That's
21 the environment that we used as we look through the QDR.

22 And in fact, I would argue that warfare is changing, and sometimes it's about --
23 information is important; intelligence is important; being lethal is important. The
24 capabilities that we need in the future are changing, and we have to make sure that that's

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1 represented throughout our services as we move forward, and I think that's an important
2 thing that we must view.

3 And that's something that we took on as the department did the Quadrennial Defense
4 Review that was just completed.

5 So what we see here, as we've gone through this, we think it's necessary to
6 rebalance. And Dr. Chu has talked about that, but it's now looking at what are the
7 capabilities that we need in the future? And what do we need in order to sustain ourselves
8 over time? And that gets to an operational Reserve versus a strategic Reserve.

9 By going through an operational Reserve, it does not mean that we still do not have
10 to have the ability to surge forces in a time of crisis; but it does mean we have to have the
11 right type of forces for us to sustain potentially long-term capabilities against an enemy,
12 again, that I will tell you, is in this for the long haul.

13 So we must make sure we balance this -- a balance of combat, combat support,
14 combat service support, across all of the services and have the capability in several of our
15 components in order to be successful.

16 So I think that's part of the thing we must look at here in the future. And for
17 example, in the Army, the military police and the role that they've played and what we think
18 they might have to play in the future -- civil affairs, PSYOPS, engineers, interrogators,
19 human intelligence collection.

20 But in addition to that, we must have combat forces that are modular and the same
21 as the Active component in the Army -- where we have heavy brigades, light brigades and
22 striker brigades. And they must be interchangeable and the same as we move forward.

23 As you look to the Air Force, what are we seeing? The advent of the unmanned
24 aerial vehicle, the Predators. And how do we get the Reserve component into this? And, in

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1 fact, that's a new mission for them. And how do they adjust to that as they stay still full
2 partnership in deep strike with the F-22 and also with delivery capability with the C-17? Or
3 we have new things like the joint mission aircraft. And so those are the type of capabilities
4 that must be integrated throughout our force.

5 So I would just say that we believe it's important that we look through this as we
6 move forward. In my statement, I've gone into much more detail on this, as you have a
7 chance to look at it.

8 Finally, I would argue that predictability is also an extremely important concept.
9 The Army is moving to what we call the "Army Force Generation model," which is hoping
10 to add predictability to both the Active component and Reserve component forces and
11 provide readiness and more awareness of when and where you might deploy.

12 The Air Force for several years now has gone to the AEF concept, and they continue
13 to evolutionize that as we move forward to make it more predictable, completely integrate
14 Reserve component forces as we move forward.

15 So I think we have to continue to look at these concepts -- the evolution of these
16 concepts as we continue to move forward.

17 I would also like to comment that as a commander of the 4th Infantry Division
18 during OIF I, complete integration of the Reserve component and my task force that I had --
19 six Reserve component battalions, both Reserve and National Guard, integrated seamlessly
20 in the fight, over time.

21 These are truly dedicated Americans who answered the call when we asked them
22 and who continue to answer the call. So it's important that we adjust and that we change
23 what we're trying to do in order to better support them and their families, because we're
24 asking so much of them, and they are truly great Americans and it's important that we do

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1 this.

2 So again, I thank you for asking me to come here today. I look forward to
3 answering your questions.

4 PUNARO: Before we go to questions, Mr. Secretary, I don't know if Assistant
5 Secretary Hall -- I will tell you, if he doesn't say anything, he's not off the hook, because
6 today's hearing is focused on, sort of, broader, cross-cutting departmental perspectives, but
7 as we drill down to some of the more Reserve-specific issues, we're going to ask Secretary
8 Hall to consider coming back.

9 But I wanted to make sure you didn't have anything you wanted to add before we go
10 to the Q's and A's.

11 HALL: Well, I thought I was off the hook. But, no, I don't have anything to add to
12 the statement. I'll just stand by to participate as you see fit.

13 PUNARO: Maybe I could start at Secretary Chu and, sort of, pick up on the
14 comments from both of your statements about the operational Reserve. And, really, I think
15 it's a subject that we all ought to spend a lot more time on, because I believe, as you pointed
16 out -- the secretary has pointed out and others -- it does have some profound implications
17 and it is a lot different than we've known in the past.

18 And perhaps the American public and perhaps even members of the Guard and
19 Reserve, and even members of the Active component aren't fully aware and don't fully
20 recognize what all those implications are.

21 I know in the secretary's and the chairman's testimony, they say an operational
22 Reserve needs to be more ready, more responsive and obviously deployable on the
23 predictable cycle General Odierno just listed.

24 One question I would have for you: How do you define the term "operational

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1 Reserve"? Does the department have a definition for that now? Or is that, sort of, a work
2 in progress?

3 CHU: I'll defer to General Odierno on the definition side. As you know, the Joint
4 Staff tends to be our steward for these definitions. I do think a little history -- I know
5 people in this commission will appreciate it -- a little history is important.

6 In my judgment, the move toward an operational sense began in the 1990s with the
7 use of Reserve component elements to help with the deployment to the Balkans. This was,
8 I believe, considered new, different, innovative -- properly so.

9 And I think it captures the spirit of what we see as Operational Reserves' role; that is
10 to say, to complement the Active forces so that we maintain the burdens at a level -- for the
11 force as a whole, for the total force -- at a point that allows the nation to carry on, as
12 General Odierno underscored with his statement, a long set of responsibilities.

13 So in my judgment, the big difference here is we are looking at a long horizon. We
14 are asking every complement to play its part. Those parts will be different, but it is, I think,
15 from an intellectual perspective, putting us in a different place than the thought process that
16 perhaps early after World War II governed our notion of Reserves.

17 When the nation's back is against the wall, when we need all the stops pulled out,
18 then and only then do we turn to the, sort of, complements for their contribution. I think, in
19 my judgment, part of the definition is the sense of sustaining ongoing operation at a level
20 beyond that which is appropriate for the nation to maintain purely with Active forces; that
21 allow us to have access, among other benefits, to the skills and abilities that we might not
22 be able to recruit and retain completely on an Active basis. And I think that civil affairs
23 operation is a classic example of one of the strengths that the Reserve complement brings to
24 the fight.

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1 General Odierno?

2 ODIERNO: If I could, we're still studying what this definition should be, but I will
3 say -- I'll read you a quick definition and then I'll talk just a minute about it.

4 Current terminology defines an operational Reserve as a trained, predominantly
5 part-time force, a portion of which is mission-tasked and engaged at all times. This force, a
6 part of which is designed, structured, missioned and resourced to conduct operational
7 missions on a continuous basis, assumes full-time roles and functions. The remainder of the
8 force, then, is readily available to be placed on Active duties to conduct operational
9 missions as needed.

10 So what we're describing here is a rotational concept that allows Reserve component
11 forces as an operational Reserve to be used in full-time status when needed in key areas.

12 Now, it might be based on the needs of the nation, or it could be based on the needs
13 of a capability that is resident in a Reserve component. And the importance of this is it
14 allows us, then, as we recruit and talk to our Reserve component partners, that they
15 understand what we expect and where they would be in a cycle as we do this.

16 And we think it would provide predictability for them and their employers as we
17 move forward. So that's kind of the concept that we see as the operational Reserve.

18 CHU: Mr. Chairman, I think elements of the air Reserves -- small "a," small "r" --
19 have, perhaps even before the Balkans experience in the 1990s, done this sort of thing.

20 And so we started in a small way, I would argue, in the 1980s when the Air Guard,
21 if I recall correctly, was asked to start covering some of the interceptor roles at various
22 dispersed bases in the United States. We certainly saw it more recently in the way the Air
23 Force brought so many volunteers to Active service right after September 11th, 2001, to
24 help build the air bridge to Afghanistan, and they still play a significant role in that air

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1 bridge today.

2 So it's partly -- picking up on what General Odierno was saying -- a more integrated
3 operation that we see here; "seamless," if you like that term; ongoing; responsive to the
4 capitalizing on the relative strengths of each element in terms of what they could contribute
5 to the fight.

6 PUNARO: I think what I hear you saying is: Independent of, say, the ongoing
7 work on definitions -- which happens all the time and they get changed all the time -- they
8 are, in effect, functioning as an operational Reserve.

9 ODIERNO: They are.

10 CHU: That is correct.

11 PUNARO: With that in mind...

12 HALL: Mr. Chairman, could I make one comment?

13 PUNARO: Yes, Secretary Hall?

14 HALL: I think we need to focus just a moment on why we even transitioned to an
15 operational Reserve, and I think at the basis of this is the first prolonged conflict in which
16 the all-volunteer force has been tested and which we are using our Guard and Reserve in the
17 manner in which we are using them now.

18 In the past, we had a conflict that was over relatively early. Our Active Duty forces
19 could go forward and handle it and get back and have adequate dwell time.

20 It appears now the level of violence in this prolonged, long war is going to be such
21 that the Active forces could not have adequate dwell time. We could not use our Reserve
22 forces for backfill, which we traditionally did -- put them in backfill in the U.S. and send
23 the Active forces forward.

24 So I think the demands of the long war on the all-volunteer force means that we

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1 have to use Guard and Reserve forces in a rotational basis, not in Reserve and not in a
2 backfill, which means we had to have a new concept which we have developed the
3 operational Reserve from.

4 PUNARO: Good. That's a very helpful addition. To pick up on that at the recent
5 excellent symposium that, you cosponsored with Assistant Secretary of the Navy Billy
6 Navas, as the head of the Reserve Forces Policy Board.

7 General Dykes (ph), the Reserve advisor to General Pace said -- and he talked about
8 it being operational, but he made another very key point. He said the statutes, the policies,
9 the support infrastructure and the national perceptions have not changed accordingly.

10 We've gone from a strategic to operational Reserve -- you've indicated we are
11 functioning as an operational Reserve. And he said those needed changes -- statutes,
12 policy, support infrastructure and perceptions.

13 So my question would be -- and there's always a lot going on in the department that
14 people don't know about, and I know that you have a lot of work underway -- how are you
15 going about, in the department, looking at and making the changes in all of these areas --
16 statutes, policies, support infrastructure and, indeed, national perceptions and the
17 expectation of the Guard and Reserve to basically implement what is really a profound shift
18 in the way that our Reserve and Guard are being used and will be used in the future?

19 CHU: Let me start in order of the hierarchy you established.

20 On national perceptions, I do think that conversations like this commission are
21 encouraging to underscore the change that has already taken place, and it's important for the
22 future and a critical element in alerting our public that we have made this change and we
23 expect it to continue to be sustained.

24 To the statutes, actually, we have worked for some time -- and as I indicated by

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1 some remarks -- I think, with considerable success to persuade the Congress that we do
2 need some changes, and I do think one of the most important changes, perhaps the most
3 important changes occurred in the Fiscal Year 2005 Authorization Act where Congress did
4 change the purpose statement for the Reserves to facilitate this view of an operational
5 Reserve.

