FY 2007 Posture Statement

Honorable Thomas F. Hall
Assistant Secretary Of Defense For
Reserve Affairs

Before the

Senate Armed Services Committee
Subcommittee on Personnel

"Reserve Component Forces"

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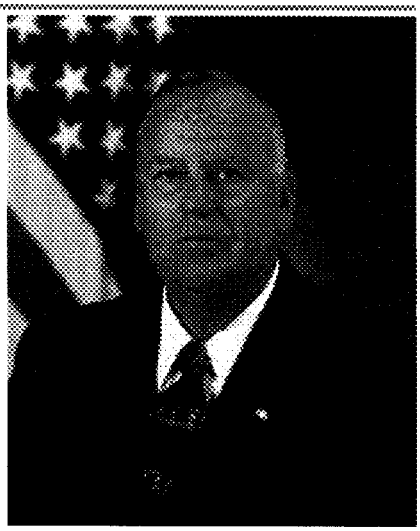

Secretary Thomas F. Hall, a native of Barnsdall, Oklahoma, was sworn in as the fourth Assistant Secretary of Defense for Reserve Affairs on October 9, 2002. A Presidential appointee confirmed by the Senate, he serves as the principal staff assistant to the Secretary of Defense on all matters involving the 1.2 million members of the Reserve components of the United States Armed Forces. He is responsible for overall supervision of Reserve component affairs of the Department of Defense.

Secretary Hall is a retired two-star Rear Admiral having served almost 34 years of continuous active duty in the United States Navy. He is a distinguished and decorated Naval Aviator, who served a combat tour in Vietnam. He has performed in numerous high level staff, command, and NATO positions during his career. He commanded Patrol Squadron EIGHT, Naval Air Station Bermuda, and the Iceland Defense Force. His final military assignment was as the Commander/Director/Chief of Naval Reserve. His military awards include the Distinguished Service Medal, Defense Superior Service Medal, Legion of Merit, Air Medal, and various other personal and unit decorations. He was awarded the Order of the Falcon, with Commander's Cross, by the President of Iceland in recognition of his accomplishments and service as Commander Iceland Defense Force. In 2000, he was given the International Partnership Award for his service to the United States and Iceland. He has been inducted into the Oklahoma Military Hall of Fame. In 2003, he was given the National Service Award for Leadership by the Federal Law Enforcement Foundation. In 2004, he was given the National Citizenship Award by the Military Chaplains Association of the United States. In 2005, he was given the Admiral Jackson award by the Reserve Officers Association.

Secretary Hall attended Oklahoma State University for one year before entering the United States Naval Academy in Annapolis, Maryland. In 1963, he graduated from the Academy with a bachelor's degree in Engineering and was named as one of the top 25 leaders in his class, having commanded both the top Battalion and Company. He was, also, awarded the Brigade Intramural Sports Trophy. In 1971, he received a master's degree in Public Personnel Management from George Washington University. He graduated with highest distinction from the Naval War College; with distinction, from the National War College; and from the National Security Course at Harvard University. He was selected as a Fellow and served on the Chief of Naval Operations Strategic Studies Group.

Secretary Hall has served on the Boards of Directors of numerous nonprofit organizations that are supporting the needs of our veterans and citizens in general. Prior to returning to government service, Secretary Hall served as the Executive Director of the Naval Reserve Association for six years. The Naval Reserve Association is a 501 (c) (3) nonprofit veterans' organization that represents over 23,000 Naval Reserve officers, members, and their families.

Secretary Hall is married to the former Barbara Norman of Jacksonville, Florida. They have one son, Thomas David Hall.

INTRODUCTION

Chairman Graham, Senator Nelson, and members of the subcommittee: thank you for the invitation to offer my perspective on the status and ability of America's Reserve component forces to meet current and future operational requirements. This committee has always been very supportive of our National Guard and Reserve Forces. On behalf of those men and women, I want to publicly thank you for all your help in providing for our Reserve components. The Secretary and I are deeply grateful, our military personnel certainly appreciate it, and we know we can count on your continued support.

