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## HEARING

BEFORE THE

SUBCOMMITTEE ON GENERAL LEGISLATION

OF THE

COMMITTEE ON ARMED SERVICES

UNITED STATES SENATE

NINETY-THIRD CONGRESS

SECOND SESSION

ON

## H.R. 12670

AN ACT TO AMEND SECTION 301 OF TITLE 37, UNITED STATES CODE, RELATING TO INCENTIVE PAY, TO ATTRACT AND RETAIN VOLUNTEERS FOR AVIATION CREW MEMBER DUTIES, AND FOR OTHER PURPOSES

APRIL 23, 1974

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## FLIGHT PAY

TUESDAY, APRIL 23, 1974

U.S. SENATE,  
SUBCOMMITTEE ON GENERAL LEGISLATION  
OF THE COMMITTEE ON ARMED SERVICES,  
Washington, D.C.

The subcommittee met, pursuant to call at 1:30 p.m., in room 212, Richard B. Russell Senate Office Building, Hon. Harry F. Byrd, Jr., (chairman) presiding.

Present: Senators Harry F. Byrd, Jr., of Virginia, Goldwater, and Nunn.

Staff members present: John T. Ticer, chief clerk; Charles J. Conneely, Edward B. Kenney, and Robert Q. Old, professional staff members; Phyllis A. Bacon, assistant chief clerk; Christine E. Cowart, clerical assistant.

Senator BYRD. The subcommittee will come to order.

The subcommittee is happy to welcome today Lt. Gen. Leo E. Benade, Deputy Assistant Secretary of Defense for Military Personnel Policy, to testify on H.R. 12670, the flight pay bill which passed the House on February 21, 1974 by a vote of 320 to 67.

[The text of the bill is as follows:]

[H.R. 12670, 93d Cong.]

AN ACT To amend section 301 of title 37, United States Code, relating to incentive pay, to attract and retain volunteers for aviation crew member duties, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Aviation Career Incentive Act of 1974".*

SEC. 2. Chapter 5 of title 37, United States Code, is amended as follows:

(1) Section 301(a)(1) is amended by inserting "enlisted" before "crew member".

(2) Section 301(g) is repealed.

(3) The following new section is inserted after section 301 and a corresponding item for that section is inserted in the chapter analysis:

### "§ 301a. Incentive pay: aviation career

"(a) Subject to regulations prescribed by the President, a member of a uniformed service who is entitled to basic pay is also entitled to aviation career incentive pay in the amount set forth in subsection (b) of this section, for the frequent and regular performance of operational or proficiency flying duty required by orders. For the purposes of this section, it is the intent of Congress that aviation career incentive pay for a crew member who holds or is in training that leads to the award of an aeronautical rating or designation shall be restricted to those regular or reserve officers who engage, and remain, in that aviation service on a career basis. It is also intended that, under regulations prescribed by the Secretary of Defense, or the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, an officer (except a flight surgeon, or other medical officer) who is entitled to basic pay, holds an aeronautical rating or designation, and is qualified for aviation service under regulations prescribed by the Secretary concerned, is entitled to continuous monthly incentive pay in

the amount set forth in subsection (b) of this section that is applicable to him. However, a flight surgeon, or other medical officer, who is entitled to basic pay, holds an aeronautical rating or designation, and is qualified for aviation service under regulations prescribed by the Secretary concerned, is entitled to monthly incentive pay in the amounts set forth in subsection (b) of this section for the frequent and regular performance of operational flying duty. Furthermore, to insure compliance with congressional intent, and to reflect congressional policy, an officer must perform the prescribed operational flying duties (including flight training but excluding proficiency flying) for 6 of the first 12, and 11 of the first 18, years of his aviation service to be entitled to continuous monthly incentive pay. However, if an officer performs the prescribed operational flying duties (including flight training but excluding proficiency flying) for at least 9 but less than 11 of the first 18 years of his aviation service, he will be entitled to continuous monthly incentive pay for the first 22 years of his officer service. If at those times in his aviation career he has failed to perform those prescribed duties, his entitlement to that pay ceases, but he remains entitled to monthly incentive pay for the performance of subsequent operational or proficiency flying duties. For the purposes of this section, the terms—

“(1) ‘operational flying duty’ means flying performed under competent orders by rated or designated members while serving in assignments in which basic flying skills normally are maintained in the performance of assigned duties as determined by the Secretary concerned, and flying performed by members in training, that leads to the award of an aeronautical rating or designation; and

“(2) ‘proficiency flying duty’ means flying performed under competent orders by rated or designated members while serving in assignments in which such skills would normally not be maintained in the performance of assigned duties.

“(b) A member who satisfies the requirements described in subsection (a) of this section is entitled to monthly incentive pay as follows:

“(1) For an officer in pay grades O-1 through O-10 who is qualified under subsection (a) of this section:

“Phase I

“Monthly rate:	Years of aviation service (including flight training) as an officer
\$100-----	2 or less.
\$125-----	Over 2.
\$150-----	Over 3.
\$165-----	Over 4.
\$245-----	Over 6.

“Phase II

“Monthly rate:	Years of service as an officer as computed under section 205
\$225-----	Over 18.
\$205-----	Over 20.
\$185-----	Over 22.
\$165-----	Over 24 but not over 25.

An officer is entitled to the rates in phase I of this table until he has completed 18 years of service as an officer, after which his entitlement is as prescribed by the rates in phase II, if he has completed at least 6 years of aviation service as an officer. However, if he has over 18 years of service as an officer, but not at least 6 years of aviation service as an officer, he continues to be subject to the rates set forth in phase I of the table that apply to an officer who has less than 6 years of aviation service as an officer. An officer in a pay grade above O-6 is entitled, until he completes 25 years of service as an officer, to be paid at the rates set forth in this table, except that an officer in pay grade O-7 may not be paid at a rate greater than \$160 a month, and an officer in pay grade O-8, or above, may not be paid at a rate greater than \$165 a month.

“(2) For a warrant officer who is qualified under subsection (a) of this section:

Monthly rate:	Years of aviation service as an officer
\$100-----	2 or less.
\$110-----	Over 2.
\$200-----	Over 6.

For the purposes of clauses (1) and (2) of this subsection, the term 'aviation service' means the service performed, under regulations prescribed by the Secretary concerned, by an officer, and the years of aviation service are computed beginning with the effective date of the initial order to perform aviation service.

"(c) In time of war, the President may suspend the payment of aviation career incentive pay.

"(d) Under regulations prescribed by the President and to the extent provided for by the appropriations, when a member of a reserve component of a uniformed service, or of the National Guard, who is entitled to compensation under section 206 of this title, performs, under orders, duty described in subsection (a) of this section for members entitled to basic pay, he is entitled to an increase in compensation equal to  $\frac{1}{30}$  of the monthly incentive pay authorized by subsection (b) (1) or (2) of this section, as the case may be, for the performance of that duty by a member of corresponding grade who is entitled to basic pay. He is entitled to the increase for as long as he is qualified for it, for each regular period of instruction, or period of appropriate duty, at which he is engaged for at least two hours, including that performed on a Sunday or holiday, or for the performance of such other equivalent training, instruction, duty or appropriate duties, as the Secretary may prescribe under section 206(a) of this title. This subsection does not apply to a member who is entitled to basic pay under section 204 of this title.

"(e) The Secretary of Defense shall report to Congress before July 1 each year the number of rated members by pay grade who—

"(1) have 12, or 18, years of aviation services, and of those numbers, the number who are entitled to continuous monthly incentive pay under subsection (a) of this section; and

"(2) are performing operational flying duties, proficiency flying, and those not performing flying duties."

SEC. 3. Section 715 of the Department of Defense Appropriation Act, 1973 (86 Stat. 1199), and section 715 of the Department of Defense Appropriation Act, 1974 (87 Stat. 1041), are each amended by striking out the last sentence.

SEC. 4. Notwithstanding the amendments made by this Act, an officer who was entitled to incentive pay under section 301(a)(1) of title 37, United States Code, on May 31, 1973, or on the day before the effective date of this Act, if otherwise qualified on the day before the effective date of this Act, is entitled to monthly incentive pay as prescribed in either clause (1) or (2) of this section, as follows:

(1) If he is credited with 6, or less, years of aviation service as an officer, and with less than 12 years of service as an officer, he is entitled to monthly incentive pay either—

(A) in the amount he was receiving under section 301(b) of that title on May 31, 1973, or on the day before the effective date of this Act, but with no entitlement after either of those dates, as applicable, to any longevity pay increases or increases resulting from promotion to a higher grade until such time as the rate to which he is entitled under section 301a(b) of that title, as added by this Act, is equal to or greater than the amount he was receiving under that section on May 31, 1973, or on the day before the effective date of this Act, and thereafter his entitlement is as prescribed by that section, as amended by this Act; or

(B) at the rate prescribed by section 301a(b) of that title, as amended by this Act; whichever is greater. However, an officer who is promoted and assigned to pay grade O-7, or above, during the 36-month period following the effective date of this Act may not receive more than the rate which existed for that pay grade prior to June 1, 1973. Once an officer described in this clause has received any monthly incentive pay under section 301a(b) of title 37, United States Code, as added by this Act, he is no longer entitled to receive any

payment under section 301(b) of that title as it existed on the day before the effective date of this Act.

(2) If he is credited with more than 6 years of aviation service as an officer, or less than 6 years of aviation service, but more than 12 years of service as an officer, he may receive monthly incentive pay at the rate prescribed in the table in section 301a(b) of title 37, United States Code, that is applicable to him, or \$165, whichever is greater, for not more than 36 months after the effective date of this Act, notwithstanding the provisions of section 301a(a) of that title with respect to prescribed operational flying duties (including flight training but excluding proficiency flying).

However, the amount to which a reserve officer is entitled under this section is governed by the provisions of section 301a(d) of title 37, United States Code.

SEC. 5. This Act becomes effective on the first day of the first month after enactment.

Passed the House of Representatives February 21, 1974.

Attest:

W. PAT JENNINGS,  
*Clerk.*

General Benade is accompanied by the following Service representatives:

Maj. Gen. George W. Putnam, U.S. Army, Director of Military Personnel Management;

Rear Adm. William R. Flanagan, U.S. Navy, Deputy Chief of Naval Personnel;

Col. Robert L. Simmons, U.S. Marine Corps, Office of the Director, Manpower Plans and Policy Division; and,

Maj. Gen. Kenneth L. Tallman, U.S. Air Force, Director of Personnel Plans.

The subcommittee is pleased to welcome all you gentlemen, and the subcommittee is also very pleased to welcome the distinguished Senator from Arizona, Senator Goldwater, to the hearing. Senator Goldwater, while not a member of the subcommittee, has a long and distinguished career in the field of aviation. The subcommittee will benefit greatly from his counsel on this legislation. I might say that as chairman of the subcommittee I made it clear that we would not hold a hearing on this until such time as it was agreeable to the Senator from Arizona. The Senator from Arizona was anxious that the hearings be held much sooner than we have been able to hold them, but there were various reasons why we could not hold the hearings sooner.

As background, H.R. 12670 was the subject of extensive and lengthy hearings by Subcommittee No. 4 of the House Armed Services Committee chaired by Congressman Stratton. I believe the House hearings to have been comprehensive in scope with the distinct advantage of having heard testimony from aviators in the field who, of course, would be affected by this legislation. I might say that I also talked with some aviators in the field over the Easter recess in this regard.

I will not detail at this time the major provisions of the House bill, as General Benade will address these in his testimony. I would observe, however, that the so-called "gates" in the House bill are a new concept in the flight pay system and are something that the subcommittee will want to look at in some detail. In fact, the "gates" system is the major difference between the House bill and the original Department of Defense flight pay proposal, H.R. 8593.

The Chair recognizes the importance of timely action on this bill so we will proceed now to hear the testimony of General Benade. Before doing that, I want to recognize Senator Goldwater. The sub-

committee will be pleased to have any statement that the Senator from Arizona would like to make at this time.

Senator GOLDWATER. I have a very short statement I would like to make. As you know, I appreciate your holding these hearings so that these gentlemen can testify. I would hope that the bill can be reported out in a short time and have final action on the floor.

Mr. Chairman, it is not surprising that I am here today, because everybody knows that I have a soft spot in my heart for the men who fly in the services. I am here today because I think this bill is an important one and because I feel I am particularly well qualified to tell you why.

I was in my first term in 1954 when the Congress—in an effort to cut Defense manpower costs—first approved a Department of Defense appropriation bill rider (section 628) which limited proficiency flying and said that senior officers could continue to receive flight pay even though they weren't flying. Many thought it was a good idea; we could cut down costs by disposing of a lot of old airplanes used for proficiency flying and curtail operations and maintenance expenses. For the first time, I found myself opposing the senior Senator from Arizona, Senator Hayden, because I thought that section 628 was a mistake. As I did during the floor debate on the appropriations bill, I offer a statement that I made before the Appropriations Committee in that issue. I would like to ask that it be made a part of the record at the termination of my remarks.

Senator BYRD. That statement will be made part of the record.

Senator GOLDWATER. I lost but I was right—I shouldn't say that, I guess—particularly in saying that the matter of proficiency flying and excusal should not be a matter for legislation. However, the excusal program as mandated by this rider and subsequent ones worked. When the war in Vietnam broke out, the Air Force alone put 7,000 excused officers back in the cockpit.

The original excusal program was an aftermath of the Korean war, as Congress looked for ways to save money, so, it is not surprising that in considering the fiscal year 1973 DOD Appropriation Act as people looked toward the end of the Vietnam war, the appropriations people again looked at the excusal program. But this time—without any substantial discussion—they changed the rider to say that excusal pay could only be paid to aviators below the grade of Colonel (Navy Captain). It was a poor example of the sort of postwar pennypinching which has consistently left us unprepared for whatever national emergency next appears on the scene.

When the appropriations bill containing the amended rider (section 715) was debated on the floor in October of 1972, I was busy beating back a Proxmire amendment to stop the bombing and the flight pay issue passed me by. So 19 years after the enactment of section 628 we did it again. By means of section 715 we further compounded the flight pay problem by saying that the senior aviators of the four services—the present and future leaders of the Air Arms—could not receive flight pay unless they were in a flying job. The Washington Star had a column on one of the men affected. I would like to request, Mr. Chairman, that that also be printed at the termination of my remarks.

Senator BYRD. It will be so printed.

Senator GOLDWATER. This is what happens when we stoop to address picayune problems when we should be worrying about major issues.

That is water under the bridge. The Department of Defense gasped and strained and came up with a legislative proposal to solve the problem. The House held hearings—the most extensive anyone can remember—and came back with the bill before us. It was a compromise, but any time you find the chairman of the House Armed Service Committee being supported unreservedly by Les Aspin we can be sure that it was a good compromise. It passed the other Chamber by a substantial margin and now it is before us. I have been flying since I got my pilot's license in 1930, and I have been involved in military flying since World War II. By virtue of my service in the Senate and on this committee, I think I am well qualified to tell you that in my opinion it is a good bill and I urge you not to make any changes in it and to recommend its full approval by the full committee.

As you know, the most significant change which H.R. 12670 makes is to "frontload" the pay. In the past, you had to be a senior flyer in order to draw the maximum amount of pay—\$245 per month. Under this bill, the highest rate is paid to the guy when he finishes his 6th year of service and is really involved with active flying. To me that makes real economic sense. When a man has just finished his obligated service and is taking a good hard look at what he wants to do with his life, that is the time to up the ante. This bill does just that and holds out the prospect of the maximum rate of pay on out through the 18th year. I like this feature of the bill and believe it will help solve the longstanding problem of junior officer retention.

In closing, I would like to make one other comment: It relates to the way we in the Congress attempt to save Defense manpower dollars. Over the years, the easiest way has been to eliminate or curtail benefits. Of course, the argument we give is that we have increased basic military pay so that servicemen don't need some of the traditional benefits. In effect, this was the argument used when flight pay for senior officers was cut off. The fact remains that many servicemen see these actions as breaches of faith. They have given their loyalty and expect the country to return it.

