

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2004

WEDNESDAY, MAY 7, 2003

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:20 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.

Present: Senators Stevens, Cochran, Domenici, Hutchison, Burns, Inouye, Leahy, and Dorgan.

DEPARTMENT OF DEFENSE

NATIONAL GUARD

STATEMENTS OF:

**LIEUTENANT GENERAL H. STEVEN BLUM, ARMY NATIONAL
GUARD, CHIEF, NATIONAL GUARD BUREAU**
**LIEUTENANT GENERAL ROGER C. SCHULTZ, DIRECTOR, ARMY NA-
TIONAL GUARD**
**LIEUTENANT GENERAL DANIEL JAMES III, DIRECTOR, AIR NA-
TIONAL GUARD**

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. We welcome you, General, all of you who are Generals. I'll tell you one of the reasons I'm late, I just had a little demonstration session up on the ninth floor with the Special Operations and Logistics Center. It is extremely interesting. They have brought to show to us here in the Senate a whole series of devices that were really created in demand to situations that developed in Iraq, and it's just a wonderful, wonderful demonstration of the ingenuity of American service people.

They've just adapted to the need and developed even a device to go down into a well. They saw the problem and devised an answer, and produced a result in 4 hours. Now, they can look right down at the bottom of the wells and see if they've hidden anything down at the bottom—very interesting. I was on the phone telling other Senators to get up there and see it before they move it. They're not going to be there very long.

Senator DORGAN. How long are they going to be there?

Senator STEVENS. 10:30.

General, we welcome you to our hearing, and I thank you for stopping by to visit with us yesterday. We've got two panels scheduled today. First, we're going to hear from the National Guard leadership followed by the leaders of the four Reserve forces. On

our first panel, obviously, Lieutenant General Steven Blum, the Chief of the National Guard Bureau, Lieutenant General Roger Schultz, Director of the Army National Guard, and Lieutenant General Daniel James, Director of the Air National Guard.

General Blum, General James, we welcome you to your first hearing before this subcommittee and look forward to working with you throughout your assignments, and General Schultz, it's nice to have you back with us today.

Let me yield to my friend from Hawaii, our co-chairman, and see if he has any comments to make.

Senator INOUE. Mr. Chairman, I thank you very much. First I want to commend you on that show on the ninth floor. It's something that all of us should see, and I wish to join you in welcoming all of the Generals this morning, General Schultz, General Blum, and General James.

May I request that my full statement be made part of the record? Unfortunately, at quarter to 11:00, Mr. Chairman, I will have to leave. I have to get to our favorite place, Walter Reed, for a function.

[The statement follows:]

PREPARED STATEMENT OF SENATOR DANIEL K. INOUE

Mr. Chairman, I want to join you in welcoming our witnesses today, General Blum, General Schultz, and General James of the National Guard who will be followed by General Helmly, Admiral Totushek, General McCarthy, and General Sherrad of the Reserves.

Since September 11th, our Guard and Reserve personnel have been called up at unprecedented rates. They have performed their service in almost every aspect of homeland security and the global war on terrorism. Once again, they have reinforced their integral role in our military.

As a result of the increased activations and deployments, many concerns have arisen on the strain placed on our Guard and Reserve and their families. One must not forget that our Guard and Reserve not only leave their families in most cases but must take leave from their jobs as well. This can cause undo strain on both employers and family finances. Our Guard and Reserve also cover a wide professional spectrum outside the military, including first responders, medical specialists, and engineers. These professions, and many others, are crucial for both civilian and military and their activations create an additional burden on our states and localities. We hope to address some of those issues during today's hearing.

We will also want to focus on the Administration's fiscal year 2004 Budget proposal that merges the Military Personnel Accounts of Active, Guard, and Reserve. As you can imagine, this proposal is being met with some resistance on Capitol Hill and I assume among yourselves as well. As I understand it, this is the first of many account mergers that are headed our way in future budget requests and we would like to begin the discussion today.

This committee also continues to be concerned over the longstanding issues of procuring weapons and equipment for our Guard and Reserve.

Mr. Chairman, I thank you for holding this hearing and look forward to hearing the testimony of our witnesses.

Senator STEVENS. I will be pleased to yield to you, Senator. Does any other Senator have an opening statement?

Senator COCHRAN. Mr. Chairman, I would just like to welcome our witnesses with you and Senator Inouye and commend them for the leadership they have given in this time of real test for the men and women who serve in the National Guard. It's been very impressive. They've been involved in every respect of the national defense, from combat to rear guard operations, and they've achieved conspicuous success, and we appreciate very much your leadership.

Senator STEVENS. Senator, do you have any opening statement?

Senator DORGAN. Mr. Chairman, just to echo your thanks to the Guard and Reserve. In North Dakota, over a third of the members of our Guard and Reserve have been deployed, and I want to ask some questions about that, but I'm enormously proud of our citizens soldiers and what they have done for this country, and thank you for appearing today.

Senator STEVENS. Senator Domenici. Happy birthday, Senator Domenici.

Senator DOMENICI. Well, thank you so much.

Senator STEVENS. Senator Burns, do you have any comments to make?

Senator BURNS. I have a statement, Mr. Chairman. Thank you for this hearing, and I'll submit it and look forward to hearing from the witnesses.

[The statement follows:]

PREPARED STATEMENT OF SENATOR CONRAD BURNS

Thank you, Mr. Chairman. I would like to thank all of you for being here today to discuss the status of your respective National Guard and Reserve Components. I know you are all—as so many are—incredibly busy, considering the current situation around the world.

The men and women of the Guard and Reserve have seen an increased operations tempo over the past few years and have been pitching in, working with the Active Component on a more regular basis. This increased optempo does not, however, come with out costs. Short lead times for call-ups, coupled with uncertain or lengthy periods of service can make life very difficult. Employers and communities and families have been incredibly understanding and supportive of these men and women in our volunteer service. However, one can only be supportive and understanding for so long. The difference between military and civilian pay can cause undue stress on families. The loss of one or two employees is a big deal to a small business. In Montana, specifically, where business is small business, some business owners, despite how supportive they have been, have been pushed to the line and are having a real difficult time making ends meet. I know you are all aware of this and are working towards solutions.

Our Guardsmen and Reservists have performed nobly in the latest missions with which they have been tasked—the Global War on Terrorism and Operation Iraqi Freedom. Both the Guard and Reserve are extremely skilled, capable forces, responding to various missions across this nation and across the world. They continue to play very important, but somewhat diverse roles in the protecting our homeland and warfighting operations overseas. This further lends credence to the flexibility, adaptability and rapid reaction of this force.

Ensuring that our Guard and Reserve Components have the proper training, equipment and facilities necessary to carry out their duties is essential. I pledge to do what I can to make sure that our Guardsmen and Reservists have the support they need to get the job done.

Again, I thank all of you for being here today. I look forward to hearing the testimony today and listening to the discussion that takes place this morning.

Thank you.

Senator STEVENS. Senator Domenici.

Senator DOMENICI. I have no statement, but I do want to take this occasion to join with all of you in thanking the National Guard and the Reserve for their great service, and particularly those from New Mexico. New Mexico is having a very, very large contingency at every level. They've done a marvelous job, and we thank you for the leadership you provide for them. Thank you.

Senator STEVENS. It's a pleasure to serve in this committee with such a young man, Senator.

Senator DOMENICI. That's correct. Am I the youngest, looking around? Oh, no, you must be slightly—no. No.

Senator STEVENS. General, I remarked to General Blum yesterday that we've just witnessed the real absolute success in Senator Stennis' policy with regard, which really ultimately led to the total force concept, but when he initiated a concept of trying to get the Guard and Reserve really into active duty formations and have their training with the active duty formations in Europe. I think he started something that we will live with for the rest of our military service people. The concept of total integration, as Senator Burns has said, has just absolutely been demonstrated in Iraq, so we welcome you, and we welcome your statement.

We will put all of your statements in the record in full, and make such statements as you wish. General Blum.

General BLUM. Mr. Chairman, members of the committee, good morning. Thank you for allowing us this opportunity to address you this morning on what we consider to be a national treasure, the National Guard of the United States, and you're all very correct, each and every one of the States that you represent and every State in our Union and our four territories has soldiers right now in 84 countries around the world prosecuting the global war on terrorism and defending our homeland simultaneously, and we have not dropped a single mission in order to do that, and we still have a fairly robust capability available to the Governors to respond for State emergencies, as you have seen happening, unfortunately in the last few days.

On a personal note, I'd like to thank each and every one of you for your solid strong support of my nomination. I intend to lead the National Guard Bureau in a manner that will fully justify your confidence in that nomination and the confidence that you have placed in me. I think the National Guard has assembled a superb leadership team, with Lieutenant General Roger Schultz and Lieutenant General Danny James who will ably assist me. With their vast experience and wide and varying backgrounds I think we have put together a leadership team that will deliver to this Nation the kind of defense and security that they have come to expect from our Army and Air National Guard.

We will also fulfill our obligation as a channel of communications between the Secretaries and the Services in the several States of the United States, the Governors and their Adjutants General.

We will be one National Guard Bureau. We will be unified in our effort. We will be agents of change. We're very proud of our past, but we're more interested in our future, and we need to make sure that the National Guard of the United States is ready to provide the kind of security to our Nation and its citizens for future generations that past generations and the present generation has come to accept as a standard of excellence, so toward that end we will have the following priorities.

First and foremost, it has always been and is today and will always be our number one priority to defend the homeland of the United States of America. It is our oldest mission, but with today's realities and new emerging threats it takes on even a more significant meaning than it did only 2 years ago. We will at the same time support the global war on terrorism, which we view as an extension of homeland defense.

We see it as an away game on defending our homeland. We will take the fight to the enemy anywhere in the world, and we would hope that we could keep that off of the homeland of the United States of America, and in order to do these things, we're going to have to change and transform the National Guard Bureau, the headquarters of the National Guard in the various several States, and some of the units and functions and organizations will need some rebalancing and revisiting so that we are not curators of the historical reenactment group but prepared for current threats and future threats that may face our Nation.

PREPARED STATEMENT

Both General Schultz and General James will now offer some brief comments, after which we would welcome your questions, but I want to take this last opportunity now to thank you once again for the magnificent opportunity to appear before this committee.

Thank you.

[The statement follows:]

JOINT PREPARED STATEMENT OF LIEUTENANT GENERAL H. STEVEN BLUM, LIEUTENANT GENERAL ROGER C. SCHULTZ, AND LIEUTENANT GENERAL DANIEL JAMES III

Mr. Chairman and distinguished members of the Committee, thank you for the opportunity to come before you today to discuss your National Guard. Your continued support and trust have been instrumental in making the National Guard what it is today—a highly capable force, responsive to a myriad of homeland security missions as well as warfighting operations overseas.

Since the first muster of three militia regiments in Salem, Massachusetts, December 13th, 1636, the National Guard has protected America at home and abroad. Nearly every generation in American history can attest to the significant contribution citizen-soldiers and airmen have made in defense of our freedoms and way of life. Long before September 11th, 2001, the National Guard, both at home and abroad, had served this nation at unparalleled levels. In the recent past, the National Guard contributed substantial forces, equipment and personnel to critical stabilization forces in Bosnia and Kosovo; peacekeeping forces in the Sinai; no-fly zone enforcement in Southwest Asia; State-to-State partnerships; domestic emergencies; humanitarian operations; and numerous contingency operations across the world.

The National Guard's number 1 priority is the security and defense of our homeland. For the past 366 years, the National Guard has been actively engaged in this endeavor, which has solidified our roots. We lead Department of Defense efforts in providing force protection, critical infrastructure protection, border security, missile defense, intelligence, Weapons of Mass Destruction civil support, communications support, as well as medical, and air sovereignty capabilities to homeland security. The National Guard is present for duty—bringing great skills, talent and capabilities to bear in an increasingly dangerous world. Our presence in more than 2,700 communities throughout the United States and its territories serves to connect the American people to their fighting forces.

As the Department of Defense works to define its role in providing homeland security, the National Guard will play a key role because of our inherent and unique capability to cultivate better federal/state relationships. In nearly every conceivable scenario, local National Guard units—under the control of State Governors and Adjutants General—will be the first military responders on the scene. The statutory role of the National Guard Bureau is to be the channel of communication between the Army and the Air Force and the National Guard of the several states. Recently, we have coordinated with the Combatant Commander of U.S. Northern Command to perform that same role between NORTHCOM and the states. As part of this arrangement, the National Guard Bureau provides situational awareness on state-commanded National Guard operations to General Eberhart to augment his ability to effectively plan for and manage his command's diverse missions. Having previously served as Chief of Staff to NORTHCOM and NORAD, I witnessed the need for and value of this relationship.

The National Guard's second priority is to support the Global War on Terrorism here and abroad. On September 11th, 2001, while already heavily engaged in other

mission areas, numerous National Guard troops responded to our local, state and national needs. Citizen soldiers and airmen dropped everything and ran to the defense of our nation and communities—many were on the scene literally within minutes. Since then, over 131,000 others have been mobilized to support the front lines of the Global War on Terrorism at home and abroad. This is in addition to the nearly 35,000 Active Guard Reserve members whose already-heavy workload grew significantly as well. Today's National Guard deploys citizen-soldiers and airmen worldwide to dangerous and complex places in 84 countries to include Afghanistan and Iraq to conduct combat operations in the Global War on Terrorism.

Wherever this anti-terrorist warfight goes—the National Guard will go with it—alongside our joint partners in the Active and other Reserve Components. The National Guard has the will and the fighting spirit, however we need sustaining resources for both our people and equipment. This includes simplified and standardized benefits for all National Guard and reserve members, regardless of the status in which they serve their country.

Over the last 18 months, American leaders have come to appreciate fully the adaptability and ability to react quickly provided by the National Guard's three different duty statuses—State Active Duty as the state militia; the federal-funded and state-executed operations under Title 32 as the National Guard of the several states; and the federal role as the National Guard of the United States in Title 10 status. This flexibility should be protected and well-resourced at all times. In addition, many discovered that while Partial Mobilization authority is critical at times of great need, the use of volunteerism in combination with the necessary Partial Mobilization authority gives National Guard commanders the proper tools and flexibility to ensure sustained and ready forces over the longer term.

Still, many of the issues that surfaced following mobilization of National Guard personnel for Operations Noble Eagle and Enduring Freedom revolved around the disparity of benefits associated with different service statuses. Those mobilized under USC Title 10 could claim protection under the Soldiers and Sailors Civil Relief Act, while those serving under USC Title 32 could not.

Many factors influence the abilities of our forces to meet today's increasing demands. Certainly, the level of full-time manning available to the Army National Guard has been a readiness factor for years. Now more than ever, the Air National Guard depends on its full-time force as well to sustain growing air sovereignty alert, force protection, and command and control requirements. Full-time management has always been a critical factor in how we deal with logistics, administration and training, and their impact on readiness, and includes the ability to support traditional forces that contribute at extraordinary rates and in new mission areas.

Infrastructure and facilities are increasingly important. Many National Guard facilities are well past their useful life. Inadequate facilities impact both the training and quality of life of soldiers and airmen, as well as drain valuable resources. Our facilities have to be able to support the developing roles and missions of increased National Guard participation in both homeland security and global contingencies. Infrastructure also includes the tremendous information technology capabilities distributed across the 54 states and territories. This technology is both a current and future warfare enabler—both at home and abroad.

America insists on a relevant, reliable and ready force that is transformed for the 21st Century. Consequently, Transformation, the National Guard's third priority, is necessary to achieve our first two objectives. National leaders have consistently gone on record stating that America cannot go to war without the National Guard. History demonstrates repeatedly, the sage wisdom, and indeed democratic necessity, of including the National Guard in America's warfighting efforts. The National Guard, like no other military entity, ensures the American will and support for military action.

"When you call up the National Guard, you call up all of America." The future in this regard will not be different. National Guard members must be prepared to fight in new combat environments that include high-technology equipment and complex weapon systems. As major contributors to the force structure and capability of the U.S. Army and U.S. Air Force, the National Guard must not be left behind. From the outset and throughout the process, we must be a full and integral part of any plan to transform our military Services.

Now, more than ever, the Army and Air National Guard are critical components of the Total Force and employed in a much different manner than just 15 years ago. Current Operational Tempos are placing wear and tear on our equipment at a much greater pace than planned. Legacy systems that cannot be replaced must be recapitalized to preserve combat capability and retain mission relevance. Life extension programs, re-engining, and modern targeting systems are a few examples of the improvements that continue to be needed to maintain our superior force. It is nec-

essary that the National Guard be a full partner within all Services' modernization plans. This will allow the National Guard to provide the modern joint forces needed by the Combatant Commanders to fight and win America's wars.

The National Guard is strong, our personnel ready, and our missions crucial for the security of America, her interests and her people. Around the world, both Army and Air National Guard commanders have stepped up to the challenge, accepting leadership positions which have allowed them to interact not only with other Service components, but the international community as well. Having commanded multi-national peacekeeping coalition forces in Bosnia, I can personally attest to the full spectrum capabilities National Guard forces bring to a theater. As Chief of Staff to NORTHCOM and NORAD, I saw firsthand that both of these commands cannot perform their missions without the National Guard. Our troops have contributed to and learned from the "jointness" of these environments. This experience will allow National Guardsmen in the future to further leverage their unique core competencies when fighting alongside other Services and our allies.

Whether at home or abroad, securing the safety of Americans through homeland security functions or fighting the Global War on Terrorism are inherent responsibilities of the National Guard. With proper resourcing of both people and equipment, the Guard will always be there when the nation calls. As Former Congressman Sonny Montgomery has repeatedly said, "This nation would be nearly paralyzed by various crises if the Guard did not exist." Thankfully the Guard does exist and will be even better prepared to respond to future threats with the proper support and direction. National security is a team effort. We are proud to be part of that team. Together we must lead our National Guard forward with determination and vision. We must orchestrate a future for the National Guard that combines modern and effective resources, relevant and comparable mission profiles, an enthusiasm to adapt to changing environments, and the unique spirit and patriotism of the National Guard citizen-soldier and airman.

Army National Guard

We have a non-negotiable contract with the American people to win our nation's wars and are entrusted with their most precious assets, America's sons and daughters. These sons and daughters are proud and patriotic members of the Army National Guard family.

The Army National Guard plays a crucial role in providing security to the nation, the nation's citizens, and the interests of the country overseas. We fulfill our role in the National Military Strategy by supporting combatant commanders and conducting exercises around the world. Within our borders, Guard soldiers continue to provide assistance to victims of disaster and protection from our enemies. Our soldiers always stand ready to support the United States and its citizens whenever and wherever they are needed.

From September 2001 to September 2002, the Army National Guard alerted and mobilized more than 32,000 soldiers throughout the country and around the world, fighting the Global War on Terrorism and defending freedom with our engagement in numerous operations. Operation Noble Eagle has mobilized in excess of 16,000 soldiers from 36 States and Territories to provide force protection at various Department of Defense facilities and at our nation's borders. Operation Enduring Freedom has mobilized about 16,100 soldiers from 29 States and Territories to support the Global War on Terrorism in Southwest Asia through the U.S. Central Command area of operations. Army National Guard soldiers are also involved in other peacekeeping operations throughout the world. The Global War on Terrorism, homeland security, and Peacekeeping are expensive undertakings for the country. It is critical that the U.S. armed forces receive the required funding and intelligently utilize those resources throughout what is expected to be a protracted war.

Beyond the war effort, the Army Guard is fully integrated in the Army's transformation. The Objective Force for 2015 will incorporate the Army National Guard as part of a seamless joint, interagency, and multi-national team in support of rapid deployment and operations against a range of threats, including homeland security and the maintenance of a strategic reserve for extended campaigns and multiple engagements.

The nation asks a great deal of the Army National Guard soldiers, and it is our responsibility to ensure that these citizen-soldiers are equipped with the best possible training, the most current aircraft and vehicles, and the most lethal weapon systems.

Army National Guard soldiers, most of whom have successful civilian careers, sacrifice their normal lifestyle in an effort to preserve democracy and freedom in the nation and the world. Family members of our troops provide us with great support and thus help us maintain unit readiness and strength. Employers of these patriotic

soldiers are now being asked to sustain a much greater level of employee absence due to an increased rate of deployment. Our nation owes a debt of gratitude to the soldiers themselves, but no less gratitude is due our families and our employers who allow us to accomplish our missions. Our ability to be ready when called upon by the American people is, and will always be, our top priority and our bottom line.

Readiness

Full-Time Support

Recent events, including fighting the Global War on Terrorism, underscore the vital role Full-Time Support personnel have in preparing Army National Guard units for a multitude of missions both in the homeland and abroad. Full-Time Support is a critical component for achieving unit-level readiness during this period in the nation's history. To meet readiness requirements, the Chief, National Guard Bureau, in concert with the State Adjutants General, has placed increasing Full-Time Support authorizations as the number-one priority for the Army National Guard. Those full-time Guard members are responsible for organizing, administering, instructing, training, and recruiting new personnel, as well as the maintenance of supplies, equipment, and aircraft. Full-Time Support personnel are critical links to the integration of the Army's components.

The Department of the Army validated total and minimum Full-Time Support levels for the Reserve Components in fiscal year 2000 and determined the minimum level should be attained as quickly as possible. The Army, Army National Guard, and United States Army Reserve cooperatively developed an incremental ramping method for achieving minimum Reserve Component Full-Time Support levels by fiscal year 2012. The Army National Guard minimum support level end-state is reflected in the "DA High-Risk Requirement". The Full-Time Support end-state provides 71 percent of the resources required. Congress has supported increases in authorizations and funding in fiscal years 2001, 2002, and 2003. The Army National Guard received 794 additional Active Guard and Reserve authorizations and 487 Military Technician authorizations above the fiscal year 2003 President's Budget; these increases were funded in fiscal year 2003.

While recent developments represent progress, the increase in missions for the Army National Guard has emerged, missions including the Global War on Terrorism and Homeland security that require a further increase in Full-Time Support personnel.

Recruiting and Retention

The United States cannot undertake any worldwide military contingency or operational effort without the National Guard. The events of September 11, 2001 have placed increased demands on the Army National Guard to recruit and retain a quality force of 350,000 soldiers. This force of officer and enlisted soldiers is vital to integrating sufficiently trained and equipped personnel and units for response to State or federal missions.

There is a correlation between the frequency of military deployments and the retention rates of Guard soldiers. This attrition of trained personnel, combined with the soft recruiting market, present new challenges for the Guard to sustain readiness levels.

Although the Army Guard historically recruits and retains a sufficient number of enlisted soldiers to achieve strength objectives, it is currently experiencing a shortage of junior officers. Incentive programs will continue to assist the Army National Guard in keeping readiness levels high in this time of war.

Accelerated Officer Candidate School Program

The Army National Guard initiated a very successful accelerated Officer Candidate School Program in 1996. This accelerated program cuts 11 months off the traditional course duration (eight weeks of full-time versus 13 months of part-time training). This is particularly beneficial to States experiencing large company-grade officer vacancies. Class sizes were increased to 200 students in 2001 and to 400 students in fiscal year 2002 to meet the forecasted training requirements submitted by the States. Moreover, an additional class was conducted beginning in January 2003 to support the current war effort. The Army National Guard will continue to grow the program to address the shortage of company-grade officers.

Initial Entry Training Management

The Chief of Staff of the Army has provided guidance to the Reserve Component to have at least 85 percent of assigned soldiers qualified in their duty specialties by fiscal year 2005. The Army National Guard fully intends to meet or exceed this goal. In the past, the Army National Guard has had difficulty getting the proper

Initial Entry Training quotas to meet the demands of the force. As a result, the Army National Guard has been lacking in qualified personnel in certain occupational specialties. These shortages affect its ability to mobilize and/or deploy.

In order to meet the quota goal, the Army National Guard has taken input from the Adjutants General and has developed a new Initial Entry Training management system. This system has refined the Army National Guard's ability to accurately forecast Initial Entry Training requirements. These forecasts will more closely match that necessary to meet Army National Guard readiness goals than previous methods.

The Army School System and Qualifying Army National Guard Soldiers

The Army School System is a multi-component organization of the United States Army Training and Doctrine Command, the Army National Guard, and the U.S. Army Reserve that has been organized to deliver Military Occupation Skills Qualification Reclassification, Noncommissioned Officer Education System, Officer Education System, and functional military courses. This system provides the National Guard with the means to train and retain quality soldiers and leaders who are so essential to rapidly and effectively responding to the federal mission or to missions of homeland security.

The Army National Guard has developed an In-Unit Training program that has enhanced the ability to produce a larger number of soldiers who have achieved Duty Military Occupational Skill Qualification. The Army National Guard has also provided Mobile Training Teams overseas to sustain the training of its soldiers who are deployed around the world. The Army Guard and Reserve instructional, training development, and budget management staffs are combining efforts to build a future United States Army Training and Doctrine Command that can deliver seamless training to standards as part of the institutional training within the Army.

The Army National Guard supports the initiative by the Army Deputy Chief of Staff for Personnel to hold selective retention boards that will allow selected captains and majors to be retained so that they may reach 20 years of active service. The Army National Guard also supports the Deputy Chief's initiative to select captains for promotion who do not possess a baccalaureate degree or military education certification. The actual promotion to the next higher grade will become effective once the individual completes the required civilian or military education.

Distributed Battle Simulation Program

The Army National Guard has structured the Distributed Battle Simulation Program to satisfy congressionally mandated requirements. Concerned with readiness and training issues, these mandates explore the processes of integrating training aids, devices, simulations, and simulators into live, virtual, and constructive training environments. The program focuses training on individual and crew qualification, platoon maneuver, and leader development/battle staff training at the level of organization. It provides technical support personnel and advisors to commanders at various levels to recommend "best practice" strategies and methodologies to provide objective feedback, continuity, and technical support. With the proper training, simulations, simulators, and advanced training technologies increase opportunities for soldiers and units to minimize post-mobilization training time required for combat units.

The challenge for the Army National Guard is to make maximum use of advanced technologies and simulations so as to develop mechanisms and processes that efficiently and effectively integrate and synchronize individual and collective training requirements.

Empirical data reveals that soldiers who have practiced on various gunnery and maneuver simulators have much higher gunnery qualification rates and conduct maneuvers at higher levels of readiness than soldiers who are not exposed to simulators. Further, after action reviews from both the National Training Center and war-fighter exercises reflect that the Armory Based Battle Staff Training units have increased synchronization and raised the competencies of commanders and staff at brigade and battalion levels.

The continued support for this successful program will ensure the readiness of the Guard in meeting future missions; live, virtual, and constructive training infrastructure; and training modernization.

Combat Training Centers

In fiscal year 2002, over 35,000 Guardsmen in 25 Army National Guard Combat units, including two Enhanced Separate Brigades and a host of support units, conducted war-fighting training at the National Training Center, Joint Readiness Training Center, and Battle Command Training Center. The training contributed to

enhanced unit readiness by allowing these units to execute their wartime combat, combat support, and combat service support missions in realistic wartime scenario.

Mobilization Issues

Mobilizing Active Guard Reserve Soldiers under Title 32

The Active Guard Reserve program is designed to ensure that the training and readiness of Army National Guard soldiers are maintained at a high level. These codes have very specific limits on how the Army or the States and Territories can utilize their Active Guard Reserve force in times of need.

The events of September 11, 2001 brought these limitations to the forefront. Under Title 32, Active Guard Reserve soldiers are not authorized to support State missions after 72 hours unless specific criteria are met, such as the imminent loss of life. The inability of State Governors and Adjutants General to utilize all of their full-time soldiers caused some significant organizational and leadership problems within affected formations.

Active Guard Reserve members are critical assets to the force, enabling units to rapidly respond to State emergencies and homeland security efforts.

Medical and Dental Readiness

Individual medical readiness of Army Guard soldiers has become a heightened priority since September 11, 2001. Individual medical readiness requirements include immunizations, dental, and medical screenings. The speed at which units deploy today places significant time constraints on the Guard to properly identify or correct medical or dental deficiencies at mobilization stations.

In October 2001, the Army National Guard initiated the Medical Protection System, an automated tracking system for medical and dental records. This system also tracks Physical Exam readiness data, as well as HIV and DNA readiness data on file at the Army and Department of Defense repositories; it is used at mobilization stations to verify Individual Medical readiness in the Mobilization Level Application Software. When fully implemented, the system will allow commanders and human resource managers to monitor individual medical readiness of their soldiers. Resources can then be directed where needed, and early decisions can be made regarding the readiness of individuals and units to be deployed.

It is important to understand that with very few exceptions, Army National Guard soldiers are not entitled to medical or dental care for pre-existing disorders, only for injury or illness incurred in the line of duty. Dental readiness is particularly problematic. Both Congress and Department of Defense have attempted to positively influence dental readiness, but the remedy is not yet available. Units are still arriving at mobilization stations with soldiers in need of dental care to bring them to deployment standards.

If the nation continues to utilize the Army National Guard and Army Reserve in support of the Global War on Terrorism, it must ensure that these Reserve Components maintain the same high level of medical readiness as the active component.

Current Operations

Force Protection

In fiscal year 2002, the Army National Guard provided soldiers for deployments in the continental United States and overseas. Almost 20,000 soldiers worked 1,490,000 mandays conducting force protection missions and executing border security missions at 83 sites owned by the Army Materiel Command; U.S. Army Training and Doctrine Command; U.S. Army Forces Command; Immigration and Naturalization Service; and U.S. Customs Service. The National Guard supported homeland security missions by guarding airports, nuclear power plants, domestic water supplies, bridges, and tunnels in support of the State Governors.

Contingency Operations

The Army National Guard has assumed the lead as the stabilizing force in the Balkans and in Southwest Asia. Six Army National Guard brigades and numerous battalions participated in rotations as part of the Multinational Force Observers in the Sinai, and in Southwest Asia, providing support to the Air Defense Artillery units in Kuwait and Saudi Arabia. The Army National Guard is scheduled to provide Division Headquarters and maneuver units to four of the next six rotations to Bosnia.

Partial Mobilization

During fiscal year 2002, the Army National Guard contributed tens of thousands of soldiers to support the Global War on Terrorism. By September 2002, over 20,000 soldiers were mobilized from within the Army Guard's ranks, and those numbers

are expected to continue to increase. These fine citizen-soldiers were deployed with very little post-mobilization training, yet stand ready to enforce the will of the United States.

Military Support to Civilian Authorities

Since September 11, 2001, Army National Guard soldiers have responded to 263 requests for emergency support for a total of 645,419 mandays. These soldiers provided security, logistics support, transportation, and family care centers. They worked in support of World Trade Center relief, the Winter Olympics, and security at American icons such as Mount Rushmore, the Boston Marathon, and the Super Bowl in Louisiana. Major wildfires involving 21 States and consuming over 6.6 million acres required 47,519 mandays of support. The Army National Guard provided aviation support with water-bucket drops, security, and command and control as needed. The Guard's soldiers supported flood recovery operations in Kentucky, West Virginia, Tennessee, and Texas for a total of 23,882 mandays.

Modern Infrastructure and Facilities

Army National Guard facilities are vital for the operations, preparation, and execution of emergency assistance and the Global War On Terrorism missions. Readiness centers, maintenance facilities, and training centers provide the citizen-soldier a base from which to train, maintain equipment, and mobilize at a moment's notice.

Most of the Army National Guard's existing infrastructure was built prior to 1990, with a very significant number being more than 50 years old. The Army National Guard has refined the method used to validate requirements for its aging facilities. This refinement has given the Army National Guard a much more accurate analysis of what is needed to maintain and improve the Guard's facilities. The validated requirement in fiscal year 2004 is approximately \$1.18 billion.

Military Construction

The Army National Guard's Military Construction, Sustainment, Restoration and Modernization and Facilities Base Operations programs support construction, maintenance and operations of Army National Guard facilities.

The programs provide facilities for Guard units and personnel to operate, prepare for, and execute required missions. The priority is to afford units with readiness, maintenance, and training facilities that enhance unit capability to effectively mobilize and deploy when called.

Military Construction funding in 2004 supports general facilities revitalization, the Army National Guard Division Redesign Study, planning and design for Range and Training Lands Program, Aviation Transformation, and the Stryker Brigade Combat Team. General facilities revitalization consists of restoration and modernization based on 67-year recapitalization of existing facilities for current missions and building out facilities to support existing missions. The Army Facilities Strategy is a component of Facilities Revitalization. The program supports readiness by providing standard facilities to support training of personnel and maintenance of equipment for existing and new missions.

The existing infrastructure is outdated and inadequate with many facilities unable to support current unit training or operational requirements. The ranges do not meet current standards and without adequate facilities, units cannot meet war fighting or homeland security readiness. At present, newly fielded vehicles are unable to fit into existing maintenance bays, and there is insufficient space to store equipment properly to ensure adequate operation.

The increased requirements for these programs have been staggering. Funding for Military Construction is on the increase, though not at the same level as requirements. The requirement increases 62 percent in fiscal year 2004 and reaches almost 107 percent for fiscal year 2009. The funding of Military Construction increases over 5 percent in fiscal year 2004 and reaches an increase of about 38 percent in fiscal year 2009.

The Military Construction funding ramp increases considerably over the next five years to address the Army National Guard's facilities shortfalls in quality and quantity. A significant portion of this ramp addresses the 56th Stryker Brigade Combat Team, Aviation Transformation, Army Range and Training Lands program, and Army National Guard Division Redesign. These transformational programs address the facilities needs of our transforming force structure. A full two-thirds of the Military Construction program addresses facilities revitalization from fiscal years 2007 through 2009.

The refinement of the Army National Guard real property inventory has increased the validated requirements for sustainment by an average of \$4 million per year for fiscal years 2004 through 2009. Funding for sustainment in fiscal year 2004 is approximately 93 percent of validated requirements as generated by the Department

of Defense Facilities Sustainment Model. Base Operations, requirements have increased significantly; however, funding has not increased at the same rate.

Environmental Programs

The Army National Guard Environmental Program is a world-class environmental management program; its core competency is "ensuring the sustainable use of Army National Guard training lands and facilities to enable essential training and support functions critical to operational mission accomplishment." Through National Guard pollution prevention, conservation, and restoration activities, the Army National Guard maintains compliance with environmental laws and regulations. The Army Guard also practices sound stewardship and promotes innovative ways to ensure compatible use of sustainable natural resources in its charge and military training lands to support national defense.

Within the past year, the Army National Guard has met statutory requirements to develop and begin implementation of Integrated Natural Resource Management Plans for 90 of the Army Guard's installations. The Army National Guard is aggressively continuing development of Integrated Cultural Resource Management Plans in a similar fashion, in addition to completing many precursor planning-level surveys, such as wetlands and forest inventories that fed the above major environmental management plans. The Army Guard's Environmental Compliance Assessment System program has innovative technology solutions to maintain the Guard's leadership role in this program.

There are approximately 42 listed threatened and endangered species on 36 Army National Guard training sites, and the Army National Guard has proven it can maintain compatible use. The Army National Guard has taken the lead in developing a comprehensive computer-based tool that will provide near real-time data on environmental resource sustainment factors at training centers. These facilities are critical to realistic unit and weapons training. The new electronic tool will be used to assess environmental vulnerabilities to ensure ranges and maneuver lands are available for training. This capability has great potential for pre-emptive rather than reactive environmental management.

Homeland Security

Ground-Based Midcourse Defense Program

The National Guard is playing a significant role in the defense against ballistic missile threat by organizing, manning, and deploying Ground-Based Midcourse Defense Units. The Army National Guard received approval to activate a Missile Defense Brigade, based on the results of the Total Army Analysis 2009. The Brigade Headquarters will be located in Colorado and the first Battalion will be located in Alaska. These organizations will serve as the cornerstone for the Ground-Based Midcourse Defense program.

The Missile Defense Agency, Ground-Based Midcourse Defense-Joint Program Office has agreed to provide pay and allowance for initial personnel required for this program in preparation for Initial Defensive Operations beginning in fiscal year 2004.

As critical as this mission component is to the national defense, it requires adequate full-time manning to achieve full operational capability. By offering the needed manpower to the Army Space Command and the Space and Missile Defense Command, the Army Guard will provide this primary land-based homeland security system.

Anti-Terrorism Force Protection

The Army National Guard's Anti-Terrorism Force Protection and physical security programs provide for security and protection of facilities, personnel, and equipment, as well as the monitoring and maintenance of intrusion detection systems that detect and assess threats at 397 critical sites. Intrusion systems, closed circuit television, and access control systems decrease the number of personnel needed to guard facilities as well as prevent personnel from exposure to potentially harmful situations. The security systems save on personnel costs: Fewer soldiers are needed to guard Department of Defense facilities, equipment, and property and are channeled instead into mission deployment or crisis management.

Guard Knowledge Management

The Guard Knowledge Management initiative and the Distributive Training Technology Project support the Army National Guard's ability to maintain and improve individual and unit readiness, the ability to mobilize, and quick, efficient deployment. Through the effective integration of information technology programs and implementation of Knowledge Management initiatives, the Army Guard is enhancing

its capability to identify, distribute, and access critical information that directly impacts the Army Guard's ability to meet readiness goals and mission objectives.

For example, the Army National Guard saves money and resources and heightens readiness by providing increased foreign language sustainment and enhancement training using distance-learning technologies. Courseware is being developed at several sites throughout the United States, including Iowa, Pennsylvania, Arizona, Arkansas, and New Jersey. In addition, the Vermont Army National Guard has been conducting Information Operations training since February 1999 for all components of the Army. The Army National Guard made full use of its Knowledge Management capabilities to conduct extensive pre-deployment training for the 29th Infantry Division (Light) Headquarters for their peacekeeping rotation in Bosnia.

The Army Guard has also partnered with the National Air and Space Administration to deliver a wide array of educational content to young people to stimulate interest in science, math, and technology. The Army National Guard is building on these and other success stories to help increase readiness through a vigorous implementation of Knowledge Management principles.

Transformation

Legacy Force Sustainment

While still experiencing critical modernization challenges in High-Mobility Multi-Purpose Wheeled Vehicles, Single-Channel Ground and Airborne Radios, chemical and biological detection equipment, and Night Vision Devices, the Army National Guard continues to improve its overall readiness posture. The redistribution of assets will continue to be a part of the remedy to a variety of shortfalls throughout the Army National Guard's force. As the Army National Guard completes its Division Redesign, some equipment will be made available for use in other formations. Similarly, as the 56th Brigade in Pennsylvania transforms, equipment will be redistributed.

Over the last decade, the Army National Guard has made significant progress in modernizing the heavy force with the M1A1 Abrams, M2A2 Bradley, M109A6 Paladin, and M270 Multiple Launch Rocket System. It is the Army National Guard's plan to continue efforts to transform equipment and technologies to ensure interoperability and readiness levels.

Interim Force

The Army National Guard modernization strategy provides for a compatible and fully networked force. A key component of the transformation strategy is the activation of the 56th Brigade of Pennsylvania that is expected to become the first Army National Guard Stryker Brigade prior to 2008. Overall, the six Army-wide Stryker Brigade Combat Teams' mission is to be a rapid deployment force that can be deployed anywhere in the world in 96 hours.

The Army National Guard's highest priority remains maintaining war-fighting readiness. In support of this imperative, the organization is pursuing a modernization strategy that will provide the nation with compatible, interoperable, and strategically viable forces well into the future. The transformation campaign plan articulates the strategy of how to achieve the Army vision of an objective force that is more responsive, deployable, agile, versatile, lethal, and sustainable in times of crisis. Current forces will continue to be viable long into the future and will provide the margin of security that allows the Army to undertake transformation. The Army will maintain the combat overmatch capabilities of the current force through selective modernization, technology insertion, and recapitalization. The Army's plan is to have all of Pennsylvania's Stryker Brigade Combat Team's facility construction and other infrastructure requirements started by fiscal year 2006.

Objective Force

The Army National Guard Division Redesign Study is a four-phase transformation project. Phases I and II of this study will involve the conversion of six brigades along with a portion of two divisions. The purpose is to address a long-standing U.S. Army concern regarding a lack of combat support and combat service support in the force structure.

Military construction is required to meet this critical change, and with the assistance of 24 participating States, the Army National Guard is in the process of planning the modification and rebuilding of older facilities to accommodate this new mission. Phases III and IV are under revision, and the pending Army Guard Restructuring Initiative will most likely impact these later stages of restructuring; funding for this initiative is in excess of \$370 million.

Restructuring Initiative

On September 8, 2002, Secretary of the Army Thomas E. White introduced the Army National Guard Restructuring Initiative at the 2002 National Guard Association of the United States annual conference. Mr. White stated that “in light of our new plan for national defense [we] are now undertaking a new initiative which we will call the Army National Guard Restructuring Initiative. Whereas the original initiative Army Division Redesign Study converts combat formations to support structure, the new initiative restructures a sizeable portion of the National Guard combat formations to better support our combatant commanders’ requirements.”

The concept is to convert existing heavy and light combat structure to new designs that better support Combatant Commanders (including the new Northern Command) under the new defense strategy. Tentatively called Multi-Functional Divisions and Mobile Light Brigades, these new organizations will be first and foremost war-fighting organizations prepared for full-spectrum operations. The first unit could begin conversion as early as fiscal year 2005.

The conversion to these new organizations, combined with efforts already under way as part of the Army National Guard Division Redesign Study effort, will result in a 30 percent decrease in the current number of tracked vehicles in Army Guard Combat Divisions and Brigades. Although this constitutes a reduction of heavy assets, the National Guard is determined to ensure that the Army Guard does not maintain obsolete systems that are inconsistent with future Army operational concepts including unit design, support and sustainment.

Aviation Transformation

Army National Guard aviation is one of the nation’s highest value assets for both wartime and peacetime missions. In wartime, these Army National Guard aviation units provide the sustaining and reinforcing power required for successful execution of the National Military Strategy, as well as the most readily available Army aviation assets for homeland security. In peacetime, these critical aviation assets are equally important for the widest possible range of missions at both the State and Regional levels. These peacetime missions range from Air Ambulance, Search and Rescue, and Counterdrug support in areas having no such civilian capacity, to wide-scale and timely response to both natural and man-made disasters.

The Army National Guard’s aviation units continue to contribute almost half of the Army’s aviation structure, including Counterdrug Reconnaissance and Aerial Interdiction Detachments in 37 States and Territories, which use specially modified OH-58 observation aircraft to support federal, State, and local law enforcement agencies with counterdrug efforts in the United States. These units are also postured to support homeland security efforts. Six of these units were deployed along the Northern Border supporting the U.S. Border Patrol and Operation Noble Eagle during fiscal year 2002.

Since fiscal year 2002, the Army’s Aviation Transformation effort, coupled with other aviation modernization and recapitalization improvements, has not only significantly improved the readiness and capabilities of Guard aviation units, but also has reduced the overall aviation footprint. While significant quantities of modern series UH-60, CH-47, and AH-64 aircraft have been cascaded from active Army units to Army Guard units, the associated equipment (tool set, tool kits, test equipment, and parts) critical for the successful support of these aircraft has not kept pace. Current Army procurement levels will leave the Army Guard permanently short of its required number of aircraft. In addition, many of the remaining allocated aircraft are not scheduled for upgrade to the most current standard configurations:

- AH-64 “Apache”*.—Army National Guard will receive 254 of 296 required (42 short). Of the 254 AH-64s to be provided, only 63 will be the most modern AH-64D model.
- CH-47 “Chinook”*.—Army National Guard will receive 136 of 150 required (14 short). Of the 136 CH-47s to be provided, only 93 will be the most modern CH-47F model.
- UH-60 “Blackhawk”*.—Army National Guard will receive 687 of 775 required (88 short). All 687 are scheduled for eventual upgrade to most modern UH-60M model.
- Homeland Security/RAID Aircraft*.—The OH-58A/C aircraft currently used for this mission are nearing the end of their useful life span.

Personnel Transformation

The Army Guard’s Permanent Electronic Records Management System is a web-based system utilizing digital imagery to store and retrieve personnel records. The importance of the Permanent Electronic Records Management System lies in its

seamless records management capability throughout the Army, enhancing both mobilization and personnel readiness.

By consolidating the administrative operations of human resources in one place, the Permanent Electronic Records Management System allows personnel records to follow a soldier regardless of component. In the past, the system was slow and labor-intensive, resulting in pay problems, promotion delays, difficulties in making new assignments, and low personnel morale. Fixing the problem involves the conversion of paper files to electronic files; and is a practice currently used by the Department of the Army for all of its personnel actions. At present the Army National Guard is the only military component that lacks electronic records storage capability.

Under the Department of Defense's vision for a "paperless environment," the Army National Guard will be required to provide electronic capabilities for personnel records in the 50 States, three Territories, and the District of Columbia.

The Army National Guard will adopt an Automated Selection Board System to support and improve the process under which information and votes regarding personnel actions are processed by military personnel boards.