DUTIES OF THE ASSISTANT SECRETARY OF DEFENSE FOR RESERVE AFFAIRS

The principal duty of the Assistant Secretary of Defense for Reserve Affairs (ASD/RA), as stated in Title 10 USC, is the overall supervision of all Reserve components' affairs in the Department of Defense. I make it a priority, as does my staff, to visit with our Reserve component members in the field, and during those visits we see America's finest men and women serving their nation with pride and professionalism. Our Guard and Reserve men and women perform, in a superb fashion, vital national security functions at home and around the world, and are closely interlocked with the states, cities, towns, and communities in America. Throughout my travels, I have personally seen the men and women in our Guard and Reserve at hundreds of sites throughout the world. In fact I have visited nearly 200 sites and spoken to over 205,000 personnel during my three plus years in the job. During these visits my staff and I have

spent time with members of the Guard and Reserve, and we have listened carefully to their comments, concerns, and suggestions, and have seen how heavily engaged they are. As you know, the stress on the force has been high but shows signs of lessening somewhat. We are continuing to monitor closely the impact of the stress that remains on our Guard and Reserve members, on their families, and their employers. In December 2004 there were just over 183,000 reservists mobilized from all services. Today that figure stands at 118,000, a drop of 65,000. We are relieving stress on the force.

In the four and one half years since September 11, 2001, our Reserve components have performed superbly in missions ranging from high intensity combat operations; to humanitarian assistance; to rescuing the victims of hurricanes; and in the case of the National Guard, other State missions, as well. At the same time, these operations have presented a number of challenges, particularly for our ground forces, who carry the weight of our security and stabilization efforts in Afghanistan and Iraq, as well as continuing to respond to the range of missions at home. The most pressing challenge is to sustain our military forces for the current operations while meeting our other worldwide commitments whatever and wherever they might be.

PURPOSE OF THE RESERVE COMPONENTS

Last year you modified the purpose of our Reserve components as defined in law to reflect more accurately the shift from a strategic reserve—one to be used only in the event of a major war; to an operational reserve that supports day to day defense requirements. The QDR proposes a Reserve component that must be more accessible and

more readily deployable. Becoming an operational reserve is comprehensive in scope, and is empowering the Reserve components to make significant contributions to defense missions. They are now more relevant than ever to the warfight. Predictability is fundamental to sustaining an operational reserve. To achieve this, we expect to utilize the Reserve components to support military mission requirements in a predictable, cyclic, or periodic manner. The transition to an operational reserve began when we called Reserve component members up for Operations Desert Shield and Desert Storm. Since then, changes in force management have been made to reflect this transition toward an operational reserve. Several legislative initiatives passed by this subcommittee have helped significantly in that transition. The objective remains the same; to recruit, train, equip, compensate, and employ Reserve component units and members for service in the Active component, wherever and whenever needed, in accordance with current laws and policies. This is an evolutionary effort and we will need your help and appreciate your continued support.

We thank you for this committee's support for legislation you passed in the most recent National Defense Authorization Act: especially for expanding eligibility criteria and increasing the maximum allowable payments under many of the bonuses and special pays for Reserve component members; enhancing the TRICARE Reserve Select Program; allowing mobilized Reservists to receive full housing allowance if called to active duty for more than 30 days; increasing the number of Army Reserve and Army Guard ROTC scholarships; and improving the educational assistance program for activated Guard and Reserve members, just to mention a few.

RESERVE COMPONENT MISSIONS TODAY

By far the most demanding operations continue to be Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF). Reserve components currently furnish approximately 20% of the troops in theater. That is down from 30% just a year ago. The Reserve components remain an integral player in Homeland Defense, and in Operation Noble Eagle. They responded immediately and superbly to the Gulf Coast hurricane disasters, with the National Guard leading the way, having over 50,000 Guardsmen providing needed assistance and support. The National Guard will remain a dual-missioned force performing both State and Federal missions

The Reserve components continue to perform a variety of non-traditional missions in support of the Global War on Terror. One such mission is the training of the Iraqi and Afghan National armies. The Reserve components have provided command and control and advisory support teams in support of the training that will allow Iraqi and Afghan forces to assume a greater role in securing their own countries.

POLICIES

Judicious and prudent use of the Reserve components in support of the Global War on Terror remains the cornerstone of our policy in that effort. Our personnel policies state those reservists:

- Be given a minimum of 30 days notice prior to mobilization. We try to give at least 90 days notice when possible, so they can take full advantage of the early

eligibility for TRICARE benefit. (Today, early notifications are now the norm, not the exception.)