I read a newspaper article the other day which reported that a recent Academy graduate said that "Loyalty is not the primary attribute of a Regular officer." I don't think that the boy who said that—if he said it—is representative of the kind of young officers we are getting nowadays. But, as we continue to look for ways to cut Defense manpower costs—and the history of flight pay is in miniature a history of that search—let us all remember that loyalty is a two-way street; and that the dollars we save should not be allowed to degrade morale.

Mr. Chairman, I will add that I look upon it as an obligation of the United States. I don't think it is anything we can duck any more than we can stop social security or stop retirement benefits. We have told young men interested in becoming service aviators that they would receive flight pay. And we gave this same type of hazard pay to submariners, to tank officers, and so forth. And to hedge on a promise, particularly when a man has reached that point in his career when he is going to move, say, from captain on up, or colonel on up, and then he finds he has to drop \$245—he is better off not taking

the promotion, because he is going to make less money than the grades he is stepping into. That is the particular time of life when young men have children about college age. They become accustomed to this flight pay as part of their budget. They work it out month after month. I don't see how we can morally stop it.

I sometimes think that what we receive in the Senate you might think of as a form of flight pay. I think we would raise all manner of Cain if we suddenly couldn't go home every month with expenses paid, or we had to pay our telephone bills that are paid by the Government, or drop any emoluments that we get. I don't think it would make any difference to us whether we got them or not. We would probably be here just the same. But this flight pay has made a big difference in getting young men to join the service and to fly.

One of the things I had to do, when I was a corporation officer, was to attract young men to join the company, some of them wanted to join the country club, and some wanted a car. But if you gave them those things you can't take them back 2 years after. We have promised these men flight pay. They have proven to be worthy of it. They depend on it as they depend on us. As I say, loyalty goes two ways. Those men are loyal to their country. The least we can do is to be loyal to them.

Thank you, Mr. Chairman. If you have any questions, I would be glad to answer them.

[The additions to Senator Goldwater's statement follow:]

#### STATEMENT BY SENATOR GOLDWATER

Section 628 in House bill limits proficiency flying in the Air Force to a period not to exceed 12 hours during any 3 consecutive months for any officer whose primary duty involves participation in operational or training flights.

Because the Air Force has been negligent in correcting the abuses evident in connection with the certification of eligibility for flight pay, it was inevitable that the Congress should get into this administrative function of the Air Force and the Air Force must accept this blame and start immediate corrective action.

The provisions of section 628 anticipate a budgetary saving in the cost of flying hours through the limitations in proficiency flying. It has been argued that the sum of \$118,144,800 could be saved by the adoption of this amendment and I would like to point out a fallacy in this argument. The sum is arrived at by assuming that it costs \$100 an hour to fly an airplane. I would like to point out that the cost of fuel is a minor item in the maintenance of a plane and that whether that airplane flies or not there is a substantial cost to its maintenance. In fact, if an airplane is not flown for a period of time, it could become more costly to fly than if it were flown regularly. Airplanes, whether they fly or not, are subjected to daily inspections, including the running up of engines, and are subjected to periodic, thorough inspections based on flying time or the lapsed number of days, so the savings anticipated by this section just aren't possible.

The proviso which limits flying time to 12 hours during any 3 consecutive calendar months is restrictive to the point that pilot proficiency will decline to an unacceptable standard. Among those affected will be flying officers engaged in operations, operational planning, command and other duties affiliated with training, combat, and combat support.

Section 628 arbitrarily and without any consideration of ability or future usefulness to the Air Force in positions of commands, further provides that all rated personnel with over 15 years rated service shall be excluded from meeting proficiency requirements for flight pay. I would call to your attention that a close personal friend of mine, Col. James Johnston, who is now in Korea, has 14½ years of rated service and has just shot down his tenth MIG. The Air Force has very slowly, and I criticize it for this slowness, come to the conclusion that age has nothing to do with a man's ability in combat. During World War II age excluded many officers who would have been of great service to their country had they been allowed to fly in combat or to command at older ages. Older pilots do not have the

daring of the younger pilots, but they do have the understanding and the knowledge and the intense interest in their equipment which enables them to get the most out of it. To arbitrarily and without any consideration of ability exclude all personnel in the Air Force with over 15 years of service from further proficiency flight requirements would be a very serious mistake.

Of the flying officers now on duty in the Air Force, over 18,000 (about one-third) have already seen combat in Korea. During the past 2 years the Air Force has been almost entirely dependent upon the so-called proficiency pilot and new flying training graduates for Korean replacements. Without the leadership, experience and know-how afforded by these more seasoned officers, our combat effectiveness could not have been maintained. Any reduction of the minimum standards of flying proficiency will, in addition to establishing increased accident rates, provide a requirement for increased precombat training with resultant increases in dollar expenditures.

There is a very close correlation between the flying experience of the individual and his accident rate. That means that the young pilot with lesser experience will show a higher accident rate. However, as a man grows older and gets more experience, the accident rate tends to level off and stays level pretty far out into time.

Like civilian enterprise in general and civil airlines in particular, the Air Force must rely upon experience to increase flying efficiency and effectiveness. Just as the airlines would not trust expensive aircraft, cargo, and personnel to the care of green, inexperienced pilots, likewise, the Air Force, as the greatest airline in the world, cannot depend upon inexperienced crews to carry the payload of combat weapons and personnel. Experience pays off in dollars as well as combat effectiveness.

The following table clearly demonstrates that aircraft accidents decline with experience as typified by age.

*Accident rates per 100,000 first pilot-hours and per 1,000 pilots, July to December 1950*

Pilot age:	Major accident rate
21-----	111.6
22-----	50.6
23-----	69.7
24-----	51.9
25-----	47.3
26-----	41.4
27-----	31.0
28-----	35.7
29-----	25.4
30-----	34.9
31-----	27.7
32-----	28.3
33-----	36.4
34-----	25.1
35-----	15.3
36-----	11.1
37-----	17.1
38-----	12.4
39-----	11.5
40 (and over)-----	<sup>1</sup> 12.15

<sup>1</sup> This rate remains constant for balance of career.

Of equal and perhaps more pressing concern is the effect of the proviso upon the professional quality of our Air Force leadership. This proviso, coupled with the limitations on flying hours, will make it impossible to maintain the high standards of professional competence presently required of our senior flying officers. It strikes at the tradition of personal, active participation in flight leadership to long an essential part of the military flying service. As General Patton so aptly said, "You can't push a noodle across the plate—you have to pull it." This applies to leadership, and in such highly professional field the full strength of leadership would be impaired if the commanding officers and operational officers of squadrons, groups,

or wings were not rated personnel having full acquaintanceship with the equipment in their command. Younger pilots would resent any other situation.

Affected will be approximately 4 percent of the flying officers in the Air Force. It is this 4 percent to which we must look for leadership, experience, and professional judgment necessary to enable proper planning and employment of our air weapons systems. Only from current experience can these officers recognize the possibilities and limitations of these systems. The development of commanders, from the individual combat aircraft to the major air command, is dependent upon accumulation of flying, administrative, technical, and executive experience. The restrictions imposed by section 628, if continued, will increase by years the time necessary to develop the experience required to command our combat crews, our squadrons, our wings, and our major commands.

Now, I have no argument, nor am I holding any brief for the officer who is permanently assigned to an administrative or desk job and who continues to draw flight pay by making, so-called proficiency flights. But somebody has to run the Air Force. Not all of those in the Pentagon like to sit behind a desk. Many of them would rather be out on a flying assignment. However, those who no longer want to fly should be grounded by a proper flying evaluation board or the proper application of Air Force Regulation 60-2. This regulation provides a minimum requirement for a pilot of 100 flying hours a year, divided into 15 hours of night flying, 20 hours of instrument flying, and 65 hours of navigation and transition flying. Fifty percent of these requirements must be met each 6 months or the pilot is removed from flying status. This, I can tell you from 24 years of flying experience, is the very minimum for the maintenance of proficiency in all types of aircraft—not only the small ones, but the big ones. I would not hesitate to say that a pilot who flies less than 100 hours a year has no business getting into an airplane. There are many things that a pilot learns to do instinctively, but the involved procedures in instrument flying, the constant necessity for thorough acquaintanceship with the location of controls in his cockpit, require constant practice. Taking off and landing an airplane is something anybody can do. It's what goes on between the take-off and the landing that makes for safety, and a man could no more be a safe pilot with less than a hundred hours a year than a lawyer could maintain his proficiency or a doctor his skill by working only 6 months of the year.

This will not result in a saving of dollars. It will result in a waste of life and equipment and, if for no other reason that this, section 628 should be removed from the bill.

The Air Force plans to have a total of 124,645 officers at the end of fiscal year 1954.

Of these, 69,449 will be on flying status. This is a little over half total officer strength. (Pilot strength alone is considerably less than half total strength.)

Rank	Number	Percent
General.....	358	1.5
Colonel.....	2,655	4.0
Lieutenant colonel.....	4,277	6.0
Major.....	11,507	16.5
Captain.....	24,595	35.0
1st lieutenant.....	13,104	20.0
2d lieutenant.....	12,953	19.0
Total.....	69,449	101.0

Proficiency flying will affect about 20,000 flying officers, or 30 percent of the total. After becoming a major and on up to the grade of colonel, the pilot's chances of being behind a desk become increasingly greater, but this does not lessen the possibility that he may become engaged in operational flights or in combat flights during the course of his career. It can be observed from the foregoing table that approximately 27 percent of the officer strength of the Air Force will be of major's rank or above in 1954, and they are officers who will be denied adequate proficiency training if the provisions of section 628 become law.

We are all aware that the Air Force has been guilty of flying-pay abuses from its very inception. But the elimination of these abuses should be an Air Force administrative responsibility which the Air Force must be compelled to exercise to a greater degree than it has in the past. Some progress has been made in this respect. The Air Force, by constant evaluation, has been removing officers from flying status in recent years at a rate in excess of 1,000 a year. All couriers in the

Air Force have been removed from flying status. Stewards and attendants have been removed from flying status. Every lawyer in the Air Force Judge Advocate section as been returned to full flying duty or taken off flying status, at his own option. Flight surgeons are being continually removed from flying status on an individual basis, particularly those with highly developed medical skills. The Air Force is now in the process of establishing a flight status selection system which will require a periodic review of each officer to determine if he shall remain on flight status.

Instead of adopting the provisions of section 628, I would suggest that the Air Force be subjected to strong resolution by the Congress, indicating that it is the desire of Congress that the Air Force remedy this situation. I believe that it can be accomplished by administrative procedures within the Air Force without legislation. This could be accomplished by properly applying the provisions of Air Force regulation 60-2, requiring minimum flying requirements. An evaluation board might also be established which would operate much like the Navy's Promotion Board. All rated personnel, when they reach their 40th birthday, could be evaluated by this Board to determine whether or not they should be continued on a rated status. Those whose qualifications obviously did not fit them for command or operational posts at a high level would be dropped from flying status. This would not necessarily mean that they would be released from service, because they would serve in administrative capacities, in supply, materiel, etc.

But I strongly question whether the Congress wishes to adopt the provisions of section 628, whereby men who are engaged in operational command will no longer be required to fly and proficiency flying in the Air Force will be limited to 48 hours a year. Skillful piloting is a bond that holds men together, just as skillful attainment in the field of law or the field of medicine holds men in those professions to a common interest. To deny Air Force officers the right to fly when they have the skill and want to use it would be like denying the right of surgery to a doctor or the right of argument to a lawyer. This will create a serious morale problem. In fact, the news that the amendment is in the bill has resulted in much discomfort and dissatisfaction among the pilots of all ages in the Air Force already.

I earnestly urge, because of the false impression of savings, because of the dangers involved in lowering flight proficiency standards and because of the harm to morale that would result through the adoption of the provisions of section 628, that my amendment be accepted and the provisions of section 628 be struck from the bill. The Air Force can work out this problem and it must be told, in strong language, to do so, and I certainly would not expect it to take longer than the next year to weed out those who do not want to fly, those who are not fit to fly, and those who for other reasons should be removed from flying status.

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[From the Washington Star-News, July 3, 1973]

WASHINGTON CLOSE-UP—WHEN FLIGHT PAY FLEW AWAY

(By Orr Kelly)

For Rep. Otis Pike, D., N. Y., the vote by the House last week to bar flight pay for most generals, colonels, admirals and captains was a famous victory.

For Air Force Col. Stanton Musser, it was like getting shot down by a friendly plane.

The issue involved in Thursday's confrontation in the House was of only secondary importance to the battle itself from Pike's point of view. What was important to him was that, for the first time in his memory as a member of the House—14 years—a decision of the Armed Services Committee was reversed on the floor. The reversal came, moreover, by a decisive 238 to 175 margin.

The battle got under way earlier in the week when a routine bill came to the floor containing a provision that would have continued the old flight pay rules, which had expired on May 31, for another six months. It already had been passed unanimsly by the Senate and was about to be passed by the House "without objection" when Rep. Les Aspin, D-Wis., objected. That forced the issue to a vote.

Two developments then contributed heavily to the outcome of the vote. Aspin put out a press release accusing the Air Force of placing 65 generals—including the

chief of staff—on flight pay and of doing it illegally. A Pentagon explanation and denial of any illegality never caught up with the press release.

As the debate began, Pike resorted to a weapon he knew would win—ridicule. He described the hazards and difficulties of flying a desk at the Pentagon. He told how one Rear Adm. J. Heavy Bottomley made a bad turn in his swivel chair and was propelled out his window and into orbit.

Bottomley is an extreme example of the abuses of the flight pay system. He also is imaginary.

Stan Musser may be an extreme, too. But he is a real live guy, "flying a desk" in the basement of the Pentagon and supporting a wife and three kids.

Musser, who is 37, has been in the Air Force 15 years and made full colonel last year, about seven years earlier than he might have expected.

He has spent most of his career in a cockpit. He put in four years as a fighter pilot in Germany, flew three years with the Thunderbird aerobatic team, served as a forward air controller in Southeast Asia in 1964-65, taught at the Air Force Academy for a year, flew an F4 Phantom out of Korat, Thailand in 1970-71 and for the last 2½ years has been at the Pentagon in charge of developing fighter tactics.

On May 31, he was a full colonel on flight pay, making \$1,955 a month. The next day, after expiration of the law permitting flight pay for colonels and generals, he was a full colonel but no longer on flight status, and his pay was \$1,740 a month—a cut of \$215 a month.

Working for him are majors and lieutenant colonels still on flight pay. The majors make \$54 a month more than Musser and the lieutenant colonels make \$147 a month more.

Even if someone should wisely decide that the colonel in charge of developing fighter pilot tactics should be able to fly a fighter plane, the result still would be academic for Musser. He is slated to leave next month for a year at the Armed Forces Industrial College.

That means another accelerated step up the ladder for him, but it also means another year out of the cockpit, another year off flight pay. Most important, the loss of proficiency he suffers might make the difference if he should be considered for assignment to an operational command as a wing commander or promotion to air division commander.

There are good arguments on both sides of this issue.

Obviously, the taxpayers should not pay senior officers for flying when they are no longer flying and will never return to flying status. But it is equally obvious that some officers, like Musser, belong on flying status even though they have desk jobs at the Pentagon. Similarly, officers who move from operational jobs to desk jobs and back again in the course of their careers should be required to fly and maintain their proficiency.

One proposal that has been made is that flight pay be made a predictable payment over the career of a flying officer—beginning relatively low when he is just beginning, rising to a peak in his most proficient years when he might be most tempted by an airline job and dropping when he is in the desk-job years.

In this case, Congress, fighting what were for it important battles over committee authority, hurt and angered a lot of good officers who happened to be caught in the middle.

Senator BYRD. Thank you very much, Senator Goldwater. No one in the Senate has greater experience or deeper knowledge of this subject than does the Senator from Arizona. The subcommittee appreciates your being here today, and your comments on this legislation.

Senator GOLDWATER. Thank you.

Senator BYRD. General Benade, you can proceed in any way you wish. It would be most helpful to the subcommittee and to the chairman if you would give us a clear, brief description of exactly what the legislation does.