Departing from an obsolete "paper" system to a digital system that views data and images from the Permanent Electronic Records Management System and the Department of the Army Photo Management Information System is a time-consuming process. However, once the Automated Selection Board System is adopted, it will save the Army National Guard more than \$150,000 per year in microfiche production and postage costs.

This system is essential to achieve and fully support Personnel Transformation. The Army National Guard must remain interoperable with the Army and the Army Reserve by adopting this system. The conduct of boards at the State level will become extremely cumbersome due to unavailability of routine printed information. By failing to adopt the Automated Selection Board System, the Army National Guard will be required to download paper copies of an automated viewing and storing system.

Strategic Readiness System

The Army National Guard's Strategic Readiness System was developed pursuant to the Chief of Staff of the Army's guidance for a more holistic assessment of readiness information. The Strategic Readiness System is an integrated strategic management and measurement system that ensures that all levels of the Army, including the National Guard Bureau and the Army National Guard, recognize and align their operations to the vision, objectives, and initiatives of the Army Plan. The system also measures each element's success in achieving these goals.

The Army Scorecard is the tool used to measure progress toward stated goals and objectives. This tool will enable the Army National Guard leadership to see the resource and readiness linkages throughout the system and better predict a modeling capability that improves the allocation of resources to achieve the highest degree of readiness.

Conclusion

The Army National Guard comprises diverse individuals from all walks of life united by the desire to keep the American people safe and secure. Many soldiers in the Guard leave behind promising career tracks and loving families to serve their country without compromise or hesitation. These soldiers lead dual lives; their sacrifices are overwhelming and should not be forgotten or discounted.

Army National Guard soldiers have accomplished much work "behind the scenes" in the past fiscal year, providing relief to victims of catastrophes, security at numerous vulnerable locations, and mobilization to various military operations world-wide. The Army National Guard, the crucial foundation of the Army, reinforces and augments the efforts of fellow soldiers to ensure that objectives are achieved and initiatives are met.

While it has succeeded on many fronts, certain challenges still face the Army National Guard. The issues of recruitment, retention, and subsequent development of junior officers continue to be areas of discussion. Dental and medical care remain sub par or lacking for many soldiers in the Guard. Furthermore, the dearth of cutting-edge, state-of-the-art facilities and equipment hampers the efforts of the Army National Guard to perform at an optimum level.

The Army National Guard is a stalwart entity that is ever ready to protect and defend the United States with zeal and determination. With proper and judicious funding over the coming years, its continued transformation will ensure brighter prospects for the Army itself and the American people.

Air National Guard

The year 2002 will be marked by the volunteer spirit and dedication of Air National Guard men and women spanning the globe: the War on Terrorism at home, the War on Terrorism abroad, and "routine" deployments as full partners in the Air and Space Expeditionary Force. Since September 11, 2001, we've been busier than ever before. We've been flying fighter combat air patrols over cities keeping our country safe. We've been seeking out terrorists where they live. We've been gathering and interpreting data supporting the warfighters and securing airports, bridges, and military installations. We've maintained our aircraft and communications infrastructure so the mission can be accomplished. We've done this with volunteers and mobilized personnel, most of whom left their families and jobs to serve. We've done this as proud members of the Total Force even while we continued to train for what lies ahead.

During his campaign in Tunisia, General Eisenhower said, "It is not the man who is so brilliant who delivers in time of stress and strain, but rather the man who can keep on going." The Air National Guard not only delivered in a time of stress and strain but also kept on going. In this past year we've gone from a surge force to a sustaining force. At the peak of operations in February 2002, almost 15,000 people were mobilized and almost 8,000 were volunteers. Throughout the summer both the volunteers and mobilization numbers came down as the War on Terrorism reached a lower tempo. Often times we were employed as a "just in case" force rather than a "just in time" force, mobilizing personnel in case they were needed rather than when needed to fulfill immediate requirements. On many occasions Air National Guard members were mobilized to backfill deploying active duty troops. Employers understand better, as do families, when Guard men and women deploy overseas rather than backfill. Whatever the call, we were there.

We've been a solid team player in Operation Enduring Freedom and the Air and Space Expeditionary Force. As fiscal year 2002 came to a close, we had flown 25 percent of the fighter sorties, 31 percent of the tanker sorties, and 27 percent of the airlift sorties. Through innovative management techniques such as "rainbowing" units, we've been a seamless part of the Total Force. We will continue to prosecute the War on Terrorism on all fronts.

Combat operations couldn't happen without the exceptional support capabilities provided by maintainers and logisticians; civil engineers and security police; communicators and intelligence analysts. These myriad support skills are brought to bear to make operations successful. Many of these specialties are "stressed" but the troops keep on giving.

Air National Guard citizen-airmen are the backbone of Operation Noble Eagle. By the end of fiscal year 2002 we had flown 74 percent of the fighter sorties, 62 percent of the tanker sorties, and 36 percent of the airlift sorties. We maintained almost 100 percent of the alert sites. The Air National Guard is extremely proud of its ability to execute the homeland security mission. Through smart management of resources and capabilities, we can continue to participate in the homeland security mission as a by-product of our wartime tasking. Continued Air National Guard participation in the Air and Space Expeditionary Force is vital to our wartime readiness. Any unique homeland security missions should be appropriately resourced.

As the War on Terrorism continues, our people and systems will be employed at above-average rates. Through utilization of civilian skills and innovation, Air National Guard professionals are keeping our aging systems up and running. But in the face of fiscal and manpower constraints the nation will not be able to afford the high costs associated with maintaining legacy systems; therefore, the Air National Guard will need to be transformed across the full spectrum of missions with our active brethren. Through transformation to future high-tech systems such as information operations, space-based capabilities, Unmanned Aerial Vehicles, C-17, and F-22 and Joint Strike Fighter, we will be able to continue to leverage our civilian skills to make the most of these systems' capabilities.

Technology, however, is only one part of transformation. Other parts include concepts of operations and organizational structures. The Air National Guard stands ready to explore and implement new concepts of operations and organizations. We've done so already with the 116th Air Control Wing at Robins AFB, Georgia. Together with the active force we've established a Total Force unit that will highlight the capabilities of both components and have broken down barriers that would have otherwise precluded this structure. This is the right kind of unit for the right mission. Not all future total force units should look like this but should be reviewed on a case-by-case basis. Additionally, we should consider "Reverse Associate" units where active duty members are associate to an Air National Guard unit. This will take advantage of the operational infrastructure savings associated with Air National

Guard installations while broadening assignment opportunities and experiences for active members.

Since the entire force cannot be transformed at once, some part of the force will need to be modernized to include the latest capabilities. Areas that are best suited for modernization include facilities, precision-guided munitions, communications systems, air refueling platforms and engines. These systems are necessary to provide the required capabilities to fly and fight in today's battlefields. Today, the Air National Guard is a vital part of this great nation's security. We will proactively face the challenges ahead to remain a ready, reliable, and relevant force.

Ready speaks to being sufficiently manned with trained personnel capable of doing the global mission on short notice. Ready means jumping into an aircraft and launching in minimum time should we be attacked. Ready means support troops who can build and sustain support facilities at austere airfields anywhere in the world when called upon. Ready is being able to deploy in support of the Air and Space Expeditionary Force to Turkey, Bosnia, or Iceland. Ready is the ability to patrol airports or deliver food and supplies to those affected by natural disasters. We are ready!

Reliable means that we can be accessed when we are needed. Reliable means that whether through volunteerism or mobilization we have the required people ready to go when and where needed. Reliable means we can respond to the Governor of a state when in state duty or to a Combatant Commander when federalized. Reliable means we'll be there, and we will be!

Relevant means we are modernized and transformed to carry out missions that are important to support the national security strategy. Relevant means we've got targeting pods and the latest radar and protective gear. Relevant means we're part of the F/A-22, Space, C-17, ISR, and information operations. It means we are an important part of our nation's defense, and right now, we are.

This is our biggest challenge.

As the War on Terrorism continues, as does operations in other critical regions of the world, the Air National Guard will be there. We will continue the militia heritage of defending freedom as we did over 366 years ago. Our citizen-airmen will respond to the nation's call to put on their uniforms to fight for our nation's interests. While they answer our call, we must answer theirs as we provide them with the tools to accomplish the mission. We must give them what they need to be Ready, Reliable, Relevant. Air National Guard. Now More Than Ever!

Air National Guard Infrastructure

The Air National Guard Infrastructure provides the Department of Defense enhanced operational capacity with its presence at 176 locations throughout the country. As a recurring problem, the Air National Guard has experienced significant difficulties in absorbing new mission projects without adversely affecting restoration and modernization efforts to support current weapon systems.

Air National Guard facilities continue to deteriorate due to inadequate funding levels. Many facilities are in "forced use" condition, which requires unit personnel to endure substandard facilities. Lack of safe, efficient and modern facilities is impacting Air National Guard "Quality of Life", recruiting and retention. The condition of the facilities directly impacts how effectively units are able to respond to training, staffing, and other wartime needs.

With respect to homeland defense, we are concerned about the attention to the operational needs of alert aircraft at Andrews Air Force Base, Maryland; Buckley Air Force Base, Colorado; Truax Field, Wisconsin; and other sites either standing alert with fighters and tankers. After September 11, 2001, interim facilities were quickly provided, however little progress has been made since the initial surge to address permanent facilities alert missions at existing and potential sites. The Air National Guard is also concerned about the level of anti-terrorism and force protection funding to protect our personnel and equipment. Terrorism in the homeland has forced us to rethink and reprioritize how we secure our bases and sites.

Our fiscal year 2004 funding request allows us to achieve a recapitalization rate of 170 years, meaning that we renovate or replace our facilities an average of every 170 years. Our goal remains a 67-year recapitalization rate, and our current program would achieve that level in 2000?. Between now and then we plan to follow a smooth glide path down to that level.

Readiness (Full-Time Manning)

As an integral partner in the Total Force, fully imbedded into a formalized Air Expeditionary Force construct, the Air National Guard will routinely provide force structure for day-to-day operations, contingencies and the Global War on Terrorism. Historically, as a "force in reserve" the Air National Guard was funded with limited

full-time manpower to operate and maintain facilities, repair aircraft and equipment, and train the drilling force. Today's operational tempo, combined with aging aircraft, weapon systems and ever increasing support requirements, the Air National Guard must be adequately resourced to ensure these weapon systems are available for training and deployment.

We recently accomplished a complete review of both our full-time and traditional manpower requirements. Our review identified areas where we need to realign our manpower and validated increased requirements. Our fiscal year 2004 budget supports and reflects our realignment and provides some increased full-time funding and end strength. This is just the first step in getting our manpower resources right. Emerging homeland security tasking and mission readiness needs will drive additional manpower requirements and further realignments.

As demonstrated in Operations Noble Eagle and Enduring Freedom, the Air Force could not go to war without the Air National Guard and the Air Force Reserve. Additionally, the Air Force would be severely hampered in conducting peacetime operations without its reserve components.

The National Guard and Reserve Operations Tempo currently provide 25 percent of the aviation and almost 30 percent of the combat support elements for steady, peacetime deployments of the Air and Space Expeditionary Forces. They also provide more than 65 percent of the Air Force's tactical airlift capability, 35 percent of the strategic airlift, 60 percent of the air refueling, 38 percent of the fighters, 20 percent of combat rescue and make significant contributions to bomber, and combat support missions.

Information Operations and Management

The Air National Guard is fully involved in the defensive elements of information supporting the nation's homeland security efforts. The civilian sector is heavily dependent on the national information infrastructure, and the military relies upon the Air National Guard to carry out its missions at home and overseas.

In addition to preparing for conventional combat, the Air National Guard must now provide the most up-to-date protection against what has become known as information or cyberspace' wars. Participation in this mission area requires an investment in infrastructure to allow for the Air National Guard to connect with classified network systems that have sufficient bandwidth and capacity to store, process, and transmit unprecedented amounts of data.

By using advanced technology information weapons systems, the Air National Guard directly supports the Department of Defense's vision of transformation. A new age of warfare includes information that consists of a wide variety of operations and activities, such as psychological operations, electronic warfare, military deception, physical attack, computer network attack, defense, and exploitation, public affairs operations, counter deception, counterintelligence, and counterpropaganda operations.

Annual Dental Examinations Program

Currently, the Air National Guard is required to accomplish a dental examination every five years. The Office of the Assistant Secretary of Defense for Health Affairs has mandated that this exam be accomplished annually beginning February 2004. Air National Guard Medical Squadrons are only authorized two dentists and two dental technicians; however, many units may only have one or no dentists assigned to accomplish these dental requirements. Air National Guard Medical Squadrons are struggling to accomplish the current 400-500 dental exam requirements along with their mandated training. This mandate will increase their workload to 1,100-1,300 dental exams each year.

Mobilization

In today's Air Force, the Air National Guard is central to the Total Force, and plays an ever-increasing role as a partner in the Global War on Terrorism. Now, more than ever, the Guard is needed by the nation to perform the mission they have been trained to do. Most Air National Guard members have served in support of Operations Noble Eagle and Enduring Freedom, and many more will continue to deploy to fill Air and Space Expeditionary Force steady state requirements around the globe. Their service is not without sacrifice and their sacrifice is not without meaning.

Numerous personnel issues have surfaced around the disparity of benefits associated with different status of service following mobilization. Of notable importance, protection under the Soldiers' and Sailors' Civil Relief Act applies only to a member mobilized under the provisions of Title 10 U.S.C., and was not afforded to our citizen-airmen serving in airport security.

Current policies and laws are now under scrutiny to alleviate issues of disparity such as per diem limitations, down-time restrictions, Basic Allowance for Housing I vs. II, income pay protection, leave issues, and a myriad of entitlements and benefits that are affected by either status or length of active duty tours. The Air National Guard, as a full partner in the Total Force, will continue its advocacy for parity in pay, entitlements and benefits. In its role as a force provider, the Air National Guard will honor the commitment to provide the right person, at the right place, at the right time.

Chemical Warfare Defense Equipment Program

The Air National Guard's Chemical Warfare Defense Equipment program plans to be strategically positioned to provide individual equipment protection, including individual chemical suits, gas masks, filter canisters, hoods, boots, and gloves, to protect each member against chemical or biological attack.

The Air National Guard identified a \$66.8 million Chemical Weapons Defense Ensemble Mobility Bag requirement to provide initial protection for all members and to fund the replacement of Mobility Bag shelf-life assets.

Depot Purchased Equipment Maintenance

The Air National Guard's Depot Purchased Equipment Maintenance Account pays for depot level maintenance of all aircraft, aircraft engines, special purpose vehicles, and other major items of equipment (e.g., ground radar/radio sets). The major goal of the program is to decrease the levels of deferred depot maintenance.

The Air National Guard is concerned about the spiraling costs for organic and contract programmed depot maintenance and the impact on our aging aircraft fleet. Increasing costs and under funded budget requirements have resulted in an Air National Guard's Depot Purchased Equipment Maintenance program that approximates an 80 percent funded level.

Based on fiscal year 2003 projected budgets, funding shortfalls may result in eight KC-135, three F-15 and one C-5 aircraft not being inducted into the Depot Maintenance Program at the appropriately scheduled time frame. We are concerned about what impact this continuing annual funding shortfall has upon the current and future readiness of the Air National Guard.

Vehicle Priority Buy Program

The Air National Guard Vehicle Priority Buy program is struggling to keep pace with mission requirements associated with homeland security, new Alert sites, Security Force protection, medical evacuation teams and new aircraft conversions.

At the present time, 43 percent of the Air National Guard vehicle fleet is due for replacement, at a cost of approximately \$315 million. Our budget includes \$40 million, or roughly 13 percent of this requirement, to replace vehicles in the inventory in fiscal year 2004.

The Air National Guard vehicle fleet will continue to age and become more costly to maintain. This underscores the need to replace vehicles. While we plan to replace the rest of the aging vehicles over time, the rate at which we are currently replacing them, coupled with additional requirements to support newly emerging homeland security needs, could severely impact our near-term vehicle readiness.

Nationwide Information Technology Network

The Air National Guard is in the process of modernizing its nationwide information technology network that serves a vital role in homeland security and national defense. Reliable, available and secure information technology is essential to Air National Guard, Air Force, Department of Defense, and state authorities in their ability to exercise control and command of information resources impacting their various constituencies.

The Air National Guard Information Technology Network is critical to the successful transmission of information within a unit, between units, and among the various states. Without a healthy and robust Information Technology network most other Air National Guard missions will not be able to function. No Air National Guard function can stand alone without interface and interaction with several other functions and the network is the link that provides the medium to share information at all levels.

The Air National Guard has made significant progress in procuring network hardware and personal computer and server software that decreases complexity and increases network communication with Air Force and Department of Defense partners. Striving to accomplish a nationwide reduction of network servers by consolidating core network services to regional operations centers, the Air National Guard must first upgrade its own communications and network infrastructure, technologies, and facilities.

Continuing to fund the Air National Guard Enterprise Network at last decades level will continue to give us last decade's capabilities. The rapidly changing hardware and software requirements of our warfighting and combat support functions come with a significant cost to upgrade and maintain a fully capable Information Technology network. The Air National Guard network is funded and maintained at the same level it was during the 1990's. Without a significant infusion of new technology, all other Air National Guard mission areas will be less than fully capable of prosecuting their missions. One time cost estimates to bring the Air National Guard Enterprise Network up to a fully capable and robust condition are approximately \$80 million, coupled with a significant increase in sustainment and refreshment funding to maintain and upgrade the Information Technology Enterprise to fully support all other mission areas in the continuing war on terrorism and homeland security. This modernization initiative will certainly enhance the Air National Guard's interoperability with other federal and state agencies.

Capabilities Based Military Force

The Air National Guard is a solid partner with the Air Force, the Air Force Reserve, and all collective units of the Department of Defense designed to protect national security and maintain international peace. The Defense Department priority is Transformation and therefore the priority of the active services and the reserve components.

Transformation as "relevancy" is dependent on the Air National Guard readiness, in both state and federal missions, being able to support service apportioned and Joint Chiefs validated Combatant Commander required "capabilities." Becoming a "capabilities based" military force translates into the Air National Guard's need to acquire new technology and equipment to maintain a state of readiness and relevancy now and in the future. The Air National Guard must embrace the process of transformation and intelligent risk-taking to provide a fully trained, equipped and ready force to defend the nation at home and overseas.

The Air Force is pursuing innovative organizational constructs and personnel policies to meld the various components into a single, unified force. Future Total Force integration will create efficiencies, cut costs, ensure stability, retain invaluable human capital, and, above all, increase our combat capabilities. Another transformation effort is to "blend," where sensible, units from two or more components into a single wing with a single commander. Active, Guard, and Reserve personnel share the same facilities and equipment, and together, execute the same mission. This is a level of integration unprecedented in any of the Services.

Potential future missions might include Unmanned Aerial Vehicles and their training programs, combining the Unmanned Aerial Vehicle squadrons with their manned fighter counterparts; integrated fighter squadrons realizing the benefits of highly trained personnel flying legacy systems during the transition period to newer fighter aircraft like the Joint Strike Fighter. The Air National Guard has been steadily increasing its participation in space operations over the years and already plays a vital role in missile warning, satellite command and control, and launch operations. These contributions will be key during conflicts envisioned in the future.

These changes confirm and continue the trend in which air and space forces carry a heavier share of the burden in the nation's wars. The new strategy and force-sizing standard point to an increase, not a decrease, in aerospace power.

Since September 11, 2001, Air Force components have flown most of the subsequent air defense sorties in Operation Noble Eagle, with the Air National Guard flying 74 percent of the total missions. The Air National Guard must be resourced in order to sustain our nation's fight against the war on terrorism in defense of the homeland. This new theatre of operations paves the way to transform the experience of the Air National Guard to effectively respond to homeland security missions in an expeditionary role.

The Air National Guard will continue on its Total Force journey hand-in-hand with the Air Force, the Air Force Reserve and, indeed, all of the Department of Defense away from a threat based force toward the "capabilities based" force that will be required into the future. The Air National Guard will always provide a ready, reliable, and relevant force that America can count on now, and, through Transformation, solidly into the future.

Intelligence Surveillance and Reconnaissance

As a strong defense, Air National Guard eyes in the skies' approach to surveillance and reconnaissance provides the nation with protection from hostile air or land attacks. To increase its intelligence surveillance and reconnaissance capabilities, the Air National Guard seeks to expand our capabilities to intelligence imagery with deployable commercial imagery downlink and exploitation system (Eagle Vi-

sion), and modernize and increase the capability of the Air National Guard's signals intelligence. This system will be very beneficial to homeland security missions across the broad spectrum from natural disasters to terrorism assessments.

In much the same way that National Guard assets have been effectively employed in the war on drugs, the mission of the global war on terrorism plays a large role in how the Air National Guard is directing its focus and personnel. New intelligence, surveillance, and reconnaissance capabilities will be particularly useful in conducting domestic missions dealing with natural disasters in which the Air National Guard can assist states with relief efforts caused by tornadoes, floods, and hurricanes.

Air National Guard Space Operations Program

For the Air National Guard, Space Operations provide a critical communications link to communities throughout the nation in the form of satellite support for everyday uses (television, computers, wireless phones), but also serve as an important military deterrence from external threats. Recently, two Air National Guard units in Wyoming and California have come out of conversion to provide operational command control support to Northern Command and to provide round-the-clock support to the Milstar satellite constellation.

Additionally, the 114th Range Flight in Florida is partnered with an active Air Force unit performing the Launch Range safety mission. There are future plans by the Air Force to transition additional space program assets to Air National Guard control.

Logistics Information Technology Program

The National Guard Logistics Information Technology Modernization programs will enable the Air National Guard to operate seamlessly with active and reserve counterparts in support of combat operations or other contingencies in all operational theaters.

This Air National Guard initiative ensures that the organization maintains interoperability with common worldwide contingency systems. This involves plans to modernize logistical information technology systems, including Digital Technical Data, Joint Computer-Aided Acquisition and Logistics Support, Wireless Local Area Network, Tool Accountability Systems, and Integrated Maintenance Data Systems. The Air National Guard effort to sustain these modernization programs and initiatives has been estimated to cost \$314 million.

Expeditionary Medical Support (EMEDS) Transformation

The Air National Guard's Expeditionary Medical Support response platform is a comprehensive medical system that is designed to provide for homeland security consistent with meeting the requirements of major theater warfare or peacetime disaster response support. Like an airborne portable hospital, this is truly the lightest, leanest, and most capable deployable medical platform available to the Air National Guard today.

The Air National Guard Air Surgeon's Office has established personnel packages that will be able to support 15 Expeditionary Medical Support packages (two on-call) for each Aerospace Expeditionary Force deployment and 13 available for homeland security if deployed through state-to-state compacts or the national-level Emergency Management Assistance Compact. The personnel packages were placed in each Air National Guard unit, effective with the publication of the unit manpower and planning documents. Once the equipment sets have been acquired, they will be strategically pre-positioned throughout the continental United States and will provide the flexibility of responding to any disaster within several hours from activation. The equipment and personnel packages will be positioned to provide both a distinct wartime capability and military support to civil authorities in each Federal Emergency Management Agency region. Each region will have an Expeditionary Medical Support +25 or Expeditionary Medical Support +50 capability, with the ability to provide multiple medical response teams configured for support of the first responders. Our objective is to obtain two Expeditionary Medical Support equipment sets, one to be placed on each coast.

With Operation Iraqi Freedom, our transformed ANG Medical Service deployed for the first time ever these revolutionary medical wartime platforms. In several cases, our ANG medical personnel were deploying with this new capability at the same time many active duty units deployed. A remarkable point to be made is that this capability, added to the Guard in January 2003, is currently being deployed to serve our fighting forces in Iraq. Though we are currently recruiting to fill full teams, we have identified 39 teams of critical care physicians, nurses, and technicians, across the ANG, volunteering to go forward. The Air Mobility Command Surgeon General, who is responsible, as the force provider, for these critical care teams,

could not have accomplished this mission without the critical day-to-day clinical expertise of our guard members. We are clearly postured medically for the future.

Modernization

The Air National Guard Modernization program is a comprehensive effort to leverage programs from the Air Force with appropriated funding to keep the Air National Guard ready, reliable and relevant for today and tomorrow's operational theaters. The Modernization Program is segmented into three time frames: short-term (the current and next year's Defense budget), medium-term (out to 2010), and long-term (out to 2015).

The Air National Guard Modernization Program directly supports the Global War on Terrorism by providing weapon systems engaged in combat operations overseas, domestic surveillance and combat air patrols. As upgrades are made to the various systems, it is incumbent on the Air National Guard to provide reliable systems, as well as effective training, to ensure the highest state of readiness for forces participating in the on-going combat operations. The arrival of the Block 25/30/32 F-16s into the Afghan theater, with their Litening II precision targeting pods, provided the Special Forces engaging Taliban and Al Qaeda forces on the ground with a unique, laser-spot-tracking capability. With our forces closely engaged with a tenacious enemy in very rough terrain, the Block 25/30/32 F-16s were the number one choice of the ground troops when requesting close air support. Air National Guard forces were an integral part of Operation Enduring Freedom from the beginning to the end because the Modernization Program that provided a ready, reliable and relevant force.

The Air National Guard Modernization Program directly supports homeland security, most obviously through the combat air patrols flown during Operation Noble Eagle. Well versed in the air sovereignty mission, the Air National Guard responded within minutes to the attack on the World Trade Center, and were immediately patrolling the airspace across the United States. Many American citizens expressed comfort at seeing armed fighter aircraft flying above them while unanimously stating they never thought they would live to see the day American military air power would be used in combat operations so close to home. These continuing operations since September 11th, 2001 highlight the atrophy of the command and control systems associated with our Air Defense network due to decades of neglect. As Northern Command clarifies the air sovereignty mission, this modernization program will be crucial to ensuring the evolving mission needs correspond with the capability of the assigned forces and that any required improvements are adequately resourced.

Besides Operation Noble Eagle, the enhanced defense of the airspace above the United States, the Air National Guard supports Operation Enduring Freedom, the global counter-terrorism campaign. We also continue to support other on-going operations through the Air and Space Expeditionary Force commitments. These commitments include regular deployments to Operation Southern Watch, Operation Northern Watch, and the air defense alert commitment in Iceland. The domestic missions include continued counter-drug flights, fire fighting missions, disaster relief airlifts, and civilian rescue missions.

The key to transforming Air National Guard assets to the future force structure is ensuring that systems are ready, reliable, and relevant. This program begins with a national conference of war fighters from all of the major weapon systems. Given the missions they expect to fight over the next ten years, the war fighters then outline what is needed to keep their platforms relevant. From these requests, the Air National Guard reviews the Air Force modernization program, calculates any resulting shortages, and finds a way to obtain at least an equivalent capability so the Air National Guard can bring a relevant capability to the mission. As OPSTEMPO increases and contingencies multiply, there is an increasing focus on short-term capabilities, restricting funding available for long-term investment. The Modernization Program is a comprehensive effort affecting all aspects of the Air National Guard.

One of the premier accomplishments in the past year is the very short-term identification, development and fielding of the Transparent Multi-Platform Gateway integrated into the Joint Range Extension gateway providing interoperability and connectivity between the Situation Awareness Data Link and Enhanced Position Reporting System network and Link 16. The Modernization Program funded the groundwork required for this capability. By leveraging the on-going Air Force Joint Range Extension program, the Block 25/30/32 F-16s were successfully networked into the command centers, providing a major increase in theater-wide situational awareness. One system is already in operation overseas while follow-on systems are now being acquired to ensure increased flexibility. Additionally, the North American Air Defense Contingency Suite was fielded giving North American Air Defense Command the ability to track targets within the United States and integrate the Federal

Aviation Administration tracks into the military transponder network in support of Operation Noble Eagle.

The A-10 continued its role as the venerable attack aircraft supporting operations from both Kuwait and Bagram AB, Afghanistan. The key modernization program for this aircraft is called Precision Engagement. Precision Engagement will ensure the A-10's continued relevance on tomorrow's battlefields. This cost-efficient program will transform the current A-10 cockpit into a 21st century cockpit, greatly reducing pilot workload and providing additional combat capability in the form of precision guided munitions. Associated with Precision Engagement was a watershed decision to install the new Joint Tactical Radio System on the A-10 making it the first aircraft to be equipped with this future data link and communication suite. During the past year, the A-10 experienced an aircraft modification to improve the personal locator system and consolidate countermeasures equipment. Other modernization efforts include further research into an adequate, engine replacement, an AN/ALR 69 Radar Warning Receiver antenna replacement, and continued COMET infrared countermeasures pod testing.

During the last year, the Air National Guard F-16's provided crucial combat capabilities in both Operation Noble Eagle and Operation Enduring Freedom using Litening targeting pods for precision-guided munitions funded by the Modernization Program. The Commercial Central Interface Unit, and the AN/ALR-69 Radar Warning Receiver Antenna Optimization kits, are all part of our modernization effort over the past year. Initial funding for the Advanced Identify/Friend/Foe upgrade was secured along with funding for 25 more engine upgrade kits for our F-16 Block 42 aircraft. The Theater Airborne Reconnaissance System continued its spiral development and Night Vision Imaging System lighting for the A and B models to support Operation Noble Eagle was installed.

The HC-130 began installation of the Forward Looking Infrared system. Also, installation of aircraft night vision imaging systems and acquisition of rapid onload/offload "canary ramps" for austere locations increase our capability to provide critical combat support day or night.

The HH-60 program started integration of the new M3M .50 caliber defensive weapon, installed an improved insertion extraction system for deploying personnel and bought skis for the Alaska aircraft to facilitate Arctic operations. The Pararescue/Special Tactics program replaced personal equipment for the pararescue jumpers and combat controllers with state-of-the-art weapons and technologies.

The Operational Support Aircraft Modernization Program leased two 737 Boeing Business Jet aircraft and secured funding for a C-40C in fiscal year 2004. The existing Boeing Business Jets will also get upgraded to the C-40C configuration as part of the lease program.

Three new C-130 Js will be delivered in fiscal year 2004. These aircraft will be a welcome addition to our tactical airlift inventory as we move toward an Initial Operational Capability milestone.

The modernization of the Air National Guard training and simulation systems includes partial fielding of the Full Combat Mission Trainer for our A-10 units. Half of these units have received the advanced trainer system and additional funds are required to complete the beddown at the remaining units. The F-16 Block 30 distributed mission training capable flight simulators are in engineering development while funding was secured for two F-15 advanced flight simulators at our flying training unit at Kingsley Field, Oregon. The Iowa Air National Guard's 132nd Fighter Wing has been officially designated as the site of the ANG's Distributed Training Operations Center making it a major hub of Air Force-wide distributed training. The ANG's four Combat Readiness Training Centers and fourteen Ranges are ideal assets for the Joint National Training Capability. The increased use of Precision Guided and Stand Off weapons will drive changes in the airspace and range requirements to properly and safely train. Evolving training requirements, such as "lights out" operations in special use airspace, create unique challenges for operating in the National Airspace System. The potential contentiousness and length of time it can take to establish new or modified airspace makes it essential to identify requirements as early as possible.

The modernization of the F-15 included the initial acquisition of the BOL Infrared countermeasures improvements system, continued installation of the Multi-functional Information Distribution System Fighter Data Link, and the purchase of the first 25 engine upgrade kits.

The C-130 modernization program purchased more aircraft armor; and continued acquisition of the AN/APN-241 Low Power Color Radar, the installation of the Night Vision Imaging System, the Air National Guard-driven development of Scathe View to include various technological spin-offs having application in a myriad of civilian and military efforts; and supported Air Force's development of the AN/AAQ-

24 (V) Large Aircraft Infrared Countermeasures system. We also completed final design review and testing of the new advanced Airborne Fire Fighting System to bolster the fire and protection capabilities nationwide. The Air National Guard is supporting a Joint Program, along with the Navy and Marine Corps, to test and qualify an Electronic Propeller Control System for the C-130.

The Air National Guard fully supports the Air Force plan to acquire the new 767 tanker aircraft and the plan to move more KC-135Rs to the Air National Guard.

Modernization of complex weapons systems is a continuous process, not a goal. Traditionally the Air National Guard gets legacy systems through the equipment that is trickled-down from the active duty forces. With the exception of the Block 50 F-16s and the C-17, these legacy systems do not have the funding to upgrade their capabilities to make them equivalent to the active Air Force. The Air National Guard requires an aggressive program to meet the combat capabilities required for the missions assigned to the Air and Space Expeditionary Forces built, in part, with Air National Guard forces. To keep the Modernization Program focused and to maximize combat capability per dollar, we use the Combat Quadrangle to summate the fundamental combat capabilities required to meet assigned missions. The Combat Quadrangle, derived from the Air Force's core competencies, consists of enhanced survivability, 24-hour operations, combat identification, and precision strike. The Air National Guard includes all aircraft, ground command and control systems, training and simulation systems in the modernization effort. The requirements definitions required to focus this effort must be grounded in clearly defined combat capabilities and missions. The foundation of future efforts is relevance with reliability and readiness. It is increasingly difficult to keep the Air National Guard legacy systems relevant given the transformation of the Air Force to better, more effective technologies. Systems funding will be a continuous and serious challenge since funding levels continue to fall short of mission requirements. Over the foreseeable future, the military services, specifically the Air Force, will be stretched to simultaneously fund current operations, modernization and future Research and Development projects.

The Air National Guard Modernization Program is the key to fielding and supporting a relevant combat capability to meet any emerging challenges for the next 10-15 years. We must sustain an open and honest dialogue from the warfighter through to the President and the Congress in order to maximize the investment of precious tax dollars. The Modernization Program works as seen in the examples above. The Air National Guard Modernization Program will continue to provide success stories as the United States Air Force transforms to meet the future.

We in the Air National Guard are proud to serve this great nation as Citizen-Airmen. Building the strongest possible Air National Guard is our most important objective. Our people, readiness modernization programs and infrastructure supported through your Congressional actions are necessary to help maintain the Air National Guard as the best reserve force. With your continued support, we are confident that the men and women of the Air National Guard will meet the challenges set before us.

Joint Programs

National Guard State Partnership Program

The National Guard State Partnership program is constituted to encourage and build long-standing institutional affiliations and interpersonal relationships with those nations that are striving to establish democratic military organizations. Our citizen-soldiers provide military leaders in partner nations an opportunity to witness our highly trained and capable soldiers at work. National Guard members who serve as role models become a compelling argument for the ideals of democracy, professionalism, and deference to civilian authority. Our personnel gain valuable experience interfacing with people of diverse cultures, as they will encounter when activated and deployed overseas during a federal mission. This also provides the United States with the opportunity to demonstrate the necessity and economy of reserve component personnel who are trained and equipped to respond immediately to civil or military emergency. The program also supports homeland security by helping to develop dependable and collaborative partners for the United States. It supports Secretary of Defense Rumsfeld's New Concepts of Global Engagement and has the capacity to link states with partner nations for the purpose of improving bilateral relations.

The National Guard State's Partnership Program supports missions in which troops prepare to depart their partnership countries for cooperative events, mobilization skills are refined, and National Guard personnel interface with diverse cultures, helping to prepare them for active deployment overseas during potentially hostile activities. The State partners actively participate in a host of engagement

activities ranging from bilateral familiarization and training events, exercises, fellowship-style internships, and civic leader visits.

National Guard Family Programs

As the role of the National Guard becomes focused on the dual missions of Global War on Terrorism and homeland security, units will continue to maintain a high level of readiness for overseas and homeland operations. An integral part of service member readiness is family readiness. The National Guard Family Program Office was established to provide policy, guidance, and resources for developing the Family Program quality of life and family readiness infrastructure to the Adjutants General of all 54 States and Territories, the Chief of the National Guard Bureau, and the Directors of the Army and Air National Guard.

The National Guard Family Program office implements Department of Defense directive to ensure service members and their families are provided a quality of life that reflects the high standards and pride of the Nation they defend, and that this policy be achieved by working in partnership with Department of Defense personnel and their families, recognizing their role in the readiness of the Total Force.

If family members are not prepared for deployments, a service member's readiness, morale, and eventually retention are affected. Family programs are currently in place to assist families during the challenging stages of deployment: pre-mobilization, mobilization, and reunion. The Family Program office provides support to the family program coordinators through information, training, volunteer management, workshops, newsletters, family events, youth development programs, and other such programs. The primary challenge lies in awareness and communication. Consistent feedback indicates many family members are unaware of the various resources available to them. The goal is to increase the level of awareness and participation in existing family resources to improve overall mission readiness and retention.

National Guard Youth ChalleNGe Program

The award-winning National Guard Youth ChalleNGe program is a community-based program that leads, trains and mentors at-risk youth at 31 sites to become productive citizens in America's future. As the second largest mentoring program in the nation, the ChalleNGe program is coeducational and consists of a five-month "quasi-military" residential phase and a one-year post-residential phase. Corps members must be volunteers, between 16 and 18 years of age, not in trouble with the law, drug free, unemployed, and high school dropouts.

As a national model, since its inception, the 31 National Guard Youth ChalleNGe program sites have graduated over 42,000 young men and women who leave the program equipped with the values, skills, education and self-discipline necessary to succeed as adults in society. Significantly, although many ChalleNGe candidates are from at-risk populations, over two-thirds of ChalleNGe graduates have attained either a General Equivalency Diploma or high school diploma. Furthermore, approximately 30 percent of all graduates choose to enter military service upon graduation. Although the program graduation rate is above 90 percent, and the general equivalency diploma attainment is over 66 percent, the National Guard seeks to increase output in both of these areas.

The National Guard is "Hometown America" with deep roots in every community. Its strong community ties makes the National Guard a highly visible and effective entity in many towns and communities across the United States. Involved are men and women who, in their civilian lives, are influential across the spectrum of business, education, and government. National Guard units across the country have traditionally been involved in youth programs designed to help young people become positive and productive members of their community.

Homeland Security

As we begin the 21st century, homeland security is the most important issue facing the United States. For the first time in almost 200 years, the continental United States was attacked with the prospects of future attacks high. To better defend the United States, the government has mobilized its resources and has undertaken a major reorganization to more effectively meet the challenge. While the National Guard performed superbly in response to the attacks of September 11th, 2001, we have begun to make changes to better respond to future attacks.

The National Guard has a significant role in homeland security. Just as the active force is the first to deploy in support of U.S. operations abroad, the National Guard is the first military force to deploy in support of most homeland security requirements. The National Guard is a unique dual status, citizen-soldier force that can be activated by the Governor in support of state emergencies and also can be federalized to support national contingency requirements. The Governor can employ the National Guard under state active duty (state commanded, state financed) and

Title 32 (state commanded, federally financed), or the National Guard can be federalized under the provisions of Title 10 (federally commanded, federally financed). Its dual state-federal status makes the National Guard a cost effective, flexible force that can be deployed in a variety of circumstances. Like the Guard units in the states, the National Guard Bureau (a Title 10 entity) has dual roles. We communicate policy, requirements and situational awareness information in both directions through the federal-to-state channel. Further, because most of the state Adjutants General are also the emergency manager for their state, and because many are also their state's Homeland Security Director, we are involved in intergovernmental issues, as well as federal military and interagency ones. This dual-mission multifaceted capability of the Guard was demonstrated in the aftermath of September 11th.

Immediately after the attack on September 11th, the National Guard responded. National Guard air assets took to the skies to secure our airspace and other forces were quickly sent to the World Trade Center and the Pentagon to assist with security and recovery efforts. Soon after, the President asked the Governors to secure critical U.S. airports and they responded by deploying Guardsmen in Title 32 status at airports in a matter of hours. In addition, many of the states' governors ordered their Guardsmen, in State Active Duty Status, to secure critical infrastructure facilities, such as bridges, nuclear power plants, and federal buildings, throughout their states and many of those missions continue today. Other National Guard units and personnel were activated under Title 10 to augment security at the U.S. borders. Their mission was to support the Department of Justice and the Department of Treasury in ensuring that commerce continued to flow while our vital interests were protected. These homeland security missions and others were conducted, and some have continued to be conducted, while Army and Air National Guard forces have been deployed for peacekeeping and stabilization actions in the Balkans and elsewhere, and as a critical part of the war in Southwest Asia. The Guard has also been mobilized to perform force protection missions in the United States in support of our war efforts. As expected, the National Guard has conducted and continues to conduct all missions in an exceptional manner.

As we move forward, it is apparent that the National Guard will be increasingly involved in all aspects of the homeland security mission. The areas we focus on include:

- Combating terrorism
- Military Assistance to Civilian Authorities
- Responding to chemical, biological, radiological, nuclear and high-yield explosives incidents
- Missile Defense
- Critical Infrastructure Protection
- Information Operations
- Force Protection
- Protecting the Nation's Sovereignty.

In addition to these mission areas, the National Guard Bureau's recently-established Office of Homeland Defense will facilitate military support to civil authorities by the Army and Air National Guard. Military support to civil authorities includes domestic disaster relief operations that occur during fires, hurricanes, floods, and earthquakes. Our support also includes counter-drug operations and incident management assistance, such as would occur after a terrorist event employing a weapon of mass destruction. The National Guard Bureau, in addition to our statutory role as the channel of communication between the Army and the Air Force and the National Guard of the several states, has coordinated with the Combatant Commander of U.S. Northern Command to perform that same role. As part of this, the National Guard Bureau provides situational awareness on state-commanded National Guard operations to the Commander of U.S. Northern Command to augment his ability to effectively plan for and manage the overall role of his command.

The fight against terrorism and the protection of our homeland is expected to be a protracted endeavor much like the Cold War. To that end, many policy experts, reports, and studies have advocated an expanded role for the National Guard in homeland security. While some have suggested that the National Guard should be reoriented, re-equipped, and retrained for the homeland security mission, the reality is that the National Guard is an integral part of the Army and Air Force Total Force mission capability and that role is vital to the survival of the nation. In the past the resources, personnel, equipment and training provided for the war-time mission was sufficient to allow the National Guard to also fulfill its local and state support role by responding to local disasters and military support to civilian authorities. Times have changed, however. The threat posed by well-financed, sophisticated and determined international terrorist groups has raised the bar as to what

the National Guard must be able to do. While the National Guard will continue to maintain a high state of readiness for overseas operations, it must also better prepare itself to respond to the homeland security mission within the United States, the District of Columbia, Puerto Rico, and the U.S. possessions and territories. To that end, we are working hard to find ways to meet the increased demands of the homeland security mission while still maintaining our ability to execute our Total Force requirements.

The increased threat and global proliferation of ballistic missiles poses a significant threat to the United States, our deployed forces, and our allies. In response to this threat, in December 2002 the Department of Defense directed the deployment of an effective missile defense system capable of defending the territory of the United States against limited ballistic missile attack. The Army National Guard accepted the mission to man the Army portion of the Ground-based Midcourse Defense (GMD) system, including both operational and security force elements. The GMD segment is the cornerstone of the Ballistic Missile Defense System Test Bed, and will have an Initial Defensive Operations (IDO) capability by September 2004. This high-visibility program, which will provide protection against limited ballistic missile attack, is an example of the evolving role of the National Guard in Homeland Defense.

Over the next year, and as much longer as it takes, the National Guard Bureau will take the lead in improving the posture of the National Guard for its homeland security mission. The National Guard Bureau will work with the States as they perform a mission area analysis to determine what additional capabilities are needed to accomplish the homeland security mission and will utilize a systematic programmed approach designed to build our homeland security posture for the future. These are the features of that program:

- Consolidate the National Guard homeland security requirements of the 50 States, territories and the District of Columbia. (States know the actual operational requirements better than anyone.)
- Validate these requirements at the National Guard Bureau level and craft them into packages for submission to the appropriate Combatant Commanders, to the Army and Air Force as requirements that can be built into programs for funding, and to the Assistant Secretary of Defense for Homeland Security.
- Use our developed requirements to advise and educate agencies, offices, commands, and leaders that have an interest in supporting homeland security.
- From valid requirements we will build funded programs that ensure the success of homeland security by using a systematic long-term approach. We believe that a long-term approach is needed to ensure a sustained, comprehensive protective posture for our nation.

The road ahead also includes a transformation of National Guard Counter Drug efforts into an integrated Counter Narcotics/Homeland Defense Counter Terrorism program. These mission areas employ many of the same tactics, techniques and procedures, as well as equipment, training and skills. Therefore, a great deal of cross-skill transfer will begin immediately once the change is effected, and a quick, effective, seamless transition between and across mission sets will allow Guard troops to readily take their places on the front lines of the war against terrorism at home and abroad.

Our government has initiated a massive reorganization to better respond to the homeland security challenge. Northern Command has been activated, the new Department of Homeland Security is in the process of being organized, and the Department of Defense has created a position of Assistant Secretary of Defense for Homeland Defense. The National Guard Bureau will work with the Assistant Secretary for Homeland Defense and Northern Command to insure that National Guard missions and capabilities are fully integrated into the overall plan for homeland security. Specifically, it will assist Northern Command as that command moves from an initial operating capability to a full operating capability by:

- Providing situational awareness of activities within the 50 states and territories.
- Integrating and synchronizing existing plans.
- Coordinating National Guard resource and training requirements.
- Facilitating communication between Northern Command and the State Area Commands.