6 And I would concur that, largely, by deleting certain phrases, it may not have gotten
7 quite the attention that -- that's why I welcome this conversation and the emphasis that your
8 giving to it.

9 I do think, as I argued, that we now have a pretty good -- not complete, but a pretty
10 good suite of statutory authority and that the challenge is now, as you argue, in the policy
11 domain, and for implementation of those policies: How do we use those to make the
12 operational Reserve concept truly effective and successful for the long term?

13 And I believe that a critical element here is what it is fair to ask Reserve component
14 personnel to do. What kind of notice should they get? How long is it fair to mobilize them
15 for? When does that come up again for them? This is the whole notion of "one in six," and
16 I think the Army Force Generation model is very supportive of that concept.

17 Now that, in turn, implies a whole set of changes in terms of how they are trained
18 and equipped. Let me speak to the equipping issue directly. It caused some controversy, I
19 recognize, for nation at large.

20 It does not necessarily mean, as often was true in the Cold War, that every unit has
21 some fixed percent of equipment on hand.

22 What it does mean, I think, is when they go to the fight, they have the best
23 equipment we can give them for that fight. It might mean in the interim that for many key
24 pieces of equipment they have just enough to train on because we do not plan to use them

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1 prior to that rotational cycle point in their history.

2 Now, for the Guard, that raises the issue: How about their state mission? The
3 Army's attending to that, watching out for these units and trying to be sure that they have
4 the equipment that's needed for the state mission which is a somewhat different mission set
5 than you might see in deployed combat.

6 In my judgment, it changes the whole rhythm of the Reserve services in terms of
7 how they prepare, how they are equipped and how they are utilized when not in a mobilized
8 status.

9 HALL: I might add that good news in this town never quite gets out, but in the past
10 two years there have been 120 provisions in the law that have been changed that affect the
11 Guard and Reserve. We'll make a list of them.

12 Some of them are small; some of them are word changes; some of them are large.
13 But I think most significantly over the past two years Congress has passed 120 separate
14 resolutions, which we'll make available so that you can see the extent of how this is
15 changing.

16 PUNARO: That would be very helpful.

17 General Odierno, anything you wanted to add there?

18 ODIERNO: The comment that I would make is the transition here -- when we had a
19 strategic Reserve, we assumed we had a significant amount of time to both train and equip
20 Reserve-component forces to be ready to deploy.

21 So as we continue to change to this concept -- to the operational Reserve, it's clear
22 that we have to change how we train and how we equip. The Army Force Generation
23 model helps to get at the training piece.

24 The Army also understands that they have to -- and they'll probably talk about it

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1 tomorrow when they come to talk to you all -- but \$21 billion from '05-'11 is being focused
2 on Reserve component, National Guard and U.S. Army Reserve equipping.

3 And a part of this is so the right units are equipped to accomplish the mission. We
4 have not done that in the past; we have had to, for a lot of reasons, provide tiered capability
5 to the Reserve component.

6 So it's important to understand, as we move forward with this concept, it's not only
7 policy, but it's actually action, both in training and equipping of forces. And we're moving
8 forward with that, based on the QDR decisions that were made here recently.

9 PUNARO: Thank you.

10 My time in this round is expired. Our next commissioner is Patty Lewis.

11 LEWIS: Thank you for joining us this afternoon. We appreciate your testimony
12 here.

13 Our country is extremely proud of the capable force that we now have, and the
14 responsibility of this commission is to ensure that our recommendations help preserve that
15 force.

16 As each of you has noted at some point this afternoon, the transition to an
17 operational force has evolved over time. And Congress has assisted you, whether the
18 department has requested it or not, in improving benefits to go along with that operational
19 transformation in response to concerns by servicemembers and their families.

20 Given the department's concern of escalating costs, what specifically does the
21 department plan to do to make an operational Reserve sustainable?

22 CHU: I think, Ms. Lewis, you are speaking specifically to the compensation
23 package element of that, if I understand you correctly.

24 The principle we're following is that -- with the important caveat that it is a Reserve

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1 force, not the Active force of the United States, that there should be a strong parallelism in
2 the pay and benefit structure between the two. So we have, with the help of the Congress,
3 as you've noted, changed the rules of the game in a number of ways.

4 Let me cite just two important ones, because I think there were issues of some
5 irritation to the Reserve community.

6 One change is this question of 179-day orders. In the past, many Reservists were
7 brought to Active Duty for 179 days, taken off orders for one day, put back on. They
8 wanted to serve for longer periods of time, but because their strength counted against the
9 Active Duty (inaudible) the military departments were reluctant -- if they were in orders
10 with 180 days or more, the military departments were reluctant to put them on such orders.

11 And the Congress worked with us to create the operational support category that
12 allows us to have a generous ceiling of Reservists who are now appointed for orders that
13 make sense, in terms of the length of duty that they volunteered to give and that are needed
14 by the total force of the United States.

15 I think a very different element -- this question of what their housing allowance
16 ought to be. As you know, in the past there was a set of both statutory and policy
17 prescriptions that basically said, if you weren't going to serve some fairly lengthy period of
18 time -- several months -- you weren't going to get the full housing allowance that an Active
19 person might receive.

20 We thought that was a mistake. We had both changed those things (inaudible)
21 change from the Congress and one final step to go in that process, but the end state would
22 be that if you are ordered to Active Duty for 30 days or more that you would get the same
23 housing allowance that an Active person might receive.

24 I would point -- if I might add a third area -- to how, at an early stage, right after

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1 September 11th, 2001, we moved to treat the Reservists in terms of TRICARE -- the
2 military health policy that you've done so much to strengthen over the years -- in the same
3 way we treat the Active personnel.

4 We decided -- using the demonstration of authority that Congress had given us -- to
5 waive the deductible for Reserve members on the assumption they already pay deductibles
6 under any employer policy they previously held, and we made it possible for them to
7 benefit from TRICARE (inaudible) more easily than would actually be the case for an
8 Active Duty member, recognizing their different family structure. I think that's an example
9 of parallelism, but also thoughtfulness about how their circumstances may differ from those
10 of Active Duty households.

11 And of course, the Congress has since then enacted legislation that allows us to offer
12 them TRICARE benefits for up to 90 days prior to coming to Active Duty, so that it's an
13 easy transition for a period of six months Active Duty for both Reservists and any Active
14 Duty servicemembers who (inaudible) as you are aware.

15 So my view on the compensation packages is (inaudible) of parallelism. It does not
16 mean necessarily that it will be exactly the same.

17 I can offer an example in that regard. Congress has granted us the authority for a
18 critical-skills retention bonus for the Reserves, but with a ceiling that recognizes this is the
19 Reserve component, not the Active service (inaudible) we think that's plenty of authority.

20 Our job, as I would emphasize this afternoon, is to use that effectively. If it proves
21 to be inadequate, we'll certainly be back asking members to consider broader authority, if
22 they would be so generous.

23 ODIERNO: I would just add, the sustainability, of course, of a force is -- you have
24 to look at it several different ways. It gets back to being predictable, about providing

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1 predictability for the forces and the individuals as we walk through this.

2 The addition is providing them the right equipment and training necessary. All of
3 this adds to being able to sustain a force over a long period of time.

4 If people are confident in the training program, the equipment they're getting, the
5 predictability, then that also adds to sustaining a force over a long period of time.

6 And that's where we're trying to move towards in every service, specifically in the
7 Army where the size of the force is a bit bigger, where they're really trying to come up with
8 policies and programs working off the Army Force Generation model, spending more
9 money on equipping the Reserve component, providing them structure where they're able to
10 train 8,000-10,000 National Guard and Reserve component officers and noncommissioned
11 officers every year, but we didn't have that before.

12 And so it's all of these things that add to the sustainment of a force, as well as
13 packages that Dr. Chu discussed.

14 LEWIS: According to GAO and congressional testimony, the current deployment
15 (inaudible) Reserve component has caused some notable problems; and you mentioned the
16 equipment shortages, also recruiting shortfalls and family and employer stress.

17 What initiatives do you have planned for the long-term to improve support for
18 family members and employers? I know you touched on some information technology
19 initiatives in your written statement, Dr. Chu, but what specific initiatives do you have for
20 family members and employers as the Reservists are dispersed throughout the country but
21 functioning in a manner much more similar to the Active component?

22 CHU: Let me, if I could, make a prior point that comes to your direct question. I
23 think some of the recruiting difficulties arose from our lack of effective recruiting
24 (inaudible). We did not have, prior to recent acts of Congress, the kind of (inaudible)

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1 authority that we had for Active forces.

2 Congress has given us that authority. We are now using that authority. I think it's
3 one of the reasons we're seeing such successful results for both the Army Guard and the
4 Army Reserve. They are currently making their numbers, which is an extraordinary,
5 extraordinary achievement.

6 To your question about family support, the Reserve (inaudible) have set up an
7 extensive set of family resources centers -- I'll ask Secretary Hall to comment in just a
8 second here -- to supplement those from organized by the Active force.

9 Of course, the centers can serve everybody; it is one force in the end, and that's an
10 important part of our outreach. We recognize -- and this is one of the differences out there
11 (inaudible) -- that the Reserve families are more dispersed, so they may not be near a
12 military base.

13 It may be inconvenient to come to a physical center, and that's one of the reasons we
14 went to this Military OneSource concept that I know you're familiar with, where we have a
15 24-hours-a day, 7-days-a week service which you can reach with an 800 number from
16 anyplace in the United States.

17 And we will have on-duty experts to deal with your issue, whether that's as simple
18 as "Where can I find a (inaudible) to more complex, "My son or daughter or whatever has a
19 rare disease and I need to find a specialist. How do I deal with this going forward?"

20 I think that, in addition, we are eager to understand how can we use better the full
21 set of resources that the country has given us to reach out to these families to make sure
22 they're well taken care of.

23 But I do think one of the problems for our Reserve families is there may not be
24 someone next door who understands your issues, your problems, sympathizes with your

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1 concerns and can help pick up the slack, as would be the case if it was an Active household
2 -- whether they live on the military base or just a community where there is a large number
3 of military families. And I think that is one of the challenges out there. How do we do that
4 well with this difference, then?

5 On the employer front, as you appreciate, we've long had a strong national
6 committee for employer support with regard to Reserve. They've done, in my estimation, a
7 fantastic job.

8 They basically function as ombudsmen to help not only resolve conflicts, but
9 prevent conflicts from occurring by counseling both employers and employees on what are
10 your rights and responsibilities in this regard (inaudible) and I am impressed (inaudible)
11 with the more than 500,000 mobilized that General Punaro mentioned, the number of
12 complaints against employers has risen, but the rate of complaints -- in other words,
13 complaints per 1,000 mobilized -- has fallen dramatically over this period of time.
14 (Inaudible) most recent months, even the actual number of complaints has been declining,
15 which is a great tribute to everyone, but most importantly, also, a tribute to our nation's
16 (inaudible.)

