

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2005

WEDNESDAY, MAY 5, 2004

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

The subcommittee met at 9:30 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Ted Stevens (chairman) presiding.
Present: Senators Stevens and Inouye.

NONDEPARTMENTAL WITNESSES

STATEMENT OF SUE SCHWARTZ, R.N., CHAIRPERSON, HEALTH CARE COMMITTEE, THE MILITARY COALITION

OPENING STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Good morning. We do welcome all of you to our public witness hearing. There are 24 witnesses today who have indicated each of them wishes to testify or submit a statement for the record. To keep us on schedule, unfortunately, I must ask that you limit your testimony to not more than 4 minutes. We are in session. We are going into session now, and we will have votes today.

We appreciate your interest and want you to know that we do carefully review each item that you do present to us. Your prepared statements are included in the record already. We ask that you summarize those statements.

As soon as my good friend, Senator Inouye, arrives, we will see if he has an opening statement. I do not think he does. But why do we not proceed with our first witness and allow my friend to make such statements he wants to make.

The first witness is Sue Schwartz, a registered nurse, and Chairperson of the Coalition's Health Care Committee of the Military Coalition. Welcome, Ms. Schwartz.

Ms. SCHWARTZ. Good morning, Mr. Chairman.

Mr. Chairman and distinguished members of the subcommittee, thank you for the opportunity to address you today concerning the Military Coalition's views on funding for the defense personnel programs. I want to reiterate our deep appreciation to the entire subcommittee for the role you played in the development of a wide range of landmark health care initiatives over the past few years, particularly for Medicare eligibles and active duty families. On behalf of our grateful members, we say thank you for the leadership your subcommittee gave last year directing the Department of Defense (DOD) to take specific action to address chronic access prob-

lems for TRICARE Standard and to begin to address health care needs for the selected Reserve.

We ask the subcommittee's continued emphasis to ensure that these enhancements are not only successfully implemented, but adequately funded as well.

DOD officials speak of funding shortfalls in the out-years, but there are current problems as well. Bases are turning retirees away from their pharmacies, saying this is due to budget cuts. In many instances, a retiree or any beneficiary may only get a 30-day supply of medication from the military pharmacy instead of the usual 90-day supply.

To control costs, some military pharmacies cut back on expensive drugs not on the basic core formulary. Beneficiaries then turn to the retail pharmacy to get those medications where funds come out of a different pot of money. When funds get tighter, it becomes harder to get an appointment. Pharmacy and clinic hours get cut. Prime access standards are not met. Sometimes beneficiaries are told the schedule is not ready, call back in a week, and the queue starts to build.

Last year the Office of Management and Budget (OMB) considered increasing retiree pharmacy cost share significantly, even going so far as to propose charging retirees for medications obtained in military pharmacies. In a memo dated March 26, the United States (U.S.) Army Command states there is a significant funding shortfall in their annual funding of \$250 million to support the war. Many command activities have budget execution rates that cannot be sustained within current funded levels.

We ask the subcommittee's continued support in appropriating sufficient amounts for the direct and purchased care systems so that the defense health program (DHP) budget does not have to be balanced on the back of beneficiaries.

In the last session of Congress, you took the first steps to extend to the Guard and Reserve additional TRICARE coverage before and after mobilization and to provide TRICARE on a cost-share basis for members without access to employer-sponsored health care.

Mr. Chairman, some disturbing news is 6 months have passed and DOD has not implemented all these provisions. The Defense Department cannot tell us if or when it will be able to implement access to TRICARE on a cost-share basis for those reservists without health insurance. These programs are temporary and the clock is ticking. The authority and funding for this legislation expires at the end of the year, but the call-ups will not. How can we expect to have a valid test when time is running out?

The coalition urges you to send a strong message that health care for the Guard and Reserve and their family members is a priority. We ask you to take steps to fully fund the permanent expansion of these TRICARE benefits for the Guard and Reserve components pre-and post-mobilization. The coalition believes we need to enhance health care for the Guard and Reserve families because it is a readiness issue. It is a quality of life issue to provide affordable health care to Reserve families. It will stimulate recruiting and retention efforts, and it gives employers of mobilized members financial incentives. Dependence on Guard and Reserve personnel will not decrease and most likely will grow. Making these health care

enhancements permanent and fully funded demonstrates that we appreciate the service and sacrifice of our citizen soldiers and their families.

We deeply appreciate the subcommittee's ongoing leadership and commitment to those who are in uniform today and those who have served our Nation in the past.

I look forward to answering your questions. Thank you. Senator Stevens: Is it your position they have not yet covered those who have actually been mobilized or those who are being demobilized?

Ms. SCHWARTZ. Sir, the section 702, 703, and 704 of last year's National Defense Authorization Act—only section 704 has been fully implemented which is the extension of the transitional assistance medical program (TAMP), which is the temporary extension of benefits post-mobilization. The other two sections have not been implemented.

Senator STEVENS. As I understand, it is a very difficult thing to do. We will look into it, though, but I did look into it a little bit, and it is extremely difficult to do without providing a disincentive to employers to maintain health insurance for their people who are also members of the Guard and Reserve. I thank you for your statement. We are continuing to look at that.

Ms. SCHWARTZ. Thank you, Mr. Chairman. There are no simple answers. I appreciate your support.

Senator STEVENS. Thank you.

[The statement follows:]

PREPARED STATEMENT OF SUE SCHWARTZ

EXECUTIVE SUMMARY

Active Force Issues

Personnel Strengths and Operations Tempo.—The Military Coalition strongly recommends restoration of Service end strengths to sustain the long-term global war on terrorism and fulfill national military strategy. The Coalition supports increases in recruiting resources as necessary to meet this requirement. The Coalition urges the Subcommittee to consider all possible manpower options to ease operational stresses on active, Guard and Reserve personnel.

Commissaries.—The Military Coalition opposes all privatization and variable-pricing initiatives and strongly supports full or even enhanced funding of the commissary subsidy to sustain the current level of service for all patrons, including Guard and Reserve personnel and their families.

Family Readiness and Support.—The Military Coalition urges funding for improved family readiness through education and outreach programs and increased childcare availability for servicemembers and their families and associated support structure to assist families left behind during deployments of active duty, Guard and Reserve members.

Retirement Issues

Combat Related Special Compensation Claims Processing.—The Military Coalition urges Subcommittee leaders and members to ensure that DOD has sufficient funding to provide adequate resources for the timely processing of combat related special compensation claims.

Guard And Reserve Issues

Selected Reserve Montgomery GI Bill Improvements.—The Military Coalition recommends funding to raise SR-MGIB benefit levels to 47 percent of the active duty MGIB rate and support to allow reservists who serve non-consecutive tours of 24 months or more active duty within a five-year period to enroll in the active duty MGIB.

Health Care Issues

Full Funding For The Defense Health Budget.—The Military Coalition strongly recommends the Subcommittee continue its watchfulness to ensure full funding of

the Defense Health Program, including military medical readiness, needed TRICARE Standard improvements, and the DOD peacetime health care mission. It is critical that the Defense Health Budget be sufficient to secure increased numbers of providers needed to ensure access for TRICARE beneficiaries in all parts of the country.

Pharmacy Cost Shares for Retirees.—The Military Coalition urges the Subcommittee to continue to reject imposition of cost shares in military pharmacies, oppose increasing other pharmacy cost shares that were only recently established, and to provide full funding for the Defense Health Pharmacy Program. We urge the Subcommittee to ensure that Beneficiary Advisory Groups' inputs are included in any studies of pharmacy services or copay adjustments.

Healthcare for Members of the National Guard and Reserve.—The Military Coalition urges the Subcommittee to take action to appropriate sufficient funds and support permanent authorization of the Temporary Reserve Health Care Program (Sec. 702, 703, and 704 Public Law 108-136) to support readiness, family morale, and deployment health preparedness for Guard and Reserve servicemembers.

The Military Coalition urges the Subcommittee to appropriate sufficient funds to provide for federal payment of civilian health care premiums (up to the TRICARE limit) as an option for mobilized service members.

The Military Coalition recommends the Subcommittee provide sufficient funding to permit expansion of the TRICARE Dental Plan benefits for Guard and Reserve servicemembers. This would allow all National Guard and Reserve members to maintain dental readiness and alleviate the need for dental care during training or mobilization.

PERSONNEL ISSUES

Mr. Chairman, The Military Coalition (TMC) is most grateful to the leadership and members of this Subcommittee for their strong support leading to last year's significant improvements in military pay, housing allowances and other personnel programs for active, Guard and Reserve personnel and their families. But as much as Congress accomplished last year, very significant inequities and readiness challenges remain to be addressed.

In testimony today, The Military Coalition offers its collective recommendations on what needs to be done to address these important issues and sustain long-term personnel readiness.

ACTIVE FORCE ISSUES

Personnel Strengths and Operations Tempo.—The Coalition is dismayed at the Department of Defense's reluctance to accept Congress' repeated offers to increase Service end strength to relieve the stress on today's armed forces, who are clearly now sustaining an increased operations tempo to meet today's global war on terror. While we are encouraged by the Army's announcement to temporarily increase their end strength by 30,000, we are deeply concerned that Administration-proposed plans for selected temporary manpower increases rely too heavily on continuation of stop-loss policies, unrealistic retention assumptions, overuse of the Guard and Reserves, optimistic scenarios in Southwest Asia, and the absence of any new contingency needs.

Administration and military leaders warn of a long-term mission against terrorism that requires sustained, large deployments to Central Asia and other foreign countries. The Services simply do not have sufficient numbers to sustain the global war on terrorism, deployments, training exercises and other commitments, so we have had to recall significant numbers of Guard and Reserve personnel. For too many years, there has always been another major contingency coming, on top of all the existing ones. If the Administration does not recognize when extra missions exceed the capacity to perform them, the Congress must assume that obligation.

The Coalition strongly believes that earlier force reductions went too far and that the size of the force should have been increased several years ago to sustain today's pace of operations. Deferral of meaningful action to address this problem cannot continue without risking serious consequences. Real relief is needed now. There is no certainty that missions will decline, which means that the only prudent way to assure we relieve the pressure on servicemembers and families is to increase the size of the force.

Some argue that it will do little good to increase end strengths, questioning whether the Services will be able to meet higher recruiting goals. The Coalition believes strongly that this severe problem can and must be addressed as an urgent national priority, with increases in recruiting budgets if that proves necessary.

Others point to high reenlistment rates in deployed units as evidence that high operations tempo actually improves morale. But much of the reenlistment rate anomaly is attributable to tax incentives that encourage members to accelerate or defer reenlistment to ensure this occurs in a combat zone, so that any reenlistment bonus will be tax-free. Retention statistics are also skewed by stop-loss policies. Over the long run, past experience has shown that time and again smaller but more heavily deployed forces will experience family-driven retention declines.

Action is needed now. Failing to do so will only deepen the burden of already overstressed troops and make future challenges to retention and recruiting worse.

The Military Coalition strongly recommends restoration of Service end strengths to sustain the long-term global war on terrorism and fulfill national military strategy. The Coalition supports increases in recruiting resources as necessary to meet this requirement. The Coalition urges the Subcommittee to consider all possible manpower options to ease operational stresses on active, Guard and Reserve personnel.

Commissaries.—The Coalition continues to be very concerned about preserving the value of the commissary benefit—which is widely recognized as the cornerstone of quality of life benefits and a valued part of the servicemembers' total compensation package.

During the past year, the Department of Defense announced plans to close a number of commissaries, replace the traditional three-star officer serving as chairman of the Commissary Operating Board (COB) with a political appointee, and require a study on instituting variable pricing for commissary products. These proposals are apparently intended to save money by reducing the annual appropriation supporting the Defense Commissary Agency (DeCA), which operates 275 commissaries worldwide. The COB recommendation is also viewed as another indicator of DOD's ongoing interest in eventually privatizing the benefit.

The Coalition supports cost savings and effective oversight and management. However, we are concerned about the unrelenting pressure on DeCA to cut spending and squeeze additional efficiencies from its operations—despite years of effective reform initiatives and recognition of the agency for instituting improved business practices.

The Coalition is particularly opposed to the concept of variable pricing, which the Administration acknowledges is aimed at reducing appropriated funding. This can only come at the expense of reducing benefits for patrons.

The commissary is a highly valued quality of life benefit not quantifiable solely on a dollars appropriated basis. As it has in the past, The Military Coalition opposes any efforts to privatize commissaries or reduce benefits to members, and strongly supports full funding of the benefit in fiscal year 2005 and beyond.

The Military Coalition opposes all privatization and variable-pricing initiatives and strongly supports full or even enhanced funding of the commissary benefit to sustain the current level of service for all patrons, including Guard and Reserve personnel and their families.

Family Readiness and Support.—Family readiness is a key concern for the approximately 60 percent of servicemembers with families. Allocating adequate resources for the establishment and maintenance of family readiness and support programs is part of the cost of effectively fulfilling the military mission.

Servicemembers and their families must understand and be aware of benefits and programs available to them and who to contact with questions and concerns—both at the command level and through the respective Service or Department of Defense—in order to effectively cope with the challenges of deployment. It is also important to meet childcare needs of the military community including Guard and Reserve members who are being called to active duty in ever-increasing numbers.

The Military Coalition urges funding for improved family readiness through education and outreach programs and increased childcare availability for servicemembers and their families and associated support structure to assist families left behind during deployments of active duty, Guard and Reserve members.

RETIREMENT ISSUES

Combat Related Special Compensation Claims Processing.—The Military Coalition applauds Congress for the landmark provisions in the fiscal year 2004 National Defense Authorization Act that expand combat related special compensation to all retirees with combat-related disabilities and authorizes—for the first time ever—the unconditional concurrent receipt of retired pay and veterans' disability compensation for retirees with disabilities of at least 50 percent. Disabled retirees everywhere are extremely grateful for this Subcommittee's action to reverse an unfair practice that has disadvantaged disabled retirees for over a century.

However, we are becoming increasingly aware of growing problems with combat related special compensation claims processing. Large numbers of applicants are waiting six months or more for decisions. The Services have acknowledged that the expanded authority will increase backlogs even more. The Coalition believes DOD must have sufficient funding to meet staffing and other support requirements to ensure claims are processed in a reasonable period of time.

The Military Coalition urges Subcommittee leaders and members to ensure DOD has sufficient funding to provide adequate resources for the timely processing of combat related special compensation claims.

GUARD AND RESERVE ISSUES

Selected Reserve Montgomery GI Bill Improvements.—Individuals who first become members of the National Guard or Reserve are eligible for the Selected Reserve Montgomery GI Bill (SR-MGIB) under Chapter 1606 of Title 10 U.S. Code. But SR-MGIB benefits have declined sharply compared to active duty benefits and need to be restored.

During the first fifteen years of the SR-MGIB program (1985–1999), benefits maintained 47 percent comparability with the active duty MGIB authorized under Title 38. But in the last few years, the SR-MGIB has slipped to a 29 percent ratio with the basic program due to benefit increases that were enacted only for the active duty program. The drop in reserve benefits happened at a time when the Guard and Reserve have been mobilized and deployed unlike any other time since World War II. In addition, many reservists have been mobilized for more than one extended tour of active duty. If the tours add up to 24 months of active duty but are served non-consecutively, the reservists are not eligible for the active duty MGIB.

The Military Coalition recommends funding to raise SR-MGIB benefit levels to 47 percent of the active duty MGIB rate and support to allow reservists who serve non-consecutive tours of 24 months or more active duty within a five-year period to enroll in the active duty MGIB.

Guard/Reserve Family Readiness and Support.—All military families experience high stress levels when their military spouses are deployed in harms way. National Guard and Reserve families are no exception. In their case, however, military base support networks are rarely available to them due to their geographic dispersion across the nation. The Services and the Defense Department have initiated new programs to support the growing needs of reserve component families but more needs to be done.

The Guard and Reserve have increased the number of paid family readiness coordinators and established more Family Assistance Centers to help volunteers and provide basic information. The challenge is providing consistent and reliable information on benefits and services across all of the reserve components. For example, the Air National Guard employs professional family coordinators but the Army National Guard does not. Another concern is the lack of childcare services for mobilized Guard and Reserve families.

The Military Coalition urges adequate funding for family readiness services through education and outreach programs, increased childcare availability for servicemembers and their families, and associated support services to assist families left behind during deployments of active duty, Guard and Reserve members.

HEALTH CARE ISSUES

The Military Coalition is most appreciative of the Subcommittee's exceptional efforts over several years to honor the government's health care commitments to all uniformed services beneficiaries. These Subcommittee-sponsored enhancements represent great advancements that should significantly improve health care access while saving all uniformed services beneficiaries thousands of dollars a year. The Coalition particularly thanks the Subcommittee for last year's outstanding measures to address the needs of TRICARE Standard beneficiaries as well as to provide increased access for members of the Guard and Reserves.

While much has been accomplished, we are equally concerned about making sure that subcommittee-directed changes are implemented and the desired positive effects actually achieved. We also believe some additional initiatives will be essential to providing an equitable and consistent health benefit for all categories of TRICARE beneficiaries, regardless of age or geography. The Coalition looks forward to continuing our cooperative efforts with the Subcommittee's members and staff in pursuit of this common objective.

Full Funding For The Defense Health Budget.—Once again, a top Coalition priority is to work with Congress and DOD to ensure full funding of the Defense Health Budget to meet readiness needs—including graduate medical education and

continuing education, full funding of both direct care and purchased care sectors, providing access to the military health care system for all uniformed services beneficiaries, regardless of age, status or location. A fully funded health care benefit is critical to readiness and the retention of qualified uniformed service personnel.

The Subcommittee's oversight of the defense health budget is essential to avoid a return to the chronic underfunding of recent years that led to execution shortfalls, shortchanging of the direct care system, inadequate equipment capitalization, failure to invest in infrastructure and reliance on annual emergency supplemental funding requests as a substitute for candid and conscientious budget planning.

We are grateful that last year, Congress provided supplemental appropriations to meet growing requirements in support of the deployment of forces to Southwest Asia and Afghanistan in the global war against terrorism.

But we are concerned by reports from the Services that the current funding level falls short of that required to meet current obligations and that additional supplemental funding will once again be required. For example, we have encountered several instances in which local hospital commanders have terminated service for retired beneficiaries at military pharmacies, citing budget shortfalls as the reason. Health care requirements for members returning from Iraq are also expected to strain the military delivery system in ways that we do not believe were anticipated in the budgeting process.

Similarly, implementation of the TRICARE Standard requirements in last year's Authorization Act—particularly those requiring actions to attract more TRICARE providers—will almost certainly require additional resources that we do not believe are included in the budget. Addressing these increased readiness requirements, TRICARE provider shortfalls and other needs will most likely require additional funding.

The Military Coalition strongly recommends the Subcommittee continue its watchfulness to ensure full funding of the Defense Health Program, including military medical readiness, needed TRICARE Standard improvements, and the DOD peacetime health care mission. It is critical that the Defense Health Budget be sufficient to secure the increased numbers of providers needed to ensure access for TRICARE beneficiaries in all parts of the country.

Pharmacy Cost Shares for Retirees.—Late last year, the Office of Management and Budget (OMB) and the Defense Department considered a budget proposal that envisioned significantly increasing retiree cost shares for the TRICARE pharmacy benefit, and initiating retiree copays for drugs obtained in the direct care system. While the proposal was put on hold for this year, the Coalition is very concerned that DOD is undertaking a review that almost certainly will recommend retiree copay increases in fiscal year 2006.

It was less than three years ago that Congress authorized and appropriated adequate funding for the TRICARE Senior Pharmacy Program (TSRx) and DOD established \$3 and \$9 copays for all beneficiaries. Defense leaders highlighted this at the time as “delivering the health benefits military beneficiaries earned and deserve.” But the Pentagon already has changed the rules, with plans to remove many drugs from the uniform formulary and raise the copay on such drugs to \$22.

Now, there are new proposals to double and triple the copays for drugs remaining in the formulary—to \$10 and \$20, respectively. One can only surmise that this would generate another substantial increase in the non-formulary copay—perhaps even before the \$22 increase can be implemented.

Budget documents supporting the change rationalized that raising copays to \$10/\$20 would align DOD cost shares with those of the VA system. This indicates a serious misunderstanding of the VA cost structure, unless the Administration also plans to triple VA cost shares. At the present time, the VA system requires no copayments at all for medications covering service-connected conditions, and the cost share for others is \$7.

The Coalition believes this Subcommittee will appropriate the funds needed to meet uniformed services retiree health care commitments if only the Administration will budget for it. The Coalition is concerned that DOD does not seem to recognize that it has a unique responsibility as an employer to those who served careers covering decades of arduous service and sacrifice in uniform. Multiple administrations have tried to impose copays in military medical facilities, and Congress has rejected that every time. We hope and trust that will continue.

The Coalition vigorously opposes increasing retiree cost shares that were only recently established. Congress' recent restoration of retiree pharmacy benefits helped restore active duty and retired members' faith that their government's health care promises would be kept. If implemented, this proposal would undermine that trust, which in the long term can only hurt retention and readiness.

The Military Coalition urges the Subcommittee to continue to reject imposition of cost shares in military pharmacies, oppose increasing other pharmacy cost shares that were only recently established and to provide full funding for the Defense Health Pharmacy Program. We urge the Subcommittee to ensure that Beneficiary Advisory Groups' inputs are included in any studies of pharmacy services or copay adjustments.

Healthcare for Members of the National Guard and Reserve.—The Military Coalition is most appreciative to Congress for ensuring that the Temporary Reserve Health Care Program was included in the fiscal year 2004 National Defense Authorization Act. This program will provide temporary coverage, until December 2004, for National Guard and Reserve members who are uninsured or do not have employer-sponsored health care coverage. TRICARE officials plan to build on existing TRICARE mechanisms to expedite implementation; however, no one is certain how long this will take. Immediate implementation and full funding is required.

The Coalition is grateful to the Congress for their efforts to enact Sec. 703 and 704 of the fiscal year 2004 NDAA. Sec. 703—Earlier Eligibility Date for TRICARE Benefits for Members of Reserve Components provides TRICARE health care coverage for reservists and their family members starting on the date a “delayed-effective-date order for activation” is issued. Sec. 704—Temporary Extension of Transitional Health Care Benefits changes the period for receipt of transitional health care benefits from 60 or 120 days to 180 days for eligible beneficiaries.

Congress recognized the extraordinary sacrifices of our citizen-soldiers, by enacting extending this pre- and post-mobilization coverage. Now it's time to recognize the changed nature of 21st century service in our nation's reserve forces by making these pilot programs permanent and provide full funding.

The Military Coalition urges the Subcommittee to take action to appropriate sufficient funding and support permanent authorization of the Temporary Reserve Health Care Program (Sec. 702, 703, and 704 Public Law 108–136) to support readiness, family morale, and deployment health preparedness for Guard and Reserve servicemembers.

Health insurance coverage varies widely for members of the Guard and Reserve: some have coverage through private employers, others through the Federal government, and still others have no coverage. Reserve families with employer-based health insurance must, in some cases, pick up the full cost of premiums during an extended activation. Guard and Reserve family members are eligible for TRICARE if the member's orders to active duty are for more than thirty days; but, many of these families would prefer to preserve the continuity of their health insurance. Being dropped from private sector coverage as a consequence of extended activation adversely affects family morale and military readiness and discourages some from reenlisting. Many Guard and Reserve families live in locations where it is difficult or impossible to find providers who will accept new TRICARE patients. Recognizing these challenges for its own reservist-employees, the Department of Defense routinely pays the premiums for the Federal Employee Health Benefit Program (FEHBP) when activation occurs. This benefit, however, only affects about ten percent of the Selected Reserve.

The Military Coalition urges the Subcommittee to appropriate sufficient funds to provide for federal payment of civilian health care premiums (up to the TRICARE limit) as an option for mobilized service members.

Dental readiness is another key aspect of readiness for Guard and Reserve personnel. Currently, DOD offers a dental program to Selected Reserve members and their families. The program provides diagnostic and preventive care for a monthly premium, and other services including restorative, endodontic, periodontic and oral surgery services on a cost-share basis, with an annual maximum payment of \$1,200 per enrollee per year. However, only five percent of eligible members are enrolled.

During this mobilization, soldiers with repairable dental problems were having teeth pulled at mobilization stations in the interests of time and money instead of having the proper dental care administered. Congress responded by passing legislation that allows DOD to provide medical and dental screening for Selected Reserve members who are assigned to a unit that has been alerted for mobilization in support of an operational mission, contingency operation, national emergency, or war. Unfortunately, waiting for an alert to begin screening is too late. During the initial mobilization for Operation Iraqi Freedom, the average time from alert to mobilization was less than 14 days, insufficient to address deployment dental standards. In some cases, units were mobilized before receiving their alert orders. This lack of notice for mobilization continues, with many reservists receiving only days of notice before mobilizing.

The Military Coalition recommends the Subcommittee provide sufficient funding to permit expansion of the TRICARE Dental Plan benefits for Guard and Reserve

servicemembers. This would allow all National Guard and Reserve members to maintain dental readiness and alleviate the need for dental care during training or mobilization.

CONCLUSION

The Military Coalition reiterates its profound gratitude for the extraordinary progress this Subcommittee has made in advancing a wide range of personnel and health care initiatives for all uniformed services personnel and their families and survivors. The Coalition is eager to work with the Subcommittee in pursuit of the goals outlined in our testimony. Thank you very much for the opportunity to present the Coalition's views on these critically important topics.

STATEMENT OF JANET RUBIN, M.D., ON BEHALF OF THE NATIONAL COALITION FOR OSTEOPOROSIS AND RELATED BONE DISEASES

Senator STEVENS. Dr. Janet Rubin. Good morning, Doctor.

Dr. RUBIN. Mr. Chairman, I am Janet Rubin. I am a professor in the Department of Medicine at Emory University and a staff physician at the Atlanta Veterans Medical Center. I am representing the National Coalition for Osteoporosis and Related Bone Diseases and I seek your continued support for Department of Defense funding of the bone health and military medical readiness research program.

Bone health is an essential element of military readiness. Our troops must be ready and able to endure vigorous activity during combat training and force operations. Musculoskeletal injury is, however, an unfortunate result of training. In particular stress fracture accounts for more loss duty days in the active duty population than any other injury. Stress fractures compromise our military's operational readiness, drive up health care costs, and increase personnel attrition. The stress fracture takes a soldier out of combat as quickly as an entry wound and requires weeks for healing.

Consider those young people entering basic training. As many as 5 percent of male recruits sustain stress fractures. In the case of females, the number may rise to as much as 20 percent, and even trained soldiers who switch from light to heavy physical duty are at risk for stress fracture.

The current bone health and military medical research program was developed and funded with the goal of eliminating stress fractures in all recruits. The program's successes to date are many. I am going to give you a sampling of what we have learned and what DOD-funded scientists are pursuing and have published in more than 100 publications.

Recruits are frequently deficient in vitamin D and calcium. The optimal level of supplementation of these and other vitamins and minerals for active young people is under investigation.

Recruits with family histories of osteoporosis are at higher risk for stress fracture. DOD-supported scientists have modeled osteoporosis genes in mice, revealing genes that can predict bone quality and bone structure. Indeed, bone structure plays a critical role in stress fracture. We are only just starting to understand how skeletal structure of women differs from men. DOD-funded research suggests that the smaller bones of women may be underpowered for the weight they bear during training, increasing the risk of stress fracture. The training of female recruits may, thus, require added bone protective strategies.

Scientists in this program are also trying to understand how biomechanical signals cause bone formation and improved bone strength during exercise. One DOD-funded study suggests that bone fluid flow stimulates bone cells to make stronger bones.

Of course, improving diagnosis of stress fracture is a topic of this program, including improvement and standardization of noninvasive measurements of bone. We would like to be able to better predict incipient fractures. An increase in the porosity of bone appears to precede the fracture. We hope that detection of this porosity with new instrumentation will improve prevention.

Last, we need to design better treatment algorithms to get our soldiers back on their feet and prevent chronic disability such as pain and degenerative joint disease. DOD-funded scientists are studying both pulsed ultrasound and dynamic electrical fields as novel adjuncts to standard rest therapy.

Mr. Chairman, we are all aware that stress fractures and other bone-related injuries erode the physical capability and effectiveness of our combat training units. Military readiness suffers. A small investment in bone health research can make a large contribution to our combat readiness. Therefore, it is imperative that the Department of Defense build on these recent findings and maintain an aggressive and sustained bone health research program at a level of \$6 million in fiscal year 2005.

Thank you.

Senator STEVENS. I understand there are some new techniques for inquiring about the osteoporosis and other such bone defects. Do you advocate that women recruits be given those tests before they enter the service?

Dr. RUBIN. I think it would help to know if their bone density was very low. One of the problems that we have in the osteoporosis field that, although, for instance, dual x-ray absorptiometry (DXA) is the gold standard for measuring bone density, it really does not predict bone structure. So it is a poor measure of young women in terms of what they can bear. So I think it would probably be worthwhile to measure bone density in young women, yes.

Senator STEVENS. Thank you very much, Doctor. We appreciate your coming.

[The statement follows:]

PREPARED STATEMENT OF JANET RUBIN, M.D.

Mr. Chairman and Members of the Committee, I am Janet Rubin, M.D., Professor, Department of Medicine, Emory University and Staff Physician at the Atlanta Veterans Affairs Medical Center. I am here today on behalf of the National Coalition for Osteoporosis and Related Bone Diseases to urge your support in maintaining the Bone Health and Military Medical Readiness research program within the Department of Defense and providing necessary funding to preserve the program. The members of the Bone Coalition are the American Society for Bone and Mineral Research, the National Osteoporosis Foundation, the Paget Foundation for Paget's Disease of Bone and Related Disorders, and the Osteogenesis Imperfecta Foundation.

Bone health is an essential element of military readiness. The goal of the Department of Defense (DOD) is to guarantee military readiness by keeping our forces trained, equipped and ready to adapt to emerging threats. Our troops must be ready and able to endure vigorous activity during combat training as well as during force operations. Soldiers are always at risk of injury, incapacitation, and degraded performance resulting from injuries such as stress fractures—all of which compromise the mission, readiness, and budget of the Armed Forces.

Although the benefits of strenuous physical activity are well documented, these activities are also known to incur certain risks. Musculoskeletal injury, for example, is the most common morbidity in civilian and military populations who participate in physical activity. In fact, fractures account for the highest number of lost duty days in the active duty population of any injury. These injuries incur a high cost to the DOD not only in lost duty days, but in health care, lost training time, and attrition of personnel. Ultimately, the operational readiness of U.S. military forces is severely compromised.

Stress fractures are one of the most common and potentially debilitating overuse injuries experienced in the military recruit population. Stress fractures occur in 0.8 to 5.2 percent of male recruits, and from 3 to 21 percent of female recruits. Recent research suggests that several factors may contribute to the increased risk for stress fracture suffered by women, including the density, shape, and size of their bones (which affect bone quality), and their nutritional, hormonal and physical conditioning status.

Lack of physical conditioning affects the United States as a whole, along with the military population in particular. An Institute of Medicine report published in 1998 by the Subcommittee on Body Composition, Nutrition and Health of Military Women concluded that the low initial fitness of recruits, both cardiorespiratory and musculoskeletal, appeared to be the principal factor in the development of stress fractures during basic training. The Committee also concluded that muscle mass, strength, and endurance played a critical role in the development of stress fracture. Now we know from DOD-funded research that bone structure adds to the risk of fracture, along with a history of poor diet, lack of exercise, hormonal imbalances and genetic factors. Ethnicity also plays a part.

Isn't basic training good for recruits' health, you may wonder. The answer is yes and no. Exercise is important to building bone health, but the type of exercise and the transition to new exercise regimens play a role in bone strength. Many new recruits, upon arrival for basic training, are unaccustomed to intense exercise, particularly strenuous running and marching activities. Under normal circumstances, the increased demand placed on bone tissue causes the bone to remodel to adapt to the new loads, and become stronger in the areas of higher stress. However, if the remodeling response of the bone cannot keep pace with the repetitive demands placed on a service member during the 8 to 12 week training period, a stress fracture may result. Without proper rest and time to heal, the stress fracture may lead to chronic pain and disability.

Different types of stress fractures require different treatment. For example, femoral neck or hip stress fractures can sometimes progress to full fractures and interrupt the blood supply to the thigh bone portion of the hip joint. This in turn can cause early degenerative changes in the hip joint. Physicians consider the femoral neck stress fracture to be a medical emergency requiring immediate treatment. Researchers have raised concerns regarding the possible relationship between increased risk for stress fracture and long-term risk of osteoporosis, osteoarthritis, and other bone diseases.

Like hip stress fractures, stress fractures of the navicular (foot bone), anterior cortex of the tibia (front portion of the mid-shinbone), and proximal fifth metatarsal (a bone in the foot) are also slow to heal. Many of these diagnoses require an affected service member cease training for a lengthy period of medical care and rehabilitation until the fracture has healed. At one basic training location, over 70 percent of the injured soldiers pulled from training were diagnosed with overuse bone injuries.

While stress fracture injury is seen primarily in new recruits, anyone who suddenly increases his or her frequency, intensity, or duration of physical activity, such as a recently called-up reservist is potentially at risk for developing lower body stress fractures.

The study of bone health is not a simple task, as bone health requires a complex interaction between exercise and other factors that affect bone remodeling, such as nutrition, hormonal status, genetics, and biomechanics. Currently, there is a distinct gap in understanding the effects of exercise and other factors on normal bone remodeling in a young adult population; more research is needed to determine the best types of exercise regimens to build and maintain healthy bone. Moreover, an understanding of all factors affecting bone health, particularly in young, healthy men and women, is necessary to fully describe the physiological response of bone and muscle to the physical demands placed on our service members, and to maintain the health and military readiness of our service members.

At this point, Mr. Chairman I would like to identify some of the promising studies currently being funded by the DOD:

Current Studies

Identifying key mineral and other nutritional levels needed in military rations to ensure optimal bone health of recruits:

- Vitamin D, for example, is known to be deficient in the population at large, particularly in sunlight-deprived individuals, and yet it, like calcium, is key to bone health. Researchers are working to determine the proper level of vitamin D required in the military population. A related question is: What levels of vitamin D supplementation are necessary to maintain bone health?
- The effect of calcium and calorie intake on the incidence of stress fractures in the short term, and osteoporosis in the long term, is another subject of investigation.
- How do caloric restriction and disordered eating patterns—and/or related amenorrhea or menstrual period cessation—affect hormonal balance and the accrual and maintenance of peak bone mineral content is a question also under investigation.

Researching the association between stress fractures and physical training methods, including an examination of past injuries and the effects of poor nutrition, lack of exercise, smoking, use of anti-inflammatory medications, alcohol and oral contraceptives, all of which may negatively affect bone.

Examining the mechanisms of bone cell stimulation from the flow of surrounding fluids during compression (loading) of the bone. As the bone is repeatedly compressed due to physical activity, fluid flows in a network of spaces; this oscillating fluid flow is a potent stimulator of bone cells.

Comparing recovery times from tibial stress fracture in subjects treated with active or placebo-controlled electric field stimulation, including evaluation of male and female responses.

Assessing the fracture healing impact of pulsed ultrasound.

Attempting to accelerate stress fracture healing time using conservative but generally favored treatments of rest from weight bearing activity (this averages three months).

With DOD's critical investment support, the findings are already impressive:

- Poor physical fitness when recruit training is initiated has been identified as a strong predictor of injury. This has led to the development of a scientifically based intervention to reduce injuries at the Marine Corp Recruit Depot. An evaluation of this intervention demonstrated an overall reduction in overuse injuries and a 50 percent reduction in stress fractures, with no decrement in physical fitness at graduation.
- Muscle elasticity—as measured by ultrasound—has been shown to undergo physiological alterations with an abrupt transition to a running training program similar to that employed for military recruit training. MRI allows for imaging of soft tissue and can detect these alterations in muscle structure during running. Combining ultrasound characterization with MRI scanning of the muscle recruitment during running will ultimately enable physicians to pinpoint the relationship of muscle elasticity to the level of tibial stress, and, ultimately, fracture risk.
- Being able to assess metabolism and bone growth in humans will advance our understanding of bone remodeling: key to building and maintaining strong bone. DOD-funded scientists have developed a prototype of the highest resolution positron emission tomography (PET) device existing to focus on meeting this need for improved assessment.
- Data suggests that increased bone remodeling precedes the occurrence of bone microdamage and stress fractures. Researchers found that increases in cortical bone porosity precede the accumulation of bone microdamage, suggesting an important role of increased intracortical remodeling in the development of stress fractures. If we can detect this porosity before microdamage occurs, we could prevent stress fractures.

Areas of Need

Improved and more sensitive methods are needed for the noninvasive assessment of bone metabolism along with standard measurements of bone density and other parameters of bone strength to assess normal bone remodeling, impending risk of bone injury, and bone responses to treatment interventions.

Structural and biomechanical factors that contribute to tibial stress fracture risk need to be explored using recent advances in technology to detect microscopic damage to tibial bone structure non-invasively, before occurrence of stress fracture injuries.

We need to determine the relationship between whole bone geometry and tissue fragility in the human tibia, testing the linkage between geometry, gender, and the occurrence of low-impact bone fractures (those that occur with minimum force).

DOD scientists' research in genetic determinants of bone quality may ultimately help protect women and men against musculoskeletal injuries. Bone mineral density, while a major determinant of bone strength, is just one parameter of bone quality. Both geometric characteristics and density of bone are related to bone strength, and muscle strength and endurance have been linked to the ability of bone to withstand repetitive loading. Thus, susceptibility to stress fracture clearly has both bone and muscle components. Research on the effects of genetics, diet and nutrition, mechanical load, and other factors that might affect bone quality can now be studied using new technologies, such as magnetic resonance imaging, peripheral quantitative computed tomography, regional DXA, and tibial ultrasound, and has the potential to provide great insight into the bone remodeling and adaptation process. In addition, new techniques such as virtual bone biopsies are under development to provide more critical data.

Mr. Chairman, stress fractures and other bone related injuries erode the physical capabilities and reduce the effectiveness of our combat training units, compromising military readiness. A small investment in bone health research can make a large contribution to combat readiness. Therefore, it is imperative that the Department of Defense build on recent findings and maintain an aggressive and sustained bone health research program at a level of \$6 million in fiscal year 2005.

Senator STEVENS. My good friend, the co-chairman, is here. Do you have any opening statement, Senator?

Senator INOUE. No, thank you.

Senator STEVENS. Very well.

Vice President Howard R. Hall of the Joslin Diabetes Center please. Good morning.

STATEMENT OF HOWARD R. HALL, VICE PRESIDENT, JOSLIN DIABETES CENTER

Mr. HALL. Good morning. Mr. Chairman and Senator Inouye, thank you for this opportunity to report on the progress of the Joslin Diabetes Center cooperative telemedicine project with the DOD and the Veterans Administration (VA) for the diagnosis, management, and treatment of diabetes and diabetic retinopathy, Army Research, Development, Test and Evaluation (RDT&E) medical advanced technology PE0603002A.

I am Howard Hall of the Joslin Diabetes Center. I am also here to request continued level funding at \$5 million for this collaborative project in fiscal year 2005.

As both of you know I believe, the Joslin Vision Network (JVN) Eye Care and Comprehensive Diabetes Management Program is a telemedicine initiative designed to access all people with diabetes into cost effective, quality diabetes and eye programs across cultural and geographic boundaries with reduced costs.

I am pleased to report that these innovative JVN eye care and diabetes management programs are being deployed not only in the DOD but also throughout the Indian Health Service (IHS) and VA health care systems. Already we have 52 sites in 18 States and the District of Columbia.

Currently the JVN telemedicine eye care system is the only non-mydratic system available that has been rigorously validated, equivalent to the current gold standard for retinopathy diagnosis.

Version 3 of the Joslin eye care is ready for deployment this summer and will be simpler and less expensive to operate. A new prototype JVN retinal imaging system that is portable and 50 percent

less costly has been developed and is being to undergo initial clinical validation.

Joslin has completed the first phase in the use of automated detection of diabetic retinopathy which can increase the cost efficiency of the JVN system by 42 percent. Recognizing the need to manage total care of diabetic patients and to empower better self-management so as to realize a prevention of vision loss, the DOD/VA/Joslin collaborative has developed the JVN comprehensive diabetes management program (CDMP) using web-based interactive technologies.

By the end of this May 2004, CDMP will be integrated into the DOD Healtheforces website for daily use. In addition, CDMP is expected to be fully operational for both the VA VISN system and in the Indian Health Services in July 2004.

The CDMP, the comprehensive diabetes management program, can result in a three- to seven-fold reduction in health care expenses.

The requested continuation of the current level of funding for 2005, \$5 million, will provide support for the existing JVN eye care system for deployment of the JVN comprehensive diabetes management program to participating sites, for continued JVN refinements, and quite important, to perform critical prospective clinical studies.

Mr. Chairman, Joslin is pleased to be a part of this project for the Department of Defense and we are most appreciative of the support that you and your colleagues have provided to us. Please know that we would be grateful for continued support again this year.

At this time, I would be pleased to answer any questions that you or Senator Inouye may have. Thank you.

Senator STEVENS. Thank you very much, Mr. Hall. I think I commented to you before my father was blind because of juvenile diabetes. We are pleased to try to work with you.

Mr. HALL. Try to prevent it so others do not have to have that. Thank you.

[The statement follows:]

PREPARED STATEMENT OF HOWARD R. HALL

Introduction

Mr. Chairman and Members of the Committee, thank you for this opportunity to appear before you. I am Howard Hall of the Joslin Diabetes Center. I am pleased to present an update on the collaborative Joslin Diabetes Project with the Departments of Defense and Veteran's Affairs on the health concerns related to diabetes.

Joslin is extremely appreciative of the funds provided for this valuable project in the fiscal year 2004 Defense Appropriations Act. Our proposal for fiscal year 2005 funding will allow for the DOD/VA/Joslin collaborative to continue to enhance research refinements and extend clinical developments of Joslin Vision Network (JVN) Eye Care and the Comprehensive Diabetes Management Program (CDMP).

The Joslin Vision Network (JVN) Eye Care and Comprehensive Diabetes Management Program (CDMP) is a telemedicine initiative designed to access all diabetes patients into cost-effective, quality diabetes and eye care programs across geographic and cultural boundaries at reduced costs.

This DOD/VA/Joslin collaborative is the core foundation for these innovative eye care and diabetes management programs that are being deployed not only in the DOD but also throughout the IHS and VA health care systems.

Collectively, the JVN is deployed at 52 sites in the District of Columbia and the following 18 states: Alaska, Arizona, Florida, Hawaii, Idaho, Kansas, Maine, Mary-

land, Massachusetts, Minnesota, Montana, New Mexico, Oklahoma, Pennsylvania, South Dakota, Texas, Virginia, and Washington.

Summary

This request of \$5,000,000 represents the collective costs of Joslin and associated expenses of the Department of the Army, RDT&E.

Fiscal Year 2004 Status Report

JVN Deployment

As of January 2004 we have deployed in:

- The Department of Defense infrastructure: 11 independent remote JVN imaging sites, 5 centralized JVN reading center sites, and 2 coordinating independent JVN servers.
- The VA system: 8 independent remote JVN imaging sites, 4 centralized JVN reading center sites, and 2 coordinating independent JVN servers.
- The Joslin Diabetes Center system: 7 JVN imaging sites, and 4 JVN reading center sites.

JVN Validation

Currently the JVN telemedicine's eye care system is the only non-mydratric (no pupil dilation needed) system available that has been rigorously validated and shown to be equivalent to the current gold standard for retinopathy diagnosis. The JVN validation study results were published in the March 2001 issue of Ophthalmology.

JVN Application Enhancement

The JVN application has been refined to use totally non-proprietary hardware and software and is fully DICOM and HL7 compliant as well as being compliant with HIPAA security standards. Workstations are now standard PCs with Microsoft 2000 operating systems interfaced with Agfa PACS environment which facilitates direct interfaces to DOD CHS and VA VISTA medical record systems.

Preparing for evolving PC functions, JVN Eye Care Version 3 is ready for release this summer. With applications written in Microsoft.Net operating system-platform, JVN software becomes modular. This software enhancement will facilitate addition of new modules to expand JVN value and will make JVN simpler and significantly less expensive to operate.

New JVN Retinal Imaging System

During the initial Cooperative Agreement Joslin undertook the development of a retinal imaging system that overcame the limitations identified in current commercially available non-mydratric retrieval funders camera imaging systems. A prototype imaging system that is portable and 50 percent less costly has been developed and is being readied to undergo initial clinical validation.

JVN Computer-based Detection of Micro-aneurysms for Screening Digital Retinal Images

This development effort represents the first phase in the use of image analysis to automate identification of retinal lesions in diabetic retinopathy. This ability will dramatically improve the efficiency of the reading center and based on results from the retrospective cost efficiency study will have a significant impact on cost savings for the use of the JVN system. This effort has been completed and results indicate that automated detection can be achieved with a sensitivity and specificity of 70 percent. At this level we can expect to increase the cost efficiency of the JVN system by 42 percent.

JVN Comprehensive Diabetes Management Program (CDMP)

A focus during the first 5 years of the DOD/VA/Joslin collaborative was the recognition of the need to develop the JVN Comprehensive Diabetes Management Program (CDMP). This development process was focused on care management for the diabetic patient using web-based interactive technologies. The driver for this application was the need to manage the total care of diabetic patients and to empower better self-management so as to realize a prevention of vision loss. The development of the CDMP was started in year 3 of the funding cycle. The JVN eye care component now becomes a module of the larger CDMP application. The CDMP application is now ready to be deployed to participating sites.

By the end of May 2004 CDMP will be integrated into DOD HealtheForces website for daily use. In addition CDMP is expected to be fully operational in both the VA VISN system and in the Indian Health Services in July 2004.

CDMP Phase Two—Prospective Clinical Studies

Following upon comprehensive Broad Area Announcement (BAA) DOD review process the second major phase of the Cooperative Agreement was initiated in October 2003: performing the appropriate prospective studies aimed at demonstrating the cost effectiveness and clinical efficacy of the combined JVN eye care and diabetes management system. This is the critical component of the work as the application will not be adopted widely without data demonstrating value in terms of cost reduction, increased efficiency in usage and increased clinical effectiveness.

Equally important, this program provides a platform for propagating the concept of a shared private medical intranet that assembles a “virtual” medical record that draws on sources of heterogeneous information. The ultimate vision with development of the CDMP within the DOD, the VA and Joslin is the ability to facilitate implementation of a unified medical record that addresses the security and confidentiality implications of web-connecting the nation’s clinical data.

The major goals of this continuing project are the establishment of a telemedicine system for comprehensive diabetes management and the assessment of diabetic retinopathy that provides increased access for diabetic patients to appropriate care, that centralizes the patients in the care process, that empowers the patient to better manage his disease, that can be performed in a cost-effective manner, and that maintains the high standard of care required for the appropriate management of diabetic patients.

The DOD/VA/Joslin collaborators have designed prospective clinical studies to cover a five year period to enable the appropriate collection of data and to allow the expected changes to be measured as significant clinical outcomes. The collaborators have written manuals of operation for these studies, and submitted protocols for review at organization IRBs.

This next phase of the DOD/VA/Joslin research program will assess the usability of the JVN CDMP applications, assess diabetic patients’ current behaviors, undertake a multi-center CDMP clinical outcomes efficacy and cost efficiency study, pursue a prospective study of JVN Eye Care cost efficiency and conduct a Multi-center JVN Risk Benefit Study.

First studies are slated to begin in June 2004 with the last study to start in December 2004. The 3 year-long studies will be completed by January 2008. Data analysis will be done from January 2008 to July 2008.

The expectation is that these studies will demonstrate that use of JVN eye care and CDMP will result in improvements in care of diabetes patients, improvements in patient control of diabetes, reduction of risks such as blindness, increased productivity of people with diabetes in the workplace and a reduction in utilization of expensive hospital care resources such as ER visits and length of stay in hospital.

It is anticipated the studies will also show that CDMP can result in a 3 to 7 fold reduction in health care expenses.

Fiscal Year 2005 Objectives

The current level of funding for 2005 (\$5,000,000) will provide support for existing JVN Eye Care systems; for deployment of the JVN Comprehensive Diabetes Management Program (CDMP) to participating sites; for continued refinements to the JVN platform; to bring on line a new, refined JVN Imaging System; and to perform appropriate and critical prospective clinical studies that will allow the DOD/VA to further refine and increase their clinical effectiveness and cost effectiveness of the combined JVN Eye Care and Comprehensive Diabetes Management Program (CDMP).

Joslin Diabetes Project Requested Fiscal Year 2005 Budget

Administrative and Management Fees

Administrative and management fees were addressed on page 231 of your Conference Report on H.R. 2658 Department of Defense Appropriations Act, 2004. Administrative and management fees assessed by DOD at 20 percent take \$1,000,000 off the top of project appropriations thereby reducing the project’s reach and delaying full implementation of the endeavor.

	Amount
DOD Costs:	
DOD Administrative and Management Costs (@20 percent)	\$1,000,000
DOD/VA Participating Sites	1,757,000
TOTAL DOD/VA Costs	2,757,000

	Amount
Joslin Costs:	
Joslin Vision Network (JVN)	1,228,000
Comprehensive Diabetes Management Program (CDMP)	1,015,000
TOTAL Joslin Costs	2,243,000
TOTAL Requested Budget	5,000,000

Mr. Chairman, Joslin is please to be a part of this project with the Department of Defense and we are most appreciative of the support that you and your colleagues have provided to us. Please know that we would be grateful for your continued support again this year. At this time, I would be pleased to answer any questions from you or any other Member of the Committee.

Senator STEVENS. Senator Inouye.

Senator INOUE. Do you have any estimate as to the number of men and women in the military who might be afflicted?

Mr. HALL. Yes. I think the main thrust for the military—there is a chance of people becoming diabetic but most of the concern with this was military dependents for the DOD. At the same time, the telemedicine comprehensive diabetes management program is also being evolved with the Telemedicine and Advanced Technology Research Center (TATRIC) into a disease management. We are at the stage where this can actually go to the front lines.

That is why we are interested in basically—eye care other than diabetes is handled by the portable JVN system, and I am just reporting on the diabetes component to you today. I do not want to carry it on because with the limited budget we have, as indicated in the written testimony, we cannot move out in other fields, but we are working on that and I am also looking for private funding in that regard.

Senator INOUE. Thank you, sir.

Mr. HALL. Thank you.

Senator STEVENS. Thank you very much, Mr. Hall.

Our next witness is Dr. Christopher Sager, American Psychological Association. Good morning, Doctor.

STATEMENT OF CHRISTOPHER SAGER, Ph.D., ON BEHALF OF THE AMERICAN PSYCHOLOGICAL ASSOCIATION

Dr. SAGER. Good morning, Mr. Chairman and Senator Inouye, I am Dr. Christopher Sager, Principal Staff Scientist at the Human Resources Research Organization. I am submitting testimony on behalf of the American Psychological Association, APA, a scientific and professional organization of more than 150,000 psychologists.

Although I am sure you are aware that a large number of psychologists are providing clinical services to our military members here and abroad, you may be less familiar with the wide range of research conducted by psychological scientists in the Department of Defense. Our behavioral researchers work on issues critical to national defense with support of the Army Research Institute, the Army Research Laboratory, and the Office of Naval Research, and the Air Force Research Laboratory.

I would like to address the proposed cuts to the fiscal year 2005 human-centered research budgets for these military laboratories within the context of the larger Department of Defense science and technology (S&T) budget.

The President's budget request for basic and applied research for S&T at DOD in fiscal year 2005 is \$10.55 billion, a 12.7 percent decrease from the enacted fiscal year 2004 level. APA joins the Coalition for National Security Research, a group of over 40 scientific associations and universities, in urging the subcommittee to provide DOD with \$12.05 billion for S&T in fiscal year 2005. This figure is in line with the recommendations of the independent Science Board and the Quadrennial Defense Review.

A portion of this overall defense S&T budget funds critical human-related research in the broad categories of personnel, training, and leader development; warfighter protection, sustainment and physical performance; and system interfaces and cognitive processing. Some of my current work, for example, focuses on developing measures of characteristics required of first-term soldiers and non-commissioned officers in the future Army. These efforts will be used to help Army selection and promotion systems meet the demands of the 21st century.

In a congressionally mandated report to this committee, DOD reported on the continuing erosion of its own support for research on individual and group performance, leadership, communication, human-machine interfaces, and decision-making. The Department found that the requirements for maintaining strong DOD support for behavioral, cognitive, and social science research capability are compelling and that this area of military research has historically been extremely productive with particularly high return on investment and operational impact.

Despite the critical need for strong research in this area, the administration has proposed an fiscal year 2005 defense budget that would slash funding for human-centered research by 12 percent. Army, Navy, and Air Force basic behavioral research would remain essentially flat for fiscal year 2005 and both the Air Force and the Army would sustain deep, detrimental cuts to applied behavioral research programs, cuts in the range of 35 percent. APA urges the committee to, at a minimum, restore funding for human-centered research at the fiscal year 2004 level of \$477.89 million.

In closing, I would like to quote again from the DOD's own report to the Senate Appropriations Committee. "Military knowledge needs are not sufficiently like the needs of the private sector that retooling behavioral, cognitive and social science research carried out for other purposes can be expected to substitute for service-supported research, development, testing, and evaluation. Our choice, therefore, is between paying for it ourselves and not having it."

Mr. Chairman, our servicemembers deserve the very best that we can give them, and I hope that this subcommittee will restore cuts to defense S&T funding and, in particular, the human-centered research budget. Thank you. I would be happy to answer any questions.

[The statement follows:]

PREPARED STATEMENT OF CHRISTOPHER SAGER, PH.D.

Conflict is, and will remain, essentially a human activity in which man's virtues of judgment, discipline and courage—the moral component of fighting power—will endure . . . It is difficult to imagine military operations that will not ultimately be determined through physical control of people, resources and terrain—by people . . . Implicit, is the enduring need for well-trained, well-equipped and ade-

quately rewarded soldiers. New technologies will, however, pose significant challenges to the art of soldiering: they will increase the soldier's influence in the battlespace over far greater ranges, and herald radical changes in the conduct, structures, capability and ways of command. Information and communication technologies will increase his tempo and velocity of operation by enhancing support to his decision-making cycle. Systems should be designed to enable the soldier to cope with the considerable stress of continuous, 24-hour, high-tempo operations, facilitated by multi-spectral, all-weather sensors. However, technology will not substitute human intent or the decision of the commander. There will be a need to harness information-age technologies, such that data does not overcome wisdom in the battlespace, and that real leadership—that which makes men fight—will be amplified by new technology. Essential will be the need to adapt the selection, development and training of leaders and soldiers to ensure that they possess new skills and aptitudes to face these challenges. NATO RTO-TR-8, Land Operations in the Year 2020

Mr. Chairman and Members of the Subcommittee, I'm Dr. Christopher Sager from the Human Resources Research Organization. I am submitting testimony on behalf of the American Psychological Association (APA), a scientific and professional organization of more than 150,000 psychologists and affiliates. Although I am sure you are aware of the large number of psychologists providing clinical services to our military members here and abroad, you may be less familiar with the extraordinary range of research conducted by psychological scientists within the Department of Defense. Our behavioral researchers work on issues critical to national defense, particularly with support from the Army Research Institute (ARI) and Army Research Laboratory (ARL); the Office of Naval Research (ONR); and the Air Force Research Laboratory (AFRL). I would like to address the proposed cuts to the fiscal year 2005 human-centered research budgets for these military laboratories within the context of the larger Department of Defense Science and Technology budget.

Department of Defense (DOD) Science and Technology Budget

The President's budget request for basic and applied research at DOD in fiscal year 2005 is \$10.55 billion, a 12.7 percent decrease from the enacted fiscal year 2004 level. APA joins the Coalition for National Security Research (CNSR), a group of over 40 scientific associations and universities, in urging the Subcommittee to provide DOD with \$12.05 billion for 6.1, 6.2 and 6.3 level research in fiscal year 2005. This figure also is in line with recommendations of the independent Defense Science Board and the Quadrennial Defense Review, the latter calling for "a significant increase in funding for S&T programs to a level of three percent of DOD spending per year."

As our nation rises to meet the challenges of a new century, including current engagements in Iraq and Afghanistan as well as other asymmetric threats and increased demand for homeland defense and infrastructure protection, enhanced battlespace awareness and warfighter protection are absolutely critical. Our ability to both foresee and immediately adapt to changing security environments will only become more vital over the next several decades. Accordingly, DOD must support basic Science and Technology (S&T) research on both the near-term readiness and modernization needs of the department and on the long-term future needs of the warfighter.

Despite substantial appreciation for the importance of DOD S&T programs on Capitol Hill, and within independent defense science organizations such as the Defense Science Board (DSB), total research within DOD has remained essentially flat in constant dollars over the last few decades. This poses a very real threat to America's ability to maintain its competitive edge at a time when we can least afford it. APA, CNSR and our colleagues within the science and defense communities recommend funding the DOD Science and Technology Program at a level of at least \$12.05 billion in fiscal year 2005 in order to maintain global superiority in an ever-changing national security environment.

Behavioral Research within the Military Service Labs

In August, 2000 the Department of Defense met a congressional mandate to develop a Report to the Senate Appropriations Committee on Behavioral, Cognitive and Social Science Research in the Military. The Senate requested this evaluation due to concern over the continuing erosion of DOD's support for research on individual and group performance, leadership, communication, human-machine interfaces, and decision-making. In responding to the Committee's request, the Department found that "the requirements for maintaining strong DOD support for behavioral, cognitive and social science research capability are compelling" and that "this area of military research has historically been extremely productive" with "particularly high" return on investment and "high operational impact."

Despite the critical need for strong research in this area, the Administration has proposed an fiscal year 2005 defense budget that would slash funding for human-centered research by 12 percent. Army, Navy and Air Force basic behavioral research would remain essentially flat in fiscal year 2005, and both the Air Force and Army would sustain deep, detrimental cuts to their applied behavioral research programs. APA urges the Committee to, at a minimum, restore funding for human-centered research at the fiscal year 2004 level of \$477.89 million.

Within DOD, the majority of behavioral, cognitive and social science is funded through the Army Research Institute (ARI) and Army Research Laboratory (ARL); the Office of Naval Research (ONR); and the Air Force Research Laboratory (AFRL). These military service laboratories provide a stable, mission-oriented focus for science, conducting and sponsoring basic (6.1), applied/exploratory development (6.2) and advanced development (6.3) research. These three levels of research are roughly parallel to the military's need to win a current war (through products in advanced development) while concurrently preparing for the next war (with technology "in the works") and the war after next (by taking advantage of ideas emerging from basic research).