Northern Command will undergo a critical year as it transitions from an initial operating capability to a full operating capability by October 2003. During the coming year, the National Guard will be providing personnel to Northern Command in order to fill critical personnel requirements. Additionally, the National Guard is working to develop situational awareness for Northern Command as to the activities that affect homeland security within the 50 states and territories. Although most

activities of incident management at the federal level will fall under the control of the Department of Homeland Security, a constant monitoring of state-level activities and interests is needed by Northern Command in order to support the lead federal agency when needed. The National Guard, through the National Guard Bureau, is the natural conduit for DOD elements to the states and territories on military-related matters. The majority of the states use the Adjutant General of that state as the state emergency manager. The National Guard is intimately involved in all activities of homeland security at the state level. The National Guard Bureau is actively pursuing discussions and several initiatives within the Department of Defense which will likely result in better exploitation by all segments of the Department of Defense of the Bureau's capability as a two-way channel of communication to the National Guard of the several states. We are excited about assisting Northern Command in its emerging role and look forward to facilitating federally funded support of state activities.

In addition, the National Guard Bureau will work, through the Assistant Secretary of Defense for Homeland Defense, with the new Department of Homeland Security to ensure that the National Guard's capabilities and requirements are fully integrated in the overall homeland security plan. The new Department of Homeland Security will be greatly assisted by the National Guard plans that are already in effect in all of the states and territories. Since the vast majority of homeland security activities come under state and municipal or other local control, the National Guard planning and activities under State Active Duty (state controlled and funded) and under Title 32 (state controlled, federally funded) will be an integral part of the processes being crafted by the new Department. National Guard Training Centers are existing assets that can be economically expanded to support realistic training and exercises with first responders, law enforcement agencies, and all levels of government integrating National Guard capabilities in homeland security roles. Several states have initiated pilot programs for this effort with federal support at the request of Congress. The National Guard is taking an open supportive approach to intradepartmental, interagency and intergovernmental cooperation for the defense of our Homeland. We each must succeed for all to succeed.

The Army National Guard and the Air National Guard bring several inherent strengths to the homeland security environment. Aside from a capable, trained and organized force, there is also an in-place information technology infrastructure that has the potential to provide an efficient, reliable, interoperable, and user-friendly channel of communications for the Office of the Secretary of Defense and Northern Command through the National Guard Bureau to the Army and Air Guard. The present information technology infrastructure provides a robust reach-down capability to Army and Air Guard units in the states. However, to meet the emerging needs of homeland security missions, enhancements in network reliability and security will have to be incorporated. Additionally, the new requirements pose new challenges in areas such as wireless technology that will allow direct command, control and communications with on-site responders. The National Guard Bureau is uniquely positioned to provide this coordinated, controlled capability, consistent with the statutory requirements of Title 10.

The National Guard supports any overseas fight primarily by supporting Army and Air Force initiatives. Most programmatic and force structure actions, therefore, are Service specific, supporting either the Air War or the Ground War through the respective Services. Examples of initiatives underway in this area include the Army National Guard Restructuring Initiative, an initiative to replace a portion of the existing heavy and light combat structure with Mobile Light Brigades prepared for full spectrum operations in support of the new defense strategy. This will meet the Army's evolving needs for expeditionary warfare, as well as giving us more Guard forces well-suited to homeland security tasks in support of U.S. Northern Command and U.S. Pacific Command. In the Air National Guard, a Transformation Initiative will result in capabilities-based forces with improved Intelligence, Surveillance and Reconnaissance, Information Technology, Medical Service and operational aircraft with the ability to make strong contributions to both aspects of the Guard's dual federal-state mission. As we render homeland security support to the Lead Federal Agencies, however, we must change our approach and support them as a Joint Force—not two separate Services. The lead agencies need and want to deal with a single entity within the National Guard and this year we are prepared to provide that in a seamless manner. A Joint Staff approach out of the National Guard Bureau will present a single flow of information and will strive for a single funding line to support operations. In addition, the State Area Command will become a true joint state headquarters with enhanced capabilities. In this way, our team is coming together to support our communities and homeland institutions with expanded capabilities and improved linkages to national command and control mechanisms. In ad-

dition, the National Guard will continue to participate in the planning and execution of interagency exercises with local, state and federal agencies thereby building relationships that may prove useful during future contingency operations.

The ability of the National Guard Bureau to maintain awareness, conduct coordination, provide guidance and resources to the National Guard must be strong to meet the growing needs of homeland security. To that end, the National Guard Bureau's Office of Homeland Defense has evolved as the focal point for that effort. It has assumed responsibility for these initiatives. To further ensure continuity and centralized management of all homeland security activities, our Office of Homeland Defense recently incorporated the civil support function under its control. The NGB Office of Homeland Defense will work with the States to determine their requirements to accomplish the homeland security mission. It will be this entity within the National Guard Bureau that will coordinate with the States, The Joint Staff, U.S. Northern Command, U.S. Pacific Command, and, through the Office of the Secretary of Defense, with other federal government agencies to manage all homeland security efforts.

For the past two years the National Guard has had a very tangible asset to offer in support of the civilian and emergency first responder communities in the area of homeland security—its Civil Support Teams. The Guard has continued to strengthen the Civil Support Program, under which these teams fall. The teams provide rapid support to local, state and federal authorities in dealing with the consequences of chemical, biological, radiological, nuclear or high yield explosive events. Of the 32 Civil Support Teams that have been established, the Secretary of Defense has operationally certified all 32 teams. An additional 23 teams have been authorized by the Congress, and DOD is developing a plan to field them as expeditiously as possible.

Several of the certified teams were integrally involved in response efforts to the September 11th terrorist attack and to the anthrax attacks and hoaxes that were perpetrated throughout the nation in the ensuing months. The Civil Support Teams have been increasingly integrated into the planning, training and operations at every level of emergency response ever since. In fact, during the year following the September 11th attacks, the 27 certified teams collectively performed nearly 800 missions at the request of the agencies they support.

These teams provide state and local authorities specialized expertise and technical assistance to the incident commander to:

- Identify chemical, biological, radiological, nuclear or high yield explosive substances or agents.
- Assess the situation; determine the type of weapon used and the likely consequences.
- Advise the incident commander on potential courses of action.
- Assist the local incident commander's response strategy with cutting edge technology and expertise.

Operationally, these teams are under the command and control of the governors through their respective Adjutants General in a USC Title 32 status. Should it be required, a team can be federalized and called to serve in a USC Title 10 capacity. The National Guard Bureau provides logistical support, standardized operational procedures and operational coordination to facilitate the employment of these teams and to provide depth and backup capability to states currently without a full-time Civil Support Team.

In order to be the best resource possible to those entities they assist, it is crucial that the teams continue to be interoperable with all of the federal, state and local organizations with whom they work. This means that they must continue to be equipped with and trained on the state of the art technologies, requiring that they remain a high priority for resourcing at all levels within the Department of Defense.

Issues of importance that are being addressed at many levels in support of improving this program include the following: coordination with Transportation Command and other commands to formalize the processes of requesting airlift for these units. This is required to minimize response times to remote and/or hard to access incident sites and thereby optimizing their utility to incident commanders. Intensive recruiting, special pay and acquisition issues are being worked by staff at the National Guard Bureau's Homeland Defense Office to address some of the more challenging issues the program faces in remaining a value-added capability to their civilian counterparts.

Our adversaries will not rest—"the clock is ticking"—so our preparation must be immediate, exact and effective. The National Guard gives this nation a tremendous capability in that its members live, work and play within the communities they defend. Many of them are first responders—the Guardsmen know their home turf. The people trust their National Guard and always feel comforted by their presence dur-

ing a crisis. During the next year, we will take that trust and solid experience to build the National Guard into a proactive, technologically superior team that is trained and ready to deal with any and all threats to our homeland. To further that end, the National Guard will continue to cooperate with all local, state and federal agencies in an effort to improve response capabilities. In its dual State and Federal roles, the National Guard will continue to support other government agencies when asked, and will take the lead, when appropriate, in the defense of our homeland.

The National Guard Drug Interdiction and Counterdrug Activities

The National Guard Drug Interdiction and Counterdrug Activities provides airborne support to the domestic counterdrug effort through the Counterdrug Reconnaissance and Interdiction Detachment Program and the Counterdrug Program. These special programs employ specially modified helicopters and C-26 aircraft to detect and track counterdrug targets identified by local, state or federal drug law enforcement agencies. Currently eleven states have counterdrug C-26 units and 37 states have the interdiction units.

The National Guard supports counterdrug operations by providing support that helps law enforcement to stop illegal drugs from being imported, manufactured or distributed; and by supporting community-based drug demand reduction programs. There are six general counterdrug mission categories under current program regulations: program management; technical support; general support; counterdrug-related training; reconnaissance/observation; and demand reduction support.

The National Guard is a partner in a variety of demand reduction activities ranging from educational programs in schools, summer camps and with community anti-drug coalitions. The National Guard operates four counterdrug training academies across the country that specialize in supply and demand reduction curriculum. The courses are available to civilian and military personnel at no cost.

Information Technology Infrastructure

The National Guard has a dual role, the National Guard of the United States (federal mission) and the National Guard of the Several States (state mission). Under Title 10 of the United States Code, the purpose of the National Guard Bureau is to be the channel of communications on all matters pertaining to the National Guard, the Army National Guard of the United States and the Air National Guard of the United States and the Departments of the Army and Air Force. This is a core competency of the Bureau, and its success is dependent on a strong information technology infrastructure under the management of the Chief of the National Guard Bureau. With the creation of the Department of Homeland Security, there is a potential requirement for the National Guard to integrate its communication network with that agency. The National Guard must be empowered to plan, program, and budget its information management program. Additionally, it should control, manage, and operate an information technology infrastructure that meets the requirements of both the federal mission of the National Guard of the United States, and the state missions that include homeland security.

The National Guard network should provide an efficient, reliable, interoperable, and user-friendly information technology channel of communications for the Department of the Army, Department of the Air Force, U.S. Northern Command, Department of Homeland Security, and others. There is also a need for a channel of communications to be established by the states through the National Guard Bureau with the Department of Homeland Security. This is a proper role for the Bureau, and the Bureau's mission should be expanded to include that it serve as a channel of communications to the Department of Homeland Security. In this new role, the Chief Information Office would manage the information technology requirements for the homeland security mission. The Chief Information Office would also provide leadership for establishing National Guard information technology strategy, policy, standards, and infrastructure to support National Guard forces performing their federal and state missions. In addition to federal funds for information technology to support the National Guard of the United States, the National Guard Bureau Chief would plan and administer federal funds that are appropriated for information technology support for states under the homeland security mission. The Chief Information Office would work with the Army, Air Force, U.S. Northern Command, and Department of Homeland Security Chief Information Offices to assure that our information technology network is integrated and standardized with each other as well as other partners.

Senator STEVENS. General, if I may, before hearing from General Schultz and General James I'd like to yield to Senator Inouye for any questions he might have. He's going to leave here at 10:45 to

go to an important meeting, and I thought perhaps he might have some comments or questions to make before he left. Sir.

Senator INOUE. General Blum, the strain on Reserve forces may also depend on the skills needed for duty in Iraq compared to the number of active duty forces with these skills. What are the top skill groups for those who have been mobilized to Iraq thus far?

FORCE PROTECTION

And the other question I have is that I understand that the Guard will be providing personnel to help the Air Force increase force protection; while in the fiscal year 2004 budget, the Army itself will be experiencing a 53 percent increase in force protection requirements. Do you have enough to take care of your force protection, in addition to the Air Force?

General BLUM. Sir, let me answer those questions in turn if I may. General Schultz, you can come in there any time, and General James, you can come in any time you think it would be helpful.

Sir, the skill sets, if I understood the question correctly, you wanted to know what skill sets were required in Iraq. It is across the full spectrum, everything from special operations, the kind of innovation that you just saw up on the ninth floor and the unconventional approach to dealing with the combat in Iraq. We have significant special operations forces over there, both in Special Forces psychological operations as the United States Army Reserve and Civil Affairs, but in addition, we have infantry on the ground over there, combat support units and combat service supports of every stripe and color, so there's nothing specific. It is full spectrum across-the-board combat formations that were called upon by the combatant commander that we provided from the National Guard.

Back here at home, it's a little bit different. They've mostly been security forces for critical infrastructure protection, and the amazing work that the civil support teams were able to provide almost on a daily basis to keep the populations calm, that we were not under an attack by any chemical or biological agent from a foreign nation.

The very fact that they were able to test and sample and verify that these samplings were not something lethal or threatening to our population has helped, a very calming influence, and I think the soldiers and airmen that we have had doing our critical infrastructure protection in nearly every State in this Nation has served as a significant deterrent, and have probably prevented any disruption of our mobilization process, our ability to project forces abroad, and to attack our citizenry or our ability to provide good Government here at home.

I hope that addresses your question. If not, please press me a bit. Roger.

General SCHULTZ. Senator, if I could help with a piece of that answer from the Army Guard point of view. We have 24,000 soldiers from the Army Guard in Central Command duty today. Primary duty is going to be, obviously, in support-related fields, military police (MP), perhaps chemical, perhaps medical, perhaps engineer.

That's kind of the skills that are going to be required more so, even now, as the mission changes in theater.

We're working today with the leadership in the Central Command land component command to figure out what kind of units, how long they need to stay, and do we have the right mix.

Now, specifically to your point, we're short military police in the Army, in the Guard, and we're going through the acquisition process of acquiring more. We can use more military police here in the homeland as well, so today in the homeland we have over 16,000 soldiers securing critical facilities; 8,100 of those members are securing Air Force bases, and the money, in the case of the Army Guard, is coming by way of the Air Force, so that's an Air Force budget line item. We think that will be a 2-year mission, so we're in the first year of that mission, standing by for a second.

So security police in the Air Force, military police in the Army. We're short those kinds of forces today.

Senator INOUE. What are you doing about that?

General SCHULTZ. We're actually going through the process of finding units, turning in units, buying more military police units, if I could explain it that way. We're going through the acquisition process right now, today, acquiring more MP units in the Guard.

Senator INOUE. Thank you. Thank you very much, Mr. Chairman.

Senator STEVENS. Thank you. General Schultz.

General SCHULTZ. Thanks, Mr. Chairman, the distinguished committee members. We say thanks for allowing us to be here today, and for your ongoing support for our first priority, our soldiers.

I would like, Mr. Chairman, to introduce Command Sergeant Major Frank Lever. He's senior enlisted soldier in the Army National Guard. He's the person, with me, that has the honor of looking after our members across this Nation.

Mr. Chairman, our members have met and satisfied every mission asked, from the homeland through the deployed theaters, and it's an accomplishment that we are most proud of. If you think about the Guard today, we have over 78,000 soldiers deployed, and obviously we talk about the strength of who we are, our first priority would be the members in our formations. Now, today in a special way that also means our families.

And then as you think about our mission since September 11, 2001, just a couple of years ago, we obviously have had tremendous support from our employers, and it's that team that makes what we're doing today possible.

Mr. Chairman, we say to you, for your ongoing support, thanks.

Senator STEVENS. General James.

General JAMES. Mr. Chairman, members of the committee, I also would like to add my thanks, as my colleagues have, for the support of this committee and the opportunity to speak to you today on behalf of our Air National Guard.

Like our Army counterparts, our Air National Guard has been very, very busy around the world and here at home. We have approximately 22,000 airmen mobilized at this time, with another 1,100 volunteers added to that figure. Some have been mobilized for almost 2 years. Currently, 55 percent of the Air National Guard

is performing some type of full-time duty when you add in the full-time force.

OPERATION NOBLE EAGLE

In Operation Noble Eagle which is the defense of the homeland, an air sovereignty mission was applying 75 percent of the fighter force, and half of the tanker sorties this past fiscal year.

OPERATION ENDURING FREEDOM

As you have noted, though, the Air National Guard is not a stay-at-home force. We, too, have been deployed around the globe. As of the end of March, we flew 64 percent of the fighter sorties supporting the Aerospace Expeditionary Force (AEF), 48 percent of the airlift sorties, and during that same time we flew almost one-quarter of both fighter and tanker sorties for Operation Enduring Freedom.

OPERATION IRAQI FREEDOM

We've had significant contributions to Operation Iraqi Freedom, and to answer part of your question from the air side, Senator Inouye, we experienced some high frequency/low density specialties in firefighters and also in security forces, but we are in fact total force partners with our great reserve counterparts and our active duty. The National Guard flew 43 percent of the fighter sorties, and an amazing 86 percent of the tanker sorties in Operation Iraqi Freedom.

This committee is directly responsible for our ability to participate in these operations and do our mission, because you have provided the resources for us in areas like targeting pods and funds for our miscellaneous National Guard and Reserve Equipment Appropriation (NGREA) account. You've helped make us a part, a very relevant and important part of the total force, and Mr. Chairman and members of the committee, we're very grateful for that support.

In closing, I would just like to say that in the future we too are looking to transform. I've developed a concept called Vanguard that will enable us to transform the Air National Guard into a force of the future. We also are looking forward to participating in new weapons systems such as the C-17 and the F/A-22, the joint strike fighter, and hopefully the KC-767. We do strongly support the lease of this aircraft. It will allow us to replace our aging K-135E models with R models, and maybe even participate in KC-767 aircraft in some selected Guard units.

Again, thank you for the opportunity.

MERGING GUARD AND RESERVE ACCOUNTS

Senator STEVENS. General, we're grateful to you for those statements and, as you've said, each of you, this committee has been very supportive, but we're getting questions at home now, and I wonder if we're getting to the point where we're burning the candle at both ends.

Before we went into Iraq, we already had 50,000 reservists called up and mobilized for the global war on terrorism. We mobilized

more during the war and, as you said, General James, some of them have been mobilized for the best part of 2 years now. That gets beyond the role of citizen soldier that's there in the event of emergency, and I'd like to have your comments on where we're going. You add that to the Department's request that we merge your accounts into a single account now, and we wonder what's happening as far as the future of the identity of the Army Guard, the Air Force Guard, and the Reserves as separate entities.

Would you comment on those situations, General Blum?

General BLUM. Yes, Mr. Chairman.

First, on the identities, the Constitution will guarantee—unless we change the Constitution we will not lose the identity of the National Guard of the United States because of their dual mission status, unique among the other reserve components.

As far as the operational tempo and the overuse of our National Guard citizen soldiers, I think it's a little too early to tell just yet on what those trends will bring in the long term. Certainly, there are anecdotal episodes or evidences that all of us can quote where it is less than a desirable condition, where there are great hardships on families and significant interruptions, particularly the small businesses, when you pull key people out, or key people in a community that are responsible for either law enforcement or emergency services, but what we have done is set up procedures whereby the Adjutants General of each State can make corrections and modifications and substitutions so that we don't do something that does not pass the common sense test when it's closely examined the next day on mobilizing guardsmen.

The information so far that we've received is relatively positive. In spite of this increased use, the propensity to serve in these young men and women is extraordinary. Remember, they volunteered to serve their Nation. They volunteered to be members of the Army and Air National Guard, and they are proud to respond when their Nation needs them.

I think what we need to do now is pay very close attention to the process that we follow when we demobilize these young men and women and return them back to their civilian jobs and their families. That will play an important part. How they do that will be very important to whether they make a decision to stay with us long term.

LIMITS ON DEPLOYMENT

Senator STEVENS. Well, should Congress consider putting a limitation on the amount of time that a guardsman, a person in the Guard or Reserve can be compelled to serve in any 1 year? We have situations where we have all been contacted—I'm certain I have—by small business people, by persons who ran support facilities for clinics in terms of medical supply units, and they have been called up and, as you say, they're ready to serve, and they did volunteer, but I'm not sure they volunteered to become a regular member of the service to be—they are compelled to stay, once they're called up, for as long as the Commander-in-Chief wants them to stay, and I think there ought to be some sort of a contract with these citizen soldiers that they will not be called up more than

a certain amount of time in any 1 year unless there's a declaration of war.

And we've gone through a series of situations now in the last 20 years where we've had these problems, more than 20 years, really, without a declaration of war, all the way back to Korea, and when you think of the number of people that have been called up and their lives have just been completely changed, I think it's time for us to take a look at it. It may not be this committee.

But we do have before us, however, the thing that bothers me, and that is this concept of the consolidation of personnel accounts into a single active personnel appropriations for each service. In other words, you won't be getting money for the Guard directly. You'll be getting money as part of the Army's appropriation and the Air Force appropriation, and eventually that will lead to less control for the Commanding General of the National Guard.

I don't think I'm going to embarrass you by asking you what you think of that, because you're in uniform and you must respond to the direction of the civilian authorities and your Departments, but this direction worries me as a Senator, and I don't know about others, what they think, but I believe we should do everything we can to encourage an enormous number of young men and women to join the Guard and Reserve, particularly those who have had any service before, and they're Ready Reserve. They're really a magnificent force in the total force concept, but I think we have offended against some of them now and changed their lives and put some of them into bankruptcy, and we've got a job to do to try and straighten that out, in my opinion.

I don't know if you want to make any comments about it, as I said. It's not right, General. It's not right that someone joins the Guard and Reserve and thinks they'll be called up in the event of real war, to be called up on a semi-permanent basis.

Have you got any orders yet to release any of these people?

General BLUM. Well, sir, Mr. Chairman, you've thrown a couple of questions at me at once here.

Senator STEVENS. Several, yes. I'm sorry about that.

General BLUM. Let me try to sort these out. First, are we abusing the soldiers in how often and how long they're called up for? Again I say there are anecdotal evidences that each one of your constituents can articulate where that was probably the case.

What I would argue for here, or urge the committee to do, is to give the leadership of the Guard the maximum flexibility to manage the force. If we are given the flexibility, we have a robust capability. Over 50 percent—even with all of the things that we've talked about here today, we still have a pretty robust capability remaining on the shelf that we can dip into and substitute and plug in place, so to speak, capabilities and special skill sets that are needed so that we don't have to abuse the same citizen soldier over and over, but we must retain that flexibility to do that, and I would urge this committee to make sure that the leadership that's represented here in all of the seven, reserve components have the authority to have some flexibility in that process.

If we do that, I think we can mitigate much of what you're talking about, but as I stated earlier, it is still too soon for me to tell you definitively. We don't have any real trend evidence that says

that this is going to cause us a long-term retention problem or a long-term recruiting problem, and so far it's been quite the opposite in terms of satisfaction, and the feeling that they did something worthwhile for their country when they came back off of service, and in most cases they have assimilated back into their civilian jobs and their families quite well.

On the other issue about the consolidation of pay accounts, you're quite right, I can't comment on that for really two reasons. One is the Department of Defense (DOD) policy, and that I would support the policy, but however, I can't even tell you that today, because I have not seen the implementing instructions for that consolidation, so as you well know, the devil may well be in the details of that, and we have not seen those yet, so I don't know enough about that consolidation initiative to tell you whether that's a good thing or a bad thing for us here today.

Senator LEAHY. Mr. Chairman, could I just mention something? Senator Bond and I are the co-chairs of the National Guard Caucus, and we have sent a letter actually signed by a number of members of this committee to Senator Warner, Senator Levin and yourselves, Senator Inouye, expressing the same concerns that you've just raised.

Senator Bond and I made sure it was a very bipartisan letter, but it is coming your way and expresses the same concerns you've just expressed.

Senator STEVENS. Good. Thank you very much.

Senator Burns was first under the early bird rule. He went upstairs, I understand, to see the exhibit, so we'll count that as being present.

Senator BURNS. I've already been up there. We're really getting a little late down here.

I guess the chairman raised a very important question here, and what we hear out in my State of Montana, not only are we getting some pressure from the employers, but we're also getting some pressure from the self-employed. If you take my State, it has an agricultural base, you've got a young man that's probably had previous active duty, wants to maintain his edge, wants to serve, and also does it in a sort of a way that he makes a little extra money on the side, and doesn't mind that at all, and will spend the extra time in training, but there also are times when the crop's got to go in and when it's got to come out. He's also charged with paying for that farm, and that's a tough enough thing nowadays all by itself, so I'm going to follow this issue very closely.

And also we recruited some people into the Guard that had some special talents, education, skills to fill some of our needs, and I will tell you that all you had to do was go up to 902 and take a look at the new toys that we've got now that have worked very well in the range of high tech. So the people that we're recruiting are really highly skilled people in the private sector, but there again they've got a responsibility there, and I would say most of them want to stay trained.

General James, I thank you very much for the support of our Air Guard in Montana. We're very proud of our Air Guard up there. We've upgraded now to Block 30s, as you well know, and they performed very well, and we're very proud of them, and we appreciate

your leadership, and all of you understanding these problems, but as the chairman says, we've got to start somewhere in coming up with a master plan on how we're going to help these people either survive in the private sector and still rely upon their skills and their talents in time of an emergency.

I think when they joined the Guard they didn't mind a short deployment to hone their skills, or to even go and be away forever on a declared war in the defense of this country, because they're motivated in that direction. They're highly motivated people, we find, but nonetheless—and that's a different circumstance, and we all understand that, but I am going to follow this issue very closely, but I think somebody has got to come up with a plan, a plan B so to speak, in the event that we get into a situation as we face today.

And by the way, I want to iterate that in the Iraqi operation our warriors, all kidding aside, were the best ambassadors we had on the ground over there, and the way they performed, not only in their skills but also in their mission, but also that extra little bit it takes to establish a relationship with the people of Iraq, and that was truly a very sensitive area, and it was also noticed by a lot of folks in this country as being gentlemen and gentleladies of a very special force, so we appreciate that very much.

Thank you, Mr. Chairman.

Senator STEVENS. Senator Dorgan.

Senator DORGAN. Mr. Chairman, thank you. Let me say that I agree with all of the expressions by the chairman. I may be wrong, but I think there could be recruitment and retention issues in the future unless we address this issue. The men and women who serve don't complain, do so willingly, and are enormously proud of doing so, but let me just give you an example.

Part of the 142nd Engineers Battalion from Wahpeton, North Dakota, was deployed to Kosovo in January 2000. They spent 7 months in Kosovo, came back for about 2 years, and now deployed to Kuwait. In all, 700 members of the 142nd were alerted on January 20, mobilized on the 24th, 4 days later, and 2 days after that they began moving their trucks from North Dakota to Fort Carson.

I know normally there's a 30- to 60-day warning before deployment. That's what the Army would like to do, but in this case it was just a matter of a couple of days, so I think these issues are important, and as I say, these are not complainers, they're proud to serve their country, but I think we should address the issues the chairman mentioned.

I'd like to ask more specifically a question I don't think, General Blum, you answered when the chairman asked it. Tell me about demobilization. If there are not now specific plans for beginning to demobilize, who will make those plans, and when will they make them, and I ask that I think on behalf of the families and employers and others. What do you expect with respect to the demobilization of those units that have been sent overseas at this point?

General BLUM. Senator, there are, in fact, plans being formulated as we speak for the demobilization of National Guard soldiers and airmen that were called up for duty. I wish I could give you a simple rule of thumb as to how they're doing that, last in, last out, first in, first out. It unfortunately doesn't work that way, as

nice as we'd like, because they did not follow the normal troop sequencing procedure in the way they called up our units.

We are in an extraordinary time, as you are aware, 9/11, and no one foresaw we were going to prosecute a war in Afghanistan and then very quickly prosecute a war in Iraq. We provide military capability when called upon, and we did not make those plans. We respond to those plans.

The demobilization will—here are our concerns, that we get people off of active duty as quickly as they are not absolutely needed there. These people, these great Americans that you have all talked about, do not mind for the most part interrupting their lives to serve their Nation, but they want to do something meaningful. There are many people right now that are in various stages in the pipeline of going and coming out of there, and we are trying to sort that out so that we don't abuse this precious resource, our citizen soldiers, in that process.

DEMobilIZATION

Senator DORGAN. But how much notice might you give for demobilization, and when can families and employees, employers and others expect some basic notion of whether this unit will continue to be mobilized for 6 months or 1 year, or whether perhaps within 3 months that mobilization will be over?

General BLUM. We are hoping to sort this out in short order. As soon as we have that information we share that immediately with the local commander, in this case the Adjutant General of the State, and then it immediately goes to the family support group and employers within a matter of hours and days.

So we understand the angst that it causes. The uncertainty really creates some frustration and some tensions in employer support and with the family support piece. We are very concerned about this. I hope you didn't take my answer to mean that we are not concerned about the issues the chairman brought up. We are watching this very carefully, and we are advocating for the soldiers. Unfortunately, the General Officers represented here today do not control that process.

COMMUNICATIONS

Senator DORGAN. Let me mention one other thing and then ask General James a question. I met with a large group of families recently. They had two big concerns. One is mail, and the second is telephone contact. I'm sure you're working hard to try to resolve those issues, but it is critical to the families. To be able to communicate is just a critical connection.

The families are very proud of their loved ones serving. They weren't complaining to me. They were just asking for the opportunity to have the Defense Department provide better communications, better movement of mail, and I know in staging areas sometimes that's very hard, but I just wanted to pass that on to you. That was their concern.

AGING AIRCRAFT

General James, you know the Happy Hooligans, the Air National Guard in Fargo, North Dakota have three times won the William Tell Award, the award for the best fighter pilots in the world. Yet they are flying the oldest fighters in the Air Force, which is incongruous to me. You and I have talked about this at great length. They fly the Block 15s. They're the only operational unit in the country still flying them. This needs to be remedied. Are we any closer to a solution to that?

General JAMES. Not currently. The hold that was put on the decision that I had to make about upgrading Fargo was generated by the fact that on relook the active component who supplies us with our equipment, our aircraft, are relooking the need for any more offensive counterair or air sovereignty resources going to the Guard in the F-15.

As you know, as we talked before, the F-15, one squadron was identified. The Guard was approached about taking that squadron, and that squadron was to be activated and put either in Fresno or Fargo, so in either case it would have generated an upgrade in your equipment.

The decision was put on hold. We're still looking at some possible alternatives. I've asked my staff to look at even the possibility of looking at other alternatives, and right now we don't have anything. I cannot give you a positive answer on that.

Senator DORGAN. Mr. Chairman, on 9/11, when the Pentagon was hit, the first jet fighters flying air cover over the Nation's capital were the F-16s of the Happy Hooligans flying out of Langley Air Force Base.

As I indicated, these are people who run drugstores and family farms, and mechanics, and the fact is they've gone out three times and won the William Tell Award against the best pilots and the best equipment in the world, beating all of the Air Force and everybody else, and the fact is, they've been shortchanged here with respect to these planes. They're flying F-16s that are out of time, and they do it, but the cost to maintain them is incredibly high.

And I've heard the same answer about these issues for the last 3 or 4 years, and General, we've got to try to resolve the issue with these planes. You and I need to meet again, and I guess we need to meet with the Air Force Chief of Staff as well, but year after year after year we get the same answer with respect to these old A-model aircraft.

I mean, we've a lot of wonderful people, a lot of missions, a lot of great units around the country, but this one begs for a solution and it hasn't been forthcoming, and I hope I can count on you to do what we ought to do for one of the best units in this country.

General JAMES. We're trying to come up with some solution, because it's unconscionable to have a unit that good flying airplanes that old and still tout ourselves as an important member of the total force, and this is one of my top priorities, Senator, and we'll talk about it more.

I have an out-of-the-box kind of solution that I have had my folks put their pencil to and try to see if it's feasible. I don't know that it's going to be acceptable to the Air Force, but we're going to look

at something that's quite different in the way of getting some new airplanes.

Senator DORGAN. General, I like out-of-the-box solutions. As long as they're solutions, I like them.

General JAMES. Okay.

Senator DORGAN. So this begs for a solution. I appreciate your willingness to put it at the top of your list.

Mr. Chairman, thank you.

Senator STEVENS. Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you. Thank you, members of our panel for being here today and helping us understand the implications of the budget request that's being submitted on behalf of the National Guard. We appreciate very much, as I said in my opening statement, the leadership you have provided in the mobilization as a part of Iraqi Freedom, but it comes on the heels of other mobilizations for Noble Eagle and Enduring Freedom. There's been a very heavy concentration of activity in the National Guard units around the country.

RETENTION

I was impressed with the comments of the Senator from North Dakota about the fact that very little notice has been given for some of these activations. Usually it was a 30-day notice. That's been a tradition or a guideline. Do you worry, as I do, that this may have implications of people not looking with favor on re-enlisting in the National Guard, or depletion of our forces? Have you seen any evidence of that? I know it may be anecdotal at this point. What is your reaction to the effect that that may have on our ability to attract men and women to serve in the National Guard in the future?

General BLUM. Senator, I think you're right to highlight that as an issue. All of the airmen and soldiers that this leadership team have talked to over the last past year have expressed their concern and desire for predictability, for knowing in advance what is required of them as far as possible for knowing when they will be needed and when they will be released. Employers, families, and the service members seem to do much better when we can give them a predictable time line of when they'll be called, how long they'll serve, and when they will return home.

This is not just a service member here. The National Guard is a three-legged stool. The three legs are the airmen and the soldiers, the citizen soldiers and airmen, but their families are equally important, and their employers are as equal partners with the citizen soldiers and airmen and their families for the defense of this Nation. If either of those three legs gets out of balance, we threaten the integrity of the stool, so we are watching this very, very carefully, and the predictability would be highly welcomed by the three General Officers sitting before you today, and I'll let the others speak when they come up here, but any reserve component soldier really would love to have what you're suggesting.

Unfortunately, with some of the realities that have happened, some of these campaigns, the global war on terrorism, ongoing commitments around the world that we were already supporting, the war in Afghanistan and then the follow-on war in Iraq, and then

what may follow on as our involvement in phase 4 of Iraq has yet to be determined, so the predictability puzzle has not yet been solved for all of those events.

Senator COCHRAN. General James, do you have any comments on that issue?

General JAMES. Yes, Senator. I agree predictability is the key. The Air Force has realized this, and that's why they established the AEF concept, the Aerospace Expeditionary Force, to give predictability to the airmen and the families so that they would know when they were eligible to be deployed, and they used this concept in Iraq, in Iraqi Freedom. They actually used the people that were due to rotate into theater, and they also kept some people that were in theater because of the AEF.

Unfortunately, the predictability part for the reserve component is not as good as it is for the active component. We have to be part of our active team. We have to be engaged in these AEFs and activities and contingencies around the world to remain a relevant member of the team, so the predictability is very important.

I would say also that these airmen are very proud to be a part of that, and they're proud to serve, but we don't know exactly what their breaking point is. When is it going to impact on our retention, and one of the things we did in the Air Guard is, we surveyed at the end of the first year and we looked at the results, and I'm pleased to say that they really were more positive than we thought. However, we're going to have to do it again at the end of the second year, and we're going to have to do it again another year or so down the road, because our operations tempo will continue to maintain a pretty high pace.

Normally we lose—we turn over, excuse me, 10 percent of our force. The survey showed us that we'll probably turn over 13, at the very most 15 percent of our force, so it's not going to be an issue that will beg—excuse me, would cause us much concern right now, but again we'll have to relook that, but in doing so we still do have those stress career fields in security forces and in firefighters and in support personnel and in red horses, we call them, people who build these bases.

The Chief of Staff said this morning the most stressed career field in the Air Force right now is—the most limited capability is tents, because we've built over 30 bases around the world just in Operation Iraqi Freedom—not around the world, but to support Iraqi Freedom, and as such we have some stresses in areas we didn't anticipate in our standard Air Force, so we're looking very carefully at that predictability piece, at continuing to be part of the AEF and yet surveying our people to find out what their needs are.

One of the things we do in the Air Guard is, we have contracted family support representatives. My predecessor, General Weaver, started this. We have at least one full-time person at every Air National Guard installation and separated unit for support of the families. Just as General Blum mentioned, the support of the families is very important, and if we can keep the family happy we'll keep the airman happy and they'll stay with us.

EMPLOYER SUPPORT

The second part of that is the employers, the employers' support. By and large, our employers don't have, quote, anything for them. They don't have the predictability that we talked about earlier. They don't have any type of a tax incentive, anything, an incentive on the books that allows them to feel good about, other than being patriotic about having their folks be involved, so we need to get some way to give something back to the employers, and we are working very hard with our Employer Support of the Guard and Reserve (ESGR) people to keep them in the loop, to keep them in the communication loop and feeling good about what they do. The problems we've had have been really very small in terms of the scope of the operation.

Thank you.

Senator COCHRAN. Thank you. General Schultz.

General SCHULTZ. Senator Cochran, the issue is very serious with us. Overly concerned, I would not describe it quite that way, but we are most interested in the impacts of a schedule that drastically changed in the case of an employer or a soldier or a family on short notice as we put together the plans for an ever-changing war concept.

But for the outstanding leadership across our States we couldn't have pulled this off. But for the outstanding soldiers, we couldn't have pulled this off, and some really understanding employers here, so we took plans and greatly moved the line to the left, as we say, and so instead of 30 days, many of our units were actually alerted and mobilized in less than 7, some 1-, some 2-, some 3-day notices, and so I don't know that we've begun to realize the full implication of that activity set here, and of course our Nation's at war. That's why we're, across this country, willing to respond the way we do, and yet we understand there must be some discipline in the schedule over time. I mean, today we have plans that take our unit schedules out 3 and 4 years. You go to this theater, you'll deploy for this period, here's your major training event, and all of that turned upside down as we put together the final plan for Operation Iraqi Freedom, and of course the Guard units were involved in a number of those changes, and we've responded to everybody's credit across this country, but there are second and third order county implications.

Now, what do we think long term? The Army Guard will meet our end strength this year. We're off our program target just a little bit. Retention is actually higher overall than we had planned. The active component has a stop loss policy in place, and about half of our members in the Army Guard come from active duty, so that's 30,000 soldiers that come into our ranks every year from active duty, so when the stop loss rules are all in place, consider those candidates not available to join the Guard, so we're off just a little bit in terms of our prior service accessions.

Senator, we'll get through all of this, but the question you ask we take very seriously, and that is long-term outcomes, the implications, effect of how we handle this mission set, and our soldiers without a doubt will respond to the way we treat them.

Senator COCHRAN. I had a chance just recently to visit the Mississippi National Guard Training Center. It's a regional, counterdrug training facility. It's located on the property of Naval Air Station Meridian, Mississippi, and I want to ask you to answer for the record, if you could, questions about the future possibilities for expanding the activities there to include homeland security and other law enforcement challenges that we have as a result of the war on terror and the threats we have against our country.

C-17 FLEET AT JACKSON AIR NATIONAL GUARD FACILITY

And I also have a question for General James for the record relating to the conversion to the C-17 fleet at the Jackson Air National Guard facility. We've talked about that before, and it would be good if you could bring us up to date and let us know how those plans are proceeding, and when we can expect to see that as a fully integrated part of the Air Force responsibility.

General JAMES. Senator, we have kept in touch with that. As you know, I visited the unit. You had your staffers there. We had briefings on the unit, and I'm pleased to tell you things are going quite well. We're on track. We're a little behind on one of the facilities in the construction, but I think there are some work-arounds that are going to bring that up to timetable pretty soon.

The actual aircraft delivery was 2004, I think January, February 2004. It's been moved up 60 days. The first airplane should arrive this fall, in December, and right now we did have some discussion about the Block airplanes that you're getting. You're still getting the Block 14 airplanes and the Block 15, two other Block 15 airplanes later. There may be some dialogue about making them all the same blocks. As long as they're fairly new airplanes, and having the Air Force take the Block 15s and two more, as I said, low time or new Block 14s so you'd have a homogenous fleet. That's the only thing that's come up lately, and I'm talking with General Handy and General Lipscomb to decide if that's what they want to do. Other than that, it's really a good new story. Things are working, progressing very well.

Senator COCHRAN. Thank you. We appreciate your leadership on that issue. Thank you.

Thanks, Mr. Chairman.

Senator STEVENS. Thank you very much. Senator Domenici.

BORDER PATROL

Senator DOMENICI. Thank you very much, Mr. Chairman. First, by way of a matter that I have some criticism, there's a major story in New Mexico today. It's styled, critics blast border plan, and essentially, General Blum, what it's talking about is that an area on our border, the National Guard provides some valuable support to the Customs department and border inspection operations, and hundreds of guardsmen around the country have become experienced inspectors in inspecting cargo at our borders, seaports, and mail facilities. As a result, Customs inspectors are better able to focus on inspecting terrorists, intercepting terrorists who try to infiltrate our borders.

This work is very important to New Mexico on our border with Mexico. In all, there are approximately 52 guardsmen along the

New Mexico border supporting a total of 90-plus Customs and immigration and agricultural inspectors. In addition to these inspections, the Guard is performing an effective counternarcotics surveillance as well.

Recently, it has come to my attention that the Department of Defense plans to divest the National Guard of its inspection support duties. The rationale is that the inspection mission is not, and I quote, militarily unique.

General, given the heightened state of alert that we have assumed since the terrorist attacks on our country, do you believe that now is an appropriate time to remove experienced guardsmen from our borders, and how does the DOD plan to effect the National Guard counternarcotics mission?

General BLUM. Senator, I have an office call and a meeting set up with the Deputy Assistant Secretary of Defense that is in charge of that particular operation, Andre Hollis. Mr. Hollis and I have had discussions on this when I was in a different job—

Senator DOMENICI. All right.

General BLUM [continuing]. As the Chief of Staff of Northern Command. There is a four-star Air Force General named General Eberhardt who is deeply concerned about what moves across the Mexican border, both ways.

Senator DOMENICI. Right.

General BLUM. The immigration and the narcotics, once viewed as a problem in itself, is an even greater problem when you consider the counternarcoterrorist nexus that can be connected to that, and the goodness in protecting our borders from hostile people, or hostile weapons systems, chem, bio, or nuclear, or high yield explosives coming across, or shoulder-fired missiles—

Senator DOMENICI. Right.

General BLUM [continuing]. That could be used against our civilian aircraft coming across the border. We intend to engage with Mr. Hollis and present the National Guard's position in support of a combatant commander concern, so we do this in a unified effort, to reexamine the counternarcotics and immigration issue not as narcotics and immigration issues but national security issues, which may change the way the Department of Defense views that activity.

I am not sure they totally understand the full value and the implications of what's being considered, but this is too early to tell you how that's going to work out, but at least you know what our concerns and interests are on that.

Senator DOMENICI. General, you know what my concerns are. You've expressed it exactly right, and when the Attorney General and U.S. Attorney there expressed their concerns saying that they're not quite sure we're going to be able to handle it without this component, it does send signals to me that I have to get in touch with people like you and ask you how come this will happen.

Now, on the positive side I want to say that New Mexico has a number, like other States we have a number of areas where weapons of mass destruction civil support teams have been put together. These teams have been trained and certified to respond to biological, chemical and nuclear incidents on key military installations and national laboratories.

General, I applaud the quick action of the Guard, recognize the importance of the national laboratories, recognizing those in a proactive way. You have that going on in our State at Los Alamos National Laboratory, White Sands Missile Range, and the Air Force Research Laboratory installation right in the middle of Albuquerque. We compliment you on that and thank you for it.

Mr. Chairman, for the record, as part of the discussion that has just taken place for the last hour with reference to how are we going to react in the future and what have we learned with reference to the Reserve and National Guard in this last couple of years, it seems to me, Mr. Chairman, that this is an opportune time for us to get information from our Reserve and National Guard units precisely as to how, how we can help them by changing rules and regulations on our end so that the Reserves and National Guard can serve us, as a people, better.

It's obvious to me that we can't treat them in a willy-nilly way, that they just respond and if they're needed, they're needed, and if they're not needed, they're not needed. I think we have to have more objective standards and rules and regulations, because at the heightened time of everybody being excited about being in a war and wanting to serve, that's one thing, but the aftermath, when that's all settled down, then you have to measure what's really happened, what's happening to the attitude of the workers, the employers, and the parents, the families, and I would hope that you would be expressing concern in behalf of those that you represent so that you are not just used by the rest of the military to fill in and say, whatever's needed you all are going to have to do, regardless of the ramifications, and we'll take care of it later. I think that would be bad.

And secondly, we have had to change what we pay to our military people and what we do in terms of helping their families during this war, during this war effort. I hope that if there are things we should be doing, whether—where we are paying more, remunerating better, offering better compensation and the like, and even some tax relief if necessary, I hope you are looking for those to recommend to us with reference to the Guard and the Reserve, because we have been surely looking for instances where we could be more fair, more equitable in that regard.

REDUCING SIZE OF GUARD AND RESERVE

Thank you very much. Thank you, Mr. Chairman.

Senator STEVENS. Senator, thank you for the comments. I'll have some comments later, but I think the Department's answer so far that we've seen, I'll send you the issues study, is that we should enlarge the strength of the active units and reduce the size of the Guard and Reserve. I think a few Governors are going to have some comments about that, and besides that, I wonder—if you don't mind, Pat, if I just ask one question—what are we doing at the time of all these tornadoes? Every one of those States, the first responders should have been the National Guard, and many of those units are in Iraq or off on terrorism duty. Have you got any complaints yet about that?