STATEMENT OF LT. GEN. LEO E. BENADE, DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR MILITARY PERSONNEL POLICY, ACCOMPANIED BY MAJ. GEN. GEORGE W. PUTNAM, JR., U.S. ARMY, DIRECTOR OF MILITARY PERSONNEL MANAGEMENT; REAR ADM. WILLIAM R. FLANAGAN, U.S. NAVY, DEPUTY CHIEF OF NAVAL PERSONNEL; COL. ROBERT L. SIMMONS, U.S. MARINE CORPS, OFFICE OF THE DIRECTOR, MANPOWER PLANS AND POLICY DIVISION; AND MAJ. GEN. KENNETH L. TALLMAN, U.S. AIR FORCE, DIRECTOR OF PERSONNEL PLANS

GENERAL BENADE. Thank you, Mr. Chairman.

May I say first, on behalf of the Department of Defense, I appreciate this opportunity to testify before your committee on H.R. 12670, the Aviation Career Incentive Act of 1974. I have previously submitted a rather lengthy and detailed statement, Mr. Chairman. In the interest of conserving time, I would like to ask that the complete statement be inserted in the record. I would just like to address the highlights of it.

Senator BYRD. The statement will be inserted in full at this point.  
[The statement follows:]

Mr. Chairman, I am Lieutenant General Leo E. Benade, Deputy Assistant Secretary of Defense for Military Personnel Policy. On behalf of the Department of Defense, I appreciate this opportunity to testify before your committee on H.R. 12670, the "Aviation Career Incentive Act of 1974."

This bill was passed by the House of Representatives on February 21, 1974. It is not identical with H.R. 8593, the legislation originally proposed by the Department of Defense, but it adds a number of features acceptable to the Department of Defense while retaining the primary features of H.R. 8593. I will discuss the additions and the changes in this statement in detail.

The purpose of the proposed legislation is to restructure the present flight pay system to make it more effective in today's environment. The legislation also responds to Congressional criticism of the existing flight pay system as expressed in section 715 of the Department of Defense Appropriation Acts, 1973 and 1974. At the same time we seek to be fair and equitable to the aviation crewmembers affected adversely by this proposed legislation.

I would now like to describe briefly how we arrived at our present situation, and why some changes in the current system are indicated.

The evolution of the existing system of aviation pay dates back to the Hook Commission in 1948 and the Career Compensation Act of 1949 that implemented the Hook recommendations. The salient Hook Commission recommendations were these:

The Hook Commission rejected the purpose of aviation pay as being compensation for hazard. This "recompense for hazard" purpose was the lawful reason for aviation pay from 1913 to 1949. In its place, the Hook Commission substituted the purpose of the pay as an "incentive to engage and remain in hazardous occupations"; that is, as an incentive to attract qualified volunteers into an aviation career, which was recognized as being more hazardous than most in peacetime, and to keep adequate numbers of them there after completion of the first obligated tour of duty. This purpose, as expressed by the Hook Commission, remains unchanged today. In short, the incentive aspects predominated in the purpose of the pay—the hazard aspects were recognized but subsumed in the reasoning to attract and retain volunteers for an aviation career.

The Hook Commission structured incentive pay rates as a proportion of basic pay, with the highest percentages for junior officers and the lowest for

general officers. In dollar amounts, the highest rate was offered to colonels and Navy captains. This was consistent with the tactical experience of that time, meaning World War II experience, when colonels were the responsible commanders of aviation formation in air combat. The flat rates of the Hook Commission represented a major change from the previous practice of computing flight pay as 50% of basic pay.

The Hook Commission flight pay rates were based on total military service, rather than aviation service. This was consistent with the proportion of basic pay concept on which the amounts were based. During World War II and immediately thereafter efforts were made to attract officers of various grades into aviation service, and so there was some justification for the argument that it required a higher incentive to attract higher-ranking officers into aviation than it did young aviation cadets.

These key points were enacted into law by the Career Compensation Act of 1949.

Only one rate change to the Hook structure has occurred since 1949. That change was the Career Incentive Act of 1955, which increased flight and submarine pay rates to their present levels and added longevity steps to the pay structure. The immediate cause of the 1955 legislation was poor pilot retention, high personnel turnover, and increased training costs.

The Hook Commission flat rates included no provisions for longevity increases. The Career Incentive Act of 1955 provided such longevity increases. The reasoning for this change was that since flight pay was determined on the basis of the proportions of basic pay per grade, the same logic should extend to longevity steps. No structural alterations in the Hook system were made, however. The flight pay rate table in the Career Incentive Act of 1955 is the one currently in effect.

In the 1955 Act, the Congress reaffirmed the purpose of flight pay as stated by the Hook Commission, and again specifically rejected the concept that flight pay was awarded as a recompense for hazard.

Committee Counsel John R. Blandford summed up the issue with his comment: "You can't pay a man enough for being killed," and indicated that aviation pay was awarded for supply and demand reasons with respect to attraction and retention. It was in no way linked to hazard exposure.

With respect to the eligibility for flight pay through performance, the situation became complicated at this very time. The 1949 and 1955 laws established eligibility for aviation pay by the "frequent and regular participation in aerial flight" clause; this in turn was defined by Executive Order 10152 of 1950—superseded by Executive Order 11157 of 1964—as meaning four hours of flight per month. This four hour per month standard dates back to 1922. In brief, this ruling meant that all aviation crewmembers had to fly for pay, regardless of the duty to which they were assigned.

This eligibility determination was made during the Korean War. After the war, requirements for aviation crewmembers were reduced significantly because of force cutbacks, while the inventory of crewmembers remained high, because there is about a two-year leadtime for pilots. It is easier to change requirements than to adjust the inventory. Moreover, the advent of jet aircraft in significant numbers made the satisfaction of flying performance requirements by this large inventory more costly than it had been before the war. Congress, as a result, enacted section 628 of Public Law 83-179 (Department of Defense Appropriation Act, 1954), which authorized the payment of aviation career incentive pay to rated officers with over twenty years of rated service or in remote duty assignments while excusing them from fulfilling the flying performance requirement minima. This policy was permissive rather than mandatory. More importantly, it inaugurated the so-called "excusal" policy that is in effect to this day. The purpose of the Congressional action was to reduce the operations and maintenance costs of aircraft. These costs were many times the value of flight pay involved.

Congress enacted a similar proposal each year until 1962, when section 614 of Public Law 87-144 (Department of Defense Appropriation Act, 1962) expanded excusal authority to officers with 15 years of rated service or more. A similar proposal was enacted each year until 1972, when section 715 of Public Law 92-204 (Department of Defense Appropriation Act, 1972) made mandatory the excusal and prohibition from flying of all aviation crewmembers not assigned to duties requiring the maintenance of basic flying skills, except those needed to perform proficiency flying "in anticipation of assignment to combat operations." In addition, flyers who were students in courses longer than 90 days were also excused and prohibited from flying. This legislation significantly increased the number of excused flyers, but specifically protected their aviation career incentive pay entitlement.

ment. Again, the intent of Congress in all of these measures was to reduce the operations and maintenance cost of aircraft, particularly aircraft used for proficiency flying.

Finally, section 715 of Public Law 92-570 (Department of Defense Appropriation Act, 1973) maintained all of the mandatory excusal provisions of the 1972 law and then added a clause prohibiting, after May 31, 1973, the payment of flight pay to officers of the grade O-6 and above who were assigned to duties not requiring the maintenance of basic flying skills. Thus, this provision continued to prohibit these officers from flying and denied them aviation career incentive pay entitlement as well. The intent of the Congress apparently was to deny flight pay to those senior officers who were not actually flying operationally and thereby to require the Department of Defense to address the flight pay problem. In the opinion of the Department of Defense, the Congressional action, although certainly not so intended, resulted in lowered morale in the aviation force and increased manpower losses as a side effect. I will discuss these unintended effects later in my statement, but the enactment of this 1973 legislation did cause the Department of Defense to again review aviation career incentive pay and develop the legislative proposal which appears before you, with changes made by the House of Representatives, as H.R. 12670.

This, in brief, covers the evolution of how we find ourselves in our present situation. Flight pay was restructured in 1949 on a then fundamentally sound set of principles that remain in effect today. However, the "frequent and regular participation" clause was eroded over a period of 19 years in the interests of economy, and this has led to recent adverse publicity reflecting unfairly on the flyers involved.

#### SHORTCOMINGS OF THE EXISTING AVIATION PAY SYSTEM

The existing system of aviation pay has both strengths and weaknesses. Its primary strength is that it has proved in the past to be very effective in attracting volunteers into an aviation career. No doubt the fact that the volunteers are acquiring a very valuable skill for later life and the initial excitement in flying have had something to do with the adequate volunteering. But a number of weaknesses are readily apparent as well.

The retention of junior aviation crew members has been chronically inadequate and is expected to remain inadequate in the all-volunteer environment in the future.

For example, in 1973, the Navy required a pilot retention rate of 52% at the end of obligated service but attained only 43%. Even this was better than the 26% in 1970, 27% in 1971, and 34% in 1972. Similarly, the Air Force needed a 52% retention rate in 1970 but got only 42%, while in 1971 they attained 44%. For FY 1973, the Air Force retention rate was 47%—some improvement, but still well short of objectives.

The aviation career incentive pay rates have the effect of a modified tontine, in that junior officers, who necessarily perform most of the operational flying and whose flying duties are most concentrated at that period of their careers, are paid the lower amounts of aviation pay, while the senior field grade officers, who perform less of the operational flying and whose operational flying assignments are more dispersed, are paid the highest amounts of aviation pay. To illustrate, a due-course officer who entered aviation duties immediately upon entering service and who remained in aviation duties throughout, would receive 45% of his lifetime flight pay during his first sixteen years of service, but would receive 55% of his lifetime flight pay during his last fourteen years of service. This distribution has the effect of a modified tontine, such as that deplored by the Hook Commission in regard to the 50% of basic pay system, in that it rewards the survivors still remaining in service for duties performed much earlier in their careers, while short-changing those members who performed substantially similar duties but who have since dropped out of the aviation force for one reason or another.

The lower rates of pay in the earlier years are insufficient to meet the competition of civilian alternatives at the end of the first obligated tour of duty, while the higher rates of pay in the senior years are probably more than adequate to retain aviation officers in the senior years. Consequently, the incentive rate has ensured the high retention of lieutenant colonels and colonels but fails to provide for adequate retention of lieutenants and captains.

The existing aviation career incentive pay system makes the tacit assumption that, at least through the field grades, it is almost equally difficult to attract and retain officers at each grade and longevity step. This may have been a valid con-

sideration during World War II, and up to the Korean War, but experience since has shown that this is not true today—that, in fact, the major retention problem occurs in the years after the completion of the first obligated tour of duty and not continuously throughout the career.

The cumulative effect of these deficiencies has been to increase training costs because of chronically poor retention and thereby induce a less than optimum allocation of budgetary resources. I should indicate that our training costs to produce combat-ready military pilots range from \$100,000 to \$500,000 per man. Either of these costs exceeds the current total lifetime cost of aviation career incentive pay, which is about \$75,000. Clearly, then, if an improvement in pilot retention through aviation career incentive pay can be made, it is achieved at a cost that is less than the training costs avoided. Moreover, a more rational aviation pay structure would correct the structural deficiencies in the current aviation pay system and would thereby be more equitable to the force and thereby should have favorable morale effects. This, coupled with the recent Congressional criticism of excused senior flyers and the denial of aviation pay to them, make it evident that restructuring of the aviation pay system is urgently needed.

#### CONSIDERATIONS OF EQUITY: THE SENIOR OFFICER

After reviewing the various criticisms made of the existing aviation pay system over a number of years, it seems clear that nearly all center on the senior aviator. The various objections to awarding aviation pay to those not occupying operational flying positions, the objections to awarding hazardous duty pay to those who are less exposed to hazard than others, and the objections to awarding an incentive pay to retain where there is no retention problem, are all directed mainly at senior aviation officers. Indeed, the issue of senior officers has been virtually the only major Congressional criticism of the existing aviation pay system. No one really argues about the desirability of improving pay rates for junior aviation officers, or for paying for aviation service rather than total military service. The criticism always focuses on the senior aviation officer.

I would like to say a few words with respect to the senior officer.

This officer—typically an aviation colonel or captain USN—came into service at about the time when the Hook Commission and the Career Compensation Act of 1949 established the modern compensation system. He was led to believe that if he maintained his physical and professional qualifications, he would receive the additional incentive pay for aviation duty throughout his career but that the highest rates would come late in his career. At that time, there was no prohibition against proficiency flying, so that he knew that if he were assigned to a staff job or to an advanced school, he could still maintain his minimum flight qualifications. He realized that he would receive relatively low rates of aviation pay in his junior years, but that if he stuck it out and met all of the other qualifications, that he would receive the higher rates of pay in his senior years. Regardless of his own feelings on the subject, he performed his end of the bargain, and expected his government to live up to its end as well.

Now, as he approaches the time when the promised high rates of aviation pay he agreed to are supposed to be forthcoming, he finds that the Congress first denies him the right to maintain his flying qualifications through proficiency flying and then prohibits him from receiving his higher rates of aviation pay on the grounds that he isn't flying. It is understandable that he feels that the government renegeed on its end of a bargain, and he deeply resents it.

This is the kind of argument I have heard frequently since last June. I can't recall an issue that has provided so much emotion, and resentment in recent years. I can only plead for understanding of the plight of this officer. He has fought in two or even three wars, popular or otherwise, he has pulled his share of the load through good times and bad, and now he believes that he has not been treated fairly. I am aware of the fact that such feelings are being expressed honestly to junior officers, and are bound to have an effect on decisions to make military service a career. We have some indications of this effect already. It is the belief, whether right or wrong, that the government has exhibited bad faith that hurts them, even more than the lost income.

Now, I have been supporting a proposed bill that would change the existing system of incentive pay for aviation crewmembers significantly—some might say drastically. It too would be less beneficial to the senior officer than the existing system, and it would pay the high rates of pay to those junior officers who agreed to stay in the military service. I do not defend the existing aviation pay system because I think it has features that are indefensible in today's environment. But

I do strongly advocate a measure of equity for senior officers. They do not deserve an abrupt termination of aviation pay after a career of faithful service with the understanding that they would receive the higher rates if they remained in service.

A fairer approach would be to phase out such pay for the officers affected as equitably as possible. The proposed three-year transition period in H.R. 12670, while perhaps not a perfect instrument, at least provides ample notice to the individual to adjust his financial affairs, and will cover the majority of officers adversely affected by H.R. 12670 through their current duty assignment.

I make this argument solely on the basis of equity. Economics has nothing to do with it; in fact, it would be cheaper for the Congress to do what it has done through section 715 if immediate cost savings were the only consideration. Nor is there any problem of attraction or retention of colonels or generals, although the retention of the younger, more employable colonel may become a problem as a result of the denial of pay as currently required by law. What I am saying is that the price we will pay for breaking faith with our senior officers will have to be paid in the future—both ethically and financially. Ethically, our armed forces are receiving the impression that their conditions of employment can be altered at the pleasure of their employers for the sole benefit of the employer. This will give pause to many who may be thinking of making a career of the armed forces, and in an all-volunteer environment, such a belief will be counterproductive. Financially, the current policy is unsound, for if the morale effects I have mentioned come to pass, we eventually will have to pay much more for the volunteers we do attract and retain than we would have had the "breach of faith" issue not arisen. In short, we believe that fair treatment of the senior career officer will pay for itself many times over in the years to come.

#### THE PROPOSED AVIATION CAREER INCENTIVE PAY SYSTEM

The proposed bill to restructure the aviation pay system (H.R. 12670) addresses the deficiencies I have indicated in my statement.