All of the services fund human-related research in the broad categories of personnel, training and leader development; warfighter protection, sustainment and physical performance; and system interfaces and cognitive processing. In addition, there are additional, smaller human systems research programs funded through the Office of the Secretary of Defense, the Defense Advanced Research Projects Agency (DARPA), the Marine Corps, and the Special Operations Command.

Despite substantial appreciation for the critical role played by behavioral, cognitive and social science in national security, however, total spending on this research would decrease from \$477.89 million appropriated in fiscal year 2004 to \$421.29 million in the Administration's fiscal year 2005 budget, a 12 percent cut. 6.2 level applied behavioral research in particular would suffer dramatically under the Administration plan. The Air Force's 6.2 program would be cut by 19.7 percent, the Army's would be cut by 35 percent, and the Office of the Secretary Defense (OSD) program would be cut by 31.3 percent (the Navy's program would see a small decrease). In terms of 6.3 level research, the Air Force would suffer a 23.4 percent cut and OSD would see a 20 percent cut in fiscal year 2005. Basic, 6.1 level human-centered research would remain essentially flat as it has for several years now.

Behavioral and cognitive research programs eliminated from the mission labs due to cuts or flat funding are extremely unlikely to be picked up by industry, which focuses on short-term, profit-driven product development. Once the expertise is gone, there is absolutely no way to "catch up" when defense mission needs for critical human-oriented research develop. As DOD noted in its own Report to the Senate Appropriations Committee:

"Military knowledge needs are not sufficiently like the needs of the private sector that retooling behavioral, cognitive and social science research carried out for other purposes can be expected to substitute for service-supported research, development, testing, and evaluation—our choice, therefore, is between paying for it ourselves and not having it."

The following are brief descriptions of critical behavioral research funded by the military research laboratories:

Army Research Institute for the Behavioral and Social Sciences (ARI) and Army Research Laboratory (ARL).—ARI works to build the ultimate smart weapon: the American soldier. ARI was established to conduct personnel and behavioral research on such topics as minority and general recruitment; personnel testing and evaluation; training and retraining; and attrition. ARI is the focal point and principal source of expertise for all the military services in leadership research, an area especially critical to the success of the military as future war-fighting and peace-keeping missions demand more rapid adaptation to changing conditions, more skill diversity in units, increased information-processing from multiple sources, and increased interaction with semi-autonomous systems. Behavioral scientists within ARI are working to help the armed forces better identify, nurture and train leaders. One effort underway is designed to help the Army identify those soldiers who will be most successful meeting 21st century noncommissioned officer job demands, thus strengthening the backbone of the service—the NCO corps.

Another line of research at ARI focuses on optimizing cognitive readiness under combat conditions, by developing methods to predict and mitigate the effects of stressors (such as information load and uncertainty, workload, social isolation, fatigue, and danger) on performance. As the Army moves towards its goal of becoming the Objective Force (or the Army of the future: lighter, faster and more mobile), psy-

chological researchers will play a vital role in helping maximize soldier performance through an understanding of cognitive, perceptual and social factors.

ARL's Human Research & Engineering Directorate sponsors basic and applied research in the area of human factors, with the goal of optimizing soldiers' interactions with Army systems. Specific behavioral research projects focus on the development of intelligent decision aids, control/display/workstation design, simulation and human modeling, and human control of automated systems.

Office of Naval Research (ONR).—The Cognitive and Neural Sciences Division (CNS) of ONR supports research to increase the understanding of complex cognitive skills in humans; aid in the development and improvement of machine vision; improve human factors engineering in new technologies; and advance the design of robotics systems. An example of CNS-supported research is the division's long-term investment in artificial intelligence research. This research has led to many useful products, including software that enables the use of "embedded training." Many of the Navy's operational tasks, such as recognizing and responding to threats, require complex interactions with sophisticated, computer-based systems. Embedded training allows shipboard personnel to develop and refine critical skills by practicing simulated exercises on their own workstations. Once developed, embedded training software can be loaded onto specified computer systems and delivered wherever and however it is needed.

Air Force Research Laboratory (AFRL).—Within AFRL, Air Force Office of Scientific Research (AFOSR) behavioral scientists are responsible for basic research on manpower, personnel, training and crew technology. The AFRL Human Effectiveness Directorate is responsible for more applied research relevant to an enormous number of acknowledged Air Force mission needs ranging from weapons design, to improvements in simulator technology, to improving crew survivability in combat, to faster, more powerful and less expensive training regimens.

As a result of previous cuts to the Air Force behavioral research budget, the world's premier organization devoted to personnel selection and classification (formerly housed at Brooks Air Force Base) no longer exists. This has a direct, negative impact on the Air Force's and other services' ability to efficiently identify and assign personnel (especially pilots). Similarly, reductions in support for applied research in human factors have resulted in an inability to fully enhance human factors modeling capabilities, which are essential for determining human-system requirements early in system concept development, when the most impact can be made in terms of manpower and cost savings. For example, although engineers know how to build cockpit display systems and night goggles so that they are structurally sound, psychologists know how to design them so that people can use them safely and effectively.

Summary

On behalf of APA, I would like to express my appreciation for this opportunity to present testimony before the Subcommittee. Clearly, psychological scientists address a broad range of important issues and problems vital to our national security, with expertise in understanding and optimizing cognitive functioning, perceptual awareness, complex decision-making, stress resilience, and human-systems interactions. We urge you to support the men and women on the front lines by reversing another round of dramatic, detrimental cuts to the human-oriented research within the military laboratories.

Below is suggested appropriations report language which would encourage the Department of Defense to fully fund its behavioral research programs within the military laboratories:

DEPARTMENT OF DEFENSE

Behavioral Research in the Military Service Laboratories.—The Committee recognizes that psychological scientists address a broad range of important issues and problems vital to our national security through the military research laboratories: the Air Force Office of Scientific Research, the Army Research Institute and Army Research Laboratory, and the Office of Naval Research. Given the increasingly complex demands on our military personnel, psychological research on leadership, decision-making under stress, cognitive readiness, training, and human-technology interactions have become even more mission-critical, and the Committee strongly encourages the service laboratories to reverse cuts made to their behavioral research programs. A continued decline in support for human-centered research is not acceptable at a time when there will be more, rather than fewer, demands on military personnel, including more rapid adaptation to changing conditions, more skill diversity in units, increased information-processing from multiple sources, and increased interaction with semi-autonomous systems.

Senator STEVENS. Well, we will look into that cut. It is sort of a different type of reduction. We do not have any support for it yet, but we will inquire into it.

Senator Inouye.

Senator INOUE. Mr. Chairman, recently our attention has been focused on prisoner abuse. Would your studies have been able to detect flaws in one's character?

Dr. SAGER. Senator Inouye, that is an excellent question. A lot of the research I am personally involved with has to do with the personal characteristics required of enlisted soldiers in the Army. Among those are measures of conscientiousness and other psychological constructs that are very important to that. Yes, I think they would contribute to predicting problems and preventing problems in that area. However, research in that domain is very difficult and the Army is setting the standards in a lot of ways in that domain.

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

Senator STEVENS. Thank you very much. We appreciate your testimony.

Our next witness is Kenneth Galloway, the Dean of Vanderbilt University, appearing for the Association of American Universities (AAU). Good morning, Dean.

STATEMENT OF KENNETH F. GALLOWAY, DEAN, SCHOOL OF ENGINEERING, AND PROFESSOR OF ELECTRICAL ENGINEERING, VANDERBILT UNIVERSITY ON BEHALF OF THE ASSOCIATION OF AMERICAN UNIVERSITIES

Dr. GALLOWAY. Good morning. Mr. Chairman, Senator Inouye, I am Kenneth F. Galloway, Dean of the School of Engineering and Professor of Electrical Engineering at Vanderbilt University. I appear before you today on behalf of the Association of American Universities which represents 60 of America's most prominent public and private research universities. I have submitted a statement for the record and will briefly summarize the key points.

I greatly appreciate this opportunity to testify in support of basic research and applied research funded in the research, development, testing, and evaluation section of the defense appropriations bill. I would like to thank Chairman Stevens, Ranking Member Inouye, and the members of the subcommittee for your past support of defense science and technology programs and specifically for basic and applied research sponsored by DOD and conducted at our Nation's universities. Your ongoing support of these programs is greatly appreciated.

As the subcommittee begins work on the 2005 defense appropriations bill, the AAU offers the subcommittee two major recommendations.

The first recommendation is that the committee support defense S&T at a level equal to 3 percent of the total defense budget. This has been recommended by both the Defense Science Board and the Quadrennial Defense Review. The core S&T programs include basic, applied, and advanced technology development, the 6.1 and 6.2 and 6.3 items. These investments are important to ensuring the technological superiority of America's military forces.

The second recommendation addresses strengthening support of basic research. Today that support has declined to less than 12 percent of DOD S&T funding. This has occurred as DOD has shifted

some of its focus from support of fundamental, long-range research to meeting more immediate, short-term defense objectives.

In the early 1980's the basic research portion was nearly 20 percent of total defense S&T. The AAU supports increasing the competitively awarded defense research sciences and university research initiative program elements in 2005 by \$95 million. The association also endorses continued growth and applied research at the 4.6 percent rate approved by Congress last year.

Now, why do we think these recommendations are important? DOD-funded research at universities is concentrated in fields where advances are most likely to contribute to national defense. DOD accounts for 68 percent of Federal funding for university research in electrical engineering, 32 percent for computer sciences, 50 percent for material science and engineering, more than 50 percent for mechanical engineering, and 29 percent for ocean sciences. Additionally, DOD provides a significant amount of support for graduate students in critical defense fields.

Examples of technologies in use today that have benefitted from university-based research include the global positioning system, GPS; the thermobaric bomb, or bunker buster; laser targeting systems that give us precision weapons; lightweight body armor; radar-evading materials, the internet; night vision and thermal imaging; unmanned aerial vehicle control; bio and chemical sensors. DOD investments in basic and applied research made these technologies available to the warfighter today.

Many research efforts underway at universities and national laboratories around the country will lead to development of new technologies that will ensure our Nation's military superiority tomorrow.

To conclude, the Nation must not sell short tomorrow's warfighters by undercutting research today. The AAU urges the subcommittee to strongly support the basic and applied science behind the best fighting force in the world.

Again, I would like to thank the subcommittee for continued support of the Department of Defense research and urge members to sustain and grow the S&T programs that make such an important contribution to our national security. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF KENNETH F. GALLOWAY

Mr. Chairman and members of the subcommittee: I am Kenneth F. Galloway, Dean of the School of Engineering and Professor of Electrical Engineering at Vanderbilt University. I appear before you today on behalf of the Association of American Universities, which represents 60 of America's most prominent public and private research universities in the United States.

I greatly appreciate this opportunity to testify today in support of basic research (6.1) and applied research (6.2) funded in the Research, Development, Testing and Evaluation (RDT&E) section of the Department of Defense (DOD) appropriations bill. I would also like to thank Chairman Stevens, Ranking Member Inouye, and the members of the subcommittee for past support of Defense Science and Technology (S&T) programs and specifically for basic and applied research sponsored by DOD and conducted at our nation's universities. Your ongoing support of these programs is recognized and greatly appreciated.

As the subcommittee begins its work on the fiscal year 2005 defense appropriations bill, the AAU offers the subcommittee two major recommendations.

Support Defense S&T at 3 percent of the total defense budget.—AAU supports recommendations by the Defense Science Board (1998) and the Quadrennial Defense Review (2001) to devote 3 percent of the DOD budget to core S&T programs. The

core S&T programs include basic (6.1) and applied (6.2) research and advanced technology development (6.3) in the Army, Navy, Air Force, and Defense-Wide accounts. These investments are key to ensuring the future safety and technological superiority of America's military forces.

Strengthen support of basic research.—In the early 1980's, basic research accounted for nearly 20 percent of total defense S&T funding. Today, that support has declined to less than 12 percent, as DOD has shifted some of its focus from support of fundamental, long-term research to meeting more immediate and short-term defense objectives.

To begin to restore basic research funding to its effective historic levels, AAU supports increasing the competitively awarded Defense Research Sciences and University Research Initiative program elements in fiscal year 2005 by \$95 million. The association also endorses continued growth in applied research at the 4.6 percent rate approved by Congress last year, which would be an increase of approximately \$205 million.

Why defense research is important to universities (and universities are important to defense research)

DOD is the third largest federal sponsor of university-based research after the National Institutes of Health and the National Science Foundation. More than 300 universities and colleges conduct DOD-funded research and development. Universities receive more than 54 percent of defense basic research funding and a substantial portion of defense applied research support.

DOD funded research to universities is concentrated in fields where advances are most likely to contribute to national defense. DOD accounts for 68 percent of federal funding for university electrical engineering, 32 percent for computer sciences, 50 percent for metallurgy and materials engineering, and 29 percent for ocean sciences. DOD also sponsors fellowships and provides a significant amount of support for graduate students in critical defense fields such as computer science and aerospace and electrical engineering.

Why investing in DOD research is important to the nation

If we do not invest adequately in DOD research, we will delay or even prevent the development of technologies that would provide critical protection to our future warfighters and make them more effective in the field. We need only look at how past knowledge and discoveries generated at U.S. universities have made major contributions to the nation's defense efforts. Examples of technologies used by troops today include the following.

- The Global Positioning System (GPS) is one of the greatest assets to the modern warfighter. GPS provides a precision of location that was unimaginable decades ago, enabling military leaders to pinpoint targets in a way that increases lethality and minimizes collateral damage. The system also enables commanders to know the precise location in the field of their human and material assets. This crucial battlefield resource was developed from fundamental physics research in atomic clocks.
- The Thermobaric Bomb, or the “bunker buster,” has been used in recent military campaigns in Afghanistan and Iraq. The new technology was transformed from a laboratory concept to an operational battlefield technology in less than three months. As Rear Admiral Jay Cohen of the Office of Naval Research noted in his statement for a hearing of the Senate Emerging Threats and Capabilities Subcommittee in April, 2002: “Such speed was possible because the science was done before the need became urgent.”
- The ability of today's soldiers to fight in urban environments has been profoundly increased by the use of lightweight and easily deployed laser targeting systems. Troops today can discreetly and precisely target a location, providing a critical capability for increasingly frequent urban conflicts. Decades ago, military research offices supported the fundamental research that led to the development of the laser.
- Lightweight Body Armor, a new technology developed for the Department of Defense, can stop 30-caliber armor piercing bullets yet has an aerial density of only 3.5 pounds per square foot. To make the new self-adjusting reinforced helmets and body armor, which can be tailored to fit the mission, researchers used a new boron-carbide ceramic plate that weighs 10 to 30 percent less than conventional armor and delivers equal or greater protection.

There are many other examples of discoveries and technologies made possible through university-based defense basic research:

- THE INTERNET started as ARPANET, which connected major universities through the world's first packet-switched network. This technology translated

into a robust communications network designed to protect the nation in the event of full attack.

- NIGHT VISION and thermal imaging technology make it possible for the U.S. Army to use forward-looking infrared detectors to spot enemy forces and roll into combat in pitch-blackness.
- UNMANNED AERIAL VEHICLES enable the warfighter to effectively and affordably suppress enemy air defenses and conduct surveillance missions without placing pilots at risk. University researchers recently executed the most complex maneuver ever performed by an unpiloted helicopter. This breakthrough could provide a new tool for military reconnaissance and weapons delivery in challenging terrains such as mountainous and urban areas.
- BIO-SENSORS detect the presence of a biological or chemical agent. University researchers helped design a sensor that can determine the presence of anthrax spores, enabling officials to differentiate quickly between hoaxes and real threats.

Many research projects underway at universities and national labs around the country will lead to development of new technologies to ensure the nation's military superiority in the future. For example, at Vanderbilt University, our AFOSR-supported research on Survivable Electronics for Space and Defense Systems is leading to more resilient microelectronic devices to be used in defense systems. These devices are susceptible to damage and mission failure from radiation emanating from a variety of sources. Vanderbilt research will enable electronics designers to develop more reliable systems for defense applications and to deploy more advanced technologies in challenging radiation environments.

Another example of Vanderbilt research, sponsored by DARPA funding, is the Monopropellant-Powered Actuation for a Powered Exoskeleton Project. Vanderbilt researchers are developing a lightweight system to power and control a wearable structure that will enable warfighters to carry up to 300 pounds for 12 hours. This power system uses high-intensity hydrogen peroxide to deliver many times more power than batteries, at manageable temperatures, with completely benign emissions of water and oxygen.

Other examples of DOD sponsored research occurring at other universities around the country include:

- Semiconductors—The United States has been able to capitalize on increased computing capacity to provide an economic and military edge over other countries. But the U.S. computer-chip industry is quickly approaching the physical limits of the chip-making process. Without major research advances, the semiconductor industry's ability to sustain the pace of innovation could come to a halt in 10–15 years.
- Nanotechnology research promises both miniaturization of existing equipment and the potential for new materials, properties, and devices. Much of the current research is focused on improving the survival and comfort of soldiers. The 140-pound pack and cotton fatigues worn by infantry today could be transformed into a lightweight battlesuit able to protect the warfighter from enemy and environmental threats. At the same time, these suits could monitor health, help treat injuries, enable communications, and enhance performance.
- Explosives Detection Devices are an example of basic research efforts where additional investments are still needed. Nuclear quadrupole resonance (NQR) technology detects and identifies specific molecules, such as nitrogen, in explosives. The technology has been adapted to detect landmines, roadside explosives, and terrorist bombs in such places as Bosnia and Iraq. But more research is needed to further transform and refine the military's traditional explosive detection systems.
- Self-Healing Technology research addresses medical limitations on the battlefield, including a lack of supplies, diagnostic and life-support equipment, and time for treatment. Research efforts underway will accelerate healing time and reduce casualties.

CONCLUSION

The nation must not sell short tomorrow's warfighters by undercutting research today. AAU urges the subcommittee to strongly support the basic and applied science behind the best fighting force in the world.

Again, I would like to thank the subcommittee for its continued support of Department of Defense research and urge members to sustain and grow the S&T programs that make such an important contribution to our national security.

Senator STEVENS. Well, Dean, you raise an interesting conundrum because very clearly we have some systems coming on that we will have to postpone if we do not cut other places. We have the F-22, the V-22, Stryker, the Joint Strike Fighter. I think you make a good point, but on the other hand, none of the research you are talking about will be available by the time we either win or lose completely the war on terrorism in the Middle East. So I think you have requested a very difficult thing from us. The decision to defer basic research and instead apply the funding to moving new equipment like the armored high mobility multi-purpose wheeled vehicle (HMMWV), et cetera is a very clear decision Congress has already made. But we will look at your request.

Dr. GALLOWAY. I understand it is a very difficult time.

Senator STEVENS. It is difficult.

Senator Inouye.

Senator INOUE. The military has done well in developing body armor technology, and as a result, comparatively there are very few thoracic injuries. But we have an overabundance of amputations of all limbs, plus head injuries. Are you researching anything that would cover arms, legs, heads?

Dr. GALLOWAY. Senator, I am not aware of that work, but I will look into that and find you a reply.

Senator INOUE. Thank you, sir.

Senator STEVENS. The Senator is correct. We noticed just an overwhelming change in the type of injuries that our people are coming home with. They are coming home, but they are coming home minus a lot of limbs and real serious head injuries, eye injuries. We have got to develop a better protection overall for our people. That type of basic research certainly would support.

Thank you very much, Dean.

Dr. GALLOWAY. Thank you.

Senator STEVENS. We will now turn to Master Chief Joseph Barnes, United States Navy. He appears as the National Executive Secretary for the Fleet Reserve Association. Good morning, Chief.

STATEMENT OF MASTER CHIEF JOSEPH L. BARNES, USN (RET.), NATIONAL EXECUTIVE SECRETARY, FLEET RESERVE ASSOCIATION

Mr. BARNES. Good morning, Mr. Chairman. Mr. Chairman, Senator Inouye, and other distinguished members of the subcommittee, the Fleet Reserve Association (FRA) appreciates the opportunity to present its views on the 2005 defense budget. My name is Joe Barnes. I am the National Executive Secretary for the Fleet Reserve Association and also co-chair of the Military Coalition's Personnel Committee.

Before I address several priority issues, I want to thank this distinguished subcommittee for its leadership, support, and strong commitment to important quality of life programs benefitting servicemembers, reservists, military retirees and their families.

FRA strongly recommends full funding for the defense health program and adequate appropriations to continue revitalizing the TRICARE Standard program. The association also believes TRICARE should be available for all reservists and their families on a cost-sharing basis. When finally implemented, the temporary Reserve health care program will provide coverage only through

December 2004 for reservists who are unemployed or do not have employer-sponsored health care. FRA urges appropriations to make this program permanent and that it become the basis for a broader program for all reservists.

FRA also supports appropriations necessary to implement the 3.5 percent across-the-board increase on January 1, 2005.

The association also strongly supports continued progress toward closing the military pay gap. Unfortunately, DOD's proposal for targeted pay increases for senior enlisted personnel and certain officer grades were not included in the administration's budget request. At a minimum, FRA supports funding pay increases at least comparable to the annual employment cost index.

Adequate service end strengths are important to maintaining readiness. If force size is inadequate and OPTEMPO too heavy, the performance of individual servicemembers is affected. FRA believes that there are inadequate numbers of uniformed personnel to sustain the war effort and other operational commitments. This situation also creates considerable stress on the families of service personnel. It appears that DOD is very concerned with the cost of personnel, to the extent that it is reluctant to increase service end strengths.

The military survivor benefit plan provides an annuity to surviving spouses equal to 55 percent of covered retired pay. This amount is reduced to 35 percent when the beneficiary begins receiving Social Security. FRA was instrumental in the enactment of this program in the early 1970's and strongly supports reform legislation to increase the annuity and funding the program at the intended 40 percent level rather than the current level of approximately 19 percent.

When authorized, FRA supports funding for full concurrent receipt of military retired pay and VA disability compensation, increased Reserve Montgomery G.I. Bill (MGIB) education benefits which are currently funded well below the authorized level, funding for family awareness and support and spouse employment opportunities, which are integral to the well-being and retention of the active and Reserve servicemembers, and supplemental Impact Aid funding for school districts with large numbers of military-sponsored students.

FRA strongly supports funding to maintain the commissary benefit at the current level and restates its continuing opposition to privatization.

Finally, FRA advocates retention of the full, final months retired pay by the retiree's surviving spouse and the extension of the dislocation allowance to retiring servicemembers.

If authorized, the association asks for your support for these proposals which have also been endorsed by the Military Coalition. Thank you again, Mr. Chairman, for the opportunity to present the association's recommendations for fiscal year 2005.

Senator STEVENS. Thank you very much, Chief. That is a long list. Some of us who have been around for a while understand continuing to pay into a retirement fund, but that has been tried before. It has really not been accepted by Congress so far.

Senator Inouye.

Senator INOUE. Well, Mr. Chairman, we all recognize the heavy reliance upon Reserves and Guards in this war, so I can assure you that we are looking at this very carefully.

Mr. BARNES. Thank you, Senator.

Senator STEVENS. Thank you very much, Chief.

[The statement follows:]

PREPARED STATEMENT OF MASTER CHIEF JOSEPH L. BARNES

INTRODUCTION

Mr. Chairman and other distinguished Members of the Subcommittee: The Fleet Reserve Association (FRA) is grateful for the opportunity to present its military personnel goals for fiscal year 2005. Before continuing, I want to express deep appreciation on behalf of the Association's membership for the quality of life improvements implemented over the past few years for our Nation's men and women in the Uniformed Services. What this august group has done for our active duty, reserve, and retired service members is not only superlative but unusually generous for Congress in comparison with the previous two to three decades.

In the active force, the plea is for increased funding to compensate for the arduous operational and personal tempos thrust upon the members of the uniformed services. Others prefer better housing, perhaps increased child-care programs, or any of the many programs and benefits available to them and their families. Reservists support enhanced retirement benefits, special pays, and increased MGIB proceeds. The retired community seeks funding for the Uniformed Services Survivor Benefit Plan (USSBP), full concurrent receipt of military retirement pay and VA service connected payments, and a reasonable access to health care services.

ACTIVE DUTY COMPONENT

Pay.—Always number one in most surveys completed by FRA and the active forces is pay. This distinguished Subcommittee, alerted to this fact for the past six years, has improved compensation that, in turn, enhanced the recruitment and retention of uniformed personnel in an all-volunteer environment. Adequate and targeted pay increases for middle grade and senior petty and noncommissioned officers have contributed to improved morale and readiness. With a uniformed community that is more than 50 percent married, satisfactory compensation relieves much, if not all the tension brought on by operational and personal tempos.

For fiscal year 2005, the Administration has recommended a 3.5 percent across the board basic pay increase for members of the Armed Forces. This is commensurate with the 1999 formula to provide increases of 0.5 percentage points greater than that of the previous year for the private sector. With the addition of targeted raises, the formula has reduced the pay gap with the private sector from 13.5 percent to 5.2 percent following the pay increase programmed for January 1, 2005.

FRA, however, is disappointed that the Office of Management and Budget (OMB) is opposed to targeted pay increases for certain enlisted and officer pay grades. This in the face of the Defense Department's projected recommendation to affect targeted pays along the line of those authorized for fiscal year 2004. Targeting pay hikes for fiscal year 2005 and fiscal year 2006 will aide the Department's quest to increase basic pay for career personnel to equal those in the private sector earned by workers having similar education and experience levels.

FRA urges the Subcommittee to fund the authorized pay increase for fiscal year 2005, and ensure that uniformed members of the Public Health Service (USPHS) are included in the pay increase.

RETIRED COMPONENT

Survivor Benefit Plan.—FRA has experienced a greater concern for improving the Uniformed Services Survivor Benefit Program (USSBP) than any issue on its website (www.fra.org). With an average age of 68 on the Association's membership roll, the concern is justified. Most convincing is the need to revise the language in the current Plan to reduce the "social security offset" that penalizes annuitants at a time when the need is the greatest. Then there are the many members, age 70 and older, who have been paying into the Plan for more than 30 years with the only relief more than four years into the future.

Although Congress has adopted a time for USSBP participants to halt payments of premiums (when payments of premiums equal 30 years and the military retiree is 70 years of age) the date is more than four years away. Military retirees enrolling

on the initial enrollment date (1972) will this September be paying premiums for 32 years, by 2008, thirty-six years.

FRA recommends and urges the Subcommittee to provide funding for the restoration of the value of service members participating in the Uniformed Services Survivor Benefit Plan (USSBP) by increasing the survivor annuity over a ten-year period to 55 percent, and the date 2008 to October 31, 2004 when certain participants attaining the age of 70 and having made payment to the Plan for at least 30 years are no longer required to make such payments.

Basic Allowance for Housing (BAH).—In concert with The Military Coalition, FRA supports revised housing standards that are more realistic and appropriate for each pay grade. Many enlisted personnel are unaware of the standards for their respective pay grade and assume they are entitled to a higher standard than authorized.

FRA extends appreciation to the Subcommittee for acting a few years ago to reduce out-of-pocket housing expenses for service members. Responding to the Subcommittee's leadership on this issue, the Department of Defense proposed a similar phased plan to reduce median out-of-pocket expenses to zero by fiscal year 2005. This aggressive action to better realign BAH rates with actual housing costs is having a real impact and providing immediate relief to many service members and families who are strapped in meeting rising housing and utility costs.

The Association applauds the Subcommittee's action, and is in hope that this plan is funded for fiscal year 2005. Unfortunately, housing and utility costs will become more expensive, and the pay comparability gap, while diminished over recent years—thanks to the Subcommittee's leadership—continues to widen. Members residing off base face higher housing costs, along with significant transportation costs, and relief is especially important for junior enlisted personnel who do not qualify for other supplemental assistance.

FRA urges the Subcommittee to provide the necessary appropriations to eliminate out-of-pocket housing expenses in fiscal year 2005.

Basic Allowance for Subsistence (BAS).—FRA is grateful for the establishment of a food-cost-based standard for BAS and repealing the one percent cap on BAS increases. There is more to be done to permit single career enlisted members greater individual responsibility in their personal living arrangements. In this regard, the Association believes it is inconsistent to demand significant supervisory, leadership and management responsibilities of noncommissioned and petty officers, but still dictate to them where and when they must eat their meals while at their home duty station.

FRA urges the Subcommittee to fund the necessary appropriations to repeal the statutory provision limiting BAS eligibility to 12 percent of single members residing in government quarters.

Force Size/Readiness/OPTEMPO/PERSTEMPO.—Force size, readiness, OPTEMPO, and PERSTEMPO should be addressed simultaneously. Readiness cannot be achieved at the high level demanded if force size is inadequate in numbers, OPTEMPO is too heavy and PERSTEMPO is affecting the performance of individual service members. FRA believes that all are suffering due to a shortage of uniformed members. Once again, DOD apparently is so concerned with the cost of personnel that it is reluctant to increase manpower strengths when it's obvious to FRA and others there is a need for more troops. If DOD says there is no requirement for more troops than authorized, then why did three of the military services recently issued stop-loss orders to many of their uniformed personnel? "It reflects the fact that the military is too small," says Charles Moskos, a leading military sociologist, "which nobody wants to admit."

The Department played an integral role in having Congress give birth to the All-Volunteer Force. As such, it must stay the course realizing that people who volunteer to lay down their lives and limbs will not do so at the same level of compensation offered their predecessors of the WWII-Vietnam era. Today 50 percent or more of our military personnel are married and have families. It costs money to enfold these families under the military's social umbrella. If the United States desires an all-volunteer armed force, it will have to pay the price. Paying the price will allow the Department to increase the size of its uniformed force in order to relieve the pressure of lengthy deployments, long hours on duty, and family concerns, each having its own negative effect on readiness. One service chief stated that he would spend every dollar available to "modernize" his service (how many years now?), but not one cent more for people. Such a statement seems incredible when one knows historically that final victory is in the hands of the people.

FRA recommends that the military services be afforded the opportunity to determine the size of its forces and the number of personnel necessary to perform the mission. However, when it appears that an increase is captive to the choice of more

weapons systems over manpower, Congress should appropriate adequate funds to add more uniformed numbers to the strength of the armed forces.

Impact Aid.—FRA is most appreciative for the Impact Aid authorized in previous Defense measures but must urge this Subcommittee and its full Committee to support a substantial increase in the funding for schools bearing the responsibility of educating the children of military personnel and federal employees. Current funds are not adequate to ably support the education of federally sponsored children attending civilian community elementary schools. Over the years, beginning with the Nixon Administration, funding for Impact Aid has decreased dramatically. For example, in the current fiscal year the Military Impacted Schools Association (MISA) estimates Impact Aid is funded at only 60 percent of need according to law. Our children should not be denied the best in educational opportunities. Impact Aid provides a quality education to the children of our Sailors, Marines, Coast Guardsmen, Soldiers, and Airmen.

FRA implores Congress to accept the responsibility of fully funding the military Impact Aid program. It is more important now to ensure our service members, many serving in harm's way, they have little to concern with their children's future but more to do with the job at hand.

Dislocation Allowance (DLA).—Moving households on government orders can be costly. Throughout a military career, service members endure a number of permanent changes of station (PCS). Too often each move requires additional expenses for relocating to a new area far removed from the service members' current location.

Odd as it may appear, service members preparing to retire from the Armed Forces are not eligible for dislocation allowances, yet many are subject to the same additional expenses they experienced when effecting a permanent change of station during the 20 or more years of active duty spent earning the honor to retire. In either case, moving on orders to another duty station or to retire are both reflective of a management decision. Retiring military personnel after completing 20 years of service is advantageous to the Armed Forces. It opens the ranks to much younger and healthier accessions.

FRA recommends appropriating funds for the payment of dislocation allowances to members of the Armed Forces retiring or transferring to an inactive duty status such as the Fleet Reserve or Fleet Marine Reserve, who perform a "final change of station" move of 50 or more miles.

MGIB-SR.—The Selected Reserve MGIB has failed to maintain a creditable rate of benefits with those authorized in Title 38, Chapter 30. Other than cost-of-living increases, only two improvements in benefits have been legislated since 1985. In that year MGIB rates were established at 47 percent of active duty benefits. This past October 1, the rate fell to 27 percent of the Chapter 30 benefits. While the allowance has inched up by only 7 percent since its inception, the cost of education has climbed significantly.

FRA stands four square in support of the Nation's Reservists. To provide an incentive for young citizens to enlist and remain in the Reserves, FRA recommends to Congress the pressing need to enhance the MGIB-SR rates for those who choose to participate in the program.

Concurrent Receipt.—The fiscal year 2003 National Defense Authorization Act (NDAA) authorizes a special compensation that establishes a beachhead to authorizing full concurrent receipt, a term for the payment of both military non-disability retired pay and any VA compensation for service-connected disabilities without a reduction in one or the other payment. The fiscal year 2004 NDAA expanded the beneficiary list to include those retired service members with at least a 50 percent compensatory service-connected disability. Although FRA is appreciative of the effort of Congress to address the issue, it fails to meet the resolution adopted by the Association's membership to seek full compensation for both length-in-service military retirement and VA compensation. Currently, the receipt of VA compensation causes a like reduction to a retired service member's military retired pay. This leads to the belief, and well-deserved, that retired service members, earning retired pay as a result of 20 years or more of service, are forced to pay for their own disablement.

Most disabilities are recognized after the service member retires. Some are discovered while the member is still performing active duty or as the result of a retirement physical. However, it is to the benefit of the Department of Defense to retire the member without compensation for any disability. Instead, the member is directed to the Department of Veterans' Affairs for compensatory relief for the damages incurred by the member while serving the Nation in uniform.

FRA encourages Congress to take the helm and fully fund concurrent receipt of military non-disabled retirement pay and veterans' compensation program as currently offered in S. 392 introduced by Senator Harry Reid (Nev.). Congress should remember that U.S. service members, more so than any collective group, not only

had a major hand in the creation of this Nation, but have contributed for more than 227 years to the military and economic power of the United States.

Cost of Living Adjustments (COLA).—Recent threats to curtail or halt cost of living adjustments (COLAs) have been lobbed in the direction of military retired pay and related payments such as survivor benefit annuities. Once again, Congress is urged to keep its promise that military retired pay will maintain its purchasing power based on increases in the Consumer Price Index (CPI).

One must recall that the wisdom of Congress initiated the COLA program in lieu of the “re-computation” system. Re-computation was a term used to describe adjustments to military retired pay prior to the 1970s. Military retirees received retirement pay adjustments each time active duty pay was increased. This system guaranteed the service member if he/she retired at a certain percentage of active duty pay, that pay would maintain the same percentage factor to active duty pay throughout retirement. In 1963, Congress—concerned with a heightened number of retired WWII members on the retired roll—decided to switch to the CPI method.

Conversely, COLA protection is the paramount reason military retirees make an irrevocable decision to elect significant reductions in retired pay to provide surviving spouses and children with an annuity following the retiree’s death. The most compelling reason for the decision is that the guaranteed inflation protection made the Uniformed Services Survivor Benefit Plan (USSBP) a superior alternative to life insurance policies. The sequestration of COLA funds violate that guarantee and greatly diminishes the value of the USSBP.

FRA recommends that Congress—if it reduces the fiscal year 2005 budget—not target military and federal retirees’ retirement pay. Such action is discriminating and contrary to the promise made by Congress to maintain the purchasing power of military retirement pay. Full funding for the Defense Health Budget: Once again, a top FRA priority is to work with Congress and DOD to ensure full funding of the Defense Health Budget to meet readiness needs—including Graduate Medical Education (GME) and continuing education, full funding of both direct care and purchased care sectors, providing access to the military health care system for all uniformed services beneficiaries, regardless of age, status or location. A fully funded health care benefit is critical to readiness and the retention of qualified uniformed service personnel.

FRA is concerned with reports from the Services that the current funding level falls short of what is required to meet current obligations and that additional supplemental funding will once again be required. For example, the association has encountered several instances in which local hospital commanders at Malcom Grove Medical Center, Andrew Air Force Base, Md. Dewitt Army Medical Center, Arlington, Va., Bethesda Naval Medical Center, Bethesda, Md., have terminated service for retired beneficiaries, citing budget shortfalls as the reason. Health care requirements for members returning from Iraq are also expected to strain the military delivery system in ways that are not anticipated in the budgeting process.

Similarly, implementation of the TRICARE Standard requirements in fiscal year 2003 Defense Authorization Act—particularly those requiring actions to attract more TRICARE providers will certainly require additional resources that appear not to be in the current budget request.

The FRA strongly recommends the Subcommittee continue to ensure full funding of the Defense Health Program, to include military medical readiness, needed TRICARE Standard improvements, and the DOD peacetime health care mission. It is critical that the Defense Health Budget be sufficient to secure increased numbers of providers needed to ensure access for TRICARE beneficiaries in all parts of the country.

Pharmacy Cost Shares for Retirees.—In 2003, the Office of Management and Budget (OMB) and the Defense Department considered a budget proposal that envisioned significant increases in retiree cost shares for the TRICARE pharmacy benefit, and initiating retiree copays for drugs obtained in the direct care system. While the proposal was put on hold for this fiscal year, FRA is concerned that DOD is undertaking a review that almost certainly will recommend retiree copay increases in fiscal year 2006.

Thanks to the efforts of this Subcommittee, it was less than three years ago that Congress authorized the TRICARE Senior Pharmacy Program (TSRx). DOD established \$3 and \$9 copays for all beneficiaries. Defense leaders highlighted this at the time as “delivering the health benefits military beneficiaries earned and deserve.” But the Pentagon already has changed the rules and will remove many drugs from the uniform formulary and raise the copay on such drugs to \$22.

The FRA vigorously opposes increasing retiree cost shares that were only recently established. Congress’ recent restoration of retiree pharmacy benefits helped restore active duty and retired members’ faith that their government’s health care promises

would be kept. If implemented, this proposal would undermine that trust, which in the long term, can only have adverse affects on retention and readiness.

The FRA urges the Subcommittee to continue to reject imposition of cost shares in military pharmacies and oppose increasing other pharmacy cost shares that were recently established.

Healthcare for Members of the National Guard and Reserve.—The FRA is grateful to this Subcommittee for ensuring that the Temporary Reserve Health Care Program was included in the fiscal year 2004 National Defense Authorization Act. This program will provide coverage, through December 2004, for National Guard and Reserve members who are unemployed or do not have employer-sponsored health care coverage. TRICARE officials plan to build on existing TRICARE mechanisms to expedite implementation; however, no one is certain how long this will take. Immediate implementation is required, and a permanent program must be established.

Health insurance coverage varies widely for members of the Guard and Reserve: some have coverage through private employers, others through the Federal government, and still others have no coverage. Reserve families with employer-based health insurance must, in some cases, pick up the full cost of premiums during an extended activation. Although TRICARE “kicks in” at 30 days activation, many Guard and Reserve families would prefer continuity of care through doctors and their own health insurance. Being dropped from private sector coverage as a consequence of extended activation adversely affects family morale and military readiness and discourages some from reenlisting. Many Guard and Reserve families live in locations where it is difficult or impossible to find providers who will accept new TRICARE patients. The FRA urges the authority for federal payment of civilian health care premiums (up to the TRICARE limit) for dependents of mobilized service members.

Dental readiness is another important aspect of readiness for Guard and Reserve personnel. Currently, DOD offers a dental program to Selected Reserve members and their families. During the recent mobilization, soldiers with repairable dental problems were having teeth extracted at mobilization stations in the interests of time and money instead of having the proper dental care administered earlier. Congress responded by passing legislation that allows DOD to provide medical and dental screening for Selected Reserve members who are assigned to a unit that has been alerted for mobilization in support of an operational mission, contingency operation, national emergency, or war. During the initial mobilization for Operation Iraqi Freedom, the average time from alert to mobilization was less than 14 days, not sufficient time to improve dental readiness. In some cases, units were mobilized before receiving their alert orders. This lack of notice for mobilization continues, with many reservists receiving only days of notice before mobilizing.

The TRICARE Dental Plan benefits should be expanded for Guard and Reserve service member. This would allow all National Guard and Reserve members to maintain dental readiness and alleviate the need for dental care during training or mobilization.

The FRA urges: making the Temporary Reserve Health Care Program permanent and expanding coverage to all members of the National Guard and Reserve Component and their families on a cost-sharing basis; allowing federal payment of civilian health care premiums for the families of deployed reservists who choose to keep their civilian healthcare; and expansion of the TRICARE Dental Plan for National Guard and Reserve service members in order to ensure medical readiness and provide continuity of coverage to members of the Selected Reserve.

CONCLUSION

FRA is grateful for the opportunity to present its goals for fiscal year 2005. If there are questions or a need for further information, please call Bob Washington, FRA Director of Legislative Programs, at 703-683-1400.

STATEMENT OF ARTHUR B. BAGGEROER, MASSACHUSETTS INSTITUTE OF TECHNOLOGY ON BEHALF OF THE CONSORTIUM FOR OCEANOGRAPHIC RESEARCH AND EDUCATION

Senator STEVENS. Our next witness is Arthur Baggeroer. Is that right? Is that close enough? He is from the Massachusetts Institute of Technology (MIT) and the Consortium for Oceanographic Research and Education. Good morning, sir.

Dr. BAGGEROER. Thank you, Senator. Chairman Stevens, Senator Inouye, I want to thank you for the opportunity to appear before

you this morning and for the strong support you and your committee have shown for basic research within the Navy. My name is Arthur Baggeroer, and I appear on behalf of the 76 members of the Consortium on Oceanographic Research, which does include the University of Alaska and Hawaii and is commonly called CORE.

I am Ford Professor of Engineering at MIT and one of the Secretary of the Navy (SECNAV) Chief of Naval Operations (CNO) Chairs for Ocean Science in the Departments of Ocean and Electrical Engineering at MIT.

Since its founding in 1946, the Office of Naval Research has been one of the Nation's leading supporters of high-risk, cutting-edge basic research. America's oceanographers were and continue to be active partners with the Office of Naval Research in providing today and tomorrow's sailors and marines with the tools necessary to continue to be the finest warfighters in the world. However, when we look to the coming decades, we are deeply concerned that the Navy's robust support for high-risk basic research is deteriorating.

Bold, high-risk, cutting-edge basic research has been a crucial component of the Navy's battlespace superiority for many decades. It is easy to enumerate a very long list. Much of the research conducted decades ago deployed in the fleet today was once high-risk and cutting-edge. None of the researchers could have imagined its application in Iraq or Afghanistan. It was not focused on specific applications. But without it and without the support that made it possible, our soldiers, sailors, airmen, and marines would not have had the technological edge they enjoy on the battlefield.

I am sure that you are aware of the global war on terrorism is presenting the Navy with new and challenging threats. The threats must be addressed by robust support for science and technology.

There are a number of scientific challenges I outlined in my written testimony, but I want to take a few moments to discuss the threats posed by a couple, the proliferation of quiet diesel and electric air independent propulsion submarines in littoral operations.

These vessels or submarines are being purchased by many states, the most prevalent being the Russian Kilo 4 class of acquired by China and Iran and the German 200 series. These boats are as quiet as a modern nuclear class submarine. While limited in endurance and speed, they are clearly useful near the coastal waters of a country for anti-surface warfare and ASW and present a significant threat and challenge. The input of basic oceanography, unmanned undersea vehicles and novel communications are part of the paradigm for detecting, tracking, and localizing these boats. While some of these components may emerge as incremental improvements to existing ones, the Navy now needs bold technologies to survey in near real time the ocean environment, as well as fixed acoustic systems to maintain persistent monitoring of important operational regions. Enabling these innovations for use by future officers are now part of the Office of Naval Research (ONR) charter. Reduced commitments to this basic research now just mortgages the future for combatting this threat.

I would also like to note that it is crucial for the Navy to maintain a vigorous scientific research program to enhance its mine countermeasures in littoral operations.

Finally, as operations increase in the littorals and the adjacent shelves, it is vital that the Navy support the science necessary to effectively characterize this region so the fleet can effectively operate.

While basic research has served the warfighter, its prominence in the defense S&T portfolio has declined dramatically. It is no longer enjoying the robust support it did in decades past. In the early 1980's, basic research stood at over 17 percent of S&T funding. As we discussed earlier, significant payoffs were seen. Unfortunately, now basic research stands below 12 percent of the S&T funding. It is crucial that we ensure robust support of DOD S&T so that we have the capabilities to confront the challenges and threats of the future battlefield. It is toward this goal that the basic research should be and is directed but also with this goal in mind that all funding decisions should be made.

Specifically, CORE recommends returning the basic research, or 6.1, to the end of cold war levels, 16 percent of S&T, by fiscal year 2009.

The new resources associated with these increases should be directed to two basic research accounts where the majority of the competitively awarded funds are accessible: the university research initiative, URI, and the defense research science, DRS.

Since the end of the cold war, basic research has paid its part of the peace dividend. As we enter another era of prolonged conflict, we strongly urge you to reenergize the Department's support for basic research.

Thank you again for the opportunity to bring these important issues to your attention. I welcome the opportunity for any questions.

[The statement follows:]

PREPARED STATEMENT OF ARTHUR B. BAGGEROER

Chairman Stevens, Ranking Member Inouye, and Members of the Defense Subcommittee of the Senate Appropriations Committee, I want to thank you for the opportunity to appear before you this morning and for the strong support you and your committee have shown for basic research within the Navy.

My name is Arthur B. Baggeroer and I appear of behalf of the 76 member institutions of the Consortium for Oceanographic Research and Education, commonly referred to as CORE. I am the Ford Professor of Engineering and Secretary of the Navy/Chief of Naval Operations Chair for Ocean Science in the Departments of Ocean and Electrical Engineering at the Massachusetts Institute of Technology. Some of CORE's other members include Woods Hole Oceanographic Institution, Penn State, Texas A&M, Scripps Institution of Oceanography and the Universities of Alaska, Hawaii, Southern Mississippi, New Hampshire, Texas, South Carolina, and California at San Diego. Our membership represents the nucleus of American academic oceanographic research.

Since its founding in 1946, the Office of Naval Research has been one of the nation's leading supporters of high-risk cutting edge basic research. The Office has supported the research of fifty Nobel laureates. It has participated in breakthrough discoveries in areas such as lasers, precision timekeeping, and molecular biology. Without question the past five decades have seen the ONR fulfill its mission: "To plan, foster and encourage scientific research in recognition of its paramount importance as related to the maintenance of future naval power, forced entry capability, and the preservation of national security."

America's oceanographers were and continue to be active partners with the Office of Naval Research in providing today and tomorrow's sailors and marines with the tools necessary to continue to be the finest warfighters in the world. When we look back at the past fifty years, we see a history of courageous investment and bold discoveries that paved the path to the end of the Cold War and have provided the tech-

nology base for today's fleet. However, when we look to the coming decades, we are deeply concerned that the Navy's robust support is deteriorating.

Bold, high-risk cutting edge basic research has been a crucial component of the Navy's battlespace superiority for decades. For example, basic research into packet switching laid the foundation for what we know as the Internet and is the fundamental science behind the technology underlying net-centric warfare, an increasingly important asset to the Navy and Marine Corps.

As you may know, basic research supported by the Navy led to the development of the laser. These discoveries led directly to the advent of small, easily handled lasers that allow soldiers, sailors, airmen and marines to precisely locate targets and provide coordinates for sailors and airmen to deliver munitions to targets.

All of the underlying research for these systems was high-risk and cutting edge when it was conducted decades ago and none of the researchers could have imagined its application in Iraq or Afghanistan. It was not focused on specific applications. But without it and without the support that made it possible, our soldiers, sailors, airmen and marines would not have had the technological edge they enjoy on the battlefield.

While the Cold War is thankfully an artifact of history, and many of the threats it posed to the Navy have receded, the Global War on Terrorism presents the Navy with a new and equally challenging suite of threats: threats that must be addressed by robust support for science and technology.

Of particular concern to the Navy are the challenges of littoral warfare, the threats posed by submerged mines, and the proliferation of quiet diesel submarines. Academic oceanographers are working to help the Navy meet all these challenges.

As you may be aware, sonar system performance in the littoral is extremely complex. Presently we cannot reliably predict transmission losses, a key component of the sonar equation, in these regions. The seabed dominates this problem leading to a "range curtain" attenuating acoustic energy of threat submarines and limiting the Navy's detection and tracking capability.

Better understanding of the geology and geoacoustics of the seabed are critical to the successful deployment of ships and sensors. Also complicating operations in the littoral is wave phenomena, more pronounced in the littoral, which limit sonar performance. Finally, ambient noise produced by high density fishing fleets and commerce lead to very cluttered displays of the local acoustic environment—complicating everything from ASW to the safe surfacing of a submarine. Clearly this is a complicated environment for the Navy to operate in. Addressing the uncertainties and challenges in this crucial environment will require a reinvigorated regime of academic oceanographic research.

In addition to the challenges posed by littoral combat are the threats posed to the fleet by submerged mines. Mine countermeasures and clearance is a similarly complicated problem. Currently the Navy faces a situation where cheap mines, costing less than \$1,000, can impede the operation of a battle group or access to a port. Currently, countries make mines that appear to be an "acoustic rock," i.e. they have virtually all the physical attributes of a natural rock. Nevertheless, dolphins can identify the threats but no current technology can. The basic science of what are the distinguishing acoustical features of an actual rock and "acoustic one" are vital for routine mine countermeasures and clearance and prompt execution of Naval operations.

Finally, the availability of modern diesel electric submarines is one of the greatest threats to Naval operations. These vessels are being purchased by many states, the most prevalent being the Russian Kilo 4 class acquired by China and Iran and the German 2xx classes. These boats are as quiet as a modern nuclear class submarine. While limited in endurance and speed, they are clearly useful near the coastal waters of a country. The ASW threat is a significant challenge and the input of basic oceanography, unmanned undersea vehicles (UUV's) and novel communications, are part of paradigm for detecting, tracking and localizing these boats. While some of these components may emerge as incremental improvements to existing ones, the Navy needs bold new technologies to survey in near real time in the ocean environment as well as fixed acoustic systems to maintain persistent monitoring of important operational regions. Enabling these innovations for use by future officers are part of ONR's charter. Reduced commitments to the basic research now needed just mortgages the future for combating this threat.

These are all hard basic research issues, issues that will take time to solve, but issues that are essential to the safe and effective operation of the fleet.

While basic research played a critical role in winning the Cold War, faithfully served the warfighter in Iraq and Afghanistan and unquestionably will play a critical role in the global war on terrorism, its prominence in the Defense S&T portfolio

has declined dramatically with the end of the Cold War. It no longer enjoys the robust support it did in decades past.

In the early 1980's basic research stood at over seventeen percent of S&T funding. As we discussed earlier, significant payoffs were seen. This era of robust support for basic research paid off in technologies such as UAVs (sea, air, land), thermobaric bombs, communications systems, materials used in protection vests and battlefield medicine advances.

Unfortunately, basic research now stands at below 12 percent of S&T funding. Equally important funding levels have slipped below levels required to maintain the stability and the readiness of the future defense technical workforce and innovative military discoveries. It is crucial that we ensure robust support for DOD S&T so that we have the capabilities to confront the challenges and threats of the future battlefield. It is toward this goal that basic research should be, and is, directed. It is also with this goal in mind that all funding decisions should be made.

Specifically, CORE recommends returning 6.1 (basic) research to end of Cold War levels (16 percent of S&T) by fiscal year 2009 and recommends establishment of measurements to link the research enterprise with the acquisition and requirements communities to ensure that additional resources are directed toward identified capability gaps.

The new resources associated with these increases should be directed to two basic research accounts where the majority of the competitively-awarded funds are accessible: the University Research Initiative (URI) and Defense Research Sciences (DRS). Sixteen percent is not the high water mark for basic research in the S&T total, but a practical place to start in putting these programs on the path to recovery.

Since the end of the Cold War, basic research has paid its part of the peace dividend. As we enter another era of prolonged conflict, we strongly urge you to reenergize the department's support for basic research.

In addition to our concerns about the funding levels for basic research and S&T generally is the focus of research at the Office of Naval Research. We are concerned that pressures outside of ONR may be leading the office in a direction that departs from its traditional aggressive support for high-risk basic research. We are distressed that the 6.1 account, which is supposed to be discovery oriented basic research, is increasingly becoming short-term product-driven applied research. Let me be clear, we firmly believe that applied research and advanced technology development are crucial parts of RDT&E, but it is imperative that there be robust basic research discoveries, if we expect to have the scientific underpinnings for the pioneering innovations in the 6.2 and beyond programs.

The essential contribution of basic science to the capabilities of the Navy After Next, is jeopardized by statements that the Navy's basic research program will be "integrated with more applied S&T to promote transitions of discoveries." "Integration with more applied S&T" is could send the message that program managers and scientist should not focus on long term high-risk projects.

RADM Jay Cohen, Chief of Naval Research, recently clearly outlined the importance of basic science to the warfighter. When asked how science serves the Navy he responded:

In the 1970s, a researcher proposed an effort to measure time more accurately . . . by a couple of orders of magnitude. At the time, the Navy was skeptical about investing in measuring time; after all, the Navy has been the time-keeper of the nation with the atomic clock at the Naval Observatory in Washington, D.C. Well, when you can measure time more accurately, you know position more accurately. That is the basis for precision navigation. The debate went on for weeks, and the Navy anguished over whether it should make the investment. Well, from having made the decision to invest, today we enjoy the Global Positioning System (GPS). Think about how that one idea has changed warfare. Think about the other uses of that technology, war-winning capability for the military and enhancements for commercial navigation. Think about the difference in capability from the 1970s, when the idea was first proposed, to Operation Iraqi Freedom.

Our fear is that because of the direction ONR has been given to focus on shorter term projects, a proposal like the one RADM Cohen mentioned most likely would be rejected today.

The focus on integration of discovery-oriented basic research with more application driven research is having a negative impact on the quality of naval basic research by creating a risk-averse atmosphere in both the universities and with program management and officers within the Navy. The avowed focus on integration with development, is discouraging researchers from pursuing bold and innovative ideas, lines of research that often take years to complete and whose practical appli-

cation, while profound, is often decades out; and is forcing them instead to focus on pursuing research that they know will result in products. While it will surely be high quality research, it will not be type research that will result in breakthroughs in understanding.

High-risk research that shows the promise of transformational discoveries is prone to failure before it yields a pioneering discovery. It is only by pushing the boundaries, constantly taking risks, and looking for the bold idea, not the slight innovation, that scientists will make the discoveries that will lead to the next laser, tomorrow's global positioning system, or the net-centric warfare of 2030.

Additionally, the research community and Congress need to impress upon Navy and Marine Corps leadership that while the basic research ONR supports today will not deliver combat commanders a product they can deploy in the next few years, it will afford the Lieutenants and Captains under their command profoundly more robust weapons systems when they are Admirals and Generals. It is because of an aggressive regime of basic research thirty years ago, when today's military leaders were junior officers, that they have such an effective and diverse suite of combat systems available to them to prosecute their mission. Working together, Congress and the research community must communicate to the Secretary, the CNO and the Commandant, that basic research is essential to the fleet and is a Congressional priority, and that if they do not give ONR the ability and direction to pursue an aggressive regime of high-risk cutting edge basic research now, the nation will be shortchanging our sons and daughters, the sailors and marines of tomorrow.

Again, thank you for the opportunity to bring these important issues to your attention. I welcome the opportunity to answer any questions.

Senator STEVENS. We appreciate your testimony, but you are referring to the 1980's and the strategic defense initiative (SDI) period, and after the Soviet downfall, what the public demanded was a peace dividend. That dividend was in the form of a reduction of a lot of the expenditures that were associated in being prepared to counter the activities of the Soviet Union. So I think you are requesting something we just cannot do.

Senator.

Senator INOUE. At this moment, our ground forces are benefiting from unmanned air vehicles and unmanned ground vehicles. Do we have anything close to being operational underwater?

Dr. BAGGEROER. Senator, we do have unmanned underwater vehicles and they are currently part of the research agenda as to how to use them effectively in regions where you would not want to put a very valuable asset.

In response to Senator Stevens, we certainly do understand the peace dividend. Our goal is to maintain the technological edge for the next generation, and we certainly well understand the constraints on the country while it is now fighting a war both in Iraq and on terrorism.

Senator INOUE. Thank you, sir.

Senator STEVENS. Thank you very much. I appreciate your comments, but the Joint Strike Fighter came out of the research of the 1980's, and it will not be fielded until about 2017 if we keep it on schedule. We cannot keep it on schedule and go back to your research budgets.

Dr. BAGGEROER. The cycle time on an acquisition is a frustration to us too.

Senator STEVENS. Thank you very much.

Next, Major General Robert McIntosh, Executive Director, Reserve Officers Association of the United States. Good morning, sir.

STATEMENT OF MAJOR GENERAL ROBERT A. McINTOSH, UNITED STATES AIR FORCE RESERVE (RET.), EXECUTIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

Mr. McINTOSH. Good morning, Senator. Mr. Chairman, Senator Inouye, the 75,000 members of the Reserve Officers Association (ROA) from all five branches of the armed forces thank you for this opportunity to speak today.

Many of America's citizen warriors are continually being asked to repair their disrupted civilian lives after mobilization and then return to military duty on a repetitive basis.

We believe that legislative changes should be targeted toward retaining and recruiting the best citizen soldiers, sailors, airmen, marines, and coast guardsmen.

Despite the work to date by the Congress and the Department of Defense, much remains to be done to ensure Reserve and National Guard recruiting and retention remain healthy in the future. We must preserve one of America's greatest resources: its skilled and dedicated citizen military.

Several important initiatives would enable our Nation's Reserve components to optimize their support of national defense and of national security. For your consideration, ROA's formal written testimony includes a detailed description of several needed changes and improvements. The following is a partial list of these initiatives.

Full health care options for the selected Reserve and their families.

Tax credit for employers.

A formal National Guard and Reserve equipment appropriation process.

Reducing the antiquated age 60 Reserve retirement eligibility criteria.

Improving Montgomery GI Bill provisions.

Repairing the one-thirtieth rule for special incentive and skill pay by making the compensation qualification-based.

Increasing reenlistment bonuses.

And repairing the unfair degradation of survivor benefits at age 62.

Many of these initiatives not only affect Reserve readiness and the individual reservists but also impact employers, spouses, and families. For example, offering TRICARE for Reserve component members acts as an incentive for employers to continue to hire reservists. Family and civilian employment considerations are having a remarkable influence on whether citizen soldiers choose to remain in the military.

Some in the Pentagon have been quoted in the media as stating that the Reserve components are becoming unaffordable. Even after factoring into the budget the cost of TRICARE eligibility for all selected reservists and their families, the cost of better incentive and retirement programs, citizen soldiers remain a highly cost effective national asset. The question should not be whether we can afford to bring pay and benefits for the Reserve and Guard to a more equitable standard, to a standard that reflects how we use our Reserve components. Rather, the proper question is can we afford not to take the necessary actions that will ensure the preser-

vation of our citizen military, a force composed of some of the most skilled and talented men and women in America.

Time permitting, I look forward to taking your questions, and thank you again for the opportunity to testify.