General BLUM. Sir, we have not received any complaints about that because General Schultz and General James, to the degree

that they were allowed, were very, very careful to not strip any Governor of their total capability to do State mission and anticipate the typical bad weather patterns and the normal Mother Nature-type catastrophes that happen, or leave them a response force in the State if they were to be attacked, particularly during the prosecution of the war in Iraq, by some agents or surrogates of the Iraqi, or sympathizer of the Iraqi people, so we were very careful to leave in every State and territory as much of a robust capability to respond as possible.

Incidentally, in Missouri with the latest tragic events, the unit that responded to that tornado had been activated for war in Southwest Asia. They were at Fort Leonard Wood, Missouri, at the mobilization station. The unit heard its home town had been hit and devastated, and the unit marched back to their home town and responded to their own neighbors and families and friends. Even though they were on active duty, ready to go to war, they interrupted that process to come home to take care of the homeland, and then when that's done they'll go back to Fort Leonard Wood and prepare to go, so the short answer to your question is, we are watching that extraordinarily close.

We want to make sure no Governor is left uncovered, no community is left without a National Guard, and as you may or may not know, the States have interstate agreements where they can mutually support one another now, which they did not have in years past.

Senator STEVENS. Senator Leahy.

Senator LEAHY. Thank you, Mr. Chairman. In the last Congress I commissioned a General Accounting Office (GAO) study and asked them to look at health insurance requirements of the Guard and Reserve. The report found over 20 percent of our reservists, people who were ready to be deployed across the globe at a moment's notice, currently don't possess adequate health insurance. The report shows that this not only threatens readiness but it certainly raises questions on recruiting, and definite questions on retention. I've introduced S. 852, the National Guard and Reserve Comprehensive Health Insurance Act. It makes reservists eligible for TRICARE on a cost-share basis. The bill would open up TRICARE to help alleviate some of the problems on both readiness and retention.

General BLUM. Senator, any help in that area would be greatly appreciated. We at this table do not view that as an entitlements program. We view that as a readiness issue. The health and dental care of our soldiers and airmen is absolutely vital for them to be able to perform their mission when called upon. If you extend those kinds of benefits to our citizen soldiers and airmen, it also makes them very attractive for employers if they have health care, as you well know, because that gives them an advantage when they're competing for a job, and it may help mitigate some of the downside that an employer may view of hiring a citizen soldier or a reservist.

Senator LEAHY. Thank you. General James, General Schultz, do you agree with that?

General SCHULTZ. I agree with that, Senator.

General JAMES. Yes, sir.

Senator LEAHY. Thank you.

CALL-UPS OF GUARD FORCES

Now, the National Guard has always been America's homeland security force, and the events of September 11, the war in Iraq, demonstrated the Guard's ready to deploy abroad or at home to defend the country. The Green Mountain Boys from Vermont were flying their aged F-16s over New York City almost immediately after the tragedy there.

Actually, I was pretty impressed. I went there and watched some of the operations and you see these mechanics working literally around the clock to keep the planes flying and then the pilots doing the same thing. They weren't carrying dummy missiles, obviously, at that time.

When the Guard is carrying out missions at home, it's usually most effective when it serves under the command and control of the Nation's Governors. They know their communities, and if there's a question of the Guard cooperating with local law enforcement or State law enforcement they know best how to do it. I'm concerned that the Department of Defense has not sufficiently supported callups under the title 32 status. How do you feel, General Blum? Do you support call-ups of Guard forces under the title 32?

General BLUM. Senator, yes, I do. It goes back to the issue of flexibility and responsiveness. To me, you should leave in the hands of whoever is responsible for responding to an event the most flexibility to respond to that event as possible. The unique dual status of the National Guard should not be discarded, it should be embraced. It actually is value-added in most instances.

Senator LEAHY. General James, do you agree with that?

General JAMES. I do agree with that. I think he's right on the mark on that, and as a former the Adjutant General (TAG) I will tell you that it's very important that the Governor and the Adjutant General of that State have the flexibility to utilize and maintain command and control of those forces under title 32 status as opposed to title 10. There are some cases where title 10 status has its benefits, but overall I believe title 32 would be the first choice of the Governor and the Adjutant General.

Senator LEAHY. And General Schultz?

General SCHULTZ. I agree with that, Senator, and if title 32 would bring along a certain set of definitions, meaning it's a training status, perhaps it's time for another status that gets at the realities of post-September 11 attacks on this Nation, where a Governor still would control those first responses in a status, and then maybe the Federal force, the title 10 forces follow on at some logical point in an emergency mission, so I think we've got some work on this, but I do support what's been outlined by our chief here.

Senator LEAHY. As you all know, this committee has, or subcommittee has made the Guard and Reserve equipment account a high priority over the past several years, not that any parochial questions ever arise from this committee, but I—

NATIONAL GUARD AND RESERVE EQUIPMENT

You have gotten out of me my comments about the F-16s and the 158th Fighter Wing, the oldest such equipment. They fly more hours than any other F-16s in the Air Force inventory, and are

doing it well. How do we keep the Guard's equipment as modern as possible? We've got the Guard and Reserve equipment account, but should we be doing more? I mean, how do we do this, and if that's not an open-ended softball you're never going to get one in your life.

General BLUM. Senator, let me thank this committee for what they've done in providing for us in the past in the most generous fashion. The bottom line of that National Guard Reserve equipment account is that it allows the local commander, those charged with responsibility for ensuring readiness, the flexibility they need to manage our readiness, and I think the results are proven. This is a very, very good program, and it's much appreciated by us. Not to be open-ended, but since we are using this equipment at a much-increased rate than we projected even a year and a half ago, the wear-out rate would tend to lean toward, we would like to see this program continued, and if you wish to expand it, that would be most welcome.

Senator LEAHY. Mr. Chairman, the reason I raise that, as we all know, we have to come up with a lot of money for the Department of Defense. We all understand that. Just replacing the munitions expended in Iraq will be very considerable, but it's been a strain on all the equipment, all the way through, but I just don't want anybody to forget the Guard's equipment was strained, too.

Mr. Chairman, I thank you for your courtesy. Gentlemen, it's good to see all of you, and thank you.

General JAMES. Thank you, Senator, and thank you for your support of the LITENING. If it had not been for the LITENING pods and the monies that were spent from the National Guard equipment account, we would not have been able to participate in the last contingency, very simple. LITENING gave us the precision-guided munitions capability that we needed, it kept us relevant, it put us in the fight. Thank you.

Senator LEAHY. Well, General, you made it very clear to me how important those were and I appreciate it.

Thank you.

Senator STEVENS. Senator Hutchison.

OVERUSE OF GUARD AND RESERVE

Senator HUTCHISON. Thank you, Mr. Chairman. Let me say first that the Easter of 2000 was probably the best Easter I've ever spent. It was with General James in Bosnia with our Guard unit. He was the head of the Texas Guard at the time, and we went over there. It was the first time we had a Guard unit in command and control. It was kind of the test case, and our Texans did so well that many have followed since, and it was a wonderful opportunity to go to that sunrise service and visit with our troops.

I won't belabor it, because my staff tells me that others before me have made the same comments and questions about overusing the Guard and Reserves, and I have great concerns in this area as well. I talked to a lot of those young men and women in Bosnia, and have since, about the strains that occur when they are deployed so much, and talked with Senator Stevens on a trip that we took to Saudi Arabia, where we had Air Guard units that had been over there three times over a 2-year period, and they were pretty

worn out, so I am concerned about that, and I just will look forward to working with the Department of Defense on the issues that relate to what is our troop strength in active duty, and what can we realistically expect from the Guard, and do we have the right troop strength there as well, but I won't ask the question because I understand you have thoroughly gone through that.

There is, though, one question that I do have, and it was in the base tour that I took 2 weeks ago, and I found a woman near Diaz and Goodfellow whose husband had gone out with a Guard unit out of Collin, out of Fort Hood, and she was having trouble getting the access that we know our families of deployed have, and it turns out that we don't have a clear mechanism for deployed Guard and Reserve units to be able to go to the nearest base to their home if it's not close to where they're actually deployed from, so I am working on legislation right now that would require that contact to be made to the nearest base for a deployed reserve personnel, and that that person, the next of kin would have the contact at the base, that there would be someone at the base who would be in charge of dealing with the reserve families who are left behind, but I'm going to just ask you if you are aware of this, and if it's something that you could work on before I hopefully pass my bill.

General BLUM. I think that would be most welcome. As you know, the active duty bases are not really ideally located against population centers. Our membership mostly comes from population centers, so anything you could do to make that easier on families and make their access more eased would be most appreciated. Thank you.

Senator HUTCHISON. Well, I will introduce the bill and then either get it in the authorization bill or offered as an amendment, and I don't think there'll be a problem with it, but I don't even think it should be a big problem for you. I think it's just having that little communication mechanism so that—I mean, these people are under a lot of stress, because they're not active duty, so in many instances they don't have the same family support and infrastructure, so I want to give them that to the greatest extent possible.

Senator HUTCHISON. Thank you, Mr. Chairman.

ADDITIONAL COMMITTEE QUESTIONS

Senator STEVENS. We want to thank you very much, gentlemen, for your testimony. We look forward to working with you on these difficult issues. The subjects that we discussed may primarily be in the province of the Armed Services Committee, although several of them are in the budget transmittal to us, which would require us to act on them, too, so we will be back in touch on some of those issues before we're through. Thank you very much.

General BLUM. Thank you, Mr. Chairman and members of the committee.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL H. STEVEN BLUM

QUESTIONS SUBMITTED BY SENATOR CHRISTOPHER S. BOND

SEAMLESS ENVIRONMENT

Question. What measures are you taking to ensure National Guard soldiers and airmen can operate seamlessly in the Joint Environment and Combined Environment?

Answer. The National Guard is increasingly being called upon to participate in joint and combined operations. The peacekeeping task force in Bosnia is just one of those examples. At the same time, we are undertaking several measures to ensure that Guardsmen can more effectively operate in the full spectrum of operations. These formal and informal opportunities will be evolving as the National Guard's transformation process takes shape over the coming months.

The National Guard is rapidly moving toward a joint configuration and joint operations. The National Guard Bureau is being reorganized into a true joint organization with an effective date of July 1, 2003. Headquarters in the 50 states, 3 territories and the District of Columbia are being reorganized into Joint Force Headquarters effective October 1, 2003. Once formed, these headquarters will better align and mirror our Combative Commands, Joint Staff, and Reserve Component forces within each state.

The transformation of the Guard will be a dynamic and ongoing process. The National Guard Bureau and the National Guard of the Several States will operate in a joint environment on a day-to-day basis. We will undertake joint professional military training for our officers and enlisted personnel; train and groom our future leaders for joint operations; seek joint and combined assignment opportunities for our best leaders; and continue to embrace and expand upon our successful current joint operations, such as Bosnia, Sinai, Iraq, Afghanistan and the numerous National Guard State Partnership programs.

Our soldiers and airmen are being actively encouraged to take advantage of increasing opportunities to serve on Joint Staffs. We have aggressively provided National Guardsmen to serve at U.S. Northern Command. Another set of opportunities will soon exist as U.S. Northern Command stands up its National Guard Augmentation Unit. We continue to monitor with interest the efforts at Joint Forces Command to launch Joint Professional Military Education for Reserve Component members.

The best preparation is experience. WMD Civil Support Team (CST) operations and counter-drug operations involve Army and Air National Guard assets working together. As we stand-up more CSTs, this experience base will expand. Our successful airport security mission involved both Army and Air National Guard members. By virtue of these and other experiences, as well as the planned changes, current and future generations of Guardsmen will be able to operate seamlessly and successfully in all types of joint and combined operations they will be called upon to support at home and abroad.

IMPROVED WMD RESPONSE CAPABILITY

Question. How is the National Guard preparing to improve the capability to better respond to WMD events?

Answer. The National Guard Bureau and the National Guard are engaged in a myriad of initiatives designed to enhance the scope and timeliness of a National Guard response to a WMD incident.

Congress authorized and resourced the current 32 WMD Civil Support Teams (CST) and the National Guard fielded those units on or ahead of schedule. The CSTs have made major contributions to our national readiness and they are responding to civilian authorities on a daily basis. The National Guard Bureau is constantly monitoring new technology that might enhance their capabilities in the future and uses every opportunity to expand and strengthen the skills of CST members as well.

The National Guard Bureau, with Congressional support, developed the Comprehensive Review and Report of September 11th outlining actions taken throughout the emergency management and response communities in the minutes and days following the 9/11 incident. The report's purpose was to make available to the civilian and military communities an overview of actions taken, so that all could be aware of the challenges faced, areas of need and opportunities to further refine response and support capabilities.

The report led to the Automated Exercise and Assessment System (AEAS), funded by the Congress and initially fielded in April 2003. The AEAS' primary objective was to create a fully automated and integrated electronic tabletop exercise tool that

allows Emergency Responders and Emergency Managers to prepare and assess their communities' readiness to respond to incidents concerning WMD. AEAS thoroughly exercises the emergency response community and assists the National Guard in identifying potential mission support requirements by individual jurisdiction.

Critical Incident Stress Management (CISM) training for the Guard was funded by the Congress and conducted during the past year. The National Guard trained 500 personnel as Certified CISM trainers, doubling the number of internationally certified and recognized trainers in the world. These CISM-qualified personnel are available to assist communities as well as their military organizations in time of need.

We have been in close coordination with the Department of Defense to prepare an effective fielding plan to stand up the additional 23 WMD Civil Support Teams per Section 1403 of the fiscal year 2003 National Defense Authorization Act.

I announced as part of my "Transforming the Guard" initiative, that the National Guard would organize itself as a truly joint organization beginning at the National Guard Bureau on July 1, 2003 and in the various states on October 1, 2003. It is the right thing to do for America and it is critical for the National Guard to ensure that we are fully capable of operating across the full spectrum—from the combat war fight, through Homeland Defense and Security, to responding to the governors in times of natural disaster or civil disturbance. Furthermore, this initiative will allow the National Guard to quickly and efficiently respond to the requirements of U.S. Northern Command either as the force provider and/or as the Joint Force Headquarters coordinating a follow-on federal military response.

The second element of the transformation initiative is to leverage our existing war fight capabilities. We must leverage our existing structure and capabilities to ensure our forces are never late to need. We will task-organize 10 National Guard Chemical, Biological Incident Response Forces (NGCBIRF). The task forces will consist of a National Guard CST, an enhanced division medical company with 150 person per hour decontamination/treatment capability, an enhanced engineer company with specialized search and rescue equipment, and task-trained combat units capable of supporting law enforcement. These task forces will meet a previously identified NORTHCOM request for capabilities that are currently limited.

We will expand National Guard involvement in Ground-based Mid-course Missile Defense by including both the Army and Air Guard. We will build on the Nike Hercules Guard model and intend to include Traditional Guard members and M-day units. We will create National Guard Reaction Forces through dual missioning and training existing units. These units will be immediately available to state and federal governments, and for Homeland Security purposes are already forwarded deployed throughout the United States. The units will retain full war fight and homeland security capabilities. These forces will also meet a previously identified NORTHCOM request for available forces.

IMPROVED EFFICIENCIES AT NGB

Question. What effort, if any, are you making to improve efficiencies at the National Guard Bureau to reduce redundancies and improve the response time in routine and crisis operations between State National Guard HQ's, OSD, Northern Command, and civil authorities?

Answer. The transformation of the National Guard Bureau and the headquarters of each State National Guard to joint configuration is the first step to increasing efficiencies and reducing response times to the full spectrum of National Guard response requirements.

The National Guard Bureau is currently increasing its ability to communicate directly with the Department of Defense, U.S. Northern Command, the State National Guard Headquarters, and the civil authorities at all levels.

This is being achieved in two ways. We are reorganizing our communication and information systems to provide more timely, relevant information to those officials who have an immediate "need to know". This can range from the on-scene incident commanders to regional combatant commanders. Critical to the information flow is the soon to be formed Joint Force Headquarters-State, which will be able to rapidly facilitate information passing to and from first responders and other civil authorities within their states. This is a top priority at the National Guard Bureau and will be implemented in the coming months.

Joint Forces Headquarters at the state level will provide NORTHCOM and other federal entities with capabilities that are currently not available. The Joint Force Headquarters will provide a seamless transition and escalation from the almost immediate response by National Guard forces to the later arrival of federal forces. This will provide for continuity of operations and full integration of federal military sup-

port in response to, and in support of, the emergency management, emergency response, and elected officials communities.

CHAIN OF COMMAND

Question. Are you satisfied with the current reporting chain of command that requires you to report through the Air Force and Army Service Chiefs when raising an issue that requires the attention of the Secretary of Defense or the Chairman of the Joint Chiefs?

Answer. The present Channel of Communications is an efficient and effective means of dealing with Service-specific issues. This has effectively produced a highly ready Army and Air National Guard force that has proven itself over and over again. However, since September 11, 2001, the various National Guard in the states have become increasingly engaged in homeland security operations under the command and control of state governors. At the National Guard Bureau, we monitor these operations and facilitate access to equipment within and between states.

The Commander U.S. Northern Command has expressed interest in being situationally aware of state operations and capabilities. The National Guard Bureau is working to help provide NORTHCOM with that awareness and to serve as a communication channel to the states as needed. Our on-going re-organization to a more fully joint staff reflects the National Guard's requirement to more effectively operate in the joint environment.

There may be merit in studying the possible expansion of the National Guard Bureau's purpose by adding service as the Channel of Communications between the states and the Department of Defense and the Joint Chiefs of Staff. This would enhance the National Guard's capability to effectively work in this joint operational environment and capitalize on our on going transformation. Strengthening links with the Assistant Secretary of Defense for Homeland Security, and the commanders of U.S. Northern Command, U.S. Pacific Command, and U.S. Southern Command, would provide mutual benefits to those organizations as well as the states.

QUESTIONS SUBMITTED BY SENATOR KAY BAILEY HUTCHISON

TRANSFORMATION PROGRAMS

Question. What are your key Transformation programs in the 2004 budget request?

Answer. The key Army National Guard (ARNG) transformational programs contained in this year's budget request include the fiscal year 2004 portion of Aviation Transformation and conversion of the Pennsylvania ARNG's 56th Brigade to a Stryker Brigade Combat Team (SBCT). The fiscal year 2004 portion of SBCT conversion is fully funded in the request, but Aviation Transformation is not. The 56th Brigade SBCT is programmed for Initial Operational Capability (IOC) in fiscal year 2010. The ARNG is looking at options to accelerate IOC to fiscal year 2008.

There are several key Air National Guard (ANG) transformational programs funded in the fiscal year 2004 budget request: the "blended" active Air Force/Air National Guard (ANG) JSTARS wing at Robins AFB, Georgia; the ANG support squadron to the Rivet Joint wing at Offutt AFB, Nebraska (it was formed from the Nebraska ANG's air refueling wing); and ongoing funding for the Washington ANG's 162nd Information Warfare Squadron at Bellingham, Washington, which was re-missioned from a "sunset" combat communications role.

TRICARE HEALTH CARE COVERAGE

Question. What are your thoughts on extending TRICARE health care coverage to members and families of the National Guard on a cost-share basis? Would this provide a needed service to our Guardsmen? Would employers view it as an incentive to hire Guardsmen?

Answer. In general, the National Guard supports extending health care coverage under TRICARE for Reserve Component members and families to improve medical readiness, recruitment, and retention. We believe it would be appropriate to extend this benefit to National Guard members as part of a more equitable compensation package that has become more compelling in light of increasing military commitments and operational tempo shared with the active component.

Compared to the untenable costs of citizen-soldiers and citizen-airmen being unfit to deploy, extending TRICARE coverage to all of our members would provide a cost-effective means of ensuring medical readiness. Providing health care coverage to those Reserve Component members who do not have private health insurance be-

cause it is not affordable would not be an entitlement as much as it would be a readiness issue. Furthermore, employers would definitely view this as an incentive to hire Reserve Component members, as it would provide a direct cost benefit.

SOLDIERS AND SAILORS RELIEF ACT

Question. How well has the Soldiers' and Sailors' Relief Act supported your members and are there any improvements to the act you can suggest?

Answer. In the past, the Soldiers' and Sailors' Civil Relief Act (SSCRA) did not support the National Guard as well as it could because the SSCRA only applied to National Guard members in Title 10 status. As a result, Guardsmen who provided security to the nation's airports following the events of September 11, 2001 were not eligible for SSCRA benefits because although requested by the President, they conducted operations under section 502(f) of Title 32. Last year's addition to the SSCRA to include members of the National Guard called to Active Duty at the Request of the President was a tremendous and appreciated improvement. It has helped many members of the National Guard who have been called to active duty.

Additional considerations the Congress may wish to take up include: increasing rent protections for high cost areas; the ability to terminate car leases; protecting tuition and class standing for members who are college students; and lowering home mortgage interest rates to the prime, but no greater than 6 percent.

H.R. 100, the Servicemembers Civil Relief Act, introduced in the House, proposes to revise the SSCRA and provides a new definition of servicemember, which is the term used to trigger many protections. If H.R. 100 moves forward, the definition of "servicemember" should be modified to include Army and Air National Guard members when acting under section 502(f) of Title 32, or the trigger for servicemember protections should be tied solely to the proposed definition of "military service".

EMPLOYER SUPPORT OF THE GUARD AND RESERVE

Question. How can you recommend we better support the employers of our National Guard members?

Answer. With the increased utilization of reserve component personnel, employers are being impacted more than ever. As a result, programs such as the Employer Support of the Guard and Reserve (ESGR) are key to our efforts in gaining and maintaining the support of our civilian employers. ESGR greatly assists civilian employers with their Guard and Reserve employees by providing information, rewarding them for their sacrifices, and if necessary, resolving disputes. Accordingly, Congress should support the continued resourcing of this important program.

We conduct numerous employer symposiums during the course of the year and we hear from employers about their concerns. One way we can make a significant difference with the employers of our soldiers and airmen is by providing them advance notification (at least 30 days or more, if possible) of any mobilizations, and we are continuously working with the Services to allow sufficient prior planning. Small businesses are especially hard hit by mobilizations so more predictability would be very beneficial to them.

QUESTIONS SUBMITTED BY SENATOR TOM HARKIN

COUNTERDRUG SCHOOLS

Question. This year the Iowa National Guard received \$3.5 million to set up the fifth National Guard Counterdrug School (Mid-West Counterdrug Training Center) for training of law enforcement officers and community based personnel at Camp Dodge, Iowa. Utilizing existing facilities and National Guard personnel to administer the program, the Iowa Guard has begun to provide training by certified law enforcement personnel to thousands of officers in over ten states throughout the Midwest. In fiscal year 2004, MCTC needs \$3.0 million to continue the training of thousands of law enforcement and community leaders, who currently have no training available in their areas. Could you describe the assistance and training the MCTC is providing to regional law enforcement to reduce drug trafficking in the Midwest, and the number of people being trained?

Answer. The Midwest Counterdrug Training Center (MCTC) facilitates law enforcement and community-based organization training, with a drug nexus, by setting the conditions for training at Camp Dodge, Iowa, and through the use of mobile training teams as requested by the host state law enforcement agency. The yearly training calendar is established based on training requirements set by county sheriffs, police chiefs, and state patrol commanders primarily in the fifteen-state Northwest Counterdrug Region.

In its first year, the MCTC has planned for thirty-three courses and nine training seminars. Our goal in the first year is to facilitate the training of 900 personnel. Indications are that MCTC will exceed the "number trained" goal by 600–700 personnel. MCTC's students represent thirty-three states and territories. Classes range from highway interdiction techniques and procedures to street-wise Spanish. MCTC facilitates Intelligence Analysts training with threat assessment instruction, "follow-the-money" techniques, and computer evidence recovery. Other courses include clandestine laboratory certification, highway drug investigations, and drug nexus interview and interrogation techniques.

COUNTERDRUG SCHOOLS

Question. By utilizing existing facilities and manpower at Camp Dodge to support the community and law enforcement personnel, does this cause any decrease in the combat capability or readiness of any National Guard soldiers or airmen?

Answer. No. In fact, we believe that it enhances readiness. There is no decrease in combat capability, readiness or availability as National Guard soldiers and airmen remain assigned to their units and are deployable as members of those units. Facilitating training for law enforcement through training centers, such as the Midwest Counterdrug Training Center (MCTC), does not affect any unit's deployable status or readiness posture. Soldiers and airmen who support MCTC are better prepared because they have already been medically screened to deployment standards, and are already in the Army's medical data banks.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL ROGER C. SCHULTZ

QUESTIONS SUBMITTED BY SENATOR ARLEN SPECTER

ARMY NATIONAL GUARD 56TH STRYKER BRIGADE COMBAT TEAM

Question. General Schultz, I have been informed that the Secretary of Defense has reconsidered the planned transformation of the Pennsylvania Army National Guard's 56th Brigade to a Stryker Brigade Combat Team, a unit which is currently ahead of schedule and doing well. Failure to continue the transformation, a process already well under way, will have great consequences and would be detrimental to the Army, the Pennsylvania Army National Guard, and to the Commonwealth of Pennsylvania. With this in mind, do you not believe that implementing the Secretary of Defense's plan to scrap the first transformational Army unit in the National Guard would degrade the modernization of the Guard and Reserve Components by not including them in the early phases of the SBCT program?

Answer. The 56th Brigade conversion to become a Stryker Brigade Combat Team is on schedule. It has been our intent from the beginning to transform Army National Guard units. Plans are on schedule to field the brigade in its new design. The Army Guard is fully capable and prepared to modernize units across our formations. The 56th Brigade is leading the way in our efforts to modernize Guard units. The Army's efforts to modernize include the Guard. Any delays to the current schedule will degrade our ability to accomplish the emerging mission we are currently assigned. It has been my recommendation to proceed with fielding the Stryker Brigade Combat Team in the 28th Infantry Division.

Question. Is it possible that transformation of the Guard and Reserve may produce different results than transformation of active units?

Answer. No. The 56th Brigade will provide the Army with the same organization, structure and capability as an AC SBCT. It will provide a modernized combat brigade that is quickly deployable, lethal, survivable and have the ability to operate in a joint environment.

Question. What impact will exclusion of the transformation of the Guard's 56th Brigade have on readiness?

Answer. In the short term, readiness will remain status quo in the 56th Brigade and the Army National Guard. However, the lack of modern equipment and systems that are programmed to accompany a SBCT would mean that the Army National Guard would not receive some of the newest systems and the new equipment training associated with the fielding of these systems. The 56th Brigade, and the other divisional maneuver brigades are not equipped with the same modern systems found the active army, and are short major equipment such as tactical wheeled vehicles. The SBCT is programmed to be fielded with the latest equipment and be filled to 100 percent of the authorized amount.

FUTURE FIXED WING AVIATION REQUIREMENTS

Question. I understand that the Army National Guard forwarded a study in July 2001 to the Committee on Appropriations that identified future fixed wing aviation requirements to support and sustain planned missions such as weapons of mass destruction and national missile defense.

Answer. To develop the 2001 response, and answer the Appropriations Committee's inquiry on fixed wing requirements to support weapons of mass destruction and national missile defense, the Army National Guard thoroughly reviewed the minimum fixed wing cargo capabilities required by the approved Fixed Wing Investment Strategy (FWIS) dated August 1993. The FWIS's minimum required FW cargo aircraft capabilities were compared to those necessary to adequately support weapons of mass destruction and national missile defense efforts. The overall finding of the Congressional response demonstrated the Army National Guard requires an improved fixed wing cargo aircraft, with the minimum required capabilities defined in the Army's FWIS in order to support both weapons of mass destruction and national missile defense mission requirements. The Army has developed a new FW requirements document called The Fixed Wing Operational and Organizational Plan. This TRADOC and G3 approved document maintains the same minimum FW cargo aircraft requirements that were defined in the in the FWIS with some additional mandates.

C-23 SHERPA CARGO AIRCRAFT

Question. Have you determined whether the C-23 Sherpa cargo aircraft currently operated by the Army National Guard can perform the missions identified in the Army National Guard Fixed Wing Study?

Answer. The C-23 Sherpa does not meet any of the minimum required capabilities defined in the Army's Fixed Wing Operational and Organizational Plan. The C-23 does not adequately support mission requirements for weapons of mass destruction or national missile defense.

Question. If you have determined that the C-23's performance limitations necessitate the procurement of a future aircraft capable of meeting projected mission requirements, please indicate whether you have identified such an aircraft.

Answer. There are a few commercial off the shelf (COTS) fixed wing cargo aircraft available which are able to fully meet the Army's stated minimum performance requirements as well as meeting those critical mission requirements in support of homeland security and national missile defense. The Army National Guard does not have a research and development staff to specifically identify or provide the name of an aircraft that meets both the Army's mission demands and homeland security.

Question. If you have, in fact, identified an aircraft that can better support the projected mission requirements identified in the July 2001 study, please state the funding level that would be required to support its initial procurement in fiscal year 2004.

Answer. Shortly after the completion of the Congressional response, the National Guard general staff received an unsolicited bid for 44 cargo aircraft that fully met all of the Army's minimum required cargo aircraft performance parameters. The unsolicited bid was for approximately \$3.0 billion. As indicated in the bid, this cost included the complete life cycle funding, flying hours and maintenance for the 44 aircraft over a 25 year period. It is not known if the bid and the offer are still valid or accurate for today's dollars.

QUESTIONS SUBMITTED BY SENATOR DANIEL K. INOUE

C-23 SHERPA CARGO AIRCRAFT

Question. The C-23 Sherpa, the Army's medium cargo fixed wing aircraft, experienced some shortfalls during operations in Iraq, including limitations for flight into icy conditions, lack of short takeoff and landing capability, and poor performance in high/hot conditions, lack of short takeoff and landing capability, and poor performance in high/hot locations. Does the Army National Guard have any plans to modernize or replace the C-23s?

Answer. The C-23 was originally designed as a short distance commuter aircraft. As the Army's only tactical fixed wing cargo aircraft it has all of the performance limitations mentioned and more. The C-23 does not meet any of the Army's minimum cargo aircraft performance parameters as defined in the Fixed Wing Operational and Organizational Plan. The modernization of the Army National Guard C-23 fixed wing aircraft is tied to Army modernization and funding. Currently, the

Army has a small amount of money identified in the fiscal year 2009 time frame to look at a possible replacement FW cargo aircraft.

C-27J SPARTAN TACTICAL AIRCRAFT

Question. Would the C-27J Spartan tactical lift aircraft provide a more capable alternative?

Answer. The C-27J Spartan was designed and built as a tactical support aircraft. From what I understand, its capabilities meet all of the Army's stated minimum performance requirements and would greatly increase the Army National Guard's ability to perform its Federal and State missions including homeland security and national missile defense.

RESERVES

STATEMENTS OF:

LIEUTENANT GENERAL JAMES R. HELMLY, CHIEF, ARMY RESERVE
VICE ADMIRAL JOHN B. TOTUSHEK, CHIEF, NAVAL RESERVE
LIEUTENANT GENERAL DENNIS M. McCARTHY, CHIEF, MARINE
FORCES RESERVE
LIEUTENANT GENERAL JAMES E. SHERRARD III, CHIEF, AIR
FORCE RESERVE

Senator STEVENS. We'll now call for the commanders of the Reserve forces to join us today. We have with us today Lieutenant General James Helmly, Chief of the Army Reserve, Vice Admiral John Totushek, Chief of the Naval Reserve, Lieutenant General Dennis McCarthy, Chief of the Marine Force Reserve, Lieutenant General Sherrard, Chief of the Air Force Reserve.

I'm told that it would be proper for me to extend to you, Admiral, a bravo zulu. Well done. We understand this is your last appearance before us. We certainly wish you well in all your endeavors, and thank you for your service to our country.

I assume the best way to proceed would be just in the order that I read the names, if that's agreeable, so we'll start with General Helmly, Chief of the Army Reserve.

General HELMLY. Thank you, Mr. Chairman, members of this distinguished subcommittee. I thank you again for the opportunity and the privilege to testify on behalf of the 205,000 soldiers, 11,000 civilian employees, and their family members, all members of the United States Army Reserve.

Today, as we speak, over 68,000 Army Reserve soldiers are mobilized throughout the world in America's global war on terrorism. They serve alongside their Army National Guard and active component counterparts courageously, skillfully, and proudly. These modern-day patriots have willingly answered the call to duty to perform the missions they've trained for and to honor their commitment as an indispensable component of the world's finest ground force, the United States Army.

This committee, through its dedicated support of the soldiers in the Army Reserve has played a major and integral part in increasing the relevance and, indeed, strengthening the readiness of today's Army Reserve. Your concern, witnessed here today, for our people, our most precious resource, who dedicate a significant part of their lives to defending our Nation, in addition to honoring commitments to employers and families, as well as their communities, is evidenced by your invitation to review the present state of the Army Reserve. Thank you for that.

One of our units, the 459th Multirole Bridge Company, based in Bridgeport, West Virginia, is a unit so honoring their commitment. This unit of 172 soldiers supported fact, the First Marine Expeditionary Force and similar to traveled first with the Marine Recon

Battalion so that they could bridge the various rivers en route to Baghdad. This unit fought as infantry in a Marines firefight in al-Nasariya. One of the soldiers, a noncommissioned officer, Sergeant Paul Abernathy, remarked upon leaving al-Nasariya, we all signed up knowing that we might have to go do this. Now that we're here, you have to keep in mind this is our job as soldiers. We came to fight and win.

I might add that they were proud to serve with the United States Marine Corps in this operation. It shows that we fight not only intracomponent, but also jointly amongst all the components, and with combined forces. But excelling in current missions is not sufficient by itself. It is also necessary that we concurrently confront today's challenges while preparing for tomorrow's.

The Army must at all times maintain its nonnegotiable contract to fight and win the Nation's wars as we concurrently transform to become more strategically responsive and dominant across the spectrum of military operations. The concurrence of these dual challenges, transforming our force while fighting, winning, and preparing for today's wars, is the crux of our challenge today, transforming while concurrently at war.

Today's war has mobilized 35.4 percent of the United States Army Reserve. That is far higher than the 27 percent of the Army Reserve mobilized for Operation Desert Shield/Desert Storm. Since 1996, we have averaged 9,265 Army Reserve soldiers mobilized annually. On December 31, 2002, we had approximately 9,900 Army Reserve soldiers mobilized. Three months later we had over 69,000 mobilized. That is a vertical spike of unprecedented proportions in terms of the speed. You have alluded to that this morning.

Since September 11, 2001, our world has changed drastically. The very nature of this global war on terrorism, long duration, very fluid and volatile at various places and times around the world, dictates that in fact major changes are required to practices, procedures, and policies related to how we organize, man, train, compensate, and mobilize for use the soldiers of the Army Reserve.

What was once a force in Reserve has now become a full partner, indeed almost an auxiliary force, of the Army across the spectrum of operations needed to satisfy the demand and need for highly skilled, specialized soldiers and units. Our ability to remain relevant and responsive depends on the interoperability and condition of our equipment but principally and foremost on the training, readiness, and support welfare of our soldiers.

We're grateful to the Congress and the Nation for supporting the Army Reserve and the centerpiece of our formations, our soldiers, the sons and daughters of America. I cannot in words express how very proud I am of our soldiers, as well as their families. They are in the hearts and prayers of a grateful Nation, and they will stay there until the job that we have come to finish is at hand.

PREPARED STATEMENT

Thank you again, sir, for the opportunity to appear before you and the distinguished members of this subcommittee this morning, and I look forward to addressing any questions that you may have.
[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL JAMES R. HELMLY

INTRODUCTION

Mr. Chairman, members of this distinguished subcommittee, thank you for the opportunity and the privilege to testify on behalf of the 205,000 soldiers, 11,150 civilian employees, and their family members of the United States Army Reserve.

Today, over 69,000 Army Reserve soldiers are mobilized in America's Global War on Terrorism, serving courageously and proudly around the world. These modern day patriots have willingly answered the call to duty to perform the missions they have trained for and to honor their commitment as part of a responsive and relevant force, an indispensable component of the world's finest ground force, the United States Army.

This committee, through its dedicated support of the soldiers in the Army Reserve, has played a major part in increasing the relevance and strengthening the readiness of the Army Reserve. Your concern for the reserve soldier and employee who dedicates a significant part of his or her life to defending our nation, in addition to honoring commitments to employers and families, is evidenced by your invitation to review the present state of the United States Army Reserve. I am honored by that opportunity.

The occasion to testify before this subcommittee comes at a time of profound importance and immense change in our nation's security environment, as well as dynamic change in the international political landscape and unprecedented improvements in technology that add significantly to both friendly and enemy military capabilities. We are engaged with a wily, determined enemy, intent on destroying our very way of life; confronting regional powers and potential use of weapons of mass destruction at home and abroad; and struggling with the challenges of how to secure our homeland while preserving our precious rights and freedoms. It is within this very challenging environment that the Army Reserve serves with excellence today.

Excelling in current missions is not sufficient by itself. It is necessary that we concurrently confront today's challenges while preparing for tomorrow's. The Army must maintain its non-negotiable contract to fight and win the nation's wars as we concurrently transform to become more strategically responsive and dominant at every point on the spectrum of military operations. The concurrence of these dual challenges, transforming our force while fighting, winning, and preparing for other wars, is the crux of our challenge today—transforming while at war.

This is my first opportunity to address this subcommittee as the Chief, Army Reserve. I am humbled and sobered by the responsibility bestowed to me. The Army Reserve is an organization that demonstrates its ability to be a full and equal partner, along with the Active Component of the Army and the Army National Guard, in being the most responsive dominant ground force the world has seen.

The strength and goodness we bring to that partnership is drawn from the people who serve in our formations. The Army Reserve is the most ethnically and gender diverse force of all the armed services. Overall, ninety-two percent of our force holds high school diplomas. Our force consists of individuals who are community and industry leaders, highly trained and educated professionals, experts in their chosen field who give of their time and expertise to serve our nation.

The Army Reserve has been in a continuous state of mobilization since December of 1995. Prior to that, our contributions to Desert Shield/Desert Storm numbered over 84,000 soldiers. The Army Reserve also mobilized over 2,000 soldiers in support of Operation Uphold Democracy in Haiti. Since 1996, the average number of soldiers mobilized has been 9,265 soldiers per year. Our soldiers are part of the rotational forces that are keeping the peace in Eastern Europe. Military police, medical and public affairs soldiers provide ongoing capabilities in Operation Joint Endeavor and Operation Joint Guardian in Bosnia and Kosovo. The depth of the current mobilization reflects a higher percentage of the force since Desert Shield/Desert Storm and still our soldiers are raising their hands to re-enlist in the Army Reserve, making our enlisted troop retention rates the best they have been since 1992.

The attacks of September 11th intensified the pace of operations. Within hours of those attacks, the Army Reserve deployed a mortuary affairs company from Puerto Rico—a company that ten years earlier performed its mission with distinction in Desert Shield/Desert Storm—to deploy to the Pentagon to assist with searching and recovering the remains of the victims of the attack. They proved to be so invaluable to the recovery efforts that they did not return to their homes until September of 2002, after cataloging not only all of the personal effects of the dead but items from the Pentagon as well. It is worth noting that we prepared and deployed the unit in advance of a Presidential declaration of mobilization on Army Reserve training orders. To those who question the Army Reserve's ability to respond rapidly and

completely to dynamic short notice missions, we are pleased to provide the 311th Mortuary Affairs Company's responsiveness as a case study. There are numerous other, similar examples as well.

In downtown Manhattan, Army Reserve soldiers were also assisting with the recovery efforts after the attack on the World Trade Center. Emergency Preparedness Liaison Officers were on site shortly after the attack to assist with rescue and later, recovery efforts. Army Reserve units provided equipment, Army Reserve center space and other logistical support throughout the days and months that followed. Similarly, these responses were in advance of formal mobilization.

This Global War on Terrorism is unique for Americans because its battlefronts include not only far-off places like Afghanistan and the Philippines but our own homeland. What was once a "force in reserve" has become a full partner across the spectrum of operations to satisfy the demand and need for Army Reserve soldiers and units around the world. Wherever the Army committed forces in the world—Afghanistan, Uzbekistan, Pakistan, the Philippines, Kuwait, Iraq and here at home—Army Reserve soldiers are an integral part, providing critical specialized capabilities and augmentation.

In the time that has followed those days, our military has been engaged in fighting the Global War on Terrorism around the world. Operation Anaconda in Afghanistan seriously impaired Al Qaeda's ability to continue to spread terror and ousted the Taliban. Civil Affairs units consisting of Army Reserve soldiers who possess civilian acquired and sustained skills in the fields of engineering, city planning, and education were deployed to the region to lead in establishing a free, functioning society. Numerous new schools were built and medical aid offered to the people of Afghanistan. These soldiers represent the goodwill and interests of the American people with every classroom they build and every skill they teach, every functioning society capability they help create, and every contact they make with the native population. And they are doing an incredible job.

But despite the clear relevance and strength demonstrated by the aforementioned examples, we are, as an institution not without our challenges. It is necessary that we not only transform the institution, but we must also resource our requirements and transform the institution to even higher levels of readiness, responsiveness and capabilities. These resourcing requirements include recruiting and retention, family programs, information technology, anti-terrorism and force protection, equipment procurement and modernization, and facility revitalization.

RECRUITING AND RETENTION

Recruiting and retention is an area of the highest importance to the Army Reserve and a volunteer force. Our responsibilities require the best soldiers America can provide. In this regard, we are most appreciative of the help your subcommittee has provided us. We would be remiss if we did not thank you for the attention you have paid to our recruiting needs in recent legislation. With your help we have met our recruiting mission for three straight years from 2000 to 2002. In fiscal year 2003, however, we are 213 accessions short of expected year-to-date mission. While cause for concern, I am not alarmed over this because we are at 102 percent strength.

Although generally successful in overall mission numbers, we continue to experience difficulty in attracting and retaining qualified individuals in certain critical wartime specialties, particularly within the Army Medical Department. Your continued support on behalf of recruiting and retention incentives, allowing for innovative readiness training and the funding of continuing health and educational opportunities will help us with this difficult task.

The Army Reserve, in partnership with the United States Army Accessions Command, conducted a thorough review of Army Reserve recruiting. This review has helped us forge a stronger relationship with the Accessions Command and has streamlined our processes to support the symbiotic relationship between recruiting and retention. To that end, we will seek to ensure that all Army Reserve soldiers are involved in recruiting and retention activities—we all are a part of the Army's accessions efforts. We are removing mission distracters allowing the Accessions Command to focus on their core competency of recruiting non-prior service applicants; we are focusing on life cycle personnel management for all categories of Army Reserve soldiers and our retention program seeks to reduce attrition, thereby improving readiness and reducing recruiting missions.

During 2003, the responsibility for the entire prior service mission will transfer from the Accessions Command to the Army Reserve. Tenets of this transfer include: establishment of career crosswalk opportunities between recruiters and retention transition NCOs; localized recruiting, retention and transition support at Army Re-

serve units and increased commander awareness and involvement in recruiting and retention efforts.

To support recruiting and retention, the Army Reserve relies on non-prior service and prior service enlistment bonuses, the Montgomery GI Bill Kicker and the Student Loan Repayment Program in combinations that attract soldiers to fill critical MOS and priority unit shortages. The Army Reserve must be able to provide a variety of enlistment and retention incentives, for both officer and enlisted personnel, in order to attract and retain quality soldiers. Fully funded incentive programs must be available to ensure success in attaining recruiting goals and maintaining critical shortages and skills.

Our retention program is a success. Faced with an enlisted attrition rate of 37.5 percent at the end of fiscal year 1997, we adopted a corporate approach to retaining quality soldiers. Retention management was an internal staff responsibility before fiscal year 1998. In a mostly mechanical approach to personnel management, strength managers simply calculated gains and losses and maintained volumes of statistical data. Unfortunately, this approach did nothing to focus commanders on their responsibility of retaining their most precious resource—our soldiers.

The Army Reserve developed the Commander's Retention Program to correct this shortcoming. A crucial tenet of this program places responsibility and accountability for retention with commanders at every level of the organization. Commanders now have a direct mission to retain their soldiers and must develop annual retention plans. Additionally, first line leaders must ensure all soldiers are sponsored, receive delivery on promises made to them, and are provided quality training. In this way, the Commander's Retention Program ensures accountability because it establishes methods and standards and provides a means to measure and evaluate every commander's performance. Since the introduction of the Commander's Retention Program, the Army Reserve has reduced enlisted Troop Program Unit attrition by nearly nine percentage points. The enlisted attrition rate in fiscal year 2002 was 27 percent. Current projection for fiscal year 2003 is an increase of 28.6 percent, due to projected demobilization, the Commander's Retention Program, and increased retirements.