17 Tom, do you want to add...

18 HALL: I would just say that the Military OneSource is used by all of our family
19 members; it's a great source. We have 400 family service centers in the National Guard.
20 We have 700 nationwide in all services, and General Blum has stepped up to the plate to
21 say that he has the perfect organization in the 54 states and territories that can serve as a
22 conduit to the families.

23 And it doesn't make any difference whether they are Guard, Reserve or Active Duty.
24 His joint force headquarters can connect to those 400 family service centers. And I think

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1 we have moved along a great deal in him providing in the states that type of connection.

2 We still have some problems that we can help our families with -- TRICARE. We
3 have TRICARE in many of our areas, but certain doctors will not take TRICARE. And so
4 we need help in incentivizing or asking doctors -- it's fine if you have the benefit, but they
5 will not take TRICARE.

6 We've worked for the National Governors Association. We have worked with the
7 American Medical Association, and we would welcome your ideas and views about how we
8 might get our medical professionals out there to take TRICARE and to treat our families
9 who are in a remote area who that might be the only doctor that they can go to.

10 But we're moving on all of those things to help our families. And certainly, with our
11 employers, this summer we are embarking on -- we know that the largest problem is not
12 with the large companies; many of them can handle it. It's the small businessmen. It's the
13 self-employed. And so we're going to look at some 3,000 small businesses this summer, go
14 to them and say, "What are your problems?" study with them and try to develop things that
15 could help that segment of our employers that are really hurt, and that's the very small
16 companies and self-employed.

17 LEWIS: Thank you.

18 Mr. Chairman (inaudible.)

19 PUNARO: OK. Our next questioner is Commissioner John Keane.

20 KEANE: Dr. Chu, it's great to see you again.

21 CHU: Good to see you, sir.

22 KEANE: I enjoyed working with you in the Pentagon and also as the director of
23 Arroyo, working with RAND when you were taking care of the United States (inaudible)
24 that was a great relationship.

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1 CHU: Likewise, a privilege.

2 KEANE: And General Odierno, it's great to see you, and congratulations on your
3 new three-star command that you'll be going to shortly at Fort Hood as the commander of
4 three Corps.

5 And also, it was great catching up on your young son, a captain in the United States
6 Army who was seriously wounded, who's now back to duty and we're all thankful for that.

7 Dr. Chu, I was wondering if I could just take you back to the roles and missions a
8 little bit and maybe explore it a little further. I think what we're try to do here is, obviously,
9 look to the future as best we can see it, in terms of what the requirements are and what
10 adjustments have to be made in roles, missions, organizations, training and structure of this
11 organization -- this great organization of Reserve components, and tangential to that, the
12 United States military as a whole, although that's not our province.

13 And to understand it, I think you have to go back a little bit. We're 30 years plus
14 into this volunteer-force experience -- coincidentally, the same time we started the total
15 force -- and I think by anybody's definition it has been a resounding success.

16 And certainly the young men and the women who are in that force deserve the lion's
17 share of the credit for it. But it's not preordained that it will always be successful. So I
18 think this work about roles, mission, and organizations is very important to us, and I'd like
19 to ask a couple of questions in relation to that.

20 I applaud this initiative that you're looking at to maybe segment the RC to a point
21 where some people in it can be part of organizations that would be more responsive in terms
22 of frequency and maybe even length of deployment.

23 I had that thought myself, and I'm grateful to see that the department is looking at
24 that. It will be interesting to, you know, further explore that.

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1 I do believe that there are people out there who are willing to do that, where most
2 probably cannot do it. But we all recognize that we've moved into this operational Reserve,
3 and now we've named what has happened to us for the last 10-plus years, and that's always
4 good to call it what it is, and I agree with that.

5 And it really implies this model is changing from mobilize, train and then deploy it,
6 to train, mobilize and deploy it.

7 So question one is: If that's true, does the 39-day model as a part-time force -- is
8 that still sufficient to meet the needs of that force?

9 The second question would be -- and you mentioned it -- the one and six model. On
10 the surface of that, that has appeal and it looks doable, but when you start to get into it, I
11 think we've got to take a hard look at it. Is it really? Do we know if employers are willing
12 to sustain their employees who are leaving on that level of frequency for what now for
13 Army Guard and Reserves is at least an 18-month deployment as we know, not a 12-month
14 deployment, and certainly not a 6-month or a 4-month deployment that is happening to the
15 Air Force. That would be the second comment.

16 And then the third, I think the rebalancing is an effort that has to be done and I'm
17 just wondering, is it enough? Because what we have historically always done with the
18 Reserve components is, kind of, replicated the capacity of the Active component.

19 And that comes from a World War II, Cold War model that when you have to surge
20 your force, you want to replicate the force that you're going to support. So everything plugs
21 in right and that makes sense. So if you have 10 divisions, you want 15 or 20 more. You
22 have so many wings, you want more.

23 But as we look to the future, does that model really work in a long-war scenario as
24 best we can see it? And should we take a look at maybe specializing the Reserve

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1 components more than we do now to accommodate the requirements that we believe will be
2 there and we'd be able to have more flexibility to deal with those requirements?

3 CHU: Let me, if I could, begin -- and I certainly believe that General Odierno will
4 have views on these same issues.

5 Starting with the last question and moving backward up your list. On rebalancing, I
6 agree with you. We will need eventually to do more. In that regard, I will argue, we do
7 want to think about the total force, the Active Reserve and civilian, because in some of
8 these areas, civilians may have an even stronger capacity to contribute, particularly on a
9 sustained basis.

10 Let me take a real example, which is port operation. Once the situation is stabilized,
11 maybe deployable civilians can help with the supervisory duties that only United States
12 personnel can discharge for a variety of obvious reasons.

13 That's not the way we're organized today. I do think it's one of the reasons that the
14 department was so eager to secure from the Congress the right that it has given us to have a
15 national security personnel system -- in other words, a personnel system that is mission-
16 oriented for the needs of the Department of Defense. And that's a very critical tool, I think,
17 in this whole rebalancing posture as we go forward.

18 We are using that opportunity today in rethinking, as another example, how we
19 handle postal responsibilities in the period ahead.

20 So I do think deployable civilians can do more as part of this rebalancing effort, and
21 I agree with you that some degree of specialization (inaudible) which we have done. Civil
22 affairs -- which you know well, better than I -- is an example of that, but it may apply
23 elsewhere.

24 I also think it's very interesting to see, to watch, evaluate and learn from the best

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1 practices in various experiments or pilots that the separate military services are carrying on.

2 The Air Force is, as you will appreciate, looking at composite units. Can we put
3 Reserve, Guard and Active personnel together in the same unit? That creates all sorts of
4 legal issues and questions about command and control that we'd have to solve in order to be
5 successful.

6 It does have the air Reserve, a long-standing associate (inaudible) concept where we
7 did have some of this idea brought forward, and the Army has moved to the same thing with
8 air crews as well -- to have additional crews in the Reserves to augment the Active unit,
9 rather than having (inaudible) units in the Reserve structure.

10 So I do see more of that coming forward, but I would urge that we think about all
11 elements of our force, not just the (inaudible) elements (inaudible).

12 To "one and six," that I would acknowledge was a judgmental decision by the
13 secretary. I am impressed that from the recruiting-retention perspective, it seems to be
14 widely accepted by our Reserve components. I turn to Secretary Hall, who speaks to a lot
15 more Reservists than I do, of course, for his assessment.

16 And I am struck that, at least so far, the employer community is supportive. The test
17 will come when the six-year clock runs up and the next one comes up, and how do they feel
18 about that situation. That obviously is ahead of us, but I do think so far the acceptance of
19 the notion by our people has been excellent and a tribute to that (inaudible).

20 Our retention levels, I think, have surprised everybody, on both the Active and
21 Reserve side, in terms of the long-war challenges we confront. It's a great tribute to
22 America's young people -- even its not-so-young people.

23 On the 39-day issue, we agree with you. It is not clear that the old view of 39 days,
24 i.e., one weekend a month, two weeks in the summer, is necessarily the right paradigm.

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1 There are some sticky compensation issues associated with that, that we would have to
2 (inaudible).

3 We have had some quiet conversations with the maneuver unit seniors about
4 (inaudible) starting with the precept -- let's start with 39 days being the total, because, again,
5 we have to come back to the burden upon the Reservists. Suppose that's constant, but you
6 could rearrange it. And the sense that I get from those consultations is that many would
7 prefer to have a longer period of continuous training and less engagement during the rest of
8 the year.

9 That's certainly the spirit behind the model that you helped kick off in your last
10 period as vice chief with the Army's so called "09 Lima program," (ph) where we are
11 deliberately -- this comes back to the rebalancing issue -- deliberately recruiting people who
12 have no prior military training or Reserve status, but who speak as a native speaker, one of
13 the key languages in which we are short -- Arabic, Pashtun, Dari specifically.

14 We bring them to Active service. We give them basic training effectively deployed
15 as (inaudible) hugely successful in capitalizing on this civil resource which is out there in
16 our country, but that we were not using. And the Army now intends to expand that program
17 as a result of -- and make it into a career field so there is opportunity for promotion.

18 Because our initial assumption is, well, people would like to serve (inaudible) go
19 home. These young people are so enthusiastic, want to stay in the Army, and the Army
20 wants to find a way to use their talents, continue to capitalize on their linguistics capacity as
21 well as the other talents that require service. So I think there are other ways to do it. We
22 have not come to specific formulations yet.

23 ODIERNO: If I could, sir, I'll first comment on the training model. I think what
24 we're going to find is a combination of training models that we're going to want to use. I

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1 think in some cases the 39-day model might still work for some of the units we have, but
2 there will be other units that might require, as was stated here, a more consecutive, longer
3 period of time to train.

4 The Army Force Generation model, what that is attempting to do is add
5 predictability to this, where a unit comes into a window and during that window they would
6 require some larger amount of training time. So maybe for 18 months they wouldn't do any
7 training, but then when they come into this window they would do three months, four
8 months, two and a half months -- whatever we determine to be right for them then to get
9 into a -- where they are not ready to deploy.

10 The other instance you'll have is if we can become more predictable, then we will
11 incorporate into mobilization a regular training cycle that allows them to train a certain
12 extent before they are then able to -- I think it's a combination of all of these models that we
13 now have to look at. And we believe if we tell Reservists and National Guard soldiers
14 ahead of time, they can then work with their employers and make it fit into what their
15 lifestyle is in order to meet our requirements, but that's something that we still have to look
16 at.

17 In rebalancing the force, I would just comment on, -- as, sir, you're well aware -- this
18 is a total force issue, and it's about constantly re-looking what should be in the Active
19 component, what should be in the Reserve component -- both the Reserve and National
20 Guard -- and what are they best suited to do? And how does it best suit the missions that
21 we want each one of the components to operate? And that's part of what this rebalancing is,
22 and it will continue to rebalance itself over time.