[The statement follows:]

PREPARED STATEMENT OF MAJOR GENERAL ROBERT A. MCINTOSH

ROA believes that Congress, the Department of Defense and most military support associations have common interests and commitments when it comes to supporting the troops who are engaged in this war, and we are certainly showing proper solidarity and avoiding partisan politics that might question certain decisions relative to the war. ROA, like our sister associations, will stay firm in our commitment to back the civilian and military leaders as they operationally execute the war on terrorism and actions in Iraq. ROA will continue to support the troops in the field in any way we can.

In recent years there have been several improvements in health care, pay system, family support, mobilization and demobilization problems. Even with recent improvements there remains a great deal yet to be done. ROA's mantra is and will continue to be as follows: the application of TRICARE for the selected Reserve, reduce retirement age eligibility; the elimination of the 1/30th rule; the updating of Montgomery GI Bill provisions, tax credit for employers; increased bonuses for reenlistments, the repair of the age 62 survivor benefit degradation, and an official acknowledgement of the National Guard and Reserve equipment account (NGREA).

Recently a debate has begun. The debate is about whether the Reserve Components are becoming too expensive and pricing themselves "out-of-the-market." From a historical perspective it is interesting to note that the argument about cost of Reserve and National Guard incentives, benefits, and readiness postures also became quite intense at the end of WW II. To quote from a 1948 ROA Headquarters Bulletin, the subject of non-disability retirement for civilian officers: "The National Guard Association and the Reserve Officers Association are working very closely together in connection with this legislation as it is essential that the proper type bill be presented for consideration by Congress." Another quote from a late 1940s ROA news letter, "We civilian soldiers, have a real task ahead of us. There are battles to be won on the home front, not only now but for many years to come. This can only be done by means of organization." That "retirement bill," as it became to be called, was the genesis of the current age 60 retirement benefit for all members of the National Guard and Reserve. At that time, just as now, there were those who said that Reserve Component retirement benefit additions would be unaffordable and would necessitate long-term costs. Also similar to today's discussion, the leadership on Capitol Hill, immediately after WW II, was keenly aware of the importance of a viable Reserve Component. Congress clearly understood the important value of the bond between America's citizen and its military that results from using citizen soldiers in most phases of military actions. More recently the Abrams' Doctrine was a force build philosophy after Vietnam—a philosophy that matured into a policy and became a fundamental planning factor in creating today's Total Force.

In 2004, we find ourselves again confronted with protecting one of America's greatest assets—the Reserve Components. It should be no surprise that recruiting and retaining an all-volunteer force require a different approach than was required for yesteryear's drafted force. Maintaining medical readiness, family medical considerations, and updating retired pay eligibility criteria are now important to our citizen warriors. Reservists fully understand their duty and are proud to be serving. However, many in the National Guard and Reserve are weighing the factors that affect remaining in the military. They want change and they deserve change. And, yes, some of these needed changes do cost money. If we wait until recruiting and retention numbers drop, then we will immediately be faced with a crisis beyond just scrambling to bring in the right numbers of people. It takes a minimum of two years to train and equip a person to the point that they can do their job without direct supervision. Experience has and should remain a core strength of the Reserve Components.

Regarding the transformation and force structure rebalancing initiatives by the Services and DOD, the Reserve Officers Association acknowledges that continuous force structure change is appropriate, and we support these efforts in concept, but at the same time, we have significant concerns. We urge careful consideration and understanding of the attributes of a properly balanced Total Force. ROA is concerned that the rush to control personnel costs and to reduce the demand for Reservists to be in early deployment units could lead to flawed force structure plan-

ning. ROA acknowledges that some changes in structure and mission assignment are appropriate, however, the overall cost effectiveness of having a robust and experienced Reserve Component force to compliment a more expensive regular force must be considered carefully before eliminating or shifting significant numbers of Reserve Component billets.

ROA fully understands that when citizen soldiers are used for an extended period there is a substantial personnel cost—a cost of war. The statement that “while mobilized a Reservist or Guardsmen costs as much as an active component member” is not in dispute. On the other hand, the citizen soldier cost over a life cycle (mobilized when needed and placed into a trained and ready to go posture when not recalled) is far less than the cost of an active component soldier. Additional cost savings are found when prior service training, developed skills, and experience are retained by having adequate numbers of Reserve billets across the spectrum of military missions.

Even after factoring into the budget the cost of TRICARE eligibility for all selected Reservists and their families and the cost of better incentive and retirement programs, citizen soldiers remain a highly cost effective national asset.

The starting point of any discussion about affordability should be that the Reserve Components provide large portions of our total military capability in many mission areas for a small fraction of the Service and DOD total budget. When the nation needs surge capability incrementally, the National Guard and Reserve cost single digit percentages and return double-digit mission accomplishment. Also, civilian skills that are needed by today’s military and are resident in citizen warriors are often not adequately considered in force structure planning. If the wrong force transformation decisions are made in a rush to reduce personnel costs, and if the balance between Reserve Component forces and the more expensive active force is inefficient, the results will be a less capable and a smaller Total Force. The high costs of personnel turnover and of retraining should also be fully considered when judging the affordability of solving compensation issues for both the Active and the Reserve Components.

There will be a residual impact on retention of stop loss personnel and the continued robust use of National Guard and Reserve personnel in the war on terrorism. We are months, if not years, away from knowing the true consequences to Reserve Component recruiting and retention. ROA believes that absent the improvements we have outlined, there will be substantial difficulty in sustaining the high caliber citizen warrior force we enjoy today—a force comprised of some of our nation’s “brightest and best.”

TRICARE for Reserve Components.—The fiscal year 2004 NDAA authorized TRICARE for Reservists to provide health coverage for unemployed Reservist or those unable to get insurance. This legislation will address previously identified mobilization and retention issues within the services.

ROA urges Congress to permanently establish the current TRICARE program for Selected Reserve and certain Individual Ready Reserve categories that are unemployed or not eligible for healthcare.

Reduce Retirement Age Eligibility for Reservists.—Currently the Reserve Components are the only Federal entity that does not receive their earned retirement annuity at the time they have completed their service. Reducing the retirement eligibility age would close the gap between completion of service and collection of annuity.

ROA urges Congress to reduce the age when a Reserve Component member is eligible for retirement pay to age 55 and make retirement below age 60 optional.

Authorize Tax Credits for Employers of Reservist.—Reservist employers often shoulder the burden of extra costs to support National Defense through the participation of their employees in the military. Support by employers of members in the Reserve Component enables the Total Force. Today’s increased OPTEMPO makes employer support more important than ever. Employer pressure is listed as one of the top reasons for Reservists to quit.

ROA urges Congress to support employer tax credits as a way to help offset costs associated with employees’ Reserve activities and reinforce employer support.

Pay Differential.—While there was once a clear and distinct line between Active and Reserve forces, as the two components merge into a continuum of forces, the argument for greater parity of benefits becomes increasingly compelling. The following areas of pay still are governed without parity between Active Duty and Reserve Components: Aviation Career Incentive Pay, Hazardous Duty Incentive Pay, Career Enlisted Flyers Incentive Pay, Special Duty Assignment Pay, Foreign Language Proficiency Pay, and Diving Special Duty Pay.

ROA urges Congress to delete the 1/30th rule for those areas of pay that require Reserve Component personnel to maintain the same qualification levels as active duty.

Raise the Survivor Benefit Plan (SBP) age 62 Benefit.—Public Law 99-145 replaced the Social Security offset system with a “two-tier” system for those who first become retirement-eligible after September 30, 1985, but under which survivors’ benefits will automatically be reduced from 55 percent to 35 percent upon survivors’ attaining age 62.

ROA urges Congress to restore the SBP age 62 benefit from 35 percent back to 55 percent.

Just as there is a need to ensure the Reserve Component force is properly funded so is there a need to equip them to the Joint Force Command specifications. Currently Reserve equipment requirements are prioritized with active duty requirements. In most instances the Reserve priorities do not make it within the realm of being funded.

Before 1997, the National Guard and Reserve Equipment Appropriation (NGREA) was a critical resource to ensure adequate funding for new equipment for the Reserve Components. The much-needed items not funded by the respective service budget were frequently purchased through this appropriation. In some cases, it was used to bring unit equipment readiness to a needed state of state for mobilization. Frequently, the funds were used to purchase commercial off-the-shelf items that units were unable to obtain through traditional sources. However, in 1997 an agreement between the administration and Congress eliminated the account with the objective of the Active Component providing the needed funds through their individual appropriations.

The Reserve and Guard are faced with mounting challenges on how to replace worn out equipment, equipment lost due to combat operations, legacy equipment that is becoming irrelevant or obsolete, and, in general, replacing that which is gone or aging through normal wear and tear. Today, the ability to use NGREA funds for cost effective acquisition is non-existent. An analysis has shown that with the implementation of the post-1997 policy, procurement for the Reserve Components has decreased. In fiscal year 2004, procurement for the Reserve Components’ percentage of the DOD procurement budget is at its second lowest in recorded history at 3.19 percent. This comes even after Congress added \$400 million for NGREA. Meanwhile, procurement for the Active Component continued to realize consistent real growth from fiscal year 1998 through fiscal year 2009 at 108.6 percent.

In the past, “cascading” equipment from the Active Component to the Reserve Component has been a reliable source of serviceable equipment. However, the changes in roles and missions that have placed a preponderance of combat support and combat service support in the Reserve Components has not left much to cascade. Also, funding levels, rising costs, lack of replacement parts for older equipment, etc. has made it difficult for the Reserve Components to maintain their aging equipment, not to mention modernizing and recapitalizing to support a viable legacy force.

The Reserve Components would benefit greatly from a National Military Resource Strategy that includes a National Guard and Reserve Equipment Appropriation.

Army

The Army Reserve’s list of unresourced equipment requirements closely mirrors the fiscal year 2004 list. However, it is important, in the light of on-going operations with equipment losses due to combat, fair wear and tear, and needed modernized equipment to meet mission requirements, that a number of these unresourced requirements are enumerated.

	Shortfall	Fiscal Year 2005 Buy
Light Medium Tactical	1,845	600
Medium Tactical Vehicles	7,161	800
Movement Tracking Systems	9,463	2,075
All Terrain Lift System (Atlas)	173	100
HMMWV (Plain)	3,833	600
HMMWV (Up Armored)	898	100
Night Vision Image System	22,797	7,000
Tactical Fire Fighting Truck	62	10

These items are just part of a long list of equipment needed by our Army Reserve units to perform their wartime mission for the Total Force. Although the sum total

of these requirements is considerable, the rebalancing of the forces between Active and Reserve Components will likely produce effects on the Total Force. And, as mentioned earlier, the lack of resources in the NGREA will make it difficult to make up and critical shortfalls that occur in the short term.

Navy

Total Naval Reserve equipment procurement has steadily declined from \$260 million in fiscal year 1997 to about \$35 million in fiscal year 2002, with NGREA and congressional add-ons virtually disappearing and equipment shrinking precipitously. Congress recognized the problem and increased NGREA funding to \$400,000 in fiscal year 2004. As a result of the Global War on Terrorism, and the ongoing support by Naval Reservists to Active Duty Commands, ROA feels that this upward trend must continue.

[Dollars in millions]

Unfunded Equipment	Cost	Quantity
C-40A Transport Aircraft	\$130.0	2
NWC and NCF Tactical Trucks	36.0	
NAVELSF Communications Equipment	13.0	
MH-60 Helicopter	66.0	2
F/A-18 AT-FLIR targeting pods	16.0	6
C-130T Avionics Modernization Program	40.0	
F/A-18 A+ block 2 Mod, Radar upgrades	53.0	10
F/A-18 A+ CATM/Captive Carry Assets	3.0	
Littoral Surveillance Sys/Joint Fires Network	30.0	1
F/A-18 Armament Equipment	8.0	
F-5 Block Upgrade	10.0	
E2C Navigation Upgrade	16.0	6

Marine Corps

[In millions of dollars]

	Cost
F/A-18A ECP-583 (12 USMCR aircraft)	70.0
CH-53E Helicopter FLIR	45.0
NBC and Initial Equipment Issue (Reserves)	7.3
KC-130 Upgrades	10.5
CH-53E Upgrades \$3.3 million	38.0
CH-53E Aircrew Procedure Trainer (APT) Flight Simulator	12.8
AH-1W Aircrew Procedures Trainer (APT) Flight Simulator	10.0
Supplemental Aviation Spares Package	7.0

Air Force

C-5: Fund Part A and Part B installation of C-5A Airlift Defensive Systems of \$83 million for 32 aircraft to provide a greater degree of survivability to both aircraft and aircrew and promote common operational utility between active duty and reserve forces. Restore procurement of C-5 Avionics Modernization Program (AMP) kits cut in fiscal year 2004 and those needed in fiscal year 2005 for 60 kits.

C-9A: Designate C-9 aircraft with the primary mission of aero-medical support and allow those aircraft to support VIP/SAM, OSA, Team Travel and other mission support areas during low demand times and to support increasing the C-9 fleet at Scott AFB with three C-9Cs from Andrews Air Force Base, Maryland when they retire their aircraft in fiscal year 2005.

C-17: Increase procurement of C-17 Globemaster III aircraft by at least 42 additional aircraft at a rate of 15 to 18 aircraft per year, which will ensure an adequate airlift force in the future; and program new production C-17 aircraft into the AFR.

C-40C: Increase procurement of C-40 aircraft by at least six additional aircraft to ensure an adequate special mission airlift force for the AFR by at least two C-40s per year for three years.

C-130J: Authorize and appropriate funds for the C-130J Multiyear Procurement in fiscal year 2005 and accelerate acquisition for Reserve units in Pennsylvania, Minnesota, and Mississippi.

LITENING PODS: Support \$7.8 million to procure 5 LITENING Pods toward the multiyear procurement of 30 pods for \$43.8 million.

APN-241 Radar: Support \$7 million to procure 8 APN-241 Radar upgrades.

AFR F-16 Helmet Mounted Cuing System: Support \$9 million to procure approximately 40 night vision goggles toward the multiyear procurement of 80 for \$20.6 million.

Fund F-16 Block 25/30/32 to stay viable for employment in modern combat using precision guided munitions, and operating against modern threat aircraft equipped with helmet cued weapons.

Information Technology: Support \$2.5 million toward a total requirement of \$54.7 million.

Pararescue Jumper Equipment: Support \$0.7 million toward a total requirement of \$9.1 million.

Vehicle Requirements: Support \$2 million toward a total requirement of \$10.6 million.

Pathfinder Force Protection: Support \$9 million toward a total requirement of \$55.5 million.

Motor Vehicles for Medical: Support \$2.8 million to procure 44 vehicles.

Hydrant Fueling Trucks: Support \$1.4 million to procure 9 vehicles.

Other Army Requirements

The Army Reserve faces critical funding shortfalls in several key areas. The shortfalls come in the pay and allowances accounts totaling \$348.4 million and the operations and maintenance accounts totaling \$180 million.

- Of these requirement shortfalls, the most critical is \$281 million in Inactive Duty Training (IDT), which will prohibit the Army Reserve from meeting its peacetime statutory requirement for 48 drills. Even though there is some cost avoidance due to mobilizations, it will not reach the level required to successfully conduct the critical training that soldiers need for individual and unit readiness. Based on current estimates, the Army Reserve would be forced to cease training by late spring or early summer 2005.

- In the area of professional development, the Army Reserve is funded at only slightly more than 50 percent of its \$148.6 million requirement. These funds are needed to meet the Chief of Staff of the Army's established goal of 85 percent in military specialty training and professional development. The Chief, Army Reserve, briefed the Senate Armed Services Committee that the goal would be achieved by the end of fiscal year 2005. This shortfall will cause the Army Reserve not to meet the 85 percent goal.

- Insufficient resources are available to fund the Army Reserve's portion of the DOD integrated worldwide common-user network for exchanging secure and non-secure data. The funding shortfall of just over \$33 million is crucial to meet the challenges of expanding key command and control applications and service demands, increase security requirements and increase network capability to insure needed connectivity.

- Army Reserve Base Operations (BASOPS) required funding is \$73.5 million short of its \$355.4 million requirement or 74 percent. To provide a viable program which includes such critical items as civilian pay, leases, utilities, and custodial contracts, it is imperative that BASOPS be funded at least at the 95 percent level to insure that those BASOPS items which require 100 percent funding can be met.

- Antiterrorism, Force Protections, and Installation Preparedness for the Army Reserve minimum essential funding level of \$67.6 million is under funded by 46 percent. This funding is critical to the Army Reserve meeting mandated DOD requirements and maintaining minimum Force Protection standards for Army Reserve facilities worldwide. As Active Component bases are prepared to meet increased threats, Reserve Component facilities, which are located in thousands of local communities, become a lucrative target for those that consider military capability as a criminal or terrorist target.

- Army Reserve environmental programs that are a "must fund" are unfunded by \$33.4 million or 44 percent. As a result, legally mandated requirements and the requirements of executive orders will not be met. Legal consequences could possibly restrict use on training lands at Army Reserve installations such as Forts.

- The Army Reserve Defense Health Program Accrual is funded at 98 percent of the \$680 million requirement. However, the \$7.1 million shortfall is the result of DOD actuarial studies that establish accrual rates based on "full-time" and "part time" personnel. The accrual rates for fiscal year 2005 increased considerably in both categories. Analysis indicates that the rate change will leave the Army Reserve with this critical shortfall. This is an item of considerable congressional interest, and the rate change creates a significant effect on all three military services.

—Family Programs are a critical to Reserve Component soldiers and their families. Active Component soldiers and families, for the most part, live in close communities on military installations where it is possible to maintain a bond between the soldiers, their families, and their units. Many Reserve soldiers do not even live in the same communities as their units. Keeping families informed and supported can be difficult, particularly in more rural areas. In fiscal year 2004, the Army Reserve's family programs suffered a \$3.9 million shortfall from a requirement of \$7.5 million. In fiscal year 2005 this shortfall is \$5.6 million. The Reserve Officers Association recommends full funding of the \$15.4 million requirement for Army Reserve Family Programs to provide essential services to soldiers and their families and to facilitate the Army Reserve's ability to adequately prepare soldiers for deployments and help families to become self-reliant.

Other Requirements

Reserve Personnel Appropriation: Last year the Reserve Components took cuts in their RPA requirement based on the previous year's usage. These unfunded requirements came at a time when many personnel were either demobilized or released from stop-loss hence enabling them to complete their RPA requirements. Additionally, the services are now faced with implementing the Secretary of Defense's transformation decisions resulting in conversion and upgrade requirements for school and special tours. ROA members have been contacting us to report anecdotally that their training location has run out of money for funding their requirements (discretionary (non-mission/support) activity, and especially OJT and upgrade training, is now at a standstill at most units for this fiscal year).

The unknown in determining the level of challenge to be overcome in the rest of fiscal year 2004 is the continually changing variant of demobilization. The initial planning, based on active duty MAJCOM-planned demobilizations, assumed large-scale numbers of returnees in February and March. At this point, there seems to be some slippage in that projection, which will affect Reserve participation activities between now and the end of the fiscal year.

Reconstitution: The services will also need to perform a reconstitution assessment to determine the results of the mobilization. In terms of training consideration will need to consider: Skills that must be refreshed for specialty, training needed for upgrade but delayed, ancillary training missed, Professional continuing education requirements for single-managed career fields and other certified or licensed specialties required annually, and professional military education needed to stay competitive.

To summarize, the question should not be whether we can afford to bring pay and benefits for the Reserve and Guard to a more equitable standard—to a standard that reflects how we use our Reserve Components. Rather, the proper question is can we afford not to take the necessary actions that will ensure the preservation of our citizen military—a force composed of the some of the most skilled and talented men and women in America.

Senator STEVENS. I note that you recommend that certain individual ready Reserve categories that are unemployed or not eligible for health care have TRICARE permanently. Now, how do you determine who are the certain individuals and those who are not eligible for health care?

Mr. MCINTOSH. Actually what we are proposing and what we advocate is TRICARE for the entire selected Reserve as an option for anyone who is a drilling combat-ready reservist.

Senator STEVENS. Most of those people are employed by small businesses, many of whom do provide health care. The minute we did that, that would be an advantage that other portions of the economy do not have. I do not really understand why that should be the case. Why should a person that is retired and in the ready Reserve enjoy the benefits of being on active duty?

Mr. MCINTOSH. Senator, since we are mobilizing reservists repetitively, we want to retain and recruit the best Americans to be in our Reserve force. We believe the opportunity to sign up for TRICARE versus the cost of medical care in their civilian lives is an opportunity we ought to take and will pay great dividends in

the future. When a reservist, for example, returns from numerous deployments and is thinking about leaving the Guard and Reserve, if they are invested in TRICARE have children that are using that or a spouse that is using that, they will be much less likely to leave. So we are really recruiting and retaining the family as a whole picture here relative to medical care.

Senator STEVENS. Is that not a disincentive to staying on active duty? More people will go into the ready Reserve and not stay on active duty.

Mr. MCINTOSH. Actually we have not studied that completely. I believe it would not be an incentive for people to leave the active force and join the Reserve. I think people leave the active force for many, many reasons, and I would not see them leaving because they know they could retain TRICARE even after they left. But it is a fair question, Senator.

Senator STEVENS. Thank you.

Senator Inouye.

Senator INOUE. Thank you very much. I just wanted to note that many of your suggestions should be made to the authorizing committee. I am certain you have done that.

Mr. MCINTOSH. And it is, Senator, and we are aware of that. Thank you, though.

Senator STEVENS. Thank you very much, General. Appreciate your coming.

Our next witness is Tom McKibban, President of the American Association of Nurse Anesthetists. Good morning, sir.

STATEMENT OF TOM L. MCKIBBAN, CERTIFIED REGISTERED NURSE ANESTHETIST, MS, PRESIDENT, AMERICAN ASSOCIATION OF NURSE ANESTHETISTS

Mr. MCKIBBAN. Good morning. Chairman Stevens and Senator Inouye, good morning and thank you for the opportunity to testify today. My name is Tom McKibban. I am a certified registered nurse anesthetist, better known as a CRNA, and President of the American Association of Nurse Anesthetists, known as the AANA. The AANA represents more than 30,000 CRNA's, including 497 active duty CRNA's, and 742 reservists in the military. As of May 2003, more than 360 CRNA's were deployed in the Middle East providing anesthesia care on ships, on the ground, and for U.S. special forces operations.

Today maintaining adequate numbers of active duty CRNA's is of utmost concern for the Department of Defense to meet its military medical readiness mission. For several years, the number of CRNA's serving in active duty has fallen somewhat short of the number authorized by the DOD. This is complicated by strong demand for CRNA's in both the public and private sectors. The AANA appreciates this committee's continued support for the funding, the incentive special pay (ISP) for CRNA's to address this issue.

The considerable gap between civilian and military pay was addressed in the fiscal year 2003 Defense Authorization Act with an ISP increase from \$15,000 to \$50,000. At this time we would request full funding to increase ISP to \$50,000 for all services to recruit and retain CRNA's.

To ensure military medical readiness, we must have anesthesia providers that can work independently and be deployed at a mo-

ment's notice. For this reason, the AANA is concerned about a 2003 proposed rule to include anesthesiologist assistants, known as AA's, as authorized providers under the TRICARE program. The rule is under review by the OMB. The TRICARE proposal demands two providers, an anesthesiologist and an AA, provide military personnel and dependents the same care that either an anesthesiologist or nurse anesthetist can provide alone. There is insufficient evidence of the safety and cost effectiveness of AA's to authorize these providers into the TRICARE program.

Last, the AANA is proud to announce the establishment of a joint VA/Defense Department program in nurse anesthesia education. This program cost effectively makes use of the existing U.S. Army School of Nurse Anesthesia, Fort Sam Houston, to educate CRNA's for both the VA and the U.S. armed services. This joint nurse anesthesia graduate program begins this June in San Antonio, Texas.

In conclusion, the AANA believes that the recruitment and retention of CRNA's in the services is critical to our men and women in uniform. Funding an increase in the ISP will help meet this challenge.

Also, we believe that recognizing AA's under TRICARE will not improve medical readiness of the DOD.

Last, we commend and thank this committee for your continued support for CRNA's in the military.

I will be happy to answer any questions you may have. Thank you.

[The statement follows:]

PREPARED STATEMENT OF TOM L. MCKIBBAN

The American Association of Nurse Anesthetists (AANA) is the professional association representing over 30,000 certified registered nurse anesthetists (CRNAs) in the United States, including 497 active duty CRNAs and 742 reservists in the military. The AANA appreciates the opportunity to provide testimony regarding CRNAs in the military. We would also like to thank this committee for the help it has given us in assisting the Department of Defense (DOD) and each of the services to recruit and retain CRNAs.

BACKGROUND INFORMATION ON NURSE ANESTHETISTS

Let us begin by describing the profession of nurse anesthesia, and its history and role with the military medical system.

In the administration of anesthesia, CRNAs perform the same functions as anesthesiologists and work in every setting in which anesthesia is delivered including hospital surgical suites and obstetrical delivery rooms, ambulatory surgical centers, health maintenance organizations, and the offices of dentists, podiatrists, ophthalmologists, and plastic surgeons. Today CRNAs participate in approximately 65 percent of the anesthetics given to patients each year in the United States. Nurse anesthetists are also the sole anesthesia providers in more than 65 percent of rural hospitals, assuring access to surgical, obstetrical and other healthcare services for millions of rural Americans.

CRNAs have a personal and professional commitment to patient safety, made evident through research into our practice. In our professional association, we state emphatically "our members' only business is patient safety." Safety is assured through education, high standards of professional practice, and commitment to continuing education. Having first practiced as registered nurses, CRNAs are educated to the master's degree level and meet the most stringent continuing education and recertification standards in the field. Thanks to this tradition of advanced education, the clinical practice excellence of anesthesia professionals, and the advancement in technology, we are humbled and honored to note that anesthesia is 50 times safer now than 20 years ago (National Academy of Sciences, 2000). Research further demonstrates that the care delivered by CRNAs, physician anesthesiologists, or by both

working together yields similar patient safety outcomes. In addition to studies performed by the National Academy of Sciences in 1977, Forrest in 1980, Bechtholdt in 1981, the Minnesota Department of Health in 1994, and others, Dr. Michael Pine MD MBA recently concluded once again that among CRNAs and physician anesthesiologists, “the type of anesthesia provider does not affect inpatient surgical mortality” (Pine, 2003). Thus, the practice of anesthesia is a recognized specialty in nursing and medicine. Both CRNAs and anesthesiologists administer anesthesia for all types of surgical procedures from the simplest to the most complex, either as single providers or together.

NURSE ANESTHETISTS IN THE MILITARY

Since the mid-19th Century, our profession of nurse anesthesia has been proud to provide anesthesia care for our past and present military personnel and their families. From the Civil War to the present day, nurse anesthetists have been the principal anesthesia providers in combat areas of every war in which the United States has been engaged.

Military nurse anesthetists have been honored and decorated by the United States and foreign governments for outstanding achievements, resulting from their dedication and commitment to duty and competence in managing seriously wounded casualties. In World War II, there were 17 nurse anesthetists to every one anesthesiologist. In Vietnam, the ratio of CRNAs to physician anesthesiologists was approximately 3:1. Two nurse anesthetists were killed in Vietnam and their names have been engraved on the Vietnam Memorial Wall. During the Panama strike, only CRNAs were sent with the fighting forces. Nurse anesthetists served with honor during Desert Shield and Desert Storm. Military have CRNAs provided critical anesthesia support to humanitarian missions around the globe in such places as Bosnia and Somalia. In May 2003, approximately 364 nurse anesthetists had been deployed to the Middle East for the military mission for “Operation Iraqi Freedom” and “Operation Enduring Freedom.”

Data gathered from the U.S. Armed Forces anesthesia communities’ reveal that CRNAs have often been the sole anesthesia providers at certain facilities, both at home and while forward deployed. For decades CRNAs have staffed ships, isolated U.S. bases, and forward surgical teams without physician anesthesia support. The U.S. Army Joint Special Operations Command Medical Team and all Army Forward Surgical Teams are staffed solely by CRNAs. Military CRNAs have a long proud history of providing independent support and quality anesthesia care to military men and women, their families and to people from many nations who have found themselves in harms way.

When President George W. Bush initiated “Operation Iraqi Freedom” CRNAs were immediately deployed. With the new special operations environment, new training was needed to prepare our CRNAs to ensure military medical mobilization and readiness. Major General Barbara C. Brannon, Assistant Surgeon General, Air Force Nursing Services, testified before this Senate Committee on April 28, 2004, to provide an account of CRNAs on the job overseas. She stated, “Major Kathryn Weiss, a CRNA from Hurlbert Field, deployed with the Army’s 10th Special Forces Group to Northern Iraq to provide frontline emergency medical capabilities in an imminent danger area within the range of enemy artillery. The team was recognized by the award of the Bronze Star for their meritorious achievements. Major Weiss is just one example of the tremendous capability of our CRNAs.”

In the current mission “Operation Iraqi Freedom” CRNAs will continue to be deployed both on ships and ground, as well as U.S. special operations forces. This committee must ensure that we retain and recruit CRNAs now and in the future to serve in these military overseas deployments.

CRNA RETENTION AND RECRUITING—HOW THIS COMMITTEE CAN HELP THE DEFENSE DEPARTMENT

In all of the Services, maintaining adequate numbers of active duty CRNAs is of utmost concern. For several years, the number of CRNAs serving in active duty has fallen somewhat short of the number authorized by the Department of Defense. This is further complicated by strong demand for CRNAs in both the public and private sectors.

However, it is essential to understand that while there is strong demand for CRNA services in the public and private healthcare sectors, the profession of nurse anesthesia is working effectively to meet this workforce challenge. The AANA anticipates growing demand for CRNAs. Our evidence suggests that while vacancies exist, there is not a crisis in the number of anesthesia providers. The profession of nurse anesthesia has increased its number of accredited CRNA schools, from 85 to 88 the

past two years. The number of qualified registered nurses applying for CRNA school continues to climb, with each CRNA school turning away an average of 23 qualified applicants in 2002. The growth in the number of schools, the number of applicants, and in production capacity, has yielded significant growth in the number of nurse anesthetists graduating and being certified into the profession. The Council on Certification of Nurse Anesthetists reports that in 1998, our schools produced 942 new graduates. By 2003, that number had increased to 1,474, a 56 percent increase in just five years. The growth is expected to continue. The Council on Accreditation of Nurse Anesthesia Educational Programs (COA) projects that CRNA schools will produce an estimated 1,900 graduates in 2005.

This Committee can greatly assist in the effort to attract and maintain essential numbers of nurse anesthetists in the military by their support of increasing special pays.

The Incentive Special Pay for Nurses

According to a March 1994 study requested by the Health Policy Directorate of Health Affairs and conducted by the Department of Defense, a large pay gap existed between annual civilian and military pay in 1992. This study concluded, "this earnings gap is a major reason why the military has difficulty retaining CRNAs." In order to address this pay gap, in the fiscal year 1995 Defense Authorization bill Congress authorized the implementation of an increase in the annual Incentive Special Pay (ISP) for nurse anesthetists from \$6,000 to \$15,000 for those CRNAs no longer under service obligation to pay back their anesthesia education. Those CRNAs who remain obligated receive the \$6,000 ISP.

Both the House and Senate passed the fiscal year 2003 Defense Authorization Act conference report, H. Rept. 107-772, which included an ISP increase to \$50,000. The report included an increase in ISP for nurse anesthetists from \$15,000 to \$50,000. There had been no change in funding level for the ISP since the increase was instituted in fiscal year 1995, while it is certain that civilian pay has continued to rise during this time. The AANA is requesting that this committee fund the new increase for the ISP at \$50,000 for all the branches of the armed services to retain and recruit CRNAs now and into the future.

There still continues to be high demand for CRNAs in the healthcare community leading to higher incomes, widening the gap in pay for CRNAs in the civilian sector compared to the military. The fiscal year 2003 AANA Membership survey measured income in the civilian sector by practice setting. The median income in a hospital setting is \$120,000, anesthesiologist group \$108,000, and self-employed CRNA \$140,000 (includes Owner/Partner of a CRNA Group). These median salaries include call pay, overtime pay, and bonus pay. These salaries are still higher than the median CRNA's salary of \$84,000 across all military service branches.

In civilian practice, all additional skills, experience, duties and responsibilities, and hours of work are compensated for monetarily. Additionally, training (tuition and continuing education), healthcare, retirement, recruitment and retention bonuses, and other benefits often equal or exceed those offered in the military.

Rear Admiral Nancy Lescavage, Director of the Navy Nurse Corps, and Commander of the Naval Medical Education and Training Command testified before this Senate Committee at an April 30, 2003 hearing:

"The increase of the maximum allowable compensation amount for Certified Registered Nurse Anesthetist Incentive Special Pay (CRNA ISP) and the Nurse Accession Bonus (NAB) in the fiscal year 2003 National Defense Authorization Act will further enhance our competitive edge in the nursing market."

Salaries in the civilian sector will continue to create incentives for CRNAs to separate from the military, especially at the lower grades without a competitive incentive from the military to retain CRNAs. Therefore, it is vitally important that the Incentive Special Pay (ISP) be increased to \$50,000 to ensure the retention of CRNAs in the military.

AANA thanks this Committee for its support of the annual ISP for nurse anesthetists. AANA strongly recommends the continuation and an increase in the annual funding for ISP from \$15,000 to \$50,000 for fiscal year 2005. The ISP recognizes the special skills and advanced education that CRNAs bring to the Department of Defense healthcare system.

Board Certification Pay for Nurses

Included in the fiscal year 1996 Defense Authorization bill was language authorizing the implementation of a board certification pay for certain healthcare professionals, including advanced practice nurses. AANA is highly supportive of board certification pay for all advanced practice nurses. The establishment of this type of pay

for nurses recognizes that there are levels of excellence in the profession of nursing that should be recognized, just as in the medical profession. In addition, this pay may assist in closing the earnings gap, which may help with retention of CRNAs.

While many CRNAs have received board certification pay, there are many that remain ineligible. Since certification to practice as a CRNA does not require a specific master's degree, many nurse anesthetists have chosen to diversify their education by pursuing an advanced degree in other related fields. But CRNAs with master's degrees in education, administration, or management are not necessarily eligible for board certification pay since their graduate degrees are not in a clinical specialty. To deny a bonus to these individuals is unfair, and will certainly affect their morale as they work side-by-side with their less-experienced colleagues, who will collect a bonus for which they are not eligible. In addition, in the future this bonus will act as a financial disincentive for nurse anesthetists to diversify and broaden their horizons.

AANA encourages the Defense Department and the respective services to reexamine the issue of awarding board certification pay only to CRNAs who have clinical master's degrees.

DOD/VA RESOURCE SHARING: VA-DOD NURSE ANESTHESIA SCHOOL UNIVERSITY OF TEXAS
HOUSTON HEALTH SCIENCE CENTER, HOUSTON, TX

The establishment of a joint VA-Department of Defense program in nurse anesthesia education holds the promise of making significant improvements in the VA CRNA workforce. This will improve retention of VA registered nurses, while cost-effectively making use of existing U.S. government programs and the U.S. Army nurse anesthesia school. This VA nurse anesthesia graduate program begins this June at the Army's Fort Sam Houston Nurse Anesthesia program in San Antonio, Texas. This VA nurse anesthesia program creates three openings for VA registered nurses to apply to and earn a Master of Science in Nursing (MSN) in anesthesia granted through the University of Texas Houston Health Science Center. Three students are enrolled for the program start date June 2004.

The 30-month program is broken down into two phases. Phase I, 12 months, is the didactic portion of the anesthesia training at the U.S. AMEDD Center and School (U.S. Army School for Nurse Anesthesia). Phase II, 18 months, is clinical practice education, in which VA facilities and their affiliates would serve as clinical practice sites. The agency will use VA hospitals in Augusta, Georgia, and Dayton, Ohio. Similar to military CRNAs who repay their educational investment through a service obligation to the U.S. Armed Forces, graduating VA CRNAs would serve a three-year obligation to the VA health system. Through this kind of Department of Defense-DVA resource sharing, the VA will have an additional source of qualified CRNAs to meet anesthesia care staffing requirements.

We are pleased to note that both the U.S. Army Surgeon General and Dr. Michael J. Kussman, MD MS FACP (Department of Veterans' Affairs Chief Consultant, Acute Care) approved funding to start this VA nurse anesthesia school. With modest levels of additional funding, this joint VA-Defense Department nurse anesthesia education initiative can grow and thrive, and serve as a model for meeting other VA workforce needs, particularly in nursing.

DOD and VA resource sharing programs effectively maximize government resources while improving access to healthcare for Veterans.

UPDATE: INCLUSION OF AAS UNDER TRICARE

The U.S. Department of Defense has proposed authorizing anesthesiologist assistants (AAs) as providers of anesthesia care under the TRICARE health plan for military personnel and dependents, in a proposed rule published in the Federal Register April 3, 2003. (68 FR 16247, 4/3/2003). The regulation is now being reviewed at the Office of Management of Budget (OMB) as of February 9, 2004. There still has been no congressional review about adding these new providers, and no assessment of their safety record or cost-effectiveness.

The AANA has several objections to this proposal. First, there is insufficient evidence of the safety and cost-effectiveness of AAs to authorize these providers into the TRICARE program. DOD has not sufficiently demonstrated what benefit TRICARE may gain by recognizing AAs as an authorized provider. As we understand this matter, AAs (in the very limited number of states that license their practice) may administer anesthesia only under the close and immediate medical direction of anesthesiologists. The TRICARE proposed rule does not define this type of medical direction of AAs. In addition, correspondence from TRICARE says an AA would be an "extra pair of hands" for an anesthesiologist, suggesting one-to-one constant supervision in the operating room. By contrast, both experience and anesthe-

siologists themselves say “direct supervision” implies a scheme in which AAs are supervised by someone some distance away, not necessarily in the operating room.

Even so, the TRICARE proposal demands two providers, an anesthesiologist and an AA, to provide military personnel and dependents the same care that either an anesthesiologist or nurse anesthetist could provide alone. The agency’s proposal to introduce AAs into TRICARE is further undermined by AAs’ lack of diffusion within the healthcare system. Since AAs’ introduction 30 years ago, only seven states have thought it prudent to provide AAs separate licensure or certification and only two schools exist to train them. Last, the proposal has drawn the opposition of 37 retired military and Veterans organizations and the 5.5 million members of The Military Coalition, and several members of the House and Senate.

The proposed rule to introduce AAs under TRICARE is not in response to a shortage of anesthesia providers. Further Congressional review is required on the safety and cost-effectiveness of AAs before they are recognized under TRICARE.

CONCLUSION

In conclusion, the AANA believes that the recruitment and retention of CRNAs in the Services is of critical concern. The efforts detailed above will assist the Services in maintaining the military’s ability to meet its wartime and medical mobilization through the funding of an increase in ISP. Also, we believe that the inclusion of improperly supervised Anesthesiologists Assistants (AAs) in the TRICARE system would impair the quality of healthcare for our military personnel and dependents, and should not be approved. Last, we commend and thank this committee for their continued support for CRNAs in the military.

Senator STEVENS. I have two questions. One is, how often is the special pay bonus to be paid in your judgment if it is raised to \$50,000?

Mr. MCKIBBAN. I believe it is a yearly, sir.

Senator STEVENS. A yearly?

Mr. MCKIBBAN. A yearly ISP, yes.

Senator STEVENS. Is there reenlistment yearly? I do not understand. Normally that is a reenlistment bonus. Do you sign up for just 1 year?

Mr. MCKIBBAN. No. I believe this is a yearly special pay for their specialty to ensure that they continually will serve in the military, sir.

Senator STEVENS. Is that master’s degree requirement a matter of law or a matter of regulation?

Mr. MCKIBBAN. I believe it is a matter of regulation. It is law. I am sorry, sir.

Senator STEVENS. I am compelled to say what Senator Inouye said to the previous witness. I am afraid you have asked us to do two things not within the jurisdiction of this committee. We do not handle the legislation. Changes in the law should be addressed to the Armed Services Committee. I hope you will present those requests to them.

Senator Inouye.

Senator INOUE. Yes. What is the current shortage of nurse anesthetists in the armed forces?

Mr. MCKIBBAN. Number-wise? The Army and the Air Force—I do not have the exact numbers. Last week we were just notified that now the Navy is predicting a shortage in the Navy side of it too, sir.

Senator INOUE. So there is a shortage but you are not aware of the number.

Mr. MCKIBBAN. I do not have the exact number, no, sir.

Senator INOUE. Thank you, sir.

Senator STEVENS. Thank you very much, Mr. McKibban. Appreciate it.

Mr. MCKIBBAN. Thank you.

Senator STEVENS. Our next witness is Ms. Joyce Raezer, President of the National Military Family Association. Good morning, ma'am.

STATEMENT OF JOYCE WESSEL RAEZER, DIRECTOR, GOVERNMENT RELATIONS, THE NATIONAL MILITARY FAMILY ASSOCIATION

Ms. RAEZER. Thank you, Mr. Chairman. I am not the President. I am representing the President today. Our President is Candace Wheeler. I am the Director of Government Relations.

The National Military Family Association (NMFA) thanks you and Senator Inouye for the opportunity to speak about the quality of life of military families and the service members.

With other members of the Military Coalition, NMFA is grateful for your leadership last year in securing increased funding for family support programs such as the family advocacy program and for pay and allowances to help offset the extraordinary demands of military service. Military families were most grateful to Congress for extending last year's increases to imminent danger pay and family separation allowance through December 2004. We hope Congress will make these increases permanent, and even if not made permanent, that funding will be provided to keep the family separation allowance at or near the current level for all eligible service members. Family separation allowance is not combat pay. Additional expenses families incur when the service member is assigned away from home are not based on a service member's assignment location. To the family, gone is gone.

Longer and more frequent deployments are indications that our force is stretched thin. Military families are also stretched too thin.

Our message to you today, however, is simple. Funding directed toward family readiness works. Funding you have helped to provide supports additional National Guard family assistance centers, more child care, increased staffing and programming directed to families of deployed service members, and return and reunion programs. New DOD programs such as Military One Source will make even more counseling and other assistance available, especially to isolated families.

Funding directed toward family support is making a difference but it is still sporadic. Consistent levels of targeted funding are needed, along with consistent levels of command focus on family support, professional backup for the volunteers carrying the largest load of family support, and additional help for isolated Guard and Reserve families and families with special needs. Preventive mental health resources must be more accessible for families and service members over the long term.

A significant element of family readiness is quality education for military children despite the challenges posed by ever-moving students and situations where the military parent is deployed or in harm's way. Now more than ever, we ask that you ensure both DOD and civilian schools educating military children have the resources to meet the counseling, staffing, and program challenges arising from new, ongoing, and changed missions, especially when

deployments are extended. Families in Europe, for example, where some service members' Iraq tours were recently extended are concerned that funds will not be available for summer school this year. They need to know that the DOD schools can provide programs their children need.

We applaud the increased partnerships between military commanders, DOD officials, and school officials to promote quality education for military children. The successful joint venture education initiative in Hawaii and the new military student website are just two examples of how folks are working together to provide more information to parents, commanders, and educators about issues affecting military children and to further partnerships to support children.

Because Impact Aid is not fully funded, NMFA recommends increasing the DOD supplement to Impact Aid to \$50 million to help civilian districts better meet the additional demands placed on them and the children they are charged to educate.

NMFA also asks that you ensure the defense health system has adequate funding to make the challenges it faces. NMFA is concerned that the cost of performing additional duties under the new TRICARE contracts will be one strain too many, especially for the direct care system that is already dealing with a multitude of stressors such as maintaining readiness, mobilizing Guard and Reserve members, and implementing new benefits. Some military treatment facilities are cutting back on hours or services at exactly the time when they are supposed to be pulling in more care under the new TRICARE contracts. How can the new contracts function to the benefit of beneficiaries if they are designed to do one thing and that one thing is blocked?

The future of successful initiatives such as family-centered care is in jeopardy if the direct care system must avert central funding to other demands. Please ensure not only the defense health system is funded to fulfill its responsibilities, but also that oversight is sufficient to prevent harm to beneficiaries during a transition process to new contracts that are supposed to help them.

Mr. Chairman, the concern you and Senator Inouye have expressed today sends an important message to service members and their families. Congress understands the link between military readiness and the quality of life of the military community. Strong families ensure a strong force. Thank you for your work in keeping our families and force strong.

[The statement follows:]

PREPARED STATEMENT OF JOYCE WESSEL RAEZER

The National Military Family Association (NMFA) is the only national organization whose sole focus is the military family and whose goal is to influence the development and implementation of policies which will improve the lives of those family members. Its mission is to serve the families of the Seven Uniformed Services through education, information and advocacy.

Founded in 1969 as the Military Wives Association, NMFA is a non-profit 501(c)(3) primarily volunteer organization. NMFA today represents the interests of family members and the active duty, reserve components and retired personnel of the seven uniformed services: Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Service and the National Oceanic and Atmospheric Administration.

NMFA Representatives in military communities worldwide provide a direct link between military families and NMFA staff in the nation's capital. Representatives

are the “eyes and ears” of NMFA, bringing shared local concerns to national attention.

NMFA receives no federal grants and has no federal contracts.

NMFA's web site is located at <http://www.nmfa.org>.

Mr. Chairman and Distinguished Members of this Subcommittee, the National Military Family Association (NMFA) would like to thank you for the opportunity to present testimony on quality of life issues affecting servicemembers and their families. NMFA is also grateful for your leadership in the 1st Session of the 108th Congress in securing increased funding for essential quality of life programs, such as National Guard and Reserve family support and the Family Advocacy Program, as well as pay and allowances, such as the increased Family Separation Allowance, that help to offset the extraordinary demands of military service. NMFA thanks Congress for providing funds for servicemember's R&R travel, additional child care, and schools that educate military children.

As a founding member of The Military Coalition, NMFA subscribes to the recommendations contained in the Coalition's testimony presented for this hearing. In this statement, NMFA will expand on a few issues: Pay and allowances; health care; family support, including the unique needs of Guard and Reserve families; and education for military children.

Pay and Allowances

Servicemembers and their families appreciate the dramatic improvements in military compensation achieved over the past several years. The combination of across-the-board raises at the level of the Employment Cost Index (ECI) plus 0.5 percent and targeted raises for certain ranks have improved their financial well-being. The five-year plan, ending in fiscal year 2005, to increase Basic Allowance for Housing (BAH) has been especially beneficial for military families living in high cost of living areas.

Family Separation Allowance

Military members and their families were most grateful to Congress last year for including increases in Family Separation Allowance and Imminent Danger Pay in the fiscal year 2003 Supplemental Appropriations bill. They were relieved when these increases were authorized and funded to continue through December 2004, yet alarmed that last fall's debate over both the amount of Family Separation Allowance and who should receive it is surfacing again. NMFA understands DOD is looking at the wide range of pays and allowances in order to determine their proper mix and use. We believe, however, that the amount of Family Separation Allowance must remain the same for all eligible servicemembers, no matter where they are deployed. Family Separation Allowance is not combat pay—it is paid in recognition of the additional costs a family endures when a servicemember is deployed. It helps pay for the additional long distance phone calls the deployed servicemember and family make; it pays for the car or home repairs the servicemember performs when at home; it pays for the tutoring a child needs when the family chemistry or algebra expert is deployed. These costs are not incurred just by the families of servicemembers in a combat zone; whether the servicemember is in Iraq, Afghanistan, on a ship in the Pacific, or on an unaccompanied tour in Korea, to the family, “gone is gone!”

NMFA must also note that, while families of deployed servicemembers face similar costs of separation no matter where the servicemember is deployed, other pay and benefits change dramatically. Servicemembers deployed to certain combat zones not only receive Imminent Danger Pay and other combat-related pays, but also are entitled to certain tax advantages. Servicemembers in other locations, such as Korea or on board ships outside combat zones, do not receive the same tax advantage. Thus, their families have similar expenses to meet with less income. To these families, last year's increase in Family Separation Allowance was an especially welcome relief to tight family budgets.

NMFA asks this Subcommittee to ensure that funding is continued to sustain the increased level of Family Separation Allowance for all eligible servicemembers. NMFA also asks Congress to consider indexing the Family Separation Allowance to inflation so that we do not have to wait for another war for this allowance to be increased again.

Health Care

This year, NMFA is focused on health care transition issues and the costs to the defense health system imposed by these issues: the transition to the new TRICARE contracts, Guard and Reserve family members' transition to the TRICARE benefit when the servicemember is called to active duty, and the transition that occurs dur-

ing the return and reunion process as servicemembers and their families adjust to the end of a deployment.

Transition to New TRICARE Contracts

NMFA's concerns during the transition to the new TRICARE contracts—the first contract handoff occurs on June 1—revolve around the ability of the Defense Health System to ensure beneficiaries can access care in a timely manner and the ability of the system to maintain continuity of care. NMFA is concerned that the direct care system may not be able to fulfill its new responsibilities under the new contracts while working so hard to meet readiness requirements related to deployments and force health protection, care for wounded and injured servicemembers, and care for the active duty families, retirees, and survivors enrolled in TRICARE Prime to primary care managers in their facilities. Under the new contracts, military treatment facilities (MTFs) will be responsible for appointing, which is often done by the TRICARE managed care support contractors under the current contracts. MTFs must also fill the void created by the departure of key medical personnel currently provided by the TRICARE contractors under resource sharing arrangements. These arrangements end on the day health care delivery begins under the new TRICARE contracts, as the responsibility for them shifts from the TRICARE contractor to the MTFs. NMFA is pleased that DOD has offered MTFs the opportunity of a bridge process to work with outgoing and incoming contractors to keep resource sharing providers in place until establishing their own arrangements. Unfortunately, NMFA has heard most MTFs are not taking advantage of this bridge option and are looking at other contracting options that will not preserve the continuity of care and access currently enjoyed by patients. The relationships resource sharing personnel have developed with patients in places such as Madigan Army Medical Center, where the pediatric clinic is staffed entirely by resource sharing, should not be severed abruptly at a time when this continuity of care is needed most.

NMFA is concerned that the costs of performing additional duties under the new TRICARE contracts will be one strain too many for a direct care system dealing with a multitude of stressors. NMFA is hearing that several MTFs are cutting back on pharmacy or clinic hours, eliminating contract staff, or capping TRICARE Prime enrollment even as they are forced to commit more personnel to support deployments, ensure newly-mobilized Guard and Reserve members are medically-ready to deploy, and care for wounded servicemembers returning from Iraq and Afghanistan. Cutbacks in the direct care system can result in one of two scenarios. An MTF may appeal to the “patriotism” of active duty families, survivors, retirees and their families by telling them that appointments are currently not available and asking them to wait. Or, if it chooses to ensure that TRICARE Prime access standards are met, it may be forced to send beneficiaries into the civilian purchased care networks for their care, probably at a greater cost to the government.

When each of the current twelve regions started delivery of services under TRICARE in the mid to late 1990s, significant problems for beneficiaries developed. Over the ensuing years, most of the problems have been identified and corrected. The acceptance of and satisfaction with TRICARE Prime, the HMO piece of TRICARE, has steadily increased among beneficiaries. The transition to the new contracts must not once again put TRICARE at the top of concerns at beneficiary forums. Just as servicemembers are stretched thin with repeated deployments and time away from home, families are under increased stress. Problems accessing health care or difficulty in obtaining accurate information on how to do so should not be an additional part of this equation. The promise of TRICARE was that in times of high military operations tempo the purchased care system could pick up the slack when MTFs were stretched thin because of military optempo. This promise can only be kept if the defense health program is fully funded to meet its medical readiness mission and to provide the employer-sponsored health care benefit. Further, it must incorporate enough flexibility to permit funding to be moved between the two segments as needed to ensure beneficiary access to quality care and to provide that quality care in the most cost-effective setting possible.

Guard and Reserve Health Care

NMFA is grateful to Congress for its initial efforts to enhance the continuity of care for National Guard and Reserve members and their families. Unfortunately, as discussed in the statement submitted by The Military Coalition, the temporary health care provisions enacted in the fiscal year 2004 NDAA have not yet been implemented. Information and support are improving for Guard and Reserve families who must transition into TRICARE; however, NMFA believes that going into TRICARE may not be the best option for all of these families. Guard and Reserve servicemembers who have been mobilized should have the same option as their

peers who work for the Department of Defense: DOD should pay their civilian health care premiums. The ability to stay with their civilian health care plan is especially important when a Guard or Reserve family member has a special need, a chronic condition, or is in the midst of treatment. While continuity of care for some families will be enhanced by the option to allow Guard and Reserve members to buy into TRICARE when not on active duty—if ever implemented—it can be provided for others only if they are allowed to remain with their civilian health insurance. Preserving the continuity of their health care is essential for families dealing with the stress of deployment.

Post Deployment Health for Servicemembers and Families

The Services recognize the importance of educating servicemembers and family members about how to effect a successful homecoming and reunion and have taken steps to improve the return and reunion process. Information gathered in the now-mandatory post-deployment health assessments may also help identify servicemembers who may need more specialized assistance in making the transition home. Successful return and reunion programs will require attention over the long term. Many mental health experts state that some post-deployment problems may not surface for several months after the servicemembers return. NMFA is especially concerned about the services that will be available to the families of returning Guard and Reserve members and servicemembers who leave the military following the end of their enlistment. Although they may be eligible for transitional health care benefits and the servicemember may seek care through the Veterans' Administration, what happens when the military health benefits run out and deployment-related stresses still affect the family? As part of its return and reunion plan, the military One Source contracts will help returning servicemembers and families access local community resources and to receive up to six free face-to-face mental health visits with a professional outside the chain of command. NMFA is pleased that DOD has committed to funding the counseling provided under the One Source contract and is implementing this counseling for servicemembers and families of all Services.

Post-deployment transitions could be especially problematic for servicemembers who have been injured and their families. Wounded servicemembers have wounded families and, just as it will take some time for servicemembers physical wounds to heal, it will take time for the emotional wounds to heal. These servicemembers have received excellent care through military hospitals. In many cases, their families have also received superior support services through the hospitals' family assistance personnel. The medical handoff of the servicemember to the VA is steadily improving and the VA and DOD are working well together to improve the servicemembers' continuity of care. Ensuring the handoff to the VA or community-based support services needed by the wounded families is just as important.

The new round of TRICARE contracts must provide standardized ways to access health care across all regions and emphasize providing continuity of care to beneficiaries during the transition from old to new contracts. The Defense Health System must be funded sufficiently so that the direct care system of military treatment facilities and the purchased care segment of civilian providers can work in tandem to meet the responsibilities given under the new contracts, meet readiness needs, and ensure access for all TRICARE beneficiaries. Families of Guard and Reserve members should have flexible options for their health care coverage that address both access to care and continuity of care. In addition, accurate and timely information on options for obtaining mental health services and other return and reunion support must be provided to families as well as to servicemembers.

Family Support

Since our testimony before this Subcommittee last year, NMFA is pleased to note the Services continue to refine the programs and initiatives to provide support for military families in the period leading up to deployments, during deployment, and the return and reunion period. Our message to you today is simple: funding directed toward family support works! We have visited installations that benefited from family support funding provided through the wartime appropriations. This money enabled the National Guard Bureau to open additional Family Assistance Centers in areas with large numbers of mobilized Guard and Reserve members. It enabled the Services to provide additional child care for active duty families through their military child development centers and Family Child Care providers and to work on developing arrangements with child care providers in other locations to serve Guard and Reserve families. It enabled military family centers to hire additional staff and to increase programming and outreach to families of deployed servicemembers. It improved the ability of families to communicate with deployed servicemembers and

enhanced Service efforts to ease servicemembers' return and reunion with their families.

Funding directed toward family support is making a difference, but still sporadically. Consistent levels of targeted funding are needed, along with consistent levels of command focus on the importance of family support programs. NMFA remains concerned that installations must continue to divert resources from the basic level of family programs to address the surges of mobilization and return. Resources must be available for commanders and others charged with ensuring family readiness to help alleviate the strains on families facing more frequent and longer deployments. As the mobilization and de-mobilization of Guard and Reserve members continues, support for their families remains critical.

Projected force numbers for the second rotation of troops under Operation Iraqi Freedom call for 40 percent to be Guard and Reserve members. This number does not include servicemembers called up for duty in Operation Enduring Freedom in Afghanistan and those who continue to serve in Bosnia. National Guard and Reserve families often find themselves a great distance from traditional military installation-based support facilities. They may also be far from the Guard armory or reserve center where their servicemember trains. How then does the family learn about all their active duty benefits or receive answers about how to follow the rules? Continued targeted funding for Family Assistance Centers and other support programs is essential to assist these families in their transition from the civilian to military life.

What's Needed for Family Support?

Family readiness volunteers and installation family support personnel in both active duty and reserve component communities have been stretched thin over the past 2½ years as they have had to juggle pre-deployment, ongoing deployment, and return and reunion support, often simultaneously. Unfortunately, this juggling act will likely continue for some time. Volunteers, whose fatigue is evident, are frustrated with being called on too often during longer than anticipated and repeated deployments. We now hear from volunteers and family members whose servicemembers are serving in a second long deployment to a combat zone since the war on terrorism began. Family member volunteers support the servicemembers' choice to serve; however, they are worn out and concerned they do not have the training or the backup from the family support professionals to handle the problems facing some families in their units. Military community volunteers are the front line troops in the mission to ensure family readiness. They deserve training, information, and assistance from their commands, supportive unit rear detachment personnel, professional backup to deal with family issues beyond their expertise and comfort level, and opportunities for respite before becoming overwhelmed. NMFA is pleased that the Army is establishing paid Family Readiness Group positions at many installations dealing with deployments to provide additional support to families and volunteers—more of these positions are needed.

NMFA knows that the length of a deployment in times of war is subject to change, but also understands the frustrations of family members who eagerly anticipated the return of their servicemembers on a certain date only to be informed at the last minute that the deployment will be extended. Other than the danger inherent in combat situations, the unpredictability of the length and frequency of deployments is perhaps the single most important factor frustrating families today. Because of the unpredictable nature of the military mission, family members need more help in acquiring the tools to cope with the unpredictability. A recent town meeting in Europe was held for family members of soldiers who were among the 20,000 troops recently extended for ninety more days. The commander of U.S. Army Europe heard first-hand of the disruptions caused by this extension to families who only a few weeks before had been sitting in reintegration briefings and planning how to spend the time during the servicemembers' promised block leave. Now, these families face changes in move dates and fears they will not be settled at new assignments before school starts. Activities for children—including summer school—are now needed more than ever. School principals who thought parents would be home for graduation must arrange for video teleconferences to Iraq so that parents can still participate in the event. Families who purchased plane tickets for block leave trips back to the states must now seek refunds. Rear detachment personnel, family readiness volunteers and family center staff who were also looking forward to down time must now work harder to ensure that support is available for families in their charge.