The Army Reserve is experiencing a 4,200 company grade officer shortfall. Retention goals focus commanders and first line leaders on junior officers. The establishment of a sound leader development program is a cornerstone of Army Reserve Transformation. Providing young leaders the opportunity for school training and practiced leadership will retain these officers. A transformed assignment policy will enhance promotion and leader development. Increased Army Reserve involvement in transitioning officers from active duty directly into Army Reserve units will keep young officers interested in continuing their Army career. Allowing managed flexibility during their transition to civilian life will be a win for the Army and the officer.

Overall, the Army Reserve successfully accomplished the fiscal year 2002 recruiting mission while achieving the Department of the Army and Department of Defense quality marks. This year our enlisted recruiting mission will stabilize at approximately 20,000 non-prior service due to the success of our retention efforts. The accomplishment of the recruiting mission will demand a large investment in time on the part of our commanders, our retention NCOs, and our recruiters as they are personally involved in attracting the young people in their communities to their units.

However, the same environmental pressures that make non-prior service recruiting and retention difficult affect prior service accessions. With the defense draw-down we have seen a corresponding decrease in the available prior service market in the Individual Ready Reserve. This impacts Army training costs, due to the increased reliance on the non-prior service market, and an overall loss of knowledge and experience when soldiers are not transitioned to the Army Reserve. Consequently, the Army Reserve's future ability to recruit and retain quality soldiers will continue to be critically dependent on maintaining competitive compensation and benefits.

Special attention needs to be placed on the recruiting budget, for advertising, to meet our requirements in the next several years. Young people of today need to be made aware of the unique opportunities available in the different military components. The best way to get this message out is to advertise through the mass media. Funding our critical advertising needs is imperative if we are to be honestly expected to meet our recruiting goals. Your continued support of our efforts to recruit and retain quality soldiers is essential if we are to be successful.

Family Programs

Family programs provide invaluable family assistance during peacetime and mobilization, to include training for family program directors and volunteers in support of family readiness activities. These volunteers and contract employees provide information referral and outreach to family members and deployed soldiers. Within this system are twenty-five contractors serving in Family Program Director positions whose duties include aiding in promoting families' awareness of benefits and entitlements, orienting family members to Army Reserve systems, programs, and way of life. These directors also assist in the deployment of unit Family Readiness Groups during peacetime and deployment.

In preparation for mobilization deployment, these volunteers and service members provide an extensive briefing for both families as well as members. These family services include briefings by members of the Chaplains Corps who explain what happens to spouses or families upon separation. We also provide briefings when the service member returns and coach the family members to expect changes upon the soldier's return to home.

During Desert Shield/Desert Storm Army Reserve family readiness programs were sparse. Today, these programs are extensive, and they are working to provide refuge and support network for our families. We have been able to meet the needs of our deployed soldiers of which about 4,000 Army Reserve soldiers are on a second consecutive year of mobilization. We are anticipating challenges in the future.

Information Technology

Network Service/Data Center

The Army Reserve is redesigning its information technology infrastructure to support the Global War on Terrorism and greatly increase the survivability of our information technology infrastructure in the event of a cyber or physical attack. This redesigned infrastructure will establish a network service/data center which supports the Continental United States. A robust provision of network defense for protection at the consolidated and interconnected sites will be integral to the redesign and creation of the network service/data centers.

Our plan to establish a Reserve component network and data center would give the Army Reserve the capability to manage dissemination of information supporting command and control concerning mobilization, training and overall data exchange as well as Joint and Army wide information technology systems.

Secure Communications

Secure communications ensures the protection and sustainment of the Army Reserve's information and information systems during peacetime, war and national emergencies. The geographic dispersion of the Army Reserve makes telecommunication services the primary means of conducting command and control, mobilization timelines, training data exchange, and "reach back" capabilities in support of the combatant commands. The Army Reserve is challenged to expand applications and service demands, increased security requirements and increased network capability to ensure throughput and reliable connectivity.

With this redesign, the Army Reserve would have the technological capability to sustain existing Army systems or field any new Army systems to meet readiness requirements, manage timely dissemination of information supporting command and control in the areas of mobilization, training, and overall data exchange.

Antiterrorism and Force Protection

Security and preparedness to meet the known and unknown threats facing Army Reserve installation and facilities worldwide are an integrated set of three distinct programs: Antiterrorism, Force Protection, and Installation Preparedness.

Antiterrorism is the foundation of the overall Force Protection program within the Army Reserve. It assesses vulnerabilities at stand alone facilities and Army Reserve installations.

Force Protection programs correct, upgrade, and repair facilities in accordance with Department of Defense Antiterrorism and Force Protection construction standards. This program also determines the level of access to installations and facilities within the Army Reserve.

Installation Preparedness concentrates on training and equipment for first responders such as fire, police and emergency services to weapons of mass destruction incidents near or at Army Reserve installations and facilities.

The Army Reserve is challenged with its existing military and civilian manpower structure as well with its capability to adequately plan, execute and assess this real world critical program at all levels. Therefore, we must expand contract require-

ments for antiterrorism vulnerability assessments, exercise planning, and training for the entire Army Reserve.

Currently, the Army Reserve is able to restrict access to its installations, but sustainment of access control combined with additional security requirements since the Global War on Terror has become a challenge. Funding of these programs will allow the Army Reserve to meet security and preparedness for threats facing Army Reserve installation and facilities worldwide.

Equipment procurement and modernization

Increasing demands placed on the Army Reserve highlight the importance of equipment that is mission-essential. In addition, the increased use of Reserve forces in operational missions and the Global War on Terrorism has highlighted the importance of having compatible and modern equipment. In order for our soldiers to be able to seamlessly integrate on the battlefield, our equipment must be operationally and technically compatible. Without complete interoperability, the ability of the Army Reserve to accomplish its Combat Support and Combat Service Support missions would be diminished.

Combat support and combat service support transformation is a vital link to the Army Transformation Plan. The Army Reserve is the main provider of this capability for the Army and the Army must continue to modernize the Reserve components along a timeline that ensures the Reserve components remain interoperable and compatible with the Active component.

Equipment modernization of the Army Reserve is indispensable in meeting the goals of the Army's Transformation Campaign Plan. Full integration into the Army's modernization plan to implement force interoperability enables our units to deliver required Combat Service and Combat Service Support ensuring our Army's operational success.

In the Army's Combat Service and Combat Service Support Transformation Plan, key enablers are identified to meet the deployment vision outlined by the CSA. These enablers help to reduce the Army's Combat Service and Combat Service Support Demand on Lift and Logistical Footprint requirements while increasing strategic responsiveness. To reduce the Combat Service and Combat Service Support Demand on Lift and Footprint, investments are required in the appropriate Army Reserve Combat Service and Combat Service Support Enablers.

The Army Reserve has 20 percent of Combat Support and 47 percent of the Combat Service Support requirements in the Army. We must have these enablers on hand to support the Army's Combat Service and Combat Service Support Transformation Strategy.

Facility revitalization

The Army Reserve installation community proudly sustains two of the Army's major installations and 12 Regional Support Commands. These regional commands function as "virtual installations" with facilities in 1,300 communities across all 50 states, most United States territories, and in Europe.

Our primary facilities, Army Reserve centers, are prominent symbols of The Army on "Main Street America". They often create the very first impressions of the entire Army and present a permanent "billboard" for all Americans to see. Unfortunately, most Army Reserve facilities consist of 1950's era structures that remain virtually the same as when they were constructed. They are sorely in need of modernization or, as in most cases, replacement.

Army Reserve soldiers train in widely dispersed reserve centers and support facilities worldwide that use 45 million square feet. This equates to more square footage than Forts Hood, Sill and Belvoir combined. Our facilities experience the same type of challenges active Army posts do. The impacts of poor facility conditions are even more acute for our soldiers. Overcrowded, inadequate and poorly maintained facilities seriously degrade our ability to train and sustain units as well as decay soldier morale and esprit de corps.

Transformation

Clearly, our priorities and the way we approach national security changed. We must and will win the war on Terrorism. But the nature of this war dictates that major changes are required to practices, procedures and policies relating to use of our force. The processes and policies in place were designed for a different time and a different type of war than we are engaged in today. As a result, some have challenged our ability to respond early in a contingency operation, and to sustain continuous mobilization while continuing to attract and retain quality young men and women such as the ones who currently populate our force. I challenge this assertion.

The Army Reserve is preparing changes to training, readiness and policies, practices and procedures. We are restructuring how we train and grow leaders within

the Army Reserve by establishing a Trainee, Transient, Holdee, and Student Account, much like the Active Army, to manage our force more effectively. We are preparing implementation plans for the continuum of service concept recently proposed by the Office of the Secretary of Defense that would allow ease of movement between Army components as dictated not only by the needs of the Army but also by what is best for the soldier developmentally and educationally. We are excited by the potential of such proposals.

A challenge to realizing the capabilities and potential of our highly skilled, loyal and sacrificing soldiers is a antiquated Cold-War era mobilization process. The nation's existing mobilization process is designed to support a linear, gradual build-up of large numbers of forces and equipment and expansion of the industrial base over time. It follows a construct of war plans for various threat-based scenarios. It was designed for a world that no longer exists. Today, multiple, operational requirements, unclear, uncertain, and dynamic alliances and the need for agile, swift, and decisive combat power, forward presence in more responsive ways, and smaller-scale contingency operations, demand a fundamentally different approach to the design, use, and rotation of the Army Reserve. Rather than a "force in reserve", it has become and serves more as a force of discreet specialized, skill rich capabilities and a building block for teams and units of capabilities, all essential to force generation and sustainment. The process to access and employ these forces must be streamlined, flexible, and responsive to the President and Nation's needs yet considerate and supportive of the soldier, family and civilian employer.

There is an ongoing debate concerning the wisdom of reliance on the nation's Reserve components both for operations of a smaller scale nature, such as the Balkans rotations and early reliance in the opening phases of a contingency operation. Only thirty-three percent of the Army Reserve troop strength is currently mobilized. But raw troop strength numbers are not an accurate indication. Often, Army Reserve capabilities in Civil Affairs and Medical support are cited as but two of many examples of over reliance on the reserve components. There are specific types of units that have been used more than others. The demand for certain type units to meet the mission requirements of the Global War on Terrorism is higher in some more than others. Military Police, Civil Affairs, Military Intelligence, Transportation and Biological Detection and Surveillance capabilities are the highest in utilization. As an example, the Biological Detection and Surveillance units consist of one Active component unit and one Army Reserve unit. The Army Reserve unit has mobilized five times since 1997 and is currently in their second year of mobilization. A second Army Reserve unit will be organized this month and is prepared to mobilize by the fall of this year. There are future plans for additional such units in both the Army Reserve and the active component. This is but one example of a high demand, low density unit. Currently, 313 Standard Requirement Codes (types of units) are exclusively in the Army Reserve. The Army Reserve has been able to meet the challenges to date with this structure but clearly the structure requires change to meet the continuing demand for these skill rich capabilities which are more practical to sustain in a reserve component force.

The Army Reserve has been transforming its force since 1993 when it reorganized to produce a smaller, more efficient and effective structure. Our overall strength was reduced by 114,000 soldiers, or thirty-six percent, leaving us with a 205,000 soldier end strength today. In our transformation from a Legacy Force Army Reserve (or a Cold War Force) to an Interim Force, we are poised to put changes in place that will keep us moving on the path of transformation to the Objective Force. In the 1990s, we cut the number of our Army Reserve Commands by more than half and re-invested that structure into capabilities such as medical and garrison support units as well as Joint Reserve Units. We reduced the number of our training formations by 41 percent and streamlined our training divisions to better meet the needs of the Army and its soldiers. Our transformation journey actually began ten years ago and is accelerating rapidly today.

Changing the way we mobilize starts with changing the way we prepare for mobilization. The current process is to alert a unit for mobilization, conduct the administrative readiness portion at home station and then send the unit to the mobilization station for further administrative and logistical preparedness and to train for deployment. This process, alert-mobilize-train-deploy, while successful in Desert Shield/Desert Storm, today inhibits responsiveness. By changing to train-alert-deploy, and performing the administrative and logistical requirements prior to mobilization, we will reduce the time needed to bring a unit to a campaign quality level needed for operations.

The Army Reserve is the nation's repository of experience, expertise and vision regarding soldier and unit mobilization. We do have forces capable of mobilizing in twenty-four hours and moving to the mobilization station within forty-eight hours,

as we did in response to September 11th. This demonstration of quick and precise mobilization ability will become institutionalized in the processes and systems of the future and give our forces the ability to mobilize rapidly and smoothly. We will overcome challenges posed by units manned with untrained soldiers through initiatives that strengthen soldier readiness and leader development.

While changing industrial age mobilization and personnel training and development policies is necessary, restructuring our force so that we can implement predictable and sustainable rotations based upon depth in capability is also necessary. Predictable and sustainable utilization is a key factor in soldier, family, and civilian employer support. One of the goals of transforming our force is to change policies that are harmful to soldiers and families. Predictable rotation schedules will allow the Army Reserve to continue to be a value-added source of skill rich capabilities for small-scale contingency conflicts and follow-on operations. It will provide our units with operational experience; provide a sense of fulfillment for our soldiers; impart a sense of predictability for our soldiers and evens out the work load across the force. We must begin now to implement new strategies to build a force with rotational capabilities.

Individual Augmentee Program

Under the current Army posture, there is a growing need to establish a capability-based pool of individual soldiers across a range of specialties who are readily available, organized, and trained for mobilization and deployment as Individual Augmentees. In spite of numerous force structure initiatives designed to man early deploying Active Army and Reserve component units at the highest possible levels, a requirement remains for individual specialists for unforeseen, unplanned-for-contingencies, operations, and exercises. Therefore, I have directed the establishment of an Individual Augmentee Program within the Selected Reserve to meet these needs.

The purpose of the Individual Augmentee Program is to meet real-world combatant commander requirements as validated in the Worldwide Individual Augmentation System (WIAS). Additionally, this program will preclude the deployment of individual capabilities from active or reserve component units adversely impacting their readiness, cohesion, and future employment possibilities. It will allow soldiers to participate at several levels of commitment and supports the Office of the Secretary of Defense proposal for a continuum of service.

Continuum of service offers the Army flexibility in accessing and managing personnel. Soldiers can serve through a lifetime in different ways from active duty to troop program unit to individual augmentee to retiree. The ability to move seamlessly through components and statuses can only benefit the Army and the soldier. Matching the right soldier in the right status at the right time makes sense. The Army Reserve will lead the way in making a reality of the phrase "Once a Soldier, Always a Soldier".

Our initiatives concerning the management of individuals in the Army Reserve are the catalyst of Army Reserve Transformation—The Federal Reserve Restructuring Initiative. In order for the Army Reserve to continue to transform, six imperatives must be implemented. These imperatives are: re-engineer the mobilization process; transform Army Reserve command and control; remove unready units; implement human resources life cycle management, build a rotational base in our force; and re-engineer individual capabilities.

The Chief of Staff, Army has stated that the engine of transformation is our people. Our Army Reserve transformation plan attacks directly those outdated, unresponsive policies, practices, and procedures that inhibit our people's ability to transform. Your awareness and Congressional support of our efforts is invaluable.

SUMMARY

In our current military environment, the Army Reserve has many challenges that we accept without hesitation. These challenges are embedded in the current wisdom of early reliance on the reserve component in early contingency operations and the wisdom of the use of the reserve components in scheduled operational rotations such as Bosnia and Kosovo. Historically our nation has placed great reliance on the reserve components of soldiers, sailors, airmen and marines, to expand the armed forces for operations during time of war. The nature of warfare has changed drastically and we must also change. This Global War on Terrorism, as our President has described, is a long-term campaign of inestimable duration, fought in many different places around the world. The issues we have brought to you today—changing how we recruit, prepare, maintain, and resource our force recognizes the Commander-in-Chief's intent, to prepare for future wars of unknown duration, in places we have yet to fight, and against enemies who threaten our freedoms and security.

We are grateful to the Congress and the Nation for supporting the Army Reserve and our most precious resource, our soldiers—the sons and daughters of America.

I cannot adequately express how proud I am of our soldiers. They are in the hearts and prayers of a grateful nation and will continue to stay there until we finish the job at hand.

Thank you.

Senator STEVENS. Thank you, General. Admiral.

STATEMENT OF VICE ADMIRAL JOHN B. TOTUSHEK

Admiral TOTUSHEK. Thank you, Mr. Chairman, and thank you on a personal note for the kind words about my service to the country. I'm just humbled and proud to be representing the 88,000 men and women of the Naval Reserve Force, and I would tell you that they have once again stood forth, just as the other component members have, when the Nation needed them.

I'd like to talk a little bit about the Naval Reserve Force as a whole, just talk about a couple of things you've already brought up. The first is the overuse issue. It seems to me that perhaps, rather than changing the numbers in the active component and reserve component mix, perhaps we need to be looking at the mission areas so that we don't recall people year after year after year.

In the Naval Reserve we've done a pretty good job of doing that, and the data that we have, which is current as of the end of AEF—OEF, I'm sorry—shows that the people that have been mobilized actually have a higher retention rate than those people that have not been mobilized, so at least for the Naval Reserve Force, as of current, after the Afghanistan operation, we have not seen, and the data reflects about a 50 percent better attrition rate, if you will, than the people that are just doing their time, if you will, drilling. I think that shows us that the men and women of the Naval Reserve Force at least, and I would expect the other components as well, are willing to serve and, in fact, are expecting to serve a little bit more differently than they have in the past, and I would just ask that as we think about the way we're going to try to structure the military of the future, that we don't try to put a one-size-fits all, or put too many constraints on us that prevents us from doing our mission, or allowing our people to serve.

The second thing is that we've heard some talk about the fact that it's not a good idea to have 100 percent of any capability in the reserve component, because that would also suggest that we would be overusing them. The Naval Reserve has several capabilities that we do the entire mission for the Navy. One of the good examples is our intratheater airlift. All the transport airplanes that we have, if you see an airplane that says Navy on the side, it's either carrying people or cargo, that's a Naval Reserve airplane.

Once again, during Operation Iraqi Freedom, we did wonderfully well there, bolstering the support to the theater by about 300 percent, and we did much of it without mobilization. Much of it was on a volunteer and a detachment type of basis, so I think we have proven over and over again that we can do that mission for the Navy cheaper, better, and with more expediency than even trying to outsource this would be able to do, and I would just ask us to keep that in mind as well, that there are certain missions that are perfect for the reserve components.

Lastly, I'd like to talk about the length of time it takes to mobilize. We all expect and would like to give our members as much notice as we can, but in these times when we are at war, I think everybody understands that if it is a quick mobilization, that there are some instances where that is necessary, and our people are willing to sign up for that as long as it isn't the usual case. If we can plan, as the other commanders have pointed out, on a regular basis, and then perhaps understand that once in a while it's going to be now, people will understand that.

I, too, would tell you that just like the other component commanders, the employers and the families of our people have been very, very important to us. We've taken steps in both cases to make sure that those equities are recognized, and I would tell you that by and large all of those families are standing up and doing a wonderful job, just as our people have.

PREPARED STATEMENT

Thank you very much for our continued support. I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF VICE ADMIRAL JOHN B. TOTUSHEK

It has been a remarkably challenging and successful past year for the Naval Reserve. We are continuing at an unprecedented pace in support of the war on terrorism, while at the same time navigating the Naval Reserve through the complex process of Transformation. Today, Navy's ability to surge rapidly and decisively to new crisis points rests primarily on active force capabilities with some Naval Reserve augmentation. Yet, any new crisis could potentially strain Navy's ability to sustain existing commitments, thus increasing the value of maintaining—and using, when needed—flexible operational capabilities resident in the Naval Reserve.

The Naval Reserve provides Navy with necessary operational and organizational agility —Operational readiness —Parallel capability—reinforcing/sustaining/optimizing for crisis —Incubating new capabilities —Stand alone missions

We ask a lot from our individual Reservists. And they have responded heroically. As Operations Noble Eagle and Iraqi Freedom demonstrate, mobilized Naval Reserve capabilities are often required to meet the risks associated with surge, and to sustain Navy commitments. Despite various opinions to the contrary, my Reserve Force has not been overtasked during the continuing Global War on Terrorism. We've recalled nearly 19,000 Naval Reservists to-date, or approximately 25 percent of our force. We've recalled entire commissioned units as well as individuals with unique skills. While attrition across my force has been averaging in the high 20 percentile, our Career Decision Surveys targeted to those personnel demobilizing indicate that their attrition is holding at a mere 12 percent. We are confident that we have policies in place to manage and mitigate the strains we place on our Sailors and their employers. The bottom line is that Naval Reserve personnel are staying Navy, and we were able to reduce our enlisted recruiting goal by 2,000 endstrength this year.

The Naval Reserve: a proven source of Navy flexibility
 —Mobilization for war or contingency
 —Relieving stress on active PERSTEMPO
 —War fighting and support capability at reduced cost

Observing the work performed by our Naval Reservists over the past year, I have concluded that heroes are just ordinary people who do extraordinary things.

Among the Naval Reserve heroes who represent the extraordinary sacrifices made by all of our members in support of Operations Enduring Freedom, Noble Eagle and Iraqi Freedom are people such as these:

—Commander Neal Bundo, from Crofton, Maryland, and members of Navy Command Center Unit 106 at the Pentagon mobilized and drilled around-the-clock to maintain the watch in the aftermath of the destruction of the center and the murder of fellow Sailors.

—Utilityman Second Class Marianne Johnson, who lives in San Diego and is a single parent of two daughters and an accounts receivable clerk for Pepsi. She was mobilized to Pearl Harbor with Construction Battalion Maintenance Unit 303 to provide security support for Commander, Navy Region Hawaii. Although she could have waived her commitment, she arranged for a friend to take her apartment and temporary custody of her children for a whole year.

And there are Naval Reserve heroes among the spouses of our reservists.

—The husband of Susan Van Cleve was also recalled with Construction Battalion Maintenance Unit 303. Without any formal Ombudsman training, Mrs. Van Cleve took on the task of representing the dependents and relatives of more than 180 mobilized Seabees. What's remarkable is that the Van Cleves, from Lake Elsinore, California, have five children at home under age five.

Ordinary people. Summoned to do extraordinary things. I call them heroes. Anyone associated with the Reserve Components of this nation could go on and on with such stories because there are thousands of them. They are the people whose dedication we honor and must support.

We are at the height of the mobilization in support of Operations Noble Eagle, Enduring Freedom, and Iraqi Freedom, with more than 12,000 sailors providing support around the world today. A perfect example of this is Strike Fighter Squadron (VFA) 201, based at Naval Air Station Joint Reserve Base, Fort Worth, Texas, which was ordered to active duty by President George W. Bush, as a unit of Carrier Air Wing (CVW) 8 embarked aboard the USS Theodore Roosevelt (CVN 71). Reports indicate that the "Hunters" of VFA 201 are leading the Air Wing in every measurable category.

The majority of Naval Reservists that have been mobilized are individuals with unique specialties. They included significant numbers of law enforcement officers and security specialists. Medical, supply, intelligence and other specialties continue to be heavily tasked. Entire units of the Naval Coastal Warfare commands were activated.

Naval Reserve fighter pilots flew combat air patrol over our great cities. P-3C Orion pilots and crews are still flying surveillance missions. Logistics aircraft crews maintain a continuous presence in Bahrain and their operations tempo has increased by 25 percent, most of which is being done without mobilization.

Top Five Priorities.—And while our deckplate sailors continue training to support combatant commanders, at the headquarters level we are still adhering to our Top Five priorities for the Naval Reserve. Let me briefly review highlights of these goals to illustrate how we are making progress.

The Fiscal Year 2003 Top Five Priorities for the Naval Reserve
 —Manpower
 —Training
 —Equipment & Information Technology Compatibility
 —Force Shaping
 —Fleet Support

Manpower.—Our recruiting numbers look good, and we are meeting goal. A continuing challenge is to fill targeted rates. While we initially saw that the percentage of prior service Navy entering the Naval Reserve bottomed out after 9/11, it quickly rebounded, and we finished the year over end strength. Our attrition rate hovers

near 25 percent, sharply down from a few years ago but short of our goal of 22 percent. One major improvement is that we are consolidating our recruiting efforts with the active Navy and expect that benefits will accrue to both.

Training.—Our training emphasis is on supporting the Chief of Naval Operation's Task Force Excel and Commander, Naval Education and Training, through integration of Naval Reserve personnel at all levels in the Navy Training Organization. This integration will enable the Naval Reserve to be in a position to take advantage of training initiatives underway throughout the Navy. We are also providing Joint Professional Military Education and ultimately building a cadre of Reserve Officers with joint experience and designated as Fully Joint Qualified. This will involve working closely with joint gaining commands to identify billets requiring joint experience to be filled by Reserve Officers, an opportunity that has previously been non-existent. Additionally, in order to take advantage of current and future training available through Distance Learning, we have been working hard to develop and implement a policy to provide drill pay to those personnel completing Distance Learning courseware at the direction of their Commanding Officer.

Equipment and Information Technology Compatibility.—In fiscal year 2004 we see a continuation of the decline in procurement of equipment for the Naval Reserve. Total Naval Reserve equipment procurement steadily decreased from \$229 million in fiscal year 1997 to about \$91 million in fiscal year 2003.

Among the few bright spots in the fiscal year 2004 equipment budget is funding for the acquisition of one new C-40A logistics aircraft. These aircraft are of vital importance to fleet logistics since the Naval Reserve provides 100 percent of the Navy's organic lift capability and direct logistics support for combatant commanders in all operating theaters. In addition, the fiscal year 2004 budget calls for the procurement of another C-40A aircraft.

Other programs slated to receive procurement funding in the fiscal year 2004 budget include: the C-130T Aviation Modernization Program that will make 18 logistics aircraft compliant to fly worldwide; surveillance equipment upgrades and small boats for Naval Coastal Warfare forces; and ground and communication equipment for the Naval Construction Force.

Despite these welcome Reserve modernization efforts, essential F/A-18 modifications, P-3C upgrades, and SH-60B helicopters still require substantial investments. Currently one squadron of Reserve F/A-18A aircraft lack the capability to deliver precision-guided munitions and need ECP-560 upgrades to avionics, software and accessories. Under the Navy-Marine Corps TACAIR integration plan, a Naval Reserve squadron is slated for disestablishment in fiscal year 2004.

P-3C aircraft used by the Naval Reserve constitute approximately 40 percent of the Navy's capability. Currently, these aircraft provide only limited support to operational commanders because they lack the Aircraft Improvement Program (AIP) upgrade. Active component AIP aircraft were used extensively in Afghanistan due to their improved communication and surveillance capabilities. To enable our P-3C squadrons to fully participate and integrate with the active component in support of operational requirements, an investment needs to be made to upgrade our 42 P-3C aircraft in the Naval Reserve's seven P-3C squadrons. Improving Reserve squadron integration with active forces will reduce active component's operational tempo and increase overall Navy mission capability. Spending to achieve equipment compatibility and equivalent capability between active and Reserve components is always a wise investment. Finally, the Littoral Surveillance System (LSS) provides timely assured receipt of all-weather, day/night maritime and littoral intelligence, surveillance and reconnaissance data. For fiscal year 2003, Congress appropriated funds for a second LSS to support Naval Coastal Warfare. I'm encouraged that the emerging Homeland Security requirement to secure land and sea borders from potential terrorist attack is an emerging mission to which LSS capability can contribute. It is joint, transformational, and is consistent with Naval Reserve capabilities. I look forward to working with our Coast Guard friends in assisting them in protecting our coastal waters and ports.

In the Information Technology area, we have implemented the New Order Writing System (NOWS) online, and it is up and running smoothly. Within budget constraints, we continue with implementation of the Navy Marine Corps Intranet (NMCI). By the end of 2003, 100 percent of the Naval Reserve Force will be on the NMCI. Our goal is a seamless information and communication systems integration between the active Navy and the Naval Reserve. To meet our primary mission of delivering sailors, equipment and units to combatant commanders requires information technology improvements in the manpower, personnel, communications, training and financial management areas.

Force Shaping.—On July 20, 2002, the Naval Reserve stood up the Naval Reserve Forces Command. In doing so, it eliminated the old title of Commander Naval Sur-

face Reserve Force and merged separate Naval Reserve air and surface chains of command. This ongoing alignment, which is examining every facet of Naval Reserve operations—is making the Naval Reserve more flexible and responsive, improving its systems and focusing on customer service. The alignment of the New Orleans headquarters staff allows one-stop shopping for the active duty Navy to reach the Naval Reserve Force and has provided additional full time support to the fleet.

Fleet Support.—Earlier I mentioned the direct support we have been providing to combatant commanders, and we are prepared to do more. While we continue monitoring potential risks of sustained and repeated recalls, to date we have seen improved retention rates of recaltees measured against the rest of the force. Every one of our 86,000 Naval Reservists wants to participate in winning the war on terrorism. We must ensure that they have the tools to do their jobs and integrate smoothly into the Fleet.

Transformation.—Within the think tanks of Washington and in the Pentagon E-Ring hallways, there is much talk about how the Navy will participate in the DOD-wide Transformation process. And though the Naval Reserve's traditional mission of reinforcing active forces and sustaining capabilities has always been valid, there are additional ways in which we can support Transformation.

The Naval Reserve is the “flex” Navy needs to navigate, and even accelerate its passage through a challenging and uncertain future. As it did throughout the Cold War, Post-Desert Storm and Post 9/11 periods, the Navy will continue to depend on its Reserve as a mobilization asset, affordably extending Navy's operational availability. At the same time, the Navy will continue to rely on Naval Reserve units and individuals to provide day-to-day peacetime operational capabilities and to reduce the stress on active personnel tempo. The extensive operational warfighting and service support experience resident in the Naval Reserve will be crucial to assisting Navy in achieving its Sea Strike, Sea Shield and Sea Basing capabilities.

Some of our terminology will change as we transform. We no longer talk about CINCs; we talk about combatant commanders. We don't talk about TARs; we talk about Full Time Support personnel. We're not using the phrase Total Force, but we are talking about a transformational force that is simply one Navy.

The Navy is shaping itself in the 21st century in an environment of competitive resources, fluid planning assumptions, and operational uncertainty. As it begins the transformation, the Navy is also fighting the war on terrorism and maintaining a challenging global forward presence. Juggling such priorities involves risk.

The Naval Reserve's traditional function as a reservoir of capabilities that are not needed continuously in peacetime, but are needed in crisis, is crucial to mitigate such risks.

As one example, Naval Coastal Warfare forces have been called upon to provide a security framework on the home front as well as overseas. The mission—protection of strategic shipping, shallow water intrusion detection, traffic control, and harbor defense—has resided exclusively in the Naval Reserve for more than 10 years. Today, this force protection presence is made up of 100 percent Naval Reservists, who conduct fully integrated command, control, communications, surveillance and harbor defense missions around the globe. Because these are ongoing requirements in this mission area, we will be integrating an active Mobile Security Force with existing Naval Reserve Coastal Warfare forces.

Another example is also tied to the aftermath of 9/11: the immediate requirement for Master-at-Arms and law enforcement specialist to provide force protection to the Navy. This was a very small mission area for the Navy that, when the need arose, they were unable to fill with active duty Sailors. The Naval Reserve took care of the requirement until the Navy could implement long-term measures.

However, the Naval Reserve can do more. Our agility can spread across a spectrum of other challenging areas: manpower, operations, planning, force structure and mix. We can be a great reservoir for experimentation and innovation. In these and many other ways, the Naval Reserve can mirror and complement the Chief of Naval Operation's visions in Sea Power 21: to project power, protect U.S. interests, and enhance and support joint force operations.

Myths.—Before I close, since this is probably the last opportunity I will have to appear before this committee, I would like to take this opportunity to briefly comment on several myths about the Naval Reserve that I have encountered during my tour as the Chief of Naval Reserve.

The first myth is the popular opinion of many that Reserve Forces have been overused during the GWOT. As I mentioned in the beginning, I can assure you that the Naval Reserve has not been overused and is ready and able to do more to support the Navy. I know this not only because of the conversations that I have had with Naval Reservists on a daily basis, but also because of some very interesting statistics that have come out of our 9/11 mobilizations, such as the one measure

that indicates our current attrition rate for those mobilized for the GWOT is approximately 12 percent, which is considerably lower than our historical attrition rate. I'm a firm believer that the Naval Reserve Force needs to be used to be relevant.

The second myth is that it is unwise to place 100 percent of a mission within the Reserve. I firmly believe that certain missions are designed perfectly for the Reserve and are very cost effective. A perfect example is the 14 Naval Reserve squadrons of our Fleet Logistics Support Wing which have very successfully provided 100 percent of the Navy's worldwide intra-theatre airlift support on a continuous basis for over a decade. There are currently 14 Naval Reserve logistics aircraft deployed outside the continental United States, which is a 230 percent increase since 9/11, yet we have done this while only mobilizing one airlift squadron.

You may have heard discussions about changing the mix of active component versus Reserve component. The Naval Reserve is working closely with the Navy to address High Demand/Low Density type units. Through innovative sharing of assets and essential skill sets, Reserve personnel have been used to train new Active Component crews as well as carry some of the load of the deployment rotation. VAQ 209, flying EA-6B electronic warfare jets based at NAF Washington, deployed overseas for 45 days this past summer flying combat patrols in support of Operation Northern Watch, their fifth such deployment in the last seven years. Yet when they were here at home, they provided personnel and aircraft to the Fleet to support multi-week flight training detachments. By doing this they maximize the value of the dollars Navy has already spent to train and equip them while sustaining and exercising their warfighting skills. The renewed demand for Naval Coastal Warfare units, as mentioned before, has caused Navy to reevaluate the requirement and to create Active Component units. Naval Reserve, in this case, has served to provide the storehouse of skills so that as the demands of warfighting changed Navy was able to quickly meet the new challenge. These are just two examples of how your Naval Reserve Force provides the organizational flexibility needed to navigate the rapid changes of a transforming world.

A myth that certainly has to be dispelled is that Naval Reservists cost more than their active duty counterparts. A cost comparison done for a seven year period from fiscal year 2003 through fiscal year 2009 shows that a Selected Reservist, not mobilized at any time during that period, costs approximately 21 percent of the cost of an active member. The cost of a Selected Reservist mobilized for a two year period during the 7 year time frame still reflects a considerable savings—less than half of that of an active member. In 2002, Navy estimated that it costs \$1.26 million to train an F-18 pilot, taking that “nugget” pilot from “street to fleet.” By the time that same pilot will become a member of the Reserve Force, Navy will have invested many more millions of dollars to hone his or her skills. When that pilot joins a Naval Reserve squadron we will have recaptured every one of those training dollars. My point is that the cost of a valuable mobilization asset should not be looked at only in the limited context of the period during mobilization, but, rather in the larger context; that of an amazingly cost effective force multiplier available both during periods when the nation's active forces are able to handle the PERSTEMPO and OPTEMPO without Reserve augmentation and during those periods of crisis that require Citizen-Sailors to leave their civilian lives and jobs and be mobilized.

An additional myth is that the Naval Reserve should only be employed for full mobilization scenarios. Much like VAQ 209, which I mentioned earlier, our Naval Special Warfare units and Naval Special Warfare helicopter squadrons, either by providing personnel or by providing deploying units, have participated in smaller scale contingency operations such as Uphold Democracy in Haiti. Our Naval Reserve intelligence community is contributing daily to the processing and evaluation of intelligence information. Our maritime patrol squadrons and Naval Reserve Force frigates are continuously employed in the war on drugs. These scenarios do not involve full mobilization, they involve ad hoc contributions that keep our Naval Reservists engaged in something that is important to them—the safety, security and preservation of our country. If we want to continue the capable reserve force we have today, we must utilize their talents or they will not stay.

And the last myth is that it takes too long for us to mobilize and be ready. Fortunately, I have a timely example to use to dispel this myth. On October 4th, 2002, a mobilization order was issued to VFA-201. Within 72 hours 100 percent of squadron personnel had completed the mobilization process, and within 90 days, all refresher training had been completed and the squadron was deployed on board the U.S.S. Theodore Roosevelt. Every aviator has cruise experience, over 1,000 flight hours, and many have 2,000 hours in aircraft type. Squadron aviators provided leadership to the air wing in strike planning, flight execution, and carrier operations. Their experience in operations around the world and in adversary tactics continue

to aid increased air wing readiness. Since mobilization, the Hunters of VFA-201 have flown more than several thousand Sorties, have flown over 300 hours in combat and have dropped over 60,000 lbs. of precision-guided munitions. Not only were we ready to respond to the call quickly, but, I am please to report that VFA-201 pilots had the highest qualification grades in the Air Wing and were awarded the Squadron "Top Hook" award. I am also pleased to report that VFA-201's twelve F-18A+ aircraft are equivalent to F-18C aircraft primarily because of funding for equipment upgrades provided by Congress via the NG&RE appropriation.

Running Myths about the Naval Reserve

- Naval Reserve forces are being overused
- It is unwise to place a mission entirely in the Naval Reserve
- The active/reserve force mix for High Demand/Low Density units should be changed
- The Naval Reserve should be used only for full mobilization scenarios
- It takes too long for the Naval Reserve to mobilize and get ready

Summary.—The Naval Reserve is meeting big challenges with a Force that is remarkably fit and ready to continue doing the heavy lifting for the Navy Marine Corps Team. If we are successful at procuring the compatible equipment we need, we can become even more effective at world-class service to the Fleet. We look forward to meeting the challenges ahead, both within the Naval Reserve and in support of the Navy's strategic vision.

As I review the state of our Naval Reserve Force over the past year, I take pride in what the Naval Reserve has accomplished. All things considered, it has been a remarkable year.

Senator STEVENS. Thank you very much. I think the committee would be very interested in the number of volunteers that came forth in each one of your branches. I've got to tell you, I've had more calls from people who were irritated that they weren't called up than I got for those who called up who were irritated, so there's a balance there somewhere.

General McCarthy.

General MCCARTHY. Mr. Chairman, members of the committee, with my colleagues I thank you for the opportunity to appear and to talk briefly about the Marine Corps Reserve. Most importantly, I would like to say that as an advocate for the Marine Corps Reserve I want to thank the Congress and this committee in particular for the support that you have provided over the years, and I think it's clear that the investments that the Congress and this committee have made in the Marine Corps Reserve have been well used, and have borne fruit in this most recent period of combat for our country.

As you pointed out, Senator Stevens, it is truly a totally integrated force. The Marines and their units in the Marine Corps Reserve are indistinguishable from their active units. They are part of those units. Their units are combined, and it truly is, I believe, a validation of the concept of a total force.

Over 50 percent of the marines and sailors who serve with us in Marine Reserve units have been mobilized, and the vast majority, I think over 75 percent of those mobilized right now, were mobilized for service in the U.S. Central Command's area of responsibility. They have been directly engaged with the enemies of our Nation. They have suffered their share of casualties. They've served across the full spectrum of Marine operations, infantry, aviation, tanks, light armored reconnaissance, reconnaissance units, engineers, combat service support, ANGLICO units serving

with Special Operations Command and with the first United Kingdom forces in Southern Iraq. In short, in every aspect of Marine operations in Operation Iraqi Freedom, Marine Reserves and their units have been an integral part.

We are now focused at my headquarters on bringing these units home, on demobilizing them and refitting them and getting them ready for whatever challenges may lie ahead. That demobilization process is our number one focus of effort, and as soon as that process is complete, we will begin to focus on reconstituting and rebuilding the capabilities of the Marine Corps Reserve, and that is going to be a challenging task, but it is one that I believe we can accomplish.

It's clear that as we bring units home there will still be units remaining in the area of operations. Some of the last units to leave Iraq, I believe, will be Marine Corps Reserve units, Civil Affairs units, a couple of infantry battalions, and light-armored reconnaissance come immediately to mind, but I just left the theater on Sunday night, and I talked to I think hundreds, maybe thousands of Marines while I was there, I visited with the senior marine commanders, and I come away convinced that your Marine Corps Reserve has done a tremendous job, and that it will continue to do so. It will come out in good order, and we will begin the process of getting ready for whatever challenges lie ahead. We will work in close coordination with the Congress, and again I would state my appreciation for your support.

Thank you, Senator.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL DENNIS M. MCCARTHY

INTRODUCTION

Chairman Stevens, Senator Inouye and distinguished members of the Committee, it is my privilege to report on the status and the future direction of your Marine Corps Reserve as a contributor to the Total Force. On behalf of Marines and their families, I want to thank the Committee for its continued support. Your efforts reveal not only a commitment for ensuring the common defense, but also a genuine concern for the welfare of our Marines and their families.

YOUR MARINE CORPS RESERVE TODAY

Today's Marine Reserves are ready, willing and able to support the Active component and to serve our communities in peace or war. During the Global War on Terrorism, Reserve units have filled critical roles in our nation's defense—whether deployed to Afghanistan, Djibouti or the Persian Gulf or on standby to respond to Homeland Security crises.

As of April 21, approximately 21,100 Marines were activated as part of units or individual augmentees in support of Operations Noble Eagle, Enduring Freedom, and Iraqi Freedom. This represents approximately 52.8 percent of the Selected Marine Corps Reserve and 4.7 percent of the Individual Ready Reserve. Roughly 75 percent of the Selected Marine Corps Reserve Marines currently activated are participating in Operation Iraqi Freedom. From the 2nd Battalion, 23rd Marine Regiment operating up front with the 1st Marine Regiment, to Reserve KC-130s flying supplies into Iraq and evacuating prisoners of war, to the 6th Engineer Support Battalion purifying over a million gallons of water, to members of the 3rd Civil Affairs Group establishing local police forces and organizing joint patrols with Iraqi policemen, Marine Reserves continue to play a major role in Coalition operations in Iraq.

Reserve integration readily enhances Marine Corps operational capabilities, however, the Commandant of the Marine Corps recognizes that the Reserve is a finite resource and insists on its judicious use. In the first year of Operations Noble Eagle and Enduring Freedom we activated no more than 11 percent of the Selected Ma-

rine Corps Reserve (units and Individual Mobilization Augmentees) and less than 2 percent of the Individual Ready Reserve. All of the Individual Ready Reserve members were volunteers.

Mobilization readiness is our number one priority all the time and the men and women in the Marine Corps Reserve have responded enthusiastically to the call to duty. Only 1.8 percent of those receiving orders have requested delay, deferment or exemption from duty. The hard work and dedication of the Marines and Sailors to this task has resulted in the efficient execution of the mobilization. We moved personnel and cargo directly from reserve training centers to embarkation points using tractor-trailers, chartered buses and flights—without missing a designated arrival date. No reserve unit had to ask for relief to enter theater without the required anthrax and smallpox inoculations. As we begin to see combat operations taper off, we are now preparing for the equally efficient demobilization of many of our reserve units.

The ability of the Reserve to rapidly mobilize and integrate into the Active component in response to the Marine Corps' operational requirements is a tribute to the dedication, professionalism and warrior spirit of every member of the Marine team—both Active and Reserve. Our future success relies firmly on the Marine Corps' most valuable asset—our Marines and their families.

MARINES AND THEIR FAMILIES

We continue to evaluate personnel policy changes regarding entitlements, training and employment of Reserve forces, and support for family members and employers to minimize the impact of mobilization on our Marines. Success in this area will enhance our ability to retain the quality Marines needed to meet our emerging operational requirements.

We need your continued support to attract and retain quality men and women in the Marine Corps Reserve. Our mission is to find those Marines who choose to manage a commitment to their family, their communities, their civilian careers, and the Corps. While such dedication requires self-discipline and personal sacrifices that cannot be justified by a drill paycheck alone, adequate compensation and retirement benefits are tangible incentives for attracting and retaining quality personnel. This challenge will be renewed when mobilized units return from Active duty and begin the process of reconstitution.

Last year, the Marine Corps Reserve achieved its recruiting goals, accessing 5,900 non-prior service and 4,213 prior service Marines. This is particularly challenging because the historic high rate of retention for the Active component has reduced the pool for prior service recruiting. Enlisted attrition rates for fiscal year 2002 decreased approximately 2.8 percent from our four-year average. Marine Corps Reserve officer attrition rates were slightly higher than historical averages which can in part be attributed to Reserve officers leaving non-mobilized Selected Marine Corps Reserve units to be mobilized in support of individual augmentation requirements.

The incentives provided by Congress, such as the Montgomery G.I. Bill and the Montgomery G.I. Bill Kicker educational benefits, enlistment bonuses, medical and dental benefits, and commissary and Post Exchange privileges, have helped us to attract and retain capable, motivated, and dedicated Marines, which has contributed to the stability of our Force. Congressional enhancements allowed us to increase our recruiting and retention incentive programs during fiscal year 2002. We are funding these programs to the same levels in fiscal year 2003 through internal realignment. The increase is also reflected in our fiscal year 2004 budget request. The tangible results of your support for these incentives are the aforementioned decreased attrition and recruiting successes.