- Called to involuntary active duty under the current partial mobilization authority shall serve no more than 24 cumulative months on active duty. There are no plans to expand the mobilization period to a policy of 24 consecutive months.
- May serve voluntarily for longer periods of time in accordance with Service policy. (Currently about 20,000 members are in a volunteer status.)
- May be released prior to the completion of the period of service for which ordered based on operational requirements.
- Should receive equitable treatment, when being considered for mobilization—considering the length and nature of previous service, family responsibilities, and civilian employment.
- Are entitled management of individual expectations, considering morale and retention, by ensuring they: are performing essential and meaningful tasks; are provided as much predictability as possible.

Within this framework, we will continue to manage the Reserve components, and assess the impact mobilization and deployments have on Guard and Reserve members, their families and employers, and adjust our policies as needed.

STRESS ON THE FORCE

Discussion continues about the stress that the Global War on Terror is placing on the force—both active and reserve. From my perspective, the dominant question still remains, "How extensively can we use the Guard and Reserve and still maintain a viable long-term Reserve force?"

Answering this question involves a number of issues. But first it is necessary to quantify how much of the Reserve force we have used as of January 2006 to support the Global War on Terror, and then describe the effect that this rate of utilization is having on the Reserve force.

The overwhelming majority of Guard and Reserve members want to serve, and they want to be part of the victory in this war on terrorism. That is why they joined the Guard or Reserve and that is why they serve this nation. They consistently tell me this when I visit them in the field. But we must also be mindful not to over-commit them; we must use the Reserve force wisely. And we must be mindful of the additional responsibilities that National Guard members bear to their respective state or territory.

Reserve Utilization to Date

There are two ways to look at rates of mobilization for the Guard and Reserve. The first is to look at all Reserve component members who have served since September 11, 2001—the cumulative approach.

Under the cumulative approach, a total of more than 485,000 Guard and Reserve members (475,000 Selected Reserve members and approximately 10,000 IRR members)

were mobilized between September 11, 2001 and December 31, 2005. That means that about 39 percent of the 1,215,641 members who have served in the Selected Reserve during this period were mobilized during the current contingency.

The other way to look at mobilization is in terms of today's total Reserve component force—those who are currently serving in the Selected Reserve. Looking at today's Selected Reserve force of 825,427 serving, as of December 31, 2005, we have mobilized 381,311 Reserve component members, or 46 percent of the current force. Of this force, 69,946 (or 8.5 percent of all members who are currently serving) have been mobilized more than once. Of the 69,946, a total of 53,763 (6.5 percent) have been mobilized twice, 11,118 (1.4 percent) have been mobilized three times and 4,995 (0.6 of one percent) have been mobilized more than three times. No reservist has been involuntarily mobilized for more than 24 cumulative months, and nearly all (98.8 percent) of those remobilized were volunteers.

Effects of Reserve Utilization

The Department has monitored the effects of reserve utilization and stress on the force since 1996. The key factors we track are (1) end strength attainment; (2) recruiting results; (3) retention; (4) attrition; and (5) employer/Reservist relations.

End Strength Attainment: From fiscal year 2000 (just before we entered the Global War on Terror) through 2003, the Reserve components in the aggregate were at or slightly above 100 percent of their authorized end strength. In FY 2004 the Reserve components in the aggregate were slightly below their authorized end strength achieving

98.4 percent. That trend continued in FY 2005 with end strength achievement at 95.2%. In FY2006 we expect the end-strength achievement to go up from the FY2005 levels.

Recruiting Results: In a very challenging recruiting environment, the DoD Reserve components cumulatively achieved 85% of their fiscal year 2005 recruiting objectives, as compared to the 96% achievement in the previous year. Two of the six DoD Reserve components achieved their recruiting objectives – the Marine Corps Reserve and the Air Force Reserve. The Army National Guard fell short by 12,783 (achieving 80 percent of its recruiting objective), the Army Reserve fell short by 4,626 (achieving 84%), the Navy Reserve fell short by 1,703 (achieving 85%), and the Air National Guard fell short by 1,413 (achieving 86 percent). End strength results were better because of continued low attrition rates in the majority of the components.