Joint Family Support: An Idea Whose Time Has Come

NMFA applauds the increase in joint coordination to improve family readiness that has occurred over the past few years. As the military becomes more “joint,” it makes sense to use a joint approach to family support, providing consistent information and using scarce personnel and other resources to the best advantage. A start in improved joint family readiness support has been DOD’s establishment of a common web portal with links to military Service, private organization, and other useful government sites (www.deploymentconnections.org). All active and reserve component personnel and their families can now access the “One Source” 24-hour information and referral service. One Source provides information and assistance, not just for post-deployment concerns, but also in such areas as parenting and child care, educational services, financial information and counseling, civilian legal advice, elder care, crisis support, and relocation information. The service is available via telephone, e-mail, or the web and is designed to augment existing Service support activities and to link customers to key resources, web pages and call centers. It is also available to family center staff, many of whom tell NMFA that they regard it as a useful tool to expand the assistance they can provide families. One Source is operated for the military Services by a civilian company that provides similar Employee Assistance Programs for private industry. Early statistics on use indicate that servicemembers and families are accessing One Source primarily for everyday issues and basic information about military life. Military families who use One Source, including spouses who testified before the House Military Construction Appropriations Subcommittee in February, are pleased with the support and information provided.

While NMFA believes One Source is an important tool for family support, it is not a substitute for the installation-based family support professionals or the Family Assistance Centers serving Guard and Reserve families. NMFA is concerned that in a tight budget situation, family support staffing might be cut under the assumption that the support could be provided remotely through One Source. The One Source information and referral service must be properly coordinated with other support services, to enable family support professionals to manage the many tasks that come from high optempo. The responsibility for training rear detachment personnel and volunteers and in providing the backup for complicated cases beyond the knowledge or comfort level of the volunteers should flow to the installation family center or Guard and Reserve family readiness staff. Family program staff must also facilitate communication and collaboration between the rear detachment, volunteers, and agencies such as chaplains, schools, and medical personnel.

NMFA applauds the various initiatives designed to meet the needs of servicemembers and families wherever they live and whenever they need them and requests adequate funding to ensure continuation both of the “bedrock” support programs and implementation of new initiatives. Higher stress levels caused by open-ended deployments require a higher level of community support. Family readiness responsibilities must be clearly delineated so that the burden does not fall disproportionately on volunteers.

Education for Military Children

A significant element of family readiness is an educational system that provides a quality education to military children, recognizing the needs of these ever-moving students and responding to situations where the military parent is deployed and/or in an armed conflict. Children are affected by the absence of a parent and experience even higher levels of stress when their military parent is in a war zone shown constantly on television. The military member deployed to that dangerous place cannot afford to be distracted by the worry that his or her child is not receiving a quality education. Addressing the needs of these children, their classmates, and their parents is imperative to lowering the overall family stress level and to achieving an appropriate level of family readiness. But it does not come without cost to the local school system.

NMFA is pleased to report that most schools charged with educating military children have stepped up to the challenge. They are the constant in a changing world and the place of security for military children and their families. The goal, according to one school official, “is to keep things normal for the kids.” The schools’ role is to “train teachers in what to look for and deal with what they find.” NMFA received many positive stories from parents and schools about how the schools have helped children deal with their fears, keep in touch with deployed parents, and keep focused on learning. We have also heard stories of schools helping each other, of schools experienced in educating military children and dealing with deployment-related issues providing support for school systems with the children of activated Guard and Reserve members. In the process, many schools have increased the un-

derstanding of their teachers and other staff, as well as their entire communities, about issues facing military families.

The Department of Defense is supporting this effort in several significant ways. Late last year, DOD launched a new education website (www.militarystudent.org) to provide information on a variety of education topics to parents, students, educational personnel, and military commanders. Its information is especially valuable for schools and families dealing with the issues of deployment for the first time. NMFA is also pleased to report that other Services are following the Army's lead and hiring full-time School Liaison Officers at certain installations. The Army not only has School Liaison Officers at all locations, but has also expanded to provide these information services to the reserve components, recruiters and other remotely-assigned personnel and their families.

NMFA applauds DOD initiatives to work with states to ease transition issues for military children and to ensure that military leaders and school officials are working together to provide high quality education for all their community's children. Hawaii's education officials are working closely with the Pacific Command through the Joint Venture Education Forum (JVEF). The JVEF has helped officials target Impact Aid and DOD supplement funding where most needed, marshaled military support to improve school facilities and sponsor school programs, conducted training sessions about the military for school personnel, and established model peer mentoring programs where students can help incoming military children acclimate to their new school. We believe such coordination between the military and the state and local entities charged with educating military children will bring an increased awareness to civilian neighborhoods about the value the military brings to their communities. To the military Services, this collaboration will bring a better awareness of the burden being shouldered by local taxpayers to educate military children. To military children and their parents, this collaboration shows that quality education is a shared priority between the Department of Defense and their local schools.

NMFA is appreciative of the support shown by Congress for the schools educating military children. It has consistently supported the needs of the schools operated by the DOD Education Activity (DODEA), both in terms of basic funding and military construction. Congress has also resisted efforts by a series of administrations to cut the Impact Aid funding so vital to the civilian school districts that educate the majority of military children. NMFA is also appreciative of the approximately \$30 million Congress adds in most years to the Defense budget to supplement Impact Aid for school districts whose enrollments are more than 20 percent military children and for the additional funding to support civilian school districts who are charged with educating severely disabled military children. NMFA does not believe, however, that this amount is sufficient to help school districts meet the demands placed on them by their responsibilities to serve large numbers of military children. Additional counseling and improvements to security are just two of needs faced by many of these school districts. NMFA requests this Subcommittee to increase the DOD supplement to Impact Aid to \$50 million so that the recipient school districts have more resources at their disposal to educate the children of those who serve.

DODEA

Department of Defense schools are located in overseas locations (DODDS) and on a small number of military installations in the United States (DDESS). The commitment to the education of military children in DOD schools between Congress, DOD, military commanders, DODEA leadership and staff, and especially military parents has resulted in high test scores, nationally-recognized minority student achievement, parent involvement programs and partnership activities with the military community. This partnership has been especially important as the overseas communities supported by DODDS and many of the installations with DDESS schools have experienced high deployment rates. DOD schools have responded to the operations tempo with increased support for families and children in their communities.

While DOD schools have been immune from some of the constraints besetting civilian schools affected by state and local budget pressures, military families served by DOD schools have expressed concerns in recent years about DOD rescissions that cause cuts in maintenance, staff development, technology purchases and personnel support and also forced the elimination of some instructional days in some districts. NMFA is hearing concerns that DODDS will not be able to fund summer school this summer. Given the high deployment levels and deployment extensions affecting some communities in Europe, we know that children will need this opportunity for learning and involvement with their peers more than ever. We ask that Congress work with DOD to ensure DOD schools have the resources they need to handle their additional tasks.

NMFA also asks this Subcommittee to understand the importance military parents attach to schools that educate their children well. DOD is currently preparing a Congressionally-requested report to determine whether it could turn some DDESS districts over to neighboring civilian education agencies. While NMFA does not object to the concept of a report to determine whether school systems are providing a quality education, using tax dollars well, or are in need of additional maintenance or other support funding, we are concerned about the timing of the study and the reaction it has caused in communities already dealing with the stress of the war and deployments. Families in these communities wonder why something that works so well now seems to be threatened. NMFA attended an October 2003 community-input forum sponsored by the Director of DODEA. We were impressed not just with the strong support commanders and other community leaders gave to these schools, but also with the efforts they had made to reach out to local civilian schools to improve education for all military children.

NMFA applauds the DOD vision that the Department focus on quality education for all military children. We have stated for years that DOD needs to do more to support civilian school districts educating most of the 85 percent of military children who do not attend DOD schools. We believe, however, that shifting children from highly successful, highly-resourced DOD schools to neighboring districts may cause more harm than good to both military children and their civilian peers. Adding to the stress in military communities also harms the education of military children. NMFA does not know what DOD's final recommendations will be. We encourage Members of Congress to study those recommendations closely before making any decision that could damage the educational success the DDESS schools have achieved.

Schools serving military children, whether DOD or civilian schools, need the resources available to meet military parents' expectation that their children receive the highest quality education possible. Because Impact Aid from the Department of Education is not fully funded, NMFA recommends increasing the DOD supplement to Impact Aid to \$50 million to help districts better meet the additional demands caused by large numbers of military children, deployment-related issues, and the effects of military programs and policies such as family housing privatization. Initiatives to assist parents and to promote better communication between installations and schools should be expanded across all Services. Military children must not be placed at a disadvantage as State and Federal governments devise accountability measures.

Strong Families Ensure a Strong Force

Mr. Chairman, NMFA is grateful to this Subcommittee for ensuring funding is available for the vital quality of life components needed by today's force. As you consider the quality of life needs of servicemembers and their families this year, NMFA asks that you remember that the events of the past 2½ years have left this family force drained, yet still committed to their mission. Servicemembers look to their leaders to provide them with the tools to do the job, to enhance predictability, to ensure that their families are cared for, their spouses' career aspirations can be met, and their children are receiving a quality education. They look for signs from you that help is on the way, that their pay reflects the tasks they have been asked to do, and that their hard-earned benefits will continue to be available for themselves, their families, and their survivors, both now and into retirement.

Senator STEVENS. Well, we travel a lot and we find the results of your work, and we thank your family association very much for what you are doing in really bringing to the families knowledge of what we are trying to do and what we have been able to achieve. So we will examine your statement in greater detail and we thank you very much for the statement.

Senator Inouye.

Senator INOUE. Well, I agree with the chairman that a strong family system equals a strong military.

Ms. RAEZER. Thank you, Mr. Chairman, and thank you, Senator Inouye.

Senator STEVENS. Our next witness is retired Captain Marshall Hanson of the United States Navy Reserve, Chairman of the Association for America's Defense.

Oh, pardon me. I am reading the wrong one. We will go to Melanie K. Smith, Director of the Lymphoma Research Foundation. You are next. Sorry about that.

STATEMENT OF MELANIE K. SMITH, DIRECTOR, PUBLIC POLICY AND ADVOCACY, LYMPHOMA RESEARCH FOUNDATION

Ms. SMITH. Thank you. Mr. Chairman and Senator Inouye, it is my pleasure to appear before you today to request that you expand the congressionally directed medical research program to include research on the blood cancers. I am Melanie Smith, Director of Public Policy and Advocacy for the Lymphoma Research Foundation (LRF), a voluntary health agency that funds lymphoma research and provides education and support services to individuals with lymphoma and their families and friends. On behalf of LRF, thank you for the opportunity to testify today.

This subcommittee is to be commended for its leadership in funding special research programs at the Department of Defense with a particular emphasis on cancer research. We realize that at the time that these programs were initiated, they were a departure from the national defense programs generally funded by the subcommittee. Over time, they have become model research programs that complement the research efforts of the National Institutes of Health (NIH) and that are hailed by patient advocates because they allow meaningful consumer input in the planning of the research portfolio and their view of research proposals.

We understand that the subcommittee is carefully evaluating the congressionally directed medical research program (CDMRP) and has asked the Institute of Medicine to consider options for expanding the funding of these research ventures potentially through public-private partnerships. In light of this evaluation and the difficult Federal budget situation, it may, on first consideration, seem illogical for LRF to propose an expansion of CDMRP. However, we think that an investment in blood cancer research will complement and strengthen the existing blood cancer program at CDMRP and that the benefits of a blood cancer research program will far exceed the financial commitment to it.

We make this bold statement based on the history of cancer research and treatment. We believe that directing funds to blood cancer research will yield benefits not only for blood cancer patients but also for patients that have been diagnosed with solid tumors. Advances in the treatment of the blood cancers have generally been of direct benefit to those with solid tumors.

For example, many chemotherapy agents that are now used in the treatment of a wide range of solid tumors were originally used in the treatment of blood cancers. The strategy of combining chemotherapy with radiation therapy began in the treatment of Hodgkin's disease and is now widely used in the treatment of many solid tumors. Many recently developed therapeutic interventions like monoclonal antibodies that target and disable antigens on the cell surface are thought to be responsible for cell proliferation began in the blood cancers but are now thought to hold promise for breast, prostate, ovarian, and other forms of cancer.

Each year approximately 110,000 Americans are diagnosed with one of the blood cancers. More than 60,000 will die in 2004 and

700,000 Americans are living with these cancers. Taken as a whole, the blood-related cancers are the fifth most common cancer behind lung, breast, prostate, and colorectal cancer.

The causes of the blood cancers remain unknown. With regard to Hodgkin's lymphoma and non-Hodgkin's lymphoma, immune system impairment and exposure to environmental carcinogens, pesticides, herbicides, viruses and bacteria may play a role. The linkage between exposure to one particular herbicide, Agent Orange, and the blood cancers has been established by the Committee to Review the Health Effects in Vietnam Veterans of Exposure to Herbicides, a special committee of the Institute of Medicine (IOM). This panel was authorized by the Agent Orange Act of 1991 and has issued four reports on the health effects of Agent Orange. The committee has concluded that there is sufficient evidence of an association between exposure to herbicides and chronic lymphocytic leukemia (CLL), non-Hodgkin's lymphoma and Hodgkin's lymphoma, and there is limited or suggestive evidence of an association between herbicide exposure and multiple myeloma.

The IOM panel does not have the responsibility to make recommendations about Veterans Administration benefits, but the VA has, in fact, responded to these reports by guaranteeing the full range of VA benefits to Vietnam veterans who have the diseases that have been linked to herbicide exposure, including CLL, Hodgkin's lymphoma, and non-Hodgkin's lymphoma.

In fiscal years 2002, 2003, and 2004, the subcommittee funded a research program at the Department of Defense that supports research on one particular kind of leukemia called chronic myelogenous leukemia, or CML. This form of leukemia has been much in the news because of the development of Gleevec, a drug that has been hailed as a possible cure for the disease. We applaud the subcommittee for its commitment to a program of CML research. We would recommend that this program, which has received total funding of slightly less than \$15 million over the last 3 years, be continued and that a parallel initiative be launched that would fund all other types of blood cancer research or that the CML program be expanded to fund research on all forms of blood cancer, perhaps with a special set-aside for CML.

We believe that an investment of \$16 million in a new blood cancer research program would have the potential to enhance our understanding of the blood cancers, viral and environmental links to these diseases and contribute to the development of new treatments.

The subcommittee can strengthen the overall CDMRP cancer research efforts and contribute to development of new treatments for people with a blood cancer and those with solid tumors. We believe an investment in blood cancer research would be a wise one.

We greatly appreciate the opportunity to present this proposal to you today. Thank you.

Senator STEVENS. Thank you very much.

Questions, Senator?

Senator INOUE. No.

Senator STEVENS. Thank you very much.

Ms. SMITH. Thank you.

[The statement follows:]

PREPARED STATEMENT OF MELANIE K. SMITH

Mr. Chairman and Members of the Subcommittee, it is my pleasure to appear before you today to request that you expand the Congressionally Directed Medical Research Program to include research on the blood cancers. I am Melanie Smith, Director of Public Policy and Advocacy of the Lymphoma Research Foundation (LRF), a voluntary health agency that funds lymphoma research and provides education and support services to individuals with lymphoma and their families and friends.

This Subcommittee is to be commended for its leadership in funding several special research programs at the Department of Defense (DOD), with a particular emphasis on cancer research. We realize that, at the time these programs were initiated, they were a departure from the national defense programs generally funded by the Subcommittee. Over time, they have become model research programs that complement the research efforts of the National Institutes of Health and that are hailed by patient advocates because they allow meaningful consumer input in the planning of the research portfolio and the review of research proposals.

We understand that the Subcommittee is carefully evaluating the CDMRP and has asked the Institute of Medicine (IOM) to consider options for expanding the funding of these research ventures, potentially through public-private partnerships. In light of this evaluation and the difficult federal budget situation, it may on first consideration seem illogical for LRF to propose an expansion of CDMRP. However, we think that an investment in blood cancer research will complement and strengthen the existing blood cancer programs at CDMRP and that the benefits of a blood cancer research program will far exceed the financial commitment to it.

We make this bold statement based on the history of cancer research and treatment. We believe that directing funds to blood cancer research will yield benefits not only for blood cancer patients but also for patients that have been diagnosed with solid tumors. Advances in the treatment of the blood cancer have generally been of direct benefit to those with solid tumors. For example, many chemotherapy agents that are now used in the treatment of a wide range of solid tumors were originally used in the treatment of blood cancers. The strategy of combining chemotherapy with radiation therapy began in the treatment of Hodgkin's disease and is now wisely used in the treatment of many solid tumors. Many recently developed therapeutic interventions, like monoclonal antibodies that target and disable antigens on the cell surface that are thought to be responsible for cell proliferation, began in the blood cancers but are now thought to hold promise for breast, prostate, ovarian, and other forms of cancer. Research on the blood cancers has also contributed to knowledge about staging cancer, as the concept of cancer staging to accurately define disease severity and target appropriate therapy began in lymphoma and is now used in all cancers.

We believe that there are additional facts that justify a DOD investment in blood cancer research, including the potential links between military service and development of certain blood cancers. For example, exposure to Agent Orange has been associated with blood cancers. Possible exposures to other toxins might also be linked to development of blood cancers, and an enhanced blood cancer research program will help us understand these links.

In the remainder of my statement, I will briefly provide additional information about the blood cancers, research on the possible causes of these cancers, and the benefits of expanding the current leukemia research program to include all blood cancers.

The Blood Cancers

Each year, approximately 110,000 Americans are diagnosed with one of the blood cancers. More than 60,000 will die from these cancers in 2004, and 700,000 Americans are living with these cancers. Taken as a whole, the blood-related cancers are the 5th most common cancer, behind lung, breast, prostate, and colorectal cancer.

There have recently been some significant advances in the treatment of the blood cancers. In 2001, the targeted therapy called Gleevec was approved for treatment of chronic myelogenous leukemia, and this drug is also approved for use in gastrointestinal stromal tumor (GIST). Two new radioimmunotherapies have been approved for patients with refractory NHL, and a new proteasome inhibitor for treating multiple myeloma was approved in 2003. These treatments represent progress in the fight against the blood cancers, but there is much work still to be done.

Although there have recently been declines in the number of new cases and deaths associated with many forms of cancer, the trend is different for non-Hodgkin's lymphoma and multiple myeloma. The incidence of non-Hodgkin's lymphoma has nearly doubled since the 1970's, and the mortality rate from non-Hodgkin's lymphoma is increasing at a faster rate than other cancers. One can see that, de-

spite scientific progress, there is much to be done to improve blood cancer treatments. We are pleased by any step forward, but our goal is still a cure of the blood cancers. We acknowledge that this is a scientifically difficult goal, but it must remain our objective. A DOD program could accelerate the achievement of this goal and may also benefit survivors with other forms of cancer.

The Link Between Blood Cancers and Military Service

The causes of the blood cancers remain unknown. With regard to Hodgkin's lymphoma and non-Hodgkin's lymphoma, immune system impairment and exposure to environmental carcinogens, pesticides, herbicides, viruses, and bacteria may play a role. The linkage between exposure to one particular herbicide—Agent Orange—and the blood cancers has been established by the Committee to Review the Health Effects in Vietnam Veterans of Exposure to Herbicides, a special committee of the IOM. This panel was authorized by the Agent Orange Act of 1991 and has issued four reports on the health effects of Agent Orange. The committee has concluded that "there is sufficient evidence of an association between exposure to herbicides" and chronic lymphocytic leukemia (CLL), non-Hodgkin's lymphoma, and Hodgkin's lymphoma, and there is limited or suggestive evidence of an association between herbicide exposure and multiple myeloma.

The IOM panel does not have responsibility to make recommendations about Veterans Administration (VA) benefits, but the VA has in fact responded to these reports by guaranteeing the full range of VA benefits to Vietnam veterans who have the diseases that have been linked to herbicide exposure, including CLL, Hodgkin's lymphoma, and non-Hodgkin's lymphoma. These benefits include access to VA health care. There are now, unfortunately, a number of Vietnam veterans who are receiving VA health care for treatment of CLL, non-Hodgkin's lymphoma, and Hodgkin's lymphoma, and DOD-sponsored research on these diseases has the potential to improve the survival and the quality of life for these veterans.

Potential Risks of Blood Cancers in the Future

We all acknowledge that we live in a very complicated age, where those in the military are at risk of exposure to chemical and biological agents. The evidence suggests that immune system impairment and exposure to environmental carcinogens, pesticides, herbicides, viruses, and bacteria may play a role in the development of Hodgkin's lymphoma and non-Hodgkin's lymphoma. It is therefore possible that, if our troops were exposed to chemical or biological weapons, they might be placed at increased risk of development of non-Hodgkin's lymphoma, Hodgkin's lymphoma, or one of the other blood cancers.

We strongly recommend that we invest now in research to understand the potential links between pesticides, herbicides, viruses, bacteria, and the blood cancers. The enhanced investment now may contribute to a deeper understanding of these possible linkages and to the development of strategies to protect those who suffer such exposures. A greater commitment to the research and development of new blood cancer therapies is also critically important if we anticipate that there may be more individuals, including those in the military, who suffer from those cancers as a result of service-connected exposure.

The Current DOD Chronic Myelogenous Leukemia Program

In fiscal year 2002, fiscal year 2003, and fiscal year 2004, the Subcommittee funded a research program at DOD that supports research on one particular kind of leukemia, called chronic myelogenous leukemia, or CML. This form of leukemia has been much in the news because of the development of Gleevec, a drug that has been hailed as a possible cure for the disease. We applaud the Subcommittee for its commitment to a program of CML research. We would recommend that this program, which has received total funding of slightly less than \$15 million over the last three years, be continued and that a parallel initiative be launched that would fund all other types of blood cancer research, or that the CML program be expanded to fund research on all forms of blood cancer, perhaps with a special set-aside for CML.

We believe that an investment of \$16 million in a new Blood Cancer Research Program would have the potential to enhance our understanding of the blood cancers and their links to chemical, viral, and bacterial exposures and to contribute to the development of new treatments. There are several promising areas of therapeutic research on blood cancers, including research about ways to use the body's immune system to fight the blood cancers, research on the development of less toxic and more targeted therapies than traditional chemotherapy agents, and research that will allow physicians to diagnose the specific type and subtype of blood cancers.

The Subcommittee can, through a modest enhancement of the existing CDMRP, strengthen the overall CDMRP cancer research effort and contribute to development of new treatments for people with a blood cancer and those with solid tumors. In

an age of severe fiscal constraints, the Subcommittee is understandably reluctant to increase its commitment to the CDMRP. However, an investment in blood cancer research would be a wise one.

We appreciate the opportunity to present this proposal to you and would be pleased to answer your questions.

Senator STEVENS. Our next witness is Captain Marshall Hanson.

**STATEMENT OF CAPTAIN MARSHALL HANSON, UNITED STATES
NAVAL RESERVE (RET.), CHAIRMAN, ASSOCIATIONS FOR AMER-
ICA'S DEFENSE (A4AD)**

Mr. HANSON. Good morning, Mr. Chairman, Senator Inouye. The Associations for America's Defense are very grateful to testify today.

A4AD looks at national defense, equipment, force structure, funding and policy issues, not normally addressed by the military support community. We would like to thank this committee for the on-going stewardship on issues of defense. At a time of war, its pro-defense and non-partisan leadership sets the example.

Support for our deployed troops in Iraq and Afghanistan are of primary importance and warrant top priority. A4AD would like to highlight some areas of emphasis.

As a Nation we need to be supplying our troops with the initial issue equipment needed in training and later in combat. A well-equipped soldier or marine is better prepared. Our associations are pleased with improvements in personnel protection over the past year. We credit both Congress and DOD leadership with increased armor protection provided soldiers in combat. Yet, troops preparing for Iraq are being given empty vests in which to train. Every soldier, Guardsmen or marine should receive an armored vest with initial issue, allowing them to go through basic and advanced combat training in full battle attire.

Good protection goes beyond steel and Kevlar. U.S. ground forces are under attack from improvised explosive devices (IED) on a routine basis. Countermeasure technology is available and should be funded to provide protection from attacks by jamming the electronic signals that detonate IED's.

From 1984–2001, 90 percent of worldwide combat aircraft losses were attributable to shoulder fired missiles. Aircraft have proven vulnerable in Iraq. Funding should be made available for the next generation of electronic aircraft survival equipment to reduce the risk to personnel and equipment.

The Pentagon is recommending the repeal of separate budget requests for procuring Reserve equipment. A combined equipment appropriation for each service will not guarantee needed equipment for the National Guard and Reserve components. We ask this committee to continue to provide appropriations against unfunded National Guard and Reserve equipment requirements. Included in our written testimony is a list of unfunded equipment for the Reserve components and the National Guard.

Equipment is only as good as the people who use it. A4AD believes the administration and Congress must make it a high priority to maintain, if not increase, end strengths of already over-worked military forces.

The associations have additional concerns on how the Guard and Reserve are being utilized by the Pentagon and see a move away

from the traditional mission of the Guard and Reserves to an operational part-time fighting force. A congressionally mandated comprehensive review of current Guard and Reserve roles and missions, and the proposed realignment of both the Army and Navy is needed, before these forces are hollowed out.

We would like to thank you for your ongoing support of the Nation, the armed services, and the fine young men and women who defend our country. I stand by for questions, and feel free in the future to contact us if you have any additional concerns.

Senator STEVENS. Well, we do thank you for your emphasis and we are trying to really reach the same goals you have outlined. I am not sure we have the money to do it all, but we thank you very much for your suggestions.

Senator.

Senator INOUE. I agree with you, sir, and I think we have reached that 4 percent minimum when you add the supplemental in there. But we will do our best.

Mr. HANSON. Thank you.

Senator STEVENS. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF MARSHALL HANSON

INTRODUCTION

Mister Chairman and distinguished members of the Committee, The Associations for America's Defense (A4AD) are very grateful for the invitation to testify before you about our views and suggestions concerning current and future issues facing the defense appropriations.

Founded in 2002, the Association for America's Defense is a recently formed adhoc group of eleven Military and Veteran Associations that have concerns about National Security issues that are not normally addressed by The Military Coalition, and the National Military Veterans Alliance. The participants are members from each. Among the issues that are addressed are equipment, end strength, force structure, and defense policy. Collectively, we represent about 2.5 million members.

Association of Old Crows, Enlisted Association National Guard of the United States, Marine Corps Reserve Association, Military Order of World Wars, National Association for Uniformed Services, Naval Enlisted Reserve Association, Naval Reserve Association, Navy League of the United States, Reserve Officers Association, The Retired Enlisted Association, and Veterans of Foreign Wars.

Collectively, the preceding organizations have over two and a half million members who are serving our nation, or who have done so in the past. The number of supporters expands to beyond five million when you include family members and friends of the military.

A4AD, also, cooperatively works with other associations, who provide input while not including their association name to the membership roster.

CURRENT AND FUTURE ISSUES FACING DEFENSE

The Associations for America's Defense would like to thank this Committee for the on-going stewardship that it has demonstrated on issues of Defense. At a time of war, its pro-defense and non-partisan leadership sets the example.

In keeping with this, A4AD would like to submit what its membership feel are the top equipment related issues for the Armed Forces.

Initial Issue Combat and Personnel Protection

Initial Issue.—Unfunded requirements remain. It includes the following items: Small Arms, Protective Inserts (SAPI), Outer Tactical Vests (OTV), Individual Load Bearing equipment (ILBE), All Purpose Environmental Clothing System (APECS), Lightweight Helmet (LWH), Modular General Purpose Tent System, Modular Command Post System, Lightweight Maintenance Enclosures, and Ultra Light Camouflage Net System. These help in training, and later in combat.

General Property and Support equipment.—Sun, wind and dust goggles, mosquito netting, field showers, field tarps and multi-faith chaplain's kits. Upgrade from the

M16A2 service rifle to the M4 Carbine should continue as it is a lighter and better version of the M-16. Lightweight, Air-Mobile, Rapid Deployable, Hard-Wall Shelter (HELAMS) are a lightweight, self-deployable, hard-wall mobile shelter. Lessons learned from Operation Iraqi Freedom show that tents did not perform well in the hostile environment of the desert.

Personnel Protection.—Gen. Michael Hagee, the Marine Corps commandant, and Gen. Peter Schoomaker, the Army chief of staff, said that they are working together to provide the best possible protection for their personnel who will be taking over the dangerous security and stability duties in Iraq.

General Schoomaker is supplying the Interceptor body armor to about three-fourths of the U.S. troops heading to Iraq, and plans to have the interceptor body armor now over there in sufficient numbers for everybody else. All of the protective gear will be kept in the combat zone to supply all active Army, National Guard and Army Reserve personnel in Iraq and Kuwait. The Marine Corps' requirements are included in these numbers.

General Hagee said that the 25,000 Marines who went into Iraq will have about 3,000 hardened trucks and Humvees, including those provided by the Army. General Schoomaker has also shared that there are three assembly sites in Iraq and Kuwait, which is retrofitting Humvees and trucks with armor plating.

Position Statement.—The A4AD associations are pleased with improvements in personnel protection over the past year. We credit both the Congressional and DOD leadership with increased quantities in body armor, armoring kits and hardened vehicles.

A4AD would like to highlight a continued need for personnel protection. Procurement needs to be expanded to include troops that are stateside. Troops training for Iraq were given empty vests in which to train, without armored plates. Every soldier, guardsmen or marine should receive an armored vest with initial issue, permitting them to go through basic and advanced combat training in full battle attire. Hardened vehicles should be included in training because of different driving characteristics.

It has been noted that all 8,400 armor kits should have been done by April 30th. On March 11, commanders on the ground in Iraq asked the Pentagon for another 856 add-on armor Humvee kits; 236 truck kits, including FMTVs; and 800 gun-truck armor kits. But Pentagon leaders have not addressed the request; because of funding concerns.

Position Statement.—There will be no funding or requisitions for these additional armor kits after April 30th. Supplemental funding is needed for these additional requirements.

Counter-measures to Improvised Explosive Devices

Currently in Iraq, U.S. ground forces and our coalition allies are coming under attack from Improvised Explosive Devices (IED's) on a routine basis. These devices are cobbled together from unexploded ordnance or from explosives left behind after the collapse of the former regime. Many are activated while ground troops pass a particular point using radio signals generated from electronics as simple as a garage door opener or as sophisticated as a cellular telephone. Countermeasure technology is now available for installation on unarmored personnel carriers like Humvees to provide protection from attacks by jamming the electronic signals that detonate IED's.

A limited quantity of this technology has been deployed, but this is not enough. All future procurement should require the installation of similar jamming technology to provide protection to ground forces now, and in future deployments. Additional research and development should be initiated immediately to enhance and expand the personal security benefits of this type of technology against similar future threats.

Position Statement.—Immediate emphasis is needed for the procurement of sufficient quantities of countermeasures to protect every unarmored personnel carrier now deployed in the battle space.

Aircraft Survivability Equipment

Much media attention has been paid to the problem of air survivability for helicopters in Iraq and Afghanistan. In the past, Congress has examined the anti-missile defense systems that need to be retrofitted into many of our deployed helicopters.

Position Statement.—With the cancellation of the Comanche helicopter program by the Army, it has been reported that funding for this program would be re-programmed toward reviewing, upgrading and installing countermeasure protections on Army helicopters. Congress should quickly approve this request.

From 1984–2001, ninety percent of worldwide combat aircraft losses were attributable to Shoulder Fired Missiles. Also called MANPAD (Man Portable Air Defense Systems), these are most often heat-seeking missiles, employing sensors that home in on the airplane's infrared signature, likely the engine. Their ability to accurately target aircraft from as far as 3 miles and as high as 20,000 feet makes them very difficult to protect against.

Fixed wing aircraft are also flying in theatre: C–5s, C–9s, C–17s, C–40As and C–130s. Most military aircraft, including transports, are equipped with sensors that can detect incoming missiles and can drop flares to deflect the heat-seeking missiles or chaff to spoof those that are radar-guided.

Approximately 50 percent of the Air Mobility Command fleet has anti-missile defensive systems. But 100 percent of AMC's C–17s (105 aircraft), and 90 percent of the C–130s (approximately 500) are so equipped. The C–130, C–17 and C–5 fleets have flare-based countermeasures systems. Used in combat drops, the C–17's cockpit floor is sheathed with Kevlar to protect the pilots against ground fire. Only a handful of C–17s are being equipped with a new laser countermeasure system, called LAIRCM. Many C–130s have electronic warning receivers, using sensors in the nose and tail and chaff. The tanker fleets of KC–135s and KC–10s have no defensive systems.

Because of the high power settings all transport jet aircraft are vulnerable to MANPADS when in approach or after take-off climb phase of flight.

In January, an Air Force C–5 transport plane carrying 63 troops was struck by a surface-to-air missile as it left Baghdad Airport but managed to land safely. In December an Air Force C–17 cargo and troop transport plane was hit by a surface-to-air missile after takeoff from Baghdad with a crew of three and 13 passengers. Several unsuccessful attacks were made on C–103 aircraft in 2003.

Chaff and flares typically are employed to deflect heat-seeking missiles. In Baghdad, flares are often fired in a precautionary mode when landing. Confidence in these basic missile defense systems is not absolute. Pilots are flying evasively to reduce further risk. "High and fast" is one tactic reported to minimize aircraft exposure to the "bad guys".

New technologies and tactics utilized by non-traditional combatants have stretched the effectiveness of existing countermeasure systems for fixed and rotary wing aircraft in the battle space. Recent events in Iraq have demonstrated the vulnerability of our aircraft to attack from ground fire, rocket propelled grenades, and MANPADS, or shoulder-fired missiles.

Advancements in technology allow upgrade missile defense systems. Newer "aircraft survivability equipment," or ASE, can be described as integrated countermeasure dispensing systems that include detection equipment, threat adaptive computer, and deployable decoys. Another system includes a new laser countermeasure system; called LAIRCM where the computer guided intense light interferes with the missile guidance.

These systems are designed to provide the capability of automatic or pilot commanded response, and works alone or in coordination with other countermeasures defensive systems to defeat Air Interceptor (AI), Anti-Aircraft Artillery (AAA), and Surface-to-Air Missiles (SAMs).

The Army Guard is flying unarmed and unarmored twin engine aircraft, called the C–23 Sherpa and C–12 Hurons with passengers and cargo from Kuwait into Iraq. It is essentially a commercial airplane in a combat theater. The Sherpa crews are counting on installing defensive chafe and flare devices similar to those used on C–130s and designed to decoy a missile away from the target.

Position Statement.—Congress should immediately fund the installation and/or upgrade of countermeasure systems in all fixed and rotary wing aircraft in the battle space to provide the greatest degree of protection for the U.S. warfighter.

Anti-explosive foams.—Military aircraft can be as vulnerable as civilian airplanes to threats other than missiles. A tracer bullet into a fuel tank can have disastrous effects. One solution is to retrofit the aircraft fuel tanks with a foam lining that is anti-explosive. The density of the foam captures most projectiles, and fumes or fuel are protected from heat and spark. This is a low cost upgrade.

Other protective measures.—IR suppression, ECM, fuel tank fire suppression, night vision lighting (NVL), DECM/CIRCM, aircraft, and aircrew personnel armor and self-defense, and paratroop door armor.

Position Statement.—Appropriated monies should include simpler self-protective measures as well as more sophisticated. Aircraft survival is a full range package.

Maintaining the National Guard and Equipment List

In the recent authorization bill submission to Congress, the Department of Defense is requesting that National Guard and Reserve equipment accounts be merged with that of the parent service.

A single equipment appropriation for each service would not guarantee that the National Guard and Reserve Components would get any new equipment. The National Guard and Reserve Equipment Account (NGREA) is vital to ensuring that the Guard and Reserve has some funding to procure essential equipment that has not been funded by the services. Dollars intended for Guard and Reserve Equipment might be redirected to Active Duty non-funded requirements.

This action would essentially end Congressional support of Guard and Reserve equipment accounts and severely reduce its ability to ensure that National Guard and the Reserve Components receive adequate funding to perform their missions and maintain readiness. Neither the National Guard nor Reserve would have the funds to pay for equipment that has not been programmed by the parent services. This will lead to decreased readiness.

This move is reminiscent of the attempt by DOD, last year, to consolidate all pay and O&M accounts into one appropriation per service. Any action by the Pentagon to circumvent Congressional oversight should be resisted.

Position Statement.—We ask this committee to continue to provide appropriations against unfunded National Guard and Reserve Equipment Requirements. To appropriate funds to Guard and Reserve equipment would help emphasize to the Active Duty that it is exploring dead-ends by suggesting the transfer of Reserve equipment away from the Reservists.

Unfunded Equipment Requirements

This last year, this working group provided input for equipment for both Active duty, and the Reserve and Guard. With the Armed Forces engaged in the Global War on Terrorism, it is not the time for debate on equipment needs for the regular forces.

Position Statement.—Unfunded AD requirements have been submitted to Congress and should be supported at best levels.

\$6.0 billion for the Army, \$2.5 billion for the Navy, \$2.4 billion for the Air Force, and \$1.3 billion for the Marine Corps.

Reserve Component requirements are provided for the major four of the uniformed services. The services are not listed in priority order.

Top Guard and Reserve Equipment Requirements:

[In millions of dollars]

	Amount
Air Force Reserve:	
C-40's Medivac [replaces aging C-9A] (4)	261.3
Large aircraft I/R Counter Measures	42.9
B-52 Litening II Targeting Pod	7.8
A-10 Litening Targeting Pod	37.7
C-130 APN-241 Radars	38.9

Litening ER is a self-contained, multisensor laser target designating and navigation system that enables pilots to detect and identify ground targets for highly accurate delivery of both conventional and precision-guided weapons.

[In millions of dollars]

	Amount
Air Guard:	
C-17's (per aircraft)	184
C-40C Special Mission Aircraft (1)	65
Fire Vehicle Replacements (per year)	15
Patient Decontamination Assemblages	3.4
Regional Equipment Operators Training Site	12
Army Reserve:	
Light Medium Tactical Vehicles [LMTV] (600)	92
Medium Tactical Vehicles [MTV] (800)	146
Movement Tracking System [MTS] (2005)	25
Multi-band Super Hi Frequency [SHF] Terminal (38)	114
High Frequency [HF] Radio (1,255)	53

[In millions of dollars]

	Amount
All Terrain Lifting Army System [ATLAS] (100)	10
Army Guard:	
High Mobility Multi-Purpose Wheeled Vehicle (HMMWV)	
Single Channel Ground Air Radio System (SINGARS)	
Heavy Expanded-Mobility Tactical Truck (HEMTT)	
Family of Medium Tactical Vehicles (FMTV)	
Military Tactical Generator Sets	
Reserve Marine Corps:	
F/A-18 ECP-583 Upgrade (combined AD/RC)	63
CH-53E HNSV "B" Kits (Forward Looking Infrared) (combined AD/RC)	46.2
Initial Issue equipment	10
General Property and Support Equipment	3
Depot Level Maintenance Program	6.4
Naval Reserve:	
Littoral Surveillance System, LSS coastal defense (1)	19
Naval Coast Warfare Boats (28)	45
P-3C AIP Kits (2)	29
F/A-18 ECP-560 Upgrades (8)	24
C-40 A Inter-theater Transport (2)	130
C-130 Propeller Upgrade Modification Program [PUMP] and ground tools	

Reserve Commission/Comprehensive Review of the Guard and Reserve

A number of the services are reviewing and suggesting major changes to their Reserve Component. A4AD is concerned that ongoing manpower reviews are being budget driven where the bottom line dollar will undercut effective mission accomplishment. The Active Duty services are anxious to "transform" their Reserve without Congressional oversight.

Position Statement.—If our Active Duty leadership makes unfortunate choices, there is a potential of unnecessary Defense costs for Congress to remedy. A Congressional mandated comprehensive review of the current Guard and Reserve issues, roles and missions, along with realignment and integration plan of both the Army and Navy is very much needed. We believe that the best way to address these issues is through a Congressionally mandated Commission on Guard and Reserve Transformation Issues for the 21st Century.

Maintaining or Increasing End Strength

Issues.—The United States is at War. While Secretary of Defense Rumsfeld has publicly opposed increases, and claims there are no plans for reduction, within DOD there is subtle pressures are to be found encouraging personnel cuts.

A4AD has continuing concerns about the mismatch between reducing active duty and reserve force strengths and the increasing mission requirements. While retention remains at record highs, and military members seem ready and willing to make personal sacrifices on behalf of their country in the War on Terrorism, this luxury of manpower will not last. If the current Active Duty end strength was adequate, the demand for Reserve and Guard call-up would not be so urgent.

A4AD believes the Administration and Congress must make it a high priority to maintain if not increase end strengths of already overworked military forces, even though DOD seems to want to work these forces even harder.

Position Statement.—End strengths need to be closely examined by both the House and Senate as a first step in addressing this situation. We also solicit your input and support for maintaining or increasing end strength in future debates.

The 4 percent solution

Issue.—Despite increases in the Defense budget, demands will be outstripping the availability of dollars. As money begins to be reprogrammed into Research and Development, the active duty programs will be stressed by perceived shortfalls. Resulting covetous possession will distort long term planning as planners seek to preserve favorite programs, surrendering the vulnerable and obsolete as a means to maintain the "strong". Such acquisitiveness will stifle innovation, and eradicate retention.

The Armed Forces are an instrument of National Security and Defense, and are in affect an insurance policy to this Country; as demonstrated by events since 9/11/2001. Americans should be willing to invest as much into defense as we do into the personal insurance policies.

Position Statement.—A4AD urges the President of the United States and members of Congress to continue to increase defense spending to a minimum of 4 percent of Gross Domestic Product.

CONCLUSION

A core of military and veteran associations is looking beyond personnel issues to the broader issues of National Defense. As a group, we will continue to meet in the future, and hope to provide your committee with our inputs.

Thank you for your ongoing support of the Nation, the Armed Services, and the fine young men and women who defend our country. Please contact us with any questions.

Senator STEVENS. Our next witness is David Evans from Illinois Neurofibromatosis. Thank you.

STATEMENT OF DAVID EVANS ON BEHALF OF ILLINOIS NEUROFIBROMATOSIS, INC.

Mr. EVANS. Thank you, Mr. Chairman and Senator Inouye, for this opportunity to appear before you today to present this testimony to the subcommittee on the importance of continued funding for neurofibromatosis, NF, a terrible genetic disorder associated with military purposes and closely linked to common diseases widespread among the American population.

I am David Evans representing Illinois Neurofibromatosis, Inc., which is a participant in our national coalition of NF advocacy groups. I have lived with NF my entire life. Although I have not suffered any of NF's more severe symptoms, I have experienced rude comments and harassment my entire life. On July 4, 1996, I was threatened with arrest if I would not leave a water park in Crestwood, Illinois. After other patrons complained to the owner, he informed me that I looked terrible and should wear a shirt or leave. I explained NF to him and assumed the matter was settled. Later, however, he brought in the police and I was forced to leave. As a result of this experience, I have become active in Illinois NF, Inc. and have been on the board of directors since 1997.

NF is a genetic disorder involving uncontrolled growth of tumors along the nervous system which can result in terrible disfigurement, deformity, deafness, blindness, brain tumors, cancer, and death. NF can also cause abnormalities such as unsightly benign tumors across the entire body and bone deformities. In addition, one-half of the children with NF suffer from learning disabilities. It is the most common neurological disorder caused by a single gene. While not all NF patients suffered from the most severe symptoms, all NF patients and their families live with the uncertainty of not knowing whether they will be seriously affected one day because NF is a highly variable and progressive disorder.

Approximately 100,000 Americans have NF. It appears approximately in 1 every 3,500 births and strikes worldwide without regard to gender race or ethnicity. It is estimated that 50 percent of the new cases result from spontaneous mutation in an individual's genes and 50 percent are inherited. There are two types of NF: NF1, which is more common; and NF2, which primarily involves acoustic neuromas and other tumors, causing deafness and balance problems. NF research will benefit over 150 million Americans in this generation alone because NF has been directly implicated in many of the most common diseases affecting the general population.

NF research is directly linked to military purposes because NF is closely linked to cancer, brain tumors, learning disabilities, heart disease, brain tissue degeneration, nervous system degeneration, deafness, and balance. Because NF manifests in the nervous system, this subcommittee in past report language has stated that the Army supported research on NF includes important investigations into genetic mechanisms governing peripheral nerve regeneration after injury from such things as missile wounds and chemical toxins. For the same reason, this subcommittee also stated NF may be relevant to understanding Gulf War Syndrome and to gaining a better understanding of wound healing. Today NF research includes important investigations into genetic mechanisms which involve not just the nervous system but also other cancers.

Recognizing NF's importance to both the military and the general population, Congress has given the Army's NF research program strong bipartisan support. The Army program funds innovative, groundbreaking research which would not otherwise have been pursued and has produced major advances in NF research. The program has brought new researchers into the field of NF, as can be seen by the nearly 60 percent increase in applications in the past year alone. Unfortunately, despite this increase, the number of awards has remained relatively constant over the past couple of years, resulting in many highly qualified applications going unfunded.

Because of the enormous advances that have been made as a result of the Army's NF research, research in NF has truly become one of the great success stories in the current revolution of molecular genetics, leading one major researcher to conclude that more is known about NF genetically than any other disease. Accordingly, many medical researchers believe NF should serve as a model to study all diseases.

Mr. Chairman, the Army's highly successful NF research program has shown tangible results and direct military application with broad implications for the general public. Now in that critical area of clinical translation research, scientists closely involved with the Army program have stated that the number of high quality scientific applications justify a much larger program. Therefore, increased funding is now needed to take advantage of promising avenues of investigation to continue building on the success of this program and to fund translational research, thereby continuing the enormous return on the taxpayers' investment.

I am here to respectfully request an appropriation of \$25 million in the fiscal year 2005 Department of Defense appropriations bill for the Army neurofibromatosis research program. This is a \$5 million increase over the fiscal year 2004 funding level of \$20 million.

Thank you for your support of this program and I appreciate this opportunity to testify to the subcommittee.

Senator STEVENS. Would you please provide for the record the monies received for NF from any other Government source such as NIH? We would appreciate it.

Mr. EVANS. From NIH?

Senator STEVENS. Will you also provide for the record—I want it for the record, not now, thank you.

Mr. EVANS. Okay, we will provide that to you.

Senator STEVENS.—how many members of the armed services have NF.

Mr. EVANS. Although we know there are members of the armed services, we do not have a number.

Senator STEVENS. Senator Inouye.

Senator INOUE. No questions.

Senator STEVENS. Thank you very much.

Mr. EVANS. Thank you.

[The information follows:]

PREPARED STATEMENT OF DAVID EVANS

Thank you, Mr. Chairman, for the opportunity to appear before you today to present testimony to the Subcommittee on the importance of continued funding for Neurofibromatosis (NF), a terrible genetic disorder directly associated with military purposes and closely linked too many common diseases widespread among the American population.

I am David Evans, representing Illinois Neurofibromatosis, Inc., which is a participant in a national coalition of NF advocacy groups. I have lived with NF my entire life. Although I have not suffered any of NF's severe symptoms, I have experienced the social problems caused by being afflicted with NF. I have endured rude comments and harassment my entire life. On July 4, 1996 I was threatened with arrest if I would not leave a water park in Crestwood, Illinois. After other patrons complained to the owner; he informed me that I looked "terrible" and should wear a shirt or leave. I explained NF to him and assumed the matter was settled. Later however, he brought in the police and I was forced to leave. As a result of this experience I became active in Illinois NF, Inc. and have been on the board of directors since 1997.

Mr. Chairman, I am requesting increased support, in the amount of \$25 million, to continue the Army's highly successful NF Research Program (NFRP). The program's great success can be seen in the commencement of clinical trials only ten years since the discovery of the NF1 gene. Now, with NF in the expensive but critical era of clinical and translational research, scientists closely involved with the Army program have stated that the number of high-quality scientific applications justify a much larger program.

What is Neurofibromatosis (NF)?

NF is a genetic disorder involving the uncontrolled growth of tumors along the nervous system which can result in terrible disfigurement, deformity, deafness, blindness, brain tumors, cancer, and/or death. NF can also cause other abnormalities such as unsightly benign tumors across the entire body and bone deformities. In addition, approximately one-half of children with NF suffer from learning disabilities. It is the most common neurological disorder caused by a single gene. While not all NF patients suffer from the most severe symptoms, all NF patients and their families live with the uncertainty of not knowing whether they will be seriously affected one day because NF is a highly variable and progressive disease.

Approximately 100,000 Americans have NF. It appears in approximately one in every 3,500 births and strikes worldwide, without regard to gender, race or ethnicity. It is estimated that 50 percent of new cases result from a spontaneous mutation in an individual's genes and 50 percent are inherited. There are two types of NF: NF1, which is more common, and NF2, which primarily involves acoustic neuromas and other tumors, causing deafness and balance problems. NF research will benefit over 150 million Americans in this generation alone because NF has been directly implicated in many of the most common diseases affecting the general population.

NF's Connection to the Military

NF research is directly linked to military purposes because NF is closely linked to cancer, brain tumors, learning disabilities, heart disease, brain tissue degeneration, nervous system degeneration, deafness, and balance. Because NF manifests itself in the nervous system, this Subcommittee, in past Report language, has stated that Army-supported research on NF includes important investigations into genetic mechanisms governing peripheral nerve regeneration after injury from such things as missile wounds and chemical toxins. For the same reason, this subcommittee also stated that NF may be relevant to understanding Gulf War Syndrome and to gaining a better understanding of wound healing. Today, NF research now includes im-

portant investigations into genetic mechanisms which involve not just the nervous system but also other cancers.

The Army's Contribution to NF Research

Recognizing NF's importance to both the military and to the general population, Congress has given the Army's NF Research Program strong bipartisan support. After the initial three-year grants were successfully completed, Congress appropriated continued funding for the Army NF Research Program on an annual basis. From fiscal year 1996 through fiscal year 2004, this funding has amounted to \$130.3 million, in addition to the original \$8 million appropriation in fiscal year 1992. Between fiscal year 1996 and fiscal year 2003, 361 proposals were received, of which 119 awards have been granted to researchers across the country. The Army program funds innovative, groundbreaking research which would not otherwise have been pursued, and has produced major advances in NF research, such as the development of advanced animal models, preclinical therapeutic experimentation and clinical trials. The program has brought new researchers into the field of NF, as can be seen by the nearly 60 percent increase in applications in the past year alone. Unfortunately, despite this increase, the number of awards has remained relatively constant over the past couple of years resulting in many highly qualified applications going unfunded.

In order to ensure maximum efficiency, the Army collaborates closely with other federal agencies that are involved in NF research, such as NIH and the VA. Senior program staff from the National Cancer Institute (NCI) and the National Institute of Neurological Disorders and Stroke (NINDS), for example, have sat on the Army's NF Research Program's Integration Panel which sets the long-term vision and funding strategies for the program. This assures the highest scientific standard for research funding while ensuring that the Army program does not overlap with other research activities.

Because of the enormous advances that have been made as a result of the Army's NF Research Program, research in NF has truly become one of the great success stories in the current revolution in molecular genetics, leading one major researcher to conclude that more is known about NF genetically than any other disease. Accordingly, many medical researchers believe that NF should serve as a model to study all diseases.

Future Directions

The NF research community is now ready to embark on projects that translate the scientific discoveries from the lab to the clinic. This translational research holds incredible promise for NF patients, as well as for patients who suffer from many of the diseases linked to NF. This research is costly and will require an increased commitment on the federal level. Specifically, increased investment in the following areas would continue to advance NF research and are included in the Army's NF research goals:

- Clinical trials
- Development of drug and genetic therapies
- Further development and maintenance of advanced animal models
- Expansion of biochemical research on the functions of the NF gene and discovery of new targets for drug therapy
- Natural History Studies and identification of modifier genes—such studies are already underway, and they will provide a baseline for testing potential therapies and differentiating among different phenotypes of NF
- Development of NF Centers, tissue banks, and patient registries.

Fiscal Year 2005 Request

Mr. Chairman, the Army's highly successful NF Research Program has shown tangible results and direct military application with broad implications for the general population as well. The program is now poised to fund translational and clinical research, which is the most promising yet the most expensive direction that NF research has taken. The program has succeeded in its mission to bring new researchers and new approaches to research into the field. Therefore, increased funding is now needed to take advantage of promising avenues of investigation, to continue to build on the successes of this program, and to fund this translational research thereby continuing the enormous return on the taxpayers' investment.

I am here today to respectfully request an appropriation of \$25 million in your fiscal year 2005 Department of Defense Appropriations bill for the Army Neurofibromatosis Research Program. This is a \$5 million increase over the fiscal year 2004 level of \$20 million.

Mr. Chairman, in addition to providing a clear military benefit, the DOD's Neurofibromatosis Research Program also provides hope for the 100,000 Americans

like me who suffer from NF, as well as the tens of millions of Americans who suffer from NF's related diseases such as cancer, learning disabilities, heart disease, and brain tumors. Leading researchers now believe that we are on the threshold of a treatment and a cure for this terrible disease. With this Subcommittee's continued support, we will prevail.

Thank you for your support of this program and I appreciate the opportunity to present this testimony to the Subcommittee.

MAY 17, 2004.

Senator TED STEVENS,
Chairman, Senate Appropriations Subcommittee on Defense, 119 Dirksen Senate Office Building, Washington, DC 20510.

DEAR CHAIRMAN STEVENS: Thank you for the opportunity to testify before the Senate Appropriations Subcommittee on Defense regarding the Army's Neurofibromatosis Research Program (NFRP). Neurofibromatosis (NF) is a terrible genetic disorder directly associated with military purposes and closely linked to many common diseases affecting approximately 150 million Americans.

As I discussed in my testimony, Neurofibromatosis (NF) research is directly linked to military purposes because it is closely linked to cancer, brain tumors, learning disabilities, memory loss, brain tissue degeneration and regeneration, nervous system degeneration and regeneration, deafness, balance and healing after wounding. Indeed, the House Defense Appropriations Subcommittee in a prior year underscored the importance of NF research to the military by stating in Report Language that Army-supported research on NF includes important investigations into genetic mechanisms governing peripheral nerve regeneration after injury from such things as missile wounds and chemical toxins, and is important to gaining a better understanding of wound healing.

As a result of the huge success of the highly acclaimed NFRP, researchers are now engaged in translational research which will directly benefit the military, NF patients and close to 150 million Americans in the general population who suffer from NF's many related disorders.

Most importantly, the Army's NFRP does not fund the same kind or level of research as NIH. Rather the Army's NF medical research program funds much more aggressive, higher risk and innovative research from which the real breakthroughs in science come, including funding NF's first clinical trials, therapeutic experimentation, development of advanced mouse models, natural history studies as well as encouraging the development of consortia and bringing researchers from other fields into NF research. To ensure coordination and avoid duplication or overlap, the director of NF research at NINDS sits on the Army's Integration Panel for NF as have other NIH officials in the past.

The NFRP has been widely acclaimed by the NF research community, and just in the past year, it received nearly 60 percent more applications than the year before. Thanks to the NFRP, we are now at the threshold of treatments and a cure for this devastating illness and its related disorders. There is no question that the Army NF Program has accelerated the rate of progress by many years and has resulted in research advances that otherwise might never have occurred. Because of the enormous advances that have been made as a result of the Army's NF Research Program, research in NF has truly become one of the great success stories in the current revolution in molecular genetics, leading one major researcher to conclude that more is known about NF genetically than any other disease. Accordingly, many medical researchers believe that NF should serve as a model to study all diseases.

Neurofibromatosis (NF) is really two genetically distinct disorders. Both disorders affect males and females equally and people of all races and ethnic groups. Half of the people with NF do not have a family history of the disorder. Neurofibromatosis type 1 (NF-1), which is the most common, affects 1 in 4,000 births. Neurofibromatosis type 2 (NF-2) affects 1 in 40,000.

In order to ensure maximum efficiency, the Army coordinates and collaborates closely with other federal agencies that are involved in NF research, such as the National Institutes of Health (NIH) and the Department of Veterans Affairs (VA). In fiscal year 2004 approximately \$19.4 million went to complimentary NF Research at the various institutes at NIH, including NCI (\$5.6 million), NINDS (\$6.3 million), NICHD (\$0.8 million), NEI (\$0.3 million), NIDCD (\$2.0 million), NHGRI (\$3.8 million), NCRN (\$0.4 million), and NHLBI. This funding however, typically funds more traditional, less innovative and more basic orientated research than the Army Program.

Recognizing the importance of the NFRP to military and civilian populations, as well as its strong track record in advancing NF research on a limited budget, Congress has consistently funded the NFRP over the past decade, rising to a level of \$20 million in fiscal year 2004. The program enjoys bipartisan support, including strong support in the House of Representatives and the Senate.

The Army's Congressionally Mandated NF Research Program (NFRP) has furnished the figures of 124 cases of NF reported in 2003 and 731 seeking treatment among all Services active duty military and their dependents during the last 10 years. However, the number of cases of known NF in the military is really not the issue but rather, the enormous implications advances in NF research have for direct military purposes such as healing after wounding, brain tissue regeneration, memory loss, nerve tissue regeneration, balance problems, hearing loss, blindness, as well as its direct connection to cancer, brain tumors, heart disease and cognitive disorders which affect the general population as well.

Because of the characteristics of NF and the wide range of manifestations and varying degrees of severity, NF is difficult to diagnose. In addition, the symptoms are progressive over the individual's lifetime and many applicants to military service are unaware that they have NF until later in adulthood. Therefore NF is frequently missed in admitting physicals and is often not diagnosed until military service is completed. Fourteen year Army veteran Ted Yates, who is featured in the attached *Stripe* article, is a prime example of one who had his military career cut short because of NF.

Mr. Chairman, I respectfully invite your attention to all the invaluable information provided by the Army regarding the NFRP on its website: <http://cdmrp.army.mil>.

Thank you for your attention, and I hope this answers any questions you may have. If you or your staff wishes to talk further, you can speak with me at (847) 290-5025, or with my Washington representatives Ed Long and Katie Weyforth at (202)544-1880.

Sincerely,

DAVID H. EVANS.

[From *Stripe*, August 28, 1992]

VETERAN COPES WITH GENETIC DISORDER

DISEASE TAKES TWO DISTINCT FORMS; UNDETECTABLE UNTIL TUMORS BEGIN

(By Barry Reichenbaugh, *Stripe* staff writer)

For Ted Yates, it's been a source of lasting pain.

First he bore the emotional pain of watching his mother endure years of a disease people knew very little about. Then his adult life brought physical pain as he discovered he also had the same disease. It came to be known as neurofibromatosis.

Through it all he has persisted.

Yates recently spent a week at Walter Reed Army Medical Center for some routine testing and to record some comments for an educational video about the condition affecting his body.

As an Army major with a masters degree in civil engineering, his career was cut short by a loss of hearing resulting from neurofibromatosis 2.