The Marine Corps is the only Service that relies almost entirely on its prior service population to fill the ranks of its Reserve officer corps. Although the Marine Corps Reserve exceeded its recent historical Selected Marine Corps Reserve unit officer accession rates in fiscal year 2002, staffing our unit officer requirements at the right grade and military occupational specialty continues to be our biggest recruiting and retention challenge. We are exploring ways to increase the Reserve participation of company grade officers.

The long-term impact of serial or repeated mobilizations on recruiting and retention is still undetermined. More than 3,000 of our activated reserves have now exceeded the one-year mark. We will not know the overall retention impact until we demobilize a significant number of these Marines and they have an opportunity to assess the impact of mobilization on their families, finances and civilian careers.

Should Active or Reserve Marines choose to make a transition back to civilian life, the Marine for Life program is an initiative which is already proving to be of im-

measurable value to our returning citizens. The Marine For Life Program was developed to achieve the Commandant's vision of "improving assistance for our almost 29,000 Marines each year who honorably leave Active service and return to civilian life, while reemphasizing the value of an honorable discharge." While work continues to complete all necessary details of this broad program, Marine For Life has begun the transition toward initial stand up. Combining a nationwide network of hometown links administered by Reserve Affairs at Headquarters Marine Corps, Marine For Life provides Marines with information and assistance required to make a successful transition from Active service to civilian life in their desired hometown. This year marked the release of numerous policies and information outreach campaigns on the use and benefits provided by Marine For Life to the Total Force Marine Corps as part of our ongoing efforts to improve the overall life of all Marines. The Marine For Life Program will build, develop and nurture a nationwide network of transitioning Marines, veterans, retirees, Marine Corps affiliated organizations, and friends of the Corps.

Combat readiness and personal and family readiness are inseparable. Our Marine Corps Community Services organization works aggressively to strengthen the readiness of our Marines and families by enhancing their quality of life. Our many Marine Corps Community Services programs and services are designed to reach all Marines and their families regardless of geographic location—a significant and challenging undertaking considering the geographic dispersion of our Marines and their families throughout the United States and Puerto Rico. During the current mobilization we are seeing the payoffs of our significant investment over the past several years in family readiness programs. Key volunteers and site support personnel are assisting families and keeping communities informed.

In December 2002, the Marine Corps began participating in a two-year Department of Defense demonstration project providing 24-hour telephonic and online family information and referral assistance. Referred to as "Marine Corps Community Services One Source", it is similar to employee assistance programs used by many of the nation's major corporations as a proven Human Resource strategy to help employees balance work and homelife demands, reduce stress and improve on-the-job productivity. We are already receiving positive feedback from users.

The support our Reserve Marines receive from their employers has a major impact on their ability to serve. We have partnered with the National Committee for Employer Support of the Guard and Reserve to foster a better mutual understanding and working relationship with employers. During the current partial mobilization many employers have voluntarily pledged to augment pay and extend benefits which has greatly lessened the burden of activation on our servicemembers and their families. I would like to acknowledge and thank the public and private sector employers of our men and women serving in the Marine Corps Reserve for their continued support.

Like the Active component Marine Corps, the Marine Corps Reserve is a predominantly junior force with historically about 70 percent of Selected Marine Corps Reserve Marines serving their first enlistment. Many of our young Marines are also college students. Currently, there are no laws that would offer academic and financial protections for students and schools affected by mobilization. We support Employer Support of the Guard and Reserve's new initiative to improve communication between Reserve component personnel and their educational institutions.

In addition to supporting Operations Noble Eagle, Enduring Freedom, and Iraqi Freedom, Marine Reserves continued to provide operations tempo relief to the Active forces. Notably, more than 300 reserves volunteered to participate in UNITAS 43-02, creating the first Reserve Marine Corps UNITAS (an annual U.S. sponsored exercise in South America). From August to December, the Marines sailed around South America conducting training exercises with military forces from Brazil, Colombia, Ecuador, Argentina, Peru, Chile and other countries. Marine Forces Reserve also provided the majority of Marine Corps support to the nation's counter drug effort, participating in numerous missions in support of Joint Task Force 6, Joint Interagency Task Force-East and Joint Interagency Task Force-West. Individual Marines and Marine units support law enforcement agencies conducting missions along the U.S. Southwest border and in several domestic "hot spots" that have been designated as high intensity drug trafficking areas.

The Active Duty Special Work Program funds short tours of active duty for Marine Corps Reserve personnel. This program continues to provide critical skills and operational tempo relief for existing and emerging augmentation requirements of the Total Force. The demand for Active Duty Special Work has increased to support pre-mobilization activities during fiscal year 2002 and fiscal year 2003 and will be further challenged during post mobilization. In fiscal year 2002, the Marine Corps executed 1,208 work-years of Active Duty Special Work. Continued support and

funding for this critical program will ensure our Total Force requirements are fully met.

Maintaining overall Selected Marine Corps Reserve end-strength at current levels will ensure the Marine Corps Reserve's capability to provide operational and personnel tempo relief to Active Marine Forces, maintain sufficient full-time support at our small unit sites, and retain critical aviation and ground equipment maintenance capabilities. Selected Marine Corps Reserve units are structured along the Marine Air Ground Task Force model, providing air combat, ground combat and combat service support personnel and equipment to augment and reinforce the Active component. Less than one percent of our Selected Marine Corps Reserve unit strength represents a reserve-unique capability. The current Marine Forces Reserve structure also reflects a small tooth-to-tail ratio with a minimal number of Active duty and Reserve personnel in support roles, and a majority of our Reserve and active Marines and Sailors as deployable warfighters.

The Marine Corps Reserve also provides a significant community presence in and around our 187 sites nationwide. One of our most important contributions is providing military funerals for our veterans. The Active duty staff members and Reserve Marines at our sites performed approximately 6,170 funerals in 2002 and we anticipate supporting as many or more this year. The authorization and funding to bring Reserve Marines on Active duty to perform funeral honors has particularly assisted us at sites like Bridgeton, Missouri, where we perform several funerals each week. We appreciate Congress exempting these Marines from counting against active duty end strength.

CURRENT READINESS

I am happy to report that the the general state of readiness in the Marine Corps Reserve today is good. This condition is attributable to the spirited "can do" attitude of our Marines, and increased funding in the procurement and operations and maintenance accounts provided by the Congress in fiscal year 2002. Most important, we remain ready and prepared to augment the Active Component in support of standing and crisis action requirements.

The \$5 million provided by National Guard and Reserve Appropriations in fiscal year 2002 was used entirely for warfighting priorities which will help us get to the fight and remain effective. Night vision upgrades to our KC-130s and CH-53 helicopters have been extremely valuable—enabling support of operations in Afghanistan and of the 24th Marine Expeditionary Unit. Your support of National Guard and Reserve Appropriations proposed for fiscal year 2004 will continue to enhance the readiness of the Reserves and their ability to integrate with the Active duty forces. The \$10 million provided in fiscal year 2003 National Guard and Reserve Appropriations will further enhance the Reserve aviation assets as well as provide communications systems compatible with our Active duty counterparts. Additional funding provided by Congress has also enabled us to begin issue of the new Marine Corps combat utility uniform. By the end of 2003 every Marine in the Marine Forces Reserve will have at least one set.

During the most recent mobilizations, the benefits of previous Congressional support that provided for the creation of our Nuclear, Biological and Chemical Defense equipment storage facility were realized. Every Reserve Marine deployed with modern, serviceable equipment.

Maintaining current readiness levels into the future will require continued support as our equipment continues to age at a pace which, unfortunately, exceeds replacement. Within our Reserve aviation community, the average age of our "youngest" platform is the UC-35 at 5 years, followed by the AH-1W Cobra at 10 years, CH-53E at 15 years, KC-130T at 17 years, F/A-18A at 19 years, and F-5 at 30 years. Our oldest platform, and platforms which have exceeded programmed service life, include the UH-1N at 32 years (20-year service life) and the CH-46E at 36 years (20-year service life with "safety, reliability, and maintainability" extension to 30 years). Maintaining these aging legacy platforms requires increased financial and manpower investment with each passing year due to parts obsolescence and higher rates of equipment failure. Aircraft maintenance requirements are increasing at an approximate rate of 8 percent per year. For example, for every hour the CH-46 is airborne, it requires 37 man-hours of maintenance.

The situation within our Reserve ground community, while not as dire as the aviation force in terms of nearing or exceeding service life of platforms, also is a growing concern. The average age of our Logistics Vehicle System fleet is 16 years; Light Armored Vehicles at 17 years; High Mobility Multipurpose Wheeled Vehicle A1s at 18 years; 5-ton trucks at 21 years; M-198s at 20 years; Reverse Osmosis Water Purification Units at 18 years and Assault Amphibious Vehicles at 30 years,

although all of our Assault Amphibious Vehicle P7A1 personnel carriers have been upgraded through the Reliability, Availability, and Maintainability/Rebuild to Standard program which significantly increased vehicle readiness and lowered the support cost. Our 5-ton trucks have exceeded their programmed service life, but will be slowly replaced with the Medium Tactical Vehicle Replacement beginning in June 2003. The Reverse Osmosis Water Purification Unit, which currently has a critical role in Iraq, has also exceeded its programmed service life but will not be replaced until fiscal year 2006. While some are being replaced or upgraded with service life extensions, maintaining these aging legacy platforms still requires increasing financial and manpower investments for the reasons cited earlier. Due to affordability, we have taken some near-term readiness risk with the level of funding we proposed in fiscal year 2004 for depot level maintenance.

In addition to equipment aging, operations and maintenance expenses are also being driven upwards by increasing equipment utilization rates brought about by greater integration and support with the Active component, both in peacetime and more recently in support of the Global War on Terrorism. We are pursuing various measures internally to mitigate these trends by focusing on better business practices. One example is transferring unit non-essential equipment to central storage locations for preservation and maintenance.

We are thankful for and remain confident that the additional funds provided by Congress in fiscal year 2003 will ensure the continuing readiness of the Marine Corps Reserve, and we seek your continued support in the fiscal year 2004 President's Budget.

INFRASTRUCTURE

Our long-range strategy to maintain our connection with communities in the most cost effective way is to divest Marine Corps owned infrastructure and to locate our units in Joint Reserve Centers wherever feasible. With the opening of the new Joint Reserve Center in Wahpeton, North Dakota, this year, Marine Forces Reserve units will be located at 187 sites in 48 states, the District of Columbia, and Puerto Rico. Over 75 percent of the reserve centers we are in are more than 30 years old, and of these, about 37 percent are over 50 years old.

Investment in infrastructure has been a bill-payer for pressing requirements and near-term readiness for most of the last decade. The transition to Facilities Sustainment, Restoration and Modernization funding has enabled us to more accurately capture our requirements. Like the Active Component Marine Corps, we do not expect to be able to bring our facilities to acceptable levels of readiness before fiscal year 2013. Thirty-seven percent of our facilities are currently rated below acceptable levels. We have over a \$20 million backlog in restoration and modernization across the Future Years Defense Program. Maintaining facilities adequately is critical to providing quality training centers our Marines need.

Last year's vulnerability assessments identified \$33.6 million in projects to resolve anti-terrorism/force protection deficiencies at the 42 sites that we own or otherwise have responsibility for site maintenance. We are prioritizing and addressing these deficiencies now and in the future years. The age of our infrastructure means that much of it was built well before anti-terrorism/force protection was a major consideration in design and construction. These facilities will require resolution through structural improvements, relocation, or the acquisition of additional stand off distance. All of these more expensive solutions will be prioritized and achieved over the long term to provide the necessary level of force protection for all our sites. Our fiscal year 2004 President's Budget submission for Military Construction, Naval Reserve is \$10.4 million, 20 percent lower than the fiscal year 2003 enacted level. The fiscal year 2004 request addresses our most pressing requirement—a new Reserve Training Center at Quantico, Virginia. Joint construction often provides the most cost effective solution. We support a Joint construction funding account, as long as it is structured correctly.

In addition to the Military Construction, Naval Reserve program, we are evaluating the feasibility of other innovative solutions to meeting our infrastructure needs, such as real property exchange and public-private ventures. The overall condition of Marine Corps Reserve facilities continues to demand a sustained, combined effort of innovative facilities management, proactive exploration of and participation in Joint Facility projects, and a well-focused use of the construction program.

MODERNIZATION AND TRANSFORMATION

In recent years the Marine Corps has made a deliberate choice to fund current readiness over recapitalization and transformation. It is well documented that this practice has led to a downward spiral in which we annually invest more funds for

operations and maintenance to maintain aging equipment leaving insufficient funds for new equipment procurement. Generating savings to reinvest in procurement, while essential for recapitalization and transformation efforts, should be accomplished with great care, using a risk management approach to evaluate existing legacy equipment. The following modernization priorities represent low investment/high pay-off capabilities, closely linked to Marine Corps operational concepts and doctrine, relevant to the combatant commanders, and essential to the survival of our Marines in combat.

Modernization

F/A-18A Engineering Change Proposal 583

Our top modernization priority remains unchanged from fiscal year 2003: upgrading our fleet of 36 F/A-18A Hornet aircraft with Engineering Change Proposal 583. This Marine Corps Total Force program encompasses 76 aircraft. This Engineering Change Proposal converts early lot, non-precision, day fighter/attack aircraft into F/A-18C Lot 17 equivalent aircraft capable of day/night operations employing the newest generation of air-to-air and air-to-ground precision-guided munitions, including the Joint Direct Attack Munition, Joint Standoff Weapon, Standoff Land Attack Missile-Expanded Response, and AIM 9X. Additionally, this Engineering Change Proposal replaces the APG-65 radar with the APG-73, adds a global positioning system to the navigation suite, replaces radios with the ARC-210—a digital communication system, and installs new mission computers and many other components.

As the Chairman of the Joint Chiefs of Staff stated in recent testimony, there is “increased reliance on our Reserve components to defend the Nation’s coastlines, skies and heartland, as well as protect our interest worldwide.” For the relatively low investment cost of \$5.2 million per aircraft, the combatant commanders, first, will have access to an additional 76 capable and interoperable war-fighting assets. Second, with many F/A-18C aircraft nearing service life limits, upgrading these aircraft helps to mitigate the Navy’s decreasing inventory of tactical aviation assets. Third, it is supportive of a goal outlined by the Secretary of Defense in recent testimony—to continue transforming for the threats we will face in 2010 and beyond.

Congress has funded 52 aircraft Engineering Change Proposal 583 upgrades through fiscal year 2003 with 20 more aircraft requiring follow on funding. The fiscal year 2004 President’s Budget funds \$27.0 million, which will provide 6 aircraft with the 583 upgrades.

CH-53E Helicopter Night Vision System

Our second modernization priority also remains unchanged from fiscal year 2003: upgrading our fleet of 21 CH-53E helicopters with Helicopter Night Vision Systems. This Marine Corps Total Force program encompasses 152 aircraft, including 131 Active Component aircraft. The primary component of the Helicopter Night Vision Systems is the AN/AAQ-29 Forward Looking Infrared. Helicopter Night Vision Systems “expands the envelope” by providing improved night and all-weather capability. The importance of having a robust and capable heavy lift capability was displayed in Afghanistan where the Corps’ CH-53Es transported Marines and supplies hundreds of miles inland to austere operating sites. To operate effectively and within safe margins mandates that our CH-53Es be equipped with Helicopter Night Vision Systems. Congress has funded 84 Helicopter Night Vision Systems through fiscal year 2003 with 68 remaining unfunded (59 Active Component/9 Reserve Component). The fiscal year 2004 President’s Budget funds \$5.6 million, which will provide another 5 Helicopter Night Vision Systems.

Initial Issue Equipment

On the ground side, our most important priority concerns the need for adequate initial issue equipment for our individual Reserve Marines. Individual issue equipment includes body armor, cold weather items, tents, and improved load bearing equipment. Supplemental funding provided through the Defense Emergency Response Fund in fiscal year 2002 allowed us to replace/replenish unserviceable gear which was paramount to the success of the recent mobilization of the Reserve forces.

Transformation

The value of the Marine Corps Reserve has always been measured in our ability to effectively augment and reinforce the Active Component. Over the next several years, the overall structure of the Marine Corps Reserve will remain largely the same; however, we are working to create new capabilities to adapt and orient the reserve force to the changing strategic landscape. The capabilities were identified as part of an internal comprehensive review begun in 2001 and do not involve any changes to the number of reserves or the geographic laydown of the force.

- Foremost among these capabilities will be the creation of two Security Battalions and an Intelligence Support Battalion. The Security Battalions will provide a dual-use capability consisting of eight Anti-Terrorism Force Protection platoons and an augmentation unit for the Marine Corps Chemical Biological Incident Response Force.
- Recognizing the increased requirements at Marine Corps and Joint Commands for rapid, flexible staff augmentation, the Marine Corps Reserve is enhancing and modifying the Individual Mobilization Augmentee program to increase the quantity and distribution of augmentee billets to better support the warfighting commander's needs.
- Additional Reserve capability improvements involve information technology, environmental protection, and foreign language skills.

CONCLUSION

In early February this year while visiting a group of Marines in Qatar, the Commandant of the Marine Corps made the following comment: "I understand from the numbers that two-thirds of you here are reservists—I know you simply as Marines—and looking at performance I can't tell the difference." Testaments like this tell the real story of our success. Our greatest asset is our outstanding young men and women in uniform. Your consistent and steadfast support of our Marines and their families has directly contributed to our success. The Marine Corps appreciates your continued support and collaboration in making the Marine Corps and its Reserve the Department of Defense model for Total Force integration and expeditionary capability.

Senator STEVENS. Thank you. General Sherrard.

General SHERRARD. Yes, sir. Mr. Chairman, members of the committee, I, too, would like to thank you for the opportunity to come before you representing the men and women of the Air Force Reserve Command, nearly 76,000 strong, of which we have in excess of 15,000 mobilized today.

As has been expressed by all the members of your committee, as well as my colleagues, the men and women of our command, along with all our cohorts, have just been fabulous in what they've done in response to the needs of the Nation, and we could not be more proud. We have a responsibility, each one of us, to make certain that we in fact look after their needs and make certain that they in fact are met, and I want to thank the committee for the things that you have done for us in the past, and for those that you'll do for us in the future in terms of pay and education benefits, in terms of modernization capabilities for our equipment, and as General James mentioned the LITENING II pods. That's one of the greatest things we've ever done for your Air Force, in terms of giving that capability to our F-16s, and we're now taking it into the A-10 and the B-52, and it gives it remarkable capability, and if it were not for your support that would not have been possible.

MOBILIZATION

I would tell you that our priorities in the command remain our people, readiness and modernization. We want to make certain that our people are always our number one objective. In doing so, as we go through the mobilization period we were faced with the same things that my cohorts have already mentioned, in some cases very short notice. We did not have the normal 30-day notice that we would like to have had. The members responded. In fact, I will tell you in reality they responded in the volunteer state and deployed before we had mobilization authority. They deployed as volunteers, and then we mobilized them in place in some cases.

READINESS

In terms of the readiness side, we want to continue to pursue our accessing as many prior active service members as possible. That gets to be a major challenge for us, particularly as was mentioned by the earlier panel. When there is a stop loss of the active force, that does put a restriction on our recruiters, but I am very proud to tell you that our recruiters are out there, they met goal by getting as many of the nonpriors to fill in those holes where the prior service members were, in fact, not available, but the prior service members are certainly our key to success. They give us that experience level that is so critical for us to be able to do the things that we ask our members to do in light of the very limited time that they would have to serve with us when they're not in a mobilized state.

MODERNIZATION

In terms of modernization, as I mentioned, we need to continue to make certain that our weapons systems are relevant. The combatant commanders insist upon that. If not, they don't invite you to the fight. We've got to make sure that they're interoperable not only with our active force and the Air National Guard, but also with our other component friends here, because we're all using the same battle space, and we've got to make certain that we can communicate and know who is the friend and who is the foe.

DEMOBILIZATION

The things that I would tell you are most critical to us, as I mentioned earlier on the demobilization side, we have demobbed just under 3,000 people to date. We are bringing the people back as fast as the combatant commander releases them, back to the gaining major commands, who in turn will release them to us, but we want to make certain we do it in a very rational manner, that we provide the member the opportunity to exercise all the rights of reconstitution, of leave, and most importantly of the medical assessment, so we can determine if there have been some issues that would need to be addressed in the future for that member. We take that time and ensure that we don't do something that would place our members into harm's way when we could have prevented that if we had just taken some time and been a bit more orderly in the way we go about it.

I think the Air Force has got a very reasonable and rational plan in bringing our members back and making certain that we do it properly. I will tell you, that as we in the blue suit community know very well, we are in fact all tied together, the active force, the Air Force Reserve, and the Air National Guard, seamlessly, and I would tell you our unit equipped units as well as our very cost-effective associate units give us a capability that allows us to meet the Air Force needs worldwide.

I'd like to just close with the statement that I had the opportunity to discuss with one of my outstanding troops. I was having a conversation with one of our special operators when he was in theater, and he put it very succinctly, but also it touched what I think is the very reason that all of you are talking about today,

why are our men and women willing to go sacrifice in some cases maybe their business, they certainly sacrifice time with their families and with their employers, and he put it very straightforward. He said, you know, if it's not me, then who, and if it's not now, then when, and I think that statement, or those two statements are, in fact, the things that each member of the Guard and Reserve components ask themselves, because it is their dedicated efforts that allow it to happen, and we could not be more proud of the response that they have stepped forward when asked. I thank the committee again for their service and support of us, and I also will tell you that we're very, very proud to be serving with our Air Force, and I look forward to questions that you may have. Thank you.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL JAMES E. SHERRARD III

Mr. Chairman, Senator Stevens, and distinguished members of the Committee, I appreciate the opportunity to appear before you today and I certainly want to thank you for your continued support, which has helped your Air Force Reserve address vital recruiting, retention, modernization, and infrastructural needs. Your passage of last year's pay and quality of life initiatives sent a clear message to our citizen airmen that their efforts are not only appreciated and supported by their families, employers, and the American people, but also by those of you in the highest positions of governing.

HIGHLIGHTS OF 2002

We culminate 2002 and begin 2003 focused on transforming our air and space capabilities as well as streamlining the way we think about and employ our forces. We continue to develop our airmen into leaders, bring technology to them at their units and in the battlespace, and integrate operations to maximize our combat capabilities. These three basic core competencies are critical to the Air Force Reserve as we become more and more relevant in the future total force.

The Air Force, with the Air Force Reserve Command (AFRC), has enjoyed over 30 years of unparalleled Total Force integration success. We were the first to establish associate units which blend Active and Reserve forces into the correct mix. Our members perform in almost every mission area and seek involvement in all future mission areas, as those areas become relevant. Key to our successes, to date, is the fact that AFRC is a very dynamic organization in a dynamic environment, still putting our airmen first, and using new technology to seamlessly integrate all our forces, whether associate or unit equipped, in both peace and war.

DEVELOPING OUR AIRMEN

I am pleased to tell you that the Air Force Reserve continues to be a force of choice for the Air Force and the warfighting commanders, as we respond swiftly to each phase of the Global War On Terrorism (GWOT). We focus our attention on our people to assure they are provided the full spectrum of training opportunities, enhancing their war-fighting skills, the capabilities of the Air Force Reserve, and thus, the capabilities of the Air Force.

As we strive to retain our best and brightest, we must continue to reward them through compensation and benefits. We continue to challenge our family support personnel, commanders, and first sergeants to find improved ways to look after the families who remain while our members deploy. We reach out to their employers with our thanks for their sacrifice and support. We encourage open dialogue among the troops, and from the troops, through their chain of command, to me, to exchange ideas and receive feedback. Finally, it is critical to partner with you to ensure we remain the strongest air and space force in the world.

The Air Force is a team—we train together, work together, and fight together. Wherever you find the United States Air Force, at home or abroad, you will find the active and Reserve members working side-by-side, trained to one tier of readiness, READY NOW! and that's the way it should be.

RECRUITING

In fiscal year 2002, Air Force Reserve Command (AFRC) exceeded its recruiting goal for the second year in a row. This remarkable feat was achieved through the outstanding efforts of our recruiters, who accessed 107.9 percent of the recruiting goal, and through the superb assistance of our Reserve members who helped tell our story of public service to the American people. Additionally, AFRC was granted permission by the Assistant Secretary of the Air Force, Manpower and Reserve Affairs, in coordination with the Under Secretary for Defense (Personnel and Readiness), to surpass its fiscal year 2002 end-strength due to the ongoing support of current operations. AFRC end strength reached 102.59 percent of congressionally authorized requirements.

Several initiatives contributed to Air Force Reserve recruiters once again leading the Department of Defense in annual accessions per recruiter. For example, in fiscal year 2001, AFRC permanently funded 50 recruiter authorizations through accelerated authorizations and appropriations by the Congress, we extended the much appreciated Congressional action through the Programmed Objective Memorandum process. Further, they instituted a new 1-800 call center, redesigned the recruiting web site, launched an advertising campaign targeting those accessed from other services, and re-energized the "Get One" program, whereby Air Force Reserve members receive incentive awards for referrals and accessions given to recruiters.

Moreover, AFRC received permanent funding for an "off-base" real estate program to set up offices in malls and other high visibility areas. This initiative was desperately needed to provide recruiters greater exposure in local communities and access to non-prior service (NPS) applicants—a significant recruiting requirement since the active duty drawdown.

While fiscal year 2002 was an outstanding year for Recruiting, fiscal year 2003 is shaping up to be a very challenging year. A personnel management program, "Stop-Loss," was implemented for Air Force members. Historically, Reserve Recruiting accesses close to 25 percent of eligible separating active duty Air Force members (i.e. no break in service), accounting for a significant portion of annual accessions. Although Stop-Loss has since been terminated, the continued high OPS/PERS tempo may negatively impact our success in attracting separating airmen. As a result, Recruiters will have a difficult task accessing through other sources, including NPS, Air Force separatees with a break in service, and accessions from other service's former members.

Additionally, one of the biggest challenges for recruiters this year is a shortage of Basic Military Training (BMT) and technical training school (TTS) quotas. BMT and TTS allocations have not kept pace with increasing NPS recruiting requirements. Specifically, Recruiting Services enlisted almost 1,500 applicants in fiscal year 2002 without BMT and TTS dates. We are working closely with Air Force Specialty Code Functional Managers (FAMs) and the personnel community to increase the future number of BMT and TTS quotas available. In the interim, when we cannot match Basic Training and Technical Training Schools back-to-back, new airmen can complete basic training, report back to their unit for orientation and local training, then attend their technical school at a later date convenient to both the Air Force Reserve and the applicant.

Finally, while overall end-strength of the Air Force Reserve exceeds 100 percent, some career-fields are undermanned. To avoid possible readiness concerns, recruiters will be challenged to guide applicants to critical job specialties. To assist in this effort, we continually review enlistment bonus listings to achieve parity with active duty listings for our airmen in these critical career-fields. It is an on-going management process involving all levels from career advisors to those of you on this committee to look into the future, anticipate the high demand specialties, and increase bonuses to balance supply and demand.

RETENTION

Retention is a major concern within the Air Force Reserve. With the lifting of Stop Loss and extended partial mobilizations, the full impact on Reserve retention remains to be seen. Nevertheless, our over-all enlisted retention rate of 86 percent for fiscal year 2002 exceeded the five year average. For officers, retention remains steady at approximately 92 percent.

We continue to look at viable avenues to enhance retention of our reservists. We are exploring the feasibility of expanding the bonus program to our Active Guard and Reserve (AGR) and Air Reserve Technician (ART) members; however, no decision has yet been made to implement. In addition, the Aviation Continuation Pay (ACP) continues to be offered to retain our rated AGR officers. The Reserve has made many strides in increasing education benefits for our members, offering 100

percent tuition assistance for those individuals pursuing an undergraduate degree and continuing to pay 75 percent for graduate degrees. We also employ the services of the Defense Activity for Non-Traditional Education Support (DANTES) for College Level Examination Program (CLEP) testing for all reservists and their spouses. These are our most notable, but we continue to seek innovative ways to enhance retention whenever and wherever possible.

QUALITY OF LIFE INITIATIVES

In an effort to better provide long term care insurance coverage for its members and their families, the Air Force Reserve participated in the Federal Long Term Care Insurance Program (a commercial insurance venture sponsored by the Office of Personnel Management). This program affords members of the Selected Reserve insurance coverage for a variety of home and assisted living care requirements. Legislative changes are being pursued to open program eligibility to those members who are "gray area." The Air Force Reserve expanded its Special Duty Assignment Pay (SDAP) program to include an additional 17 traditional, 7 Active Guard and Reserve (AGR), and 10 Individual Mobilization Augmentee (IMA) Air Force Specialty Codes, and continues to advance staff efforts to mirror the active duty SDAP program. Additionally, an initiative to pay Congressionally authorized SDAP to members performing inactive duty for training was approved on the thirteenth of February, this year.

THE BIG PICTURE

We have learned much from the events of September 11, 2001, as it illustrated many things very clearly, not the least of them being the need for a new steady state of operations demanding more from our people and our resources. Within hours, and in some cases within minutes of the terrorist attacks, AFRC units throughout the country were involved in transporting people and resources to aid in the massive humanitarian relief effort. Air Force Reserve aeromedical evacuation (AE) aircrews were among the first to respond and provided almost half of the immediate AE response provided. However, the larger need was mortuary affairs support, of which the Air Force Reserve provides 75 percent of Air Force capability. Again, one hundred eighty-six trained Reservists immediately stepped forward, in volunteer status, for this demanding mission. Reserve airlift crews were among the first to bring in critical supplies, equipment and personnel, including emergency response teams from the Federal Emergency Management Agency (FEMA), fire trucks, search dogs, and earth moving equipment. F-16 fighters and KC-135/KC-10 air refueling tankers immediately began pulling airborne and ground alert to provide combat air patrol support over major U.S. cities.

In direct support of OPERATION ENDURING FREEDOM (OEF), Air Force reservists have flown a multitude of combat missions into Afghanistan. Most notably, the 917th Wing at Barksdale AFB, Louisiana (B-52s), the 419th Fighter Wing at Hill AFB, Utah (F-16s), the 442d Fighter Wing at Whiteman AFB, Missouri (A-10s) and the 926th Fighter Wing at NAS Joint Reserve Base, New Orleans (A-10s). Reserve aircrews have flown C-17 airdrop missions into Afghanistan delivering humanitarian aid, provided refueling tanker crews and support personnel from the 434th Air Refueling Wing at Grissom ARB, IN, and 349th Air Mobility Wing at Travis AFB, California (KC-10). Additionally, Air Force Reserve F-16 units have been involved in support of Noble Eagle by flying combat air patrols over American cities (301st Fighter Wing, JRB NAS Fort Worth, Texas, 482d Fighter Wing, Homestead ARB, Florida, and 419th Fighter Wing, Hill AFB, Utah). Our AWACS associate aircrew from Tinker AFB, OK, flew 13 percent of the OPERATION NOBLE EAGLE sorties with only 4 percent of the Total Force crews. Air Force Reserve C-130s with their aircrew and support personnel, under the direction of NORAD, in support of OPERATION NOBLE EAGLE, provided alert for rapid CONUS deployments of Army and Marine Quick response Forces and Ready Response Forces. Reserve units were also refueling those combat air patrol missions with refueling assets from various Reserve wings. Also in direct support of OPERATIONS ENDURING FREEDOM/NOBLE EAGLE, Air Force space operations' reservists have conducted Defense Meteorological Satellite Program (DMSP), Defense Support Program (DSP), and Global Positioning Satellite (GPS) operations, providing critical weather, warning, and navigation information to the warfighter. Additionally, Air Force reservists have supported Aerospace Operations Center efforts providing COMAFSPACE with situational awareness and force capabilities to conduct combat operations at all levels of conflict.

Also, to date in support of OPERATION IRAQI FREEDOM (OIF), we have seen our reservists make huge contributions to each discipline key to its ongoing success.

In strategic airlift, we contributed 45 percent of the C-17 support, 50 percent of the C-5 support, and 90 percent of the C-141C aircraft to not only move the people and supplies into theater, but to repatriate the Prisoners of War (POW) after their amazing recoveries. Intra-theater operations have also been critical to the success of the Operation, thus far. We have supplied 25 percent of the KC-10 and KC-135 support for theater refueling and 45 percent of aeromedical evacuation of the injured. Many thanks to you for your help in procuring cutting edge medical equipment such as Modular medical capability that allowed us to safely transport the injured. Our F-16s, B-52s, and A-10s, outfitted with the LITENING II pods and integrated with Army assets on the ground, through the Situation Awareness Data Link (SADL), proved invaluable for Strategic Attack, Close Air Support, and hunting down SCUD missiles. Three more areas that become more critical with each conflict are Special Operations, Combat Rescue, and Space Operations. Again, the Air Force Reserve plays a significant role in their success and support to the mission. We provided 33 percent of the HC-130 and HH-60 combat rescue, 62 percent of the Special Operations crews, and more than 900 space operators, providing Battlefield Situational Awareness key to the Commander's decision loop at all levels.

What makes these units and individuals unique is the fact that our reservists have demonstrated time and time again, the success of an all volunteer force. In fact, many of those who were mobilized, had volunteered to perform duty, and day to day, a significant percentage of Air Force missions are performed through or augmented by AFRC. We are no longer a force held in reserve solely for possible war or contingency actions—we are at the tip of the spear. The attacks on our freedom—on our very way of life—cemented the Total Force policy already in place and AFRC continues to work shoulder-to-shoulder with the Active Duty (AD) and Air National Guard (ANG) components in the long battle to defeat terrorism.

Effective modernization of Air Force Reserve Command (AFRC) assets is our key to remaining a relevant and combat ready force. It is apparent to all, that the Reserve Component is crucial to the defense of our great nation and our modernization strategy is sound, but is dependent upon lead command funding. AFRC has had limited success in getting the lead commands to fund our modernization requirements (CCIU and C-17 sim are two examples), but unfortunately lead command funding of AFRC modernization priorities remains below the level needed to maximize our capabilities. Although the National Guard and Reserve Equipment Appropriation (NGREA) funding helps offset some of these modernization shortfalls, the level of funding precludes us from addressing our larger modernization priorities. Success in meeting our modernization goals depends on robust interaction with the lead commands and in keeping Congressional budgeting authorities informed of AFRC initiatives.

INTEGRATING OPERATIONS

AFRC made major Air Expeditionary Force (AEF) contributions in fiscal year 2002. We met virtually 100 percent of both aviation and combat support commitments, by deploying over 20,700 volunteers overseas and another 12,600 supporting homeland defense, in volunteer status. The challenge for 2003 will be to meet ongoing AEF commitments with volunteers from a Reserve force which has had much of its operations and combat support mobilized for homeland defense and the war on terrorism. As of today, over 12,000 Air Force Reservists are mobilized, and thousands more continue to provide daily support as volunteers. Over 1,500 of those mobilized are Individual Mobilization Augmentees (IMAs), providing critical support to the Unified Commands, active component MAJCOMs, and various defense agencies supporting Homeland Security and OPERATION ENDURING FREEDOM. Required support functions span the entire breadth of Reserve capabilities including security forces, civil engineering, rescue, special operations, strategic and tactical airlift, air refueling, fighters, bombers, AWACs, command and control, communications, satellite operations, logistics, intelligence, aerial port, services, mission support, and medical.

AEF CY02—IN REVIEW

2002 ended as it began, in transition. It began with surging requirements brought on by the GWOT. To manage the surge, we remained true to the AEF concept to hold the negative impact of operations and personnel tempos to a minimum. AFRC was meeting the new taskings brought on by the war and the associated mobilizations while at the same time meeting AEF commitments we made prior to September 11. From the AFRC AEF Cell perspective it was a magnificent effort by all the wings in the command to meet the challenges. The full impact is appreciated when it is understood we did not ask to be relieved of any AEF tasking, met all

new ONE/OEF taskings, and were still able to find volunteers to help fill other identified shortfalls. As the year ended, we transitioned to a lower activity level through demobilizations, but continued to plan for a potential new demanding operation. The constant is that we still have our AEF commitments, we are still meeting them, and we do not have any shortfalls. For next year we expect the number of AEF requirements to reflect the increase brought on by the war on terrorism. The culture change to an expeditionary air force is being realized through all levels of the command and is demonstrated in action as well as words by the response to the AEF, ONE, and OEF taskings of the past year.

ARC participation is central to the AEF construct. The ARC normally contributes 10 percent of the Expeditionary Combat Support and 25 percent of the aviation for steady-state rotations. Air National Guard (ANG) and AFRC forces make up nearly half of the forces assigned to each AEF, with the ARC making up the majority of forces in some mission areas.

TECHNOLOGY TO THE WARFIGHTER

F-16 Fighting Falcon

Air Combat Command and AFRC are upgrading the F-16 Block 25/30/32 in all core combat areas by installing a Global Positioning System (GPS) navigation system, Night Vision Imaging System (NVIS) and NVIS compatible aircraft lighting, Situational Awareness Data Link (SADL), Target Pod integration, GPS steered "smart weapons", an integrated Electronics Suite, Pylon Integrated Dispense System (PIDS), and the Digital Terrain System (DTS).

The acquisition of the LITENING II targeting pod marked the greatest jump in combat capability for AFRC F-16s in years. At the conclusion of the Persian Gulf War, it became apparent that the ability to employ precision-guided munitions, specifically laser-guided bombs, would be a requirement for involvement in future conflicts. LITENING II affords the capability to employ precisely targeted Laser Guided Bombs (LGBs) effectively in both day and night operations, any time at any place. LITENING II was designed to be spirally developed to allow technology advances to be incorporated as that technology became available, and provides even greater combat capability. This capability allows AFRC F-16s to fulfill any mission tasking requiring a self-designating, targeting-pod platform, providing needed relief for heavily tasked active duty units.

These improvements have put AFRC F-16s at the leading edge of combat capability. The combination of these upgrades are unavailable in any other combat aircraft and make the Block 25/30/32 F-16 the most versatile combat asset available to a theater commander. Tremendous work has been done keeping the Block 25/30/32 F-16 employable in today's complex and demanding combat environment. This success has been the result of far-sighted planning that has capitalized on emerging commercial and military technology to provide specific capabilities that were projected to be critical. That planning and vision must continue if the F-16 is to remain usable as the largest single community of aircraft in America's fighter force. Older model Block 25/30/32 F-16 aircraft require structural improvements to guarantee that they will last as long as they are needed. They also require data processor and wiring system upgrades in order to support employment of more sophisticated precision attack weapons. They must have improved pilot displays to integrate and present the large volumes of data now provided to the cockpit. Additional capabilities to include LITENING II pod upgrades, are needed to nearly eliminate fratricide and allow weapons employment at increased range, day or night and in all weather conditions. They must also be equipped with significantly improved threat detection, threat identification, and threat engagement systems in order to meet the challenges of combat survival and employment for the next 20 years.

A/OA-10 Thunderbolt

There are five major programs over the next five years to ensure the A/OA-10 remains a viable part of the total Air Force. The first is increasing its precision engagement capabilities. The A-10 was designed for the Cold War and is the most effective Close Air Support (CAS) anti-armor platform in the USAF, as demonstrated during the Persian Gulf War. Unfortunately, its systems have not kept pace with modern tactics as was proven during Operation Allied Force. The AGM-65 (Maverick) is the only precision-guided weapon carried on the A-10. Newer weapons are being added into the Air Force inventory regularly, but the current avionics and computer structure limits the deployment of these weapons on the A-10. The Precision Engagement and Suite 3 programs will help correct this limitation. Next, critical systems on the engines are causing lost sorties and increased maintenance activity. Several design changes to the Accessory Gearbox will extend its useful life

and reduce the existing maintenance expense associated with the high removal rate. The other two programs increase the navigation accuracy and the overall capability of the fire control computer, both increasing the weapons system's overall effectiveness. Recent interim improvements included Lightweight Airborne Recovery System (LARS) and LITENING II targeting pod integration.

With the advent of targeting pod integration, pods must be made available to the A-10 aircraft. Thirty LITENING II AT pods are required to bring advanced weapon employment to this aircraft. AFRC looks forward to supporting the Precision Engagement program to further integrate targeting pods. Looking to the future, there is a requirement for a training package of 30 PRC-112B/C survival radios for 10th Air Force fighter, rescue, and special operations units. While more capable, these radios are also more demanding to operate and additional units are needed to ensure the aircrews are fully proficient in their operation. One of the A-10 challenges is resources for upgrade in the area of high threat survivability. Previous efforts focused on an accurate missile warning system and effective, modern flares; however a new preemptive covert flare system may satisfy the requirement. The A-10 can leverage the work done on the F-16 Radar Warning Receiver and C-130 towed decoy development programs to achieve a cost-effective capability. The A/OA-10 has a thrust deficiency in its operational environment. As taskings evolved, commanders have had to reduce fuel loads, limit take-off times to early morning hours and refuse taskings that increase gross weights to unsupportable limits.

B-52 Stratofortress

In the next five years, several major programs will be introduced to increase the capabilities of the B-52 aircraft. Included here are programs such as a Crash Survivable Flight Data Recorder and a Standard Flight Data Recorder, upgrades to the current Electro-Optical Viewing System, Chaff and Flare Improvements, and improvements to cockpit lighting and crew escape systems to allow use of Night Vision Goggles.

Enhancements to the AFRC B-52 fleet currently under consideration are:

- Visual clearance of the target area in support of other conventional munitions employment;
- Self-designation of targets, eliminating the current need for support aircraft to accomplish this role;
- Target coordinate updates to JDAM and WCMD, improving accuracy; and
- Bomb Damage Assessment of targets.

In order to continue the viability of the B-52 well into the next decade, several improvements and modifications are necessary. Although the aircraft has been extensively modified since its entry into the fleet, the advent of precision guided munitions and the increased use of the B-52 in conventional and Operations Other Than War (OOTW) operation requires additional avionics modernization and changes to the weapons capabilities such as the Avionics Midlife Improvement, Conventional Enhancement Modification (CEM), and the Integrated Conventional Stores Management System (ICSMS). Changes in the threat environment are also driving modifications to the defensive suite including Situational Awareness Defense Improvement (SADI) and the Electronic Counter Measures Improvement (ECMI), and integration of the LITENING II targeting pod. 5 LITENING II AT pods are required to support this important new capability.

The B-52 was originally designed to strike targets across the globe from launch in the United States. This capability is being repeatedly demonstrated, but the need for real time targeting information and immediate reaction to strike location changes is needed. Multiple modifications are addressing these needs. These integrated advanced communications systems will enhance the B-52 capability to launch and modify target locations while airborne. Other communications improvements are the Global Air Traffic Management (GATM) Phase 1, an improved ARC-210, the KY-100 Secure Voice, and a GPS-TACAN Replacement System (TRS).

As can be expected with an airframe of the age of the B-52, much must be done to enhance its reliability and replace older, less reliable or failing hardware. These include a Fuel Enrichment Valve Modification, Engine Oil System Package, and an Engine Accessories Upgrade, all to increase the longevity of the airframe.

MC-130H Talon

In 2006, AFRC and Air Force Special Operations Command will face a significant decision point on whether or not to retire the Talon I. This largely depends on the determination of the upcoming SOF Tanker Requirement Study. Additionally, the MC-130H Talon II aircraft will be modified to air refuel helicopters. The Air Force CV-22 is being developed to replace the entire MH-53J Pave Low fleet, and the MC-130E Combat Talon I. The CV-22 program has been plagued with problems

and delays and has an uncertain future. Ultimately, supply/demand will impact willingness and ability to pay for costly upgrades along with unforeseeable expenses required to sustain an aging weapons system.

HC-130P/N Hercules

Over the next five years, there will be primarily sustainability modifications to the weapons systems to allow it to maintain compatibility with the remainder of the C-130 fleet. In order to maintain currency with the active duty fleet, AFRC will accelerate the installation of the APN-241 as a replacement for the APN-59. Additionally, AFRC will receive two aircraft modified from the "E" configuration to the Search and Rescue configuration. All AFRC assets will be upgraded to provide Night Vision Imaging System (NVIS) mission capability for C-130 combat rescue aircraft.

HH-60G Pave Hawk

Combat Search and Rescue (CSAR) Mission Area modernization strategy currently focuses on resolving critical weapon system capability shortfalls and deficiencies that pertain to the Combat Air Force's Combat Identification, Data Links, Night/All-Weather Capability, Threat Countermeasures, Sustainability, Expeditionary Operations, and Pararescue modernization focus. Since the CAF's CSAR forces have several critical capability shortfalls that impact their ability to effectively accomplish their primary mission tasks today, most CSAR modernization programs/initiatives are concentrated in the near-term (fiscal year 2000-06). These are programs that:

- Improve capability to pinpoint location and authenticate identity of downed aircrew members/isolated personnel
- Provide line-of-sight and over-the-horizon high speed LPI/D data link capabilities for improving battle space/situational awareness
- Improve Command and Control capability to rapidly respond to "isolating" incidents and efficiently/effectively task limited assets
- Improve capability to conduct rescue/recovery operations at night, in other low illumination conditions, and in all but the most severe weather conditions
- Provide warning and countermeasure capabilities against RF/IR/EO/DE threats
- Enhance availability, reliability, maintainability, and sustainability of aircraft weapon systems.