First, the bill is predicated on the premise that aviation career incentive pay should be awarded for years of aviation service and without regard to grade and longevity as is the case today. This is a more cost effective method than today's system. While it is true that most aviators enter an aviation career from the beginning of their entry into service, a minority do not. Those who do not are currently afforded the advantage of higher incentive pay rates, while their period of obligated service incurred as a result of aviation training is identical with that of the more junior officers. It is the opinion of the Department of Defense that all new aviators should be offered the same rate of incentive pay beginning with their aviation service independent of their grade and longevity. Moreover, it is the view of the Department of Defense that all aviators should receive the rates of the first six years before progressing to any higher rates, since this early period generally coincides with the period of service obligated as a result of flight training. This is reflected in H.R. 12670. Consistent with the statement that attraction of volunteers into aviation has been adequate in the past and is projected to remain adequate in an all-volunteer environment, the rates offered are substantially similar to the ones in effect today.

Second, H.R. 12670 offers to the volunteer at the completion of his first tour of obligated aviation service the highest incentive rates. These higher rates, predicated as before on aviation service, have the purpose of improving retention from the seventh through the eighteenth years, unless the 18th year of officer service comes first. Let me explain that, because at first glance this procedure may appear somewhat complicated.

The major economic alternative to military aviators lies in the civil aviation industry, notably the air lines.

The air lines usually do not hire new pilots over the age of 35, and therefore military aviators over age 35 are not fully competitive for the higher paying air line pilot jobs. But for the younger flyer, the air lines are a viable alternative, and in fact over 75% of all air line pilots are ex-military pilots. Therefore, it is reasonable for the Department of Defense to try to reduce the financial discrepancy between what the air lines offer and what the services offer in order to improve our retention of these younger, expensively trained pilots during this critical point in their careers.

Similarly, the confluence of factors such as lessened flying needs, unemployability by the aviation competition, and higher retention of the officers in question, makes it unnecessary to award high flight pay rates to rated officers in the later years. Hence, the decision to concentrate the high rates in the poor retention,

flight intensive years, computed on the basis of aviation service, and reduced on the 18th year of aviation or officer service.

The reason for using officer service as a criterion for termination of the high rates is that it is a proxy for age. Advanced age implies lack of employability by the air lines, lessened flying with advanced grade, and very high retention of the individuals concerned, some of whom are precisely those who began their aviation careers later than others. It would be an imprudent use of resources to pay the highest rates of aviation career incentive pay to those whose age and grade fall outside of the most acute areas of attraction and retention of aviation crewmembers, as well as being inequitable to those who began their aviation careers early. It is our hope that any tontine effect would be obviated by such a structure.

Third, our aviation pay rates should lessen the discrepancy between the income of military aviation and civil aviation during the critical retention period of a military aviator. We do not and should not attempt to claim that it will equal, even for the limited time period of the highest rates of aviation pay, the comparable salaries of the airlines for the first twelve years. All that we can claim is that the increased flight pay rates will narrow the existing gap, make continuation in military service more attractive, and result in cost effective retention improvements. We cannot guarantee that these proposed rates will in fact achieve the desired retention goals, but we believe they will. Only experience will tell. A number of other measures are being taken to improve the general attractiveness of the all-volunteer force, and the retention effect of these together with improved flight pay might prove sufficient. However, I am aware that the *Study of Flight Pay (Crewmember) and Submarine Duty Pay* of the 1971 Quadrennial Review of Military Compensation did recommend higher monthly rates to achieve the retention desired, and I would be less than frank if I did not say that the rates proposed by H.R. 12670 were affected by fiscal realities. The budgetary constraints this year have been severe. After a reasonable period of experience, should retention still not be adequate, it might be necessary for the Department of Defense to submit to the Congress further corrective legislative proposals.

Fourth, H. R. 12670 terminates aviation pay for all commissioned members after 25 years of officer service. The reasoning for this provision is that very few rated officers of that length of service should be assigned to operational flying positions; that is, requirements for officers of this length of service in operational flying duties should be very low. Moreover, Congressional criticism of the award of aviation pay to senior aviators—and generals and flag officers in particular—would be recognized by this clause, which would remove most generals and senior colonels from entitlement to flight pay, regardless of their duty assignments.

We recognize that termination of aviation career incentive pay for the senior officer who continues to fly operationally may be considered by some to be an inequity. We believe, however, that taken from the perspective that career earnings have already been paid, performance of the duty without pay is more desirable than continuing criticism that calls into question the integrity of the entire structure. Moreover, incentives other than pay will operate to attract senior officers to the few operational flying positions open to them.

Much of what I have said about retention deficiencies and shortages is predicated on established requirements. Simply stated, requirements are a reflection of what the Department of Defense might be called upon to do with its aviation forces in the immediate future. As such, requirements relate to missions, both strategic and general purpose. The manpower for the strategic forces has to be in being and at full strength at all times. The manpower for the general purpose forces does not have to be fully manned at all times, although it must be available to meet increased activity levels that occur with the onset of limited warfare. The timeframe of limited warfare is counted in months rather than days, and consequently reinforcements can be provided by reassigning trained active duty personnel and activating reserve units as well. Thus, the convergence of both major missions determines for us the requirement for aviation forces. National decisions with respect to how much we should be prepared to undertake determines the magnitude of the requirements.

From this, it is evident that there necessarily must be on hand a greater number of pilots than cockpit seats, let alone aircraft. Even in peacetime it takes a crew ratio greater than 1.2 pilots for each unit aircraft to get full utilization of our equipment. Wartime needs are in excess of peacetime needs because combat losses of pilots must be replaced and new pilots must be trained.

Pilots not in operational flying billets must be available to meet the initial surge requirements in all of these areas. For these reasons, and because it takes about

two years to produce a fully combat ready pilot, the Department of Defense has always had and will need in the future a greater number of pilots than those required in operational cockpit seats or for the supervision and direction of air operations.

A word should be said about warrant officers at this time. Virtually all aviation warrant officers are in the Army, which has a large program of recruiting warrant officers as career flyers, chiefly in the Army helicopter program. These flyers differ from commissioned officer pilots in that they are:

- Full-time flying professionals,
- Offered more intensive flying training and employed intensively in special aviation skills,
- Not in need of career-broadening ground duty assignments,
- Useable in cockpit-related assignments on a career-long basis, and
- Not authorized to exercise command of aviation units in the air or on the ground.

The Army expects to realize 30 years of aviation service from the best qualified aviation warrant officers. Aviation service is therefore proposed as the basis of a career-long incentive pay. Pay severance at the 25-year point was not applied to warrants because, unlike commissioned aviators, none of them becomes excess to aviation requirements as he advances in grade and service. Continuation of incentives to retain fully useable warrant officer skills and experience is preferable to absorbing the replacement training costs that would follow from significant numbers of early retirements. The pay increase proposed after the sixth year is proportionally greater than the raise for commissioned aviators. It should improve early retention, which runs consistently lower than Army commissioned aviator retention.

Mr. Chairman, I should also say a few words about H.R. 12670 in its character as a career incentive pay. The Department of Defense recognizes that authorizing payment of aviation career incentive pay even when the individual is assigned to a nonoperational flying position represents a difference from the other incentive pays for hazardous duty, and consequently H.R. 12670 removes it from the hazardous duty category. This career payment aspect is considered necessary for a number of reasons. First, the necessity to counteract the effects of the economy dictates a certain amount of extra compensation over a given period of years. To not offer these rates continuously would require far higher rates for periods of cockpit assignment, and even the higher rates may not be entirely satisfactory. Our review indicates that even the high rates do not offset the uncertainty in the minds of some and the actual loss of pay for others that produces increased losses. The continuous payment over time is predicated on a minimum performance standard. I shall discuss this matter later.

Second, the training investment in officer aviation personnel is of such a magnitude as to put it into a different scale of value from parachute, demolition, carrier flight deck training, and the like. In other words, we can afford poor retention less in aviation than in almost any other special skill community.

The House of Representatives added a number of new features to the Defense proposal in passing H.R. 12670. The most significant are as follows:

It gave a new and more accurately descriptive name to flight pay—"incentive pay: aviation career"—and remove it from 37 U.S.C. 301(a), the hazardous duty section, and placed it in a new 37 U.S.C. 301a, which is a special pay section. This change should effectively meet the past criticisms of officers receiving the pay when they are not in a hazard status, and the Department of Defense supports it.

The intent of the Congress is stated definitively in the law by H.R. 12670. That intent is to attract and retain volunteers in aviation for a career, defined as 25 years for pay purposes for a commissioned officer and indefinitely for a warrant officer. The Department of Defense supports this change.

A specific set of criteria establishing minimum performance standards for the purpose of receiving continuous aviation career incentive pay are prescribed by H.R. 12670. These standards, in effect, would replace the excusal authority of section 715 of the Defense Appropriation Act. The Defense proposal contained no similar provision, but would have relied on a modified section 715 for excusal authority. The standards proposed by H.R. 12670 are these:

Upon completion of his twelfth year of aviation service, an officer would be examined to ascertain that he has performed at least 6 years of operational flying duty, including flight training. If he has, then he is guaranteed continuous aviation career incentive pay through completion of his 18th year of aviation service.

If the officer has not performed the required six years of operational flying duty, then he is entitled to aviation career incentive pay only when he is actually performing flying duty assignments; that is, he is not entitled to receive aviation career incentive pay on a continuous basis.

Upon completion of his eighteenth year of aviation service, an officer would be examined again, regardless of his performance at his 12th year of aviation service, to ascertain whether or not he has performed at least 11 years of operational flying duty, including flight training. If he has, he is then entitled to receive aviation career incentive pay on a continuous basis through his 25th year of officer service, if he is commissioned, or through the end of his career, if he is a warrant officer. If he has not, then he would receive aviation career incentive pay only when actually performing operational or proficiency flying duties, and would not be otherwise entitled to the pay. However, if the officer has performed at least 9 but less than 11 years of operational flying duty, then he would be entitled to receive aviation career incentive pay on a continuous basis through his 22nd year of officer service, and after that would receive the pay only when performing operational or proficiency flying duty.

In short, all pilots and navigators would be entitled to the pay on a continuous basis for their first 12 years of officer service, which coincides with the most flight-intensive and retention-critical period of an aviator's career. After that, all pilots and navigators are entitled to aviation career incentive pay when actually flying, but only those who satisfy the requirements just cited would be entitled to it on a continuous basis regardless of duty assignment. These standards appear to be a useful substitute for the provisions of section 715 of the Defense Appropriation Acts, and the Department supports them, but observes that they depend heavily on requirements and recalls that aviation inventories lag requirements by at least 2 years. A sharp drop in requirements, therefore, would leave the Department with an excess of pilots and navigators in relation to the number of operational and proficiency flying duty positions available, thereby ensuring that a larger number of aviation officers would fail to satisfy the minimum performance standards than would normally be the case. The converse would be the case in the event of a sharp increase in aviation requirements.

H.R. 12670 deleted the retroactive pay provision of H.R. 8593. Thus, officers who were denied flight pay from May 31, 1973, until the enactment of new legislation, would not recover the pay lost because section 715 prohibited them from flying and then denied them flight pay. For reasons of equity, the Department of Defense deeply regrets the exclusion of the retroactive pay provision from H.R. 12670, but accepts the decision of the Congress in this matter.

H.R. 12670 retains the saved-pay provisions for junior officers, defined as those with less than 12 years of service as an officer, contained in H.R. 8593. However, H.R. 12670 lowers the saved-pay rates for the more senior officers, from today's amounts recommended in H.R. 8593, to the new rates of H.R. 12670. The immediate effect of this is that a considerable number of officers below the grade of 0-6, who are unaffected by the denial of pay provisions of section 715, would receive a reduction in their incentive pay. Again for reasons of equity, the Department of Defense regrets the change but accepts the decision of the Congress in this matter.

H.R. 12670 increases the rate of incentive pay for warrant officers after the 6th year of aviation service from \$165 per month, as proposed by H.R. 8593, to \$200 per month. The reason for this was that the House was impressed with the flight-intensive character of warrant officers careers, as well as recognizing that the same economic alternatives are open to warrant as to commissioned officers. The Department of Defense accepts this change.

H.R. 12670 equalizes the treatment of reserve aviators not on active duty with active duty aviators. H.R. 8593 would have given reserve aviators not on active duty preferential treatment by beginning the stepdown of incentive pay rates upon completion of the 18th year of *active* officer service. Since only a limited number of reserve aviators not on active duty ever attain 18 years of active officer service, this would have meant that most reserve aviators not on active duty would not be required to undergo either a stepdown or termination of pay. The Department of Defense accepts the change contained in H.R. 12670.

In the enlisted aviation community the services have experienced neither an attraction nor retention problem, nor are training costs of the magnitude of those for officer personnel. Moreover, there is not a continuing aviation career for the great majority of enlisted personnel. Thus, it seems unnecessary to increase costs by altering the method under which enlisted personnel are entitled to pay at this time.

However, the House Armed Services Committee Report on H.R. 12670 did note a number of problems with respect to enlisted aviation personnel and desires administrative action by the Department. These are:

Providing at least 120 days notice to enlisted members before involuntary removal from flight duty and entitlement to flight pay.

Review of the administration of per diem payments to enlisted aviation personnel, particularly those in the Air Force, with the intention of equalizing, as far as is consistent with the law, the treatment of officers and enlisted men.

Review by the Air Force of repeated and consecutive TDY (temporary duty) assignments, with the intent of minimizing such tours. This requirement applies to both officers and enlisted men alike.

The Department of Defense is at work on all three areas at this time, and will be prepared to report on the dates specified in the House report. If changes in the law should be required to satisfy the House Armed Services Committee wishes, these will be identified.

For the various reasons cited, the Department of Defense recommends enactment of H.R. 12670. The Department of Defense is proposing several technical amendments to clarify the meaning of several points. These technical matters were pointed out to us by counsel after thorough review of the legislation.

#### COST AND BUDGET DATA

Mr. Chairman, the House Report indicated that transition to the system proposed by H.R. 12670 would cost \$216.7 million in FY 1974, assuming an implementation date of April 1, as compared to the budget cost of \$213 million, an increase of \$3.7 million. These were the costs computed on the aviation force size existing at the beginning of FY 1974.

Since that time, aviation manpower reductions and losses have been greater than anticipated and consequently the aviation force size is smaller. Using the force size and distribution of December 31, 1973, new costs were developed and submitted to the Committee. On these estimates, FY 1974 costs of H.R. 12670 would be \$208.1 million, as contrasted with a cost of \$205.7 million for the existing system. The difference, \$2.4 million, can be absorbed by the Department of Defense with FY 1974 funds available to the military departments.

Proportional decreases occur in the out years. For example, in FY 1975, H.R. 12670 is estimated to cost \$207.5 million, while the existing system is projected to cost \$199.2 million. The difference of \$8.3 million is a decrease of \$6 million from the figures cited in the House Report.

However, it should be understood that the increased costs of H.R. 12670 are due entirely to the saved-pay requirements. For example, \$15 million of the FY 1975 costs are saved-pay costs. Once these are concluded, H.R. 12670 will be less costly than the existing system with section 715 in effect. In FY 1977, H.R. 12670 is estimated to cost \$186 million, while the existing system will cost \$199 million.

#### CONCLUSION

The Department of Defense, with the full cooperation of the separate services, has done its best to develop a proposal that would respond to the desires of the Congress, be fair to the American taxpayer and, to the extent possible, be equitable to the man in uniform. The House of Representatives, building on that effort, refined the Defense proposal. The product of that effort is before you in the form of H.R. 12670. It is a bill that we believe preserves the best of the aviation pay systems of the past and corrects the major deficiencies in the current system in order to meet the challenges of the all-volunteer environment. I believe that this bill will produce the kind of aviation force needed for our national security at an acceptable cost to the American taxpayer.

The Department of Defense strongly urges the Congress to approve and enact H.R. 12670. It is urgently needed now and for the future.

Mr. Chairman, that concludes my statement. My colleagues and I would be pleased to respond to any questions.

General BENADE. Thank you, sir.

As you have already stated, Mr. Chairman, H.R. 12670 was passed by the House of Representatives on February 21, 1974. It is not identical with H.R. 8593, the legislation originally proposed by the Department of Defense, but adds a number of features acceptable to the Department of Defense while retaining the primary features of the

Defense proposal. I will identify these primary features and additions as I proceed.