Neurofibromatosis is a genetic condition that causes tumors to form on nerves anywhere in the body. The condition occurs in two distinct forms. NF-1 causes coffee-colored spots on the skin and both internal and external tumors which may disfigure a person's appearance: NF-2 frequently causes brain and spinal tumors which can lead to loss of hearing, sight and balance.

The disorders are sometimes inherited and sometimes the result of spontaneous mutation, according to existing information on neurofibromatosis. There is no test for either form of NF, no way to prevent the disease, and no cure. The disease is lesser-known than Muscular Dystrophy, Tay-Sachs and Huntington's Disease, but it affects more people.

"The thing's so traumatic," Yates says. "People have facial paralysis, they can't hear, their eyes don't operate properly, like me they're clumsy. They go into the bedroom and sit. And it's hidden."

Yates and two brothers inherited the disorder from their mother, who died in her sixties while undergoing an operation for the removal of tumors.

He says doctors had no idea he had NF-2 when he had his first tumor removed in 1965 at age 25. He wasn't severely affected by the disorder and continued his

Army career for another decade. Operations for tumors affecting his acoustic nerves in the late 1970s led to complete deafness and his medical retirement from the Army after 14 years of service.

His last operation was in 1984. Since then, because tumors can recur at any time, Yates has periodic Magnetic Resonance Imaging scans done around his head and spine to detect new growths.

The tumors that people who have NF commonly develop can cause constant pain. The external tumors can severely disfigure the skin and cause mental anguish on top of the physical pain.

"One thing I learned early on is that people in our society put too much emphasis on appearance," says Yates. "And once they see your face . . . they pity you. They want to get away from you. Nobody has wanted to talk about NF . . . now we do."

Awareness is getting better, says Mary Ann Wilson of Neurofibromatosis, Inc., but her organization and others continue their efforts to educate medical professionals and the public. NF, Inc., is a national not-for-profit organization in Mitchellville, Md. "Through educating the public we also promote tolerance toward people who have NF, especially the ones who look different and who have the multiple tumors," says Wilson.

She says NF, Inc., is producing an educational videotape about the disorder, its symptoms and its affect on people and their families. Starting this fall the video will be shown at medical facilities and schools to physicians, social workers, genetic counselors and the public. Wilson's group is actively involved in attracting funding and support for continued research in hope of finding a cure for the disorders.

The National Institute of Health is working to find the origin of NF-2. Researchers there have traced the NF-2 genetic trail through several generations of Yates' family.

"Mr. Yates' family is a very large family, and that makes it useful for these kinds of studies," says Dr. Dilys Parry, a clinical genetics researcher with the National Institute of Health in Bethesda, Md. "To try to map a gene you need to have affected and unaffected individuals in two and preferably three or more generations. His family alone provided us enough information to map the gene."

"We know the chromosome the gene is on," says Parry. "We have some DNA markers that we know are near the gene, but we don't have the gene yet."

Parry says once researchers have the gene they can figure out what the normal gene is doing and what went wrong to cause NF-2. With that knowledge, she says, they may be able to develop therapeutic methods to prevent tumors from growing.

One tragic aspect of both NF-1 and NF-2 is that since there's no test to uncover the disorders before tumors first appear, people with NF can pass the disorder on to their children before they know they have it themselves.

"The one thing that ties all of us together," says Wilson, "whether NF-1 or NF-2, is the unpredictability of the condition. You don't know if your children have it until it manifests itself."

"Once you know you have NF you can probably go two ways—you can either accept it or reject it," says Yates. "And if you accept, it you really don't need anybody's help to cope. If you reject it you do."

Yates is one of those people who accepts the disorder but doesn't let it keep him housebound. In addition to spending his time in his woodworking shop and tending his vegetable garden and fruit trees, Yates has touched the lives of scores of young people in his home of Enterprise, Ala., through his involvement in youth soccer. Two of his YMCA teams have earned state championships.

"I really enjoy seeing kids develop," answers Yates when asked what he likes about coaching soccer. "You take 15 individuals and you can mold them into a team. You can see them get better—team-wise and individually."

"What they're learning is a little about life—they're learning that they can't do everything by themselves—it takes somebody else involved to really get a job done."

That's also how Yates sees his life with NF-2.

"You really have to fight depression all the time," he says. "It's hanging right there on your shoulder all the time. I stay busy. I push myself. If I get up and I don't feel good and I think I'm not going to do anything today—I'll say 'no, you're going to do something,' and then I'll start doing something."

He says he gets encouragement from his wife, Laraine, his family and friends, including friends made here at Walter Reed during numerous visits over the years.

The Neurosurgery Clinic staff at WRAMC sees several patients with neurofibromatosis, says Capt. James Ecklund, M.D., chief resident in neurosurgery. Yates, he says, has "a fairly complex case" of NF-2 in that he has "a lot of tumors." But despite his condition, says Ecklund, Yates copes very well with his problems.

"He's a wonderful guy," says Ecklund. "He's doing well in spite of his deafness. He's an excellent reader of lips."

Yates says he appreciates the treatment he gets every time he comes to Walter Reed.

"I've been coming here since 1983," says Yates, "and no matter who's here, they've all been good to me. I can't say enough about the staff here. The people who've been here a while know me and they treat me real good. It's just like homecoming when I come up here. They're all glad to see me and want to know how I'm doing."

NEUROFIBROMATOSIS: INHERITED, CAUSED BY GENETIC MUTATIONS

(By Barry Reichenbaugh, Stripe staff writer)

There are two genetically distinct forms of neurofibromatosis: NF-1 and NF-2.

Both forms are genetic disorders of the nervous system that can cause tumors to form on the nerves anywhere in the body, at any time, according to educational literature prepared by Neurofibromatosis, Inc., of Mitchellville, Md.

Neither form of the disease can be passed on by contact. Neurofibromatosis is either inherited, or it develops by some unexplained genetic mutation. All races and both sexes are equally affected.

NF-1 (formerly called Recklinghausen's Disease) occurs in about one in 4,000 births and is characterized by:

- Multiple cafe-au-lait colored spots on the skin;
- Tumors of varying sizes on or under the skin;
- Freckling in the underarm or groin area.

Some people with NF-1 have mild symptoms and live relatively normal lives. Others have many nerve fibrous lumps on the face and body. Changes in hormone levels during puberty or pregnancy can increase the problem. Kids with NF-1 sometimes have learning disabilities and speech problems, seizures and can be hyperactive.

NF-2, or bilateral acoustic neurofibromatosis, occurs in about one in 50,000 births and is characterized by:

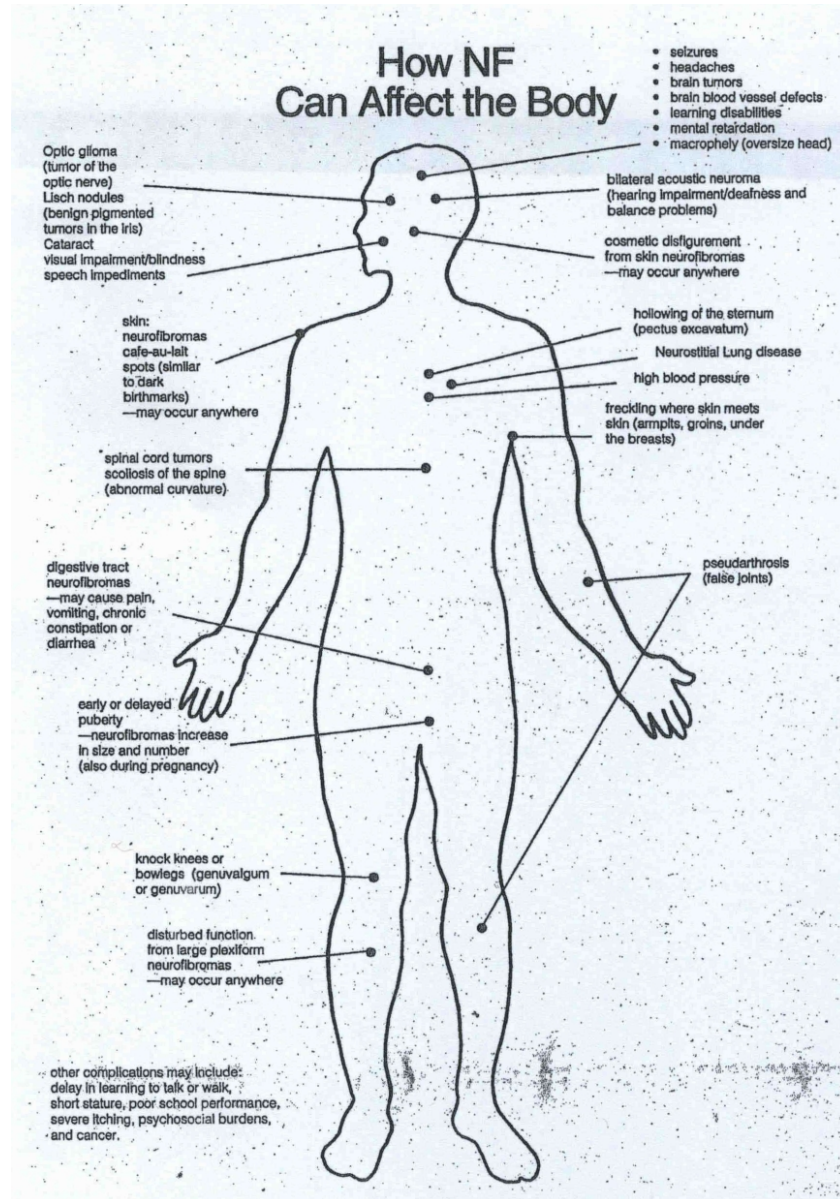
- Tumors affecting the hearing nerves, often resulting in hearing loss and balance problems;
- Tumors of the brain or spinal cord and skin;
- Unusual cataracts of the eye occurring at an early age.

Signs of NF-2 usually appear after puberty. People with NF-2 may lose their hearing or sight, experience headaches, dizziness and balance problems.

An affected person has a 50 percent chance of passing the disorder on to each offspring. Neurofibromatosis 1 and 2 may be associated with bone deformation, hearing loss, vision impairment, and seizures.

People who do not have neurofibromatosis cannot pass the disease on to their children.

For more information on neurofibromatosis, contact Mary Ann Wilson at (301) 577-8984, TDD (301) 461-5213, or write to NF, Inc., Mid-Atlantic chapter, 3401 Woodridge Court, Mitchellville, MD 20721-2817.



Senator STEVENS. Our next witness is Benjamin Butler, Legislative Director for the National Association of Uniformed Services. Good morning, sir.

STATEMENT OF BENJAMIN H. BUTLER, LEGISLATIVE DIRECTOR, NATIONAL ASSOCIATION FOR UNIFORMED SERVICES

Mr. BUTLER. Mr. Chairman, Senator Inouye, the National Association for Uniformed Services is very grateful for the invitation to

testify before you about our views and suggestions concerning defense funding issues. I would like to highlight part of my written testimony pertaining to military health care.

We would like to thank the subcommittee and the full Appropriations Committee for its leadership in the past, resulting in TRICARE improvements for all military medical beneficiaries. However, we must again urge that the Senate provide full funding of the defense health program.

A recent action in the Washington, DC, area illustrates the impact that funding can have on health care. According to a document from a medical treatment facility (MTF) commander in the Washington, DC, area, "Our Nation is at war. As a result, this is an exceptional tight fiscal year for which no supplemental funding is anticipated."

Consequently, within the local military health care network, enrollment in TRICARE Prime for new enrollees is restricted to active duty and active duty family members only. New retirees and family members under age 65 may enroll only with a civilian primary care manager.

In addition, certain special services within the network are limited and beneficiaries may not have access to urology, physical therapy, and optometry, and for certain the Fort Belvoir ear, nose, and throat clinic because of its closure.

We are concerned that what is happening locally within the Washington, DC, area will be duplicated across the country and within all MTF and TRICARE networks.

And these actions go beyond just patient access. For example, it affects the entire military medical department. Doctors need to have access to patients with medical conditions to practice and develop their skills. Without patient access and skill development of doctors and teams required for delivery of high quality general and specialized procedures, there is a tremendous adverse effect on military medical readiness. Especially affected are fields like cardio surgery, urology, general surgery, ophthalmology, and internal medicine.

Our concerns are that urologists, general surgeons, and other doctors will be reduced to treating routine situations on an active duty only population within the United States, and if this happens, how can DOD interest military doctors in remaining on active duty?

Most retirees and their family members under the age of 65 joined TRICARE Prime to continue care in the military system. Forcing them out of the military care denies them the care they want and the military doctors the full range of patients they need for their training and skills.

Many in military medicine have been concerned for years about the eroding patient base. Closing TRICARE Prime to retirees and their family members on base accelerates the erosion of the referral base to military medical centers where most of the specialized training takes place.

Funding shortfalls that cause MTF commanders to cut off retirees from direct military medical care and that force them to seek care in the civilian sector has the potential of harming the military medical departments.

Mr. Chairman, the overall goal of the National Association of Uniformed Services (NAUS) is a strong national defense. We believe that comprehensive, lifelong medical care for all uniformed services beneficiaries, regardless of age, status, or location, furthers this goal. As evidenced by the recent changes in the military health care system locally, none of these goals can be achieved without adequate funding and without the people to work on, the skills that are so important to our military doctors could diminish.

Thank you, Mr. Chairman.
[The statement follows:]

PREPARED STATEMENT OF BENJAMIN H. BUTLER

INTRODUCTION

Mister Chairman and distinguished members of the Committee, The National Association for Uniformed Services (NAUS) is very grateful for the invitation to testify before you about our views and suggestions concerning the following defense funding issues:

SURVIVOR BENEFITS PROGRAM (SBP) IMPROVEMENTS

Age 62 Survivor Benefits Program Offset

The National Association for Uniformed Services primary survivor goal is the elimination of the age 62 Survivor Benefit Program annuity offset. This would increase the annuity from 35 percent to the original 55 percent. Not only were many of the earliest enrollees not provided the full explanation of the benefits and the Social Security Offset, but the Federal Government provides a substantially higher annuity with no offset for federal Civil Service survivors annuities.

Position: We urge the committee to provide funding for the annuity increase as described in S. 1916, and end the often-devastating effects of the offset.

30 Year Paid-Up Status

A secondary goal is the acceleration of the paid-up provisions by changing the effective date from October 1, 2008 to October 1, 2004, one year beyond the 30th anniversary of the program. Enrollees who have reached the age of 70 and have paid their SBP premiums for more than 30 years (360 payments) are already being penalized.

Position: We ask that you provide funding to allow those early enrollees to be allowed this relief as described in S. 2177.

Survivor Benefits Program / Dependency and Indemnity Compensation Offset

Currently, if the retired military sponsor, who enrolled in the Survivor Benefits Program, dies of a service-connected disability, the surviving spouse is eligible for both the SBP annuity and Dependency and Indemnity Compensation (DIC) from the Department of Veterans Affairs. However, the SBP annuity is offset by the full amount of the DIC annuity. Each program's purpose is different, SBP's goal is to provide for the loss of the sponsors earned retired pay, and DIC's goal is to provide the surviving spouse compensation for the loss of their spouse due to injuries caused by his/her service to the country.

Position: The National Association for Uniformed Services strongly urges funding for S. 585.

MILITARY EXCHANGES AND COMMISSARIES

Issue One.—Why would the Department of Defense want to reduce the commissary benefit at its greatest time of need? The answer is money. DOD wants to reduce the subsidy for the commissary system that provides food and other essentials to troops and families around the world, which will end up in the military community losing the benefit. Examples of this include a recent proposal studied by DOD to implement a policy of variable pricing at military commissaries that would actually reduce the savings to the military customer. While the variable pricing study requested by DOD does not seem to offer a favorable recommendation, we are concerned that additional bad ideas like this will be generated in the future that will ultimately hurt the benefit.

NAUS understands the importance of saving scarce taxpayer's dollars. Every taxpayer dollar collected must be used wisely to keep down the amount of taxes the

government collects; this is only common sense. Therefore, every government agency, department or system must be as efficient as possible. For example, the leaders of the commissary system have been and are continuing to make internal changes to improve efficiencies and reduce overhead operating costs. DOD should be setting goals, not mandating changes.

Position: The National Association for Uniformed Services strongly urges you to continue to provide the funding for the Commissary Subsidy to sustain the current services. Commissaries are a key component of the military pay and compensation package. Any action that reduces the benefit means a diminished quality of life and more out of pocket costs.

Issue Two.—The Department of Defense is planning the consolidation of the Armed Services three-exchange services into one single entity, though still retaining the “look and feel” of each store and maintaining the service culture to which the patrons are accustomed. The goal again, is to save money by elimination of redundant overheads, delivery systems, and the power of economy of scaling purchasing.

Position: NAUS does not endorse a consolidation, especially if consolidation is for consolidation’s sake. Streamlining, improving internal operations and implementation of cost saving measures must not reduce the value of the benefit. NAUS supports funding for system studies, but not an accelerated consolidation.

CURRENT AND FUTURE ISSUES FACING UNIFORMED SERVICES HEALTH CARE

The National Association for Uniformed Services would like to thank the Subcommittee and the Full Appropriations Committee for its leadership in the past for providing the landmark legislation extending the Pharmacy benefit and TRICARE system to Medicare eligible military retirees, their families and survivors, making the lifetime benefit permanent, establishing the DOD Medicare Eligible Retiree Health Care Fund, reducing the catastrophic cap and making other TRICARE improvements. However, we must again urge that the Senate provides full funding of the Defense Health Program.

A recent action in the Washington, DC area illustrates the impact that funding can have on the health care benefit. According to a document from a MTF commander in the Washington, DC area, which may duplicate similar notices issues by other MTF commanders around the country, “Our nation is at War. As a result, this is an exceptional tight fiscal year for which no supplemental funding is anticipated.”

Consequently, within the Fort Belvoir Health Care Network, which is a part of the Walter Reed Army Medical Center network, enrollment in TRICARE Prime for new enrollees is restricted to Active Duty (AD) and Active Duty Family Members (ADFM) only. New retirees and family members, under age 65, may enroll only with a civilian primary care manager. Furthermore, enrollment in TRICARE Plus (for retirees/family members over 65) is no longer available to new enrollees, or the Prime enrollees aging into Medicare.

In addition, certain special services within the network are limited and beneficiaries may not have access to Urology, Physical Therapy, and Optometry; and, for certain the Fort Belvoir Ear Nose and Throat clinic because of its closure.

We are concerned that what is happening locally within the Washington, DC area will be duplicated across the country and within all MTF and TRICARE Networks.

And, these actions go beyond just patient access. For example it affects the entire military medical department. For example, doctors need to have access to patients with medical conditions to practice and develop their skills. Without patient access and skill development of doctors and teams required for delivery of high quality general and specialized procedures—there is a tremendous adverse affect on military medical readiness. Especially affected are fields like cardiothoracic surgery, urology, general surgery, ophthalmology and internal medicine. Does the military have no further need for doctors treating Ear, Nose and Throat problems?

Other concerns are:

- How will the remnants of the military medical departments be able to take care of troops involved in the various theaters of operations that are or will be involved in fighting the War on Terror?
- Will urologist/general surgeons be reduced to treating routine situations on an active duty only population within the United States?
- If so, how can DOD interest them in remaining on active duty? Most retirees and their family members under the age of 65 join TRICARE-Prime to continue care in the military system. Forcing them out of military care denies them the care they want and doctors the full range of patients they need for their training and skills.
- What about the retired Medical Corps officers that were lured to return as civilian doctors to staff MTFs?

Many in military medicine have been concerned for years about the eroding patient base. Closing TRICARE-Prime to retirees and their family members at the base level accelerates the erosion of the referral base to military medical centers where most of the specialized training takes place.

Funding shortfalls that are more than likely a reaction to a mid-term budget review and other DOD imposed restrictions that causes MTF commanders to cut off retirees from direct military medical care and that forces them to seek care in the civilian sector has the potential of harming the military medical departments.

We are also concerned about staffing MTFs with "temporary" hire physicians. After witnessing an ever changing medical program that has no job security, what kind of physician can be found to work in such an environment? Would they be the ones at the end of their careers that are anxious to leave at the first sign of trouble or a better job? Additional questions also arise concerning the time, money, and effort was used to secure contract physicians in the first place.

Not all retirees are old. Many are retiring at the 20-year point between the ages of 37–42. Others, many who are now patients at our military medical centers are being treated for wounds received in Iraq and other places, and will be placed on the retired list while they are in their very early 20's or 30s. What reaction can we expect from these wounded troops after being told that if they stay in the military or are medically retired will be persona non grata in the direct care system at age 65?

Mr. Chairman, the overall goal of the National Association for Uniformed Services is a strong National Defense. We believe that comprehensive, lifelong medical and dental care for all Uniformed Service beneficiaries regardless of age, status or location furthers this goal. As evidenced by the recent changes in the military health care system locally none of these goals can be achieved without adequate funding, and without the people to work on, the skills that are so important to our military doctors could diminish.

FEHBP

The National Association for Uniformed Services has been a long time proponent of legislation that would provide military personnel the option of participating in the Federal Employees Health Benefit Program. Though confident that the TRICARE program and the TRICARE for Life program will be successful, because they are an outstanding value for most beneficiaries, in a few cases, the TRICARE/TRICARE for Life options may not be the best choice, or may not be available for the eligible beneficiary. For that reason, we believe the FEHBP option should be enacted. Providing the FEHBP, as an option would help stabilize the TRICARE program, provide a market based benchmark for cost comparison and be available to those for whom TRICARE/TRICARE for Life is not an adequate solution.

Position: NAUS strongly urges the committee to provide additional funding to support a full FEHBP program for military personnel as an option.

Include Physician and Nurse Specialty Pay in Retirement Computations

Results of a recent Active Duty Survey show that pay and benefits are the most important factors impacting retention. Improving specialty pay/bonuses and including specialty pay/bonuses in retired pay calculations would aid retention. Therefore, prompt action to retain these and other highly skilled medical professionals is needed.

Position: The National Association for Uniformed Services requests funding to allow the military physicians and nurses to use their specialty pay in their retirement computations. The military services continue to lose top quality medical professionals (doctors and nurses) at mid-career. A major reason is the difference between compensation levels for military physicians and nurses and those in the private sector.

Permanent ID Card for Dependents Age 65 and Over

One of the issues stressed by NAUS is the need for permanent ID cards for dependents age 65 and over. With the start of TRICARE for Life, expiration of TFL-eligible spouses' and survivors' military identification cards, and the threatened denial of health care claims, causes some of our older members and their caregivers' significant administrative and financial distress.

Formerly, many of them who lived miles from a military installation or who lived in nursing homes and assisted living facilities just did not bother to renew their ID card at the four-year expiration date. Before the enactment of TFL, they had little to lose by doing so. But now, ID card expiration cuts off their new and all-important health care coverage.

A four-year expiration date is reasonable for younger family members and survivors who have a higher incidence of divorce and remarriage, but it imposes significant hardship and injustice to the more elderly dependents and survivors.

NAUS is concerned that many elderly spouses and survivors with limited mobility find it difficult or impossible to renew their military identification cards. A number of seniors are incapacitated living in residential facilities, some cannot drive, and many more do not live within a reasonable distance of a military facility. Often the threat of loss of coverage is forcing elderly spouses and survivors to try to drive long distances to get their cards renewed. Renewal by mail can be confusing and very difficult for beneficiaries or their caregivers. The bottom line is that those who cannot handle the daunting administrative requirements to renew their ID card every four years potentially face a significant penalty.

Position: NAUS urges that the Subcommittee direct the Secretary of Defense to authorize issuance of permanent military identification cards to uniformed services family members and survivors who are age 65 and older, with appropriate guidelines for notification and surrender of the ID card in those cases where eligibility is ended by divorce or remarriage.

CONCLUSION

Mr. Chairman and distinguished members of the Sub-Committee, we want to thank you for your leadership and for holding these hearings this year. You have made it clear that the military continues to be a high priority and you have our continuing support.

Senator STEVENS. Well, I certainly wish we had the funding. We might be able to meet some of these requests today. But I do think you have got a point.

Do you know the cost of using the Federal Employees Health Benefits Program (FEHBP) in lieu of the TRICARE option?

Mr. BUTLER. We have that information available. I will provide it for the record, Mr. Chairman.

Senator STEVENS. I would like to see that.

Also, have you requested the military ID cards before? I think that is a very valid idea. They should have them anyway to have access to military facilities if they want to seek medical care at such a facility when they are traveling. Have you asked for that before?

Mr. BUTLER. Asked for military identification (ID) cards?

Senator STEVENS. Yes, for uniformed service family members and survivors who are 65 and older. Have you asked for that before?

Mr. BUTLER. Yes, we have. We have presented that in testimony before with the over 65 that have a hard time getting their ID cards renewed. We believe when they turn 65, that it should be indefinite at that time.

Senator STEVENS. We would support that. I am not sure we can do it or whether it should go to the Armed Services Committee, but it is a good suggestion.

Senator.

Senator INOUE. No questions.

Senator STEVENS. Thank you very much. Enjoyed your testimony.

Our next witness is Harry Armen, President-elect, American Society of Mechanical Engineers.

STATEMENT OF HARRY ARMEN, PRESIDENT-ELECT, AMERICAN SOCIETY OF MECHANICAL ENGINEERS

Mr. ARMEN. Good morning. My name is Harry Armen. I am President of the American Society of Mechanical Engineers, a

120,000 member engineering society founded in 1880. I have 39 years of experience in the defense aerospace industry.

We appreciate the opportunity to appear before your subcommittee to present our views on the importance of science, engineering, and technology programs sponsored by the DOD, programs that are critically important to fundamental scientific advances and to the next generation of highly skilled scientists and engineers. I want to specifically thank this subcommittee and you, Mr. Chairman, and you, Senator Inouye, for the ongoing support that you have shown for the DOD science and technology programs.

The stated goal of the administration and Congress is to maintain defense S&T funding at 3 percent of the defense budget. This would require \$12.1 billion for fiscal year 2005. We urge you to support this level of funding to enhance both the security and the economic vitality of the Nation.

While we appreciate your continued support for the overall program, we remain very concerned about the growing level of investments in near-term applied R&D at the expense of long-term investments in basic research. We urge you to reverse the declining percentage of funding that supports basic research within the S&T portfolio.

In the early 1980's basic research was 20 percent of that portfolio. That level has declined to less than 12 percent. We strongly urge this subcommittee to support basic research that will lead to the next generation of advances in defense technology and ultimately to fielded systems. Here is why.

Reductions in the basic research budget will have adverse consequences on the development of the science and engineering workforce. DOD basic research and graduate education programs are tightly linked. The failure to invest now to sustain these programs will reduce the number and quality of students who become engineers and scientists in the future. I cannot impress upon you enough that this is an urgent situation, one that keeps me and should keep the members of the subcommittee awake at night. We are simply not attracting the best and brightest of our young students to enter the field of defense R&D.

Furthermore, unlike in the past, engineering students from abroad are not planning to remain in the United States after graduation, but are instead planning to return to their home countries to explore opportunities there. While the commercial industry is able to utilize talent from abroad, the defense industry cannot.

A recent RAND study concluded that two-thirds of all Federal R&D funding that went to institutes of higher learning in 2002 was provided by the Department of Health and Human Services. Most of that went to life sciences. In sharp contrast, the DOD provided 7 percent. Our students followed the dollars.

We have an opportunity now to reverse the situation by attracting the best and the brightest young minds to consider a career in defense R&D. I urge the members of the subcommittee to continue your support to strengthen DOD science, engineering, and technology programs. It will require your continued commitment and attention to defense R&D to ensure that our best engineering and scientific minds are once again willing to apply their talents to meeting the future defense needs of this Nation.

I thank you for the opportunity to offer our views.
[The statement follows:]

PREPARED STATEMENT OF HARRY ARMEN

The ASME DOD Task Force of the Inter-Council Committee on Federal Research and Development (ICCFRD) is pleased to provide this testimony on the Research, Development, Test and Evaluation (RDT&E) and the Science, Engineering and Technology (SET) programs within the fiscal year 2005 budget request for the Department of Defense. We appreciate the opportunity to provide input on these areas that are critical to the national security and economic vitality of the United States.

Introduction

ASME is a nonprofit, worldwide engineering Society serving a membership of 120,000. It conducts one of the world's largest technical publishing operations, holds more than 30 technical conferences and 200 professional development courses each year, and sets many industrial and manufacturing standards. The work of the Society is performed by its member-elected Board of Governors through five Councils, 44 Boards, and hundreds of Committees operating in 13 regions throughout the world.

ASME's DOD Task Force (herein referred to as "the task force") is comprised of university and industry members who contribute their engineering and policy expertise to review the DOD budget and legislative requests. The Task Force believes it is uniquely qualified to evaluate budget and policy issues in the area of DOD's science, engineering and technology development programs. This analysis is provided as a public service and we are proud to contribute to a better public policy-making process.

DOD Research, Development, Test and Evaluation Accounts

The Administration requested \$68.9 billion for the Research, Development, Test and Evaluation (RDT&E) portion of the fiscal year 2005 DOD budget. These resources are used mostly for developing, demonstrating, and testing weapon systems, such as fighter aircraft and warships. This amount represents growth from last year's appropriated amount of about 6 percent, and is historically the highest funding level for overall engineering activities, even when adjusted for inflation. Therefore, even with new requirements generated from the transformational military, missile defense, and the war on terrorism, this funding level appears to be sufficient to develop, demonstrate, and bring military systems to the production phase that will be required in the near future. Hence, the Task Force supports the overall funding request for RDT&E.

DOD Science, Engineering and Technology Accounts

A relatively small fraction of the total RDT&E budget is allocated for the core Science, Engineering and Technology (SET) programs. Specifically, the Administration's proposed SET request is \$10.55 billion, 15 percent of the RDT&E total, and 15 percent lower than the fiscal year 2004 appropriated level of \$12.5 billion. The Task Force is very concerned with the proposed significant reductions in the SET accounts, particularly in the areas of basic research and in programs that fund advanced science, mathematics, and engineering education.

There are three (3) components to the SET budget: basic research (6.1), applied research (6.2), and advanced technology development (6.3). The Administration's request in all three of these areas is less than present funding levels.

The request for basic research (6.1) is \$1.3 billion, 5 percent lower than the fiscal year 2004 appropriated amount of \$1.4 billion. Basic research is less than 12 percent of the SET budget, and less than 2 percent of the RDT&E total, and yet the programs supported by this account are critically important to fundamental scientific advances and to the next generation of highly skilled scientists and engineers. Almost all of the current high-technology weapon systems, from laser-guided, precision weapons, to the global positioning satellite (GPS) system, have their origin in fundamental discoveries generated by these defense-oriented, basic research programs. Proper investments in basic research are needed now, so that the fundamental scientific results will be available to create innovative solutions to future defense needs of this country. Over the last 40 years, more than half of all mechanical and electrical engineering graduate students have been funded under these DOD basic research programs. Many of the technical leaders in corporations and government laboratories which are developing current weapon systems, such as the F-22 and the Joint Strike Fighter, were educated by fellowships and/or research programs funded by DOD basic research programs. Failure to invest sufficient re-

sources in basic, defense-oriented research could reduce innovation and weaken the future S&E workforce.

The request for applied research (6.2) is \$3.9 billion, 14 percent below the fiscal year 2004 funding level of \$4.4 billion. The programs supported by this account are generally intended to take basic scientific knowledge, perhaps phenomena discovered under the basic research programs, and apply them to important defense needs. These programs may involve laboratory proof-of-concept and are generally conducted at universities and government laboratories. Some devices created in these defense technology programs have dual use, such as GPS, and the commercial market far exceeds the defense market. Many small companies that fuel job growth in many states obtained their start in defense programs, but later broaden their market. However, without initial support many of these companies would not exist. Failure to properly invest in applied research would prevent many ideas for devices from being tested in the laboratory, and would stunt the creation and growth of small entrepreneurial companies.

The request for advanced technology development (6.3) is \$5.3 billion, 17 percent lower than the present funding level of \$6.3 billion. These resources support programs that develop technology to the point that they are ready to be used in weapon systems. Generally without real system-level demonstrations, which are funded by these accounts, companies are reluctant to incorporate new devices into system development programs.

The Congress in general, and this subcommittee specifically, has acted in recent years to increase funding in the DOD SET accounts, and we thank you for your support. The oft-stated goal of both the Administration and Congress is to maintain defense SET funding at 3 percent of the overall defense budget. This would require \$12.1 billion for the SET accounts for fiscal year 2005, which is an increase of approximately \$1.6 billion above the Administration's request. We recommend you support this level of funding to maintain stable funding in the SET portion of the DOD budget. This level of funding will enhance the long-term security and economic vitality of our country.

We further recommend that the Administration and Congress undertake a five-year program to reverse the declining percentage of funding within the SET portfolio that supports basic research. This is precisely the type of work that yielded discoveries used today in weapons systems, platforms and protective gear successfully fielded to save lives. In the early 1980s, basic research accounted for nearly 20 percent of SET funding. This level has declined to less than 12 percent of the SET budget and less than 2 percent of the overall RDT&E budget. We encourage the Committee to reverse this downward trend in investments in the basic ideas that are going to lead to tomorrow's advances in defense technology.

Science and Engineering (S&E) Workforce

The DOD supports 37 percent of all federal research in the computer sciences and 44 percent of all engineering research, as well as significant shares of research in mathematics and oceanography. DOD's impact is even greater in several engineering sub-disciplines such as electrical engineering and mechanical engineering. DOD funds research in these disciplines for their contributions to national defense, but this research is also a key source for major innovations in the civilian economy. Through their research, engineers and scientists are helping to prepare the U.S. military to be ready for the new threats it faces in the 21st century, including nuclear, chemical, biological, and other asymmetric threats such as terrorism and cyber attacks.

A December 2003 National Science Board report titled "The Science and Engineering Workforce: Realizing America's Potential" stated, "... demographics data indicate that participation of U.S. students in science and engineering will decline if historical trends continue in S&E degree attainment by our college-age population. At the same time, retirements of scientists and engineers currently in the workforce will accelerate over the coming years."

Reductions in the SET budgets have potential adverse consequences on the development of the S&E workforce. DOD basic research and graduate education programs are tightly linked by design. The failure to invest now to sustain these programs will reduce the number and quality of engineers and scientists in the future. Many of the highly trained and competent people that emerge from these research programs contribute directly to the design and development of defense systems. Still others, who receive advanced technical educations as a result of these programs, but who do not work directly in the defense industry, make contributions to national security by enhancing America's economy.

There is a growing and alarming trend in many industries to outsource engineering and other highly-skilled service activities to foreign workers. In the past

outsourcing was largely driven by cost considerations and was limited to low-cost, low-skilled workers. However, there is an emerging trend to outsource highly skilled engineering workforce products such as software and systems design and integration. It is not clear that a U.S. based defense contractor, relying heavily on engineers and scientists in other countries, represents a domestic capability. Domestic content legislation for defense procurement makes little or no sense if the engineers that design the systems ultimately reside outside the United States.

The Task Force believes that protectionist measures will not be able to serve the long-term policy objective of having the capability to design, develop, and manufacture defense systems within the United States. In order to assure this capability, sufficient manpower, particularly those with the critical skills needed for creating advanced defense systems, needs to be available in sufficient numbers in the United States. Therefore, prudent investments in programs that create a robust, domestic supply of engineers and scientist with masters and doctoral level educations is in the national interest.

As the Administration and Congress respond to and prepare for terrorism, increasing funding for DOD's SET Programs is vital. These programs protect the stability of the Nation's defense base, strive to maintain technological superiority in our future weapons systems, and educate new generations of scientists, engineers, mathematicians, and skilled technicians who maintain our position as the world's technological leader.

Conclusion

In Summary, the Task Force supports the overall RDT&E request of \$68.9 billion, but urges the subcommittee to increase the science, engineering and technology (SET) component accounts by \$1.6 billion to \$12.1 billion. The proposed 15 percent reduction in science, engineering and technology funding would stifle innovation needed for future defense systems and have a detrimental impact on the production of scientists and engineers, with advanced technical degrees, required to develop military systems in the years to come. In addition, we recommend that the Administration and Congress undertake a five-year program to reverse the declining percentage of funding within the SET portfolio that supports basic research.

Senator STEVENS. Well, thank you very much. Your organization did visit us, and we had some conversations about mechanical engineering dropping behind in terms of investment for R&D.

Are you into nanotechnology at all in terms of your applications in the military field?

Mr. ARMEN. We are starting to, yes, sir. Yes, we are with new material systems and new coatings. Yes.

Senator STEVENS. Senator Inouye.

Senator INOUE. No questions.

Senator STEVENS. You have a point and I think we should look closely at that because it is true that the foreign students we are assisting in their education are not staying with us, but they are not basically in your field either. So I think we should do our best to attract more people into this type of research for the military.

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

Senator STEVENS. Thank you.

Our next witness is Seth Allan Bengé of the National Military Veterans Alliance. Good morning, sir.

STATEMENT OF SETH ALLAN BENGÉ, LEGISLATIVE DIRECTOR, RESERVE ENLISTED ASSOCIATION ON BEHALF OF THE NATIONAL MILITARY VETERANS ALLIANCE

Mr. BENGÉ. Good morning, Mr. Chairman. Mr. Chairman, Senator Inouye, as Legislative Director for the Reserve Enlisted Association, it is an honor for me to testify on behalf of the National Military and Veterans Alliance. The alliance is an umbrella group made up of 29 military retiree veterans and survivor associations with almost 5 million members.

Our concerns are many, but our time is brief, so I will discuss a few issues that deal directly with our Nation's Reserve forces. There are some subjects that we believe will need to be addressed and will require funding from this committee.

During testimony before this committee, the Reserve chiefs have recognized the Montgomery GI Bill for selected Reserves as an important recruiting and retention tool, but the GI bill for reservists has not kept pace with the ever-rising costs of education. In 1985, when this education assistance was first legislated, it was 47 percent of the active duty benefit. Today that percentage is down to only 27 percent. Eventually this lagging will have a dampening effect on its usefulness. It is important that we begin to correct this problem by starting to incrementally raise the monthly rates. The alliance requests appropriations funding to raise the monthly payment of the title 10 Montgomery GI Bill and lock that rate at 50 percent of the chapter 30 benefit.

Another effective tool to keep quality men and women in our Reserve forces are bonuses. Here also the Reserve program has fallen behind. The law creates a limit on the amount that can be paid out to members of the Reserves. Currently this cap is set at \$5,000 per reservist. This amount, in some cases, simply is not enough. These bonuses are used to keep men and women in mission-critical military occupational specialties that are experiencing falling numbers or are difficult to fill. The operational tempo, financial stress, and civilian competition for these jobs makes bonuses a necessary program for the Department of Defense to fill essential programs.

Another point for consideration is that Guard and Reserve members are not eligible for Reserve bonuses while mobilized, but neither are they eligible for active duty bonuses. This catch-22 means that reservists are denied the opportunity to receive bonuses tax-free like their active duty brother. This would help offset losses in pay. The alliance would like to see the Reserve chiefs receive the funds and the authority to award bonuses above the \$5,000 limit and we support extending the bonus authority to Reserve component members who have 14 to 20 years in service.

The National Military Veterans Alliance thanks you for having this hearing and listening to our concerns. Our written testimony deals with many additional areas. We hope that you will consider these points when finalizing your appropriation bills this year. Again, thank you, Mr. Chairman. Thank you for your attention.

[The statement follows:]

PREPARED STATEMENT OF SETH ALLAN BENGE

INTRODUCTION

Mister Chairman and distinguished members of the Committee, the National Military and Veterans Alliance (NMVA) is very grateful for the invitation to testify before you about our views and suggestions concerning defense-funding issues.

The Alliance was founded in 1996 as an umbrella organization to be utilized by the various military and veteran associations as a means to work together towards their common goals. The Alliance's organizations are: American Logistics Association; American Military Retirees Association; American Military Society; American Retirees Association; American WWII Orphans Network; AMVETS; Association of Old Crows; Catholic War Veterans; Class Act Group; Gold Star Wives of America; Korean War Veterans Foundation; Legion of Valor (Washington Capital Region); Military Order of the Purple Heart; Military Order of the World Wars; National Assn for Uniformed Services; National Gulf War Resource Center; Naval Enlisted

Reserve Association; Naval Reserve Association; Paralyzed Veterans of America; Reserve Enlisted Association; Reserve Officers Association; Society of Military Widows; The Retired Enlisted Association; TREA Senior Citizen League; Tragedy Assistance Program for Survivors; Uniformed Services Disabled Retirees; Veterans of Foreign Wars; Vietnam Veterans of America; and Women in Search of Equity.

The preceding organizations have almost five million members who are serving our nation, or who have done so in the past and their families.

The overall goal of the National Military and Veteran's Alliance is a strong National Defense. In light of this overall objective, we would request that the committee examine the following proposals.

The National Military and Veterans Alliance must once again thank this Committee for the great strides that have been made over the last few years to improve the benefits of the Reserve components and their families. The improvements in health care, pay system, family support, mobilization and demobilization problems have been historic. It has been a very successful few years. But there are still many serious problems to be addressed:

MGIB-SR ENHANCEMENTS

The current Montgomery G.I. Bill dates back to President Franklin Roosevelt signing the "Servicemen's Readjustment Act of 1944". The G.I. Bill seeks to fulfill six purposes for the reserve forces: (1) to provide educational assistance program to assist in the readjustment of members of the Armed Forces to civilian life; (2) to extend the benefits of a higher education to qualifying men and women who might not otherwise be able to afford such an education; (3) to provide for vocational readjustment and to restore lost educational opportunities to those service men and women; (4) to promote and assist the All-Volunteer Force program and the Total Force Concept of the Armed Forces and to aid in the recruitment and retention of highly qualified personnel for both the active and reserve components of the Armed Forces; (5) to give special emphasis to providing educational assistance benefits to aid in the retention of personnel in the Armed Forces; and (6) to enhance our Nation's competitiveness through the development of a more highly educated and productive work force.

Approximately 7.8 percent of the enlisted Reservists have a Bachelors degree or higher. This makes the Montgomery G.I. Bill for Selective Reserves (MGIB-SR) an important recruiting and retention tool. With massive troop rotations the Reserve forces can expect to have retention shortfalls, unless the government provides incentives such as those that would counter the negative effects of having placed a college education in abeyance. Education is not only a quality of life issue or a recruiting/retention issue it is also a readiness issue. Education a Reservist receives while either in a university or a trade school enhances their careers and usefulness to the military. The ever-growing complexity of weapons systems and support equipment requires a force with far higher education and aptitude than in previous years.

The problem with the current MGIB-SR is that the Selected Reserve MGIB has failed to maintain a creditable rate of benefits with those authorized in Title 38, Chapter 30. Other than cost-of-living increases, only two improvements in benefits have been legislated since 1985. In that year MGIB rates were established at 47 percent of active duty benefits. This past October 1, the rate fell to 27 percent of the Chapter 30 benefits. While the allowance has inched up by only 7 percent since its inception, the cost of education has climbed significantly.

Position: The NMVA requests appropriations funding to raise the MGIB-SR and lock the rate at 50 percent of the active duty benefit.

BONUSES

Guard and Reserve component members may be eligible for one of three bonuses, Prior Enlistment Bonus, Reenlistment Bonus and Reserve Affiliation Bonuses for Prior Service Personnel. These bonuses are used to keep men and woman in mission critical military occupational specialties (MOS) that are experiencing falling numbers or are difficult to fill. During their testimony before this committee the reserve chiefs addressed the positive impact that bonuses have upon retention. This point cannot be understated. The operation tempo, financial stress and civilian competition for these jobs makes bonuses a necessary tool for the Department of Defense to fill essential positions. Though the current bonus program is useful there are three changes that we have identified that need to be made to increase its effectiveness.

The primary requirement for eligibility and payment of a bonus upon reenlistment is that the member must have completed less than 14 years of total military service and not be paid more than one six-year bonus or two three-year bonuses under this

section. This 14-year total military service restriction and the limitation on the number of bonuses paid, effectively limits the opportunities for career reservists to obtain bonuses past 20 years of service and may be a disincentive for continuing service in the Reserve component beyond 20 years. Increasing the eligibility for reenlistment bonuses to 20 years of total military service and increasing the number of bonuses that can be paid under this section could expand the available force pool, as mid-level enlisted reserve members could take advantage of the new bonus criteria. Using a 20 year service cutoff instead of a 14 year period would encourage selected experienced mid-level subject matter experts to reenlist to established high year of tenure or mandatory separation dates; should members accept this incentive and reenlist, it could boost each service's retention effort in critical skill areas. As each Service uses members of the selected reserve in different capacities, each Service Secretary may use this new authority as required as a force management tool.

The law also creates a limit on the amount that can be paid out to reservists. Currently this cap is at \$5,000 per reservists. This amount in some cases simply isn't enough. Active duty personnel can receive multiple bonuses in amounts upwards of \$20,000. The inequity between these two amounts is increased even further when taken into consideration that Guard and Reserve members are not eligible for reserve bonuses while mobilized, but neither are they eligible for active duty bonuses. This "catch 22" means that two members of the Armed Forces, one active one reserve, could be working side-by-side in Iraq in a mission critical area. The active duty personnel can reenlist and receive a tax-free bonus while the reservist would receive no bonus at all. This is a glaring wrong that needs to be corrected.

Position: The Alliance would like to see the Reserve Chiefs receive the funds and the authority to go above the \$5,000 limit, an increase in eligibility from 14 to 20 years and the ability for reservists to receive bonuses while on active duty orders.

TRICARE FOR RESERVE COMPONENTS

A 2002 General Accounting Office (GAO) report indicated that possibly 20 percent of the Guard and Reserves do not have adequate health insurance. This means up to 150,000 enlisted Reservists and their families could be without health insurance. This has a potentially devastating effect on the lives of our Reservists. Lack of continuity of care during mobilization creates a disincentive for reenlistment. In addition, all military members are expected to maintain the same health and physical fitness as Active Duty yet they are required to fund their own medical coverage. Beyond the quality of life issues lays another grave concern. That is the readiness of our Reserve Components. With such a large portion of the reserves without healthcare and physicals that are only required once every five years the number of Guard and Reserve that are unfit for deployment at any given time is uncertain. At this moment the government is paying and training servicemen and women that when called into action could not go.

The fiscal year 2004 National Defense Authorization Act authorized a one-year program to extend premium-based TRICARE coverage to Selected Reserve members (and certain members of the Individual Ready Reserve (IRR) subject to presidential recall) that are not eligible for employer-sponsored health coverage. When it finally takes effect, the temporary TRICARE program will provide health care to many of our Guard and Reserves. The Department of Defense has announced that this program will begin but has not set a start date. When it is finally implemented DOD has only \$400 billion to draw on to pay for the start-up and to then cover eligible reservists and their families.

Position: The Alliance urges the Congress to provide the money to make this current temporary program permanent and to extend it to allow all Selected Reserve members and certain IRR members access to premium-based TRICARE coverage when they are not on Active Duty. In addition, these members should have the option of having the government pay some share of any employer-provided health coverage during periods of recall to active service.

BAH VS. BAH II

Under the current pay system there are two Basic Allowances for Housing (BAH) rates, one for active duty and one for reservists that are mobilized for 139 days or less. When reservists reach the 140-day line they start to receive full BAH, reservists that are called for training and other assignments that last less than this artificial barrier lose money. The assumptions that were made when this system was placed into effect in 1983 are no longer valid. Reservists often travel away from home for assignments. Since some of these are short assignments it is not practical for reservists to uproot their families, consequently at times reservists are keeping two residences.

In the Department of Defense Report to Congress "Reserve Personnel Compensation Program Review" the department stated that to completely eliminate the 140-day threshold, it would cost \$162 million annually. This report acknowledges that as a matter of equity the 140-day threshold should be eliminated. The department's suggestion to reduce the threshold for payment of BAH, rather than BAH II, to no more than 30 days is a cost saving option, but it does not address the fact that any time based standard for receiving the allowance is artificial in nature and saves money at a cost to the individual servicemen and woman.

Position: The NMVA requests that the funds and language be included that would eliminate this artificial and unreasonable difference in the BAH that reservists are paid.

REDUCE RETIREMENT AGE ELIGIBILITY FOR RESERVISTS

Over the last two decades, more has been asked of Guardsmen and Reservists than ever before. The nature of the contract has changed; Reserve Component members would like to see recognition of the added burden they carry. Providing an option that reduces the retired with pay age from 60 to 55 years carries importance in retention, recruitment, and personnel readiness. Some are hesitant to endorse this because they envision money would be taken out of other entitlements, benefits, and Guard and Reserve Equipment budgets. The National Military and Veteran's Alliance recommends that Reserve retirement with pay be allowed prior to age 60, but be treated like Social Security retirement offset, at lower payments when taken at an earlier age. If a Reservist elects to take retired pay at age 55, it would be taken at an actuarially reduced rate, keeping the net costs at zero.

Most of the cost projected by DOD is for TRICARE healthcare, which begins when retirement pay commences. Again following the Social Security example, Medicare is not linked to Social Security payments.

Position: The National Military and Veterans Alliance suggests that TRICARE for Reservists be decoupled from pay, and eligibility remain at age 60 years with Social Security as a model. Reservists understand the nature of offsetting payments. The only remaining expense in this proposal would be the administrative startup costs and adjustments to retirement accrual contributed to the DOD retirement accounts.

CONCLUSION

Mr. Chairman and distinguished members of the Subcommittee the Alliance again wishes to emphasize that we are grateful for and delighted with the large steps forward that the Congress has affected the last few years. We are also very appreciative of recent changes that impact our "citizen soldiers" in the Guard and Reserve. But there is still work to be done to improve health care programs for all qualified beneficiaries, and benefits and mission funding for our Guardsmen and Reservists. We understand that all of these issues don't fall under the direct purview of your subcommittee. However, we are aware of the continuing concern all of the subcommittee's members have shown for the health and welfare of our service personnel and their families. Therefore, we hope that this subcommittee can further advance these suggestions in this committee or in other positions that the members hold. We are very grateful for the opportunity to speak on these issues of crucial concern to our members. Thank you.

Senator STEVENS. Thank you very much.

Senator INOUE.

Senator INOUE. How would you justify making TRICARE permanent for reservists?

Mr. BENGE. Sir, earlier it was pointed out that it would be the same as for active duty, and that would be true, but for reservists, the physical standards are also the same for active duty. So I would justify it not only as a retention tool, as a benefit, but also as a readiness issue to ensure that our reservists are physically ready to be mobilized.

Senator INOUE. Thank you.

Senator STEVENS. To follow on that, how long would you do that? You can stay in the Reserve until you are 60, can you not?

Mr. BENGE. Yes, sir. I would have to look at the numbers to see what would be affordable. Ideally you would want it indefinitely.

Right now gray area retirees are not eligible for TRICARE. They are not eligible until 65.

Senator STEVENS. We can attest to the fact that as you get older, you need more medical care.

Mr. BENGE. Yes, sir.

Senator STEVENS. But as you get older, you are not going to be called up. So I think we would like to understand this. How long do you think this should go on? Just think about it and give us a statement, will you?

Mr. BENGE. Yes, sir.

Senator STEVENS. Thank you very much.

Our next witness is Martin B. Foil, a member of the Board of Directors of the National Brain Injury Research, Treatment, & Training Foundation. Good morning, sir.

STATEMENT OF MARTIN B. FOIL, JR., MEMBER, BOARD OF DIRECTORS, NATIONAL BRAIN INJURY RESEARCH, TREATMENT, & TRAINING FOUNDATION (NBIRT)

Mr. FOIL. Good morning. Mr. Chairman, Senator Inouye, it is good to be back. It is always a pleasure to come and testify on behalf of the defense and veterans head injury program (DVHIP) which provides state-of-the-art medical care and rehab to active duty military personnel.

As of March 31, DVHIP has treated over 350 troops injured in the global war on terrorism. Traumatic brain injury (TBI) is a leading combat concern in modern warfare. Previously accounting for up to 25 percent of combat casualties, today we think the incidence rate is between 40 and 70 percent.

It is higher for several reasons in hostilities. One, the use of more effective body armor and improved trauma care has saved more lives. The higher incidence of blast injuries, increasing numbers of gunshot wounds to the face, and the medical personnel are more aware of the significance of TBI and are more likely to identify it.

Chairman Stevens, as you so eloquently stated on the Senate floor last Wednesday, our combat medics regularly perform miracles by providing lifesaving care during the critical golden hour. The combat medics are performing miracles, but so are the doctors and rehab specialist in the DVHIP.

As the front-page article in the Washington Post reported last week, what most soldiers sustaining brain injury tell their doctors is they want to go back to their unit. Sergeant Colin Rich was shot in the head in Afghanistan in December 2002. He is one, who with the care of DVHIP, was able to do just that. Within 1 year, he returned to active duty, including a stint in Iraq. He spoke at the Brain Injury Awareness Day on Capitol Hill last October, along with Warrant Officer John Sims who sustained a closed head injury during the battle of Baghdad. His Blackhawk helicopter was shot down, but while he managed to get his men out before the crash, he went down with the helicopter. In the days after Sims' injury, he was not expected to live, and yet today he is getting his life back little by little, having worked today with the Judge Advocate General (JAG) Corps as part of the cognitive rehab program at the Virginia NeuroCare (VANC), a core component of DVHIP.

While these are heroic stories, as you know, not everyone can return to life as before. DVHIP staff are aware of the danger of premature return to duty and how critical it is to identify brain injuries when many other injuries like amputations are so much more obvious.

That is why DVHIP this year is asking for \$7 million to continue treating and screening injured soldiers strategically placing specialized clinicians in medical treatment facilities throughout the Nation in order to provide the continuity of care from battlefield to rehab back to active duty. This funding is needed to continue training combat medics and surgeons, general medical officers, and reservists in the best practices of traumatic brain injury care. So I respectfully request your support of the \$7 million in the DOD appropriations bill under health affairs for operation and maintenance for fiscal year 2005.

Thank you, Mr. Chairman and Mr. Inouye. I would be happy to answer any questions.

[The statement follows:]

PREPARED STATEMENT OF MARTIN B. FOIL, JR.

My name is Martin B. Foil, Jr. and I am the father of Philip Foil, a young man with a severe brain injury. I serve as a volunteer on the Board of Directors of the National Brain Injury Research, Treatment and Training Foundation (NBIRTT)¹ and Virginia NeuroCare in Charlottesville, Virginia (VANC).² Professionally, I am the Chief Executive Officer and Chairman of Tuscarora Yarns in Mt. Pleasant, North Carolina.³

On behalf of the thousands of military personnel that receive brain injury treatment and services annually, I respectfully request that \$7 million be added to the Department of Defense (DOD) Health Affairs budget for fiscal year 2005 under Operation and Maintenance for the Defense and Veterans Head Injury Program (DVHIP).

Traumatic brain injury is a leading combat concern in modern warfare. Previously accounting for up to 25 percent of combat casualties, today the incidence of TBI may be as high as 40–70 percent of casualties.

The incidence of traumatic brain injury (TBI) is believed to be greater now than in previous hostilities for a number of reasons: (1) The use of effective body armor has saved more lives; (2) medical personnel are more aware of the significance of mild closed TBIs and concussions and are therefore more likely to identify them; and (3) the incidence of blast injuries in Iraq and Afghanistan is high.

As a result, the current incidence of TBI sustained in theater is expected to be higher than in previous conflicts. Major General Kevin C. Kiley, Commanding General of the Walter Reed Army Medical Center (WRAMC) and the North Atlantic Regional Medical Command said at the October 2003 Congressional Brain Injury Task Force Awareness Fair on Capitol Hill that as many as 40–70 percent of casualties have the possibility of including TBI.⁴ The incidence of TBI was recently discussed at a two day conference held by the DVHIP along with the Joint Readiness Clinical Advisory Board on March 23–24, 2004, and evidence was presented that 61 percent of at-risk soldiers seen at WRAMC were assessed to have TBIs. While this does not reflect the entire population of wounded in action, the high percentage suggests that brain injury acquired in theater is an increasing problem that needs to be addressed.

¹NBIRTT is a non-profit national foundation dedicated to the support of clinical research, treatment and training.

²VANC provides brain injury rehabilitation to military retirees, veterans and civilians through an innovative and cost effective day treatment program.

³I receive no compensation from this program. Rather, I have raised and contributed millions of dollars to support brain injury research, treatment, training and services.

⁴Schlesinger, Robert, "Brain Injuries Take Toll on U.S. Soldiers," The Boston Globe, October 16, 2003.

The Defense and Veterans Head Injury Program (DVHIP)

Established in 1992, the DVHIP is a component of the military health care system that integrates clinical care and clinical follow-up, with applied research, treatment and training. The program was created after the first Gulf War to address the need for an overall systemic program for providing brain injury specific care and rehabilitation within DOD and DVA. The DVHIP seeks to ensure that all military personnel and veterans with brain injury receive brain injury-specific evaluation, treatment and follow-up. Clinical care and research is currently undertaken at seven DOD and DVA sites and one civilian treatment site.⁵ In addition to providing treatment, rehabilitation and case management at each of the 8 primary DVHIP centers, the DVHIP includes a regional network of additional secondary veterans' hospitals capable of providing TBI rehabilitation, and linked to the primary lead centers for training, referrals and consultation. This is coordinated by a dedicated central DVA TBI coordinator and includes an active TBI case manager training program.

As of March 31, 2004⁶ more than 350 combat casualties from the Global War on Terrorism have been served by DVHIP.

Congressional support over the years has helped create the existing DVHIP infrastructure that has been critical in evaluating and caring for active duty personnel who are being injured in Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF). Thorough evaluation, referral for appropriate clinical supports, prompt discharge to home or military unit, and focus on returning service members to active duty have been the primary goals of the clinical care provided to these war fighters. Additional service members have been identified who were cared for and promptly discharged back to their units. DVHIP is working with the appropriate military institutions to ensure that these individuals will be actively followed to ensure they receive specialized clinical care and follow-up as needed.

WRAMC and Bethesda Naval Hospital (for Marines) have been the main destinations of injured personnel sent from Iraq and Afghanistan via Landstuhl Regional Medical Center in Germany. According to data from the Office of the Surgeon General, approximately 70 percent of those wounded in action are sent to the general surgery or orthopedic surgery services at the receiving medical center because of the most severe injuries of the individual. Because the most common cause of wounded in action is currently blast injury, DVHIP is working with the Command at WRAMC to screen all of the incoming wounded who have been injured in blast, falls or motor vehicle accident. An estimated 61 percent of those screened at WRAMC were identified as having sustained a traumatic brain injury.

Examples of Military Personnel Injured, Treated and Returning to Work

The following are examples of injured active duty military personnel who recently received care provided by the DVHIP:

First Sgt. Colin Robert Rich, A Company, 1st Battalion 504th Parachute Infantry Regiment, was shot in the head on December 28, 2002 while serving in Afghanistan. Rich received initial acute care at a hospital in Germany within 15 hours of being shot and arrived at WRAMC on January 4, 2002 where he was cared for by DVHIP staff before being discharged home on January 16, 2002. Rich continues to receive follow up care from DVHIP and spoke before Members of Congress at the October, 2003 Congressional Brain Injury Task Force Awareness Fair. Rich returned to limited active duty in December of 2003.