WC-130J Hercules

The current WC-130H fleet is being replaced with new WC-130J models. This replacement allows for longer range and ensures weather reconnaissance capability well into the next decade. Once conversion is complete, the 53rd Weather Reconnaissance Squadron will consist of 10 WC-130J's. Presently, there are seven WC-130J models at Keesler AFB, MS undergoing Qualification Test and Evaluation (QT&E). The remaining three aircraft have been transferred to AFRC and are currently at Lockheed Marietta scheduled for delivery to Keesler AFB. Deliveries are based on the resolution of deficiencies identified in test and will impact the start of operational testing and the achievement of interim operational capability (IOC). Major deficiencies include: propellers (durability/supportability), radar modification to correct (range to range inconsistencies), tilt and start up blanking display errors and, SATCOM transmission deficiencies. AFRC continues to work with the manufacturer to resolve the QT&E documented deficiencies.

C-5 Galaxy

Over the next five years, there will be sustainability modifications to the weapon system to allow it to continue as the backbone of the airlift community. The fleet will receive the avionics modernization which replaces cockpit displays while upgrading critical flight controls, navigational and communications equipment. This will allow the C-5 to operate in Global Air Traffic Management (GATM) airspace. Additionally, the C-5B models and possibly the C-5As, will undergo a Reliability Enhancement and Re-engining program which will not only replace the powerplant, but also numerous unreliable systems and components. The 445th Airlift Wing at Wright Patterson AFB, OH will transition from C-141 Starlifters to C-5As in fiscal year 2006 and fiscal year 2007. Finally, the 439th Airlift Wing at Westover ARB, MA will modernize its C-5 fleet in fiscal year 2007 and fiscal year 2008 when it transitions from C-5As to C-5Bs.

C-17 Globemaster

Beginning in fiscal year 2005, the Air Force Reserve Command will enter a new era as the 452nd Air Mobility Wing at March Air Reserve Base, CA transitions from C-141s to C-17 Globemasters. Although reservists have been associating with active C-17 units since their inception in the active Air Force, March ARB will be the

Command's first C-17 Unit Equipped Unit and will aid in maintaining diversity in the Reserve Command's strategic mobility fleet.

C-141 Starlifter

For the past 30 years, the C-141 has been the backbone of mobility for the United States military in peacetime and in conflict. In the very near future, the C-141 will be retired from the active-duty Air Force. However, AFRC continues the proud heritage of this mobility workhorse and will continue to fly the C-141 through fiscal year 2006. It is crucial that AFRC remains focused on flying this mission safely and proficiently until units convert to follow-on missions.

Replacement missions must be more than the insertion of another airframe. They must be a viable mission that includes modernized equipment.

C-130 Hercules

AFRC has 127 C-130s including the E, H, J and N/P models. The Mobility Air Forces (MAF) currently operates the world's best theater airlift aircraft, the C-130, and it will continue in service through 2020. In order to continue to meet the Air Force's combat delivery requirements through the next 17 years, aircraft not being replaced by the C-130J will become part of the C-130X Program. Phase 1, Avionics Modernization Program (AMP) program includes a comprehensive cockpit modernization by replacing aging, unreliable equipment and adding additional equipment necessary to meet Nav/Safety and GATM requirements. Together, C-130J and C-130X modernization initiatives reduce the number of aircraft variants from twenty to two core variants, which will significantly reduce the support footprint and increase the capability of the C-130 fleet. The modernization of our C-130 forces strengthens our ability to ensure the success of our warfighting commanders and lays the foundation for tomorrow's readiness.

KC-135E/R Stratotanker

One of AFRC's most challenging modernization issues concerns our unit-equipped KC-135s. Five of the seven air refueling squadrons are equipped with the KC-135R, while the remaining two squadrons are equipped with KC-135E's. The KC-135E, commonly referred to as the E-model, has engines that were recovered from retiring airliners. This conversion, which was accomplished in the early-mid 1980s, was intended as an interim solution to provide improvement in capability while awaiting conversion to the R-model with its new, high-bypass, turbofan engines and other modifications. AFRC's remaining two E-models units look forward to converting to R-models in the very near future. The ability of the Mobility Air Forces (MAF) to conduct the air refueling mission has been stressed in recent years. Although total force contributions have enabled success in previous air campaigns, shortfalls exist to meet the requirements of our National Military Strategy. AMC's Tanker Requirements Study-2005 (TRS-05) identifies a shortfall in the number of tanker aircraft and aircrews needed to meet global refueling requirements in the year 2005. There is currently a shortage of KC-135 crews and maintenance personnel. Additionally, the number of KC-135 aircraft available to perform the mission has decreased in recent years due to an increase in depot-possessed aircraft with a decrease in mission capable (MC) rates. An air refueling Mission Needs Statement has been developed and an Analysis of Alternatives (AoA) will be conducted to determine the most effective solution set to meet the nation's future air refueling requirements.

FUTURE VECTOR

As we think about our future, the nature of warfighting, and the new steady state, we anticipate many challenges. While this new mission activity continues, we need to keep our focus—assess the impact of Stop Loss on our operations, provide adequate funding for continuing activations, and keep an eye on sustaining our recruiting efforts. The challenge will be to retain our experience base and keep our prior service levels high.

With your continued support, and that which you have already given, we will be able to meet each new challenge head-on, without trepidation.

Our Citizen Airmen, alongside the Active Duty and the Air National Guard, continue to step through the fog and friction as we prosecute the GWOT. Our support for them is not just in the battlespace, but at home. We will continue to refine the ways we support their families, their employers, and the members themselves as we keep the lines of communication open to you. We must ensure that we are doing as much for them through increased pay, benefits, and finding the right mix between equity and parity with their Active Duty counterparts, as we continue to ask more and more of them. We must continue to think outside the box, to protect their rights as students who are called away from an important semester, as employees

who must turn that big project over to someone else in the company for a while, and just as critically, as sons, daughters, husbands, wives, and parents who will miss birthdays, graduations, and a litany of other events many of us take for granted.

We are making strides at leveling the operations tempo by finding the right skill mix between the ARCs and the AD. In a Total Force realignment of scarce Low Density/High Demand (LD/HD) resources, the 939th Rescue Wing's HC-130s and HH-60s will transfer to the active component in order to reduce the Total Force PERSTEMPO in the LD/HD mission of Combat Search and Rescue. The transfer of these assets to the active component increases full-time personnel without increasing already high volunteerism rates or having to mobilize a significant number of CSAR reservists. The activation of the 939th Air Refueling Wing, Portland, OR addresses the need for more aerial refueling assets on the West coast enhancing our ability to rapidly respond to any crisis.

Additionally, AFRC has assumed responsibility for supporting the National Science Foundation DEEP FREEZE mission. The next three years, the men and women of the 452nd AMW at March AFB, CA, will be flying C-141 support missions in support of this Antarctic operation. We have also assumed 16 percent of the total force Undergraduate Pilot Training programs at seven bases around the United States and we continue to balance, assume, and relinquish missions or parts of missions to accommodate the goals of the Air Force and Department of Defense as world events unfold and dictate change, and as necessary to lessen the burden on our members and the AD.

All of the distinguished members on the committee, and we in the Air Force and Air Force Reserve, have been given an incredible opportunity and an incredible responsibility to shape not only the structure of the world's premiere air and space force, but to shape its environment—its quality people, and the quality of their lives. Our mission will continue to be accomplished more accurately, more timely, and with an even greater pride, as we focus on our best resource.

These and other evolving missions are just some of the areas into which we hope to continue to expand, keeping reserve personnel relevant, trained, and READY NOW when we are called. I'd like to extend my thanks again to the committee for allowing me the opportunity to testify before you here today and for all you do for the Air Force Reserve.

Senator STEVENS. Well, thank you all. The actions of your people and your supervision of them more than validated all the work that we've done to try to upgrade the reserve and to make certain that it had the equipment, you all had the equipment to train and to deploy that would be needed.

RETIREMENT POLICY

You sat through the questions that we had for your predecessors. If you have any comments about those, we would be glad to have them, but I've been thinking about the problem of a total force and what it means to be deployed as often as we have had people deployed during these past years going back to Bosnia and Kosovo, and even back further than that into Panama and various other problems, and I wonder if you've ever thought about the concept of active Guard Reserve having a multiplier for the retirement credit for the times they actually serve in combat status. Any of you ever reviewed that, some added incentive, really reward for those who do answer the call?

We've had people go through prolonged periods of peacetime who had reserve credits towards retirement, but I think when these people are called up, particularly under the circumstances that we've had in the past few years, there should be a change in the retirement system so that there's a recognition for those who have answered the call, and I think it would be an incentive for those who might be called up to respond. Do you have any comments about that? Admiral.

Admiral TOTUSHEK. If I may, Mr. Chairman, everywhere I go today people ask me about a change in the retirement policy and this, of course, was proposed last year to lower the retirement age for reservists down to age 55.

I understand that in the form that it was presented it was a very big bill to the country, but it seems to me there has to be some recognition of, if we're going to use reservists more often, that we in fact do recognize the fact that they are no longer weekend warriors and are very much a part of the total force, so I think an idea like that, or an idea that combines something that allows them to get a little bit of their retirement a little bit earlier, if it makes sense for them, would make sense for all the reserve components.

Senator STEVENS. Well, this would make their retirement come earlier. If you had 2 years' service and it gave you 4, or maybe 6 years' credit to your retirement, then obviously you're going to get it sooner.

Admiral TOTUSHEK. Right.

Senator STEVENS. Because it is a combination of age and total service, isn't it?

Admiral TOTUSHEK. Yes. It's your number of points that you earn, and those basically are done by the year, and this would—an idea like that, but there is an idea out there somewhere, if we put all these things together, that's going to work for our people.

Senator STEVENS. I will ask for a review of that and see if we can get some studies made. There ought to be some recognition so that those—we're in a situation where some people are not called up, and they will go through and get the same retirement as those who were, and I think there ought to be some mark on the wall for having answered the call to duty, and for those people who are already on duty to have intensive duty as compared to just normal peacetime service, but it's one of those things—is there anything you're doing now to assure that we're going to meet the recruiting goals in the future? Are we going to have a drop-off now?

We had an increase in volunteerism, I'm sure you know, a spike there, as this whole situation built up, but I think now that this is over, there's sort of a lull that comes. What are your plans for recruiting in this post-war period? We're not there yet, but it's coming soon, I assume.

General HELMLY. Senator, if I may, for the Army we went back and I looked at Desert Shield/Desert Storm as a point in time. We experienced—since Desert Shield/Desert Storm, the soldiers who served in Desert Shield/Desert Storm, that cohort group has attrited since then by about 85 percent. I've been unable to break that, the number who, if you will, left as opposed to those who completed a term of service, that is, retired after 20 years, and I might add one correction. Your proposal regarding retirement under current law, though, would still not allow the reserve member to receive benefits from retirement until age 60. They might get there faster, but wouldn't get any benefits.

Senator STEVENS. I may not have explained it, but I would reduce—

ATTRITION

General HELMLY. Yes, sir, okay.

Senator STEVENS [continuing]. The age by the equivalent amount.

General HELMLY. I understand.

Senator STEVENS. So that if you served 5 years and you're supposed to retire at 65, you would actually be able to stand down at 55.

General HELMLY. Yes, sir. But regarding attrition, for myself, I dare say for all of us, in an all-volunteer force, that is something we cannot take for granted. We're addressing that. I proposed to the Department of the Army that we retain a stop-loss in place. That stop-loss is good for the period of mobilization plus 90 days. I've asked for that solely because we wish to have the soldier deal, not with emotions and external pressures, but, rather, facts. It is a very volatile situation.

Where we are today, if we retain the current stop-loss in place, based on the number we have mobilized and just the physical factors of how fast you can bring them back home and demobilize them in a humane, considerate sort of way, we will exceed our end strength at the end of fiscal year 2003 by as much as 9,000. Our end strength is 205. We have projections we could come in at 214. In turn, our worst case attrition model says that we could come in as low as 192 at the end of next fiscal year 2004, so I will tell you that it is an extremely volatile situation.

My biggest concern falls in the area of professional medical staff. Two-thirds of the Army's combat medical care is resident in the Army Reserve. Our highest attrition rates are suffered by our professionals in the AMEDD field, self-employed. In fact, we put them some years ago on a 90-day rotation model to be considerate of not breaking private practices, so I don't have any ready-made solutions, other than to say we're putting a full court press on, to include starting tomorrow, myself, personally, going out to hold town hall meetings with soldiers that we have mobilized, and we have about 25,000 in this category that we have mobilized in less than 10 days' notice, gotten trained, and gotten certified for deployment, but the war was over quickly, and they're hung up literally at a mobilization station waiting for us to either demobilize them, give them a subsequent mission in another part of the world, or send them to the desert and bring another unit home, but again, the law of physical mass applies in terms of strategic lift transportation, what kind of unit is needed in theater, sequencing that, et cetera.

So I would just close by saying there's a passage in a new book out, and I apologize, I don't remember the author's name. The book is, *The Principles of War for the Information Age*. One of the passages in that book deals with the requirement for precision mobilization. That is what I alluded to in my remarks when I said that largely the policies, practices, procedures that we employ in the Department with regard to the mobilization and use of reserve members were designed for an age which is no longer with us; that is, a mobilization of masses of people over a long period of time with subsequent demobilization of virtually everyone. We just have to come to grips with that and develop the procedures, policies, and practices to be more precise and, in so doing, very considerate of people and their employers.

Senator STEVENS. Well, I do appreciate that. Do any of the other of you have comments? I do want to make one request, and I'm sure Senator Cochran's got some questions, but I'd like to have each of you for the record provide us information about the percentage of your people who actually stay in your service to retirement time, as compared to the volume that come through your reserve units.

How many of them really stay with you to retirement, particularly with the age you mentioned, 65? That would be interesting for us to look at, because I think there ought to be some greater incentive to keep people through at least the 50, 55 age group, and I'd like to see where that break-off is. Where do they start fluffing off and saying, this is not worth it?

General HELMLY. We can get you that data. We've got that. [The information follows:]

RETIREMENT

The following information is presented to provide a short introduction to the current retirement program for members of the Air Force Reserve as set forth by provisions found in 10 United States Code, Sections 12731, 8911, and 8914. The most notable distinction between reserve (non-regular) retirement and active duty (regular retirement) is that reservists do not receive retired pay until attaining age 60 while active duty (regular retirees) receive an immediate annuity upon retirement.

The Retired Reserve consists of two categories of members. The first category is composed of those members that are actually receiving retired pay. The second category is composed of those members who have met all requirements for retired pay EXCEPT for the attainment of age 60. The Reserve components use age 60 as the "cut-off" for retirement as public law prohibits military service past age 60 (with the exception of general officers, chaplains, and those officers in medical specialties). Originally, the age 60 retired pay eligibility corresponded to the retirement age for federal civil service. The retirement age for full civil service annuity was lowered to 55 over 25 years ago.

Members must complete at least 20 years of satisfactory service to attain eligibility for retired pay (a satisfactory year is a year in which a member earns 50 or more "points" toward retirement). Additionally, the last six or eight qualifying years of this service must have been served in the Reserve component (as directed by changes in public law). The 2003 National Defense Authorization Act made permanent the six-year requirement for qualifying duty in the Reserve component.

Retired pay for active duty members who first joined any military service on or after September 8, 1980 is computed using the average of the highest 36 months of base pay and the member's grade and years of service. Members qualifying to retire under the "active duty" retirement provision (Sections 8911 and 8914), and who have a "date of initial entry to military service" on or after August 1, 1986 may elect to receive a career status bonus at the 15-year point. However, their retired pay will be computed using 40 percent of the "high-three" years of service for 20 years and additional 3.5 percent for each additional year up to a maximum of 75 percent. As with any retirement plan, the greater the time of satisfactory service, the greater the retirement pay at the culmination of the career. This provides an increased incentive for members to stay longer in the Reserve component.

RESERVE COMPONENT RETIREMENT SYSTEM

Qualification for payment of retired pay for non-regular service (Reserve component retirement) is outlined in Title 10, United States Code 12731. It requires that the person:

- Is at least 60 years of age;
- Has performed at least 20 years of service; and
- Performed the last six years of qualifying service while a member of the Reserve components.

Regardless of the total number of years served beyond 20 years, receipt of retired pay is delayed until age 60.

The only monetary incentive for participation beyond 20 years of service (assuming member has served at least the last six in the RC) is the payment of duty per-

formed and the accumulation of additional points to increase the value of the members retirement pay upon receipt at age 60.

Reduction of receipt of retired for RC members acknowledges the contribution of these members when DOD is asking more and more of these citizen airman, soldiers, sailors, marines and coast guardsmen.

Analysis of Congressional bills introduced in the 108th Congress:

	H.R. 331	H.R. 742	S. 445
Introduced By	Rep Wilson (R-2-SC)	Rep Saxton (R-3-NJ)	Sen Landrieu (D-LA)
Title	Armed Forces Retirement Equity Act	To amend title 10 United States Code, to reduce the age for receipt of military retired pay for non-regular service from 60 to 55.	Reservists Retirement and Retention Act of 2003
Requirement of Bill	Member qualifies for receipt of retired pay at 20 years of service, assuming all other requirements of 10 U.S.C. 12731 are met.	Reduces receipt of retired pay to age 55, assuming all other requirements of 10 U.S.C. 12731 are met.	Reduces receipt of retired pay by 1-year for every 2 years the member serves beyond 20, assuming all other requirements of 10 U.S.C. 12731 are met; not to be reduced below age 55
Pros	(1) Pays retirement immediately, based on same length of service commitment as active duty members; (2) Incentive for prior active service members to join the RC.	(1) Reservist waits 5-years less for receipt of retirement pay; (2) Recognizes and rewards the increased use of RC members; (3) Possible incentive for prior active service members to join the RC; (4) Reduces the pay gap between actual retirement and receipt of retired pay at age 60.	(1) Encourages service beyond 20-years to increase the value of members retirement pay and thus reduce age for receipt of payment; (2) Retention tool of current RC members and recruiting tool of prior active service members—good deal for the RC; (3) Members continued service beyond 20 determines the receipt of retired pay before age 60; (4) Reduces the pay gap between actual retirement and receipt of retired pay at age 60
Cons	(1) No incentive for continued service beyond 20 years; (2) Cost prohibitive; (3) To make the proposal cost neutral, would have to reduce the value of each retirement point significantly, thus value of monthly retired pay is reduced.	(1) Little incentive for continued service beyond 20 years—Not a good deal for the RC; (2) Increased cost to pay 5-years early and to include current gray-area Reservists between age 55 and 59; (3) Includes these members and their dependents in the TRICARE Health Program 5-years early.	(1) Increased cost, but as member continues to participate, additional dollars are added to the retirement accrual account thus reducing the up front bill to the services required in H.R. 742
Costs	Unknown; highest cost	Unknown; middle cost	Unknown; lowest cost

NAVAL RESERVE RETIREMENT DATA

The following chart shows the percentage of Naval Reservists that became eligible for retirement for the past four years (1999–2002).

Year	Drilling Reserve Strength	# of Notices of Eligibility for Retirement	Percent
1999	70,872	3,200	4.5
2000	64,163	3,163	4.9
2001	69,636	2,754	4.0
2002	73,142	2,724	3.7

Senator STEVENS. Thank you. Admiral, do you have any comments?

Admiral TOTUSHEK. Yes, and in our case actually, because as I was saying, with some of the mobilizations, that actually increased and helped us, I believe, drive down the attrition that we've experienced historically in the Naval Reserve. I actually lowered my recruiting goal by 2,000 for my enlisted people this year. The war had a little bit more impact on officers and my officer recruiting has dipped off a little bit. We're working hard to try and get that up by the end of the year, but in the near term we don't see a big impact on us.

Now, we're going to carefully measure and again survey to find out exactly what the implications are after the second large mobilization in a row, and I think this additive thing is a thing we're going to have to deal with, now that we're looking at two big ones right back to back. That will have some impact, and we're just going to have to assess what it is.

Senator STEVENS. General McCarthy.

General MCCARTHY. Senator, I would like to just make the point that this question of retention and so forth is another one of those indications that one size doesn't fit all in terms of the various Armed Services. The Marine Corps Reserve, just like the active component of the Marine Corps, is very, very largely a first-term force, about 70 percent. In each case, both the active component and reserve component are first term marines. We are not a long-term or a large career force like some of the others, and so the implications of what constitutes retention are different and vary by service.

Having said that, there clearly is a portion of our force, most of the Officer Corps and those enlisted marines who will go on to be staff noncommissioned officers that we're very, very interested in retaining, and we'll have to study over the next year what the implications of that, of a prolonged mobilization will have on that portion of our force.

Recruiting has continued apace while we've been deployed, and we've continued to meet all of our goals on recruiting, and so I'm less concerned about our recruiting and our ability to recruit in the future than I am about this issue of retention, but as I say, for the Marine Corps, the proportions, or the percentages are significantly different than my colleagues, and so the remedies or the tools that we need to use may be somewhat different as well, but it is an issue that we're very watchful of.

Senator STEVENS. Do you have an in-grade step increase? For instance, you know, in the Civil Service, if you're grade 13 you can

be grade 13 step 1 through 12, I think. Do you have that for sergeants in the Marines?

General MCCARTHY. Yes, sir, and our pay scale is exactly the same as everybody else, so that a corporal with 3 years' service makes less money than a corporal with 4 years' service, and progressing on, yes, sir.

Senator STEVENS. Well, I'd be interested in what you might think would extend some of those people beyond one term, not now, but if you have any incentives in mind—you do have a particularly different force.

General MCCARTHY. Yes, sir.

RETENTION

Senator STEVENS. If you have any concept of what might lead people to re-up for another hitch, particularly coming from active to reserve for at least one additional hitch, those sort of things would augment the total force in a tremendous way, because we all know the Marines have a different focus in terms of mobilization, and they're needed now, you know, so it's a different thing.

General Sherrard.

General SHERRARD. Yes, sir. I would tell you that, as I mentioned in my earlier statement, our key to success is prior service and retaining those members. Anything that we can do that would retain that member to the maximum extent possible, ideally for the enlisted force to their high-year tenure date, or for the officers to their mandatory separation date, it certainly would enhance our ability to keep that experience base that is so critical for us to do our jobs.

As you know, and it was mentioned earlier, when you have attained 20 years of satisfactory service, you are eligible to declare yourself for retired status, realizing you're not going to draw pay until age 60. I'm a firm believer and have been a strong advocate all along that if I can keep them from 20 to 30 years, that 10 years, every time I keep three of those members, that's one that I've reduced the training requirement and a huge training dollar cost significantly for my force and for this Nation. We need to keep that base there.

So I would welcome you to look at all these options, sir, whether it be a multiplier, as you mentioned, for combat service, or whether it would be some option for service beyond 20 years, or some incentivization that you could offer to the member that, as you know, all bonuses and things of that type, with the exception of the pilot bonus for the active duty members, ends at the 20 years.

So really they're working for points that they're going to achieve toward retirement, but if there would be a way to incentivize them beyond that 20-year point, it would certainly be a boon, I think, for our service, and most certainly for our Nation.

Senator STEVENS. I shouldn't get too personal about it, but I remember when I moved to Alaska, the Air Force had a concept that you couldn't have reserve duty in a territory, and that meant that I would have to fly at my own expense to Seattle to train. Obviously, I sent a nasty letter to the Air Force and resigned, but I do think that there are subjective factors in retention that each service ought to look at. Mobility is one. Our people move so much now

around the country, and sometimes the disjunctive of moving from one area to another, where there's no longer a unit that you can join, has a lot to do with retention.

Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you very much.

I was reminded about my reserve experiences personally as well. I got through law school primarily because I could earn money by going back on active duty in the summers and being a member of the teaching complement at the Officer Candidate School at Newport, Rhode Island, and the money I made in the summer I spent in the fall and the spring semesters of law school, so I've always had an appreciation for the opportunity that the Navy gave me to continue to serve while pursuing another career.

LITTORAL SURVEILLANCE SYSTEM

I know the Navy is planning to transfer some of its resources in my State of Mississippi over to the Naval Station in Pascagoula. Admiral Totushek, I understand you're basing your second littoral surveillance system at the Naval Station. I wonder if you could tell us what role you envision this system playing in force protection and possibly with homeland security as well?

Admiral TOTUSHEK. Thank you, Senator Cochran. We think that there is gold in them thar hills in this system. The Coast Guard is very interested in it. Just a quick little primer here. It is a system that allows us to integrate any kind of sensor that the Nation has, whether it be an unmanned sensor, a manned sensor, a satellite kind of sensor, and to integrate that to give you a total picture of an area as large as you would like, depending on how far out you want to employ these sensors, to be able to have situational awareness and, if need be, to mensurate targets. It's that good that it can actually spit out the coordinates of the targets you might be interested in.

We think the implications of that for homeland security are immense. The Coast Guard agrees with us, and we are starting to talk with them about how we can integrate a Naval Reserve capability using this littoral surveillance system, along with what the Coast Guard is doing around our ports, and as they pointed out, in a lot of cases there are areas of interest in the country where there isn't a robust capability, and this would allow us, because it's portable, to take it to another part of the country where you might have an area of interest for a short period of time, and to take a look at something that may be going on in that area.

One scenario would be, as some of these tankers and freighters come into our ports, that we really don't have a good idea of what's on them. If we had a tip that perhaps one of them belonged to somebody we didn't trust, we might want to go out and take a look at that while it's still hundreds of miles from our shores instead of just close in as it's entering the port.

So I think there's going to be a great synergy there between what the Coast Guard's doing and what we're able to support them with in homeland security.

NAVAL COASTAL WARFARE UNITS ROLE IN HOMELAND SECURITY

Senator COCHRAN. I understand also you're planning to move two of your naval coastal warfare units from Gulfport, Mississippi, to Pascagoula Naval Station. When these units are not forward-deployed, what role do you see them providing in support of Coast Guard or homeland security missions?

Admiral TOTUSHEK. We originally got the littoral surveillance system to marry up with these units that basically would surveil a port, and so their being right there, not only is it a great training opportunity for us to have the port there, to have the boats and have the littoral surveillance system, to be able to train for it, but also we now have a great capability for looking at not only the port of Pascagoula, but basically the Gulf of Mexico, and we think that there's a great synergy there not only to train, but to offer that force protection to the entire gulf as well.

Senator COCHRAN. And I also understand the Navy plans to transfer some patrol coastal (PC) craft to the Coast Guard and decommission as many as eight other patrol craft. Do you see a role for these PCs in the Naval Reserve as well?

Admiral TOTUSHEK. The problem with the PCs is, they're very expensive to operate. They're gas turbine engine ships, boats, and they move real fast but they burn a lot of gas, and that's the main reason that the Navy is interested in getting rid of them. They're in great shape. The Coast Guard is taking over six of those, I believe is the number, for use in being able to get out very quickly to look at contacts of interest further from our shores than usual.

We have proposed the idea of the Reserve force taking over some of these. The problem again is the operating cost of the platform. We think there will be a mission area that's going to require something with this kind of capability. Whether that's the right platform or not we're still talking to the Navy about, but we think that it's a real capability that could be used not only in the gulf, but up and down the shores of the Nation.

HURRICANE HUNTERS

Senator COCHRAN. General Sherrard, the Air Guard—no, the Air Reserve unit down in the Biloxi-Gulfport area has what they call hurricane hunters that go out and fly right into the eye of hurricanes, and they conduct surveillance. It's been a mission that has been unique for sometime, and I understand there is some conversation about transferring this. As a matter of fact, there's probably a proposal to transfer this to the National Oceanic and Atmospheric Administration (NOAA), the Oceanographic Administration.

My concern is, whether or not there is a continuing need for weather reconnaissance that's related directly to military operations. I notice the hurricane hunters were deployed recently to Guam to conduct weather reconnaissance support of some operations. They also were operating last month out of Elmendorf, where Senator Stevens has invited me to visit on a couple of occasions, supporting winter weather reconnaissance missions there.

What's your view about the utility of the hurricane hunters as a part of the military force, as opposed to transferring them to NOAA?

General SHERRARD. Well, sir, as you know we have been asked to work with NOAA to look at the transfer. In fact, there has been one meeting and there will be a subsequent meeting scheduled for the 13th, but I was told yesterday that that may be slipped for a week.

I have asked our staff, and we've got some information, sir, and I want to be very candid with you. We're in dialogue with the Air Force leadership about the very issue that you addressed in terms of military utilization, simply because of the fact that we have just recently, as you know, activated that unit, and we are sending them—they are at Guam to do the mission, and there is some concern that on behalf of the organization that I have asked the leadership that I be allowed to bring to them for discussion, and until that happens, sir, I really can't go beyond that, but I will tell you that we're going to have that conversation with the leadership of the Air Force.

Senator COCHRAN. That's good. Well, I appreciate knowing about that very much.

F/A-18 AIRCRAFT UPGRADES

General McCarthy, my question to you has to do with the upgrade of the F/A-18 aircraft, bringing it to a level of modern capability. The upgrade includes the Global Positioning System (GPS) launch precision, guided munitions, et cetera. Could you give us an update on the plans and the likelihood for funding needs in this area?

General MCCARTHY. Yes, Senator Cochran, I can. It's an overall package called the ECP-583, and it's a group of technologies that brings our F-18A models up to the equivalent of an F-18C, enables them to fire precision-guided munitions and some other things. It's been very successful.

We're about 60 percent through our fleet of 48 F/A-18As, and there's a steady program to continue until all of those aircraft are completed, and the impact on the capability of these aircraft is phenomenal, and then fortunately our F-18As, which have never been used in a carrier role, therefore have an extended life so that with this upgrade and their extended life they become among the most capable F-18s that the Marine Corps has.

Admiral TOTUSHEK. I'd like to point out if I could, Senator, that the Naval Reserve has the same kind of a program, slightly different nomenclature, but basically doing the same thing to upgrade As into what we call A pluses. We took one of those squadrons and deployed it into Iraqi Freedom. They flew combat operations and basically led that air wing with some of the oldest airplanes out there, but once again, as we heard earlier, some of our great pilots out there are doing great things, and we would not have been able to do it if it had not been the support of this committee that got us those kits that upgraded those airplanes, so thank you very much.

Senator COCHRAN. That's interesting to know, and we appreciate your advice and counsel on these issues.

General Helmly, I know that there's already been some discussion today about whether some units ought to be active duty or whether they should be reservists, but some I know, medical sup-

port, civil affairs, have had more than the usual amount of activation and active duty experience. Is this going to cause disruption that's a problem for Army reservists? Are you going to have a proposal to make about maybe transferring these responsibilities to active duty units, because these people have been in a perpetual state of activation, many of them, and what's your reaction to that?

General HELMLY. Senator, a couple of facts I'd like to cite, if I may, regarding this issue on the table of overuse. The first caution is that use is much different than abuse, and in a volunteer force one can go to the abuse side with an active force also, and we should be cautious of that. Admiral Totushek in his opening remarks cautioned similarly. I would say that there's concern on all of our parts here. I certainly speak for myself.

The solutions put forth to date are too simple. What we'll do is, either we'll grow the end strength of the active component, or we'll transfer missions to the active component, which implies some sort of tradeoff. You transfer Civil Affairs, some number from the Army Reserve to the active component, and then in turn we pick up some other mission.

I do not concur with those. There were two primary ingredients that went into the Abrams doctrine, and some have described that doctrine as outdated. I would not go down that road so quickly. One was political. That's the one often alluded to, and that was the desire on the part of General Abrams to ensure that we never send the Army to war again without the support of the American people, certainly a valid requirement.

But the other one was more pragmatic and business-like, and that was a recognition that in certain skill sets it is, in fact, more cost-effective to put those into the Reserve. We in the Army Reserve are quite proud of our record in such areas as medical support, civil affairs. The issue that we have on the table is that we are structured wrong. We do not have sufficient depth in those capabilities. General Schultz in the last panel spoke to the issue of military police. The reason we have high-demand, low-density units is that we made a conscious decision to make them at a density level which now proves too low.

We are involved and have put forth to the Army leadership what some would call a radical, I would call it a measured, practical, but still very strong transformation plan which proposes to reduce our structure in some cases, units that we have had little requirement for, and in turn to stand up additional civil affairs capability, medical capability, transportation, military police, a couple of other specialties that are in the high demand area that we believe we can maintain equally effective and at reduced cost within the Army Reserve as opposed to transforming to the Active Component.

We did have in the past year about 6,000 spaces, 6,000 soldier positions, authorizations in the active component that increased in the combat support, service support area. In turn, we in the Army Reserve adjusted slightly by picking up in those high demand areas about 13,000 more authorizations. It's our proposal to go much deeper over the next 3 to 5 years.

Senator COCHRAN. Thank you very much. Thank you, Mr. Chairman.

ADDITIONAL COMMITTEE QUESTIONS

Senator STEVENS. We thank you all, gentlemen, and you've got sort of think tanks. I'd urge you to just think about retention incentives and give us some ideas. We're perfectly willing to give you some authority to have pilot projects to try to initiate some changes and test them outright during this period. This would be a good test period on a lot of ideas that might lead us to further retention.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL JAMES R. HELMLY

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

ARMY RESERVE TRANSFORMATION

Question. General Helmly, in the fall of 2000, the Chief of Staff of the Army announced a far reaching initiative to transform the Army's combat units and the systems the Army would field to support those units. Could you comment on the progress the Army Reserve has made in transforming itself over the past three years?

Answer. Sir, the Army Reserve is transforming as the Army transforms and we will play a crucial role as the Army fields the Objective Force. Transformation is not new to the Army Reserve. We have essentially transformed ourselves since the end of the Cold War, when we reduced and restructured our force to a smaller, more efficient infrastructure with a greater focus on our core competencies of combat support and combat service support. We have continually improved on this force structure to enhance accessibility to our invaluable capabilities for the Army to achieve a seamless integration of the Army Reserve with the active component. The Army Reserve is pursuing six imperatives to accomplish transformation. First, we are re-engineering the mobilization process to remove impediments between the time competent legal authority authorizes mobilization and the time soldiers arrive at the place they are needed. Second, we will transform Army Reserve command and control to focus on soldier readiness, unit readiness, and shortened mobilization timelines. Third, we are resourcing a smaller more focused, high demand, and capable force manned and organized at Level One of Authorized Level of Organization. A resourced Trainee, Transient, Holdee, and Student account will be a critical enabler to reach this transformational end state. Fourth, we will implement Human Resources Life Cycle Management of Army Reserve soldiers that ensures "once a soldier, always a soldier" is a statement of fact, not a desire. Fifth, we are building a rotational base in our force that will facilitate Army Reserve engagement in a wide variety of Army operations. This provides our units with operational experience, and provides operational tempo relief for the active Army. It also imparts a sense of predictability for our soldiers and evens out the work load across the force. Finally, we are re-engineering the individual capability that the Army Reserve provides to the Army, built to meet real-world combatant commander requirements as validated in the World-Wide Individual Augmentation System.

Question. Of those initiatives, which do you feel are most important to maintaining the momentum for change?

Answer. Sustaining the momentum for change is a very important element of our effort to transform the Army Reserve. The Objective Force of the Army will bring greater capabilities for the nation in its mission to fight and win our nation's wars. Our six imperatives of Army Reserve Transformation will ensure the Army Reserve remains capable of supporting the Objective Force when it is fielded. As such, these imperatives are functionally interrelated and mutually supporting. Any one imperative may generate some positive effect; however, all imperatives will be necessary for Army Reserve Transformation to be able to produce ready soldiers, ready units, shortened deployment timelines, and reduced costs. As I have said, this is a complete package. While certain aspects of it, such as Human Resources Life-Cycle Management and maintenance of a Trainee, Transient, Holdee, and Student account are new functions that will require resources to perform, significant savings will be generated in other areas. These include force structure adjustments that will balance the force for future operational requirements and reduce base operations and equipment costs. A smaller, more focused peacetime command and control structure

will generate efficiencies. Finally, Army Reserve Transformation will produce a ready force organized at Level One of Authorized Level of Organization. This force will be readily deployable without extensive cross leveling, post mobilization training, validation, or equipment purchases, prior to deployment.

RECONSTITUTION OF ARMY RESERVE FORCES

Question. General Helmly, today, we have a large number of forces forward deployed while we simultaneously pursue elements of terror at home and globally. Do you believe we will be able to reconstitute our Army Reserve forces in an orderly manner for a sustained war against terror while meeting our many other commitments around the globe?

Answer. Reconstitution is an ongoing activity. Recently the reconstitution of Army Reserve forces has become increasingly difficult due to the continued growth of our enduring commitments. Some of our mobilized units have been re-missioned to ensure that those commitments can be met. As units demobilize, commanders are tasked with keeping their soldiers trained and prepared for future missions while sustaining high morale and retention. The existence of high demand/low density requirements exclusive to our war against terror, countered by portions of our force that are rarely used, confirms that we need to be able to build the right force to accomplish our changing mission. One of our Transformation Imperatives is to build a Rotational Force within the Army Reserve, which will add depth to those capabilities which are subjected to heavy use.

ARMY RESERVE'S ROLE IN REBUILDING OF IRAQ

Question. As our troops take on the responsibility for shoring up security and starting the rebuilding process in Iraq, what do you see as the Army Reserve's role within that mission?

Answer. The Army Reserve will have a major role in the rebuilding of Iraq. We have the right mix of Combat Support/Combat Service Support units that would allow us for example to be tapped for construction, fresh water, and medical support. The Army Reserve has the capability to provide significant amounts and types of forces required in nation building efforts. The critical operational capabilities that reside at a 75 percent level or more in the Army Reserve include Civil Affairs at 97 percent, Public Affairs at 82 percent, Personnel Services at 87 percent, Supply Operations at 76 percent, Psychological Operations at 83 percent, and Chemical at 75 percent.

QUESTIONS SUBMITTED BY SENATOR KAY BAILEY HUTCHISON

TRANSFORMATION PROGRAMS IN FISCAL YEAR 2004 BUDGET REQUEST

Question. What are your key Transformation programs in the 2004 budget request?

Answer. The Army Reserve has no key Transformation programs identified in the fiscal year 2004 budget request. The Federal Reserve Restructuring Initiative (FRRI), which is a key structure decision that supports the Army Reserve Transformation and includes the reduction of theater support requirements, incorporation of a Trainee, Transient, Holdee and Student account, and redesign of Army Reserve Command and Control, was accepted as an Army Transformation initiative and endorsed by senior Army leadership. The initial start up costs in fiscal year 2004 for FRRI actions can be accomplished within our requested Operations and Maintenance funding. Building rotational depth in our force that facilitates Army Reserve engagement in a wide variety of Army operations is critical to Army Reserve force development. This operational depth provides our units with operational experience, OPTEMPO relief for the active Army, imparts a sense of predictability for our soldiers, and evens out the workload across the force. The Army Reserve experience in current operations has validated the FRRI imperatives of re-engineering the mobilization process and demonstrated the need for structural and individual adjustments that we knew had to be made. The Army is not a static organization. All components are interconnected; therefore, any change to one component impacts the entire Service.

MOBILIZATION OF FISCAL YEAR 2004 BUDGET REQUEST

Question. How has mobilization for Operation Iraqi Freedom influenced next year's budget request?

Answer. Since the length of the current mobilization is not known, the impact on the fiscal year 2004 budget request cannot be determined at this time. Although lengthy mobilizations can create under execution in the personnel appropriations, any perceived savings often fail to materialize in a period in which the Army is both mobilizing and de-mobilizing Army Reserve soldiers. Additional requirements may be driven by de-mobilization and the re-constitution of equipment and by additional pre-mobilization training requirements. Depending on the speed of de-mobilization and the status of equipment that needs to be re-constituted, the Army Reserve may require additional transfer authority between appropriations or additional funding in fiscal year 2004.

LESSONS LEARNED FROM MOST RECENT MOBILIZATION

Question. What lessons have you learned from the most recent mobilization and how can you improve the process for next time?

Answer. Lessons learned from our most recent mobilization are being addressed internally and are being incorporated in the transformation of the Army Reserve. The mobilization process needs to be reengineered. We must adopt new doctrine and legislation to streamline and automate the mobilization process, which is currently time-intensive, paper-based, and multi-layered. We need to improve the mobilization process to enable flexible, rapid response when necessary, while protecting the rights and lives of Reserve soldiers. Our current force structure must be redesigned to meet a global asymmetrical threat versus any defined adversary. There must be rigor in our decision making process to ensure that support assets required for large mobilizations are established prior to units flowing into the Area of Responsibility.

TRICARE HEALTH COVERAGE

Question. What are your thoughts on extending TRICARE health coverage to members and families of the Reserve on a cost-share basis?

Answer. For those who are self-employed or lack adequate civilian-employer provided medical insurance, the availability of such coverage would be a welcome benefit. The immediate benefit would be offset somewhat, however, by the actual cost to the member—those who typically lack medical insurance are also least likely to be able to afford premium payments—and by the relative inaccessibility of the Military Health System to Reserve Component members. For example, only 20.5 percent of the Reserve soldiers live within an Army catchment area. The vast majority would not reap the full benefit of the TRICARE program unless it was tied to liberal access to TRICARE Remote and TRICARE Prime Remote. Still, limited health insurance is better than none, and I would be inclined to support this effort.

Question. Would this provide a needed service to our Reservists?

Answer. A recent survey by the Office of the Assistant Secretary of Defense Reserve Affairs and the Defense Manpower Data Center showed that 86 percent of Reserve soldiers with dependents have health insurance coverage of some sort. The greatest benefit would be afforded to the remaining 14 percent who lack medical insurance coverage.

Question. Would employers view it as an incentive to hire Reservists?

Answer. Employers are required to offer the same level of healthcare insurance coverage to all employees. TRICARE health coverage would most likely be viewed in neutral terms by civilian employers.

SUPPORTING EMPLOYERS OF RESERVISTS

Question. How can you recommend we better support the employers of our Reservists?

Answer. The Army Reserve strongly supports initiatives to reach the employers of the over 76,000 Army Reserve personnel mobilized for Operations Enduring Freedom and Iraqi Freedom. Retaining the support of employers is essential to the retention of quality personnel within our force. This is even more essential given that our force is largely built upon the civilian skills that many of our Reserve soldier bring to their respective military positions. We are working with the Department of the Army personnel chain to develop an effective means to centrally collect employer information of our soldier. The Army Reserve will continue to support initiatives to recognize employers of mobilized personnel at both home station and as part of a greater strategic effort aimed at retaining employer support for the Army. In April 2003, we implemented the Army Reserve Employer Recognition Program initiating actions to ensure every employer of a mobilized Reserve soldier is recognized by the first General Officer in the chain of command.

EQUIPMENT SHORTFALLS

Question. The Army Reserve has performed world-wide missions in support of the War on Terrorism since September 12, 2001. I am interested in knowing more about the equipment readiness of the Army Reserve and how the deployments might impact that readiness. Specifically, please tell me: What significant equipment shortfalls exist in the Army Reserve?

Answer. Sir, prior to the start of mobilization for Operation Iraqi Freedom (OIF), the U.S. Army Reserve had reached a level of fill for equipment considered essential to effective performance of a unit's mission with the appropriate authorized substitutions. Without substitutes, the percentage of items on-hand would have dropped below 70 percent of the required equipment on hand to perform the mission. Although authorized for substitutions, this equipment is very maintenance intensive and expensive to sustain and in many cases provides less capability than the required system. For example, the Army Reserve is utilizing older 1960's technology 2.5 and 5 Ton trucks as authorized substitutes for the more modern Family of Medium Tactical Vehicles and the Combat Utility Commercial Vehicle instead of the High Mobility Multi-purpose Wheeled Vehicle. The significant equipment shortages that exist in the Army Reserve today include materiel handling equipment; petroleum, oil, and lubrication and water systems such as the 5,000 gal fuel tankers; fuel system supply points; and forward area water points. Additionally, we are short line-haul prime movers and tactical trailers, heavy High Mobility Multi-purpose Wheeled Vehicles, high frequency radios, and night vision goggles. Although short the above requirements, the Army Reserve was able to meet the mission through extensive cross-leveling of equipment from non-deploying units to those deploying units in support of OIF.

Question. How do these shortfalls impact the Army Reserve's mission in support of the war on terrorism?

Answer. Sir, the end result was that the Army Reserve was forced to redistribute assets internally throughout the force to meet the requirement, both prior to and during the mobilization of units. The original minor shortfalls were exacerbated by the increased readiness targets for unit deployments and the additional equipment requirements beyond normal authorizations. The change in mobilization requirements resulted in the Army Reserve units that were not immediately mobilized being depleted of their equipment to support the additional requirement to fill units to 100 percent of their authorizations. As such, there would be a significant challenge for the Army Reserve to provide operational units for any additional contingency operations beyond OIF.