The purpose of the proposed legislation is to restructure the present flight pay system in order to make it more effective in today's environment. The legislation also responds to congressional criticism of the existing flight pay system as expressed in section 715 of the Department of Defense Appropriations Acts of 1973 and 1974. At the same time, Mr. Chairman, we seek to be fair and equitable to the aviation crew members affected adversely by this proposed legislation.

I won't take the time, Mr. Chairman, to go into the background except to say that the present system had its origin with the Hook Commission recommendations in 1949. So the present system has been in existence for 25 years, without any significant change in concept.

Senator BYRD. Excuse me. Wasn't it in existence during World War II?

General BENADE. No, sir. Prior to 1949, Mr. Chairman, the flight pay system was related to hazard, and was based on a percentage of basic pay. In 1949 the Hook Commission recommended a system of a flat pay, a flat amount, geared to pay grade. The theory was that the highest amount would be paid to the more senior people; it was intended to be an incentive for them to stay on. It bore no relation to degree of hazard being experienced.

In large part, Mr. Chairman, I think the reasoning of this system is what underlays the remarks of the Senator from Arizona, because this whole concept up until now has been that it required some length of time in the service to work on up to those higher pay rates. We are now proposing, of course, a very radical change in that concept.

I might say, Mr. Chairman, that the present system has proven to be effective in attracting the needed numbers of volunteers into aviation, but has not been effective in terms of junior officer retention. Moreover, aircraft and crew manning conditions have changed significantly since 1949, and these changed conditions have caused the existing system to have the effect of a modified tontine. This is undesirable. Thus, all of the factors cited contributed to the necessity for restructuring the entire flight pay system.

With respect to eligibility for flight pay, the Hook system required all aviation crewmembers to fly for pay, regardless of duty assignment. After the Korean War, requirements for aviation crewmembers were cut sharply, while the inventory remained high because of previous obligations. Thus, the number of operational flying positions declined, and the excess personnel met their aviation standards through proficiency flying. However, this was the period of large-scale introduction of jet aircraft, which were more expensive to operate than piston engine aircraft.

To reduce the operations and maintenance costs of proficiency aircraft, which were many times the value of the flight pay involved, the Congress, in 1954, authorized the payment of flight pay to officers with over 20 years of rated service, or in remote duty assignments, while excusing them from fulfilling the flying performance requirement minima. This proposal was reenacted each year in the appropriation acts until 1962, when Congress expanded excusal authority to officers with 15 years of rated service or more. This provision was reenacted each year until 1972.

In fiscal year 1972, section 715 of the Department of Defense Appropriation Act made mandatory the excusal and prohibition from flying of all aviation crewmembers not assigned to operational flying duties, except those needed to perform proficiency flying "in anticipation of assignment to combat operations." In addition, students attending courses of over 90 days duration were also prohibited from flying. This provision significantly increased the number of excused flyers, but specifically protected their flight pay entitlement.

Finally, section 715 of the Department of Defense Appropriation Act, 1973, maintained all of the mandatory excusal provisions of the 1972 law and then added a clause prohibiting after May 31, 1973, the payment of flight pay to officers of the grade O-6 and above. This would be colonels and captains in the Navy—who were not assigned to operational flying duties.

The intent of the Congress apparently was to deny flight pay to those senior officers who were not flying operationally in order to require the Department of Defense to address the flight pay problem. In the opinion of the Department of Defense, the congressional action, although certainly not so intended, resulted in lowered morale in the aviation force and increased manpower losses as a side effect. Nonetheless, the enactment of this legislation did cause the Department of Defense to again review flight pay exhaustively and submit the results to Congress in the form of H.R. 8593. As you have already indicated, sir, the House Armed Services Committee, in turn, conducted comprehensive hearings on the subject as well as making field trips to discuss flight pay with pilots and navigators engaged in operational flying. The product of all of these efforts is H.R. 12670.

The proposed bill to restructure the aviation pay system (H.R. 12670) addresses the deficiencies I have noted and attempts to meet the criticisms of the Congress as well.

First, the bill awards aviation career incentive pay for years of aviation service, rather than pay for total military service on the basis of grade and longevity as is the case today. The Department of Defense believes that the elements of regular military compensation constitute adequate compensation for total military service, and that aviation career incentive pay should be directed as an incentive for aviation service only, especially since all officers who complete flight training receive the same service commitment regardless of grade. Thus, this approach should produce a more cost-effective method of payment.

Second, H.R. 12760 offers the highest rates of incentive pay to the volunteer completing his first obligated aviation service period. This is the period when retention is lowest and competing economic alternatives are greatest.

Senator BYRD. How long is that?

General BENADE. That is after 6 years of service, sir. Right now the highest rate of flight pay is reached, the earliest point is in the grade of lieutenant colonel at 18 years of service, as I recall. So you can see the very significant difference in the restructuring.

Senator BYRD. Now, to take the system in existence before May of 1973.

General BENADE. Yes, sir.

Senator BYRD. In dollars how does this legislation compare with the previous legislation, taking the four lower grades up through major and lieutenant commander?

General BENADE. First of all, sir, the total cost of this proposal, as compared to the situation in effect prior to May 31, 1973, is that this system is very much cheaper, by some millions of dollars annually.

Senator BYRD. How many millions?

We will get to that.

I want to try to break it down by grades now.

General BENADE. We can do that for you, sir. We can show you the difference in cost on a grade basis.

Senator BYRD. The question I want to address to you at this point is this. Take an ensign, a lieutenant junior grade, a lieutenant and a lieutenant commander, and then take the equivalent ranks in the Air Force. How will the flight pay that they get differ from what they would have gotten prior to May 31?

General BENADE. All right, sir.

For the first 6 years the rates are unchanged. And they are unchanged because we have no problem at the moment of attracting sufficient volunteers; therefore, we saw no reason to propose any higher rate of incentive pay. The big difference, as I have already indicated, Mr. Chairman, is that under the system presently in effect, the flight pay is geared to grade and years of military service. It is not related to how long they have been qualified as an aviator or as a navigator. Under the bill the key is going to be aviation time.

Now, at the 6th year, under the new system that we are proposing, the flight pay rate would immediately go to the maximum of \$245.

Senator BYRD. What will they get to start with?

General BENADE. They start at \$100 a month, sir.

Senator BYRD. The flight pay starts at \$100. That is what they would get for 6 years, is that it?

General BENADE. No, sir. It goes up on a sliding scale.

I think we have a table in the committee print, sir, that will show it to you. On page I you will see a schematic diagram which compares the flight pay system. You see that it steps up, beginning at \$100 a month for the first 2 years, and then it goes to \$125—

Senator BYRD. That is the present system.

General BENADE. Right.

Up in the upper right hand side, sir, you see the proposed system. You see that for the first 6 years it goes up through \$165 a month. Through the 6th year of service it remains the same as the present system. Then where the present system moves—

Senator BYRD. What rank would a man be likely to have at that point?

General BENADE. Normally that is a captain, sir, or a Navy lieutenant.

You can see that under the proposed system, sir, which we call, in verbal shorthand "front-end loading," it puts the maximum amount of flying pay right at that critical retention point, when a young man is making a decision whether to stay in service aviation or not.

Senator BYRD. Under the present law it then goes up by steps?

General BENADE. Yes, sir.

Senator BYRD. It doesn't reach \$245 until 17 years?

General BENADE. The 18th year for the great majority, sir. The earliest point on the pay table itself, as I recall, is at 18 years of service for an individual who might make the grade of O-5, or lieutenant colonel or Navy commander.

Senator BYRD. Under the new proposal at the 18th year it begins to step down?

General BENADE. It begins to step down.

There is a feature of the bill that I would like to invite the Chair's attention to, and that is this. I indicated previously that one significant difference between the existing and proposed systems is that initially the proposed rates would be based on 6 years of aviation service as compared to 6 years of total military service. Now, the significance of that, sir, is that although most young men do start out from the beginning by going into aviation training, it is entirely possible that some will spend 2 or 3 years in some other capacity and then go into aviation training. Therefore, these latter might have a total of 6 years of military service, but only 3 years of that would be service as an aviator, yet all of the 6 years would be counted as longevity for flight pay purposes under the present system. They would therefore get paid, under the present system, based on 6 years of service. They would get less than that under the bill we are proposing.

Senator BYRD. If you will excuse me, we will have to recess temporarily so that I can make this vote.

[A short recess was taken.]

Senator BYRD. The subcommittee will come to order.

Let's get back where we left off.

General BENADE. I was developing a point, Mr. Chairman, that I was anxious to make very clear, because it is a significant change from existing law.

I was emphasizing that up until the completion of the 18th year of service under the new proposal we are talking aviation service as opposed to total military service. Yet at the 18th year, for the purpose of stepping down, as you see on the chart on the right hand side of page I of the committee print, at that point the 18th year is total officer service, rather than aviation service. In other words, it is made more restrictive by applying total officer service for the purpose of stepping down the scale. In this case, total years of officer service is in effect a proxy for age, Mr. Chairman. And the reason for using total officer service is that we found, in looking at the civilian alternatives open to our pilots, that very few of the airlines, for example, will hire new personnel after age 35. And so their alternatives become much less after age 35, and our retention correspondingly improves.

Senator BYRD. Generally speaking, at 6 years of service how old would a serviceman be?

General BENADE. He would probably be about 27 or 28 years of age, sir. At 18 years of service he would be 39 or 40 years old, in that range.

Senator BYRD. Under the existing system the maximum is set at 18 years?

General BENADE. Under the existing system; yes.

Senator BYRD. Under the new system you propose 6 years. Why do you propose 6 years?

General BENADE. The end of the obligated service period, sir, is at 6 years. It is at that point that the man has completed his payback time, so to speak, in return for the training that he has received, and he could leave the service at that point and go back to civilian life if he wishes.

Senator BYRD. When he joins the service he joins for the 6-year period?

General BENADE. If he signs up for aviation training, sir, he is signing up for a minimum of 5 years, and I think it is more likely to be 6 years, isn't it?

Admiral FLANAGAN. Our arrangement is that if he successfully completes the flight training, which is 1½ years, and then he is obligated to serve 4½ years thereafter, that totals up to 6 years.

Senator BYRD. How about the Air Force?

General TALLMAN. Sir, he has a 5-year obligation after completion of his 1 year of flying training.

General PUTNAM. In the Army the training period is about 9 months, and the obligated service 3 years.

Senator BYRD. So this would be the second hitch, so to speak, so far as the Army is concerned?

General PUTNAM. Normally our officers have from 1 to 2 years service prior to entering upon flight training.

Senator BYRD. Let me see if I am clear on this. This would not affect your warrant officers?

General BENADE. Warrant officers, by a different section of the bill, do have a significant improvement in their pay situation. At present, Mr. Chairman, warrant officers also have a step up system. And they reach their maximum, which is set at \$165, as a chief warrant officer (CW-4) with over 18 years of total military service. Under the new bill they would go to a maximum of \$200 after the 6th year of aviation service, and then it continues level for the rest of their career.

Senator BYRD. Under the existing legislation when do they hit the maximum level?

General PUTNAM. It depends, Mr. Chairman, on the grade of the individual. For example, the chief warrant officer (CW-4)—that is the highest rank among the warrant community—hits the maximum level of \$165 at the beginning of the 19th year of service.

General BENADE. There is a table on page III of the committee print, Mr. Chairman, that sets forth the present law, the rates for both commissioned personnel and warrant officers.

As you can see, Mr. Chairman, by putting the maximum rate—first of all, increasing it to \$200 as compared to \$165, and making it payable at the end of the 6th year, this is a significant change and improvement.

There is one other significant difference I might mention also, Mr. Chairman, between present law and what is contained in the bill. Under present law entitlement to flight pay for both commissioned officers and warrant officers continues on out throughout their career in service. Under the new proposal, flight pay for commissioned officers would terminate at the end of 25 years of officer service.

Senator BYRD. Total service?

General BENADE. Of total officer service, sir.

That is without regard to whether or not they are in flying position. In the case of warrant officers they do not have this termination, and they would continue to receive flight pay throughout their time in the service, so long, of course, as they have met the other qualifications.

That is in recognition of the fact, sir, that in the case of the warrant officers, their utilization is very cockpit-intensive. And they are utilized almost exclusively in the aviation cockpit positions. There are a few exceptions to that.

The amount for commissioned officers begins to step down after 18 years by \$20 a month every 2 years until it gets to \$165 at the 25th year, and this then terminates for everyone regardless of grade.

Senator BYRD. What grade would a person be likely to have at the end of 18 years?

General BENADE. At the end of 18 years, sir, lieutenant colonel for the most part. There could be some colonels, but the great majority would be lieutenant colonels and Navy commanders.

Senator BYRD. And lieutenant colonels and commanders at the present time are receiving \$245?

General BENADE. That is correct, sir.

Senator BYRD. Under the new proposal most of them would go down to \$225?

General BENADE. Yes, sir. Under this bill they will suffer an immediate reduction in the amount of flight pay they presently receive.

Senator BYRD. Then they would go out of flight pay status entirely at the end of 25 years of total service?

General BENADE. That is correct, sir.

For the purposes of this bill, Mr. Chairman, a flight career will be defined as a 25-year career.

Senator BYRD. Then that would mean at age 47 or 48?

General BENADE. About that, yes.

We recognize, Mr. Chairman, that there are some officers in the grade of colonel and flag or general rank who will continue to be in operational flying positions after the 25th year. And the question has been inevitably raised, why not continue flight pay for those who are in those positions? I think the answer to that, Mr. Chairman, would have to be that under the new concept of paying more earlier in the career, we would feel that total career flight pay essentially will have been paid by the end of the 25th year. We also believe that there are other incentives at that point in an individual's career. And for those relatively few positions, operational flying positions which require officers senior in rank, we feel that there are other aspects in our compensation system that will serve as retention incentives.

Senator BYRD. Let me ask this question. Does the Department of Defense fully support H.R. 12670 as it passed the House of Representatives?

General BENADE. Yes, sir, we do. We have some concern, of course, with the features that have been added, particularly in terms of administration. I am thinking specifically, Mr. Chairman, of the "gates." The retroactive application of those gates can and will impose some hardships, and I would like at this point to cover its

importance to the Services, and to ask if the Service representatives would like to comment.

Senator BYRD. How about the Air Force?

General TALLMAN. Yes, sir, the Air Force fully supports the bill.

Senator BYRD. How about the Navy?

Admiral FANAGAN. Yes, sir, we do.

Senator BYRD. How about the Marines?

Colonel SIMMONS. Yes, sir, we support it.

Senator BYRD. And the Army?

General PUTNAM. We support it, Mr. Chairman.

Senator BYRD. General Benade would there have been a departmental request for a change to the flight pay system if the Congress had not taken the action that it did on May 31?

General BENADE. Yes; Mr. Chairman, there would have been a proposal from the Department of Defense. But I must admit that the congressional action in section 715 of the 1973 Defense Appropriation Act precipitated the submission of the proposal to the Congress sooner than might otherwise have been the case.

We have felt for sometime, Mr. Chairman, that the flight pay system needed to be restructured, particularly with respect to this matter of shifting the flight pay rates down to the more junior aviators and putting more money in the lower end of the pay scale and taking some away from the top end. In fact, Mr. Chairman, we made a study of all the special and incentives pays in what is known legally as the 1971 Quadrennial Review of Military Compensation. That review was completed in 1971, and the results have been submitted to the Congress. And in that report, Mr. Chairman, we pointed out the need for change. But the proposal of that review would have cost more than was available in the budget. And so it was because of budgetary constraint that the proposal was submitted with the lower rates.

Senator BYRD. What did you say about cost a moment ago when we were talking about that?

General BENADE. I said that the new bill would cost less than the present system. Very definitely it will cost less than the present system if section 715 was not included. If you were to compare the proposed new system with the present system as modified by section 715, however, then there is about \$3 to \$5 million higher cost in the new bill.

Senator BYRD. You just said the new bill was going to cost less.

General BENADE. The new bill for the first 3 years, Mr. Chairman, has "saved pay" provision which we have not yet discussed, which adds this additional increment to it.

Senator BYRD. Your statement before the recess was that the bill was going to cost less.