Fiscal year 2006 will continue to be a challenging year for reserve recruiting—particularly in the Reserve components of the Army, but many initiatives have been undertaken to mitigate the challenges. During the first four months of fiscal year 2006, four of the six DoD Reserve components, including both the Army National Guard and the Army Reserve, met or exceeded their recruiting objectives. We continue to monitor the quality of our recruits against the goals we established. We see no indicators in the performance of young men and women being recruited today that concerns us. They remain America's finest. The changes you authorized to the reserve enlistment and affiliation bonus in the FY06 authorization Act should continue this upward trend. Thank you for your support!

Retention: The requirements to support the Global War on Terror—particularly our commitment in Iraq—have placed a strain on the Reserve force. Nonetheless, measuring those who reenlist at the completion of their current contract, we find that reenlistments were higher (by over 2,000) in fiscal year 2005 than they were in fiscal year 2004, up from 95.5% of goal in FY 2004 to 100.1% of goal in FY05. This is a very positive trend over the past two years and we believe it will continue in fiscal year 2006. We are closely monitoring retention, particularly for those members who have been mobilized and deployed to support operations in Iraq and Afghanistan.

Attrition: Measuring all losses, regardless of reason, from the Reserve components, we are pleased to report that enlisted attrition generally remained below established ceilings throughout fiscal year 2005, also a very positive trend. Through December, 2005 enlisted attrition is on track to remain below the FY06 ceiling established by each Reserve component.

Mitigation Strategies

Of all the strategies to help reduce the stress on the force, the first and perhaps most important is rebalancing. Its purpose is to adjust the force to be responsive and produce the capabilities needed in balanced portfolios across all components. The old force was balanced to respond to Cold War threats. Rebalancing improves responsiveness and eases stress on units and individuals by building up capabilities in high-demand units and skills. This is accomplished by decreasing capabilities in both the Active and Reserve components that are in lesser demand, and increasing them in areas

of higher demand, changing lower priority structure to higher priority structure, and producing a new Active component/Reserve component mix. As outlined in the report *Rebalancing Forces: Easing the Stress on the Guard and Reserve*, January 15, 2004, the rebalancing effort also seeks to establish a limit on involuntary mobilizations to achieve a reasonable and sustainable rate. The force structure planning goal aims to limit the involuntary mobilization of individual Reservists to one year out of every six.

The Services continued to improve their Active/Reserve component mix by rebalancing approximately 29,000 spaces in fiscal year 2005, for a total of about 70,000 to date. The Services have planned and programmed an additional 55,000 spaces for rebalancing between FY 2006 and 2011. The amount and type of rebalancing varies by Service. By 2011 we expect to have rebalanced about 125,000 spaces. We expect the Services to revisit their rebalancing plans in response to directives from the Quadrennial Defense Review. The Department will continue to work closely with the Services as they review and modify their rebalancing plans. Easing stress on the force includes more than just rebalancing the military.

A second initiative is the conversion of military spaces to Department of Defense civilian positions or contractors. The purpose of this initiative is to move military personnel out of activities not "military essential." The military resources gained through this initiative are being converted to high demand/low density units and stressed career fields, which reduces stress on the force. The Services have an aggressive program to convert military to civilian over the next few years. The Services converted about 16,000 military spaces to civilian manning in FY 2005 and plan to convert over 18,000

additional from FY 2006 to FY 2011. This greatly aids the ability of the Reserve components by providing more spaces for rebalancing.

Third, to ease the burden on some high demand, low density units and skills, we have employed innovative joint concepts and technology to spread mission requirements across the entire force. For example, Navy and Air Force personnel now augment ground forces in Iraq and technology is now being used on Air force installations to replace the need to use military personnel to perform surveillance functions.

A fourth area is innovative force management under our continuum of service construct. This approach maximizes the use of volunteers, provides greater opportunities for Reservists who are able to contribute more, and offers innovative accession and affiliation programs to meet specialized skill requirements.

Under the old rules, end strength and controlled grade accounting, and the requirement for officers to compete for promotion against active duty personnel suppressed the number of volunteers and limited the length of their duty. Reservists were reluctant to volunteer for extended periods of active duty. We are extremely grateful to Congress for removing these barriers and adding more authorizations to the new Reserve component operational support strength accounting category.

I want to take this opportunity to personally thank the Committee for its support of our continuum of service initiatives. These policies and initiatives were developed to preserve the nature of the "citizen soldier" while still allowing us to meet operational requirements. Predictability and reasonable limits on frequency and duration of mobilization are key elements of our policies, which are designed to not only support

Reservists, but also sustain the support of employers and families, and ultimately enable the components to meet recruitment and retention objectives. Similarly, the emphasis on volunteerism is designed to allow service members who want to contribute more to defense missions to do so.