Question. What are the potential future impacts of these equipment shortfalls?

Answer. Sir, as the Army transforms, so will the Army Reserve. Part of our transformation objective is to assure unit readiness and relevance, add operational depth to the Army, successfully meet continuous contingency operations, relieve Army operational tempo, and transform the Army Reserve to the Objective Force. As the Army Reserve transforms and eliminates non-relevant structure, we will redistribute equipment internally to offset current shortfalls, thus improving equipment on-hand shortages. While the proposed force restructuring initiatives will reduce the Army Reserves' equipment shortages, future contingency missions will continue to be successfully met by retaining and maintaining, for some percentage of the fleet, less modern and capable equipment, at increasing operations and sustainment costs.

QUESTIONS SUBMITTED BY SENATOR ERNEST F. HOLLINGS

MODERNIZATION AND SUSTAINMENT CRITICAL SHORTFALLS

Question. General Helmly, the Army Reserve has been utilized continually since 1991. The Army Reserve's operational tempo in support of the War against Terrorism, both at home and globally, has kept a large portion of the Army Reserve mobilized since September 11, 2001. It appears we are asking the Army Reserve to do more and more. I'm concerned whether we are providing these units and soldiers with the resources to accomplish the missions our nation is asking them to perform. For the record, could you please—state the Army Reserve's modernization and sustainment critical shortfalls and explain the near term and long term consequences of not funding these shortfalls.

Answer. Sir, the Army Reserve has maintained a high operational tempo because we are a fully engaged, ready, relevant, and reliable force supporting the nation and the Army's global war on terrorism. Since recent world events indicate that the Army will continue to be engaged in and support a wide variety of contingency operations, equipment modernization and sustainment efforts must be a high priority in

order to continue to successfully meet the full spectrum of operations. The Army Reserve must be modernized to keep pace with the requirements of Army transformation. Some examples of modernization shortfalls include our combat wheeled vehicle fleet of 2.5 and 5 ton vehicles and High Mobility Multi-purpose Wheeled Vehicles (HMMWVs). Additionally, we are short materiel handling equipment; petroleum, oil, and lubrication and water systems; line-haul prime movers; night vision goggles; communication equipment; and the heavy HMMWVs for our frequently deployed Military Police units.

The near term consequences are the reliance on limited overhaul and rebuild programs to sustain older less modern equipment. Additionally, extensive internal cross-leveling is necessary to fill shortages to 100 percent of the requirement for mobilizing and deploying Army Reserve forces. The extensive cross-leveling of equipment from mobilizing to non-mobilizing units poses unique challenges to equipment on hand readiness levels.

The long term consequences are increased maintenance and operational costs as equipment exceeds its economical useful life and eventually some degree of incompatibility with the Active Army forces. This incompatibility is a result of the Army Reserve having older less modern equipment that creates a host of maintenance and compatibility challenges to include Army training programs for mechanics and operators, the establishment of separate repair parts inventories, and special tools and test equipment unique to each equipment model.

QUESTIONS SUBMITTED TO VICE ADMIRAL JOHN B. TOTUSHEK

QUESTIONS SUBMITTED BY SENATOR CHRISTOPHER S. BOND

REDESIGN OF THE NAVAL RESERVE

Question. We understand Navy is involved in an initiative to redesign the Naval Reserve. What changes do you anticipate will be made to force structure, missions and roles, and end strength?

Answer. The Navy continuously reviews how to achieve greater capability from its budget, and redesign of the Naval Reserve is the subject of much review as part of this process. The final outcome of these studies is yet to be determined so identification of future force structure changes, other than those cuts proposed in the President's fiscal year 2004 budget, would be pre-decisional. The Naval Reserve provides a low-cost means to preserve capability and recapture training and knowledge investments. My expectation is that Navy will continue to leverage these investments as we identify ways to maximize the Naval Reserve's contribution to the country's future war-fighting force.

RECAPITALIZATION OF THE NAVAL RESERVE

Question. What is your plan to recapitalize your Naval Reserve force with reduced NG&REA funding levels?

Answer. The \$10 million of NG&REA appropriated during each of the past two fiscal years was used to fund critically needed equipment and upgrades. During this same period there was limited funding provided in Navy's APN and OPN accounts to upgrade Naval Reserve aircraft and surface craft to fleet equivalent mission capabilities. The President's Budget for fiscal year 2004 reflects an upturn in new equipment funding using APN (C-40 Logistics Aircraft, F-5 replacements, MH-60s and C130T Avionics Modernization Program), but there remains a sizeable requirement to upgrade or replace aging Naval Reserve equipment. Until sufficient funds are identified in the Navy's procurement appropriations, Naval Reserve equipment will continue to be replaced by equipment transferred from the active force.

Question. What equipment investments has Navy made into the Naval Reserve in the fiscal year 2004 budget request?

Answer. The fiscal year 2004 budget request contains the following equipment investments for the Naval Reserve:

- Procurement of one C-40A aircraft to replace aging Naval Reserve DC-9 aircraft. (\$64 million)
- Funding commences on an Avionics Modernization Program (AMP) to upgrade 18 Naval Reserve C-130T aircraft. The total AMP requirement is \$122 million. This is the initial funding for these upgrades currently scheduled to be complete in fiscal year 2013. (\$3.3 million)
- Funding to upgrade Naval Reserve cargo aircraft (C-9B, DC-9, UC-12B, C-37A, C-40A) to meet CNS/ATM mandated requirements. This is a multiyear

program with fiscal year 2004 being the initial funding received to perform the upgrades. (\$4.3 million)

- Procurement of 32 Swiss F-5 aircraft to replace 32 Naval Reserve and Marine Corps Reserve F-5E aircraft. (\$4.7 million)
- Funding to procure small boats, table of allowance equipment and upgrade Mobile Inshore Undersea Warfare surveillance equipment. (\$45.6 million)
- Funding to procure table of allowance construction and communication equipment for reserve Naval Construction Force units. (\$10.5 million)

Question. What are the top five Naval Reserve equipment unfunded items for fiscal year 2004?

Answer. Our top five unfunded items for fiscal year 2004 are:

- Procurement of two additional C-40A aircraft to replace aging DC-9 aircraft. (\$131.0 million)
- Funding to upgrade two Littoral Surveillance Systems. (\$19.2 million)
- Procurement of remaining equipment to fill out 10,000 CBR-D sets including storage and phased replacement. (\$8.0 million)
- Procurement of two P-3C AIP kits in order to achieve commonality/compatibility with Active P-3C UD III Squadrons. (\$28.8 million)
- Upgrade third (of three) Naval Reserve VFA squadrons (F/A-18A) with precision-guided munitions capability and procure Advanced Targeting Forward Looking Infrared Radar for three Naval Reserve VFA squadrons. (\$52.8 million)

LITTORAL SURVEILLANCE SYSTEM (LSS)

Question. The Navy's Littoral Surveillance System (LSS) and Navy Patrol Craft are critical assets we need in Homeland Security. Have you considered assigning these assets a Homeland Security mission? If not, why not?

Answer. The Naval Reserve is currently investigating a potential role for the Littoral Surveillance System (LSS) in Homeland Security. Plans are being discussed for LSS participation in two Naval Reserve/Coast Guard Joint Harbor Operations Centers. The Naval Reserve's two LSS systems, being developed and funded from 1999 through 2003, may be used to further expand this systems capability in the Homeland Security mission.

The Navy will transfer five Patrol Craft (PC) to the Coast Guard in fiscal year 2004. The Coast Guard has been using PC's for Homeland Security missions since the September 11th attacks and will continue to do so. Plans for the remaining eight PC's are undecided at this time.

NAVAL RESERVE EQUIPMENT LIST

Question. We understand Navy is considering drastically altering the equipment list for Naval Reserve units. If this is true, how extensive are the cuts and what will the impact be on readiness and the Navy's ability to access its Reserve force?

Answer. The Navy continuously seeks to balance resources and requirements in order to maximize war-fighting wholeness within realistic fiscal restraints. Options to expand integration of Active and Reserve forces are under review; however, identification of potential force structure changes, beyond those proposed in the President's fiscal year 2004 budget, if any, would be pre-decisional.

PB04 makes a significant effort to maximize DON total force warfighting wholeness. The Secretary of Defense identified TacAir Integration as the model transformational program. Leveraging the synergy of a better integrated Navy and Marine Corps Aviation team provides a readier, more surge-capable, and affordable force. Additionally, the PB04 decommissioning of selected E-2 and P-3 reserve squadrons will provide resources necessary for transformation, integration, and recapitalization. The SecDef Counter Drug (CD) Execute Order has reduced the annual requirements for deployed E-2 coverage. The resultant reduction in force structure meets this new E-2 CD commitment. For P-3s, PB04 transitions two Reserve squadrons to augmentation units. Three additional Reserve P-3 squadrons will transition within the FYDP. This migration of reserve units to augmentation units allows for tighter integration between reserve and active forces, facilitates enhanced interoperability, and keeps reservists in the most modern weapons systems.

QUESTIONS SUBMITTED BY SENATOR KAY BAILEY HUTCHISON

RESERVE HEALTH CARE

Question. What are your key Transformation programs in the 2004 budget?

Answer. The Naval Reserve's overall role in the Transformation of the Department of Defense focuses on the continuing process of integrating the Naval Reserve

with the Active Component. Several ongoing studies are addressing the changing role of the Naval Reserve in a transforming Navy and Department of Defense.

Internally, the Naval Reserve is defining its appropriate role in Homeland Security (HLS), and is actively engaged with Northern Command in the identification of potential requirements. The fielding of the Littoral Surveillance System, for example, will help meet today's threat, contribute to the NORTHCOM mission, and efficiently utilize unique Naval Reserve capabilities. Although these transformational initiatives have not yet progressed to the point of resulting in programmatic changes in the fiscal year 2004 budget, it is anticipated that future budget submissions will reflect increased emphasis on the Littoral Surveillance System and HLS in general, as well as supporting the continued integration of the Naval Reserve with the Active Component.

IMPACT OF MOBILIZATION ON BUDGET REQUEST

Question. How has mobilization for Operation Iraqi Freedom influenced next year's budget request?

Answer. The current goal is to reduce Navy Reserve personnel mobilized from nearly 12,000 to 3,000 (3.4 percent) by the end of fiscal year 2003. The fiscal year 2004 mobilization end state is projected to be zero. In the fiscal year 2004 budget the Reserve participation rates have been adjusted slightly to compensate for remaining "demobilization" from 3,000 to 0, and is therefore considered to have no budgetary impact.

In fiscal year 2004, the O&MNR appropriation is currently priced for peacetime operations. Any increase in operating tempo due to further conflict would have to be addressed with supplemental funding.

From an aviation depot maintenance point of view, it has yet to be determined if any reconstitution costs resulting from increased operating tempo in OIF are required. The aviation depot maintenance budget is currently priced for peacetime operations. Any necessary reconstitution of airframes or engines work would require supplemental funding.

RESERVE MOBILIZATION LESSONS LEARNED

Question. What lessons have you learned from the most recent mobilization and how can you improve the process for next time?

Answer. The Navy is continuously reviewing the processes and progress of our mobilization efforts since September 2001, incorporating several improvements along the way. The Navy headquarters staff was inadequately organized to properly prioritize mobilization requirements and orchestrate the mobilization process. Within days, the Navy created the OPNAV Mobilization Cell to serve as a single submission point for all Navy mobilization requests. The Mobilization Cell is now the single-point of contact for all Navy decisions on mobilization and demobilization sourcing priorities.

Additionally, Navy learned early on that it needed a single, web-based ADP program for tracking and processing mobilization requirements. Within a remarkably quick two-month period, a modified version of the pre-existing Marine Corps Mobilization Processing System (MCMPS) was fielded as the Navy MCMPS (NMCMPs). NMCMPs provides a web-based medium, accessible worldwide, that allows Naval Reserve Activities and Navy Mobilization Processing Sites to update the status of mobilizing Reservists. It also provides gaining Commands and Navy leadership the ability to track the Reservist's status. NMCMPs also consolidates all Navy mobilization order writing at Navy Personnel Command, a task previously executed by over 140 individual Naval Reserve Activities. This consolidation of mobilization (and demobilization) orders writing has eliminated all of the administrative errors experienced when orders were written by individual Commands. There is a third part to NMCMPs that is not yet operational. Navy is working to field a secure, classified part of NMCMPs for the submission and review of mobilization requirements. When this is complete, Combatant and Service Component Commanders will be able to view the status of their Navy requirements from generation and submission, through the Navy Headquarters review process, to the selection and in-processing of Reservists, all the way to their actual arrival at gaining Commands via an automated real-time web-based application. Navy is working to incorporate the full functionality of NMCMPs in the Defense Integrated Military Human Resources System (DIMHRS).

Just as the OPNAV Mobilization Cell provides a single point of contact Commands to submit and staff Navy mobilization requirements, Navy realizes the immense importance of having a single organization to serve as an advocate for our mobilized Reservists. In April of 2002, the Navy created the Noble Eagle Sailor Ad-

vocacy (NESA) Office at the Navy Personnel Command to aid in ensuring a positive mobilization experience for our mobilized Reservists. In particular, a foremost tenet of the NESA team is to pay special attention to those Reservists who are experiencing genuine hardships as a result of early demobilization, or other problems, and forwarding those issues up the chain of command for individual mitigation. Since its creation, NESA has evolved into a program that not only helps mobilized Reservists with hardship issues, but also closely emulates many detailing functions found within the active duty Navy and its Project SAIL (Sailor Advocacy through Interactive Leadership) program, including contacting every mobilized Reservist prior to the end of their orders to discuss their desires and ensure they understand the options available to them.

Many of the same concerns that led to the creation of NESA reaffirm the importance of continuous, open, and clear communication with our Reservists. Throughout the current mobilization, we have maintained communication through such means as messages and public affairs publications, town hall meetings, and leadership visits with our mobilized forces.

As we demobilize over 12,000 Naval Reservists currently serving in support of Operations Iraqi Freedom, Enduring Freedom, and Noble Eagle, Navy is focusing on performing formal assessments of the conduct of Operation Iraqi Freedom, including the mobilization process. We will undoubtedly find many more ways to improve our mobilization process during these assessments, and look forward to sharing those with the Congress once the assessments are completed.

RESERVE HEALTH CARE

Question. What are your thoughts on extending TRICARE health care coverage to members and families of the Reserve on a cost-share basis?

Answer. Approximately 80 percent of Reservists have health insurance coverage when not on active duty as reported in the GAO Report, GAO-02-829, "Defense Health Care: Most Reservists Have Civilian Health Coverage But More Assistance Needed When TRICARE is Used", dated September 6, 2002. This coverage is through employer-sponsored programs or spouse's employer health plans. This report found of that 80 percent, 90 percent maintained their civilian coverage when deployed. The GAO report (GAO-03-549T), "Military Personnel: Preliminary Observations Related to Income, Benefits, and Employer Support for Reservists During Mobilizations" reiterates that most reservists maintain their own healthcare coverage when mobilized.

In addition, 70 percent of Reservists and their families live outside of Military Treatment Facility catchment areas and cannot take advantage of the assistance and array of services found near military treatment facilities (MTFs). These families must rely on the limited TRICARE network of providers for support.

The GAO report also estimates that any TRICARE healthcare program providing continuous TRICARE coverage for reservists and their dependents during the entire enlistment period—regardless of reservists' mobilization status—with benefits similar to those for active duty will cost DOD about \$10.4 billion. This estimate assumes that the current number of DOD MTFs remains constant in services and providers, which is unlikely based on BRAC and manpower adjustments. This cost would escalate with the increased number of active duty and reserve members in need of care through the TRICARE network.

Question. Would this provide a needed service to our Reservists?

Answer. No. It would only serve an extremely small percentage of Reservists. The precedence for opposition to this proposal lies with the TRICARE Dental Program (TDP). Selected Reservists and/or their family members can participate in the TDP. As of May 2003, only 7.8 percent of Naval Reservists are enrolled in the TDP plan.

Question. Would employers view it as an incentive to hire Reservists?

Answer. This question would be best answered by the National Committee for Employer Support of the Guard and Reserve (NESGR), but the impact of employees with other health insurance may be dependent upon their company's benefits. It may negatively impact small business owners by reducing the number of eligible employees for a plan size and increasing plan costs. Larger corporations might not be similarly impacted.

RESERVE EMPLOYER SUPPORT

Question. How can you recommend we better support the employers of our Reservists?

Answer. The best support to the employers of our Reservists is to ensure we have an active Employer Support of the Guard and Reserve (ESGR) organization. We must continue supporting ESGR's efforts to educate employers on their rights and

responsibilities, as well as those of the employed Reservists. Navy believes Congress provides sufficient authority in Title 10 to enable the Services to obtain the employer data the ESGR needs to provide improved support to employers through their Civilian Employment Information (CEI) Program.

Additionally, Navy is implementing lessons learned in the mobilization and demobilization of our Naval Reservists. This allows the Reservists more time to prepare for a “career transition,” and provides earlier notification to their employers. DOD policy is to notify Reservists whenever possible at least 30 days prior to their mobilization. While we cannot always provide this much advance notification due to operational concerns, it is essential that every effort be made to meet or exceed DOD’s policy.

RESERVE EQUIPMENT

Question. The Navy Reserve has performed worldwide missions in support of the War on Terrorism since September 12, 2001. I am interested in knowing more about the equipment readiness of the Navy Reserve and how the deployments might impact that readiness. Specifically, please tell me:

What significant equipment shortfalls exist in the Navy Reserve?

Answer. The Naval Reserve is short the following equipment:

Airlift, C-40A Transport Aircraft, Qty short—8, Unit Cost \$65 million. This aircraft replaces aging C-9 aircraft.

Individual Protective Equipment, Qty short—30,000, Unit Cost \$1,000.

P-3C Aircraft-BMUP Kits to achieve commonality with Active P-3C UD III Aircraft, Qty short—13, Unit Cost \$9 million.

P-3C Aircraft-AIP Kits to improve ASW capability, enhance weapons suite, improve target sensing, and achieve commonality with Active P-3 Aircraft; Qty short—12; Unit Cost \$14.4 million.

Naval Coastal Warfare Table of Allowance equipment and small boats for a total cost of \$45 million.

F/A-18 Aircraft Modification (ECP 560) to provide precision munitions capability, Qty short—12, Unit Cost \$3.5 million.

F/A-18 Aircraft Modification (Advanced Targeting Forward Looking Infrared Kits) to provide precision guided munitions capability, Qty short—16, Unit Cost \$2.5 million.

F-5 Aircraft Radar Upgrade to better simulate enemy aircraft. Qty short—36, Unit Cost \$360,000.

P-3C Counter Drug Upgrades to provide day and night electro-optic capability, Qty short—13, Unit Cost \$1.5 million.

SH-60B Helicopter Forward Looking Infrared Kits to improve surveillance capability, Qty short—5, Unit Cost \$1.4 million.

Question. How do these shortfalls impact the Navy Reserve’s mission in support of the war on terrorism?

Answer. The Naval Reserve supports the overall mission of the Navy, which is, “Be prepared to conduct prompt and sustained combat operations at sea in support of U.S. national interests”, which naturally includes any missions in the Global War on Terrorism.

The following equipment enhancements could all be, at some time, used by the Naval Reserve to support Navy Global War on Terrorism missions;

Airlift, C-40A Transport Aircraft, Qty short—8, Unit Cost \$65 million. This aircraft replaces aging C-9 aircraft.

Individual Protective Equipment, Qty short—30,000, Unit Cost \$1,000.

P-3C Aircraft-BMUP Kits to achieve commonality with Active P-3C UD III Aircraft, Qty short—13, Unit Cost \$9 million.

P-3C Aircraft-AIP Kits to improve ASW capability, enhance weapons suite, improve target sensing, and achieve commonality with Active P-3 Aircraft; Qty short—12; Unit Cost \$14.4 million.

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F-5 Aircraft Radar Upgrade to better simulate enemy aircraft. Qty short—36, Unit Cost \$360,000.

SH-60B Helicopter Forward Looking Infrared Kits to improve surveillance capability, Qty short—5, Unit Cost \$1.4 million.

Question. What are the potential future impacts of these equipment shortfalls?

Answer. Naval strategy identifies the need for the integration of the Active and Reserve components into a seamless and cohesive Total Force capable of meeting all operational requirements in peacetime and in war. These shortfalls impact the ability of the Reserves to maintain compatibility and relevance with the Active Navy's mission accomplishments.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL DENNIS M. MCCARTHY

QUESTIONS SUBMITTED BY SENATOR KAY BAILEY HUTCHISON

TRANSFORMATION

Question. What are your key transformation programs in the 2004 budget request?

Answer. The Marine Corps' transformation is broken down into several categories: technological, organizational, operational and acquisition policies and procedures. Currently, we are investing approximately \$1.5 billion per year in transformational initiatives, to include our top ground and aviation investment programs—the Expeditionary Fighting Vehicle (formerly referred to as the Advanced Amphibious Assault Vehicle) and the MV-22.

Within the above listed categories, three investment areas warrant mention as priority and material enablers to transformation. First, Sea Viking 2004 (SV04) represents the main experimentation effort designed to support decisions and strategies for 2015 transformational goals. SV04 will examine Seabasing and Operational Maneuver from the Sea (OMFTS) within a joint context and will provide the conceptual foundation for Naval transformation. Second, an On the Move Combat Operations Center (OTM COC) capability will feature Over the Horizon Communications (OTH Comm), an iridium-based voice and data tactical communication system, and Position Location Information (PLI) imperative for future combat operations. Third, initiation of a synergistic land counter-mine capability. This capability will provide both near term Marine Expeditionary Unit capability sets, as well as science and technology investment in the areas of advanced signature duplication, family of tailored explosives systems and light-weight mechanical breaching systems. Fourth, our fiscal year 2004 program will include the first dedicated funding for Joint High Speed Vessel (JHSV) experimentation. JHSV will have a pervasive transformational impact by providing exponential capability improvements in support of expeditionary maneuver warfare. Finally, in fiscal year 2004, Marine Corps Science & Technology resources will be used to validate the designs and concepts of the first three categories.

Both our Active and Reserve forces will benefit from these transformation initiatives to confront future conflicts as we have in the past, as a Total Force. Our Selected Marine Corps Reserve units are structured and trained based on the Marine Air Ground Task Force model and are ready to augment the Active component with personnel and equipment whenever the need arises.

OPERATION IRAQI FREEDOM MOBILIZATION

Question. How has mobilization for Operation Iraqi Freedom influenced next year's budget request?

Answer. Next year's budget request was already submitted before mobilization of forces for Operation Iraqi Freedom. A request for funding of mobilization costs was submitted with the request for fiscal year 2003 Supplemental Funding. Most of the mobilization cost has been covered with funds received from the fiscal year 2003 Supplemental; however, because forces are still mobilized, requirements have not been fully assessed. It is premature to budget for such costs until they have been completely assessed. Our unfunded fiscal year 2004 costs will be addressed in a supplemental budget request in fiscal year 2004.

LESSONS LEARNED

Question. What lessons have you learned from the most recent mobilization and how can you improve the process for the next time?

Answer. The Marine Corps Reserve was able to successfully mobilize and provide trained war fighters to combatant commanders on a timeline that rivals that of active duty units. 24,221 Reserve Marines were activated and approximately 74 percent were forward deployed to the CENTCOM area of responsibility. Most mobilization plans proved sound and were properly executed by all levels of command.

In addition to the joint lessons learned effort, the Commandant of the Marine Corps tasked the Enduring Freedom Combat Assessment Team Reserve (EFCAT-R) to perform a detailed study of the Reserve experience. The EFCAT-R team surveyed over 4,000 active and reserve component Marines to produce a valuable report. Commander of Marine Forces Reserve (MARFORRES) established a MARFORRES Mobilization Assessment Team (MMAT). Several key areas require early action.

Security Clearances

Many Reservists reported to the Gaining Force Command (GFC) without current security clearances. The primary cause was a shortage of field grade Officers with Top Secret (Special Compartmentalized Information) clearances throughout the Reserves and especially in the Individual Ready Reserve.

A meaningful improvement will require both organizational changes and a significant increase in funding for background investigations.

Program Nine Activation

The Navy mobilization process for medical and chaplain personnel does not fully support Selected Marine Corps Reserve (SMCR) unit deployment. Navy personnel in support of SMCR units are mobilized separately from the Marine unit and take longer to reach the GFC. For Operation Enduring Freedom and Operation Iraqi Freedom, most SMCR units took 7-9 days from notification until they reported to the GFC. The typical Navy corpsman or chaplain required over 22 days from notification to arrival at the GFC.

The solution is to "integrate" Navy personnel into SMCR units for mobilization purposes. Navy and Marine personnel in each SMCR unit would mobilize together and travel jointly to the GFC. We are working cooperatively with Commander Naval Reserve Force and may make joint requests for support to implement this important initiative.

Table of Equipment/Allowance

To reduce the maintenance burden, reserve units have only a portion of their combat equipment at their Reserve Centers. Upon mobilization, the units expect to receive the additional needed equipment from a variety of sources including Logistics Command (LOGCOM), Remain Behind Equipment (RBE), and the GFC. Obtaining this additional equipment not only caused significant confusion but also only a portion of the additional equipment was obtained in a timely manner. Similar problems were experienced during Desert Shield/Desert Storm.

To increase the efficiency of equipment sourcing, equipment reporting accuracy will be improved and Reserve-specific logistics planning will be incorporated into the deliberate planning process. A revised Force policy on internal redistribution of equipment by major subordinate commands will be published. Although this may increase our transportation of things costs, it will better position our equipment for future mobilizations. In order to ensure that sufficient amounts of communication and other "high value-low density" equipment are available upon mobilization, the Single Site Storage Facility (SSSF) program may be expanded.

Personal Recovery/Mortuary Affairs

The mission of a mortuary affairs unit is to respectfully recover, preserve, tentatively identify, and return all remains to the country of origin. Unlike the Army, a Marine mortuary affairs unit functions at the tactical level, occasionally performing its duties on the battlefield. In addition, this unit provides the necessary link between the Marine component and theater agencies responsible for evacuation of remains to CONUS. However, Marine Mortuary Affairs currently lack a doctrine consistent with its utilization in both Operation Iraqi Freedom and Desert Storm. As a result, units are inappropriately organized, trained, and equipped to support the Marine combatant commander in a joint environment.

We plan a revision of the unit organization, manning, and the acquisition of additional equipment.

Key Volunteer Program

The information flow from deployed units to Marine families at home is greatly enhanced by an active and engaged Key Volunteer Network (KVN), an official Marine Corps program. Since the KVN program only has a small operating budget, it is very dependent on the enthusiasm of individual volunteers. As there are 187 separate Reserve centers throughout the United States, Marine Forces Reserve must fight the "tyranny of distance" as it tries to build a close-knit Key Volunteer organization. Information flows are further complicated upon activation. While a Reserve unit may smoothly join the GFC, it is difficult to merge the Reserve and Active Key

Volunteer Networks. As a result, families of Reservists find it more difficult to obtain authoritative answers to questions and concerns.

Making the successful "MCCS One Source" experiment (sponsored by Office of the Secretary of Defense) a permanent program will be recommended. We anticipate working with the National Guard and other Reserve components to develop a system of joint Family Service Centers nationwide.

Accountability Protocol

The active and reserve components of the Marine Corps maintain separate computer systems for tracking personnel. In order to bridge this difference, MARFORRES units were forced to improvise by creating locally generated computer spread sheets. Navy personnel were tracked using a third system.

We will recommend continuing improvements to the current, Manpower Management systems.

TRICARE BENEFITS EXTENSION

Question. What are your thoughts on extending TRICARE health care coverage to members and families of the Reserve on a cost-share basis? Would this provide a needed service to our Reservists? Would employers view it as an incentive to hire Reservists?

Answer. I encourage the continued exploration of TRICARE health coverage alternatives for Reserve Marines, and studying the effectiveness implementation might have on both the reserve component and active component retention. My personal sense is that it would not be a disincentive for active duty retention. Providing such coverage is not duplicative to private insurance coverage as much as an alternative. The challenges associated with implementation—cost, administration of the program, (the mechanisms for enrollment, billing, premium payment, reimbursements, etc.) are considerable; however, this alternative would provide a vital service for our Reserve Marines and would be viewed as an employer incentive to hire Reserve Marines.

SUPPORT FOR EMPLOYERS OF RESERVISTS

Question. How can you recommend that we better support the employers of our reservists?

Answer. Thanks to the good work of the Employer Support to the Guard and Reserve (ESGR) and our concerted partnership with them in the time since Desert Shield/Desert Storm, we have made significant strides in better supporting our nation's employers when our Reserve Marines are called to active duty. But, there is work yet to do. We should: (1) provide employers with tax incentives for supporting Reserve Marines, (2) develop business insurance options for small business owners/employers and self-employed Marines, (3) subsidize companies that maintain health care coverage on the family members of activated Reserve Marines, and (4) continue to explore avenues through which TRICARE could contribute to medical insurance for Reserve Marines, including periods of activation and when not activated.

RESERVE EQUIPMENT SHORTFALLS

Question. The Marine Corps Reserve has performed worldwide missions in support of the War on Terrorism since September 11th, 2001. I am interested in knowing more about the equipment readiness of the Marine Reserve and how the deployments might impact that readiness.

What significant equipment shortfalls exist in the Marine Reserve?

Answer. I am not aware of any significant legacy equipment shortfalls. However, the program manager for infantry weapons has projected significant new acquisition system shortfalls. Systems impacted are:

1. *AN-PVS-17 B & C.*—The AN/PVS-17B night vision device provides 2.25 system magnification and is designed to be used with the M16A2 rifle. The AN/PVS-17C provides 4.5 system magnification and is designed to be used with the M249 Squad Automatic Weapon and M240G Medium Machine Gun. The systems are designed to provide high performance observation, quick man sized target acquisition, and aiming capabilities during night operations. Projected shortfalls: AN/PVS-17B. Qty: 1,037. AN/PVS-17C. Qty: 403.

2. *Thermal Weapon Sight (TWS) AN/PAS-13 (V3) Heavy Thermal Weapon Sights (HTWS).*—The TWS is a high performance forward looking infrared (FLIR) device. The system is virtually unaffected by weather and obscurants. Primarily designed for target detection and engagement with Marine Corps crew serve weapons [M2 50 Cal Machine Gun & MK19 Grenade launcher], it can also be used for all weather surveillance. Projected shortfall: AN/PAS-13. Qty: 644.

Question. How do these shortfalls impact the Marine Reserve's mission in support of the war on terrorism?

Answer. Night capability of reserve units will lag active duty units without this equipment and this could affect mission effectiveness.

Question. What are the potential impacts of these equipment shortfalls?

Answer. Reserve units will be required to use alternative or less capable types of equipment to accomplish assigned missions and tasks.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL JAMES E. SHERRARD III

QUESTIONS SUBMITTED BY SENATOR KAY BAILEY HUTCHISON

TRANSFORMATION PROGRAMS

Question. What are your key Transformation programs in the 2004 budget request?

Answer. The Air Force Reserve Command's (AFRC) key Transformation programs in the 2004 budget request involve implementation of the Air Force's mobility modernization plan, tanker roadmap and plans to alleviate active duty Low Density/High Demand (LD/HD) issues. AFRC will retire its C-141 fleet located at Wright Patterson AFB, Ohio, Andrews AFB, Maryland, and March AFB, California—converting those units to C-5A, KC-135R and C-17A missions respectively. The 2004 budget request also funds conversion of one each C-5 Associate squadron located at Dover AFB, Delaware and Travis AFB, California to C-17 Associate units. The Portland IAP, Oregon conversion transfers eight HH-60 and five HC-130 aircraft to the active duty while standing up a KC-135R unit in its place. Additionally, AFRC will transfer two C-130H aircraft to the active duty—part of an overall transfer plan of 14 aircraft moving to Special Operations Command (SOCOM) to alleviate LD/HD issues. AFRC will divest itself of aging KC-135Es at Selfridge Air National Guard Base (ANGB), Michigan and Beale AFB, California in exchange for less costly, and more reliable KC-135Rs. Lackland AFB, Texas is also programmed to take on the role as the AF's sole C-5 Formal Training Unit (FTU) replacing Altus AFB, Oklahoma in fiscal year 2007. Manpower savings from the C-141 retirements and the active duty retirement of Continental United States C-9 at Scott AFB, Illinois allows AFRC to increase its KC-135 Unit Equipped crew ratios from 1.27 to 1.5, and C-130 crews from 1.75 to 2—allowing the Command to better use those assets in accordance with increased requirements in recent years. Overall, the 2004 budget request realigns and changes over 4,500 reserve military and civilian positions in fiscal year 2004, matching personnel to requirements while divesting AFRC of legacy missions. These realignments and changes are primarily driven by AFRC's transformation programs.

OPERATION IRAQI FREEDOM

Question. How has mobilization for Operation Iraqi Freedom influenced next year's budget request?

Answer. Mobilization has not influenced our budget request at all. AFRC budgets are developed to maintain normal training for the entire Air Force Reserve as if there were no mobilization. Because mobilization effects are undeterminable at the time budgets are developed, mobilization is dealt with as an execution year issue.

Question. What lessons have you learned from the most recent mobilization and how can you improve the process for next time?

Answer. Our lessons learned from previous mobilizations helped us immensely in dealing with Operation Iraqi Freedom. Perhaps one of the most important lessons learned is the need for a centralized up-to-date handbook for readiness/mobilization policy and procedures for all three Air Force components to use. As of this writing, a new version of the out-of-date publication (AFH 10-416 Personnel Readiness and Mobilization dated December 22, 1994) is being finalized and coordinated by the active Air Force.

Timely submission of mobilization requirements would improve coordination with gaining MAJCOMs and AFRC and improve the mobilization package for processing and approval by Air Force Manpower and Reserve Affairs (SAF/MR).

Based on a much clearer vision of requirements under this operation, we learned that only the most stressed Air Force Specialty Codes (AFSCs) needed to be included under Stop Loss. Through the use of a Total Force formula for identifying "stressed" AFSCs, only those that are absolutely needed will be Stop Losses.

Finally, we learned that we needed continuous communication and coordination with our gaining MAJCOM partners, in emphasizing the necessity for rotation of

reservists to allow sufficient time prior to demobilization to provide for the use of accrued leave, downtime, medical assessments and reconstitution if appropriate.

TRICARE HEALTH CARE COVERAGE

Question. What are your thoughts on extending TRICARE health care coverage to members and families of the Reserve on a cost-share basis? Would this provide a needed service to our Reservists? Would employers view it as an incentive to hire Reservists?

Answer. Reserve component members become eligible for military health benefits when they are placed on active duty orders. The family members become eligible for TRICARE benefits when the member receives orders for greater than 30 days. The recent changes to policy permitting reserve component members and their families to enter TRICARE Prime at 31 days of active duty orders instead of 179, had a positive impact on members of the reserve in general. It brought a significant benefit in reach to members that required low cost quality health insurance. The proposed legislation of Senate Bill 852 extending health care coverage on a cost share basis to reserve members and their families will complement, complete and make comprehensive the medical benefits we offer Reservists.

GAO report dated September 2002 on Defense Health Care, "Most Reservists Have Civilian Health Coverage, but More Assistance is Needed When TRICARE is Used" identified that 20 percent of Americas are without health insurance and the reserve forces are a microcosm of American society. Therefore at a estimated minimum 20 percent of our reserve component population is without health insurance for themselves and their families. The GAO in their report also indicated that a government purchased/cost share plan would be well received. Offering medical benefits through TRICARE on a cost shared basis, like the TRICARE Dental Program would be a welcomed benefit. There also exist advantages for both the DOD and the member and their family to participate. Below is a short examination of those advantages:

1. Offering a low cost insurance plan will offer greater incentive for individuals to join and/or remain in the reserve. This is especially true for the self-employed.
2. TRICARE as a health plan offers equal to or better benefits than many smaller employers can offer.

3. Keeping the same health insurance and the same physicians even when the member moves from one employer to the next (and mobilization), providing the ultimate experience in health insurance portability and continuity of care. This too serves as an incentive to remain in the reserve and make it a career.

Many small companies/employers may not be able to offer health insurance to their work force so this provides the reserve member the option to look for work in these areas. It frees the member from linking employers to the type of job they must look for.

Advantage to the DOD will be seen in fewer members having problems using TRICARE benefits when activated, since more members will know the TRICARE system better.

Transitioning from active duty status to Transitional Health Care Benefits to a Reserve TRICARE Health Benefits plan would make it seamless, and offers reserve members that don't have jobs to return to more flexibility and make their reserve duty experience less stressful.

4. It may serve as an incentive to hire the reservist. Health insurance, next to salaries, is the most expensive benefit an employer may pay. Ranging anywhere between \$6600.00 to \$7,500.00 annually, an employer may even offer to reimburse the reservist a portion of their premiums if they use their TRICARE benefit. The member themselves may be in a position to negotiate a higher salary or wage based upon lower cost. Many employers will translate this as a "real savings" and bottom line issue.

5. Since this offers real saving to the employer, the government controversy to offer tax saving/incentives to employers who have reservists, the availability of TRICARE health coverage may be seen as benefit without offering additional tax credits.

6. Benefit to the government may be seen in the shape of fewer problems with members and their families transitioning from one health plan to another when brought on active duty or mobilized.

7. Identifying family members that have special medical needs may be easier and reduces the burden/stress on the Military Healthcare System, TRICARE Management Activity (TMA) and the member on how to get care when the member is activated.

Other Recommendations:

1. Law should include that all aspects of TRICARE benefits be extended. Many members live in remote areas and TRICARE Prime Remote/TRICARE Prime Remote for Active Duty Family Members' equivalent must be offered to make this plan relevant to all reservists.

2. Law should direct TMA to expand provider networks and update their participating provider listings annually to keep them current. Many listings are currently long out of date.

3. Cost share premiums must be low enough to serve as incentive to join the plan. Since many employers cost share their plans with their employees, the average cost share (employee cost) ranges from \$150 to \$300 monthly.

RESERVISTS

Question. How can you recommend we better support the employers of our Reservists?

Answer. Employers of reservists are key enablers for maintaining the readiness of our reserve service members and their support is vital to the Total Force. Employers give up key personnel from their workforce to provide support for national defense for extended duration periods. Beyond that, many employers have stepped forward to assure their employee-reservists do not take a substantial cut in pay when called to active duty by making up the difference between their active duty pay and their civilian pay. Other employers have provided continuing health care premium payments to assure ongoing health care coverage for family members of reservists. While these efforts are laudable, it is unreasonable to expect such generosity to continue for an extended period as reservists enter the second year of, or subsequent mobilizations. Moreover, it is also the case that employers should not be faced with a financial disincentive to hire reservists, nor bear an unreasonable proportion of the financial costs of mobilization.

In recognizing employer support of reservists, Congressional leaders have introduced several bills tailored to recognizing the contributions of employers of reservists that would go far in supporting employers. Among these bills are proposed tax relief in the form of tax deductions and credits for employers of reservists, health care initiatives that would address care "gaps" and "continuity of care" issues reported by some reservists. In particular, allowing reservists to participate in a proposed group TRICARE cost-share program would benefit employers, and encourage hiring of reservists at a time when anecdotal reports indicate a less than enthusiastic propensity by some employers to hire reservists. As a major benefit cost for employers would be eliminated, this would provide a strong incentive for civilian employers to hire Reserve Component members. Also, civilian employers would not incur the expense of paying premiums for employees who are mobilized if the member elected to have TRICARE benefits only. Furthermore, TRICARE would be the sole payee for any valid insurance claims.

We must also continue supporting employers and enhance assistance through support organizations such as Employer Support of the Guard and Reserve (ESGR). Ongoing communication between Reserve Component leadership, individual service members, support organizations and employers will strengthen relationships among these groups, minimize problems that arise, and facilitate swift resolution to problems as they occur.

EQUIPMENT READINESS

Question. The Air Force Reserve has performed world-wide missions in support of the War on Terrorism since September 12, 2001. I am interested in knowing more about the equipment readiness of the Air Force Reserve and how the deployments might impact that readiness. Specifically, please tell me:

What significant equipment shortfalls exist in the Air Force Reserve?

Answer. With regard to equipment shortfalls as it relates to the War on Terrorism, and the readiness of the Air Force Reserve to support the War on Terrorism, the following list of items is submitted.

- The WC-130J radar modification.
- F-16 color display processor.
- F-16 Litening II pod upgrade.
- F-16 Litening AT pod procurement.
- Security Forces UTC/LOGDET mobility equipment.
- A-10 Litening AT procurement.
- B-52 Litening AT procurement.
- Deployable secure tactical radios.
- C-5 Airlift Defensive Systems.
- APN-241 radar replacement for C-130E/H.

Question. How do these shortfalls impact the Air Force Reserve's mission in support of the war on terrorism?

Answer. The lack of equipment effectively prevents the Air Force Reserve from achieving its maxim combat capability.

WC-130J radar modification is required to correct display inconsistencies and boost detection range of weather hazards through software and hardware changes for the 10 Hurricane Hunter aircraft. Without these radar modifications the WC-130 J-model is not currently capable of penetrating hurricanes.

F-16 Color Display Processor replaces the overloaded and logistically unsupportable data display processor and provides color multi-functional display for weapons, navigation, and aircraft systems information. The upgraded display will enhance pilot situational awareness in combat and increase overall combat capability of the 69 F-16 aircraft fleet in the Air Force Reserve.

F-16 Litening II pod upgrade enhances target detection range and target tracking accuracy. Pilots will have greater flexibility with increased safety while attacking targets with greater precision and minimizing collateral damage. This upgrade will bring the existing pods up to the capability of the enhanced Litening AT version.

F-16 Litening AT pod is the most capable multi-sensor targeting pod, which provides enhanced precision strike capability while minimizing collateral damage. The Litening II pod was used with great success during the War in Afghanistan and during Operation Iraqi Freedom. Currently, there are 30 Litening II pods shared between 132 aircraft F-16, A-10 and B-52's.

Security Forces UTC/LOGDET mobility equipment funds are required to replace assets such as field telecommunication equipment, tactical radios, night vision devices, pallets and cargo nets. These assets were deployed in direct support of Operations Enduring Freedom and Iraqi Freedom and left in country in support of commander's request. Funds are also required to acquire equipment for newly assigned Security Forces, which have already started deploying without all required equipment due to short notice taskings and previously deployed equipment.

A-10 Litening AT pod is the most capable multi-sensor targeting pod, which provides enhanced precision strike capability while minimizing collateral damage. The Litening II pod was first used by the A-10 in combat with great success during the Operation Iraqi Freedom. Currently, there are 30 Litening II pods shared between 132 aircraft F-16, A-10 and B-52's.

B-52 Litening AT pod is the most capable multi-sensor targeting pod, which provides enhanced precision strike capability while minimizing collateral damage. The Litening II pod was first used by the B-52 in combat with great success during the Operation Iraqi Freedom. Currently, there are 30 Litening II pods shared between 132 aircraft F-16, A-10 and B-52's.

The Deployable secure tactical radios are needed to replace the Scope Shield I and II tactical field radios which are unsupportable and must be replaced. They are no longer depot repairable and are technically unsupportable. Secure tactical radios are the Air Force's primary means of communication for force protection operations.

The C-5 Airlift Defensive System is intended to provide protection against infrared (IR)-guided surface-to-air missile threats in low-threat and some medium-threat environments. The system is designed to detect the threat, alert the crew, and automatically expend IR countermeasure decoys.

The APN-241 Radar replacement for C-130 E/H is the AMC standard radar to replace the APN-59 for combat delivery aircraft. The current APN-59 radar system does not meet mission reliability, maintainability, and supportability requirements. Cost to maintain an antiquated APN-59 system is becoming prohibitive. HQ AMC is working a program to replace the APN-59 radar on the entire C-130 fleet with new generation low-power color radars under the Avionics Modernization Program (AMP); however, the AMP Program has taken several budget cuts and is being extended into the future.

Question. What are the potential future impacts of these equipment shortfalls?

Answer. The potential future impact of these equipment shortfalls will prevent the Air Force Reserve from maintaining interoperability not only within the total force construct, but the entire battle space shared by our sister services and allies. In order to maintain relevance and provide the combat capability required by the Combatant Commanders, the Air Force Reserve must modernize.

SUBCOMMITTEE RECESS

Senator STEVENS. We appreciate your service and your willingness to be with us today. We're going to reconvene on May 14 to hear from the Secretary of Defense.

Thank you very much.
[Whereupon, at 12:25 a.m., Wednesday, May 7, the subcommittee
was recessed, to reconvene at 10:30 a.m., Wednesday, May 14.]