General BENADE. On a permanent basis it does, sir. But as I say, to discuss costs I would have to discuss the basic proposal costs and then the "saved pay" provision of the bill, which add \$12 to \$15 million for 3 years. Then the "saved pay" phases out, as it ends after 3 years, and then the cost of the bill in perpetuity is definitely less than the present system.

Again, I think the costs are set out right in the committee print on page II, if I might invite the Chair's attention to it.

If you look at H.R. 12670, you will see that in 1975 the estimated cost was \$207 million. Now, under the present law, if section 715 were to stay in effect, it would cost \$199—

Senator BYRD. State what section 715 is.

General BENADE. Section 715 is that provision in the Defense Appropriation Act which precludes the payment of flight pay to officers in grade O-6 and above, that is, colonels, Navy captains and above, who are not assigned to operational flying positions. It also prohibits proficiency flying by such individuals.

Senator BYRD. So would this bill do that.

General BENADE. For 3 years, though, this bill has a "saved pay" provision, Mr. Chairman. The "saved pay" provision of this bill says that for 3 years individuals will receive the rate set out in this bill, of \$165 a month, which is the present limit of flag and general officer pay, whichever is the greater, but not to exceed 3 years. That adds to the cost of the bill. But it phases out in 3 years.

Senator BYRD. Why do you do that?

General BENADE. The need for the "saved pay" provision, Mr. Chairman, is one of keeping faith and insuring equity. This was a very precipitous action by the Congress—

Senator BYRD. What about the end of the 4th year about keeping faith, the 5th year, the 6th year?

General BENADE. I would agree, sir. And yet we are bowing to the fact that if we cannot continue the present system, there is nothing magic about 3 years, except that it does coincide with the average-length of an assignment, and it would enable individuals on their current assignments who have entered into certain obligations, be it for a home, or rental, or other expenses, it would enable them to at least adjust their finances, and they would have the 3-year period to adjust to the absence of flight pay after that period.

Senator BYRD. We will have to have another recess.

[A short recess was taken.]

Senator BYRD. We are talking about this 3-year period. Does that apply to all officers?

General BENADE. Yes, sir.

Senator BYRD. Whether they are on flying status or not, and without regard to rank? General Benade, why did you pick the 3-year period?

General BENADE. We sought to select a period, sir, that would be reasonable in length, and yet which would recognize that officers in the existing force have had every expectation of continuing to receive flight pay throughout their careers. We did not think it feasible to be able to oppose the flight pay restrictions of section 715 after the House vote, or that the Congress would accept continuing the present flight pay system rates indefinitely. We considered ourselves under a charge, if you will, to change that. But we did believe that the 3-year "saved pay" period was a reasonable accommodation between the present system of indefinitely continuing it and the abrupt termination that was represented by section 715.

Mr. Chairman, 3 years usually coincides with the normal length of tour of an assignment. We took into account the fact that individuals would have entered into various obligations at their present stations.

Senator BYRD. When would the 3 years expire?

General BENADE. It would run from the effective date of enactment and expire 3 years after the date of enactment.

Senator BYRD. You feel that the 3-year period is a reasonable and appropriate one?

General BENADE. Yes, sir.

Senator BYRD. You would not advocate extending it beyond the 3 years?

General BENADE. It would be very desirable to extend it from an equity standpoint, Senator, but I don't believe it would be feasible. We do not so request.

Senator BYRD. It is not the intention of the Department to request at some future date that it be extended beyond the 3-year period?

General BENADE. No, sir.

Senator BYRD. General, do you regard the 3-year "saved pay" period as being appropriate?

General TALLMAN. Yes, sir. I regard it as being reasonable.

I might refer to Senator Goldwater's comments, where he made the point, I believe, that a lot of the aviators feel that there has been a breach in faith.

Senator BYRD. But that is the point I am suggesting. If that is the case, how does 3 years get around that?

General TALLMAN. I believe the 3-year transition to the new system recognizes the need to apply more pay earlier in a member's career to improve retention and is completely reasonable. I believe even the senior officers, who are the ones that are most affected by the "saved pay," recognize the need for treating this retention problem. And I think that most senior officers would agree that we need to do something to improve retention, even though their personal lifestream earnings will be less. The dollars to increase the rate of pay for younger officers had to come from someplace to keep the cost down. The House bill is a reasonable way to do this and the saved-pay feature as now written provides an adequate transition.

Senator BYRD. You would not advocate going beyond the 3-year period?

General TALLMAN. No; I would not.

Senator BYRD. May I ask the Navy's position?

Admiral FLANAGAN. We concur, sir, with the 3-year provision.

As to one question that you asked General Benade as to the timing, under the House bill, as General Benade indicated, it would start upon passage of the bill.

The other aspect of it is its retroactivity, which was considered by Mr. Stratton's subcommittee and turned down, because it was an add-on to transition pay; that is, to the 3 years of transition pay in the bill. If it were retroactive for captains and above to the time of the 715 action last June, we think the question of equity could be addressed. But on balance, we would take the bill the way the House has passed it rather than raise an issue on the retroactivity of the 3-year transition pay.

Senator BYRD. You would not advocate extending it beyond 3 years?

Admiral FLANAGAN. No sir.

Senator BYRD. What is the Marine position?

Colonel SIMMONS. We did a lot of soul searching in this area and found it is our senior officers that will feel the impact most. However we feel that 3 years is a reasonable, fair period of time for an individual to adjust.

Senator BYRD. You would not advocate extending it beyond the 3 years?

Colonel SIMMONS. No sir.

Senator BYRD. How about the Army?

General PUTNAM. The expressions by the others reflect the views that we have in the Army. We think it is reasonable. We would not go beyond the 3-year period.

Senator BYRD. Thank you.

What has been the services' retention experience with aviators?

General BENADE. With your permission, sir, perhaps the service representatives would like to answer that.

General TALLMAN. In the Air Force, sir, we measure retention of our aviators primarily at the end of the initial obligation; that is, the 6- or 7-year point that we have mentioned earlier. For the past several years within the Air Force we have been unable to meet the objective which we have set for ourselves, the objective which is designed to provide a certain mix of young and experienced aviators. Specifically, our objective at the 8-year point is 52.3 percent of those aviators who entered the undergraduate pilot training 8 years earlier.

Senator BYRD. That is total aviators. Do your present aviators inventories exceed requirements?

General TALLMAN. Yes sir. Now we are talking about another ball game. As with the case cited by Senator Goldwater after the Korean war, requirements build up rapidly during a contingency, and when a contingency is ended, requirements go down rather dramatically.

In the case of the Air Force, in the last 12 months our requirements have decreased by 3,000. It is hardly feasible to reduce the inventory to match such a dramatic reduction in requirements in so short a time period. So the result is a surplus, until an adjustment in training rates can balance out requirements with inventory downstream. In the case of the Air Force, our requirements and inventory are projected to zero out in early 1977.

Senator BYRD. But right now the inventory exceeds requirements?

General TALLMAN. Yes.

Senator BYRD. What is the situation in the Navy?

Admiral FLANAGAN. In the Navy our inventory does not match our requirements now, Senator. We have a shortfall of 568 for fiscal year 1973.

Senator BYRD. Percentagewise what is that?

Admiral FLANAGAN. Percentagewise it is out of a base of 17,400. So the percentage is rather small. And our projections under our present retention base are that this shortfall will grow to something over 1,000, 1,325 specifically.

I think more to the point here, our pilot training work is based on a retention goal of 52 percent of those that we have trained. Last year actual retention was 43 percent.

Senator BYRD. Of every 100 you train you lose 60 percent of them?

Admiral FLANAGAN. Yes sir, at this point. Of the number of pilots we train per year is based on at present retaining 52 percent.

Senator BYRD. Why do you lose almost 60 percent?

Admiral FLANAGAN. Lack of attraction for various reasons.

Senator BYRD. Let me interrupt you so that I can understand you properly. Your training is a year and a half?

Admiral FLANAGAN. That is correct, sir.

Senator BYRD. After that they lose the attraction? They know the financial attraction when they go into it, don't they?

Admiral FLANAGAN. That is correct. However, the point in time that we are talking about here is at the end of 8 years of service. We measure our retention 2 years past the basic obligation.

Senator BYRD. I thought you said that of each 100 trained you lose approximately 60 percent.

Admiral FLANAGAN. That is correct, sir, at the end of 2 years past their minimum service, at the 8th year of service we have been retaining 43 out of 100. That gives them 2 years into the voluntary period.

Senator BYRD. At the end of the 8 years?

Admiral FLANAGAN. Yes, sir.

To maintain our force levels that have been prescribed, we need to maintain 52 out of every 100. So we have the shortfall now. As long as that continues, that shortfall will increase.

Senator BYRD. That is due to what?

Admiral FLANAGAN. That is due to a number of things. One, it has to do with the attraction of the airlines. That is the principal competitor, you might say. There are other reasons: family separations, simple desire to go to other endeavors. We hope by "front loading" the bill to increase that retention to the required 52 percent. And that is the basis of the bill.

I might say, on the economics of this, that for the Navy the total cost of the flight pay on an annual basis is approximately \$40 million. If we have to train the additional pilots that would be required to make up that deficit, it would cost \$67 million a year. So the bill is obviously cost-effective as it is written, if it does the job that we anticipate it will do in improving the retention of those who are at their decision point.

Senator BYRD. You mentioned airlines. There will be a difference under this proposal compared to the present law of \$65 a month. Is that going to be enough to keep a man from going to an airline if he wants to?

Admiral FLANAGAN. Not completely, but we hope it will be persuasive to a sufficient number. We will always lose some to the airlines; we traditionally have. The airlines are in the main manned by military trained pilots. We will continue to lose some, but we hope to keep the number low enough so that we won't have to increase our pilot training rates.

Senator BYRD. Right now the airlines are laying off people.

Admiral FLANAGAN. Of course, at times such as now there is a lot of hiring and some laying off. At other times, of course, the requirements increase. And all projections, both in private industry and the Government, show that airline requirements will continue to grow throughout the foreseeable future.

Senator BYRD. What do you assign as the major cause for losing nearly 60 percent at the end of 8 years?

Admiral FLANAGAN. In the case of the Navy, I would say it is separation from their families caused by operational deployments. And while separation is the principal reason they give for leaving, the principal attraction for these people who are ready to make career decisions is the lure of the airlines. Not all of them go into the airlines;

I don't mean to say that. But that is the principal attraction, because of their readily marketable capabilities in that field.

Senator BYRD. General, what is the Air Force's retention rate at the end of 8 years?

General TALLMAN. At the end of 8 years, sir, our retention objective is slightly over 52 percent. For the past several years it has been short of that objective.

Senator BYRD. What is the percentage?

General TALLMAN. We have averaged right around 45 percent at the 8-year point. Thus for fiscal year 1975 the trend is slightly up, which I suspect may reflect the state of the economy and, the lack of hiring by the airlines. There has been a slight improvement, but we are still short of our planned objective.

Senator BYRD. What are the major reasons for this?

General TALLMAN. I think the reasons have been historically the same: A young man who comes in and spends a number of years in aviation, acquires a family and begins experiencing family separation problems. Perhaps he doesn't like the particular job he is in, or perhaps he has accumulated a record that is not going to result in the promotions that he would like to have, or perhaps he has some connections on the outside, or he just changes his mind. I think that is perfectly normal. But I do believe that by "front loading" the bill in the way that this proposal sees it, that we will be addressing that man who is on the fence, he is not really sure, but he might well stick around, since they have increased the incentive pay for aviators. I think it might have an effect in improved retention in all Services.

Senator BYRD. Thank you.

General Benade, you mentioned in your statement that the rates of flight pay were last adjusted in 1955?

General BENADE. Yes sir.

Senator BYRD. Basic pay and other elements of military compensation, of course, have increased tremendously since that time. I wonder if you would comment on the relation of flight pay to regular pay, or regular military compensation, as compared to the relationship today?

General BENADE. Yes, Mr. Chairman. That is a very significant point.

In 1955—and let's take an Air Force major—flight pay as a percentage of his regular military compensation at that time, Mr. Chairman, was about 30 percent. Now, over the years we have seen steady improvement in the levels of regular military compensation, but no change in the rates of flight pay. The result, Mr. Chairman, is that today flight pay for an officer in that same grade, a major, is only about 13 percent of his regular military compensation.

Senator BYRD. Percentagewise it has been decreasing?

General BENADE. It has been decreasing, sir. So you can see that in terms of fulfilling its intended role as an incentive, as a significant add-on to his regular pay, that it has been steadily eroded so far as filling its intended purpose. We hope that this bill will reverse that.

Senator BYRD. Will a system of paying high rates to aviators who are actually assigned to flying duty jobs, and paying a base amount while not assigned to flying jobs, be more equitable and better serve the incentive purpose?

General BENADE. Superficially, Mr. Chairman, that approach has a certain appeal. And, in fact, the Military Compensation Subcommittee of the House Committee on Armed Services delved into that very deeply. It was referred to there as a two-track system.

I think the principal argument against it, Mr. Chairman, is the fact that when the subcommittee went out to the various installations and bases that it visited and actually talked with the young aviators, who are the ones affected by this bill, they were very strong in their opposition to that approach, even though they recognized that in some cases they might actually receive more flight pay under a two-track approach than this bill contemplates.

Senator BYRD. It would be more difficult to administer, wouldn't it?

General BENADE. Yes, it would. But the principal objection, Mr. Chairman, seemed to be the fact that the aviators themselves preferred the approach of this bill because of the steadiness of income, so to speak. They felt it was something definite, something that they could plan on. They didn't want to be subjected to ups and downs based on an assignment one day that might not hold good the next week. And so the subcommittee of the House, at least, felt after talking to them, that it would be a mistake to pursue that line because it would operate against the very incentive they were trying to produce.

Senator BYRD. They would be in a better position to budget their resources?

General BENADE. Yes, sir, very much.

Senator BYRD. Would a retention bonus system similar to that used for the retention of submarine officers be more effective for aviation officers than this proposal?

General BENADE. In this case, Mr. Chairman, we think not. The reason is one of cost. The size of the aviation community is more than 40 times the size of the nuclear submarine force. This is the group that presently gets a bonus. In terms of cost, Mr. Chairman, it would add a minimum of \$80 to \$90 million annually to the present flight pay budget, just because of the numbers of people involved. And, of course, we are trying in this proposal to stay within the present level of the budget for flight pay.

Senator BYRD. To get to the "gates" system, and to be sure I have an understanding of it, as I understand the proposed law correctly, an officer could fail to meet the 12-year "gates" requirement for continuous aviation pay, but could then qualify for a continuous pay at the 18th year "gate" if he accumulates the required operational flying time before the 18 years screening point, is that correct?

General BENADE. That is correct, Mr. Chairman. I might say this with respect to the bill: We find, on closer study with the benefit of counsel, that it is not as precise or clear on that point as it should be, and it is for that reason that we have some technical amendments to suggest to the bill; nothing that changes the substance, but purely technical amendments to clarify language. The point that you raised is one of the sections that would be clarified, sir.

Senator BYRD. In clarifying that, does that change the cost?

General BENADE. No sir.

Might I make a comment on that, sir. I would like to do better, I think, than I have done so far in explaining the cost. I think perhaps

one measure of the relative costs of these systems, Mr. Chairman, might be to tell you that under the present system an officer who enters into an aviation career, and who stays in it under the present system, and who is promoted in due course; that is, he is not promoted ahead of or behind his contemporaries; it can be shown, Mr. Chairman, that he will earn about \$75,000 over the course of a 30-year career. That is under the present system. The effect of this new bill, Mr. Chairman, will be that over the 25-year career which would now be the career limit, he would earn about \$62,000 in flight pay, or about \$13,000 less over a career than is true under the present system.