Meeting Future Requirements

The Army's initiative to create provisional units—drawing upon underutilized skills to meet current mission requirements—and the DoD initiative to draw from skill sets in other components and Services—the joint solution—are the near-term strategies being employed today. We will continue to maximize the use of volunteers when possible. However, we must balance the use of volunteers from the Selected Reserve with pending unit deployments and the need for unit cohesion. Retiree and Individual Ready Reserve (IRR) members also provide sources of volunteers.

Compared to Operation Desert Storm when we mobilized 30,000 IRR members, we have used fewer IRR members to support the Global War on Terror. In the past four years, we have mobilized about 10,000 IRR members. The further utilization of the IRR remains a viable option for meeting both near-term and long-term commitments. But, we must establish the proper expectations for our Reserve component members, their families, their employers, and the public in general. We have undertaken a program to establish the expectations of reasonable service requirements for the 21st century based on the frequency and duration of military duty, and predictability.

For the long term, we will continue to energetically pursue these transformation strategies. Rebalancing the force will continue, as will the conversion of military to

civilian positions. The Department's transformation to a capabilities-based force should help relieve stress on the force. The overall objective is to have an enduring flexible force, capable of meeting diverse mission requirements.

NATIONAL GUARD UTILIZATION

The National Guard is a vital and integral part of the Army and Air Force total force mission capability. As a dual-missioned force, fulfilling both Federal and State roles is vital to the National Security Strategy, Homeland Defense, and the survival of the nation.

Much has been said about the Army National Guard being cut, both endstrength and units. While it is true the FY07 budget submission reflects an actual number of troops on board, the Army leadership is on record in testimony before the House and Senate that they are committed to funding the Guard to the level to which they can recruit, up to their congressionally authorized end strength of 350,000. The Guard will remain at 106 total brigades (28 brigade combat teams and 78 support brigades of varying types). For modernization alone, the Army has budgeted approximately $21 billion from 2005 to 2011, a four-fold increase over the level of funding for equipment modernization from the '99 period. This organization, manning, and funding will permit the Army National Guard to support the nation's global operations, prevail in the Global War on Terror, and conduct expanded state and homeland security missions.

The Army and Air National Guard will continue to have a prominent role in supporting local and state authorities in their efforts to manage the consequences of a

domestic terrorist attack. An important part of this effort is the fielding of 55 Weapons of Mass Destruction Civil Support Teams (WMD CSTs), one in each State, Commonwealth and the District of Columbia. These 55 teams are to support our nation's local first responders as the initial state response in dealing with domestic chemical, biological, radiological, nuclear, or high-yield explosives (CBRNE) by identifying the agents/substances, assessing current and projected consequences, advising on response measures and assisting with appropriate requests for additional state support. Each team is comprised of 22 highly- skilled, fulltime, well-trained and equipped Army and Air National Guardsmen. To date, the Secretary of Defense has certified 36 of the 55 congressionally authorized WMD-CSTs as being operationally ready. The remainder of the teams should be certified by 3rd quarter, FY 2007.

The Air National Guard will continue to consult with the Air Force to organize, train and equip their total forces more effectively and efficiently. The Air Force is developing new initiatives that will allow recapitalizing key weapons system capabilities and organizing the force to better support the Combatant Commanders. Participation of the Air National Guard in these discussions is critical to ensure an appropriate balance of capabilities in all components of our total force. Air Reserve Component restructuring is part of the ongoing discussions in the development of the FY 2008 budget.

The response to the hurricanes on Gulf coast, the brush fires in the south central states, or the flooding throughout the United States, shows the National Guard is a crucial element in a Governor's response to natural disasters. The National Guard will continue

to have a prominent role in supporting local and state authorities in their efforts to manage the consequences of a domestic terrorist attack or natural disaster.

FAMILY PROGRAMS

The Department is sensitive to the hardships and challenges that the families of Guard and Reserve members face, especially when the Guardsman or Reservist is away from home for an extended period. The better care we take of the family, the more likely the member will stay with us.

We have taken an aggressive, total force approach to supporting military families. We recognize that many families of National Guard and Reserve members do not live close to a military installation where many of the traditional family support activities are located. To address this issue, the Department has established over 700 family support centers around the country. In fact, the National Guard alone has over 400 family support centers. These family support centers are not component or service specific, but rather they are available to the family of any service member.