23 But what has changed in the last 24 months, in my opinion, is the modularization
24 that has occurred, and I'll talk specifically about the Army.

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1 In modularization, we're now making the units the same, where in the past we had
2 18 divisions -- 10 in the Active component, 8 in the National Guard -- and I would argue
3 we'd had 14 different divisional organizations. We are now down to three -- a heavy, a light
4 and a striker -- we're not there yet, but we're moving towards three -- a heavy, a light and a
5 striker brigade.

6 We now have fire brigades, which will be the same throughout all the components, a
7 sustainment brigade that will be the same throughout all the components, an intelligence
8 organization that will be the same throughout all the components.

9 Where this helps is they become identical, easier to train, easier to plug into and be
10 interchangeable with each other. We have to continue to work this concept. We are just
11 now incorporating this in the Active and in the beginning and in the Reserve component.

12 So I think all of these things will add to how we change our training and how we
13 continue to rebalance the force, but it will be necessary in order to maintain what we think
14 the (inaudible) is as an operational Reserve and a Reserve component.

15 HALL: Could I add one thing, General?

16 You ask a very critical question: Is it sustainable for one in six with an 18-month
17 type of mobilization? The feedback I get, for the record, from the thousands of employers
18 is no.

19 We need to have less not more -- a model of, perhaps, 12 months or less -- where
20 that's nine months boots on the ground, three months of training and leave. They can
21 probably sustain if we predict it and if we can tell them when and get that down to one year
22 or less. But I find no one that thinks that the 18 months which we are currently going, in
23 the long run, would be able to be sustained with their employees (inaudible).

24 So I think that we have to move that back. And critical to that, as has been

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1 mentioned, we now have the authority to train for mobilization. We got that from
2 Congress; therefore, we can enhance the model of train, mobilize and deploy, not mobilize
3 and the extended training times.

4 We have the authority now, when it's tied to a person's mobilization, look when they
5 can do the training, when the employer can let them go, do part of that mobilization training
6 at their schedule so that they are ready to go and have less time total deployed. So we need
7 to use that new authority to shorten that time.

8 ODIERNO: Could I add one more thing?

9 PUNARO: Absolutely.

10 ODIERNO: One of the things that we're looking at is -- as we look at the last four
11 years, the statistics, about 46 percent of the Reserve component has been mobilized. And
12 it's not because the rest of the Reserve component doesn't want to be mobilized, but it's
13 because they aren't the right mix of forces that are needed. And this gets back into the
14 rebalancing piece, so we can spread the mobilization across a wider range of the Reserve
15 component that's available.

16 I mean, there's other reasons why, but that's one of the reasons why. And so that's
17 why it's important we really take a hard look at this rebalancing, so we can get access to a
18 larger piece of the Reserve component, so it's not the same 46 percent that we keep going
19 back to, because that's the way we've structured the Reserve component in the joint and in
20 services.

21 PUNARO: As we switch over to Commissioner Rhett Dawson, with your
22 permission, to get a clarification on his answer.

23 When you talked about you're going to make all the components the same, you
24 know, the same kind of brigades, some in the military now that have done that, they call

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1 that "mirror imaging." You know, the infantry battalion in the Active is the same as the
2 infantry battalion -- same equipment, same skills, same -- would that be a description that
3 you would apply to what the Army is doing now?

4 ODIERNO: That is exactly what they are doing. That is their plan now. The plan
5 is to do that, where they will all be alike.

6 PUNARO: Right. Thank you very much.

7 Mr. Dawson?

8 DAWSON: Thank you, Mr. Chairman.

9 Dr. Chu, always a delight to see you over our long period of association together.

10 CHU: Likewise.

11 DAWSON: And Secretary Hall, welcome. Good to see you. Thank you for all
12 your support in our (inaudible) General, congratulations on your getting one of the finest
13 corps in the U.S. Army. Mr. Ball had an occasion or two times to visit.

14 I'm going to shift gears a little bit and I'm going to use as the basis -- we're going to
15 look homeward here for a moment. This is a report that was issued by the White House
16 called the "Federal Response to Hurricane Katrina: Lessons Learned." And if you don't
17 mind -- I assume you've read and studied this and probably helped write it.

18 But if you don't mind, I'm going to read, for those that haven't had a chance to read
19 it, a few of what I think are penetrating insights and then ask you to help me understand a
20 bit of the implications for our work and for what you do.

21 One of the critical challenges it outlines in the appendix is the integrated use of
22 military capabilities, and it particularly highlights that the Department of Defense should
23 ensure that the transformation of the National Guard is focused on increased integration
24 with Active Duty forces for homeland security plans and activities. That's kind of a lesson

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1 learned.

2 And then it has among the 125 recommendations -- I'm only going to pick on three.
3 It has one of the recommendations that I want to ask you about.

4 It talks about, in addition to National Guard, other Reserve components should
5 modify their organization and training to include, quote, "a priority mission," close quotes --
6 those are my quotes just to underline it -- to prepare and deploy in support of homeland
7 security missions.

8 And it goes on to talk about how they have historically been involved in military
9 and war fighting which will continue, but we ought to recognize that there are some
10 components that are too valuable -- a point you were making earlier. So I want to first ask
11 you about what the modifications to the organizations might be.

12 And then secondly, I want to ask you -- it notes the DOD -- this may be getting too
13 far down in the weeds today. It said, "DOD should consider assigning additional personnel
14 to include general officers from the National Guard and the Reserves of the military
15 services to U.S. NORTHCOM to achieve enhanced integration of Active and Reserve
16 component forces for homeland security missions."

17 So that's the second piece of this. And the final piece is, "DOD should consider
18 chartering the National Guard Bureau as a joint activity of the Department of Defense."

19 And they go on to talk about what responsibilities, among which, they should serve
20 as the focal point in developing, managing and integrating employment of joint Guard
21 capabilities for the joint staff and the Department of Army and Air Force in support of the
22 combatant commands.

23 Now, we had a couple of senators in here this morning even suggesting that you
24 ought to make the head of the National Guard Bureau a member of the Joint Chiefs of Staff.

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1 So that's a subsidiary part to my third question.

2 So with that, tell me about what implications...

3 CHU: Sir, on the second question, NORTHCOM, let me defer, if I might, to
4 General Odierno in just a second.

5 On the National Guard chief grade, membership of the Joint Chiefs, that, as you
6 know, has been an issue that's been debated before in our country. People in the past have
7 come to the conclusion, "No, we don't need to do that." Obviously, it's likely to be a matter
8 of debate again.

9 I do think, though, in answering that question, I'd like to -- to your first question,
10 what are the organizational and other changes that we need?

11 And I think you are correct in the implication that when there is a major national
12 event, disaster or otherwise, in which military force is helpful to the national response, the
13 country will look to the total force -- the whole force.

14 It will not discriminate as to whether this is a Reservist or an Active person. It's
15 counting on it's military to help it out of this situation. And we have already taken a
16 number of steps to facility that.

17 Let me mention (inaudible) point to another where further action is going to be
18 needed in the future. The first is health protection.

19 The military has moved to inoculate itself against smallpox. That is not something
20 that the country has successfully accomplished for its public health force at large.
21 (Inaudible) an outbreak of smallpox in the military represents the main inoculated force that
22 the country has at its disposal.

23 That's important because smallpox inoculation, as members of this panel know,
24 takes several weeks to take effect. It's not automatic. (Inaudible) you can't instantaneously

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1 change people's status. And force health protection is one of the ways in standardizing that,
2 which (inaudible) a source of some litigation (inaudible) inoculation is still the source of
3 litigation (inaudible), but we are taking a forcewide view of the need to have our people,
4 from a biological perspective, ready to deal with anything that might occur.

5 To an example of an area where more work is necessary, I do think -- as we've seen
6 in every one of these major national events -- the ability of all the nation's first responders
7 to communicate with each other is one of the weaknesses the country has.

8 And I do think that the military structure presents an opportunity for the country to
9 come to a common communication plan, helped by the fact that the Guard forces will have
10 as part of their role in the total force, the standard equipment that the military deploys
11 (inaudible).

12 As people in this commission know, the one element in New York City on
13 September 11th, 2000 who could talk to everybody was the CST (ph).

14 DAWSON: I take your point about communications, but the report that I'm reading
15 from really focuses in, it appears to be, on as much structure and management changes as it
16 does on equipment or other kinds of changes.

17 CHU: I think, if I may, the department's perspective on structure management is
18 that for domestic events it will typically be a domestic agency that is in charge. So we are -
19 - to borrow the combatant command lingo -- we are the support team organization, and we,
20 therefore, must put ourselves in the right posture vis a vis what is being supported.

21 As people in this commission appreciate, the nation's still working out what those
22 lines of authority might be. I don't want to get too far ahead of that debate.

23 I am confident the department will come to good answers as the nation decides how
24 does it want to organize itself (inaudible) as to how we have to organize ourselves

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1 (inaudible) department.

2 I don't think there will be any great failing. Let me, however, on the NORTHCOM
3 issue, specifically...

4 ODIERNO: Let me first -- Northern Command, as you all know, is a relatively, in
5 service terms, new organization. It's not been going on for too long. They continue to
6 evolve as we move forward.

7 But Northern Command currently is -- for example, the chief of staff at Northern
8 Command is a Reserve component officer. They have two component commands -- 1st
9 Army and 5th Army. One has now been designated to train forces for contingency
10 operation. The other one has been designated as a JTF for disaster relief and consequence
11 management within the United States.

12 They are also totally integrated with Reserve component officers on their staffs. In
13 addition, JTF Civil Support, which is a specific organization organized to respond to civil
14 support activities, is commanded by a general officer of the Reserve component and is
15 almost entirely Reserve component.

16 The reason I went through that with you is, in our mind, we continue to evolve
17 Northern Command. The Reserve component is an integral part of Northern Command
18 today.

19 We continually have general officers of all the services (inaudible) officers of all the
20 services, move in and out of Northern Command in very important positions at all levels,
21 from the combatant command itself, down to the armies that support it, into the JTFs that
22 have been established to support the United States.

23 We will continue to evolve that and we believe that we are very well integrated
24 today, but we continue to look at that on a regular basis.

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1 So, point taken.

2 I would like to comment on the recommendation of potentially making the chief of
3 National Guard Bureau a member of the Joint Chiefs of Staff. I think, as Dr. Chu has said,
4 this has been reviewed on many occasions. I would say that the chairman believes that, in
5 fact, we are very well integrated today.

6 A few years ago we passed legislation that put a three-star in each one of the
7 services as director of the National Guard. In each one of the services we have a three-star
8 that is responsible for the Reserve component completely integrated today.

9 The chairman has both a two-star Reserve and a National Guard adviser on his own
10 staff, and in addition to that, General Blum, as the director of the National Guard, has
11 complete access to the secretary of defense, the chairman and all of the service secretaries
12 and chiefs.