Warrant Officer John Sims, U.S. Air pilot and member of the Maryland Guard was piloting a Black Hawk helicopter in Iraq when his helicopter went down, and he suffered brain injuries. His wife was initially told he probably would not survive. After being admitted to WRAMC, he was cared for at the Richmond VA hospital before being transferred to Virginia Neurocare, DVHIP's civilian community reentry treatment site. Although he has made remarkable recovery, his ability to pilot a plane again is in doubt. Simms also spoke before Members of Congress at the October 2003 Congressional Brain Injury Task Force Awareness Fair.

PFC Alan Lewis was driving a Humvee in Baghdad on July 16, 2003 in Iraq when an explosive device tore off his legs. Lewis was identified as a potential TBI patient

⁵ Walter Reed Army Medical Center, Washington, DC; James A. Haley Veterans Hospital, Tampa, FL; Naval Medical Center San Diego, San Diego, CA; Minneapolis Veterans Affairs Medical Center, Minneapolis, MN; Veterans Affairs Palo Alto Health Care System, Palo Alto, CA; Virginia Neurocare, Inc., Charlottesville, VA; Hunter McGuire Veterans Affairs Medical Center, Richmond, VA; Wilford Hall Medical Center, Lackland Air Force Base, TX.

⁶ The attached article on the complexity of treating brain-injured soldiers in Iraq, which appeared on the front page of The Washington Post on Tuesday, April 27, 2004 notes that "in April, 900 soldiers and Marines have been wounded in Iraq." The official number of troops treated by DVHIP has only been calculated as of March 31, 2004.

through DVHIP screening and was found to have sustained a mild TBI. DVHIP clinical staff helped him cope with memory problems and other neurobehavioral difficulties from his head injury throughout the rehabilitation process. He has been an articulate spokesperson for the dedication and resolve of our fighting force and the potential for recovery after a serious injury.

These are just a few examples of what DVHIP does for hundreds of military personnel each year; from being ready to care for injured troops in the acute care setting to neuro-rehabilitation involving the entire patient to full community integration.

Improving Medical Care, Training and Diagnostics

Along with the Joint Readiness Clinical Advisory Board (JRCAB) at Fort Detrick, DVHIP co-sponsored a first-of-its-kind conference entitled "Neurotrauma in Theater: Lessons Learned from Iraq and Afghanistan." The conference brought together neurosurgeons, neurologists, physician assistants, medic, nurses and general medical officers who served in Iraq and Afghanistan. Expert opinion from every branch of the armed forces was shared and debated. In addition to helping address immediate needs and guide future research for the safety of the Active Duty, the conference informed a specialty neurotrauma panel with recommendations going to the Office of the Surgeon General.

A recurring theme throughout the neurotrauma conference was the need for training for management of closed head injury. Education of corpsmen and other military medical providers on concussion care continues to be one of the primary objectives at the DVHIP at Camp Pendleton. Standardized educational programs are being developed this year by the DVHIP educational core in order to reach a greater number of medical providers. DVHIP plans to make these educational materials available on its website to enhance this outreach and provide information to providers in austere locations where travel for on-site training would not be possible.

In anticipation of large numbers of troops returning home in July, the DVHIP screening process has been developed into a manual in order to assist physicians at military sites without a DVHIP component. A DVHIP Web-based patient assessment was also developed for physicians at distant sites who would like to incorporate this in their clinical practice.

Another way that DVHIP is assisting military and VA providers in treating individuals with TBI is by disseminating thousands of copies of "Heads Up: Brain Injury in Your Practice Tool Kit," a new physician tool kit to improve clinical diagnosis and management of mild TBI. The kit was developed by the Centers for Disease Control and Prevention in collaboration with DVHIP. This past year DVHIP also teamed up with the Veterans Health Administration to produce an independent TBI study program as part of the Veterans Health Initiative. This program offers any military or VA physician Continuing Medical Education credits for its completion. An online version ensures that clinicians serving in theater can receive up-to-date training in TBI care.

Additional DVHIP Accomplishments and Ongoing Research Initiatives

Provided successful rehabilitation and return to work and community re-entry for active duty military personnel and veterans.

Established an archive of military neurotrauma cases and statistics from military physicians who were deployed to Afghanistan, Kuwait, and Iraq. These data are still being reviewed and compiled into a single archive that will be available for military use.

Developed The War on Terrorism Brain Injury Registry to identify individuals with brain injury and examine clinically relevant issues in the management of brain injury sustained in theatre. These records will provide the basis for future efforts to follow these individuals to understand better the longer term implications of these injuries.

Submitted a proposal to determine if an enhanced program of telephonic nursing will improve the outcome of Active Duty with mild brain injury. Establishing effectiveness of telephonic nursing will be critical to treating individuals who are at distance from other care providers, thus serving soldiers and saving taxpayer money.

Ongoing studies are being conducted with Army paratroopers and cadets and U.S. Marines at Fort Bragg, West Point, and Camp Pendleton. These studies are investigating brief evaluation instruments for use on the battlefield to determine which injured service members require immediate treatment and which can return to duty. The goal of these studies is to preserve our nation's fighting strength while conserving medical resources for those injured and requiring treatment.

Completed enrolling patients in a research protocol on functional rehabilitation versus cognitive rehabilitation for severe brain injury.

A randomized controlled study of sertraline for post concussive syndrome is being carried out in all DVHIP military and VA sites. This study targets the symptoms of irritability, depression and anxiety which many soldiers report after TBI.

Published a study on the recovery pattern from concussion from the West Point boxing study in Neurosurgery (Bleiberg, et al, May, 2004), an epidemiologic study on TBI in Fort Bragg paratroopers (Ivins et al, Journal of Trauma, October 2003), and an invited editorial on the effects of concussion (Warden, Neurology, May 11, 2004).

Developed a free standing website www.dvbic.org to provide information for clinical providers, patients and family members.

Added TBI specific questions to WRAMC's Post-Deployment Questionnaire which is administered to all soldiers who were recently deployed and sent to WRAMC.

Additional funding is needed in fiscal year 2005 to address the following needs:

Continue to provide clinical care of active duty personnel and veterans:

- Expand clinical capacity to meet the need to care for an increasing number of injured military personnel and veterans.
- Increase use of DVHIP resources by medical assets at other military and veteran sites with large troop/vet concentrations, e.g., by web-based initiatives, medical staff presentations by DVHIP personnel, etc.
- Implement TBI outpatient clinics at DVHIP lead centers. As the needs of the returning veterans after blast injury are expected to be largely outpatient, the DVHIP will be prepared to meet those needs.
- Ensure all necessary care has been received by military personnel and veterans who have sustained brain injuries by using the DVHIP Registry to identify individuals in need of additional treatment and support.

Continue military and veteran specific education and training:

- Develop an algorithm for return to duty management to be used by first responders in the military. These management guidelines will be based on new data analysis from existing concussion studies at West Point, Fort Bragg, and Camp Pendleton.
- Report to the U.S. Army the findings from the War on Terrorism Brain Injury Registry regarding incidence of closed head injury and the impact of early wound closure in penetrating brain injury.
- Disseminate evidence-based guidelines on pharmacological management of neurobehavioral consequences of brain injury.
- Expand the content and services of the DVHIP website. Future website applications will include enhanced educational materials and the capability to make referrals and gain access to care.

Military and Veteran Relevant Clinical Research:

- Determine the incidence of brain injury from the most commonly occurring blast injuries.
- Initiate a VA multi-center trial to provide the first evidence on the effectiveness of cognitive rehabilitation and stimulant medication early in recovery from severe brain injury.
- Conduct the study of enhanced protection from parachute injury by field-testing approved novel helmet configurations at Fort Bragg.
- Implement the feasibility study of biomarkers in mild brain injury and injury recovery in collaboration with Ron Hayes, Ph.D. at the Evelyn F. and William L. McKnight Brain Institute at the University of Florida.
- Extend outcomes research through the evaluation of long-term work and duty status in DVHIP rehabilitation trial participants.

DVHIP Support for Families after Brain Injury

Every military commander and soldier knows the importance of taking care of their families so that they may focus on performing their critical duties. This is especially important in times of conflict, as demonstrated during Operation Iraqi Freedom. When soldiers sustain brain injuries in conflict, taking care of families is even more important. This is because the impact of brain injury on the family is particularly traumatic, in that not only life and death are at stake, but there are also significant disruptions to family systems for months or years thereafter as the rehabilitation and recovery process ensues. DVHIP family support groups provide a great deal of assistance, education, and information to families. For example, the family support program at the Tampa VA also holds bi-annual reunions in which former patients and families come from around the country.

Conclusion

There is no greater time than today to support injured personnel sustaining brain injuries. There is nothing more patriotic than caring for the men and women who

serve our country and protect our interests. Our men and women in uniform are sustaining brain injuries and need brain injury specific care and state of the art treatment and rehabilitation. The incidence of TBI is higher in theater than it has ever been in history, and the numbers of injured personnel present a challenge to the military medical system. DVHIP continues to be an important part of the military health care system and needs additional funding to continue its work.

Please support \$7 million for the DVHIP in the fiscal year 2005 Defense Appropriations bill in the DOD Health Affairs budget under Operation and Maintenance to continue this important program.

[From the Washington Post, April 27, 2004]

THE LASTING WOUNDS OF WAR

ROADSIDE BOMBS HAVE DEVASTATED TROOPS AND DOCTORS WHO TREAT THEM

(By Karl Vick)

BAGHDAD—The soldiers were lifted into the helicopters under a moonless sky, their bandaged heads grossly swollen by trauma, their forms silhouetted by the glow from the row of medical monitors laid out across their bodies, from ankle to neck.

An orange screen atop the feet registered blood pressure and heart rate. The blue screen at the knees announced the level of postoperative pressure on the brain. On the stomach, a small gray readout recorded the level of medicine pumping into the body. And the slender plastic box atop the chest signaled that a respirator still breathed for the lungs under it. At the door to the busiest hospital in Iraq, a wiry doctor bent over the worst-looking case, an Army gunner with coarse stitches holding his scalp together and a bolt protruding from the top of his head. Lt. Col. Jeff Poffenbarger checked a number on the blue screen, announced it dangerously high and quickly pushed a clear liquid through a syringe into the gunner's bloodstream. The number fell like a rock.

"We're just preparing for something a brain-injured person should not do two days out, which is travel to Germany," the neurologist said. He smiled grimly and started toward the UH-60 Black Hawk thwump-thwumping out on the helipad, waiting to spirit out of Iraq one more of the hundreds of Americans wounded here this month.

While attention remains riveted on the rising count of Americans killed in action—more than 100 so far in April—doctors at the main combat support hospital in Iraq are reeling from a stream of young soldiers with wounds so devastating that they probably would have been fatal in any previous war.

More and more in Iraq, combat surgeons say, the wounds involve severe damage to the head and eyes—injuries that leave soldiers brain damaged or blind, or both, and the doctors who see them first struggling against despair.

For months the gravest wounds have been caused by roadside bombs—improvised explosives that negate the protection of Kevlar helmets by blowing shrapnel and dirt upward into the face. In addition, firefights with guerrillas have surged recently, causing a sharp rise in gunshot wounds to the only vital area not protected by body armor.

The neurosurgeons at the 31st Combat Support Hospital measure the damage in the number of skulls they remove to get to the injured brain inside, a procedure known as a craniotomy. "We've done more in eight weeks than the previous neurosurgery team did in eight months," Poffenbarger said. "So there's been a change in the intensity level of the war."

Numbers tell part of the story. So far in April, more than 900 soldiers and Marines have been wounded in Iraq, more than twice the number wounded in October, the previous high. With the tally still climbing, this month's injuries account for about a quarter of the 3,864 U.S. servicemen and women listed as wounded in action since the March 2003 invasion.

About half the wounded troops have suffered injuries light enough that they were able to return to duty after treatment, according to the Pentagon.

The others arrive on stretchers at the hospitals operated by the 31st CSH. "These injuries," said Lt. Col. Stephen M. Smith, executive officer of the Baghdad facility, "are horrific."

By design, the Baghdad hospital sees the worst. Unlike its sister hospital on a sprawling air base located in Balad, north of the capital, the staff of 300 in Baghdad includes the only ophthalmology and neurology surgical teams in Iraq, so if a victim has damage to the head, the medevac sets out for the facility here, located in the heavily fortified coalition headquarters known as the Green Zone.

Once there, doctors scramble. A patient might remain in the combat hospital for only six hours. The goal is lightning-swift, expert treatment, followed as quickly as possible by transfer to the military hospital in Landstuhl, Germany.

While waiting for what one senior officer wearily calls “the flippin’ helicopters,” the Baghdad medical staff studies photos of wounds they used to see once or twice in a military campaign but now treat every day. And they struggle with the implications of a system that can move a wounded soldier from a booby-trapped roadside to an operating room in less than an hour.

“We’re saving more people than should be saved, probably,” Lt. Col. Robert Carroll said. “We’re saving severely injured people. Legs. Eyes. Part of the brain.”

Carroll, an eye surgeon from Waynesville, Mo., sat at his desk during a rare slow night last Wednesday and called up a digital photo on his laptop computer. The image was of a brain opened for surgery earlier that day, the skull neatly lifted away, most of the organ healthy and pink. But a thumb-sized section behind the ear was gray. “See all that dark stuff? That’s dead brain,” he said. “That ain’t gonna regenerate. And that’s not uncommon. That’s really not uncommon. We do craniotomies on average, lately, of one a day.”

“We can save you,” the surgeon said. “You might not be what you were.”

Accurate statistics are not yet available on recovery from this new round of battlefield brain injuries, an obstacle that frustrates combat surgeons. But judging by medical literature and surgeons’ experience with their own patients, “three or four months from now 50 to 60 percent will be functional and doing things,” said Maj. Richard Gullick. “Functional,” he said, means “up and around, but with pretty significant disabilities,” including paralysis.

The remaining 40 percent to 50 percent of patients include those whom the surgeons send to Europe, and on to the United States, with no prospect of regaining consciousness. The practice, subject to review after gathering feedback from families, assumes that loved ones will find value in holding the soldier’s hand before confronting the decision to remove life support.

“I’m actually glad I’m here and not at home, tending to all the social issues with all these broken soldiers,” Carroll said.

But the toll on the combat medical staff is itself acute, and unrelenting.

In a comprehensive Army survey of troop morale across Iraq, taken in September, the unit with the lowest spirits was the one that ran the combat hospitals until the 31st arrived in late January. The three months since then have been substantially more intense. “We’ve all reached our saturation for drama trauma,” said Maj. Greg Kidwell, head nurse in the emergency room.

On April 4, the hospital received 36 wounded in four hours. A U.S. patrol in Baghdad’s Sadr City slum was ambushed at dusk, and the battle for the Shiite Muslim neighborhood lasted most of the night. The event qualified as a “mass casualty,” defined as more casualties than can be accommodated by the 10 trauma beds in the emergency room.

“I’d never really seen a ‘mass cal’ before April 4,” said Lt. Col. John Xenos, an orthopedic surgeon from Fairfax. “And it just kept coming and coming. I think that week we had three or four mass cals.”

The ambush heralded a wave of attacks by a Shiite militia across southern Iraq. The next morning, another front erupted when Marines cordoned off Fallujah, a restive, largely Sunni city west of Baghdad. The engagements there led to record casualties.

“Intellectually, you tell yourself you’re prepared,” said Gullick, from San Antonio. “You do the reading. You study the slides. But being here . . .” His voice trailed off. “It’s just the sheer volume.”

In part, the surge in casualties reflects more frequent firefights after a year in which roadside bombings made up the bulk of attacks on U.S. forces. At the same time, insurgents began planting improvised explosive devices (IEDs) in what one officer called “ridiculous numbers.”

The improvised bombs are extraordinarily destructive. Typically fashioned from artillery shells, they may be packed with such debris as broken glass, nails, sometimes even gravel. They’re detonated by remote control as a Humvee or truck passes by, and they explode upward. To protect against the blasts, the U.S. military has wrapped many of its vehicles in armor. When Xenos, the orthopedist, treats limbs shredded by an IED blast, it is usually “an elbow stuck out of a window, or an arm.”

Troops wear armor as well, providing protection that Gullick called “orders of magnitude from what we’ve had before. But it just shifts the injury pattern from a lot of abdominal injuries to extremity and head and face wounds.”

The Army gunner whom Poffenbarger was preparing for the flight to Germany had his skull pierced by four 155 mm shells, rigged to detonate one after another in what soldiers call a “daisy chain.” The shrapnel took a fortunate route through

his brain, however, and "when all is said and done, he should be independent. . . . He'll have speech, cognition, vision."

On a nearby stretcher, Staff Sgt. Rene Fernandez struggled to see from eyes bruised nearly shut. "We were clearing the area and an IED went off," he said, describing an incident outside the western city of Ramadi where his unit was patrolling on foot.

The Houston native counted himself lucky, escaping with a concussion and the temporary damage to his open, friendly face. Waiting for his own hop to the hospital plane headed north, he said what most soldiers tell surgeons: What he most wanted was to return to his unit.

Senator STEVENS. Tell us a little bit about this foundation of yours, will you please, Mr. Foil? I noticed you are located in Charlottesville.

Mr. FOIL. Yes. Are you talking about Virginia NeuroCare or the NBIRTT?

Senator STEVENS. NBIRTT.

Mr. FOIL. It is a program that Dr. Zitney and I and several other interested people set up a number of years ago really to work with people in brain injury around the country, focused primarily on two issues. One is a better quality of life and a search for a cure. So we look at both ends of the spectrum: one over here taking care of the person who has had traumatic brain injury and helping them to a quality of life that we all aspire to; and over here, in research looking for a way to cure the problem.

Senator STEVENS. Where are you located?

Mr. FOIL. I live in Concord, North Carolina, sir.

Senator STEVENS. Where is this foundation located?

Mr. FOIL. Well, to be honest with you, where we hang up our hat.

Senator STEVENS. Where you are.

Mr. FOIL. Yes, sir.

Senator STEVENS. What about this VANC which you tell us is in Charlottesville. What is your relationship to that?

Mr. FOIL. That is Virginia NeuroCare. That is a facility run primarily for people with brain injury in Charlottesville and that is run by Dr. Zitney. I have nothing to do with that.

Senator STEVENS. Do you do anything with military people?

Mr. FOIL. Oh, absolutely. These people we referred to here in the book, both of those were at Virginia NeuroCare. The one who was shot in the head has been returned to active duty. He is now in North Carolina. And the helicopter pilot is still there working with the JAG Corps to rehabilitate himself fully to go back to active duty.

I do not know how many we have got there, but there is a number. He has got about 10 or 15 patients from the military. We have a lot more opportunities to take people than we have got the ability to handle them.

Senator STEVENS. Well, that is what Senator Inouye and I worry about. The demand is up.

Mr. FOIL. The demand is very high and the facilities are very low. I myself, Senator, am building a facility in North Carolina where we hope to take soldiers as soon as it is completed, and we hope to have it open by the summer of next year.

Senator STEVENS. Is there a national group behind you?

Mr. FOIL. We are trying to take it national, but we do not have the money to do it yet. It is all not-for-profit. We do not ask the

Government for money. This is just on our own. I put \$5 million of my own money in this.

Senator STEVENS. Well, thank you very much. We are very concerned about the area you are in.

Mr. FOIL. You have every right to be concerned.

Senator STEVENS. The two of us would like to meet with some of your people soon to see what we might do to help you expand the availability of this care throughout our country.

Mr. FOIL. We appreciate that. We would like to do that. We have been asked to put a place in Fayetteville. We have been asked to put a place in Norfolk, Virginia. I think there are opportunities all over this country to do that and we are successful, Senator.

Senator STEVENS. Well, there is no question about it. Forty to seventy percent casualties you indicate.

Mr. FOIL. Yes, sir, and I think it is closer to 70 percent than it is to 40 percent.

Senator STEVENS. But that is a national thing, and with due respect, people from Alaska cannot quite make it down your way.

Mr. FOIL. We would be happy to put one in Alaska, Senator.

Senator STEVENS. We want to see what we can do to get—

Mr. FOIL. We would love to have one in Hawaii as well.

Senator STEVENS. So why do you not come meet with Senator Inouye and me and let us see what we can do to help you.

Mr. FOIL. Yes, sir. I will be glad to set that up and we will be back in touch with you. Thank you for your attention.

Senator STEVENS. Thank you very much. I appreciate your presence.

Senator Inouye.

Senator INOUE. No questions.

Senator STEVENS. The next witness is James Bramson, Executive Director of the American Dental Association. Good morning, Doctor.

**STATEMENT OF JAMES B. BRAMSON, D.D.S., EXECUTIVE DIRECTOR,
AMERICAN DENTAL ASSOCIATION**

Dr. BRAMSON. Good morning, Mr. Chairman and Senator Inouye. I am Dr. Jim Bramson, the Executive Director of the American Dental Association (ADA). Thank you for the opportunity to testify today about dental programs that directly relate to the dental readiness of our servicemen and women.

During World War II, more than 20 percent of the 2 million selectees did not meet dental requirements. In fact, this was the number one reason for rejection. Dental disease today continues to have an impact on military personnel. A 2002 DOD report stated that 34 percent of military personnel on active duty required dental care prior to deployment. Army Chief of Staff General Peter Schoomaker testifying last year stated that there were “real problems in dental readiness,” and he discussed the rotation of troops and the activation of Army Guard and Reserve personnel. Having enough dentists to treat active duty personnel is vital to keeping soldiers healthy and ready.

An abscessed tooth clearly is one of mankind’s most painful experiences, but for military personnel in a combat zone or on a fighter

plane or in a submarine, an oral infection can only compromise their ability to complete their missions.

Since the late 1990's, the dental corps has had trouble recruiting and retaining dental officers. One reason is the large pay differential between uniform and civilian dentists. A second reason is graduation student loan debt, which now averages nearly \$110,000 per student. From exit interviews with dentists, we know they would say they would stay in the military if offered loan repayment. One Air Force captain said, if you evaluate my salary, subtract my sizeable student loan payments, I end up taking home the equivalent of what a staff sergeant of 8 years makes. And the result is that the military is operating at about 12 percent below dental manpower levels.

To address this situation, the ADA recommends an additional \$6 million per year for 3 years to allow 66 targeted health professions scholarship program (HPSP) dental scholarships per year per service. This funding would be to attract new recruits and it could also be used for loan repayment.

Military dental research has had a well-established history with both the Army and the Navy. Their mission is to reduce the incidence and impact of dental disease on deployed troops. This research is unique and because of the global war on terrorism, it is on the cutting edge.

The Army focuses on improving materials to protect the troops not only from oral disease but also from injury or hostile fire. Almost one-half of the injuries reported in Iraq and Afghanistan are head, neck, and eye trauma. Army dental researchers are developing a lighter, thinner bullet-proof face shield to replace the current head gear that is hot and heavy.

In Bosnia, the Army found that over 15 percent of the deployed troops had dental emergencies and that 75 percent of those emergencies were plaque-related oral disease such as gum infections. The Army researchers are working on an easy and cost effective way to help with an anti-plaque chewing gum which could be included in every meal, ready-to-eat (MRE) or mess kit.

Navy dental research is focused on the immediate delivery of dental care in the field. Those researchers have continued to make progress on the development of a rapid, noninvasive salivary diagnostic instrument for the detection of diseases and biological agents.

I have here with me today a hand-held prototype of this device. So for those of you in the room who suffered through the painful anthrax swab tests 3 years ago, you waited up to 2 weeks to get your results. This device which analyzes the antibodies in saliva will make those experiences obsolete. You put saliva in this little receptacle here, add the reagent, and wait about 90 seconds for the results.

Now, these are just a few of the examples of the dental research projects being conducted at the Great Lakes facility. All of these have a direct relationship to combat medicine. All are targeted to improve the oral health of deployed personnel, and they can lead to enormous cost savings.

The ADA strongly recommends that these research activities be funded at \$6 million.

Thank you again for the opportunity to testify today. Our written statement has additional details, and I would be glad to answer any questions.

Senator STEVENS. Well, thank you very much. We have noted those comments. Most of your requests really affect the Military Construction Subcommittee, not this subcommittee. We will call those to their attention. I do not know if you plan to appear before them or not.

But we clearly share your feeling that these efforts to reconstruct the damage done to faces, to jaws, et cetera—there must be really improvement in the facilities. So we will have to talk to your association after talking to the Military Construction Subcommittee.

Dr. BRAMSON. We will be happy to talk to you, Senator.

Senator STEVENS. We will do that. We promise we will get back to you.

Senator Inouye.

Senator INOUE. I will join the chairman on that.

Senator STEVENS. Thank you very much. Appreciate it.

[The statement follows:]

PREPARED STATEMENT OF JAMES B. BRAMSON, D.D.S.

Good morning, Mr. Chairman and members of the subcommittee. I am Dr. James Bramson, Executive Director of the American Dental Association (ADA), which represents over 149,000 dentists nationwide. As of September 30, 2003, there were 3,126 dentists in the military services. Thank you for the opportunity to testify to discuss appropriations for Department of Defense dental and oral-health related programs. My primary purpose today is to bring to your attention programs that directly relate to the dental readiness of our men and women in uniform and the efforts being made to achieve and maintain their dental health.

The Public Health Service's first study of the military draft in World War II determined that more than 20 percent of the two million selectees did not meet Selective Service dental requirements. At the time of Pearl Harbor, "dental defects" led all physical reasons for rejection of recruits. Dental disease today continues to have an impact on military deployment in the Global War On Terrorism. General Peter J. Schoomaker, Army Chief of Staff, testified before the Senate Armed Services Committee on November 19, 2003 and stated ". . . quite frankly we [have] real problems in dental readiness . . ." as he discussed the rotation of troops and the activation of Army Guard and Reserve personnel. The DOD's 2002 Survey of Health Related Behaviors Among Military Personnel reported that 34 percent of military personnel on active duty required dental care prior to deployment. What isn't said in the report is whether the dental care was completed prior to deployment and whether the treatment was of a temporary nature.

An abscessed tooth may be one on mankind's most painful experiences. While most Americans have been fortunate enough to have never experienced a toothache, those who have know that there is little else that one can think about when it happens. Imagine that toothache in a combat zone, or while flying a fighter, or in a submarine. The ADA is concerned that too many soldiers, sailors, airmen and marines are being deployed at risk for these problems—not only because of the unnecessary pain they may have to endure but also the impact of that pain on their ability to complete their mission.

FUNDING FOR DENTAL READINESS

Since the late 1990s, the dental corps have had difficulty in recruiting and retaining dental officers. One reason is the pay differential between uniform and civilian dentists. The Center for Naval Analysis Health Professions Retention-Accession Study I stated that: ". . . the uniformed-civilian pay gap in 2000 dollars was substantial, averaging \$69,000 per year for general dentists and \$113,000 per year for specialists . . ." A second reason is student loan debt. Many junior officers carry more than \$100,000 (the national average is \$116,000) in loans. Without loan repayment, dentists have a hard time making monthly payments on an O3's pay. The result is that all the dental corps are operating below their authorized manpower levels. The Department of Defense reported that all three services are below strength

by almost 12 percent (September 2003). This figure masks the fact that over the past few years unfilled dental officer authorizations are often transferred to other medical officer corps.

This comes at a time when dental care needed by the troops has not substantially decreased. In fact, with the activation of Guard and Reserve personnel, the demand has increased. As a result of these demands there has been a substantial increase in payments, in the millions of dollars, to private practice dentists paid through the Military Medical Support Office at Great Lakes Naval Training Center (primarily for active duty personnel) and the Federal Strategic Health Alliance Program known as Feds-HEAL (for activated Guard and Reservists). In fiscal year 2000, the military purchased \$13 million of dental care for active duty personnel. That account is projected to reach \$49 million in fiscal year 2004. While some of this additional expense is a result of the activation of Guard and Reserve personnel, a significant portion of these expenses is a direct result of the reduction of dental officers required to maintain the dental readiness of the active duty members. The ADA is aware that the issue of recruiting and retention special pays and bonuses has been studied within the Department of Defense, but currently nothing is being developed in response to these previous reports.

The ADA believes it is time to address dental officer authorizations before the damage to the military dental corps reaches a crisis level. We, therefore, recommend additional targeted funding for Health Professions Scholarship Program (HPSP) dental scholarships to attract new dentist recruits. This additional funding could also be used for loan repayment to retain current military dentist as allowed by law.

MILITARY DENTAL RESEARCH

The Army first began formal dental research with the establishment of the Army Dental School in 1922, which was a precursor to the establishment of the U.S. Army Institute of Dental Research in 1962. The Navy Dental Research Facility at Great Lakes was established in 1947, which subsequently became the Naval Dental Research Institute in 1967 (now known as the Naval Institute for Dental and Biomedical Research). In 1997, both activities were co-located at Great Lakes as a result of the Base Realignment and Closure activities of 1991. These research programs share common federal funding and a common goal to reduce the incidence and impact of dental diseases on deployed troops. This is unique research that is not duplicated by the National Institutes of Health or in the civilian community.

The Army focuses on improving materials to protect the troops, not only from the effects of oral disease but also from injury or hostile fire. Almost half of the injuries reported in Iraq and Afghanistan are head, neck and eye trauma. Army researchers are developing a lighter, thinner anti-ballistic face shield to replace the current headgear that weighs almost 8 pounds and is hot to wear. This is analogous to the development of the lighter and more effective body armor currently being used by our ground troops in Afghanistan and Iraq.

Plaque-related oral disease, including trench mouth, account for as much as 75 percent of the daily dental sick call rate in deployed troops. Even soldiers who ship out in good oral health can become vulnerable to these severe gum diseases if stationed in combat areas where access to good oral hygiene is difficult. An easy and cost effective way to address these conditions is the development of an anti-plaque chewing gum, which could be included in every meals ready to eat (MRE) or mess kit.

For troops stationed in desert combat zones, dehydration is a serious problem. Often the soldier is not aware that there is a problem until he or she is debilitated, obviously not a good thing in a hostile environment. The Army researchers have been working on developing a sensor to monitor hydration rates that could be bonded to a soldier's tooth. Health care personnel at a remote site could monitor the sensor and alert the deployed forces to administer fluids before the situation becomes critical.

Navy research focuses more on the immediate delivery of dental care. For instance, keeping the war fighter in the field is a high priority. Navy researchers are developing dental materials that are more compact and portable, that can be used by non-dental personnel to manage a wide variety of urgent dental problems. Last year in Iraq, a Marine line commander in the field had to have a temporary filling replaced 3 or 4 times. This required a trip to a field dental clinic and the services of a dentist, taking this commander away from his troops. A new dental material being developed by the Navy will allow a corpsman to replace these temporary fillings on the spot and without the need for the commander to spend time away from his troops and the mission. A lesson learned from this situation is that the currently available dental materials are not strong enough for the field environment, espe-

cially the desert climate. More research is needed to perfect this far-forward field dental dressing, but once perfected, it can be used by other agencies like NASA or the Indian Health Service, which also operate in remote areas.

Naval researchers have continued to make progress on the development of rapid, hand-held, non-invasive salivary tests for the detection of military relevant diseases, such as tuberculosis and dengue fever, as well as for biological warfare agents. A prototype model of such a hand-held unit developed by the Navy researchers at Great Lakes is being tested. This unit will be able to test for numerous chemical and biological agents and provide troops in the field a positive or negative determination within a matter of minutes. The implications for Homeland Security are quite obvious.

Last, but not least, the Iraqi war environment has identified an additional research area: the effects of sand on dental equipment. The unique composition of the sand in Iraq has caused dental equipment to break down and fail in the field. Because the sand in Iraq is stickier and more like talcum powder than grittier American sand, the Iraqi sand tends to cling to instruments and equipment. Navy researchers are analyzing the effects of the Iraqi sand on the portable dental equipment with the goal of developing new mobile delivery systems that can be used in the desert environment. This research has obvious implications for medical equipment or any equipment that is easily fouled by the desert sands.

These are just a few of the dental research projects being conducted at the Great Lakes facility. All have a direct relationship to combat medicine, are targeted to improve the oral health of deployed personnel and can lead to enormous cost savings for forces in the field. Furthermore, while the Army and the Navy do not duplicate the research done by the National Institute of Dental and Craniofacial Research, many of their findings will have implications within the civilian community or other Federal Agencies. The ADA strongly recommends that the funding for the Army and Navy dental research activities at Great Lakes be funded at \$6 million to expedite this research for the deployed forces.

OTHER MILITARY DENTAL APPROPRIATIONS ISSUES

There are two other matters that the ADA would like to bring to the Committee's attention and are related to issues discussed during the Committee's April 28th hearing with the Surgeon Generals. First, we are concerned about the dental care for our returning troops through the Veteran's Administration. Following Desert Storm deactivated Reserve and Guard personnel were authorized a dental benefit upon separation. Fortunately, both the length of the Gulf War and the need for activating Reserves and Guard were limited. Approximately \$17 million was spent to provide this dental care. Once again, the Veteran's Administration is anticipating that a significant number of returning Reservists and Guard personnel will require and be authorized dental care upon their release from active duty in the Global War on Terrorism. And since the Reserve and Guard activations are projected to remain significant for the foreseeable future, then the demand for dental care following deactivation will also continue. While the exact amount of money required for this care is not yet known, the ADA believes that it will easily exceed the \$17 million required following Desert Storm and for a sustained basis.

The second issue relates to a military construction project for the dental clinic at Lackland Air Force Base. Some of the soldiers who have suffered head and neck injuries in Iraq are being treated at Lackland for facial reconstruction. Oral surgeons there are using the highly sophisticated computer programs to make 3-D images to recreate shattered jaws.

The proposed construction will consolidate all dental activities on Lackland AFB and Kelly AFB to the Dunn Dental Clinic. There are currently two separate dental treatment activities at Lackland: MacKown Dental Clinic and Dunn Dental Clinic. The MacKown Clinic is 44 years old and has long outlived its usefulness. It predates the current Joint Commission on Accreditation of Healthcare Organizations (JACHO), Occupational Safety and Health Administration (OSHA) and infection control standards. The MacKown Clinic also houses three of the Air Force's dental specialty training programs that have outgrown that facility significantly over the last twenty years. The clinic at Kelly Air Force Base will be closed as a result of highway construction. The patients currently seen at Kelly will now be seen at the Dunn Clinic and there is insufficient capacity to absorb these patients.

The planned addition to the existing Dunn Dental Clinic building will provide an additional 90 dental treatment rooms on two floors that meet current ambulatory surgery codes. The proposed facility will also provide space for a dental laboratory to meet regional dental workload demands, support the dental resident training, and dental research currently part of the MacKown facility. The new addition will

also provide necessary classroom space and suitable audio-visual, teleconference, and distance learning capabilities. The ADA requests that the Committee appropriate \$1.5 million for the design phase of this construction project.

The ADA thanks the Committee for allowing us to present these issues related to the dental and oral health of our great American service men and women.

Senator STEVENS. Our next witness is Captain Robert Hurd, Congressional Liaison for the United States Naval Sea Cadet Corps. Good morning.

STATEMENTS OF:

CAPTAIN ROBERT C. HURD, UNITED STATES NAVY (RET.), CONGRESSIONAL LIAISON, UNITED STATES NAVAL SEA CADET CORPS

PETTY OFFICER 1ST CLASS KYLE DALY, UNITED STATES NAVAL SEA CADET CORPS

Mr. HURD. Good morning, Mr. Chairman, Senator Inouye. I would like to thank the committee for the tremendous support of our program and our 10,000 cadets, one of whom, Petty Officer 1st Class Daly will make our statement this morning.

Senator STEVENS. Fine. Nice to have you here, sir.

Mr. DALY. Mr. Chairman, Senator Inouye, good morning. I am United States Naval Sea Cadet Corps Petty Officer 1st Class Kyle Daly, leading petty officer of the Hospital Corpsman, Master Chief, U.S. Navy (HMCM) William Marsh Battalion as well as a sophomore at a Catholic high school in Hyattsville, Maryland. It is an honor and a privilege to speak to you today on behalf of the Naval Sea Cadet Corps.

There are now over 10,000 young men and women, ages 11 to 17, across the United States and its territories proudly wearing the same uniform I wear before you today. They are supported by over 2,500 adult volunteer Naval Sea Cadet Corps officers, instructors, and midshipmen.

The United States Naval Sea Cadet Corps is a congressionally chartered youth development and education program supported by the Navy League and sponsored by the Navy and Coast Guard. The program's main goals are the development of young men and women, promoting interest and skill in the areas of seamanship and aviation, while instilling a strong sense of patriotism, integrity, self-reliance, honor, courage, and commitment, along with other qualities which I believe will mold strong moral character and self-discipline in a drug-and gang-free environment.

After completing recruit training, sea cadets may choose from an almost infinitely wide variety of 2-week training courses in their following summers, including training aboard Navy and Coast Guard vessels. We drill one weekend per month and complete Navy correspondence courses for advancement, this being the basis for accelerated promotion if a cadet should choose to enlist in the Navy or Coast Guard.

Four hundred eighty-two former sea cadets now attend the U.S. Naval Academy. Between 400 and 600 enlist in the armed services annually, pre-screened, highly motivated and well-prepared. Prior sea cadet experience has been proven to be an excellent indicator of a potentially career success rate both in and out of the military. Whether or not a cadet chooses a service career, we all carry forth

the values of citizenship, leadership, and moral courage that I believe will benefit ourselves and our country.

The major difference between this and other federally chartered military youth programs is that the sea cadets are responsible for their own expenses, including uniforms, travel, insurance, and training costs, which can amount to \$400 to \$500 a year. The corps, however, is particularly sensitive to its policy that no young man or woman is denied access to this program due to their socioeconomic status. Some units are financed in part by local sponsors.

This support, while greatly appreciated, is not enough to sustain all cadets. All federally appointed funds over the past 4 years have been used to help offset cadets' out-of-pocket training costs, as well as to conduct background checks for the adult volunteers. However, for a variety of reasons, including inflation, an all-time high cadet enrollment, base closures and reduced base access due to terrorist alerts, reduced the float training due to the situation in Iraq. The current amount of funding support can no longer sustain the program.

The Sea Cadet Corps considers it a matter of urgency that we respectfully request your consideration and support through the authorization of appropriations in the full amount of \$2 million for the 2005 fiscal year.

I regret that this time precludes our sharing the many stories that Captain Hurd has shared with members of your staffs this year, pointing out the many acts of courage, community service, and successful youth development of my fellow sea cadets, as well as those who are so gallantly serving our armed forces in Iraq, Afghanistan, and around the world. These stories and many more like them are unfortunately the youth stories that you do not always read about in the press.

I thank you for this opportunity to speak today. I, as does the entire Sea Cadet Corps, appreciate your past and continued support of this fine program. It would be my pleasure to answer any questions you might have at this point.

Senator STEVENS. Well, thank you very much. Captain Hurd, you brought a fine representative of your organization.

Mr. HURD. Yes, sir.

Senator STEVENS. You remind me of the first time I testified before Congress. I read the third sentence and said, "period."

I had memorized it so well. You know, one of those things.

But we do appreciate what you said. We appreciate who you represent and congratulate you for your ambition to be part of the Navy.

Mr. DALY. Thank you very much, sir.

Senator STEVENS. Captain, thank you. We do not need anything more than what you produced. We will assist you in every way we can.

Mr. DALY. Thank you very much, sir.

Senator STEVENS. Senator Inouye.

Senator INOUE. No. Just congratulations.

[The statement follows:]

PREPARED STATEMENT OF CAPTAIN ROBERT C. HURD

Request

Funded since fiscal year 2001, continued Congressional appropriation in the Navy Recruiting Budget (O&M Navy—Title II, Budget Activity 3) of the un-funded budget requirement is essential for continuation of the present level of Naval Sea Cadet training as well as to allow expansion into more communities. Unlike other federally chartered military youth groups, the Sea Cadets pay for almost all their own program costs, including uniforms, training costs, insurance and transportation to/from training. Funding to offset Cadet out-of-pocket training costs at a level commensurate with that received by other federally chartered military related youth programs, is needed to increase access by America's youth regardless of economic or social background and to develop the fine citizens our country needs and deserves.

Background

At the request of the Department of the Navy, the Navy League of the United States established the Naval Sea Cadet Corps in 1958 to "create a favorable image of the Navy on the part of American youth." On September 10, 1962, the U.S. Congress federally chartered the Naval Sea Cadet Corps under Public Law 87-655 as a non-profit civilian youth training organization for young people, ages 13 through 17. A National Board of Directors, whose Chairman serves as the National Vice President of the Navy League for Youth Programs, establishes NSCC policy and management guidance for operation and administration. A Vice-Chairman of the Board serves also as the Corps' National President. A full-time Executive Director and small staff in Arlington, VA administer NSCC's day-to-day operations. These professionals work with volunteer field representatives, unit commanding officers, and local sponsors. They also collaborate with Navy League councils and other civic, or patriotic organizations, and with local school systems.

NSCC Objectives

Develop an interest and skill in seamanship and seagoing subjects.

Develop an appreciation for our Navy's history, customs, traditions, and its significant role in national defense.

Develop positive qualities of patriotism, courage, self-reliance, confidence, pride in our nation and other attributes, which contribute to development of strong moral character, good citizenship traits and a drug-free, gang-free lifestyle.

Present the advantages and prestige of a military career.

Under the Cadet Corps' umbrella is the Navy League Cadet Corps (NLCC); a youth program for children ages 11 through 13. While it is not part of the federal charter provided by Congress, the Navy League of the United States sponsors NLCC.

NLCC was established ". . . to give young people mental, moral, and physical training through the medium of naval and other instruction, with the objective of developing principles of patriotism and good citizenship, instilling in them a sense of duty, discipline, self-respect, self-confidence, and a respect for others."

Benefits

Naval Sea Cadets experience a unique opportunity for personal growth, development of self-esteem and self-confidence. Their participation in a variety of activities within a safe, alcohol-free, drug-free, and gang-free environment provides a positive alternative to other less favorable temptations. The Cadet Corps introduces young people to nautical skills, to maritime services and to a military life style. The program provides the young Cadet the opportunity to experience self-reliance early on, while introducing this Cadet to military life without any obligation to join a branch of the armed forces. The young Cadet realizes the commitment required and routinely excels within the Navy and Coast Guard environments.

Naval Sea Cadets receive first-hand knowledge of what life in the Navy or Coast Guard is like. This realization ensures the likelihood of success in military service. For example, limited travel abroad and in Canada may be available, as well as the opportunity to board Navy and Coast Guard ships, craft and aircraft. These young people may also participate in shore activities ranging from training as a student at a Navy hospital to learning the fundamentals of aviation maintenance at a Naval Air Station.

The opportunity to compete for college scholarships is particularly significant. Since 1975, 166 Cadets have received financial assistance in continuing their education in a chosen career field at college.

Activities

Naval Sea Cadets pursue a variety of activities including practical, hands-on and classroom training, as well as field trips, orientation visits to military installations, and cruises on Navy and Coast Guard ships and small craft. They also participate in a variety of community and civic events.

The majority of Sea Cadet training and activities occurs year round at a local training or "drill" site. Often, this may be a military installation or base, a reserve center, a local school, civic hall, or sponsor-provided building. During the summer, activities move from the local training site and involve recruit training (boot camp), "advanced" training of choice, and a variety of other training opportunities (depending on the Cadet's previous experience and desires).

Senior Leadership

Volunteer Naval Sea Cadet Corps Officers and Instructors furnish senior leadership for the program. They willingly contribute their time and efforts to serve America's youth. The Sea Cadet Corps programs succeed because of their dedicated, active participation and commitment to the principles upon which the Corps was founded. Cadet Corps officers are appointed from the civilian sector or from active, reserve or retired military status. All are required to take orientation, intermediate and advanced Officer Professional Development courses to increase their management and youth leadership skills. Appointment as an officer in the Sea Cadet Corps does not, in itself, confer any official military rank. However, a Navy style uniform, bearing USNSCC insignia, is authorized and worn. Cadet Corps officers receive no pay or allowances. Yet, they do deserve some benefits such as limited use of military facilities and space available air travel in conjunction with carrying out their training duty orders.

Drug-Free and Gang-Free Environment

One of the most important benefits of the Sea Cadet Program is that it provides participating youth a peer structure and environment that places maximum emphasis on a drug and gang free environment. Supporting this effort is a close liaison with the U.S. Department of Justice Drug Enforcement Administration (DEA). The DEA offers the services of all DEA Demand Reduction Coordinators to provide individual unit training, as well as their being an integral part of our boot camp training programs.

Training

Local Training

Local training, held at the unit's drill site, includes a variety of activities supervised by qualified Sea Cadet Corps Officers and instructors, as well as Navy, Coast Guard, Marine and other service member instructors.

Cadets receive classroom and hands on practical instruction in basic military requirements, military drill, water and small boat safety, core personal values, social amenities, drug/alcohol abuse, cultural relations, naval history, naval customs and traditions, and nautical skills. Training may be held onboard ships, small boats or aircraft, depending upon platform availability, as well as onboard military bases and stations. In their training, cadets also learn about and are exposed to a wide variety of civilian and military career opportunities through field trips and educational tours.

Special presentations by military and civilian officials augment the local training, as does attendance at special briefings and events throughout the local area. Cadets are also encouraged, and scheduled, to participate in civic activities and events to include parades, social work, and community projects, all part of the "whole person" training concept.

For all Naval Sea Cadets the training during the first several months is at their local training site, and focuses on general orientation to, and familiarization with, the entire Naval Sea Cadet program. It also prepares them for their first major away from home training event, the two weeks recruit training which all Sea Cadets must successfully complete.

The Navy League Cadet Corps training program teaches younger cadets the virtues of personal neatness, loyalty, obedience, courtesy, dependability and a sense of responsibility for shipmates. In accordance with a Navy orientated syllabus, this education prepares them for the higher level of training they will receive as Naval Sea Cadets.

Summer Training

After enrolling, all sea cadets must first attend a two week recruit training taught at the Navy's Recruit Training Command, at other Naval Bases or stations, and at

regional recruit training sites using other military host resources. Instructed by Navy or NSCC Recruit Division Commanders, cadets train to a condensed version of the basic course that Navy enlistees receive. The curriculum is provided by the Navy, and taught at all training sites. In 2003 there were 22 Recruit training classes at 19 locations, including 3 classes conducted over the winter holiday school break. These 20 plus nationwide regional sites are required to accommodate the increased demand for quotas and also to keep cadet and adult travel costs to a minimum. Over 2,600 Naval Sea Cadets attended recruit training in 2003, supported by another 240 adult volunteers.

Once Sea Cadets have successfully completed recruit training, they may choose from a wide variety of advanced training opportunities including basic/advanced airman, ceremonial guard, seamanship, sailing, amphibious operations, leadership, firefighting and emergency services, submarine orientation, seal and mine warfare operations, Navy diving, and training in occupational specialties including health care, legal, music, master-at-arms and police science, and construction.

The Naval Sea Cadet Corps is proud of the quality and diversity of training opportunities offered to its Cadet Corps. For 2003 approximately 8,000 "training opportunities" were formally advertised for both cadets and adults. Another 900 "opportunities" presented themselves through the dedication, resourcefulness and initiative of the adult volunteer officers who independently arranged training for cadets onboard local bases and stations. This locally arranged training represents some of the best that the NSCC has to offer and includes the consistently outstanding training offered by the U.S. Coast Guard. The total cadet and adult opportunity for 2003 stood at about 9,000 quotas, including all recruit training. Approximately 8,000 NSCC members, with about 7,000 being cadets, stepped forward and requested orders to take advantage of these training opportunities. Cadets faced a myriad of challenging and rewarding training experiences designed to instill leadership and develop self-reliance. It also enabled them to become familiar with the full spectrum of Navy and Coast Guard career fields.

This ever-increasing participation once again reflects the popularity of the NSCC and the positive results of federal funding for 2001 through 2003. The NSCC continues to experience increased recruit and advanced training attendance of well over 2,000 cadets per year over those years in which federal funding was not available. The events of 9/11 and the resulting global war against terrorism did preclude berthing availability at many bases and stations; however, the NSCC continued to grow as other military hosts offered their resources in support of the NSCC. While recruit training acquaints cadets with Navy life and Navy style discipline, advanced training focuses on military and general career fields and opportunities, and also affords the cadets many entertaining, drug free, disciplined yet fun activities over the entire year. One result of this training is that approximately 10 percent of the Midshipman Brigade at the U.S. Naval Academy report having been prior Naval Sea Cadets, most citing summer training as a key factor in their decision to attend the USNA.

Training highlights for 2003

The 2003 training focus was on providing every cadet the opportunity to perform either recruit or advanced training during the year. To that end, emphasis was placed on maintaining all new training opportunities developed over the last several years since federal funding was approved for the NSCC. This proved to be a significant challenge with reduced available berthing at DOD bases as a result of recalled reservists and deployment of forces in the war on terrorism. Regardless, we were successful in most of our plans. Included among these were classes in sailing and legal (JAG) training, expanded SEAL orientation opportunity, SCUBA classes, more seamanship training onboard the NSCC training vessels on the Great Lakes, and additional honor guard training opportunities. Other highlights included:

- Expanded recruit training opportunity by increasing recruit training evolutions from 15 in 2002 to 22 in 2003.
- Kept cadet training cost to \$30 for 1 week and \$60 for 2 weeks plus transportation; only a \$5 and \$10 increase over 2002, all during a period of escalating costs and increasing enrollment while the grant was maintained at \$1 million.
- Expanded use of Army and State National Guard facilities to accommodate demand for quotas for recruit training.
- Maintained expanded recruit training and advanced training opportunity higher than any prior year.
- Improved adult professional development and education through much needed updates of the NSCC Officer Professional Development courses.
- Added first class ever with Navy Explosive Ordnance Disposal/Mobile Diving Salvage Units in Norfolk, Virginia.

- Nearly doubled the number of MAA classes and doubled the number of cadets taking this training.
- Maintained expanded YP training on the Great Lakes.
- Maintained placement of cadets onboard USCG Barque Eagle for two, three week underway orientation cruises.
- Maintained placement of cadets aboard USCG stations, cutters, and tenders for what many consider among the best of the training opportunities offered in the NSCC.
- Continued the popular, merit based, International Exchange program although reduced for Asian countries due to the SARS concern.
- Graduated over 290 cadets from the NSCC Petty Officer Leadership Academies, (POLA).
- Maintained placement of Cadets onboard USN ships under local orders as operating schedules and opportunity permitted.
- As has been the case in all prior years, once again enjoyed particularly outstanding support from members of the United States Naval Reserve, whose help and leadership remains essential for summer training.

International Exchange Program (IEP)

The NSCC continued in 2003, for the second year, its' redesigned and highly competitive, merit based, and very low cost to the cadet, International Exchange Program. Cadets were placed in Australia, United Kingdom, Sweden, Netherlands, and Bermuda to train with fellow cadets in these host nations. The NSCC and Canada did maintain their traditional exchanges in Nova Scotia and British Columbia, and the NSCC hosted visiting cadets in Norfolk and at Fort Lewis, WA for two weeks of U.S. Navy style training.

Navy League Cadet Training

In 2003, almost 1,350 Navy League Cadets and escorts attended Navy League Orientation Training at 17 sites nationwide. The diversity in location and ample quotas allowed for attendance by each and every League Cadet who wished to attend. Approximately 250 League cadets and their escorts attended advanced Navy League training where cadets learn about small boats and small boat safety using the U.S. Coast Guard's safe boating curriculum. Other advanced Navy League training sites emphasize leadership training. Both serve the program well in preparing League cadets for further training in the Naval Sea Cadet Corps, and particularly for their first "boot camp." The continuing strong numbers of participants for both Orientation and Advanced training, support not just the popularity of the NSCC program but also the positive impact the federal training grant has had in helping cadets afford the training and helping them take advantage of the increased opportunities available to them.

Training Grants

Through local sponsor support and the federal grant, almost every Cadet who desired to attend summer training had the opportunity. This milestone is a direct result of the strong NLUS council and sponsor support for NSCC/NLCC cadets to participate in the Corps' summer training.

Scholarships

The Naval Sea Cadet Corps Scholarship program was established to provide financial assistance to deserving Cadets who wished to further their education at the college level. Established in 1975, the scholarship program consists of a family of funds: the NSCC Scholarship Fund; the Navy League Stockholm Scholarship; the San Diego Gas & Electric Fund; grants from the Lewis A. Kingsley Foundation; and the NSCC "named scholarship" program, designed to recognize an individual, corporation, organization or foundation.

Since the inception of the scholarship program, 176 scholarships have been awarded to 166 Cadets (includes some renewals) totaling over \$192,900.

Service Accessions

The Naval Sea Cadet Corps was formed at the request of the Department of the Navy as a means to "enhance the Navy image in the minds of American youth." To accomplish this, ongoing training illustrates to Naval Sea Cadets the advantages and benefits of careers in the armed services, and in particular, the sea services.

While there is no service obligation associated with the Naval Sea Cadet Corps program, many Sea Cadets choose to enlist or enroll in Officer training programs in all the Services.

Annually, the NSCC conducts a survey to determine the approximate number of Cadets making this career decision. This survey is conducted during the annual in-

spectations of the units. The reported Cadet accessions to the services are only those that are known to the unit at that time. There are many accessions that occur in the 2–3 year timeframe after Cadets leave their units, which go unreported. For example, for the year 2000, with about 80 percent of the units reporting, the survey indicates that 564 known Cadets entered the armed forces during the reporting year ending December 31, 2002. Of these, 30 ex-Sea Cadets were reported to have received appointments to the U.S. Naval Academy. Further liaison with the USNA indicates that in fact, there are currently 482 Midshipmen with Sea Cadet backgrounds—almost 10 percent of the entire Brigade. Navy accession recruiting costs have averaged over \$11,000 per person, officer or enlisted, which applied to the number of Sea Cadet accessions represents a significant financial benefit to the Navy. Equally important is the expectation that once a more accurate measurement methodology can be found, is, that since Sea Cadets enter the Armed Forces as disciplined, well trained and motivated individuals, their retention, graduation and first term enlistment completion rates are perhaps the highest among any other entry group. USNA officials are currently studying graduation rates for past years for ex-Sea Cadets as a group as compared to the entire Brigade. Their preliminary opinion is that these percents will be among the highest. It is further expected that this factor will be an excellent indicator of the following, not only for the USNA, but for all officer and enlisted programs the Sea Cadets may enter:

- Extremely high motivation of ex-Cadets to enter the Service.
- Excellent background provided by the U.S. Naval Sea Cadet experience in preparing and motivating Cadets to enter the Service.
- Prior U.S. Naval Sea Cadet Corps experience is an excellent pre-screening opportunity for young men and women to evaluate their interest in pursuing a military career. This factor could potentially save considerable taxpayer dollars expended on individuals who apply for, then resign after entering the Academy if they decide at some point they do not have the interest or motivation.
- U.S. Naval Sea Cadet experience prior to entering the Service is an excellent indicator of a potentially high success rate.

Data similar to the above has been requested from the United States Coast Guard Academy and the United States Merchant Marine Academy.

Whether or not they choose a service career, all Sea Cadets carry forth learned values of good citizenship, leadership and moral courage that will benefit themselves and our country.

Program Finances

Sea Cadets pay for all expenses, including travel to/from training, uniforms, insurance and training costs. Out-of-pocket costs can reach \$500 each year. Assistance is made available so that no young person is denied access to the program, regardless of social or economic background.

Federally funded at the \$1,000,000 level in fiscal years 2001, 2002, and 2003, and at \$1,500,000 in fiscal year 2004 (of the \$2,000,000 requested), these funds were used to offset individual Cadet's individual costs for summer training, conduct of background checks for adult volunteers and for reducing future enrollment costs for Cadets. In addition to the federal funds received, NSCC receives under \$1,000,000 per year from other sources, which includes around \$250,000 in enrollment fees from Cadets and adult volunteers themselves. For a variety of reasons, at a minimum, this current level of funding is necessary to sustain this program and the full \$2,000,000 would allow for program expansion:

- All-time high in number of enrolled Sea Cadets (and growing) and general inflation.
- Some bases denying planned access to Sea Cadets for training due to increased terrorism threat level alerts and the associated tightening of security measures—requiring Cadets to utilize alternative, and often more costly training alternatives.
- Reduced availability of afloat training opportunities due to the Navy's high level of operations related to the Iraq war.
- Reduced training site opportunities due to base closures.
- Non-availability of open bay berthing opportunities for Cadets due to their elimination as a result of enlisted habitability upgrades to individual/double berthing spaces.
- Lack of available "Space Available" transportation for group movements and lack of on-base transportation, as the Navy no longer "owns" busses now controlled by the GSA.

Because of these factors, Cadet out-of-pocket costs have skyrocketed to the point where the requested \$2,000,000 alone would be barely sufficient to handle cost increases.

It is therefore considered a matter of urgency that the full amount of the requested \$2,000,000 be authorized and appropriated for fiscal year 2005.

Senator STEVENS. Our next witness is Heather French Henry, Miss America 2000, for the National Prostate Cancer Coalition.

Being a prostate cancer survivor, I am pleased to see you, but I do not think you have any risk.

**STATEMENT OF HEATHER FRENCH HENRY, MISS AMERICA 2000 ON
BEHALF OF THE NATIONAL PROSTATE CANCER COALITION**

Ms. HENRY. No, I do not. Thank goodness.

Mr. Chairman and Senator Inouye, I would like to thank you for the opportunity to come and speak before you today. Of course, I am Heather French Henry, former Miss America 2000. But before I was Miss America, I was the daughter of a disabled Vietnam veteran, and for years, even before my Miss America career, had the privilege of working with veterans all across the country and especially those who had prostate cancer as a direct result from Agent Orange.

Now, I never thought, after working with all those veterans, that I would have prostate cancer within my family. Fortunately, my father has not been diagnosed with prostate cancer as a veteran, but my husband, former Lieutenant Governor of Kentucky and an orthopedic surgeon, is a prostate cancer survivor.

You can imagine. I was 8 months pregnant, about 1½ weeks away from delivering our second child, when he sat me down to tell me that he had been diagnosed with prostate cancer. The “cancer” word, the big “C” word we call it, in any family, when it is brought up, is scary let alone to an 8-month pregnant woman.

Now, fortunately, Stephen and I had some knowledge of prostate cancer just because he was a physician. However, it is ironic that as a physician, he was not aware of his extensive family history of prostate cancer because prostate cancer just is not widely discussed. It is not like breast cancer which has become even a table topic at dinner discussion, but prostate cancer, of course, is not widely discussed among men, let alone other family members within their family or their friends.