One way we are reaching out to families is with a 24-hour/7 day a week toll-free family assistance service--Military OneSource. Military OneSource can assist with referrals for every day problems such as child care and how to obtain health care. Additionally, the Department has contracted with a health network of professional consultants available in local communities to assist military families with daily living challenges resulting from deployment and separation.

We are also taking maximum advantage of technology--using the worldwide web to provide information that will help families cope with the mobilization and deployment of their spouse, son, daughter, brother, sister, relative or friend. The website includes a family benefits guide and a tool kit to assist commanders, service members, family members and family program managers in preparing Guard and Reserve members, and their families, for mobilization, deployment, redeployment/demobilization and family reunions.

We are particularly concerned about post-deployment and we are focusing on enhancing support programs and services for Reserve component members and their families following mobilization with programs such as the Marriage Enrichment Program, and a non-sectarian Prevention and Relationship Enhancement Program conducted by trained chaplains. These and other programs are made available on weekends throughout the states and territories for returning Guard and Reserve military members and their spouses at no charge. Commands have been pro-active in partnering with the VA and other state and federal agencies to provide additional services to reservists and their families such as relationship/readjustment counseling.

RESERVE COMPONENT HEALTH BENEFIT ENHANCEMENTS

The Department has fully implemented the premium-based "TRICARE Reserve Select" program, which offers TRICARE Standard and medical treatment facility space-available coverage to Selected Reserve members and their families following the member's service in support of a contingency operation. The member must commit to

continued service in the Selected Reserve and agree to share the premium cost. We appreciate Congress's support in providing Reservists' additional time after demobilization to make an enrollment decision and amending the program parameters so Reservists can take advantage of the full period of earned benefit if they are subsequently called to active duty. These changes make the program more attractive and allow reservists more time to consult with their spouse before making an enrollment decision.

We are also developing implementing guidance for the new provision that gives all Selected Reserve members, and their families, access to TRICARE Standard, regardless of the member's duty status--the TRICARE Reserve Select 50/85 plans. Selected Reserve members who are self-employed, who are eligible unemployment compensation recipients or who are not eligible for health care under an employer-sponsored health benefit plan can enroll in TRICARE Reserve Select 50 plan, under which the member must pay 50 percent of the premium. Selected Reserve members who do not meet those eligibility criteria for the TRICARE Reserve 50 plan and are not eligible for TRICARE Reserve Select, can enroll in the TRICARE Reserve Select 85 plan, under which the member must pay 85 percent premium.

EMPLOYER-RESERVIST RELATIONS

We respond to all inquiries we receive from an employer, family member, or individual Guardsmen or Reservist. Employer Support of the Guard and Reserve (ESGR) is the Department of Defense's employer outreach agency tasked to gain and maintain support from all public and private employers for the men and women of the

National Guard and Reserve. ESGR also reaches out to both employers and service members to ensure the requirements of the Uniformed Services Employment and Reemployments Rights Act are both understood and applied. Service members and employers may resolve USERRA conflicts via free mediation and ombudsman services provided by ESGR. Since October 2003, ESGR shows a continuing decline in the number of cases opened (from 486 per month average in FY04 to a 335 per month average for FY05 to an average of 214 per month for 1st quarter FY06).

EQUIPMENT AND FACILITY READINESS

Equipment Readiness

The Services are acquiring interoperable equipment needed to meet joint training and operational mission requirements; as necessary for a seamlessly integrated Total Force.

The Reserve components were appropriated about $4.13 billion in FY 2006 for equipment procurement, as compared to $2.4 billion on average in past years. The FY 2007 President Budget request for Reserve Components is $3.55 billion. The Army's Reserve components are resourced at approximately 70% of required equipment. Legacy equipment accounts for 30% percent of equipment on hand. The Army programmed $48 billion for the modularity initiative and includes $19.2 billion for the ARNG and $3.7 billion for the USAR over the FY06-FY11 time frame.

In the short term, the Army's immediate requirements have been resolved by cross leveling equipment among units, or having units utilize equipment remaining in theater as

Stay Behind Equipment (SBE). These actions have an equipment availability and training impact on the units remaining or returning to their home station.