13 But the last point and most important point in my mind is that this is a total force
14 concept, and the National Guard and the Reserve component are a part of the total force.
15 They are part of the Army. They are part of the Air Force. They are part of the Marine
16 Corps. They are part of the Navy. And we don't want to move away from that concept.

17 So we want to be careful on how we move forward here. Do we, in fact, move away
18 from that concept by looking at how we develop potential (inaudible) so we have looked at
19 this. We believe we are organized properly. We continue to adjust on a regular basis.

20 And finally, I would just say on the structure is part of the modularization of the
21 Army. It's part of developing capabilities in the Reserve component that enable them to be
22 better equipped to, also, not only respond in contingencies overseas but contingencies at
23 home -- when you're especially talking about truck companies, aviation, intel capabilities,
24 reconnaissance capabilities that can be used. So we continue to evolve in that way.

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1 And then we have very specific, dedicated organizations, such as (inaudible) outfits
2 that are directly related to any homeland defense capabilities that we need. We also support
3 the 54 JTF centers being stood up in the states. We support the concept. We're moving
4 forward with that concept.

5 I've been very much involved in the "Katrina: Lessons Learned," personally. We are
6 working very hard to look at those issues. It is a mission that we must take on as a total
7 force, because there will be a mixture of Reserve component and Active component that
8 respond in times of need. But it depends on, again, who was ready and what is needed at
9 the time. And we continue to look at that.

10 DAWSON: Well, my time has expired, Mr. Chairman. I won't follow up today, but
11 we'll be, I'm sure, following up on what I think is a very difficult issue for this commission,
12 and I'm sure that you know better than we about how you can integrate the Guard and the
13 Reserve components better, based on what this report says.

14 Thank you, Mr. Chairman.

15 PUNARO: Mr. Dan McKinnon?

16 MCKINNON: Gentlemen, Dr. Chu, good to see you again.

17 CHU: Good afternoon.

18 MCKINNON: Mr. Hall, you too, and General.

19 I'd just like to see if I can simplify a little bit the sustainability thought. When did
20 the start date kick in for the six-year activation period for the Reserves, for the Guard?

21 CHU: The way that we are looking at it is that the secretaries -- let me step back for
22 just a second. The secretaries' original memorandum was about a planning metric, planning
23 your structure with the assumption that we would mobilize involuntarily. I would
24 underscore that involuntarily Reservists -- no more than (inaudible). It has come to be de

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1 facto a personnel management metric as well. And in that regard, which I think is the spirit
2 of your question, sir, I think our view is that the start point is the start of current operations,
3 which I would personally state as September 11th, 2001.

4 MCKINNON: OK. So from your date, the six-year period's, what, roughly got
5 another ...

6 CHU: In 2007, depending on when year one occurs, you've got to add that period of
7 service and then five years onto that. You're starting to look at the issue: OK, you may
8 come around again for eligibility. In actuality, I think, in the Army's case, what's going to
9 transcend that and be the way we manage for the long-term is the Army's Force Generation
10 model, which is, as General Odierno testified, predicated on a one-and-six template.

11 So those two come together. As that concept is deployed, people will be joining
12 units knowing that this unit is on a specific schedule. They'll be, in a way, coming to
13 General Keane's point, agreeing to serve with a unit that you know, which is the
14 predictability issue, is going to come up at a future time. So I would not be too mechanical
15 about this, since you are changing them with other concepts at the same time.

16 MCKINNON: Well, I want to get a little mechanical, only because I'm concerned
17 about our ability to have a force down the road here where we've the amount of manpower
18 you really want to have.

19 And if you've got another year to go -- my assumption is everything didn't go to Iraq
20 on September 11th. There was a period of time when you activated the Reserves after that,
21 so the time clock for some of those guys might start later, which is going to delay...

22 CHU: That's correct.

23 MCKINNON: Maybe to 2008 or, who knows, 2009 -- something like that. And my
24 understanding is -- you know, you said it was about 46 percent. I've heard it's as high as 75

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1 percent of the Guard has gone over to Iraq or has been involuntarily activated, which
2 indicates to me, you're going to run out of people at the current rate before you reach your
3 six-year period. And then what are you going to do?

4 Now you say you'll get some voluntary activation. And some of those fellows will
5 wear out after a while too. And my real concern is: Do we have a strong enough force
6 down the road?

7 And I think Secretary Hall, sort of, alluded that a little bit, that we don't. And we're
8 concerned about where are we going on that. Are we going to run out of our people to
9 activate to send over wherever we have to send them?

10 HALL: Could I just comment that the 45 percent of those serving today have been
11 activated. But what you brought up is the difficult issue in certain specialties we might
12 have deployed 75 or 85 percent. And if you isolated the National Guard and you can get
13 the percentages anyway.

14 But we look on it as: The people serving today in the force of the 833,000 selected
15 Reservists, how many of those people serving today have deployed? And so those figures
16 of 45 percent are correct. But if you take any specialty, and we might have used up most of
17 that, which is part of our problem for rebalancing.

18 MCKINNON: OK. So there's a potential problem down the road here; is that
19 correct?

20 CHU: Well, let me -- if I could, there are always challenges. Our posture is, if we
21 are thoughtful in using the range of tools that we have been describing this afternoon, we
22 should be able to sustain ongoing operations for a long war. That's the measure of success
23 that we are postured to achieve.

24 Now, to the higher numbers that you cited, I think some of those higher numbers

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1 come not out of people, which is what we've been talking about. General Odierno said 46
2 percent of those snapshot basis in the selected Reserve on 31 December 2005 have been
3 involuntarily mobilized. Units have been mobilized at much higher rates, but not
4 necessarily the whole unit.

5 So, for example, I was looking at a proposed mobilization just this morning with
6 Secretary Hall, Unit A has had Companies A and B mobilized, but not Company C. So the
7 battalion has been mobilized. It would count toward the 75 percent, but we're only going to
8 mobilize in this action Company C which has not previously served.

9 It does present, particularly for the United States Army, a significant management
10 challenge. It's a challenge I think the Army should take (inaudible) it's meeting. It's putting
11 the pieces together in a very effective way so we have deployable units to go to war.

12 Now, as General Keane celebrated, we need to be moving to a model where we
13 don't need -- Secretary Hall's point -- that we don't need so much post-mobilization training.
14 We get more of the training achieved pre-mobilization so the unit's prepared to go.

15 That's, I think, where the department is counting the success of the Army's more
16 distribution model to sustain this long war in the years ahead.

17 I don't know if that's helpful or not in answering the spirit of your question.

18 MCKINLEY: Well, I'm just wondering, do we need a larger force?

19 ODIERNO: The department we have today is sufficient.

20 CHU: The department has already enlarged the force as measured by numbers of
21 people, which I think is the spirit of your question.

22 Now, in the case of the Army and in the case of the Marine Corp., over a longer
23 term we hope to be able to keep Active manpower numbers approximately where they were
24 on September 11, 2001.

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1 That's essential to the nation's strategy for managing military forces, including the
2 important question of fiscal resources with efficient resources to invest in the future, to
3 procure the new equipment that is so critical to our capacity.

4 At the same time, we are trying to focus our uniform personnel of the establishment
5 on a truly uniform tasks

6 A major effort by the department, by the administration, to move military personnel
7 out of positions that aren't necessarily military and use that headroom, so to speak, for
8 military tasks. And use civilians and/or contractors, as is buttressed by the administration's
9 general effort on privatization, in areas where they can at least as well, or sometimes, better
10 contribute.

11 I'll give you a mundane example from my portfolio area. Before we started this
12 process, the military entrants processing, where you come to take your test to come into the
13 military, get your physical exam and you are sworn into the military, we had approximately
14 1,400 military personnel in that establishment.

15 Now, many of those tasks really are not inherently military. They're administrative
16 in character, done by federal employees, and we are moving hundreds of them to a civil
17 status. That releases positions within a fixed external headcount that the Instream
18 Authorization of the Authorization Act prescribes to military tasks so we can create some of
19 the key abilities that General Odierno described.

20 And ultimately, I think, to test our abilities to sustain the long war is can we create
21 more capabilities in the force, whether or not that requires more people on Active Duty.
22 Now, the Army is doing that, moving on the Active side from 33 to 42 modular brigade
23 combat teams, an extraordinary expansion of the capacity. The Marine Corp is doing the
24 same thing, adding additional battalions, reconnaissance companies, et cetera, within, from

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1 a broad perspective, a relatively constant Active administering flow.

2 MCKINLEY: Well, if you talk about capability, let's just transition into another
3 subject. My understanding is, from reading stuff and we had an all-star cast out here this
4 morning -- senators, chairman and so on -- is that a lot of the equipment that the Guard has,
5 has been left behind in Iraq or Afghanistan, so they're coming home empty handed.

6 And so, if there's some kind of domestic problem, they don't have the tools -- the
7 trucks, the Humvees, the communications equipment -- that they went over there, is left
8 behind so they come back empty handed. And the General talks about a \$21 billion five-
9 year program to replace that.

10 But if they don't have it now, why shouldn't that program be accelerated so we can
11 resupply them as quickly as possible instead of hoping nothing happens in the next five
12 years?

13 CHU: It is being accelerated. You will see, or you have to think about where the
14 supplemental requests for fiscal '06 is. I believe it has been sent to the Hill, can be on the
15 secretary's desk tomorrow.

16 You will see requests for several billion dollars worth of equipment specifically for
17 returning in that supplemental, specifically in the case of the Guard to make sure that they
18 have such things as the trucks and communications gear they'll need for a domestic
19 emergency for the very reason that you sited.

20 I do think, and I would underscore this comes back to an issue that we discussed
21 earlier in this afternoons Congress, I do think we have to step back and appreciate the
22 change in thinking on the part of the Army and other services of how we deal with
23 equipment for a deployed unit.

24 Our Cold War view, as you know, was the unit takes the equipment with it and it

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1 brings it back. In a sustained operation, that's really not very smart we're shipping the stuff
2 back and forth.

3 And so now, increasingly we take the equipment that's also the best equipment, we
4 take it over and we keep it there. The unit comes home. You give it a different set of
5 equipment either for training or operating.

6 I think this takes some rethinking of our vocabulary of how we describe it.

7 ODIERNO: I would also, I would add, I would be careful in characterizing the
8 equipment we take over and leave in Iraq or Afghanistan. The equipment that divisions use
9 now over there is very different than the equipment that I had when I went over with the 4th
10 Infantry Division, the most modernized division in the Army at the time, that I used for the
11 first year I was there. It is very different because of the need for up-armored Humvees that
12 has increased significantly.

13 And so what's happened is we've developed these up-armored Humvees, and we
14 certainly don't want to bring those back to the United States. We have to leave those there
15 because of the protection of all our soldiers, sailors, airmen, Marines that are over there
16 now.