There is one other interesting aspect. When section 715 was enacted, with its precipitous termination of flight pay for officers in grade of O-6 and above, the effects of that over the course of an entire career would be to reduce total flight pay to about \$51,000. So it is interesting to note, then, Mr. Chairman, these three things. Compared to the present system, without section 715, this bill would pay about \$13,000 less over a career. But it would pay more of it down at the front end where retention is critical. As compared, however, to the effects of section 715, if that were to stay in the law on a permanent basis, this bill is more liberal because a man will earn about \$62,000 over a career under it, but only about \$51,000 under the present system with section 715 operating. I think that illustrates, perhaps better than any other figures I could use, that this bill would be cheaper over the long term than the flight pay system that was in existence before section 715 or is in existence today.

Senator BYRD. Hasn't flight pay historically been a part of the hazardous-duty section of the United States Code?

General BENADE. Yes, sir, it has been. But I think it has been a mistake to put it there, because there has never been an attempt to relate the rates paid for flight pay to the degree of hazard being experienced. This was true before 1949 as well. The flight pay system prior to 1949 even purported to be related to the degree of hazard.

Senator BYRD. Senator Goldwater just mentioned hazardous pay in his comments.

General BENADE. There is no question, Mr. Chairman, that an aviation career is more hazardous than other occupations, but this bill is designed simply as a career incentive. It is not an attempt to relate to the degree of hazard, it is simply an additional sum of money over a period of time designed to attract and retain people for a career in aviation, which is recognized as being hazardous. But it is not an attempt to relate it to any degree of hazard, sir.

Senator BYRD. The House of Representatives renamed the flight pay as incentive pay. This, therefore, removed flight pay from the hazardous-duty section of the law, and placed it under the special-pay section. Which do you think most accurately characterizes flight pay, hazardous duty or incentive pay?

General BENADE. I think incentive pay, sir. I think the action by the House was a distinct improvement over the Defense bill and a step forward. We had used the same rationale I just gave you in presenting the Defense bill to the House, sir. But as I say, the House, recognizing the rationale, accepted it, but then said: If it is not hazard, let's not call it hazard, let's call it what it is. Special pay is an incentive to enter upon and remain on an aviation career, and we will make it a separate section.

Senator BYRD. Your case basically is based on the fact that flight pay has been a basic part of an officer's compensation?

General BENADE. We think it is a lot more than that, Mr. Chairman. We think that a pay differential, which is what this flight pay is, is necessary to attract and retain young men—and perhaps young women nowadays—of the qualifications required. We think a pay differential is required.

Senator BYRD. Isn't the main thrust of your case that flight pay has been promised over the years?

General BENADE. This is with respect to the "saved pay" provision, Mr. Chairman. We feel that it was a breach of faith to precipitously terminate flight pay for the colonels and Navy captains and above. But our argument for flight pay as a system is for its effects on retention, because a pay differential is needed to recognize the extraordinary qualifications we require and the tremendous investment that the Government makes in these individuals.

Senator BYRD. You do not regard it as hazardous duty?

General BENADE. I definitely do regard it as hazardous duty, sir. As I indicated before, over the course of a lifetime there is no question that aviation is a more hazardous occupation than others. But we are not trying to compensate for the hazard itself. We feel that is an impossible task.

Senator BYRD. That was the original intent, was it not?

General BENADE. No, sir. Beginning in 1949, as I said, the Hook Commission recognized that you cannot really pay for the hazard.

Senator BYRD. The hazard was the reason prior to 1949?

General BENADE. Prior to 1949, sir. But the Hook Commission said, and I think quite properly, that that was a mistake.

I will tell you why I agree with that, Mr. Chairman. For the man who was killed in an airplane crash, you cannot pay him or his family enough to compensate for his death.

Senator BYRD. That is true of anything.

General BENADE. Yes, sir. But with respect to the man who doesn't suffer death or a disabling accident, he would be compensated, then, for something that never did happen. There used to be a theory that perhaps aviators ought to use the extra money to buy hazardous insurance in larger amounts, and so on. That is a choice we think should rest with the individual. But we don't think that the services can properly compensate and relate this to degree of hazard.

Senator BYRD. The Senate is having another vote. This is the final passage of the pending legislation.

[A short recess was taken.]

Senator BYRD. The subcommittee will come to order. As I understand it, then, you would regard flight pay as a bonus?

General BENADE. I regard it, Mr. Chairman, as a pay differential which is necessary to attract and retain young men and women of the caliber required in a career in aviation.

Senator BYRD. If flight pay was originally rationalized as hazardous duty pay, then isn't this change to the incentive pay section of the law designed to avoid the criticism that hazardous duty pay was being spent on those not actually engaged in hazardous duty?

General BENADE. Yes, sir. Certainly I hope it will clarify the purpose of flight pay. I think many of our critics, Mr. Chairman, have misunderstood the purpose of the pay, and I think much of the

criticism of paying flight pay to individuals not flying was based on a concept that they ought to get it only when they were exposed to the hazard, whereas it has been our contention, without exception since 1949, that it was paid to encourage applicants to enter and remain in a career in aviation, and it was not intended to compensate for hazard.

Senator BYRD. Is this legislation necessary for the recruiting of new aviators?

General BENADE. Not so much for recruitment as for retention, Mr. Chairman. We think our present attraction is adequate, and we are getting sufficient numbers of qualified applicants. And as was indicated by the service representatives earlier, it is the retention of junior aviators, after they have completed their obligated period of service, where we are falling short. And, again, I would like to emphasize, Mr. Chairman, that we are trying to utilize this flight pay money as wisely as we can. Because we are not suffering with respect to initial attraction is the reason why we have proposed no increase in the present rates for the first 6 years.

Senator BYRD. Do the services have a recruiting problem today?

General BENADE. I don't believe they have a recruiting problem, sir. But certainly the service witnesses should speak to that.

General TALLMAN. Within the Air Force, with respect to recruiting aviators, which, I believe, is the thrust of your question, it is true that the Air Force has not had a problem attracting aviator candidates in the past. However, I don't think we have been in the all-volunteer business long enough to tell you absolutely 100 percent that we are not going to have a problem downstream. We don't envision we would be at the present time—but if in the all-volunteer environment our supply of aviator candidates starts to dwindle, it is conceivable that some time downstream we might have to ask for some assistance in this regard.

Senator BYRD. What sort of assistance?

General TALLMAN. In other words, we have not adjusted the pay rates in the first 6 years because we have had no problem attracting people to aviation.

Senator BYRD. The compensation has been adjusted seven times in 6 years.

General TALLMAN. The basic compensation; but we did not adjust the flight pay compensation paid in the first 6 years.

Senator BYRD. But you think you may have to request an adjustment in flight pay now?

General TALLMAN. I think it is possible that downstream if we get into the problem of attracting aviator candidates that we might have to have some assistance. I don't know what it will be.

Senator BYRD. But you don't have any recruiting problem right now?

General TALLMAN. Not now.

Senator BYRD. And you don't foresee any?

General TALLMAN. No, sir.

Senator BYRD. What about the Navy?

Admiral FLANAGAN. We are guardedly optimistic about it, Senator. Earlier this year we did have a problem. I might explain that in this way. We did have a problem of meeting the numbers for the pilot training rate that we had for the force projected at that time. Because of the reduced requirements in the post-Vietnam era here, those

requirements have decreased, which in turn has reduced some of our pilot training requirements. Therefore, we are now able to meet our pilot training requirements. I would not like to leave the impression, however, that we would not have a problem recruiting should these requirements substantially increase. It is a tough recruiting market, because you must have a very high quality individual to go into this training, and there is a lot of competition with industry and other sectors of the American economy. But, as of the present time, we are guardedly optimistic about meeting our requirements in recruiting.

Senator BYRD. You are having no problems in meeting your requirements now?

Admiral FLANAGAN. Not at this present time, sir.

Senator BYRD. Do you foresee any for the next couple of years?

Admiral FLANAGAN. Again, we are guardedly optimistic about the next couple of years. But I emphasize the "guardedly," sir.

Senator BYRD. General BENADE, what is your estimate of the number of aviators who will fail to meet the 12- and 18-year "gates" of the House bill?

General BENADE. I have some figures on that. We have them also in the committee print, if I might refer to it, sir.

Let me direct your attention to page VIII of the committee print.

Senator BYRD. First, how do they fail to meet it? What does that mean?

General BENADE. Under the bill as it was passed by the House, Mr. Chairman, the requirement is that after the 12 years of aviation service point the services would examine the individual. He must have spent at least 6 years out of these 12, including flight training, to qualify for continuous flight pay, 6 years out of the first 12.

Senator BYRD. Let me see if I understand it. In other words, he could fly for 6 or 6½ years, and if he didn't fly for the next 5½ years, he would still qualify?

General BENADE. He would still receive continuous flight pay; that is correct, sir.

Then at the 18-years-of-service point he would be examined again. At the 18-years-of-service point it would have been necessary for him to have spent 11 years out of the 18 years in operational flying positions. If he has done that then he would continue to be eligible for continuous flight pay until the completion of his 25th year of officer service. If he has not had 11 years out of 18 in operational flying, but if he has had 9 or 10 years, he would continue to be entitled to continuous flight pay through 22 years of officer service.

One thing is important also, Senator. These individuals who have failed to meet the stated standards would still receive flight pay, of course, if they were actually in a flying job and flying. The "gates" pertain to eligibility to receive flight pay on a continuous basis without regard to their assignment at that particular time.

Senator BYRD. To get back to the estimate of how many would fail to meet it in each of these categories, how do you estimate it?

General BENADE. It is estimated by taking a point in time, sir, and examining the actual number of years spent in actual operational flying assignments by individuals in the present force. But if you would note on page VIII of the committee print, Mr. Chairman, at the 12-year gate you can see that in the Army about 32 percent are estimated to fail at the 12-year gate, that is, they will not have spent a full 6 years in operational flying assignments. In the Navy, about 8

percent. We think that all of the Marine Corps aviators would meet the first gate. In the Air Force, we expect all but about 1 percent would meet the gate.

At the 18-year gate, which is the right-hand side of the column, you can see that on the 12 years we expect about 98 to as much as 100 percent of the Army commissioned officers would not have had that much operational flying time. In the Navy about 72 percent would not have had that much flying time; in the Marine Corps, only about 4 percent; and in the Air Force, about 25 percent. So you can see that this will be significant numbers who will not meet those standards.

Senator BYRD. Is it correct that for the Navy at 12 years, 72 percent would not meet it?

Admiral FLANAGAN. If they had to have attained 12 out of 18 years in operational flying assignments, only 28 percent would have accomplished that, 72 would not have.

Senator BYRD. The bill calls for 11 years, does it not?

Admiral FLANAGAN. It has in effect two standards, 9 years and 11 years; 9 years to qualify for 22 years of continuous aviation pay and 11 years to qualify for the full 25 years of the bill.

Senator BYRD. So about half of the 49 percent would not qualify?

Admiral FLANAGAN. Based on our historical averages; yes, sir.

Senator BYRD. And about 10 percent of the Air Force wouldn't?

General TALLMAN. That is correct, sir.

General BENADE. If I might, Mr. Chairman, I was saying 12 years here, I should have used the 11 years, because that is what the bill requires.

Senator BYRD. The bill requires 11 of 18 at the 18-year gate?

General BENADE. Yes, sir.

Senator BYRD. It requires 6 of 12 at the 12-year gate?

General BENADE. Yes, sir.

Senator BYRD. Your statement says that some aviators below the rank of colonel will receive less aviation pay under the proposed bill than they now receive under the present law. Why would that be? Who are those particular people?

General BENADE. They would be lieutenant colonels and Navy commanders, Mr. Chairman, and some majors and Navy lieutenant commanders. Specifically, Mr. Chairman, almost 56 percent of the commanders and lieutenant colonels would have a reduction in flight pay, and about 5 percent of the majors. In terms of numbers, that would translate to about 7,700 in the O-5 grade, and about 800 in the O-4 grade.

Senator BYRD. What percent of those would receive less?

General BENADE. About 55 percent of the commanders; that is, officers in the grade of O-5.

Senator BYRD. Fifty-five percent of the commanders and the majors?

General BENADE. About 55 percent of the lieutenant colonels.

Senator BYRD. About 5 percent of the majors?

General BENADE. Yes; 5 percent of the majors and Navy lieutenant commanders would receive less flight pay under the bill than they do under the present system.

Senator BYRD. Is that desirable, Admiral?

Admiral FLANAGAN. Considering the overall effect of the bill, it is again another manifestation of front-loading. We do recognize that

at the 18th-year, which is the time aviation pay begins to decrement, that there is a less intensified utilization of these officers in cockpit flying jobs.

Senator BYRD. They will be beyond the commander grade at that point, won't they?

Admiral FLANAGAN. No sir. They normally will be in the commander grade until about their 20th or their 21st year of service, sir.

It will be about a 2-year period of time there in the senior command grade when the pay starts its decrement.

Senator BYRD. It is 55 percent of the commanders and lieutenant colonels, correct?

Admiral FLANAGAN. Yes sir.

Senator BYRD. And 5 percent of the majors and lieutenant commanders?

Admiral FLANAGAN. Yes sir.

General BENADE. In the case of the majors, you might wonder how they would be involved, Mr. Chairman. There are not many, but there are some officers who enter into aviation after they have been in service for some several years. So they may have as much as 18 years of service total for pay purposes, but they have been aviators for a lesser period than that. Under the bill before the committee, as you recall, Mr. Chairman, you have a step down beginning at the 18th year of officer service point. And it is based on total commissioned service. So this is what explains it, the rates beginning with the 18-year under this bill are less than the current system, which is a flat \$240 on out for majors.

The stepdown is not much, but it is a reduction. We did wish to emphasize it to the committee, sir.

Senator BYRD. How does the Department of Defense determine its requirements for aviators?

General BENADE. There is a very elaborate methodology, Mr. Chairman. I would be glad to try to answer it, but perhaps the service representatives who are more experienced in that aspect would like to address it.

Senator BYRD. Suppose we ask the service experts to do it.

General TALLMAN. Sir, within the Air Force we determine our requirements based upon the scenario that is laid out in the planning and programing guidance. And we determine our requirements over a period of time, over a 5-year period of time as opposed to 1 year.

The requirements within the Air Force are determined in this way. We have the core requirements and supplement requirements. The core requirements consist of those that are directly related to the number of airplanes we are flying. The core is divided into three categories—force, training, and supervision. The force is comprised of those individuals in flying squadrons. The training is comprised of student aviators and the instructors necessary to teach them. The supervision category is comprised of supervisors at all levels of command.

And then we have what is called the wartime supplement. These are requirements that recognize the fact that if the contingency starts up tomorrow, we can't produce instant pilots. So we have to reach into the behind-the-line jobs and pull out some of the aviators who are in those jobs in order to satisfy the wartime requirements.

Senator BYRD. And the Navy is basically the same?

Admiral FLANAGAN. Yes, sir.

And I might add, sir, that these requirements are essentially determined by OSD in conjunction with the services. And these are the force level requirements that the Congress approves, the number of squadrons, and these sort of things. And we meet those approved requirements.

Senator BYRD. Thank you, sir.

General, could you contrast for the committee the effects on colonels and generals of H.R. 12670 as compared with the existing law, including the operations of section 715 and the existing law without the operations of section 715?

General BENADE. Yes, sir. The effect on flag and general officers, Mr. Chairman, is that this bill would be less favorable. The reason for that is that since under this bill flight pay terminates for everyone at the end of 25 years, and most flag and general officers have more than 25 years of service, they will lose flight pay under this bill, except for this "saved pay" provision.

Senator BYRD. Except for 3 years?

General BENADE. Except for 3 years, yes, sir.

Senator BYRD. Will it affect those with more than 28 years?

General BENADE. Anyone, regardless of length of service, sir, if they are otherwise eligible for flight pay would receive it for 3 years through this "saved pay" provision. I am talking long term, the permanent system. The "saved pay" is really a temporary feature that phases out after 3 years.

Senator BYRD. Let me see if I fully understand it. Under the "saved pay", then, everyone under active duty now drawing flight pay would continue to draw flight pay for 3 years?

General BENADE. Yes, sir.

Senator BYRD. Regardless of age, the length of service or anything else?

General BENADE. That is right—well, at different rates. For flag and general officers the present rates are \$160 for the brigadier generals and rear admirals, the lower half, and it is \$165 for major generals and rear admirals, upper half. Those rates continue to be the "saved pay" rates.