As a long term goal, the Services' developed strategies that include development of blended or augment units to share modern equipment with the Active components, like the Air Force's Total Force Integration and the Army's Modularity plan.

The Army has developed a transformation strategy that establishes a means of providing force elements that are interchangeable, expandable, and tailored to meet the changing needs of the Combatant Commanders. This initiative, along with the GWOT requirements, resulted in the Army's development of a new strategy that guarantees mobilized units to be equipped at 100% and non-mobilized Army Reserve and Army Guard units to be equipped with training sets, and identified ARNG units to meet the Homeland Defense requirements at higher equipping rates. This strategy is a unit rotation model called the Army Force Generation Model (ARFORGEN). ARFORGEN consists of progressive and sequential levels of increasing readiness from reset/train, to a ready force available to deploy. While the optimal rotation rates of AC and RC forces will differ (AC=1 deployment in 3 years, RC = 1 deployment in 6 years), the necessary planning, resourcing, and training validation process is to be synchronized so that the Army can generate ready forces from both components to achieve a steady state deployment capability.

Military Construction

The Reserve components' military construction programs will provide new Readiness Centers, called Joint Armed Forces Reserve Centers, vehicle maintenance

facilities, organizational maintenance shops, and aircraft maintenance facilities for Reserve component missions. Future budget requests will continue the Department's efforts to improve the quality of life for the Guard and Reserve, which for the non-mobilized Reservist, is not normally housing and barracks, but rather where they work and train.

Sustainment / Restoration and Modernization

The Department is increasing the "Sustainment" and "Restoration and Modernization" funding levels in order to ensure that facilities are available, and deliver full functionality over their expected service lives. Sustainment provides resources for maintenance and repair activities necessary to keep the facility inventory in proper working order. Restoration and Modernization provides resources for improving facilities that have been damaged, need replacement due to excessive age, or need alteration to replace building components or accommodate new building functions. The Reserve component facility readiness ratings will continue to improve as funding is allocated to the most pressing requirements.

Environmental Program

The installation environmental programs managed by each Reserve component continue to be a good news story including efforts to protect, preserve, and enhance the properties entrusted to the Reserve forces. All Reserve components are positively progressing on implementation of a new Environmental Management System.

Joint Construction Initiatives

Even prior to BRAC requiring joint construction and basing, the Reserve components have been at the forefront of creating innovative ways to manage scarce MILCON dollars. Joint construction is the practice of building one consolidated facility that fills the needs of two or more components. We have a Joint Construction Working Group to assist the Reserve components in identifying, planning, programming, and budgeting joint construction projects for future President's Budgets. The goal is to secure a commitment by two or more components to pursue joint construction, identify a lead component, and prepare a Memorandum of Agreement to begin the process. Intuitively, most would agree one building costs less than two of similar size and function, but the benefits extend to reductions in force protection, sustainment dollars, contracting costs, and the additional benefits of cross-service cultural understanding. I thank the Congress for their support of this effort, and we will continue to pursue more joint construction opportunities in the future.

FY 2007 LEGISLATIVE INITIATIVES

The following legislative proposals are contained in the Omnibus bill submitted with the President's Budget.

A provision that raises from $10,000 to $25,000 the Special Pay for Reserve component Health Professionals who are on active duty for at least one year. This increase in special pay for Selected Reserve health care professionals in critically short wartime specialties supports efforts to meet vitally important retention goals.

Budget Impact: The funding for this proposal is discretionary; the budget submission will contain the funds to support the programs envisioned. All special pay bonus authorities must stay within the original appropriation and require no extra funds.

Other proposals are in final coordination/approval within the administration.

CONCLUSION

The National Guard and Reserve continue to be a mission-ready critical element of our National Security Strategy. The requirement for our Reserve components has not, and will not lessen. Our Reserve components will continue with their expanded role as an Operational Reserve in all facets of the Total Force. The nation continues to call and the Reserve components continue to answer that call. But in answering that call, we cannot lose sight of the need to balance their commitment to country with their commitment to family and civilian employers. That is why our efforts to: relieve stress on the force is absolutely essential; continue to rebalance the force is so crucial; and ensure that utilization not turn into over-utilization is so critical. I am mindful that the path forward will not be easy, but together we will ensure operational, fully ready, and outstanding Reserve components. Thank you very much for this opportunity to testify on behalf of the greatest Guard and Reserve force this nation, and the world, has ever known.