17 So what we have to do then is make sure that we are replacing that equipment as
18 units come back.

19 And in the supplemental, there is quite a bit of money for not only replacing
20 equipment, but also for what we call resetting equipment, and putting it through the
21 maintenance cycle so it comes back in much better shape. Because the rate of wear out is
22 significantly higher obviously in Iraq and Afghanistan, than it is in a peacetime
23 environment. So we have to continually do that.

24 The \$21 billion that I talked about over the next five years, is over and above that

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1 amount in order to equip with new equipment, better equipment, and get it on line with
2 what the Active component has.

3 So there's two different things. The supplemental is used to replace equipment, fix
4 equipment. This is to buy the equipment that aligns it up with the new modular force
5 structure that the Army has, and also to buy some equipment for the Air Force.

6 MCKINLEY: Specifically, how much is that supplemental oriented towards the
7 Guard.

8 ODIERNO: I don't have it specifically, but I can get it for you. I do have the
9 numbers, yes.

10 MCKINLEY: Mr. Chairman?

11 PUNARO: OK.

12 General Keane?

13 KEANE: Yes, Dr. Chu, following up on something Commissioner McKinnon
14 mentioned, you know, there is sort of an elephant in the room in here with us that
15 contributes to some of our challenges. And it goes back to some of the decisions that were
16 rightfully made at the time, but probably any leader today would like to revisit them. And
17 these are the challenges.

18 When the Berlin Wall went down in late '80s and the Soviet Union dissolved in the
19 '90's, coincidental to that we began this treadmill of operational deployment -- Just Cause,
20 Desert Storm, and into Somalia and Haiti, and Bosnia and Kosovo.

21 And the treadmill of deployments in the '90s probably by any leader that was
22 looking at it in the late '80s when the wall went down were pretty much unforeseen. And
23 we didn't recognize how complicated and still how dangerous the world remained for a
24 global power like the United States.

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1 At the same time, during that entire decade, we downsized the United States military
2 by some 36 to 40 percent. We kept downsizing it until it bottomed out around 1998, despite
3 all of the evidence that we were really in a different period in our nation's history in terms
4 of operational deployments.

5 Now, we fast forward to 9/11 and we have another similar experience that is with
6 us. And we look to the future and we're now trying to predict this world out there.

7 If most leaders could go back and look at that United States military structure and
8 redo it, we probably would not have taken that structure and that force down 36 to 40
9 percent, given the responsibilities we had in the '90s and given the responsibilities we have
10 today.

11 But now we're looking at the future and we're seeing a long war scenario. We're
12 seeing still the need for high intensity combat certainly, and major stability operations on
13 the horizon, and nuclear proliferation, et cetera. And we're trying to fashion this Reserve
14 component force to compliment that.

15 The elephant in the room with us is we constrained the size of the Active
16 component, which forced us in the '90's, because of the burden of the Active component, to
17 begin to use the Reserve component differently. That is what pushed us into the beginning
18 of whatever we now name as the Operational Reserve. It was the impact on the Active
19 component.

20 The leaders at the time looked and said we can't do this. These operational
21 deployments are coming too frequently because we will not in past judgment, be able to
22 sustain the quality and quantity of the all-volunteer force at the rate we're using it. And that
23 was a judgment call.

24 So enter Reserve components to take that burden up.

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1 Now, we fast forward to 9/11 and we find that that burden has actually increased
2 rather significantly. And we're doing more or it.

3 And part of the reason we are going to the Reserve components to the degree that
4 we are doing it and the stress that we're experiencing with them, is understandable, is
5 because have, in fact, constrained the size of the Active component for many years.

6 And what I'm seeking is, is given all the evidence we have of that stress and strain,
7 and given the fact that, as we look at different models and different roles for the Reserve
8 component, and the 1 to 6 model, and changing to 39 days, and bringing volunteer units
9 forward, if at the end of the day none of that is still enough, is the department willing to
10 work at changing the size of the Active component force, which by definition will release
11 some of this burden that's on the Reserve component?

12 CHU: I think the department's already answered that question. It agrees we need
13 more capacity in the total force, Active and Reserve, than we inherited on September 10,
14 2001.

15 I think where there is an important distinction is how many people are needed to
16 create that capacity and of which type. And so I would plead that we not measure capacity
17 by the number in Active force, but by what can we feel.

18 And that importantly includes our energetic effort to expand the role of civil
19 personnel, to rethink the role of the Reserves and make them more useful, and to rethink the
20 balance of capabilities in both the Active and Reserve forces of the United States, the fact
21 of the 46 percent the General cited.

22 And the Army, in my judgment, and I think this has gotten frankly too little play in
23 the national face, has done an exceptional job of moving units and people in specific skills
24 to the new areas of endeavor, as you know well, bringing down field artillery, bringing near

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1 defense artillery.

2 Coming to a conclusion that various analysis's outside the government have long
3 argued, that we should rely more on the Air Force for air defense, merely accepting that
4 conclusion and not having to have it's classic World War II, Korean War view of the
5 mission area.

6 So the department is rethinking the answers of all these problems. It is, in my
7 judgment, created a substantial additional capacity. Some is provisional because, we agree,
8 you cannot foresee the future all that well. We may not want to permanently change the
9 future. But for the moment they'll provide a different role for the department.

10 It's one of the reasons you and I call attention to it this year, there's this emphasis on
11 the human capability on competency as the fundamental building block of our personnel
12 strategy.

13 We need to be looking at what our capabilities to the individual people bring to us
14 and, if we need a new capability, do we always have to start from scratch in the preparation
15 of the individuals. Let me take what, I think, is a superb example in the current set of
16 operations.

17 As the willingness of the United States Navy to offer it's Master Arms community to
18 take up some of the responsibilities we'd otherwise the United States Army Military Police
19 to do, which is overstretched, both Active and Reserve. And the Navy has gone through
20 with great care in partnership with the Army looking at the competencies that its Master
21 Arms bring to the fight.

22 Recognizing those areas need additional training, sending them to Fort Bliss or Fort
23 Benning for additional training under Army supervision in those additional things so they
24 can deploy to provide detainee operations in various parts of the world.

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1 I think our posture is we are trying to bring the whole force to bear. We're trying to
2 rethink how the different pieces of that force contribute to that. I think we want to move
3 away from measuring the number of people in any one component as the way we think
4 about our capacity.

5 We're trying to enlarge our capacity on every front. Will it mean more people in the
6 aggregate? Well, maybe so. That's ahead of us.

7 I think the reason the department has been so careful about commitment to
8 permanent strength levels on the Active side is to watch out for the budgetary reality.

9 The country, in the end, will decide through its political process as to how much it
10 wants to spend on defense. There will always be a fixed number. If we commit to too large
11 a permanent establishment, in terms of people whether that's Active or civil in character, we
12 are using up part of that, which we may need to Reserve for the procurement of new
13 equipment. And it's that reinvestment value, that strategic call as to what the right
14 budgetary source will be that, I think, it informs our care on what kind of permanent
15 strength levels we commit to.

16 Rethinking how all the pieces are used, yes, sir, we are doing that in every service.
17 It's an attempt, in my judgment, to expand its core military capacity.

18 ODIERNO: Sir, if I could add, I would say this is a -- what has occurred, as you
19 know as well as I do, when we started this conflict in 2001, there were 33 brigades in the
20 Active force and a number of battalions, I want to say its 18 battalions equivalent to the
21 Corps.

22 We continued to -- and what we decided to do was he had to go to 42 brigades. And
23 what's happened is, because of the transition as the Active Army has to transform itself
24 from 33 to 42, the Reserve component has had to take up the slack in some cases while we

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1 transform.

2 The belief is, once we get the 42 Active brigades, we'll be better to sustain ourselves
3 over time and have less reliance on some Reserve component elements. They'll still always
4 be some requirements in combat support and combat service support.

5 What we don't know yet is we have a temporary increase of 30,000 in the Active
6 component. During this time we're trying to transition current military positions to civilian
7 positions that would free up some more military spaces and some other initiatives that
8 would maybe allow us to build this larger operational force.

9 If it turns out, we'll be OK. If it doesn't, we then might have to revisit, is 482 the
10 right size or is 502 the right size or -- So I think we're in that transition now.

11 But it is clear that the Reserve component has had to pick much more because of
12 this transformation process that ground forces have gone through over the last two years.

13 We believe in the next two years we'll be finished with that. And we then believe
14 our sustainability of long-term sustained operations will be much more capable in the
15 Active component. And then we'll have to see whether it will require additional strength at
16 that time or can we do it with the 482 or not?

17 MCKINNEY: Another question. Thanks for those answers.

18 We changed the expectations of the Reserve components in the last 10 years, and
19 rather significantly in the last few years for sure. And requirements drove that. And as
20 those requirements changed, the missions changed and a sense of the role changed as well.

21 I'm wondering -- Michelle Flournoy commented on this, and I think she may be
22 right. Do we need a new social compact with the Reserve components and the American
23 people in terms of explaining to them, you know, what our expectations are, very straight
24 forward, and the role that they play in that? Because they have changed based on the

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1 requirements. We sort of backed into it.

2 At some point it would be, I think, good to bring this all together in one package.
3 And at a very high level, explain the nature of these changes so they can better meet them
4 with their own expectations.

5 CHU: We agree. And, in fact, your questions is perhaps an indictment of our
6 public affairs success of lack thereof.

7 One of things Mr. Hall over the last two years was engage with a conversation with
8 the individual military departments. Its just a question of what are our expectations of our
9 Reserve personnel and how are we communicating those expectations to them?

10 And this last September, each military service published for its Reserve personnel,
11 and undertook to publicize, be it not as successfully as we would like, what those
12 expectations are, what it means to be a Reservist today, what you're signing up for if you
13 either join the Reserve components or just decide to stay with it.

14 And you're absolutely correct. We need a better job of getting that word out and
15 making sure people understand.

16 I do think it's an extraordinary tribute to young America today that so many are
17 willing to sign up. Because, you now, they are smart. They understand what we're trying to
18 ask of them, and are staying with us. The attrition rate, which is, I think, the most important
19 indicator for the Reserves in term of the long-term, is both in estimation remarkable, given
20 the fact -- You're absolutely right, sir. We have raised the expectation. 1 in 6 is a much
21 more significant expectation of the country previously had asked.

22 You'd have to go back to the Korean War, remobilization of World War Two
23 veterans, in my judgment, to get to a comparable standard in terms of what we're expecting
24 of our people. And they're enthusiasm, they're willingness to respond, we have not had --

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1 again, to be contributed to them and to their leaders -- we have not had so many kinds of
2 problems we had in older mobilization in terms of response. It's been absent.

3 In fact, we've had the opposite. We've had units call up, well-publicized stories
4 where the unit's called up and why haven't you called on us? And we fixed that problem.
5 But that's a great tribute to them.