Steve and I had a difficult task. How do you deal with your husband having prostate cancer who is a public figure? How do you deal with that in media? Because, of course, as you know, media speculation is not good on any front when it comes to a public career. Steve and I decided that we would be very open. Now, we were having to deal with this personally, as well as publicly while he was still in office. We decided to be very open with his prostate cancer, and the press conference that we held took us 2½ hours to explain to members of the media just what prostate cancer was and how it could be treated and the various forms of treatment and the alternatives that Stephen had. We wanted to destroy any myth whatsoever about speculation about his life, his career, any of his future, but it took us 2½ hours to do that.

Now, why did it take us 2½ hours? Gentlemen, I do not need to tell you that awareness of any issue is much needed, but without the funding for research—with that funding comes along the awareness. What we are asking today is that you help those out

there by increasing the funding to \$100 million to the DOD prostate cancer research program.

I am sitting before you today as a wife of a prostate cancer survivor, but also as a public servant who has had to deal with this publicly. We choose to do that just to provide hope for men out there and their families that we were going to be advocates. Stephen and I have started the Kentucky Prostate Cancer Coalition within Kentucky. The grassroots support just is not there for prostate cancer, and most of that has to do because of the lack of funding for prostate cancer research.

Now, fortunately, Stephen came through his surgery that he had at Johns Hopkins University Hospital successfully, and I did not breathe a sigh of relief until his first prostate specific antigen (PSA) test which came out with excellent results. But even then, his doctor who did his surgery could not clearly identify the future of prostate cancer. A gentleman who does this surgery probably 1,700 times during 1 year says to me we cannot tell you what the future of prostate cancer is because there is not enough research and funding out there because this disease is constantly changing.

That is my fear, is that we are not going to be able to provide hope for all of the men out there and their families about the future of prostate cancer, and the younger generations that, of course, it is hitting. My husband who was 49 when he was diagnosed speculates to have had it when he was 47. Other friends of ours are getting it at 39 and in their 40's. So we are just asking for funding to be able to project into the future.

As you know, prostate cancer is the most commonly diagnosed cancer within men, accounting for 230,000 cases, 30,000 deaths in 2004. Like Stephen, many of those will be diagnosed in their 40's and 50's. But that is why Stephen and I are here today with the National Prostate Cancer Coalition (NPCC).

To properly fight the war on prostate cancer for families like mine, your committee must restore \$100 million to the Department of Defense prostate cancer research program administered by the congressionally directed medical research program. Of course, in 2001, it was \$100 million, but it had been bumped down to \$85 million. So we are really just asking to restore that final step needed, of course, to conduct human clinical trials research. That is so important because without that extra \$15 million, how do we advance into the research and technology of this?

My husband chose a radical surgery and it is one of several forms of treatment, which of course was successful. But with all current primary treatments for the disease, there are side effects, but without the \$100 million, the program is unable to test new treatments and thus get new products to patients that may not impair the quality of their lives.

Thanks to your leadership, the congressionally directed medical research program has become the gold standard for administering cancer research. The program cannot fight the war against prostate cancer on its own, and last year the committee requested that the Defense Department, in consultation with the Institute of Medicine, evaluate ways for the program to collaborate with the private sector, which of course is so needed. Both the NPCC and I and my husband agree. Through public and private partnerships prostate

cancer research can work collectively and strategically to produce new preventatives, diagnostics, and treatments to improve the quality of their life for prostate cancer patients like my husband.

Prior to your directive, NPCC began discussing methods of public-private partnerships when it convened, along with the DOD prostate cancer research program and the National Cancer Institute, the Prostate Cancer Research Funders Conference in 2000.

The Prostate Cancer Research Funders Conference brings together representatives of all Government agencies that fund prostate cancer research, along with their counterparts in the private sector, which I cannot even tell you how important that is. Other participants include the Veterans Health Administration, the Centers for Disease Control and Prevention, and the Food and Drug Administration, Canadian and British Government agencies, and private foundations and organizations and representatives from the industry. Members of the conference have come together to focus on shared objectives and address commonly recognized barriers within the research. Through this collaborative approach, we can create a unified front to finally beat prostate cancer once and for all.

Again, on behalf of my entire family, NPCC, and all of those prostate cancer patients, I want to thank you for allowing me to be here today and for your leadership already. Most importantly in the future, I want to be able to tell my two little girls that a disease that their daddy had is no longer a killer of men. So we are not only asking you to provide this research money for men everywhere, but also for their wives, their sons, and of course, their daughters. So thank you for letting me be here today. I want to encourage you to restore that research funding for a much needed disease.

Senator STEVENS. Thank you very much.

Questions, Senator?

Senator INOUE. I think we should note that Senator Stevens is the father of the defense prostate cancer research program.

Senator STEVENS. Thank you very much.

Ms. HENRY. Thank you. Appreciate it.

[The statement follows:]

PREPARED STATEMENT OF HEATHER FRENCH HENRY

Mr. Chairman and distinguished members of the committee, thank you for the opportunity to share my thoughts. My name is Heather French Henry, and I was crowned Miss America in 2000. I am here today on our behalf of my husband, my children and families all over America who have been touched by prostate cancer.

I was pregnant with our second child when I found out that my husband, Stephen, then the Lieutenant Governor of Kentucky, had prostate cancer. In fact, I was two weeks away from my delivery date when he sat me down to tell me about his diagnosis. As a young married couple, the thought of prostate cancer or any form of cancer, was not even in our wildest imagination. After all, Stephen was the picture of health for a forty-nine year old man. He was active. He played basketball. He could even out run me on his worst day!

Ironically, my husband is a physician. One might think that doctors should be on top of their health status! However, one peculiar night, I discovered Steve in pain, sitting on the steps holding his hand to his chest. Usually not one prone to dramatics, I was immediately concerned. Stephen went to the hospital and began a long stream of physicals over a period of two weeks. One physical after another showed my husband in good health until the day he received the results of a prostate-specific antigen (PSA) test. Only because of a simple unrelated chest pain did my husband take the initiative to get tested and find out about his PSA level. Had he not

gone to the doctor at all, his diagnosis may still be unknown. Prostate cancer is a silent killer, and men must be encouraged to be vigilant in detecting it.

Following the results of his PSA test, we began to wonder if Stephen's family had a history of the disease. After a call to his mother, we found out that his father had prostate cancer later in his life. If a man has one close relative with prostate cancer, his risk of the disease doubles; with two relatives, the risk increases fivefold. Therefore, it should have been no surprise that Stephen's chances of developing the disease were significant—but it was.

Once I found out about my husband's prostate cancer I couldn't help but think, as an eight-month pregnant woman of 28, "my husband has CANCER!" I felt terrified which was magnified a thousand times by my pregnant condition. The hardest part was that we had to be silent about his condition because of the media. If prostate cancer was something that was widely understood and recognized, such as breast cancer, I don't feel that we would have had to be so cautious. However, because of the great misunderstanding and lack of knowledge the media and the public have about the disease, we had to strategize about how to deal with this situation, not only personally but publicly.

I certainly was in no condition to deal with all of this, but prostate cancer doesn't wait for the "right" time. It added so much stress to my already aching mind and body that I feared it might affect my delivery. Fortunately, it didn't, and we are once again a happy family.

Two days before he had surgery, Stephen held a press conference for all of the Kentucky media. It was the longest press conference in which I had ever participated. It became evident there was a lack of knowledge that even the press had about the seriousness of prostate cancer. We spent almost two hours describing prostate cancer, how it affected us as a family and how it could be treated. So much had to be explained and we wanted everyone on the same page. The last thing we wanted was for the press to speculate about Steve's cancer, his job, or even his life. We held the press conference to create awareness, educate and add hope to those families out there that may be struggling with prostate cancer. The next day we left for Johns Hopkins Medical Center in Baltimore.

Stephen decided after educating himself and seeking the advice of friends and colleagues that he would choose the most aggressive route of surgery. Getting mixed views about timelines for surgery and knowing time was no friend to any cancer, Stephen wanted to act quickly. Three weeks after our daughter was born Stephen underwent surgery. Coupled with the fact that I had just given birth and really needed to have the baby with me, this was an extremely hard time for our family.

I am usually a very strong woman emotionally and spiritually but not the day of Stephen's surgery. When we arrived at the hospital I was immediately told I could not take my infant daughter into the surgical wing. So there I was stuck in the lobby of one of the largest hospitals in the country with a newborn baby, a husband with cancer, and I was mentally lost. All I could do was sit and cry silently in the lobby while people walked by adding nods of compassion. I had no idea how the surgery would go. Reinforcing the lack of public discussion on the disease, no one could give us a clear story about the most affective treatments. What if the surgery didn't work? What if the cancer had spread? What if I was going to lose the love of my life and be left alone with two children? What if my children had to grow up not knowing what a wonderful man their father was?

No one knows when his or her time on earth is going to end, and I was not ready for Steve's name to be called. I eventually called a friend to fly up to Baltimore to pick up my daughter after Stephen's surgery was over. But my despair continued.

Even though the doctor seemed hopeful, my heart felt bleak. All that kept ringing through my head was the doctor describing about how prostate cancer evolves and changes with time and that he could make no predictions because more research needed be done to become more familiar with the nature of prostate cancer. It was nothing short of a nightmare for me. Ironically, between the two of us, Stephen handled it much more gracefully than I did. Four days after a successful surgery, we returned to Kentucky.

I will never forget my husband's reaction to me asking if he would like a wheel chair for the walk through the airport. His pride was clearly hurt. Surgery was one thing, but the aftermath post operation is quite another. Stephen was to keep his catheter in for a few weeks, and that made the flight home quite memorable. The look on his face when I asked to tie his shoes was a clear indication that he did not want people to know or feel sorry for him. This outraged me. It concerned me that the masses didn't know more about prostate cancer and that my husband, or any man, could not feel comfortable dealing with his condition. It was one thing to talk about having prostate cancer but quite another to show people up front a post-operative face. It was not an easy flight, nor were the next weeks at home trying

to make my husband rest. Unfortunately, his demeanor at that time reflects the overall attitude of many men and society: a reluctance to openly address prostate cancer and the need to be screened.

Life didn't really seem to show a ray of hope to me until his first post-operative PSA test. His results were excellent! I finally breathed a sigh of relief. Steve was fortunate. He had caught his prostate cancer early, but others we know have not been so lucky.

Prostate cancer is the most commonly diagnosed cancer in men, accounting for 33 percent of all cancer cases in men. Like Stephen, approximately 230,000 men will learn they have prostate cancer in 2004. Many of those diagnosed will be in their 40s and 50s. Roughly 30,000 will die from the disease. As we have seen, those with a family history of prostate cancer are more susceptible to the disease. Also, veterans and others exposed to defoliants and African American men remain at higher risk. Currently, there is no cure for advanced or metastasized prostate cancer.

I feel that because my husband is a doctor he was able to make wise decisions about his cancer. However, not everyone who currently has or will be diagnosed with prostate cancer is a doctor or will even have access to a doctor.

The reason I am here today sharing my personal story with you is to encourage you to make an appropriate investment in prostate cancer research to help find a cure. We hear slogans everyday about "races for the cure" but the eradication of prostate cancer will never see its day unless it is talked about and taken seriously with proper funding for research. That's why, my husband and I have partnered with the National Prostate Cancer Coalition (NPCC). We know that an investment in research leads to better prevention, detection and treatment—and that greater understanding and awareness of the disease leads to hope—hope that the millions of men who will be diagnosed with prostate cancer have the chance at a long healthy life with their families.

Among men, prostate cancer is rarely discussed, and when it is, it's done "behind closed doors." My own husband was not even fully aware of his family history. Prostate cancer is not something to be ashamed of; it is a disease that needs to be recognized. Just as breast cancer has become a common dinner table topic, so should prostate cancer.

I have worked for many years with Vietnam veterans who have prostate cancer as a result of Agent Orange exposure but I never thought I would encounter it in my family. Having long been a champion of veterans' issues, including the work done through my own foundation, I have seen the burden this disease places on those who have protected our freedom. The Department of Veterans Affairs (VA) estimates that there are roughly 23.5 million male veterans living in the United States. That means approximately 3.9 million veterans will be diagnosed with prostate cancer. The Veterans Health Administration currently estimates that nearly 5,800 patients in its system are diagnosed with prostate cancer each year. This nation must do all it can to keep these men from harm's way, after they have done the same for all Americans. What I am asking from you today is to take care of the men who served in uniform, past present and future.

The Department of Defense (DOD) estimates that the direct health care costs of prostate cancer on the military are expected to be over \$42 million in fiscal year 2004. Nearly 85 percent of the current 1,465,000 serving in America's military are men. That means that about 200,000 servicemen will be diagnosed with prostate cancer—without additional consideration of service related environmental factors that may increase risk of the disease. The DOD refers to itself as America's largest company; it must protect its employees from a killer that will affect 14 percent of its workforce.

Whether in battle or peacetime, the lives of men all over this country depend on your decisions. You have the unique opportunity to provide a brighter future for millions of men and families through prostate cancer research. With proper funding we can find a way to end the pain and suffering caused by prostate cancer.

To properly fight the war on prostate cancer for families like mine, your committee must appropriate \$100 million for the DOD Congressionally Directed Medical Research Program's (CDMRP) Prostate Cancer Research Program (PCRP). As stated in its fiscal year 1997 business plan, PCRP needs at least \$100 million to conduct human clinical trial research. My husband chose to have a radical prostatectomy, one of several forms of treatment available for prostate cancer. Yet, as with all current primary treatments for the disease, there are many side effects. Without \$100 million, the program is unable to test new treatments and thus get new products to patients that may not impair the quality of their lives. Without such investment, the pipeline remains closed, meaning that valuable prostate cancer research remains stuck in laboratories instead of at work in clinics.

Thanks to your leadership, CDMRP has become the gold standard for administering cancer research. Prostate cancer advocates and scientists throughout this nation have long applauded the program and its peer and consumer driven approach to research. PCRP is a unique program within the government's prostate cancer research portfolio because it makes use of public/private partnerships, awards competitive grants for new ideas, does not duplicate the work of other funders, integrates scientists and survivors and uses a unique perspective to solve problems. Its mission and its results are clear. Each year, the program issues an annual report detailing what it has done with taxpayer dollars to fight prostate cancer. PCRP's transparency allows people like us and others affected by prostate cancer to clearly see what our government is doing to fight the disease.

The PCRP structure is based on a model developed by the National Academy of Sciences' Institute of Medicine. Its mission and its philosophy for awarding research grants reflect that of DOD's Defense Advanced Research Projects Agency (DARPA). The DARPA model, performance through competition and innovation, was praised in President Bush's fiscal year 2005 budget. This DARPA-esque approach to cancer research allows PCRP to identify novel research with large potential payoffs and to focus on innovative methods that do not receive funding elsewhere.

One of the strongest aspects of the program is PCRP's Integration Panel. The panel is composed of those who know prostate cancer research and the issues facing it: scientists, researchers, and prostate cancer survivors, just like Stephen. This peer and consumer driven model allows the program to select grants based on merit and their translational benefit while incorporating the views of those who need research the most, prostate cancer patients. No other publicly funded cancer research entity effectively brings together all those with a stake in curing prostate cancer.

This committee requested last year that DOD, in consultation with the Institute of Medicine, evaluate collaborations with the private sector (Senate Report 108-87). Both NPCC and I agree. Through public-private partnerships, prostate cancer researchers can work collectively and strategically to produce new preventives, diagnostics and treatments to improve the quality of life for prostate cancer patients like Stephen. Prior to your directive, NPCC began discussing methods for public-private partnerships when it convened, along with the National Cancer Institute and DOD, the Prostate Cancer Research Funders Conference in 2000.

The Prostate Cancer Research Funders Conference brings together representatives of all the government agencies that fund prostate cancer research along with their counterparts in the private sector. Participants include NIH/NCI, DOD, the Veterans Health Administration, the Centers for Disease Control and Prevention, the Food and Drug Administration, Canadian and British government agencies, private foundations/organizations and representatives from industry. Members of the Conference have come together to focus on shared objectives and address commonly recognized barriers in research.

As a co-convenor of the conference, PCRP plays an important role in shaping its priorities. Currently, federal agencies participate voluntarily, but they can opt in or out based on the tenure of executive leadership. For the conference to be successful, federal agencies engaged in prostate cancer research should, in our opinion, be required to participate, and we ask for your leadership to make that happen. Moreover, Congress must also offer sufficient incentives for the private sector to participate. Incentives that do not compromise the autonomy or integrity of PCRP's peer review structure. I firmly believe that a collaborative, multifaceted approach to prostate cancer research can bring about better results in a more timely fashion.

Mr. Chairman, we have done remarkable work and are making progress. Public-private collaboration and new scientific discoveries are moving us toward a better understanding of how prostate cancer kills, but, for our work to be worthwhile, it must be translated into tangible goals and results for patients. The War on Cancer must be funded appropriately so researchers can get new drugs to the patients who need them. For this to happen PCRP needs \$100 million to fund human clinical trials research.

On behalf of my entire family, prostate cancer patients everywhere, and NPCC I thank you for your time. Thanks to your leadership, I will one day be able to tell my children that a disease their daddy has is no longer a killer of men.

Senator STEVENS. Our next witness is Daniel Puzon, Director of Legislation, Naval Reserve Association.

STATEMENT OF CAPTAIN IKE PUZON, UNITED STATES NAVAL RESERVE (RET.), DIRECTOR OF LEGISLATION, NAVAL RESERVE ASSOCIATION

Mr. PUZON. Mr. Chairman, Senator Inouye, thank you for this opportunity. On behalf of my 22,000 members and 86,000 naval reservists, we thank you.

We are obviously in a climate of increased utilization and sacrifice by our Guard and Reserve, as you have heard today. We are aware of those sacrifices. Our three main equity issues on personnel are, as others have said, selective Reserve Montgomery GI bill improvement, TRICARE for our selected reservists, and some type of parity or improvements on retirement. Our most pressing concern is equipment, end strength, and force structure.

The fact that we have recalled 360,000 Guard and Reserve members is a true testament of their surge ability and their need in our service and also to their readiness and also to the requirement to have a healthy Reserve component in all our services. They have proved that they are cost effective and they add "just in time" might when our Nation calls.

The performance and efforts of today's military is without question. We foresee that the reliance on the Guard and Reserve will continue this way for some time in execution of our national security strategy and evolving homeland security strategy. Reserve components again are providing for our Nation and they have proven they are affordable.

The Guard and Reserve is oftentimes the first bill payer in any attempt to balance the budget. The recent use of F-18's and HCS-4 helicopters, coastal warfare, and multiple other Guard and Reserve units, but most notably in the Navy Reserve units have been targeted for decommissioning. Again, we embrace change in the Naval Reserve Association but we do not embrace the elimination. These people that have served are coming back from Operation Iraqi Freedom and finding out their unit is going to be decommissioned. We think that is a travesty for our Nation and for the naval reservists.

As you know, the Navy is involved from the top down in relooking at what billets are needed and not needed. What is not being looked at is how those people that are being reassigned will be trained. It is going to be hard to be trained if you are in middle America and you need to go to Norfolk or San Diego. That has not been addressed and is not being addressed and is not being funded.

When our Nation called on these service members in the Naval Reserve, they responded. Now, they are finding out these units they used to belong to are on the block to be cut. We think this needs to be looked at.

As you know, reservists and Guardsmen are willing to make large sacrifices and sacrifices in employment unexpectedly. Reservists have shown this time and time again. They will volunteer when asked. They will do anything you ask them to do.

The way the Reserve is used in successful military operations is essential to what America is doing. What we are asking is are these initiatives, the road we are going down, are they the right ones for our national military strategy and our homeland security strategy. Is it the right direction? Is it sound defense? We are

learning lessons, and we hope that the Secretary of Defense and the service departments learn those lessons.

Finally, we would like to urge Congress to continue to resource the National Guard and Reserve equipment accounts. That is the only way Guard and Reserve will keep maintaining front line equipment or any equipment in some cases.

We also think you should address the idea of maintaining the force level for the Naval Reserve because if you do not, it will be gone. We are a slippery slope, down to 40,000 reservists in the Naval Reserve. That is again another travesty.

Finally, we encourage you to consider a commission for the Guard and Reserve for the 21st century. There are way too many issues out there that address this country that the Guard and Reserve can do and will do, and this is the only way to get to it is through a congressionally mandated commission.

Thank you for your time.

Senator STEVENS. Well, thank you very much. You make some great points. We have labored long and hard to ensure that the total force was there, and it has been there. Guard and Reserve is part of the total force. You have a very interesting suggestion for a commission for the 21st century. Unfortunately, I think that is an Armed Services Committee problem, but we will work with them. I think it is a good suggestion. Thank you very much.

Mr. PUZON. Yes, sir.

Senator STEVENS. Senator Inouye.

Senator INOUE. Thank you.

Senator STEVENS. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF DANIEL I. PUZON

Chairman Stevens, Senator Inouye and distinguished members of the subcommittee, on behalf of our 22,000 members, and in advocacy for the 86,000 active Naval Reservists we are grateful for the opportunity to submit testimony, and for your efforts in this hearing.

Today, a climate of continued utilization and sacrifice for our Guardsmen and Reservists has encircled our nation. We are all more aware of sacrifices of our armed forces in Iraq including our Guardsmen and Reservists. Our Guard and Reserve personnel are serving 365 days a year and have suffered in these casualties. These are the times that bring the issue of parity between the active component personnel and reserve component personnel to the forefront and into question.

The three main equity personnel issues important to the Naval Reserve Association members is: (1) Selective Reserve MGIB improvements, (2) TRICARE for Selected Reservists, and (3) some type of parity on early retirement.

Our most important issue is end strength and force structure.

We do not have to remind the Congress why you needed to provide for these Guard and Reserve forces, but it is noted that it is a good thing you did, or where would we be today—by calling on them to go and serve in every major conflict that we have experienced in recent memory. As of today—350,000 Guard and Reserve members recalled since September 11, 2001, is a true testimony of their surge-ability and readiness, and of the requirement to have a healthy reserve component in all our services. These are the forces that add “just in time” combat might when our Nation calls. Judged by this metric of combat might, they are cost-effective and efficient resources.

The performance and efforts of today’s military is without question in the forefront of our national and international news. Without question our armed forces is at the height of military prominence and involvement in our national security strategy. We foresee that this reliance will remain this way, as long as we are in this protracted war on terrorism, and executing both the National Security Strategy and evolving Homeland Security Strategy. Truly our Reserve Components are providing for the defense of our nation and proven that they are affordable!

Yet, while these affordable Guard and Reserve forces are fighting the war in Iraq and being used throughout the world in peace keeping missions, there are some who believe that they add little value; that resources authorized and appropriated by Congress could be used better somewhere else. The Guard and Reserve is often time the first payer in any attempt to balance the budget. In the Navy, dedicated Naval Reserve equipment that has been used in this recent war (F-18's, HH-60's, Coastal Warfare small boats) is being eliminated and Reserve units have been targeted for decommissioning. VFA-203 is scheduled for decommissioning in June 2004, however, their sister squadron (VFA-201) recently deployed, fought in OIF, and broke all active component wartime records. Because they are the Naval Reserve they are being decommissioned. The fact that the equipment and personnel would be needed in a larger conflict (Korea, China), or could be utilized in Homeland Security is of little matter. Some of this is being mislabeled as transformational, and some of it is being engineered to occur as an outcome under BRAC. For these and other reasons Congress must remain engaged in maintaining our Reserve and Guard Components.

We respectfully call on Congress to review and question current Transformation and rebalancing efforts because of the aforementioned and the following;

- Guard and Reserve service members are responding without question, or hesitation.
- Guard and Reserve service members' families are responding without question.
- Guard and Reserve service members' employers are responding without question.
- Guard and Reserve hardware units that you have appropriated have responded and are responding without question.
- Guard and Reserve hardware units have performed at and above standards and actually above any active component standard.
- Naval Reserve members and their families as a whole, view transformation and active reserve integration acceptable, but understand that this means they will no longer have real units, with Required Operating Capabilities, and Programmed Operating Capabilities justifications. How Reservists will be trained is a detail that hasn't been answered under current plans.
- Successful transformation of a reserve component is rarely completed, solely with DOD or service input. Outside assistance is necessary to achieve the right mix and right balance.
- Current situations and emerging threats, clearly shows that we need a healthy Naval Reserve force with equipment and with units.

Rarely has there been this massive effort of organizational—equipment, personnel, cultural, and resource—transformation at the same time our country is engaged in a global war on terrorism, homeland security defense, and several protracted wars overseas.

As you know, the Navy is occupied from the top down and ground up in transformation of the Navy and Fleet response—developing expeditionary forces, redoing training matrices, procuring new technologies that will transform Naval war fighting efforts, and now at the same time, implementing massive change of including the Naval Reserve service, in active training matrices.

This is all being done, when our nation called upon the service members of the Naval Reserve—they responded, and now they are finding out their units are going to no longer exist—because we need supposedly more efficient, more effective, capabilities based surging forces. These Naval Reserve Forces cost 50 percent less than any active duty members or unit. They maintain their readiness—directed and reported by active components, at an overall higher sustained rate over time than their active counterpart. The Naval Reserve force knows it must change, and some instances understands better business practices much better than any active member. However, they are now—under the microscope of change, with more to lose than any active force member.

Reservists are willing to sacrifice family and employment to serve their country, unexpectedly. Reservists have shown us time and time again that they'll volunteer when asked, despite the impact of their personal and professional life. This service beyond self is not appreciated by many on the Active side or in DOD. Yet, they are being used again and again.

Rather than confront budget appropriators, the Active Components have been content to fill their force shortfalls with Reserve manpower, and this has been arguably good for the country, according to the Department of the Navy.

If there is a raw nerve among Reservists, it is caused by how individuals are being utilized, and how often that individual is being called up. Pride and professionalism is a large factor in the profile of a Reservist as it is with any individual member of the Armed Services. They want to be used how they have been trained, and they want to be used and complement the Active Forces. Recall and proper use

of reservists needs constant monitoring and attention. We agree that transformation of legacy personnel manpower program is overdue. But, Congressional involvement in force structure transformation is mandatory, along with outside independent involvement to ensure our country does have this affordable and cost efficient capability.

In today's American way of war, the way a Reservist is used and recalled is vital to successful military operations, and essential to gaining the will of America. This has proven its worth over and over, and is relevant.

The question we are asking is: "Are the DOD legislative initiatives, rebalancing efforts of the Department of Navy—taking us in the right direction for a sound Military and a strong National Defense?" We hope that DOD is learning lessons from the past to avoid repeating old mistakes in the future, and the Naval Reserve Association stands ready to assist in turning lessons learned into improved policy.

Leaving nothing to chance however, we strongly urge Congress to legislate:

- Resources for maintaining a strong Naval Reserve Force through the NGREA per the attached priority list for the Naval Reserve Force;
- Appropriations language that maintains end strength and restores unit structure for the Naval Reserve at fiscal year 2003–04 levels; and
- Establish a Commission on the Transformation of Guard and Reserve of the 21st Century. The transformation of our military is dynamic and includes the extended utilization of the Guard and Reserve Forces. We feel it is time for Congress to take a thorough look at these issues with a commission in order to address the many problems that we are experiencing with our Guard and Reserve Forces. A Congressional commission is warranted to review these issues properly.

Mr. Chairman and distinguished members of the committee, thank you for this opportunity. Details of specific issues of concern by our Association follow; we hope you can help address them.

EQUIPMENT OWNERSHIP

Issue: An internal study by the Navy has suggested that Naval Reserve equipment should be returned to the Navy. At first glance, the recommendation of transferring Reserve Component hardware back to the Active component appears not to be a personnel issue. However, nothing could be more of a personnel readiness issue and is ill advised. Besides being attempted several times before, this issue needs to be addressed if the current National Security Strategy is to succeed.

Position: The overwhelming majority of Reserve and Guard members join the RC to have hands-on experience on equipment. The training and personnel readiness of Guard and Reserve members depends on constant hands-on equipment exposure. History shows, this can only be accomplished through Reserve and Guard equipment, since the training cycles of Active Components are rarely if ever—synchronized with the training or exercise times of Guard and Reserve units. Additionally, historical records show that Guard and Reserve units with hardware maintain equipment at or higher than average material and often better training readiness. Current and future war fighting requirements will need these highly qualified units when the Combatant Commanders require fully ready units.

Reserve and Guard units have proven their readiness. The personnel readiness, retention, and training of Reserve and Guard members will depend on them having Reserve equipment that they can utilize, maintain, train on, and deploy with when called upon. Depending on hardware from the Active Component, has never been successful for many functional reasons. The NRA recommends strengthening the Reserve and Guard equipment in order to maintain—highly qualified trained Reserve and Guard personnel.

Our suggested priority for fiscal year 2005 NGREA:

[Dollars in millions]

Pri	Equipment	Cost	No.	Remarks
1	Littoral Surveillance System (LSS)	\$19	1	Procure additional LSS.
2	Naval Coastal Warfare Boats	45	28	Procure 28 boats.
3	P-3C AIP Kits	29	2	Achieve commonality.
4	F/A-18 Mod, ECP 560	24	8	Upgrade F/A-18A PGM capability.
5	MH-60S Aircraft	84	4	Replacement for HH-60H Aircraft.
6	F-5 Radar Upgrade	7	6	Upgrade to APG-66 radar.
7	C-40A Transport Aircraft	1,140	2	Replace aging C-9 with C-40A.
8	F/A-18 Advanced Targeting FLIR	168	12	FLIR's for all Reserve F/A-18 Aircraft.
9	P-3C BMUP Kits	467	4	Achieve commonality.

[Dollars in millions]

Pri	Equipment	Cost	No.	Remarks
10	FLIR kits (AAS-51Q) for SH-60B	56	4	Procure 4 FLIR (AAS-51-Q) for SH-60B

PERSONNEL

Selective Reserve MGIB improvements

Issue: Currently SelRes MGIB benefits are at 19 percent of active duty entitlements.

Position: This shows clearly the priority of SelRes service members. This benefit should be higher and closer to the 48 percent mandated benefit. We must consider upgrading this benefit for those members that are responding to our nations call.

Temporary Recall of Reserve Officers (Three Years or Less)

Issue: To properly match the Reserve officer's exclusion from the active duty list as provided for by 10 U.S.C. 641(1)(D) with a corresponding exclusion from the authorized grade strengths for active duty list officers in 10 U.S.C. 523. Without this amendment, the active component would have to compensate within their control grades for temporary recalled Reserve officers who are considered, selected and promoted by RASL promotion selection boards. This compensation causes instability in promotion planning and a reduction in "career" ADL officer eligibility and promotion for each year a Reserve officer remains on "temporary" active duty. Therefore, Naval Reservists are temporarily recalled to active duty and placed on the ADL for promotional purposes. End result—failure of selection due to removal from RASL peer group.

Position: Strongly support grade strength relief for the small percentage of Reserve officers who would possibly be promoted while serving on temporary active duty. Granting relief is a Win-Win situation. By removing the instability in promotion planning for the active component, Reserve officers can be issued recall orders specifying 10 USC 641(1)(D) allowing them to remain on the RASL for promotion purposes.

Healthcare

Issue: Healthcare readiness is the number one problem in mobilizing Reservists. The governments own studies shows that between 20–25 percent of Guardsmen and Reservists are uninsured.

Position: We applaud the efforts of the TRICARE Management Activity. TMA has a strong sense of which the customer is. They emphasize communications, and are proactive at working with the military associations. Congress took decisive action in establishing the temporary Healthcare program for Guard and Reserve Forces during the fiscal year 2004 NDAA. NRA would like to see a continued effort at implementing the established TRICARE Health plan for uninsured drilling Reservists, and establishing this program as a permanent program.

Early Reserve Retirement

Issue: A one sided debate is being held through the press on whether changes should be allowed to Guard and Reserve to lower the retirement payment age. The Defense Department study on this issue was non conclusive.

Position: Over the last two decades and recently more has been asked of Guardsmen and Reservists than ever before. The nature of the contract has changed; Reserve Component members need to see recognition of the added burden they carry. Providing an option that reduces the retired with pay age to age 55 carries importance in retention, recruitment, and personnel readiness.

The Naval Reserve Association suggests a cost neutral approach to this issue that would not be that "expensive."

The Naval Reserve Association recommends for discussion/debate that Reserve Retirement with pay prior to age 60 be treated like taking Social Security retirement early—if you elected to take it at say age 55, you take it at an actuarially reduced rate.

Most of the cost projected by DOD is for TRICARE healthcare, which begins when retirement pay commences. Again, if one takes Social Security before reaching age 65 they are not eligible for Medicare. NRA suggests that TRICARE for Reservists be decoupled from pay, and eligibility remains at age 60 years.

At a minimum, the committee should consider the various initiatives and the cost neutral approach during the debate.

Roles and Missions

Issue: Pentagon study has highlighted that the Guard and Reserve structure, today, is an inherited Cold War relic. As a result, the Guard and the Reserve organization has become the focus of “transformation.” While it won’t be denied that there could be a need for change, transformation for transformation sake could be disadvantageous. Visionaries need to learn lessons from the past, assimilate the technology of the future, and by blending each, implement changes that improve war fighting.

Position: Navy has yet to deliver a Vision of use of and equipping of the Naval Reserve Force. A Commission on the Transformation of the Guard and Reserve for the 21st Century is warranted.

The Reserve Component as a Worker Pool

Issue: The view of the Reserve Component that has been suggested within the Pentagon is to consider the Reserve as of a labor pool, where Reservist could be brought onto Active Duty at the needs of a Service and returned, when the requirement is no longer needed. It has also been suggested that an Active Duty member should be able to rotate off active duty for a period, spending that tenure as a Reservist, returning to active duty when family, or education matters are corrected.

Position: The Guard and Reserve should not be viewed as a temporary-hiring agency. Too often the Active Component views the recall of a Reservist as a means to fill a gap in existing active duty manning. Voluntary recall to meet these requirements is one thing, involuntary recall is another.

The two top reasons why a Reservist quits the Guard or Reserve is pressure from family, or employer. The number one complaint from employers is not the activation, but the unpredictability of when a Reservist is recalled, and when they will be returned.

100 Percent Mission Ownership

Issue: Department of Defense is looking at changing the reserve and active component mix. “There’s no question but that there are a number of things that the United States is asking its forces to do,” Rumsfeld said. “And when one looks at what those things are, we find that some of the things that are necessary, in the course of executing those orders, are things that are found only in the Reserves.”

Position: America is best defended through a partnership between the government, the military and the people. The Naval Reserve Association supports the continued recognition of the Abrams Doctrine, which holds that with a volunteer force, we should never go to war without the involvement of the Guard and Reserve, because they bring the national will of the people to the fight. While a review of mission tasking is encouraged, the Active Component should not be tasked with every mission, and for those it shares, no more heavily than their Reserve counterparts. Historically, a number of the high percentage missions gravitated to the Reserve components because the Active Forces treated them as collateral duties. The Reserve has an expertise in some mission areas that are unequaled because Reservists can dedicate the time to developing skills and mission capability, and sharing civilian equivalencies, where such specialization could be a career buster on Active Duty.

Augmentees

Issue: As a means to transform, a number of the services are embracing the concept that command and unit structure within the Reserve Component is unnecessary. Reservists could be mustered as individual mobilization augmentees and be called up because often they are recalled by skills and not units.

Position: An augmentee structure within the Naval Reserve was attempted in the 1950’s/1960’s, and again in the 1980’s. In one word: Failure! Reservists of that period could not pass the readiness test. The image of the Selected Reservists, sitting in a Reserve Center reading a newspaper originates from the augmentee era. Some semblance of structure is needed on a military hierarchy. Early on, Naval Reservists created their own defense universities to fill the training void caused by mission vacuum.

Business Initiative

Issue: Many within the Pentagon feel that business models are the panacea to perceived problems with in military structure.

Position: Reservists have the unique perspective of holding two careers; many with one foot in business and one foot in the military. The Naval Reserve Association suggests caution rather than rush into business solutions. Attempted many

times in the past, business models have failed in the military even with commands that proactively support.

Among the problems faced are:

- Implementing models that are incompletely understood by director or recipient.
- Feedback failure: “Don’t tell me why not; just go do it!”
- The solution is often more expensive than the problem.
- Overburdened middle management attempting to implement.
- Cultural differences.
- While textbook solutions, these models frequently fail in business, too.

Closure of Naval Reserve Activities

Issue: Discussion has emerged, suggesting that a large number of Naval Reserve Centers and Naval Air Reserve Activities be closed, and that Naval Reservists could commute to Fleet Concentration Areas to directly support gaining commands and mobilization sites.

Position: The Naval Reserve Association is opposed to this plan for the following reasons.

A. The Naval Reserve is the one Reserve component that has Reserve Activities in every state. To close many of these would be cutting the single military tie to the civilian community.

B. The demographics of the Naval Reserve is that most of the commissioned officers live on the coasts, while most of the enlisted live in the hinterland, middle America. The Naval Reservists who are paid the least would have to travel the farthest.

C. The active duty concept of a Naval Reserve is a junior force, a structure based upon enlisted (E1–E3s) and officers (O1–O2’s) billets that can’t be filled because the individuals haven’t left the fleet yet. When the Coast Guard “transformed” its Reserve force, it was a forced a restructuring that RIFFed many senior officer and enlisted leadership from the USCGR ranks, and caused a number of years of administrative problems.

D. If training at fleet concentration centers was correctly implemented, the Navy should bear the expense and burden of transportation and housing while on site. Additionally, at locations such as Naval Station Norfolk, the overlap of Active Duty and Reserve training has shown an increased burden on Bachelor Quarters and messing facilities. Frequently, Reservists must be billeted out on the economy. With these extra costs, training would prove more expensive.

E. Such a plan would devastate the Naval Reserves; retention would plummet, training and readiness would suffer.

SUMMARY

NGREA and Commission on Guard and Reserve Forces for the 21st Century are the most important issues. Congress must maintain parity for equipment, because the active component will not. If our country is going to use the Guard and Reserve in the manner we are currently doing, Congress must provide the resources, the active component is not. Finally, a congressionally mandated Commission to study these vital National Security issues is needed to provide guidance to the balancing and transformation that is occurring.

The Four “P’s” can identify the issues that are important to Reservists: Pay, Promotion, Points, and Pride.

Pay needs to be competitive. As Reservists have dual careers, they have other sources of income. If pay is too low, or expenses too high, a Reservist knows that time may be better invested elsewhere.

Promotions need to be fairly regular, and attainable. Promotions have to be through an established system and be predictable.

Points reflect a Reservist’s ambitions to earn Retirement. They are as creditable a reinforcement as pay; and must be easily tracked.

Pride is a combination of professionalism, parity and awards: doing the job well with requisite equipment, and being recognized for ones efforts. While people may not remember exactly what you did, or what you said, they will always remember how you made them feel.

If change is too rapid anxiety is generated amid the ranks. As the Reserve Component is the true volunteer force, Reservists are apt to vote with their feet. Reservists are a durable affordable resource only if they are treated right. Navy plans do not provide for these key points and do not treat the reservist correctly. Current conditions about the world highlights the ongoing need for the Reserve Component as key players in meeting National Security Strategy; we can’t afford to squander that resource.

Senator STEVENS. Next is Dr. Jerome Odom, Provost of the University of South Carolina.

STATEMENT OF DR. JEROME ODOM, PROVOST, UNIVERSITY OF SOUTH CAROLINA ON BEHALF OF THE COALITION OF EPSCoR STATES

Dr. ODOM. Thank you, Mr. Chairman, Senator Inouye. I appreciate the opportunity to submit the testimony regarding the Defense Department's basic scientific research program and the Defense Experimental Program to Stimulate Competitive Research, which is better known as DEPSCoR.

I am the Executive Vice President for Academic Affairs and Provost at the University of South Carolina, and I want to speak today in support of both the Defense Department's science and engineering research program and an important component of that research, the DEPSCoR program. This statement is submitted on behalf of the Coalition of EPSCoR States and the 21 States and Puerto Rico that participate in EPSCoR. EPSCoR stands for Experimental Program to Stimulate Competitive Research, and Mr. Chairman, Alaska is an EPSCoR State, and Senator Inouye, Hawaii is an EPSCoR State as well.

The coalition wishes to be associated with the statement of the Coalition for National Security Research in support of additional funding for defense research and development. The coalition strongly urges the administration and Congress to provide a robust and stable fiscal year 2005 investment for science and technology programs in the Department of Defense. This subcommittee has long demonstrated its strong support for the Department's science and technology research which have produced the innovations and technological breakthroughs that have contributed to ensuring that our fighting men and women have the best available systems and weapons to support them in executing their national defense missions. The bench science that this subcommittee has wisely supported in our Nation's universities has produced significant benefits for the people in the field and on the front lines.

The Coalition of EPSCoR States strongly supports the Department's budget request for basic research. The DEPSCoR program is a small but significant part of this larger program. The coalition recommends that Congress appropriate \$25 million to the Defense Department's budget for the DEPSCoR program.

EPSCoR itself is a research and development program that was initiated by the National Science Foundation and is now supported by most Federal agencies that fund research. Through a merit review process, EPSCoR is improving our Nation's science and technology capability by funding research activities of talented researchers at universities and nonprofit organizations in States that historically have not received significant Federal research and development funding. EPSCoR is a catalyst for change and is widely viewed as a model Federal-State partnership.

The DEPSCoR program helps build national infrastructure for research and education by funding research activities in science and engineering fields important to national defense. The DEPSCoR program also contributes to the States' goals of developing and enhancing their research capabilities while simultaneously supporting the research goals of the Department of De-

fense. Research proposals are only funded if they provide the Defense Department with research in areas important to national defense. The DEPSCoR States have established an impressive record of research that has directly contributed to our Nation's security interests.

I would like very much to be able to give you some examples. They are in the written testimony and all of the DEPSCoR States have made major contributions to defense research.

The DEPSCoR program improves the abilities of institutions of higher education to develop, plan, and execute science and engineering research that is competitive under DOD's peer review system and provides technological products that serve the needs of the Department of Defense. In order to ensure that the broadest number of States is providing unique and high-value research to the Department, the DEPSCoR States propose to augment the current program within the parameters of the Department's legislative authority.

Currently awards are provided to mission-oriented individual investigators from universities and other institutions of higher education. The program, as it is currently implemented, has not taken into account the significant benefits that can be derived from individual investigators pooling their efforts to provide clusters of research that meet the ever-increasing challenges and needs of the Department and the services.

I would just like to say to close we would request \$10 million for the investigator grants and \$15 million for these clusters for a total of \$25 million for DEPSCoR. I sincerely thank you for your consideration of that request.

Senator STEVENS. Well, we are very familiar with your program and we thank you very much for what you are doing.

Dr. ODOM. Thank you.

Senator STEVENS. Do you have any questions?

Senator INOUE. No, Mr. Chairman.

Senator STEVENS. We are familiar with it in our own States. Thank you very much.

Dr. ODOM. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF DR. JEROME ODOM

Mr. Chairman and members of the Subcommittee, I thank you for the opportunity to submit this testimony regarding the Defense Department's basic scientific research program and the Defense Experimental Program to Stimulate Competitive Research (DEPSCoR).

My name is Jerome Odom. I am the Provost of the University of South Carolina. I am here today to speak in support of both the Defense Department's science and engineering research program and an important component of that research, the Defense Department's Experimental Program to Stimulate Competitive Research (EPSCoR). This statement is submitted on behalf the Coalition of EPSCoR States and the twenty-one states and Puerto Rico that participate in EPSCoR.¹

The Coalition wishes to be associated with the statement of the Coalition for National Security Research in support of additional funding for Defense research and development. The Coalition strongly urges the Administration and Congress to provide a robust and stable fiscal year 2005 investment for the Science and Technology programs of the Department of Defense (DOD). This Subcommittee has long dem-

¹Alabama, Alaska, Arkansas, Delaware, Hawaii, Idaho, Kansas, Kentucky, Maine, Montana, Nebraska, Nevada, North Dakota, Oklahoma, South Carolina, South Dakota, Vermont, West Virginia, Wyoming, Puerto Rico, and Virgin Islands.

onstrated its strong support for the Department's science and technology research, which have produced the innovations, and technological breakthroughs that have contributed to ensuring that our fighting men and women have the best available systems and weapons to support them in executing their national defense missions. The bench science the Subcommittee has wisely supported in our Nation's universities and laboratories has produced significant benefits for the people in the field and on the front lines. The Coalition of EPSCoR States strongly urges you to maintain a stable investment in the Department's science and technology (S&T) efforts.

The Coalition of EPSCoR States strongly supports the Department's budget request for basic research. The Defense EPSCoR program is a small, but significant, part of this larger program. The Coalition recommends that Congress appropriate \$25 million to the Defense Department's budget for the Defense Experimental Program to Stimulate Competitive Research (Program Element PE 61114D).

EPSCoR is a research and development program that was initiated by the National Science Foundation. Through a merit review process, EPSCoR is improving our Nation's science and technology capability by funding research activities of talented researchers at universities and non-profit organizations in states that historically have not received significant Federal research and development funding. EPSCoR helps researchers, institutions, and states improve the quality of their research capabilities in order to compete more effectively for non-EPSCoR research funds. EPSCoR is a catalyst for change and is widely viewed as a "model" federal-state partnership. EPSCoR seeks to advance and support the goals of the program through investments in four major areas: research infrastructure improvement; research cluster development and investigator-initiated research; education, career development and workforce training; and outreach and technology transfer.

The Defense Experimental Program to Stimulate Experimental Research (DEPSCoR) was initially authorized by Section 257 of the fiscal year 1995 National Defense Authorization Act (Public Law 103-337). The Defense Department's EPSCoR program helps build national infrastructure for research and education by funding research activities in science and engineering fields important to national defense. DEPSCoR's objectives are to:

- Enhance the capabilities of institutions of higher education in eligible States to develop, plan, and execute science and engineering research that is competitive under the peer-review systems used for awarding Federal research assistance; and

- Increase the probability of long-term growth in the competitively awarded financial assistance that universities in eligible States receive from the Federal Government for science and engineering research.

The Defense EPSCoR program contributes to the states' goals of developing and enhancing their research capabilities, while simultaneously supporting the research goals of the Department of Defense. DEPSCoR grants are based on recommendations from the EPSCoR state committees and the Department's own evaluation and ranking. Research proposals are only funded if they provide the Defense Department with research in areas important to national defense. The DEPSCoR states have established an impressive record to research that has directly contributed to our Nation's security interests. If you will allow me, I would like to highlight some of DEPSCoR's success.

In my state of South Carolina, researchers from Clemson University have produced communications protocols to enhance the effectiveness of radio networks on the battlefield. Researchers are focused on the development of protocols for mitigating the limitations of radio devices of widely disparate capabilities that will be required in future tactical communication networks used by the Army. The new technique will yield a significant improvement in performance and allow for more robust radio system operation for the Army. The University of South Carolina has completed a study to help the Navy revolutionize data processing methods for battlefield operations through the use of sophisticated mathematical techniques. Funded by the Navy, the research project, carried out at the internationally recognized Industrial Mathematics Institute of the University of South Carolina, develops state of the art compression methods that can be used in a variety of military scenarios including: automated target recognition, mission planning, post battlefield assessment, intelligence and counter intelligence.

University of Alabama researchers have conducted important work to reducing gearbox noise in Army helicopters. By reducing the noise levels, the crew will be more alert and able to communicate more effectively while in such a vehicle, thus improving safe operation of the rotorcraft. Additionally, reducing structural vibrations can decrease fatigue damage in the rotorcraft.

Montana State University has received funding from the Air Force to conduct research into protecting pilots and sensors from attack from laser weaponry. This

project is of particular interest for protecting pilots using Night Vision Goggles (NVG), for laser range finders and target designators.

University of Nevada at Reno investigators are exploring novel military applications for non-lethal weaponry for use by the Air Force. This research could be used for ultimately developing "stunning/immobilizing" weapons that do not rely on chemicals and that do not cause human injury. University of Nevada researchers are working on a project to mitigate the noise in the drive systems of ships and submarines. The mitigation of noise and the accompanying vibration will significantly improve stealth performance of naval vessels.

North Dakota State University obtained funding to develop mechanisms that allow the Navy's unmanned airborne vehicles (UAVs) to carry out mission tasks with little external supervision and control. The development of this technology will lead to individual or teams of UAVs efficiently carrying out search, surveillance, reconnaissance, and delivery of weapons missions in the presence of enemy threat and without risk to the lives of military personnel. University of North Dakota researchers received Army funding to develop weather models for improving the availability of weather information worldwide. Improvements in satellite technology research will lead to a better forecasting tool that can be utilized by Army personnel to help maximize their advantage in a battlefield or homeland defense environment. North Dakota State University obtained funding from the Navy to conduct a project to lengthen the life of ship structures. This research will lead to significant savings in military spending on marine fuel, maintenance and replacement of ships.

University of Vermont researchers conducted a study to decompose chemical warfare agents such as mustard gas in a safe and environmentally sustainable system. This method is similar to one used in industry to remove toxic compounds from the smokestacks of coal-burning plants. This process can decompose nearly 100 percent of half mustard from a gas sample. The chemical by-products of this process are environmentally friendly and non-toxic. Similar technologies can be used to decompose sarin, soman, and VX stimulants.

The Defense Experimental Program to Stimulate Competitive Research (DEPSCoR) has been established within DOD to build national competitiveness for academic research and education by providing funding in science and engineering fields of vital importance to DOD's mission. The program improves the abilities of institutions of higher education to develop, plan and execute science and engineering research that is competitive under DOD's peer-review system and provides technological products that serves the needs of the Department of Defense and the Uniformed Services. In order to ensure that the broadest number of states is providing unique and high value research to the Department, the DEPSCoR states propose to augment the current program within the parameters of the Department's legislative authority.

Currently, awards are provided to mission-oriented individual investigators from universities and other institutions of higher education. The individual investigators conduct extremely important research that has practical military applications. The program as it is currently implemented has not taken into account the significant benefits that can be derived from individual investigators pooling their efforts to provide "clusters" of research that meet the ever increasing challenges and needs of the Department and the Services. The current program could also benefit from an approach that maximizes the number of the 21 DEPSCoR states that receive funding for important defense-related projects thus ensuring that these states remain engaged in cutting edge research that enhances national defense.

Working in close consultation with the appropriate officials at the Department of Defense, DEPSCoR states propose restructuring the program into two components. The first component would retain the current program whereby the 21 eligible states (and individual investigators) are invited, through their NSF EPSCoR Committee, to compete for research awards in areas identified by the Department and the Services. The second and new component would award funding to mission-oriented "centers". These centers of defense excellence would be mission oriented interdisciplinary areas to build defense research capacity. Under this model, a single university or institution of higher learning would be awarded a DEPSCoR grant and would manage the various investigators charged with providing interdisciplinary defense research. In order to ensure the broadest possible participation of DEPSCoR states, only four individual awards and two center awards could be active for each state over a three-year period at any one time.

To achieve important defense research objectives of both components of the program, the DEPSCoR states need the program to be funded at \$25 million for fiscal year 2005 with approximately \$10 million obligated to the individual investigator awards and \$15 million for the mission-oriented centers initiative. This twin approach to funding important research will significantly enhance the Department's

ability to tap into the best ideas that the DEPSCoR states have to offer in support of the Nation's security needs. We are currently in discussions with the managers at the Office of Defense Research regarding the proposed restructuring of the composition of DEPSCoR.

The Defense Department's Experimental Program to Stimulate Competitive Research is a wise and worthwhile investment of scarce public resources. It will continue to contribute significantly to efforts to build scientific and engineering research efforts in support of national defense needs.

Finally, the Coalition of EPSCoR States believes a \$25 million Defense EPSCoR program with the modifications suggested will ensure that Federal dollars are being used in a cost-effective way and that the EPSCoR states are contributing to the Nation's Defense efforts. Thank you for your consideration of this request.

Senator STEVENS. Our last witness is Ms. Fran Visco, President of the National Breast Cancer Coalition. Good morning.

STATEMENT OF FRAN VISCO, J.D., PRESIDENT, NATIONAL BREAST CANCER COALITION

Ms. VISCO. Good morning, Mr. Chairman. Good morning, Senator Inouye. I am a 17-year breast cancer survivor and I am privileged to lead the National Breast Cancer Coalition, a coalition of more than 600 member organizations from across the country and 70,000 individuals.

We have submitted written testimony that gives you some of the successes of the Department of Defense breast cancer research program, so I am not going to go into that detail. I am here to thank you for your ongoing support of this program and to once again assure you that these dollars are being incredibly well spent. We are here to ask for level funding to continue the program.

As you know, the overhead for this program is exceedingly low. It is incredibly flexible and able to respond to changes in science on an annual basis. It is a program that is transparent and accountable to the public. The information of what this program funds and how it works is freely available. The website for the program lists everything that the program has funded. Every other year, there is a meeting called the Era of Hope, which is one of the few times where the Government actually reports to the taxpayer exactly where every dollar goes.

The collaboration among the scientific community, the consumer community, and the United States Army has set a model for further collaborations. General Martinez Lopez has told us that so much of what we come up with in the DOD breast cancer research program and the collaborations he has used as a model for other biomedical research programs and other programs at Fort Detrick. The collaborations that have sprung up between world renowned scientists and the United States Army are unprecedented as a result of this program.

Most importantly, it truly has the trust and the faith and the support of the American public. This program is a model, a model that has been copied by other countries, by other biomedical research funding programs, by foundations, by so many others to support innovative breast cancer and other research.

This program complements the existing traditional funding streams. This program rewards innovation. It looks at new ideas and concepts that ultimately become traditional research proposals that are funded by the National Cancer Institute and the National Institutes of Health. It identifies individuals with great vision and

promise early in their career and gives them the funding to allow them to create new technologies and new approaches to eradicating breast cancer. There is no other program like the DOD breast cancer program.

Again, we are so grateful for your continued support. Thank you very much.

Senator STEVENS. Thank you very much. We appreciate your coming to see us and for your visit to our offices.

Senator Inouye.

Senator INOUE. I would like to note, Mr. Chairman, that this is another congressional initiative program that you began.

Ms. VISCO. Yes.

Senator INOUE. Thank you very much, sir.

Ms. VISCO. And we are very grateful to him for that. Thank you. [The statement follows:]

PREPARED STATEMENT OF FRAN VISCO, J.D.

Thank you, Mr. Chairman and members of the Appropriations Subcommittee on Defense, for your exceptional leadership in the effort to increase and improve breast cancer research. You and your Committee have shown great determination and leadership in searching for the answers by funding the Department of Defense (DOD) Peer-Reviewed Breast Cancer Research Program (BCRP) at a level that has brought us closer to eradicating this disease.

I am Fran Visco, a breast cancer survivor, a wife and mother, a lawyer, and President of the National Breast Cancer Coalition (NBCC). On behalf of NBCC, and the more than 3 million women living with breast cancer, I would like to thank you for the opportunity to testify today.

The DOD BCRP's 12 years of progress in the fight against breast cancer has been made possible by this Committee's investment in breast cancer research. To continue this unprecedented progress, we ask that you support a \$150 million appropriation for fiscal year 2005. The program was reduced from \$175 million to \$150 million three years ago as part of an across-the-board cut in congressionally directed health programs. However, there continues to be excellent science that goes unfunded, which is why we believe that the BCRP should be appropriated level funding of \$150 million for fiscal year 2005.

As you know, the National Breast Cancer Coalition is a grassroots advocacy organization made up of more than 600 organizations and tens of thousands of individuals and has been working since 1991 toward the eradication of breast cancer through advocacy and action. NBCC supports increased funding for breast cancer research, increased access to quality health care for all women, and increased influence of breast cancer activists at every table where decisions regarding breast cancer are made.

OVERVIEW OF THE DOD BREAST CANCER RESEARCH PROGRAM

In the past 12 years, the DOD Peer-Reviewed Breast Cancer Research Program has established itself as model medical research program, respected throughout the cancer and broader medical community for its innovative and accountable approach. The groundbreaking research performed through the program has the potential to benefit not just breast cancer, but all cancers, as well as other diseases. Biomedical research is being transformed by the BCRP's success.

This program is both innovative and incredibly streamlined. It continues to be overseen by a group of distinguished scientists and activists, as recommended by the Institute of Medicine (IOM). Because there is no bureaucracy, the program is able to respond quickly to what is currently happening in the scientific community. It is able to fill gaps with little red tape. It is responsive, not just to the scientific community, but also to the public.

Since its inception, this program has matured from an isolated research program to a broad-reaching influential voice forging new and innovative directions for breast cancer research and science. The flexibility of the program has allowed the Army to administer this groundbreaking research effort with unparalleled efficiency and effectiveness.

In addition, an inherent part of this program has been the inclusion of consumer advocates at every level, which has created an unprecedented working relationship

between advocates and scientists, and ultimately has led to new avenues of research in breast cancer. Since 1992, more than 600 breast cancer survivors have served on the BCRP review panels. Their vital role in the success of the BCRP has led to consumer inclusion in other biomedical research programs at DOD. This program now serves as an international model.

It is important to note that the DOD Integration Panel that designs this program has a plan of how best to spend the funds appropriated. This plan is based on the state of the science—both what scientists know now and the gaps in our knowledge—as well as the needs of the public. This plan coincides with our philosophy that we do not want to restrict scientific freedom, creativity or innovation. While we carefully allocate these resources, we do not want to predetermine the specific research areas to be addressed.

UNIQUE FUNDING OPPORTUNITIES

Developments in the past few years have begun to offer breast cancer researchers fascinating insights into the biology of breast cancer and have brought into sharp focus the areas of research that hold promise and will build on the knowledge and investment we have made. The Innovative Developmental and Exploratory Awards (IDEA) grants of the DOD program have been critical in the effort to respond to new discoveries and to encourage and support innovative, risk-taking research. The IDEA grants have been instrumental in the development of promising breast cancer research. These grants have allowed scientists to explore beyond the realm of traditional research and have unleashed incredible new ideas and concepts. IDEA grants are uniquely designed to dramatically advance our knowledge in areas that offer the greatest potential.

IDEA grants are precisely the type of grants that rarely receive funding through more traditional programs such as the National Institutes of Health, and academic research programs. Therefore, they complement, and do not duplicate, other federal funding programs. This is true of other DOD award mechanisms as well.

For example, the Innovator awards are structured to invest in world renowned, outstanding individuals, rather than projects, from any field of study by providing funding and freedom to pursue highly creative, potentially breakthrough research that could ultimately accelerate the eradication of breast cancer. The Era of Hope Scholar is intended to support the formation of the next generation of leaders in breast cancer research, by identifying the best and brightest independent scientists early in their careers and give them the necessary resources to pursue a highly innovative vision towards ending breast cancer.

Also, Historically Black Colleges and Minority Universities/Minority Institutions Partnership Awards are intended to provide assistance at an institutional level. The major goal of this award is to support collaboration between multiple investigators at an applicant Minority Institution and a collaborating institution with an established program in breast cancer research, for the purpose of creating an environment that would foster breast cancer research, and in which Minority Institute faculty would receive training toward establishing successful breast cancer research careers.