6 We've had, on the order, Secretary Hall tells me, 80,000 Reservists since September
7 2001, volunteer for an additional mobilization after having already been in a voluntary
8 mobilized part. That's an extraordinary tribute to the Reserves.

9 HALL: General, expectations -- we thought it was important that we didn't have
10 DOD tell the Army what they ought to tell their components to expect. We had each
11 service write their expectations down so it's not one size fits all. So if you're a Marine, this
12 is what the Marine Corps thinks. We compiled those and we can get you copies of those.
13 We probably could have done a better backroll way of getting that out. But we'll provide
14 what each service is telling their individual components: "If you're National Guard in the
15 Army, here's what we expect of you." We'll get you those expectation...

16 CHU: Indeed. If the commission agrees -- this is a fair interpretation of what was
17 said -- it would certainly help us for you to help us get this word out, that this is what we're
18 expecting. This is the compact between us and you as to what services they might...

19 PUNARO: Dr. Chu, there's a switch over to Commissioner Lewis. There's another
20 element to the sizing of the Active and the balance of the Active and the Guard Reserve and
21 what would might relieve some stress on either side. And I think I picked up from General
22 Odierno's testimony this issue of, your office does a study every year, or maybe it's every
23 other year, and its the number of Active Duty military that serve in inherently non-
24 governmental jobs. And that number is several hundred thousand. The one I remember

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1 seeing was upward of 250,000. These are Active Duty military people serving in jobs that
2 are labeled as inherently non-governmental, meaning if you wanted to, you could consider
3 either having a civilian do that job, a civil service, or a contractor, or perhaps the job doesn't
4 need to be done at all.

5 And this is the old truth to tell issue. There's a lot of money tied up in it. It's been
6 around since the '70s, so it's certainly not pointing fingers at anyone administration.
7 Because the military departments have been very resilient in their ability to basically argue
8 as to why the military has to serve in those jobs.

9 But when you at the kind of overall arithmetic, you know, we have roughly 1.3
10 million people serving on Active Duty. At any one time, several hundred thousand are fully
11 deployed. Even grammar school math, that's a huge number of folks that aren't in the fight
12 somewhere.

13 And so the point is, how much progress are you making squeezing some more
14 trigger-pullers for the Active component out of those hundreds of thousands serving in
15 those inherently non-governmental jobs. You get more combat power out of that. Then
16 you've got more people to send into a rotation. Maybe less that has to come from the Guard
17 and Reserve.

18 And I know it's extremely difficult. And I know people have been trying for 20
19 years. So again it's one you have to -- so how are you doing on that one?

20 CHU: We are doing well. We could probably do better.

21 We have converted over 20,000 positions from military to civil status. It could be
22 contractors, it does not have to be a federal civilian. It is not always one for one. The Navy
23 is particularly hardnosed in rethinking business practices. So it is not just a one for one
24 replacement.

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1 We have plans that would convert an additional 20,000 to 30,000. We think we
2 could have even more energetic plans for those. And this is a constant topic of view within
3 the department.

4 And I'll cite just areas where I think you'll see further progress in the months ahead.
5 One is the postal system. This business part has challenged us to rethink that enterprise.
6 There were 1500 Active and several thousand Reserve billets in postal operations. You do
7 need federal personnel for postal operations for a variety of reasons. But they all do not
8 have to be military.

9 And two of the military services have already rethought that balance and are moving
10 to change that. One of the others is clearly going to rethink it. That's a modest sized but
11 important target and emblematic of the kind of change we need to consider.

12 Let me point to a bigger arena where we're still in the process of completing the
13 necessary due diligence. And that's the medical arena. We do think there's probably the
14 opportunity for some considerable number, maybe 10,000 and 20,000 positional
15 conversions from military to civilian status in the medical arena (inaudible.)

16 I would point to thing about the inventory. It provides what you might like to call in
17 the military the target list.

18 There is the due diligence necessary to ask in each case, does this make sense. Let
19 me take the medical as an example. We have a number of medical slots in overseas
20 locations where we have military personnel, but they aren't part of what's really necessary to
21 sustain the deployed force.

22 It doesn't necessarily mean it would always be good sense to convert to civilians
23 because you might have trouble recruiting as a price you're willing to pay, the kind of
24 civilian you want to have.

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1 So in every case, you then have to take the next step and ask, OK I could convert. It
2 is possible. I don't have to have a uniformed person. It's not inherently military. Does it
3 make sense to make that change? And in some cases, there are issues of rotation based
4 other factors that you -- but, yes, sir, it's a big target. We're making progress against it. We
5 hope to make even better progress.

6 PUNARO: Well, I think we all would applaud that because, even though, even
7 some of the numbers you mentioned, where you're making real progress has evolved. In the
8 postal area alone, that's an entry-level battalion worth of combat power you're talking about
9 and every little bit helps. And we don't need battalions of administrators in our force.

10 CHU: That's why we're trying to get back to General Odierno and his colleagues to
11 turn them into true battalions.

12 PUNARO: So that should be helpful. Thank you and thank my fellow
13 commissioners for allowing me to jump in there.

14 Commissioner Lewis?

15 LEWIS: Thank you.

16 I would certainly be interested in looking in opportunities in the medical area as
17 well. I can certainly understand that combat requires military officers on the ground and in
18 the field. But certainly there may be other opportunities.

19 I'll do health care first, as you would expect from me.

20 But there continues to be increasing pressure to provide full access to the TRICARE
21 benefit to all Reserves. And we heard from a number of members this morning. In fact,
22 Congressman Taylor actually told us that there are three types of Reservists. Those that had
23 been to Iraq, those in Iraq, and those that have yet to go to Iraq. And two of those
24 categories of Reservists had full access to health care. And the third, the waiting to go, did

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1 not have full access to the health care. In fact, that was the disparity that needs to be
2 corrected.

3 Obviously, he's not the only member that feels that way.

4 We did hear from several members that understand the need to differentiate between
5 an Active and a Reserve package, to encourage participation in all components of the force.

6 But as we ask employers to accept the burden of more lengthy and frequent
7 employment, is it appropriate to consider looking at enlisting a provision of health care as
8 part our compacts with the employers in that new environment?

9 Second, do we need to consider an expanded medical benefit to ensure the medical
10 and dental readiness of our Reserve forces, as many have testified before us?

11 And third, is the current medical benefit for our Active force sustainable with the
12 current benefit package. I understand there's a great deal of concern throughout the
13 department about out year costs for that program. And in light of that, have you considered
14 any alternative to the current TRICARE program?

15 CHU: I'll try to take each of those on. First of all, this question of access for all
16 service, is not yet implemented. As you appreciate, the Authorization Act of 2006 has
17 given all Reservists access to TRICARE. Albeit at different rates that, I think, properly
18 recognize the different levels of service people are offered. So you have TRICARE
19 Reserve Select, in which the member earns eligibility, one year for every 90 days of
20 mobilized service, in support of national emergency, at a premium of 28 percent of the
21 department's cost.

22 You have those who have no access, who have not earned it through mobilization,
23 who have no access to private sector insurance. They have it at 50 percent of the cost.

24 And for those who have access to private sector insurance, who may have it, a

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1 premium at 85 percent of the cost.

2 The first part, TRICARE Reserve Select, has been out there since last April, if I
3 recall correctly. TRICARE Reserve Select 50-85, which are the two new parts that
4 Congress enacted last year in the Authorization, or at the present time, this year, for fiscal
5 2006 will be implemented shortly. I can't remember the correct date, but I'll get it for you.

6 So my view is we have completed that action. People may have their views about
7 the structure of the program. That's a different debate.

8 And let me use that to jump over to last question, the sustainability of health. We do
9 not think the medical benefit offered to our military personnel Active, Reserve and retired is
10 sustainable over the long run from a fiscal prospective, if we keep everything exactly as it
11 is.

12 Medical costs for the department have doubled in the last five years. They are now
13 on a uniform basis close to \$40 billion a year. And we believe that they will double again
14 by 2015 if we keep everything in place as today.

15 Medical care today consumes 7 1/2 percent of the department's budget in the fiscal
16 '07 commission. It consumed 4 1/2 percent in 1990. And it will consume 12 percent in
17 2015 if these trends continue assuming that the real value of the defense budget is kept at its
18 current level as the current administration planned.

19 I don't think any of our defense budget believes that having 12 percent of the
20 defense budget go to health care is a sustainable course of action.

21 We have time to fix this. We have advanced in the Congress, as I know you'll
22 appreciate, a number of proposals. Some requiring statute actions, some simply requiring
23 administrative action on our part that would rebound the medical portfolio in a way that
24 would help make this sustainable.

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1 Some of it has to do with how we handle pharmacy, essentially trying to encourage
2 everyone to use mail order and generic products where that is appropriate. Mail order is a
3 far more efficient way for us to get your drugs than having you down to CVS and pay a
4 much higher price to you and to us for that same drug.

5 In fact, we are willing to send mail order generic drugs to everyone for free. It's so
6 much less expensive for us. Everyone has gained as a result.

7 On the premiums for TRICARE, and that is the controversial issue, we are
8 proposing to exercise the authority that the Congress gave the department originally, that
9 the department has never exercised before, to adjust those premiums.

10 TRICARE premiums have not changed since 1995, when they were first
11 inaugurated. A family under TRICARE Prime pays \$460 a year. Most other people pay
12 \$460 a month or much more than that if you are in civil society.

13 We recognize there ought to be a big difference between military service. We don't
14 propose to make it the same. We do propose to come back a just a bit as far as the balance
15 Congress established in 1995. Not even as far as Congress has by changing the TRICARE
16 Prime figures in a manner that recognizes the differential likely circumstances of those
17 households that have a retired officer as a member, a senior enlisted person as a member,
18 versus those of a more junior person. So we have a proposed graduated set of charges that
19 the staff have endorsed as our strategy going forward.

20 We would measurably like to make some adjustments for TRICARE standard in
21 order to keep this all on a level playing field. That does require statutory action.

22 We think if we take these measures we can put, together with efficiency changes
23 that we are advocating within the department, some of which we are already advocating, we
24 can put this on a better footing for the...

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1 LEWIS: What challenges do you see in dealing with those significant injuries to
2 servicemembers, especially as Reserve components transition from Active Duty, but they
3 have a continued need for extensive health care services. Are you exploring any
4 relationships to satisfy some of those concerns?

5 I know there are a number of Reservists that have returned, but they've fallen
6 through the cracks. How are you adjusting?

7 CHU: Yes, ma'am. And that is the reason that we created the severely military
8 injured center to supply 24/7 support for those who for, whatever reason, found wanting the
9 normal channel for getting help and assistance.

10 I think each service has done a remarkable job. Each service has its own program
11 for taking care of its severely injured. But we recognize that sometimes it doesn't quite
12 work or people don't quite know how to go to use it. Part of what we do is make sure they
13 understand what's available in the individual services. To explain part of what we do is to
14 assist with those things that cut across all the military departments.

15 As an industrial example, how do the airports treat severely injured
16 servicemembers? Any way, not to be unkind to our colleague in transportation, they're
17 good agents. But sometimes in the early days it wasn't all that respectful. We have in that
18 center some descendants of DSA (ph) who helped arrange to make sure that severely
19 wounded personnel are treated with dignity and respect and, at the same, time complying
20 with the security arrangements at the airports.

21 So ranging to mundane to the strategic, what kind of reintegration either with the
22 military or civil life that's appropriate for the individual, that center is there to make sure no
23 one does fall through the cracks.

24 You know, down to the usual cases, if someone has a case where you feel we have

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1 not reached out successfully to that individual, we would be delighted to have that name to
2 act on.

3 HALL: I'd like to just add that Dr. Chu is co-chair with the VA on a joint
4 commission which I've gone to over the past three years, in which we are looking at the
5 handoff between DOD and VA in discussing issues. Also at Walter Reid, there is a
6 Disabled American Veterans office there along with the VA office. I think one of the
7 things we can do is to have joint facilities so that if a young man or woman is there, they
8 can go to both of those offices while they're being treated. And their families can go to
9 those offices to get advice.

10 So those are the issues that I've stated particular to Walter Reed in Bethesda where I
11 think (inaudible) would be very helpful

12 CHU: I would like to also add that I think it's remarkable the degree to which the
13 military services have rethought can this question, can someone continue to serve even after
14 a significant injury which in earlier years might have precluded further service. I am struck
15 by the thoughtfulness of the military. If the person wishes to remain on Active, which of
16 course is the first instance, and you've seen in the news media reporting some of the
17 celebrated cases in that regard.

18 With the kind of medical technology we have today, you may have a severe injury
19 but you may be able to serve in an important capacity. That's possible.

20 LEWIS: I understand that Dr. Winkenwerder is testifying before Congressman
21 Hoyer's committee this afternoon. I'm sure it will come up with interesting initiatives as
22 well.

23 A non-health question actually, does this Operational Reserve force require more
24 from the Active component to maintain its proficiently?

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1 General Odierno, if you would like to address that?

2 It says the relationship with the Active component or if involvement in the Reserve
3 need to be relooked?

4 ODIERNO: Well, I think we continually relook this as we have moved forward
5 here in terms of what we set up in order to prepare our Reserve component forces. And as
6 we have gone through this conflict, we have set up mobilization sites and we've continued
7 to improve mobilization sites and to improve training.

8 So sure, part of this is we're going to have to take a look at what is the involvement
9 of the Reserved component and what is the involvement of the Active component. But
10 more importantly do we have a structure in place that allows us to implement these training
11 concepts.

12 I mentioned earlier that we've already gone and reorganized the a fifth Army, which
13 is now responsible within the entire continental United States for the training and
14 preparation of Reserve component forces as they prepare. That is a change. So they have
15 that very specific mission. And that's an Active Reserve component outfit that does that.
16 That have training brigades specifically organized to look at this training.

17 What we also hope is we hope that we will simplify the training because, again, we
18 have like units. So when you have like units it's much easier to transition and transform
19 training techniques, tactics, procedures, capabilities. And so that will be part of this as we
20 continue to do this modular force.

21 It should be a bit easier to train because everyone is looking at the same type of
22 organizational, same type of equipment, same type of mission. So it's going to progress
23 over time and we will have to continually look at how we conduct this training.

24 I believe there'll be some participation of the Act on it as there is today. And we'll

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1 have to determine that. And the Army probably is the better to answer that. When the
2 Army testifies tomorrow, they can probably give you a better answer on that. But I know
3 they constantly relook this today.

4 And the Air Force, as they completely integrate, they're concept is to completely
5 integrate their Reserve component with their Active component AES. And so they do a
6 joint training concept now. As well as the Marine Corps where really they use their
7 Reservists and they put them in Active units to help support them. And so, of course, the
8 Active plays a large role.

9 So they'll see it very different in each one of the services. But you'll see a role for
10 the Active component that will be determined. And it will adjust over time.

11 LEWIS: Thank you.

12 PUNARO: We're about to wrap up here. I'm looking to Dr. Chu on time. We've
13 got one or two more questions. But I know that both you and General Odierno's schedules
14 were squeezed on the other end.

15 Have we got time for a couple more questions?

16 CHU: I think we can do one more question before we go.

17 PUNARO: OK.

18 We'll turn to Commissioner Dawson for the next question.

19 DAWSON: Yes.

20 And General Odierno, I wanted to follow up on a question I had asked you earlier
21 about this report that I -- and I guess what triggered part of this question was that your
22 statement at the end of your answer that you had been involved in the preparation of this
23 report.

24 And this is not meant to let Dr. Chu or Secretary Hall off the hook in replying to

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1 this. But the question I have from what you were saying was that you thought the National
2 Guard and the National Guard Bureau were integrated pretty well today.

3 The impression you get from this report is that you considered charting the National
4 Guard Bureau as a joint activity of the DOD. I'm not sure what that means. That could
5 mean making them the combatant commander all the way down to some other role. So
6 that's question number one.

7 And then, this is recommendation 32-D, you should know this by heart. They also
8 look like they want to give the National Guard Bureau more responsibility, more a larger
9 role, a bigger say. Because they go on to suggest that you should think about having them
10 administer the army and Air Force programs acquire, distribute and manage resources and
11 plan, coordinate and provide situational awareness and other support to combatant
12 commanders.

13 And the reason I'm asking these questions, with all due respect, is that we have
14 heard from many quarters that the Guard Bureau, or at least the National Guard, or the
15 adjutant general, don't feel like they have been sufficiently included -- or the governors, I
16 should add -- in some of the decisions made about the deployment or the role of the Guard.
17 So that is the question I'm trying to get you to drill down a little bit more in your response
18 with me.

19 ODIERNO: I think this is -- obviously we're working our way through this. We
20 have to continue to work and understand how we better respond in the dual missions that
21 we have with our National Guard in their Title 32 status, responsible to the governors, and
22 their Title 10 status, responsible to the federal government, how we organize and train
23 them. And we have to constantly take a look at that.

24 And it's clear as we look at Katrina, one of the things they're looking for is some

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1 capability that allows them to do command and control. So we have to work our way
2 through that.

3 The one thing that we all agree to is the stated JTF step that's been talked about in
4 this report. And to move forward with those organizations in the 54 state and territories
5 where the National Guard operates.

6 So we will continually look at that and what is needed in order for them to stand up
7 those organizations. The Department of Defense clearly understands that.

8 We also continue to look at the relationship between -- make sure we have the right
9 command of control for forces that are activated under the governor, as well as federal
10 forces that are activated. Then how do they interact with each other at the site of the
11 disaster, where we're trying to respond? And we're working our way through that.

12 I go back to the fact that Northern Command, for the combatant command for this,
13 is really working through the operational aspects of this. And Northern Command is the
14 secretary of defense's and the chairman, that's his prepotency, is North America and our
15 ability to do several missions, one of which is the DOD, in the supporting role to the
16 Department of Homeland Security in providing consequence management.

17 So Northern Command is looking at these relationships today. And we have taken
18 this report and the recommendations that have been made and we are looking at it across the
19 entire department. Looking at what Northern Command's responsibilities are. What are the
20 relationships they needs? What are the forces they need either under a temporary or
21 permanent basis? What are the relationships they need to have with the National Guard
22 Bureau? Are they appropriate or are they not?

23 And then there's a whole other issue of them within as we do the decision making
24 process in the secretary of defense office and the chairman and the Joint Chiefs of Staff as

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1 we go through this integration of the director of the National Guard Bureau, who has
2 unlimited, in my mind, access, especially during times of crisis, both the secretary and the
3 chairman. And how we better ensure to make sure that operationally we're able to make
4 good solid decisions.

5 So I didn't really answer specifically your question because I'm telling you we're
6 looking at this very hard. I mean, these are very difficult questions.

7 DAWSON: But part of that answer that I -- I guess I didn't quite hear, but I presume
8 is being looked at is an increased responsibility for the chief of the National Guard Bureau
9 in some fashion.

10 ODIERNO: Well, a joint activity is a very complicated thing. I mean, a joint
11 activity can be anything. You know, we've established some other task forces within the
12 Department of Defense that are joint activities. So a joint activity would have to be
13 defined what that means. And we'd have to go through a process and say, OK, we think this
14 is the right thing to do, we think -- in some cases in might hurt the National Guard Bureau if
15 they become a joint activity. In some cases, it might help.

16 We've got to do that analysis and decide what's the best thing.

17 DAWSON: The second half of that question about having a role in acquiring,
18 distributing and managing resources, which I...

19 CHU: If I may speak to that very briefly. First of all, I think people understand and
20 appreciate -- the National Guard Bureau is already an unusual joint activity within the
21 Department of Defense. The National Guard Bureau Chief reports to both the secretary to
22 the Army and the secretary to the Air Force. Any other arrangement that I can think of in
23 the department is like that.

24 And, of course, it is a joint organization, certainly both the Air Guard and the Army

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1 Guard. To the specific, which is control of resources, in my judgment, de facto, the current
2 National Guard Bureau chief, as General Odierno has testified, has substantial voice in
3 those deliberations. Now, is it always arranged the way the exact way the secretary would
4 want, that's a matter of some controversy to acknowledge that, and has been, I would argue,
5 a great partner with Secretary Hall on this question of how should the resources be used and
6 what resources should be asked for.

7 What should the various calls from the Congress, how should it be answered about
8 where are the shortages? Where are the shortfalls? How to align those principle requests.
9 So it's already an extraordinary de facto arrangement. Should more be rearranged,
10 formalized? I think that's an important question to go beyond particular personalities as...

11 ODIERNO: What I would say, as I said earlier, the only part I get a bit nervous
12 about is we always look at this from a total force perspective. And when you start chopping
13 things off, it gets very difficult. Because if you chop it off in very specific missions, very
14 specific -- so are we going to say, you know, if we give the National Guard certainly
15 responsibilities, are they only going to be able to do certain things? How does that affect
16 the other missions that we want them at? Those are all things that we have to look at as we
17 go down this road.

18 DAWSON: OK, thank you.

19 PUNARO: Well, let me thank all three of our witnesses for their testimony here
20 today. Thank you for your service in the uniform of this nation.

21 At various points in their careers, they've all served in the military and continue.

22 Thank you for your outstanding work in your current jobs. We know them all very
23 well. We know, on behalf of our fellow commissioners, we know that they come to work
24 each and every day with the intent to make the very best decisions they can for our men and

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1 women in uniform and their families.

2 We thank you and applaud you for that approach.

3 We on the commission hope to take the same approach and emulate and get the
4 same great results you all have been getting.

5 So, again, thank you and we look forward to continuing to work with you.

6 The commission will stand adjourned until 9:30 tomorrow morning when we'll hear
7 from the service vice chiefs.

8 END