These are just a few examples of innovative approaches at the DOD BCRP that are filling gaps in breast cancer research. It is vital that these grants are able to continue to support the growing interest in breast cancer research—\$150 million for peer-reviewed research will help sustain the program's momentum.

The DOD BCRP also focuses on moving research from the bench to the bedside. A major feature of the awards offered by the BCRP is that they are designed to fill niches that are not offered by other agencies. The BCRP considers translational research to be the application of well-founded laboratory or other pre-clinical insight into a clinical trial. To enhance this critical area of research, several research opportunities have been offered. Clinical Translational Research Awards have been awarded for investigator-initiated projects that involve a clinical trial within the lifetime of the award. The BCRP expanded its emphasis on translational research by offering five different types of awards that support work at the critical juncture between laboratory research and bedside applications.

The Centers of Excellence mechanism bring together consortia of the world's most highly qualified individuals and institutions to address a major overarching question in breast cancer research that could make a major contribution towards the eradication of breast cancer. These Centers put to work the expertise of basic, epidemiology and clinical researchers; as well as consumer advocates to focus on a major question in breast cancer research. Many of these centers are working on questions that will translate into direct clinical applications.

SCIENTIFIC ACHIEVEMENTS

The BCRP research portfolio is comprised of many different types of projects, including support for innovative ideas, infrastructure building to facilitate clinical trials, and training breast cancer researchers.

One of the most promising outcomes of research funded by the BCRP was the development of Herceptin, a drug that prolongs the lives of women with a particularly aggressive type of advanced breast cancer. This drug could not have been developed without first researching and understanding the gene known as HER-2/neu, which is involved in the progression of some breast cancers. Researchers found that over-expression of HER-2/neu in breast cancer cells results in very aggressive biologic behavior. Most importantly, the same researchers demonstrated that an antibody directed against HER-2/neu could slow the growth of the cancer cells that over-expressed the gene. This research, which led to the development of the drug Herceptin, was made possible in part by a DOD BCRP-funded infrastructure grant. Other researchers funded by the BCRP are currently working to identify similar kinds of genes that are involved in the initiation and progression of cancer. They hope to develop new drugs like Herceptin that can fight the growth of breast cancer cells.

Several studies funded by the BCRP will examine the role of estrogen and estrogen signaling in breast cancer. For example, one study examined the effects of the two main pathways that produce estrogen. Estrogen is often processed by one of two pathways; one yields biologically active substances while the other does not. It has been suggested that women who process estrogen via the biologically active pathway may be at higher risk of developing breast cancer. It is anticipated that work from this funding effort will yield insights into the effects of estrogen processing on breast cancer risk in women with and without family histories of breast cancer.

One DOD IDEA award success has supported the development of new technology that may be used to identify changes in DNA. This technology uses a dye to label DNA adducts, compounds that are important because they may play a role in initiating breast cancer. Early results from this technique are promising and may eventually result in a new marker/method to screen breast cancer specimens.

Investigators funded by the DOD have developed a novel imaging technique that combines two-dimensional and three-dimensional digital mammographic images for analysis of breast calcifications. Compared to conventional film screen mammography, this technique has greater resolution. Ultimately, this technique may help reduce the number of unnecessary breast biopsies.

Despite the enormous successes and advancements in breast cancer research made through funding from the DOD BCRP, we still do not know what causes breast cancer, how to prevent it, or how to cure it. It is critical that innovative research through this unique program continues so that we can move forward toward eradicating this disease.

FEDERAL MONEY WELL SPENT

The DOD BCRP is as efficient as it is innovative. In fact, 90 percent of funds go directly to research grants. The flexibility of the program allows the Army to administer it in such a way as to maximize its limited resources. The program is able to quickly respond to current scientific advances, and is able to fill gaps by focusing on research that is traditionally underfunded. It is responsive to the scientific community and to the public. This is evidenced by the inclusion of consumer advocates at both the peer and programmatic review levels. The consumer perspective helps the scientists understand how the research will affect the community, and allows for funding decisions based on the concerns and needs of patients and the medical community.

Since 1992, the BCRP has been responsible for managing nearly \$1.68 billion in appropriations, from which 3,671 awards for fiscal year 1992–2002 were distributed. Approximately 400 awards will be granted for fiscal year 2003. The areas of focus of the DOD BCRP span a broad spectrum and include basic, clinical, behavioral, environmental sciences, and alternative therapy studies, to name a few. The BCRP benefits women and their families by maximizing resources; the program offers awards that fill existing gaps in breast cancer research. Scientific achievements that are the direct result of the DOD BCRP are undoubtedly moving us closer to eradicating breast cancer.

From the program's inception through fiscal year 2002, the BCRP has funded research at 3,459 institutions in all 50 states and the District of Columbia. I would like to submit a chart for the record that demonstrates how the funding has been distributed through fiscal year 2002.

The outcomes of the BCRP-funded research can be gauged, in part, by the number of publications, abstracts/presentations, and patents/licensures reported by award-ees. To date, there have been more than 6,200 publications in scientific journals, more than 4,200 abstracts and 140 patents/licensure applications.

The federal government can truly be proud of its investment in the DOD BCRP.

POSITIVE FEEDBACK ON THE DOD BCRP

The National Breast Cancer Coalition has been the driving force behind this program for many years. The success of the DOD Peer-Reviewed Breast Cancer Research Program has been illustrated by two unique assessments of the program. The IOM, which originally recommended the structure for the program, independently re-examined the program in a report published in 1997. Their findings overwhelmingly encouraged the continuation of the program and offered guidance for program implementation improvements.

The 1997 IOM review of the DOD Peer-Review Breast Cancer Research Program commended the program and stated that, "the program fills a unique niche among public and private funding sources for cancer research. It is not duplicative of other programs and is a promising vehicle for forging new ideas and scientific breakthroughs in the nation's fight against breast cancer." The IOM report recommended continuing the program and established a solid direction for the next phase of the program. It is imperative that Congress recognizes the independent evaluations of the DOD Breast Cancer Research Program, as well as reiterates its own commitment to the program by appropriating the funding needed to ensure its success. The IOM report has laid the groundwork for effective and efficient implementation of the next phase of this vital research program. Now all it needs is the appropriate funding.

The DOD Peer-Reviewed Breast Cancer Research Program not only provides a funding mechanism for high-risk, high-return research, but also reports the results of this research to the American people at a biennial public meeting called the Era of Hope. The 1997 meeting was the first time a federally funded program reported back to the public in detail not only on the funds used, but also on the research undertaken, the knowledge gained from that research and future directions to be pursued. The transparency of the BCRP allows scientists, consumers and the American public to see the exceptional progress made in breast cancer research.

At the 2002 Era of Hope meeting, all BCRP award recipients from fiscal years 1998–2000 were invited to report their research findings, and many awardees from previous years were asked to present advancements in their research. Scientists reported important advances in the study of cancer development at the molecular and cellular level. Researchers presented the results of research that elucidates several genes and proteins responsible for the spread of breast cancer to other parts of the body, and, more importantly, reveals possible ways to stop this growth. The meeting, which marked the 10th anniversary of the program, also featured grant recipients who are working towards more effective and less toxic treatments for breast cancer that target the unique characteristics of cancer cells and have a limited effect on normal cells. The next meeting will be held in June 2005.

The DOD Peer-Reviewed Breast Cancer Research Program has attracted scientists with new ideas and has continued to facilitate new thinking in breast cancer research and research in general. Research that has been funded through the DOD BCRP is available to the public. Individuals can go to the Department of Defense website and look at the abstracts for each proposal at <http://cdmrp.army.mil/bcrp/>.

COMMITMENT OF THE NATIONAL BREAST CANCER COALITION

The National Breast Cancer Coalition is strongly committed to the DOD program in every aspect, as we truly believe it is one of our best chances for finding cures and preventions for breast cancer. The Coalition and its members are dedicated to working with you to ensure the continuation of funding for this program at a level that allows this research to forge ahead.

In May 1997, our members presented a petition with more than 2.6 million signatures to congressional leaders on the steps of the Capitol. The petition called on the President and the U.S. Congress to spend \$2.6 billion on breast cancer research between 1997 and the year 2000. Funding for the DOD Peer-Reviewed Breast Cancer Research Program was an essential component of reaching the \$2.6 billion goal that so many women and families worked for.

Once again, NBCC is bringing its message to Congress. Just last week, many of the women and family members who supported the campaign to gather the 2.6 million signatures came to NBCCF's Annual Advocacy Training Conference here in

Washington, D.C. More than 600 breast cancer activists from across the country joined us in continuing to mobilize our efforts to end breast cancer. The overwhelming interest in, and dedication to eradicate this disease continues to be evident as people not only are signing petitions, but are willing to come to Washington, D.C. from across the country to deliver their message about their commitment.

Since the very beginning of this program in 1992, Congress has stood in support of this important investment in the fight against breast cancer. In the years since, Mr. Chairman, you and this entire Committee have been leaders in the effort to continue this innovative investment in breast cancer research.

NBCC asks you, the Defense Appropriations Subcommittee, to recognize the importance of what you have initiated. You have set in motion an innovative and highly efficient approach to fighting the breast cancer epidemic. What you must do now is support this effort by continuing to fund research that will help us win this very real and devastating war against a cruel enemy.

Thank you again for the opportunity to submit testimony and for giving hope to the 3 million women in the United States living with breast cancer.

ADDITIONAL SUBMITTED STATEMENTS

[CLERK'S NOTE.—Subsequent to the hearing, the subcommittee has received statements from Dennis Duggan of The American Legion, MSGT (Ret.) Morgan D. Brown, Manager, Legislative Affairs, Air Force Sergeants Association, and the American Museum of Natural History which will be inserted in the record at this point.]

PREPARED STATEMENT OF THE AMERICAN LEGION

Chairman Stevens and distinguished Members of the Subcommittee: The American Legion is grateful for the opportunity to present its views regarding defense appropriations for fiscal year 2005. The American Legion values your leadership in assessing and appropriating adequate funding for quality-of-life, readiness and modernization of the Nation's armed forces to include the active, Reserve and National Guard forces and their families, as well as quality of life for military retirees and their dependents. We realize that many of the personnel decisions come from your colleagues on the Armed Service Committee; however, your Subcommittee continues to play a significant role in the Nation's defense.

Since September 2001, the United States has been involved in two wars—the war against terrorism in Operations Iraqi Freedom and Enduring Freedom. American fighting men and women are proving that they are the best-trained, best-equipped and best-led military in the world. As Secretary of Defense Donald Rumsfeld has noted, the war in Iraq is part of a long, dangerous global war on terrorism. The war on terrorism is being waged on two fronts: overseas against armed terrorists and the other here protecting and securing the Homeland. Indeed, most of what we, as Americans, hold dear are made possible by the peace and stability, which the armed forces provide.

The American Legion continues to adhere to the principle that this Nation's armed forces must be well-manned and equipped, not just to pursue war, but to preserve and protect peace. The American Legion strongly believes that past military downsizing was budget-driven rather than threat focused. Once Army divisions, Navy warships, and Air Force fighter wings are eliminated or retired from the force structure, they cannot be rapidly reconstituted regardless of the threat or emergency circumstances. Although active duty recruiting has achieved its goals, the Army's stop-loss policies have obscured retention of the active and reserve components. Military morale undoubtedly has also been adversely affected by the extension of tours in Iraq.

The Administration's budget request for fiscal year 2005 totals \$2.4 trillion and authorizes \$402 billion for defense or about 19 percent of the budget. The fiscal year 2005 defense budget represents a seven percent increase in defense spending over the current funding level. It also represents 3.6 percent of the Gross Domestic Product, more than the 3.5 percent in the fiscal year 2004 budget. Active duty military manpower end strength is 1.388 million, only slightly changed from fiscal year 2003. Selected Reserve strength is 863,300 or reduced by about 25 percent from its strength levels during the Gulf War of 13 years ago.

Mr. Chairman, this budget must advance ongoing efforts to fight the global war on terrorism, sustain and improve military quality-of-life and continue to transform the military. A decade of overuse of the military and its under-funding will necessitate sustained investments. The American Legion believes that this budget must

also address: increases in the military end strengths of the Services; accelerate ship production; provide increased funding for the concurrent receipt of military retirement pay and VA disability compensation for disabled military retirees; and improve survivors benefit plan (SBP) for the retired military survivors.

If we are to win the war on terror and prepare for the wars of tomorrow, we must take care of the Department's greatest assets—the men and women in uniform. They are doing us proud in Iraq, Afghanistan and around the world.

In order to attract and retain the necessary force over the long haul, the active duty force, Reserves and National Guard will continue to look for talent in an open market place and to compete with the private sector for the best young people this nation has to offer. If we are to attract them to military service in the active and reserve components, we need to count on their patriotism and willingness to sacrifice, to be sure, but we must also provide them the proper incentives. They love their country, but they also love their families—and many have children to support, raise, and educate. We have always asked the men and women in uniform to voluntarily risk their lives to defend us; we should not ask them to forgo adequate pay and allowances and subject their families to repeated unaccompanied deployments and sub-standard housing as well.

With the eventual lifting of the stop-loss policy, there may be a personnel exodus of active duty and reserve components from the Army. Retention and recruiting budgets may need to be substantially increased if we are to keep, and recruit, quality service members.

The President's 2005 defense budget requests \$104.8 billion for military pay and allowances, including a 3.5 percent across-the-board pay raise. It also includes \$4.2 billion to improve military housing, putting the Department on track to eliminate most substandard housing by 2007—several years sooner than previously planned. The fiscal year 2004 budget lowered out-of-pocket housing costs for those living off-base from 7.5 percent to 3.5 percent in 2004 so as to hopefully eliminate all out-of-pocket costs for the men and women in uniform by 2005. The American Legion encourages the Subcommittee to continue the policy of no out-of-pocket housing costs in future years.

Together, these investments in people are critical, because smart weapons are worthless to us unless they are in the hands of smart, well-trained soldiers, sailors, airmen, Marines and Coast Guard personnel.

American Legion National Commanders have visited American troops in Europe, the Balkans and South Korea, as well as a number of installations throughout the United States, including Walter Reed Army Medical Center and Bethesda National Navy Center. During these visits, they were able to see first hand the urgent, immediate need to address real quality-of-life challenges faced by service members and their families. Commanders' have spoken with families on Womens' and Infants' Compensation (WIC), where quality-of-life issues for service members, coupled with combat tours and other heightened operational tempos, play a key role in recurring recruitment and retention efforts and should come as no surprise. The operational tempo and lengthy deployments, other than combat tours, must be reduced or curtailed. Military missions were on the rise before September 11, and deployment levels remain high and the only way, it appears, to reduce repetitive overseas tours and the overuse of the Reserves is to increase military end strengths for the services. Military pay must be on par with the competitive civilian sector. Activated Reservists must receive the same equipment, the same pay and timely health care as active duty personnel. If other benefits, like health care improvements, commissaries, adequate quarters, quality childcare, and Impact Aid for education or DOD education are reduced, they will only serve to further undermine efforts to recruit and retain the brightest and best this Nation has to offer.

The budget deficit is about \$374 billion, the largest in U.S. history, and it is heading higher perhaps to \$500 billion. National defense spending must not be a casualty of deficit reductions.

INCREASING END STRENGTHS AND BALANCING THE ACTIVE/RESERVE FORCE STRUCTURE

The personnel system and force structure currently in use by the United States Armed Forces was created 30 years ago, in the aftermath of the Vietnam War. By the mid-1980's, the All Volunteer Force (AVF) became the most professional, highly qualified military the United States had ever fielded. With 18 Army divisions and 2.1 million on active duty, we were geared for the Cold War and that preparedness carried over into the Persian Gulf War. Whenever Reservists were called-up for the Persian Gulf War or peacekeeping, in the Balkans or Sinai, they were never kept on duty for more than six months. In fact, many Reservists volunteered to go. This system began to breakdown after September 11, 2001 with an overstretched Army

which only had ten divisions which included a mix of infantry, armor, cavalry, air assault, airborne, mechanized and composite capabilities. The Quadrennial Defense Review, released one month after the September 11 attacks, did not alter the mix of active duty and Reserve units. Nor did the plans for the invasion of Iraq. The Defense Department admitted that rebalancing the way Reserve forces were used was to be a top priority. DOD also said that it had seen no evidence to support calls to increase the size of the active Army from its current level of 480,000. The Reserves still account for 97 percent of the military's civil affairs units, 70 percent of its engineering units, 66 percent of its military police and 50 percent of its combat forces. Moreover, the size of the active duty Army has shrunk to 34 percent of the total U.S. military and is currently proportionally smaller than at any time in its history. This split in the active and Reserve forces have led to four major problems, which has been exacerbated by the inability of the United States to get troop contributions from other nations.

First, the Army is severely overstretched and is actively engaged with hostile forces in two countries. It has nearly 370,000 soldiers deployed in 120 countries around the globe. Of its 33 combat brigades, 24 (or 73 percent) are engaged overseas. This leaves the United States potentially vulnerable in places like the Korean Peninsula, and it means that many combat units are sent on back-to-back deployments or have had their overseas tours extended unexpectedly.

Secondly, the failure to increase active forces and reorganize the military's personnel and force structures resulted in National Guard and Reserve units being mobilized without reasonable notice nor equipping. A Maryland National Guard MP battalion, for example, has been mobilized three times in the last two years.

The third problem created by these mobilizations is that many of the Reservists have been called up without proper notice and kept on duty too long and happen to be police officers, firefighters and paramedics in their civilian lives. When these personnel are called for military service and kept active for long periods, besides jeopardizing their employment, it can reduce the ability of their communities to deal with terrorism.

The fourth problem with the current system is that it has led to a decline in the overall readiness of the Army. In fiscal year 2003, the Army had to cancel 49 of its scheduled 182 training exercises. The first four divisions returning from Iraq in the first five months of this year will not be combat-ready again for at least six months since their equipment has worn down, troops have worn down and war-fighting skills have atrophied while they were doing police work. Through its stop-loss measures, the Army has prevented 24,000 active duty troops and some 16,000 reservists from leaving its ranks. The Army Reserve missed its reenlistment goals for fiscal year 2003.

Former Assistant Secretary of Defense Lawrence Korb recommends three major steps to correct these imbalances: First, the balance of active and Reserves must take place even during a war. Forces needed for occupation duty, such as military police, civil affairs and engineers should be permanently transferred to active duty. Secondly, the size of the Army should be quickly increased by at least two more divisions or 40,000 spaces. Third, given the threat to the American homeland, DOD cannot allow homeland security personnel to join the National Guard and Reserves.

The American Legion supports these recommendations, in particular, by permanently increasing the end strengths of the United States Army by two additional divisions or by at least 40,000 personnel. The Army simply does not have enough division-size units to adequately accommodate rotation of units in Iraq in a timely manner and without units becoming non-combat ready when they return home.

Apparently, DOD has resisted making these changes because of the expenses they would incur. But given the size of the overall defense budget—\$420 billion—the money could be found if Congress and DOD reordered its priorities.

By 2007, the Army expects to have created a modern Army by moving to brigade-based organizations, rather than division-based. The Army's current 33 brigades will expand to as many as 48 brigade units of action, which will include five Stryker brigades. The National Guard would have the same common design as the Army. To accomplish these planned changes, the Army will temporarily add 30,000 spaces to help form the new organizations. However, The American Legion understands that about 7,000 service members of the 30,000 would be holdovers from the stop-loss policy. DOD also anticipates continuing to call Guardsmen and Reservists to active duty, which indicates a continuing unit and manpower shortage.

QUALITY-OF-LIFE

The major national security concern continues to be the enhancement of the quality-of-life issues for active duty service members, Reservists, National Guardsmen,

military retirees, and their families. During the last congressional session, President Bush and Congress made marked improvements in an array of quality-of-life issues for military personnel and their military families. These efforts are visual enhancements that must be sustained for active duty personnel, Guardsmen and Reservists.

In previous defense budgets, the President and Congress addressed improvements to the TRICARE system to meet the health care needs of military beneficiaries; enhanced Montgomery GI Bill educational benefits; and elimination of the disabled veterans' tax for severely disabled military retirees. For these actions, The American Legion applauds your strong leadership, dedication, and commitment. However, major issues still remain unresolved: the issue of concurrent receipt of full military retirement pay and VA disability compensation without the current dollar-for-dollar offset for all disabled retirees needs to be resolved, as well as the need to improve survivors' benefits by eliminating the 20 percent offset at age 62.

The American Legion will continue to convey that simple, equitable justice is one reason to authorize and fund concurrent receipt. Military retirees are the only Federal employees who continue to have their retired pay offset with VA disability compensation. Also, proponents claim that the unique nature of military service, given their sacrifices and hardships, should merit these retirees receiving both military retired pay and VA disability compensation. For the past decade, many veterans' programs have been pared to the bone in the name of balancing the budget. Now, military retirees must pay premiums to TRICARE for full health care coverage for themselves and their immediate family members. The American Legion feels it is time that retirees receive compensation for these fiscal sacrifices. Likewise, military survivors have their survivors' benefits reduced from 55 percent to 35 percent when they become social security eligible.

Often, VA service-connected disability compensation is awarded for disabilities that cannot be equated with disabilities incurred in civilian life. Military service rendered in defense, and on behalf, of the Nation, deserves special consideration when determining policy toward such matters as benefits offsets. The American Legion believes it is a moral and ethical responsibility to award disability compensation to the needs of disabled veterans, given the sacrifices and hardships they incurred during honorable military service to the Nation. We are also aware that many of the disabled retirees receive retirement pay that is beneath established poverty levels and by definition in Title 38 are "indigent" veterans.

Mr. Chairman, The American Legion and the armed forces owe you and this Subcommittee a debt of gratitude for your strong support of military quality-of-life issues. Nevertheless, your assistance is needed now more than ever. Positive congressional action is needed in this budget to overcome old and new threats to retaining the finest military in the world. Service members and their families continue to endure physical risks to their well-being and livelihood, substandard living conditions, and forfeiture of personal freedoms that most Americans would find unacceptable. Worldwide deployments have increased significantly and the Nation is at war: a smaller armed force has operated under a higher operational tempo with longer work hours, greater dangers, and increased family separations. The very fact that over 300,000 Guardsmen and Reservists have been mobilized since September 11, 2001 is first-hand evidence that the United States Army has needed at least two more active divisions for nearly a decade.

Throughout the draw down years, military members have been called upon to set the example for the nation by accepting personal financial sacrifices. Their pay raises have been capped for years, and their health care system has been overhauled to cut costs, leaving military families with lessened access to proper health care. The American Legion congratulates the Congress for their quality-of-life enhancements contained in past National Defense Authorization Acts. The system however, is in dire need of continued improvement.

Now is the time to look to the force recruiting and retention needs. Positive congressional action is needed to overcome past years of negative career messages and to address the following quality-of-life features:

—*Closing the Military Pay Gap With the Private Sector.*—The previous Chairman of the Joint Chiefs of Staff stated that the area of greatest need for additional defense spending is "taking care of our most important resource, the uniformed members of the armed forces." To meet this need, he enjoined Members of Congress to "close the substantial gap between what we pay our men and women in uniform and what their civilian counterparts with similar skills, training and education are earning." But 11 years of pay caps in previous years took its toll and military pay continues to lag behind the private sector at about 5.4 percent. With U.S. troops battling terrorism in Iraq and Afghanistan, The American Legion supports at least a 3.5 percent military pay raise. The American Legion believes the gap should be erased within three years or less.

- Basic Allowance for Housing (BAH)*.—For those who must live off base, the payment of BAH is intended to help with their out-of-pocket housing expenses. Secretary of Defense Rumsfeld set a goal of entirely eliminating average out-of-pocket housing expenses. This committee has taken strong steps in recent times to provide funding to move toward lowering such expenses by 2005. Please continue to work to keep the gap closed between BAH and the members' average housing costs during future years.
- Commissaries*.—Several years ago, DOD had considered closing some 37 commissary stores worldwide and reducing operating hours in order to resolve a \$48 million shortfall in the Defense Commissary Agency. Such an effort to reduce or dismantle the integrity of the military commissary system would be seen as a serious breach of faith with a benefit system that serves as a mainstay for the active and reserve components, military retirees, 100 percent service-connected disabled veterans, and others. The American Legion urges the Congress to preserve full federal subsidizing of the military commissary system and to retain this vital non-pay compensation benefit. The American Legion recommends the system not be privatized or consolidated; and that DECA manpower levels not be further reduced. The American Legion would oppose any attempts by DOD to impose "variable pricing" in commissaries.
- DOD Domestic Dependents Elementary and Secondary Schools (DDESS)*.—The American Legion is concerned about the possible transfer of DDESS, which is the target of an ongoing study in DOD. The American Legion urges the retention and full funding of the DDESS as they have provided a source of high quality education for children attending schools on military installations.

RESERVE COMPONENTS

The advent of smaller active duty forces reinforces the need to retain combat-ready National Guard and Reserve forces that are completely integrated into the Total Force. The readiness of National Guard and Reserve combat units to deploy in the war on terrorism will also have a cost in terms of human lives unless Congress is completely willing to pay the price for their readiness. With only ten active Army divisions in its inventory, America needs to retain the eight National Guard divisions, in heightened readiness postures, as its life insurance policy.

Reliance on National Guard and Reserve forces has risen 13-fold over the pre-Gulf War era. This trend continues even though both reserve and active forces have been cut back 30 percent and about 25 percent, respectively, from their Cold War highs. In addition, since the terrorist attacks on the American homeland on September 11, 2001, more than 300,000 Guard and Reserve troops have been activated to support homeland defense and overseas operations in the war on terror. Soon, 40 percent of the forces in Iraq will consist of activated reservists.

National Guard and Reserve service today involves a challenging balancing act between civilian employment, family responsibilities, and military service. Increasingly, National Guard and Reserve families encounter stressful situations involving healthcare, economic obligations, and employer uncertainty. Much was accomplished last year for the Guard and Reserves. Benefit issues of particular concern in this area include:

- Review and upgrade the Reserve compensation and retirement system without creating disproportional incentives that could undermine active force retention; change the retirement age from 60 to 55 for Guardsmen and Reservists;
- Continue to restore the tax deductibility of non-reimbursable expenses directly related to Guard and Reserve training;
- Reduce the operations tempo; increase Army force levels; allocate adequate recruiting and retention resources;
- Streamline the Reserve duty status system without compromising the value of the compensation package;
- Improve Reserve Montgomery GI Bill (MGIB) benefits proportional to the active duty program;
- Allow Reservists activated for 12 months or longer to enroll in the active duty MGIB;
- Allow the Guard and Reserve to accrue for retirement purposes all points earned annually;
- Make TRICARE permanently available to all drilling Guardsmen and Reservists and their families;
- Give tax credits for employers who choose to make up the difference between military pay and Reservists salary when they are activated;
- Growing concerns are that the Reserve Components, especially the National Guard, are being overused in contingency and peacekeeping operations, as these

service members have regular civilian jobs and families as well. The National Guard also has state missions in their home states. The American Legion understands that retention rates and, therefore, strength levels are falling in those states, which have deployed or scheduled to deploy Guardsmen overseas. Governors of these states continue to express concern that state missions will not be accomplished. The National Guard from 44 states has had a presence in 35 foreign countries.

The American Legion is also supportive of all proposed quality-of-life initiatives that serve to improve living and working conditions of members of the Reserve components and their families.

OTHER MILITARY RETIREE ISSUES

The American Legion believes strongly that quality-of-life issues for retired military members and families also are important to sustaining military readiness over the long term. If the Government allows retired members' quality-of-life to erode over time, or if the retirement promises that convinced them to serve are not kept, the retention rate in the current force will undoubtedly be affected. The old adage that "you enlist a recruit, but you reenlist a family" is truer today than ever as more career-oriented service members are married or have dependents.

Accordingly, The American Legion believes Congress and the Administration must place high priority on ensuring that these long-standing commitments are honored:

—*VA Compensation Offset to Military Retired Pay (Retired Pay Restoration).*—

Under current law, a military retiree with compensable, VA disabilities cannot receive full military retirement pay and VA disability compensation. The military retiree's retirement pay is offset (dollar-for-dollar) by the amount of VA disability compensation awarded. The American Legion supports restoration of retired pay (concurrent receipt) for all disabled military retirees. We would like to thank the Subcommittee for authorizing concurrent receipt for disabled retirees rated 50 percent and higher and for including Temporary Early Retirement Authority (TERA) retirees as well as disabled retired Reservists who are receiving retired pay for longevity. The American Legion is also grateful for the Enhanced Combat-Related Special Compensation (CRSC), which was enacted in the fiscal year 2003 National Defense Authorization Act. Mr. Chairman, we have a long way to go in extending concurrent receipt to those disabled retirees for longevity rated 50 percent and less; and including TERA retirees in CRSC eligibility; and by extending concurrent receipt to those disabled retirees who were medically retired before reaching 20 years of service. The American Legion has visited Walter Reed Army Medical Center on numerous occasions to talk with wounded and injured young soldiers, many with amputated limbs suffered as a result of combat action in Iraq and Afghanistan. They too are prohibited from receiving both military retirement pay for their physical disability and VA disability compensation. This puts an additional financial strain on these severely disabled soldiers and their families. The American Legion is extending its Family Support Network to these soldiers and their families when they are medically retired from the service. The purposes of these two compensation elements are fundamentally different. A veteran's disability compensation is paid to a veteran who is disabled by injury or disease incurred or aggravated during active duty military service. Monetary benefits are related to the residual effects of the injury or disease or for the physical or mental pain and suffering and subsequently reduced employment and earnings potential. Action should be taken this year to provide full compensation for those military retirees who served both more than and fewer than 20 years in uniform and incurred service-connected disabilities. Disabled military retirees are the only retirees who pay for their own disability compensation from their retirement pay; and they cannot receive both military disability retirement pay and VA disability compensation. It is time to completely cease this inequitable practice. What better time to authorize and fund concurrent receipt for all disabled retirees than during this period of War.

—*Social Security Offset to the Survivors' Benefits Plan (SBP).*—The American Legion supports amending Public Law 99-145 to eliminate the provision that calls for the automatic offset at age 62 of the military SBP with Social Security benefits for military survivors. Military retirees pay into both SBP and Social Security, and their survivors pay income taxes on both. The American Legion believes that military survivors should be entitled to receipt of full Social Security benefits, which they have earned in their own right. It is also strongly recommended that any SBP premium increases be assessed on the effective date of, or subsequent to, increases in cost of living adjustments and certainly not

before the increase in SBP as has been done previously. In order to see some increases in SBP benefits, The American Legion would support an improvement of survivor benefits from 35 percent to 55 percent over a ten-year period. The American Legion also supports initiatives to make the military survivors' benefits plan more attractive. Currently, about 75 percent of officers and 55 percent of enlisted personnel are enrolled in the plan.

—*Reducing the Retired Reservist age from 60 to 55.*—The American Legion believes that retirement pay should be paid sooner as members of the Guard and Reserve are now being used to replace active duty forces in Afghanistan and Iraq and are projected to become 40 percent of total forces in those theaters. Similarly, these retirees and their dependents should be eligible for TRICARE health care and other military privileges when they turn 55.

—*Military Retired Pay COLAs.*—Service members, current and future, need the leadership of this Subcommittee to ensure Congress remains sensitive to long-standing contracts made with generations of career military personnel. A major difficulty is the tendency of some to portray all so-called "entitlement" programs, including military retirement, as a gratuitous gift from the taxpayer. In truth, military retired pay is earned deferred compensation for accepting the unique demands and sacrifices of decades of military service. The military retirement system is among the most important military career incentives. The American Legion urgently recommends that the Subcommittee oppose any changes to the military retirement system, whether prospective or retroactive that would undermine readiness or violate contracts made with military retirees.

—*The SBP Veterans Dependency and Indemnity Compensation (DIC) Offset for Survivors.*—Under current law, the surviving spouse of a retired military member who dies from a service connected condition and the retiree was also enrolled in SBP, the surviving spouse's SBP benefits are offset by the amount of DIC (currently \$948 per month). A pro-rated share of SBP premiums is refunded to the widow upon the member's death in a lump sum, but with no interest. The American Legion believes that SBP and DIC payments, like military retirement pay and disability compensation, are paid for different reasons. SBP is elected and purchased by the retiree based on his/her military career and is intended to provide a portion of retired pay to the survivor. DIC payments represent special compensation to a survivor whose sponsor's death was caused directly by his or her uniformed service. In principle, this is a government payment for indemnity or damages for causing the premature loss of life of the member, to the extent a price can be set on human life. These payments should be additive to any military or federal civilian SBP annuity purchased by the retiree. There are approximately 27,000 military widows/widowers affected by the offset under current law. Congress should repeal this unfair law that penalizes these military survivors.

CONCLUSIONS

Thirty years ago America opted for an all-volunteer force to provide for the national security. Inherent in that commitment was a willingness to invest the needed resources to bring into existence a competent, professional, and well-equipped military. The fiscal year 2005 defense budget, while recognizing the War on Terrorism and Homeland Security, represents another good step in the right direction.

What more needs to be done? The American Legion recommends, as a minimum, that the following steps be implemented:

—Continued improvements in military pay, equitable increases in Basic Allowances for Housing and Subsistence, military health care, improved educational benefits under the Montgomery G.I. Bill, improved access to quality child care, impact aid and other quality-of-life issues. The concurrent receipt of military retirement pay and VA disability compensation for all disabled retirees needs to be authorized and funded. The Survivors' Benefit Plan needs to be increased from 35 to 55 percent for Social Security-eligible military survivors.

—Defense spending, as a percentage of Gross Domestic Product, needs to be maintained at least 3.5 percent annually which this budget does achieve.

—The end strengths of the active armed forces need to be increased to at least 1.6 million for the Services and the Army needs to be increased by two more divisions.

—The Quadrennial Defense Review strategy needs to call for enhanced military capabilities to include force structures, increased end strengths and improved readiness, which are more adequately resourced.

- Force modernization needs to be realistically funded and not further delayed or America is likely to unnecessarily risk many lives in the years ahead;
- The National Guard and Reserves must be realistically manned, structured, equipped and trained, fully deployable, and maintained at high readiness levels in order to accomplish their indispensable roles and missions. Their compensation, health care, benefits and employment rights need to be continually improved.
- Although the fiscal year 2004 Supplemental Appropriations increased funding to purchase body armor and armored HMMVVs, we are very disappointed by numerous news accounts of individuals buying their own body armor and recommend increased funding.

Mr. Chairman, this concludes The American Legion statement.

PREPARED STATEMENT OF THE AIR FORCE SERGEANTS ASSOCIATION

Mr. Chairman and distinguished committee members, on behalf of the 135,000 members of the Air Force Sergeants Association, thank you for this opportunity to offer the views of our members on the military quality-of-life programs that affect those serving (and who have served) our nation. AFSA represents active duty, Guard, Reserve, retired, and veteran enlisted Air Force members and their families. Your continuing effort toward improving the quality of their lives has made a real difference, and our members are grateful. Listed below are several specific goals for which we hope this committee will appropriate funds for fiscal year 2005 on behalf of current and past enlisted members and their families. As always, we are prepared to present more details and to discuss these issues with your staffs. This presentation includes many items reflecting the communication we receive from our members, and it offers an insight into perceived inequities within the military compensation program.

MILITARY PAY AND COMPENSATION

Enlisted military members receive lower pay and lower allowances for food and housing. To put it simply, enlisted members are paid the least in basic pay, and are expected to spend less for their food and to house their families. Of course, this simply means they will have to spend more “out of pocket” to protect their families. Obviously, enlisted members want no less than commissioned officers for their families to live in good neighborhoods and to attend good schools. So, enlisted members are forced to make this happen by spending more of their basic pay—because their allowances are inadequate. We urge this committee to support more equitable compensation/allowance levels for enlisted members, with emphasis on targeted increases for senior NCOs to more fairly compensate them for their responsibilities and the military jobs they do for their nation. Some specific areas that we hope the committee will examine:

- Provide Hazardous Duty Incentive Pay (HDIP) for military firefighters. DOD and all services have reached agreement on this and are ready to support and fund it. The committee can easily verify this through military legislative liaison contacts and through service leadership. AFSA believes this pay is long overdue for these military servicemembers who serve under incredible risk—even during peacetime. If any military occupational specialty should receive HDIP, military firefighters should receive it. It would cost \$9.4 million per year to provide this funding for all services. It is strongly endorsed by this association and by the associations in the Military Coalition. We urge the committee to make this happen—this year.
- Reform military pay to more equitably reflect enlisted responsibilities in relation to the overall Air Force mission. Further targeting is warranted.
- Make the recent increases in Family Separation Allowance (\$250), and Imminent Danger Pay (\$225) permanent. These levels are reasonable and more reflective of the financial burdens of those serving and those left at home.
- Provide Assignment Incentive Pay to those stationed in Korea. Military and government leaders often speak of the imminent danger posed by the North Koreans and how the troops stationed there are at the “tip of the spear,” forming the front lines of our defenses. These brave men and women should receive some type of special pay or tax advantage. Perhaps the answer is to mandate an amount of the Assignment Incentive Pay signed into law during the 107th Congress.
- Establish a standard, minimum reenlistment bonus at the time of reenlistment for all enlisted members regardless of component, time-in-service, or AFSC. We often hear from our members that it is demotivating that subordinates often re-

ceive bonuses, while those who lead them do not. In fact, such bonuses are generally not offered after the 15th year of service. While we realize that such bonuses are nothing more than force manipulation tools, it would be proper to provide some level of bonus each time a military member commits to put his/her life on the line for an additional extended period of military service.

EDUCATIONAL BENEFITS

While a number of issues must be addressed in relation to the Montgomery G.I. Bill, we realize they do not specifically fall under the jurisdiction of this committee. However, it is imperative that those (from that era) who did not enroll in the old Veterans Educational Assistance Plan get an opportunity to enroll in the Montgomery G.I. Bill. Many are now retiring after devoting a career of military service, yet they have no transitional education benefit. Additionally, military members give more than enough to this nation that they should not have to pay \$1,200 into the Montgomery G.I. Bill in order to use it. Members ought to be able to transfer their G.I. Bill benefits to their family members—perhaps as a career incentive (e.g., after serving 12 or 14 years). The 10-year benefit limitation after separation needs to be repealed; it is unfair to enlisted members and serves no purpose other than to discourage use of this important benefit. We ask that you provide the funding necessary to enact these changes to the MGIB. In addition, we ask this committee to:

- Eliminate any service Tuition Assistance caps. As military members increase their education levels, they are able to progressively increase their contribution to the mission. As has often been said, every dollar this nation spends on education returns many fold in the contribution the more-educated citizen (military member) makes to society and the U.S. economy.
- Ensure full funding of the Impact Aid Program. This committee is forced to address the Impact Aid issue each year. It has had to do so regardless of the Administration in power. In order to protect the families (especially the children) of military members, we ask you to continue your great work in providing Impact Aid funding.
- Enhance the Selected Reserve Montgomery G.I. Bill (SR-MGIB) benefit. AFSA asks this committee to provide the funding necessary to increase the value of the SR-MGIB to ensure it measures up to 47 percent of the value of the active duty MGIB. This was the congressional intent when the SR-MGIB began. At the present time, the SR-MGIB is only worth 29 percent of the MGIB. We ask you to support increasing the value of the SR-MGIB and establishing an automatic indexing with the active duty program. Additionally, we ask you to provide the necessary funding which would allow Guardsmen and Reservists to use the SR-MGIB beyond the current 14-year duration of the program. They should be able to use the program during their time of service and for a reasonable period after they have completed their military obligation.
- Provide military members and their families in-state tuition rates at federally supported state universities. Military members are moved to stations around the world at the pleasure of the government. Yet, they are treated as visitors wherever they go. Fairness would dictate that, for the purposes of the cost of higher education, they be treated as residents so that they can have in-state rates at federally supported colleges and universities in the state where they are assigned. We would ask this committee to exert the necessary influence to require federally supported institutions to consider military members assigned in their state as “residents,” for the purposes of tuition levels.

AIR NATIONAL GUARD AND AIR FORCE RESERVE

The role of the Guard and Reserve (G&R) has increased dramatically. Our military establishment simply could not execute the War on Terrorism nor this nation's worldwide military operations without the direct participation of G&R members. We learned much after 9/11 as mobilization took place and as G&R members were increasingly deployed. The following initiatives have been called for by AFSA members. Many of these are equity issues. AFSA believes that each of the items is the right thing to do.

- Reduce the earliest G&R retirement age from 60 to 55. It is simply wrong that these patriots are the only federal retirees that have to wait until age 60 to fully enjoy retirement benefits. While we realize that DOD considers this a budgetary burden, it is the right thing to do. Additionally, it would allow for greater movement from rank-to-rank since most G&R promotions are by vacancy. While there are many bills on the table (many inspired by budgetary considerations rather than doing the right thing), we urge this committee to fully

support S. 1035, sponsored by Senator Jon Corzine. That bill would provide full retirement benefits as early as age 55.

- Provide full (not fractioned) payment of flying, hazardous duty, and other special pays; i.e., eliminate “1/30” rules. These “fractioned” allowances are wrong. They denigrate the service and the risk faced by members of the Guard and Reserve. We ask the committee to fund these important “risk-based” allowances on the same basis for G&R members as they are paid for active duty members.
- Provide BAH “Type 1” to all G&R members TDY or activate, including those activated or TDY for less than 139 days. Unlike an active duty member, G&R members typically have civilian employment and always return to their residence upon completion of military duty. Their house payment does not go away. Providing full BAH to deployed G&R members would allow them to adequately protect their investment in their homes and the financial wellbeing of their families, if applicable.
- Provide G&R First Sergeants and Command Chief Master Sergeants with full, special duty assignment pay on the same basis it is paid to active duty members. Like active duty members, the extraordinary duties and expenses of these two groups of leaders does not take place only during duty hours. G&R First Sergeants and Command Chiefs have duties throughout the month (whether they are “officially” on duty or not). For that reason, equity would call for this special pay to be paid on the same basis as it is for active duty enlisted leaders.

RETIREMENT BENEFITS

AFSA applauds this committee for its support of the partial resolution to the Concurrent Receipt issue included in Section 641 of the fiscal year 2004 NDAA and the expansion of Combat-Related Special Compensation under Section 642. Despite the specter of a veto threat throughout the year and intense political wrangling, in the end the right thing was done. The principle has now been established in law. Congress has recognized that retirees who are disabled by their military service should be allowed to collect the full retirement pay they earned through long-term honorable service to the nation. They also ought to receive just compensation for maladies caused by military service—injuries that will have an impact on their employability and their quality of life during their remaining days on Earth. Now, AFSA urges that the effort shift toward restoring military retired pay for those with disabilities of 40 percent and lower. We ask the committee to help establish a timetable to address this important issue for those with VA disability ratings of 40 percent and lower.

MORALE, WELFARE AND RECREATION PROGRAMS

These programs form an essential part of military life. They build a sense of community, enhance morale, promote fitness, provide support to family members left behind when the military member is deployed, and financially support military families. It is extremely important that this committee support full funding of Child Development Centers. These facilities are not a luxury, they are absolutely necessary for the completion of this nation’s military mission.

HOUSING AND SHIPMENT PROGRAMS

The process of shipping military personal property has historically been a nightmare for military service members. They have had to accept that their personal goods will be lost, stolen, or damaged. In fact, that is a normal part of nearly every military move. One reason that military household goods have been treated so shoddily is that carriers are selected based on “low bid”—not high quality and/or customer satisfaction. Also, the claims process to recover the financial loss caused by loss or damage is so cumbersome that many people don’t bother to file a claim. Those who do file a claim soon learn that they will be reimbursed only a fraction of the cost of the actual loss or damage. We recommend this committee appropriate funds to specifically address the following housing and shipment-related issues.

- Provide a household goods weight allowance for military spouses to accommodate professional books, papers, and/or equipment needed to support employment of military spouses. Because the majority of military spouses now work (especially in enlisted families), it is appropriate that they be afforded a weight allowance to accommodate their professional documents, books, and supplies. This would be in keeping with DOD’s recent focus on “family readiness.” This allowance would also support such things as supplies for family in-home day care, etc.
- Authorize reimbursement for alternate POV storage. If advantageous to the government, reimburse transportation expenses for members to take their POVs

to a location other than a commercial storage facility when PCSing (e.g., to leave the vehicle with a relative). Currently, when a member is sent overseas to a location where the government will not ship a POV, the government must pay to store the vehicle and reimburse the member for mileage accumulated while taking the POV to a commercial storage facility. Sometimes it would cost the government less to reimburse a member for driving his/her vehicle to store it at no cost at a relative's or friend's home. On top of that, the government would not have to pay the storage fees! Of course, those who got reimbursed for taking their vehicle to other than a commercial storage facility would waive the government storage benefit. In many cases this approach would save the government money, as well as passing the common sense test.

- Provide all military members being reassigned to CONUS or OCONUS locations the option of government-funded shipment or storage of a second privately owned vehicle. Current demographics, family employment realities, and average number of family vehicles justify making this change. This would be seen as a positive step forward, particularly for enlisted military members. For them, a privately owned vehicle is a major investment in their overall financial well-being. Leaving a vehicle behind is usually not an option since few enlisted members can afford to store one. As such, a PCS move can have a significantly onerous financial impact on an enlisted family. Especially if they are forced to sell their vehicle. Additionally, because both spouses have to work to support the family, we are forcing the family to purchase a second vehicle at the PCS location—often at overseas locations where the vehicles are significantly overpriced.

SURVIVOR BENEFITS

AFSA appreciates this committee's attention to the needs of those left behind when a current or past military member passes away. The spouses of military members also serve their nation, facing the rigors of that lifestyle, and always being aware that their military spouse has agreed to the ultimate sacrifice. It is important that we correct some inequities that military survivors face.

Eliminate the age 62 Survivor Benefit Plan annuity reduction. We urge you to take action to eliminate the unfair Survivor Benefit Plan (SBP) "Widows Tax." A widow's SBP annuity is reduced by 36 percent when she reaches age 62. Before age 62, she receives 55 percent of the deceased military retiree's base retirement pay; at age 62, it drops to 35 percent of the base retirement pay. This is a financially devastating blow to many survivors, many of whom are on fixed incomes. On top of that it is just plain wrong!

When Congress passed SBP in 1972, the intent was for the retiree to pay 60 percent of program costs, with a 40 percent government subsidy. However, due to miscalculations and annuitant changes, the government subsidy now is just 19 percent. The retiree is paying 81 percent of SBP costs! In 1989 when the subsidy had dropped to just 28 percent, Congress reduced premiums to readjust the government's fair share. With the government subsidy only 19 percent, a major readjustment is needed immediately. One can only imagine the requests that would come from DOD if the situation were reversed. One very fair way to rectify the situation would be to raise the modest survivor annuities. Many military members were misled to believe that the survivor's annuity would be 55 percent for life. Many are shocked when they find that the annuity will drop to 35 percent at age 62. Additionally, there is no such reduction in the federal civilian SBP which is much more highly subsidized. It is wrong that the most senior military survivors are not protected in a similar manner.

- Accelerate the fully-paid-up status for SBP and RSFPP participants who have reached age 70 and have paid into the program 30 years. When Congress passed the paid-up provision five years ago, it set the effective date at 2008. While that change will be welcomed by those who reach age 70 around that time, many more will not so benefit. In fact, many current SBP enrollees will have to have paid more than 35 years at the time that their program is considered paid up. AFSA urges this committee to support changing the paid-up effective date to the date of enactment of the Fiscal Year 2005 National Defense Authorization Act.
- Allow Dependency and Indemnity Compensation (DIC) widows to remarry after age 55 without losing their entitlement. Last year Congress took a great step forward by allowing such widows to remarry after age 57 without losing their benefit. We ask the committee support making that "age 55" to make DIC consistent with all other federal programs.

HEALTH CARE

Military health care and readiness are inseparable, and military members and their families must know that no matter where they are stationed or where the families live, their health care needs will be taken care of.

- Improve the dependant and retiree dental plans. We often hear that the dependent dental insurance plan is a very, poor one. Additionally, retirees complain that the retiree dental plan is overpriced, provides inadequate coverage, and is not worth the investment. This is important because military retirees were led to believe they would have free/low cost, comprehensive, lifetime military dental care. We urge this committee to appropriate additional funding to improve the quality and adequacy of these two essential dental plans.
- Increase provider reimbursement rates to ensure quality providers in the TRICARE system. Perhaps the greatest challenge this committee faces toward keeping the military health care system viable is retaining health care providers in the TRICARE networks. This challenge goes hand-in-hand with that which is faced by Medicare. If we do not allow doctors to charge a fair price for services performed, they will not want to participate in our program. If they do not participate, the program will fail. We have had many members say that they know of doctors that will not treat them because the doctor does not respect nor accept TRICARE. Further questioning usually indicates that the doctors do not welcome TRICARE patients because they have to accept significantly less reimbursement for their services. That begs the question—why should they? We urge this committee to consider increasing the CHAMPUS Maximum Allowable Charge to higher levels to ensure quality providers stay in the system.
- Provide Guard and Reserve members and their families with a comprehensive TRICARE benefit. This is critical to ensure the deployability of the member, and it is important that his/her family is protected when the military member is away from home serving his/her nation. We owe these patriots a comprehensive program.

Mr. Chairman, thank you for this opportunity to present some of the challenges faced by enlisted military members. As you know, they ask little in return for serving their nation. The items they ask us to bring to you, such as those above, would provide equity in some cases and program improvement in others. On behalf of the members of the Air Force Sergeants Association, we ask you to include consideration of these items in your deliberations as you formulate your mark-up for the Defense portion of the fiscal year 2005 Appropriations Act. We would be happy to provide more information or to answer any questions you might have on these important matters.

PREPARED STATEMENT OF THE AMERICAN MUSEUM OF NATURAL HISTORY

About the American Museum of Natural History

The American Museum of Natural History [AMNH] is one of the nation's pre-eminent institutions for scientific research and public education. Since its founding in 1869, the Museum has pursued its mission to "discover, interpret, and disseminate—through scientific research and education—knowledge about human cultures, the natural world, and the universe." With nearly four million annual visitors—approximately half of them children—its audience is one of the largest and most diverse of any museum in the country. Museum scientists conduct groundbreaking research in fields ranging from all branches of zoology, comparative genomics, and bioinformatics to earth, space, and environmental sciences and biodiversity conservation. Their work forms the basis for all the Museum's activities that seek to explain complex issues and help people to understand the events and processes that created and continue to shape the earth, life and civilization on this planet, and the universe beyond.

More than 200 Museum scientists, led by 46 curators, conduct cutting-edge research programs as well as fieldwork and training. Scientists in five divisions (Anthropology; Earth, Planetary, and Space Sciences; Invertebrate Zoology; Paleontology; and Vertebrate Zoology) are using leading technologies to sequence DNA and create new computational tools to retrace the evolutionary tree, document changes in the environment, make new discoveries in the fossil record, and describe human culture in all its variety. The Museum also conducts undergraduate, graduate, and postdoctoral training programs in conjunction with a host of distinguished universities.

The Museum's collections of more than 32 million specimens and artifacts are a major resource for Museum scientists as well as for more than 250 national and international visiting scientists each year. Including endangered and extinct species as well as many of the only known "type specimens," or examples of species by which all other finds are compared, the collections provide an irreplaceable record of life on earth and the critical baseline resources for 21st century research in life, earth, environmental, and other sciences. The Museum has also recently expanded its collections to include biological tissues and isolated DNA maintained in a super-cold tissue facility. Preserving genetic material and gene products from rare and endangered organisms that may become extinct before science fully exploits their potential, this frozen tissue collection is an invaluable research resource in many fields, including genetics, comparative genomics, and biodefense.

The Museum interprets the work of its scientists, addresses current scientific and cultural issues, and promotes public understanding of science through its renowned permanent and temporary exhibits as well as its comprehensive education programs. These programs attract more than 400,000 students and teachers and more than 5,000 teachers for professional development opportunities. The Museum also takes its resources beyond its walls through the National Center for Science Literacy, Education, and Technology, launched in 1997 in partnership with NASA.

Advancing Department of Defense Science Goals

The Department of Defense (DOD) safeguards the nation's security and is committed to the research, tools, and technology that will ensure the capabilities needed to counter 21st century security threats most effectively and efficiently. With its highest priority winning the global war on terrorism, DOD supports research development to prepare for and respond to the full range of terrorist threats, including bioterrorism. The American Museum, in turn, is home to preeminent programs in molecular biology, comparative genomics, and computation that closely tie to DOD's research goals for advancing the nation's security and defense capabilities, including biodefense and protection of troops in the field.

Genomic science is critical to the nation's defense interests. Moreover, studying genomic data in a natural history context makes it possible to more fully understand the impacts of new discoveries in genomics and molecular biology. Genomes of the simplest organisms provide a window into the fundamental mechanics of life, and understanding their natural properties and their evolution (for example, the evolution of pathogenicity in bacteria) can help to solve challenges in biodefense and bring biology and biotechnology to bear in defense applications.

The American Museum's distinguished molecular research programs are deeply engaged in genome research aligned with DOD's various research thrusts, and, as discussed below, its unique expertise in evolutionary analysis is particularly relevant in these areas. In the Museum's molecular laboratories, in operation now for eleven years, more than 40 researchers in molecular systematics, conservation genetics, and developmental biology conduct genetic research on a variety of study organisms, utilizing state of the art sequencers and other advanced technologies. The labs also nourish the Museum's distinguished training programs that serve up to 80 undergraduates, doctoral, and postdoctoral trainees annually.

Advanced computation is also critically important in understanding and responding to threats of bioterrorism. The Museum is a leader in developing vital computational tools, as parallel computing is an essential enabling technology for phylogenetic (evolutionary) analysis and intensive, efficient sampling of a wide array of study organisms. Museum scientists have constructed an in-house 900-CPU computing facility that is the fastest parallel computing cluster in an evolutionary biology laboratory and one of the fastest installed in a non-defense environment. Their pioneering efforts in cluster computing, algorithm development, and evolutionary theory have been widely recognized and commended for their broad applicability for biology as a whole. The bioinformatics tools Museum scientists are creating will not only help to generate evolutionary scenarios, but also will inform and make more efficient large genome sequencing efforts. Many of the parallel algorithms and implementations (especially cluster-based) will be applicable in other informatics contexts such as annotation and assembly, breakpoint analysis, and non-genomic areas of evolutionary biology and other disciplines.

Institute of Comparative Genomics

Building on its strengths in molecular biology, genomics science, and computation, in 2001 the Museum launched the Institute for Comparative Genomics. The importance of the comparative approach cannot be overstated, as investigating genomics with a natural history perspective enlarges our understanding of the evolutionary relationships among organisms including threat agents and pathogenicity, and ulti-

mately, of humans, medicine, and life itself. Equipped with DNA sequencers in its molecular labs, vast biological collections, researchers with expertise in the methods of comparative biology, the computing cluster, and the new frozen tissue collection, the Institute is positioned to be one of the world's premier research facilities for mapping the genome across a comprehensive spectrum of life forms.

The Institute is establishing a distinguished research record in areas of core concern to DOD. Museum scientists are leading major new international research projects in assembling the "tree of life," and have obtained a patent for an innovative approach to analyzing microarray data, which can be used to support more accurate diagnosis of pathogens or physiological states that would reduce or interfere with human performance. Current projects also include: tracing the evolution of pathogenicity and transfer of disease-causing genes over time and between species with NIH and DOE support; building a comprehensive database of all known finished and incomplete genomes of microbial species; developing computational and phylogenetic techniques to analyze chromosomal sequence data; developing effective methods of culturing difficult to culture species as well as new methods for obtaining embryos for antibody staining; and conducting whole genome analysis of disease causing microorganisms to understand the evolutionary changes that take place in a genome to make it more or less virulent. The methodologies, approaches, and algorithms developed in all these projects can be extended and applied fruitfully to a variety of questions involving pathogens that pose a threat to military and civilian populations, including pathogen identification and inactivation and host-pathogen interactions.

Federal Partnership

So as to contribute the unique capacities of its Institute of Comparative Genomics, the Museum proposes a federal partnership with DOD to advance common goals in areas including the Biological Sciences program in DARPA's Defense Research Sciences, committed to protecting our military forces and the public from bio-warfare attacks; and the Army Research Office's Life Sciences emphasis in Molecular Genetics and Genomics (Research; Development, Test, and Evaluation, Army account; Medical Advanced Technology subaccount). The following are examples of programs we propose to undertake in key areas where the research and training work of Museum scientists supports DOD's fundamental missions:

- Field identification of vectors of pathogenicity.*—Involving DNA barcoding of insect vectors and their pathogens, this project promises a major innovation in field technology for identifying and fighting insect borne diseases. The initiative will lead to the development of a handheld device that rapidly and accurately identifies insect vectors of infectious diseases. Adaptable to any number of biological identification problems, the specific focus is on insect vectors of malaria, West Nile, and trypanosomiasis. The project entails developing: a reference collection of insect vectors, a DNA barcoding method to type vectors and their pathogens, and the field-based barcoding tool (most likely using microarray technologies) for identifying insect vectors and pathogens.
- Utilizing bacterial genomics to understand the evolution of pathogenesis.*—This project uses the HACEK group of bacterial pathogens as a model system to understand the role of horizontal gene transfer (HGT) in the evolution of pathogenesis and may provide important clues relevant to new efforts in pathogen origin and deactivation.
- Novel computational approaches to understanding pathogenicity.*—Biology presents a number of problems of extreme computation complexity known as NP-hard problems. One such problem is the determination of evolutionary trees, the basis for the understanding of the origination and loss of biological features, including the origin and loss of pathogenicity. The Museum proposes to apply a new approach that uses statistical physics analogues, such as the quantum mechanical process of particle decay, to model NP-hard problems in evolutionary tree construction. Through this approach, we hope to aid in the design of novel algorithmic approaches to long-standing biological problems, generating new insight into processes such as the evolution of pathogenicity.

The Museum seeks \$5 million for its Institute for Comparative Genomics to partner with DOD to advance these shared research goals for combating bioterrorism and to contribute its singular capacities to research critical to the nation's defense. The Museum intends to support the initiatives with funds from nonfederal as well as federal sources and proposes to use the requested \$5 million to advance research and training programs in microbial genomics research and computation.

SUBCOMMITTEE RECESS

Senator STEVENS. Thank you very much. Appreciate your being here and the testimony of all the witnesses this morning.

We are going to reconvene our subcommittee next Wednesday, May 12, when we will hear from the Secretary of Defense and the Chairman of the Joint Chiefs of Staff. The subcommittee is in recess until that time.

[Whereupon, at 11:40 a.m., Wednesday, May 5, the subcommittee was recessed, to reconvene at 9 a.m., Wednesday, May 12.]