Senator BYRD. You mean the new rate will be the "saved pay" rates, not the existing rates?

General BENADE. Under the new bill flag and general officers are still limited to the maximum rate that was permitted under existing law.

Senator BYRD. The maximum rate under existing law is \$245, isn't it?

General BENADE. No. I should have mentioned earlier that it is \$245 except for flag and general officers. Some years ago, they were reduced from 50 percent of basic pay to the present level of \$160 for brigadier generals and \$165 for major generals. If I had to reach way back in my memory, I would say 1949 would have been the time when that happened.

Senator BYRD. So they will continue at that same rate?

General BENADE. They will continue at that same rate, sir, but as I say, the "saved pay" provision is purely a temporary thing which phases out of the law after 3 years. Thereafter, sir, flag and general officers with more than 25 years of service, just as is true of all others,

would no longer receive flight pay even though they might be in operational flying positions.

Senator BYRD. As a practical matter, very few in that rank would be in operational flying?

General BENADE. Not very many, sir.

With respect to colonels, which was the second part of your question, Mr. Chairman, colonels, O-6's would probably make out worse under section 715, in that under this bill, because the complete termination of flight pay for all people after 25 years, even those who are in operational flying positions, would affect only about one-third of the colonels. Under section 715, on the other hand, all those who are in operational positions could continue to receive flight pay, but that presently accounts for only about one-quarter of the colonels.

Senator BYRD. How does the system proposed by H.R. 12670 for aviation career and incentive pay relate to your proposed new nondisability retirement reform?

General BENADE. They complement each other very well, Mr. Chairman. There definitely would be no conflict. The retirement reform proposal, which is presently in the Congress waiting consideration, has no features in it that conflict with this.

I think there are several points that I might make. First, of course, flight pay is not used in computation of retirement pay at all, either under the present system or under this bill.

Second, the retirement revision proposal that has been submitted to the Congress does contain a provision for separation payments for people who are separated short of retirement, and have completed certain minimum lengths of service. But there is no intention on the part of the Department of Defense or of the services to separate aviators short of retirement. So there would be no conflict there.

I would like to back off just a minute. When I say not to separate aviators short of retirement I don't mean to say that can be done 100 percent in all cases. But certainly there is no intention to have large scale involuntary separation of rated personnel.

I think also, Mr. Chairman, they complement each other in this sense. Under the revised retirement proposal, there would be a modest improvement in the incentive for remaining in service beyond 25 years by an adjustment of the retirement multiplier. So here you have flight pay terminating at that year, but there is an incentive under the retirement provision to stay on beyond 25 years in order to attain a better retirement basis.

Senator BYRD. Perhaps each of the service representatives might answer this. What changes would the services anticipate in the management of their rated inventories in the House bill with the "gates" feature enacted into law?

Admiral FLANAGAN. Mr. Chairman, obviously we are going to have to manage the assignment of these personnel with this requirement in mind, more so than we have in the past. I don't mean to say that we have been remiss, because I think on the average we have seen a good return for our investment in the flight training. But there have been some exceptions, and we have been rightfully criticized for this. However, we would intend and are presently setting in motion the machinery to examine all of the present inventory and the amount of operational flying that each individual has conducted to qualify

for these gates. And in anticipation of passage of this bill, that will be done early this summer. It probably will start next month and will simply mean that we have to have more intensive management of the inventory to utilize them in the cockpits. That is the objective of the gates feature of the bill and we certainly agree. At the same time we will necessarily have to utilize people who have the background and the experience of flying in other jobs, in staff jobs, and in the case of the Navy, the peculiar requirement of shipboard jobs, the air officers, and the flight deck officers. These are the positions that require, indeed must have aviation experience to carry out these assignments.

So it will mean a bit tougher job for us in the way of assignments, but with the gates this additional management will necessarily have to follow.

Senator BYRD. I assume the Air Force is about the same situation?

General TALLMAN. Essentially the same, yes.

Senator BYRD. Could you compare the lifetime flight pay earnings of both a commissioned officer and a warrant officer under the proposed legislation as opposed to the existing system of flight pay?

General BENADE. Yes, sir. Under the present system if we forget for the moment about section 715, Mr. Chairman, an officer over a 30-year career would receive about \$75,000 in flight pay. Under this bill he would receive about \$62,000 over a lifetime in flight pay, or about \$13,000 less. Now, in that comparison, H.R. 12670 will pay less money and is thus less favorable. And as I said before, Mr. Chairman, that is one of the reasons why I said earlier that this bill, long range, will cost less than the present system.

On the other hand, Mr. Chairman, if you look at the present system and take into account section 715 and say, what would happen if just indefinitely you had to live with section 715, section 715 has the effect of reducing lifetime earnings as compared to the present system down to \$51,000, or a difference, in other words, of about \$24,000 over the course of the years.

Senator BYRD. About a third of the total of \$75,000.

General BENADE. Well, \$51,000 as compared to \$75,000.

This bill, then, in comparison to what would happen if you kept section 715 and didn't do anything else, is more liberal than that. So it is something in between.

Senator BYRD. And the warrant officer?

General BENADE. The warrant officer does much better under this new bill, sir, because under the existing system a warrant officer over the course of a lifetime makes about \$51,000. Under the new bill he would make \$65,000 over the course of a 30-year career.

Senator BYRD. And that applies mostly to the Army?

General BENADE. Yes sir.

Senator BYRD. Why were the warrant officer pay rates after the sixth year of aviation service increased to \$200 from the Defense proposal of \$165?

General BENADE. I believe the House committee increased it on the ground largely of equity, Mr. Chairman. We did not propose it. But the committee, in examining the very flight-intensive cockpit utilization of warrant officers, apparently was much impressed. I think they were also impressed with the tremendous job that the warrant officers did throughout the Vietnam conflict.

I think they raised warrant officer flight pay rates largely as a matter of equity.

Senator BYRD. Aren't warrant officers entitled to the "saved pay" provisions?

General BENADE. Yes sir, they are. But there would be very few of them, sir, with over 12 years of service that would be affected; in fact, our best calculations show that fewer than 50 warrant officers with over 12 years service would be in a "saved pay" category.

Senator BYRD. Why aren't enlisted aircrew members included under a system similar to that proposed for officers?

General BENADE. Several reasons, Mr. Chairman. First, we do not have a problem of attraction and retention with enlisted aircrew personnel. They are not retained for a career in aviation the way the commissioned officers and warrant officers are. But in any event, Mr. Chairman, if we were to have a retention problem with enlisted aircrew members, we have other mechanisms available to us, primarily the enlistment and reenlistment bonuses that the Congress has provided us with, and we would use reenlistment bonuses to attract them.

Senator BYRD. Don't they get flight pay now?

General BENADE. They get flight pay when they are actually flying, sir. Their rates, as I recall, range up to \$105 a month for an E-7 with over 12 years of service when they are actually flying. And they would continue to receive that.

Senator BYRD. So an enlisted man, when he is on flying duty, would receive flight pay, but then if he is transferred to another post where there is no operational flying, then he does not receive it?

General BENADE. That is right. He receives flight pay on the basis of being a crewmember, Mr. Chairman. There is a different scale altogether. It is also geared to grade and length of service, and it ranges from a low of \$50 to a high of \$105 a month.

Senator BYRD. So he may be getting it one month, but not getting it 2 months later?

General BENADE. It is possible, yes, sir.

Senator BYRD. How many enlisted pilots do we have?

General TALLMAN. None in the Air Force.

Admiral FLANAGAN. We used to have them, but we no longer have them.

General PUTNAM. The Army has none.

Senator BYRD. The Marines?

Colonel SIMMONS. We have phased them out.

Senator BYRD. How about the Coast Guard?

Admiral FLANAGAN. I cannot speak for it. I might say we had some very fine enlisted pilots, but it was determined to phase them out. Many of them were promoted to commissioned status.

General PUTNAM. Our warrant officer candidates are enlisted men while they are in flight school; upon completion of flight school they are appointed as warrant officers.

Senator BYRD. Senator Goldwater has urged the committee to report the bill without change. Is that the view of the Defense Department and the various Services?

General BENADE. Yes, Mr. Chairman, subject only to the technical modifications that I mentioned. These are intended to be purely clarifying in language and not to change anything substantive in the bill.

Senator BYRD. There would be no substantive change by that and no additional costs involved?

General BENADE. No, sir. They are simply intended to clarify. And here and there they correct grammatical mistakes made in the draft bill, things of that kind.

Senator BYRD. The following questions have been prepared by Senator Tower, and I would ask that they be inserted at this point and that the answers be provided for the record.

*Question.* Is it a correct observation of this bill to say that after an aviator receives his aeronautical rating he will receive flight pay whether he flies or not for the next 12 years?

Answer. No, such a contingency is prohibited by numerous regulations of the Department of Defense. For example, the Air Force requires that graduate pilots and navigators be assigned to primary air crew duty—that is, cockpit duty—for five consecutive years upon completion of their training. Navy and Marine Corps in this regard is that assignment to duty involving operational flying is considered automatic upon initial designation as a flying officer. In addition, junior officer aviators who are assigned to staff positions following their initial operational tour are generally assigned to proficiency flying in expectation of return to operational flying assignments following their staff tour.

The figures bear this out. If I could direct your attention to page VII of the Committee Print, you will see that the percentage of officers assigned to operational flying duty, on a Defense-wide basis, run as follows: O-1s, 98%; O-2s, 95%; and O-3s, 75%. Those grades encompass the first 12 years you mention.

Finally, should an officer in this time period not perform substantial operational flying duty, regulations require that he be removed from his rated status.

*Question.* What annual flying proficiency standards and requirements do the Services intend to impose?

Answer. The existing ones are adequate. These standards presently require that an officer must fly from 100 to 80 hours per year, as a minimum, in order to maintain his rated status.

These standards are in addition to the normal physical standards and annual examinations. The latter are both written and actual check-flights, including mandatory night flights, instrument flights and tactical flights.

Therefore, I doubt that additional standards would be required.

*Question.* How will each of the Services "manage" assignments to rated positions to insure each rated officer meets the operational service requirement at each gate?

Answer. I will give you a general answer, because the various specific measures will have to be taken by the separate services. I would expect an evening out of flying utilization in the first 18 years of the aviation inventory so as to ensure that a maximum number of aviators meet the "gates". The bill provides a direct incentive to do this, and I am confident that each service will ensure that as many aviators meet the standards as possible.

However, I must repeat what I said in my opening statement about the sensitivity of these utilization patterns to the requirements process. Should requirements for operational flying decrease, then it will be more difficult to ensure that all aviators meet the proposed "gate" standards, but if requirements for operational flying increase, then the aviators in the inventory will have to be used in flying assignments on a more intensive basis than that proposed by the "gates".

*Question.* Does this pose an especially difficult problem for the Army?

Answer. From information provided by the Army, it appears that administration will be difficult due primarily to the large number of officers involved and the requirement to utilize each aviator in operational flying positions for six of the first twelve and a minimum of nine of the first eighteen years of his aviation service to insure that the Army retains sufficient qualified aviators to meet requirements. Constant alignment of operational flying positions with aviator assets will be required to insure that all aviators are properly utilized and perform sufficient operational flying service to meet gate requirements.

*Question.* How many operational flying billets does the Army have? Based on that figure, what percentage of newly rated officers, assuming the bill was in effect today, would meet the six-year operational service requirement at the 12-year gate? In other words, are there enough operational flying billets available in the Army to qualify all aviators? If not, how would the bill need to be modified?

*Answer.* The Army will have 9,236 operational flying positions in FY 75 of which approximately 4,000 are commissioned aviator positions. The Army anticipates that newly rated aviators (rated since 1972) can be effectively managed to insure that the required numbers qualify at the twelve year gate. This is based on the assumption that the Army aviation structure will not change significantly in the near future and the inventory of aviation assets is kept in balance with operational flying positions.

*Question.* Why is the \$245 month flight pay figure carried through the 18th year? Is there some special reason the maximum flight pay is paid from the 6th through the 18th years? Was this the Defense proposal?

*Answer.* Yes, this was the Defense proposal. The reason that the high rate of \$24(/month begins at the completion of the sixth year of aviation service is to improve the retention of very expensive aviators. The reason that rate is carried on through the 18th year of service is twofold: first, it concentrates maximum incentive pay during the period when economic competition for our aviators from other employers, such as the air lines, is most intense; and second, it concentrates maximum incentive pay in the period that is most flight-intensive and retention critical.

*Question.* For those colonels and above who lost flight pay the bill proposes a three-year period where they will receive the \$165 monthly rate. Why was a three-year period selected and was this in the Defense proposal?

What would it cost to pay these people for the same time period but at the rate they were receiving at the time of the cutoff?

*Answer.* The three-year period was in the Defense proposal, and selected primarily because it provided ample notice to the aviators affected adversely to readjust their financial affairs. Moreover, this three-year period coincides roughly with the duration of a typical assignment, and hence should guarantee that an aviator can complete his current assignment without an abrupt termination of pay.

On the cost, I assume you mean the amounts they were getting prior to denial of pay to some of these personnel through section 715. In that case, the additional cost per year would be about \$8 million.

*Question.* When an aviator fails to meet a gate requirement and subsequently is given flight pay only when he flies, what sort of flying time requirements, if any, must be completed?

*Answer.* If he is performing flying duty, he must meet the service standards for a rated officer, which as I mentioned previously presently range from 100 to 80 hours per year.

*Question.* If I correctly understand the House bill, an aviator who fails to meet a gate requirement can continue to receive flight pay as long as he flies each month. If that is correct, it means that an aviator in this category with a little extra effort can continue to draw flight pay through the 25th year. Is that correct?

If it is, then aren't we creating a group of aviators who will be "flying for pay" only? How will the Services control this?

*Answer.* In principle, it is correct that an officer could fail to meet the standards of the 18th year gate and subsequently could be assigned to flying duties through his 25th year. In practice, however, that would be extremely difficult, if not impossible, on any large scale. If I could direct your attention to page VII of the Committee Print, you will see that there are just over 8,000 operational and proficiency flying billets available for a population of over 20,500. More specifically, officers of the grade O-6 and above are prohibited from proficiency flying, so for this population of over 6,000 you find only 1,500 operational flying billets available. These proportions suggest that the contingency you mention would be very rare, and the controls imposed by the billets available would preclude any large number of individuals from following this course.

*Question.* How many officers with 25 years or more service as defined by this bill flew combat missions in Vietnam? Under the provisions of this bill, is it correct that they would not have received flight pay? Was the Defense proposal structured in that manner?

*Answer.* Unfortunately, the number of aviators with over 25 years of officer service who flew combat missions in Vietnam is not readily available. However, regardless of the number, it is true that under the bill they would not have received flight pay, and this was included in the Defense proposal.

*Question.* What is your cost estimate to pay all aviators rated over 25 years, as defined by the bill, on a "when fly" basis?

*Answer.* Approximately \$6 million annually.

Senator BYRD. The committee will make a part of the record a letter that we received from an enlisted pilot and one from the Non-Commissioned Officers Association.

[The letters follow:]

COAST GUARD AIR STATION,  
Elizabeth City, N.C., April 19, 1974.

HON. HARRY F. BYRD, Jr.,  
Senator of Virginia.

DEAR SENATOR: The material I have enclosed about says everything on the subject of flight pay and pro pay.

I was interested in my daughter going into the U.S. Coast Guard, but having seen the way I have been treated she said no way. However I did convince her to go into the U.S. Army. They gave her a commission when she signed up. She completed WAC training and Signal Corps training. She was selected as WAC of the month and Leader Lovely at Ft. Jackson, S.C. Also about two months ago she was selected as Aide to General Richard Hixon at Ft. Jackson.

I checked the flight time for the pilots here the past year and the officers averaged 389 hours and I flew 631 hours. Also I have as much work to do on the ground as the average officer and most of them have enlisted personnel to help them with their job, which if I get a job to do I have to do it all by myself.

I had the pleasure to talk to Mr. David Fiske on the telephone and he certainly must be a wonderful assistant to have working for you.

I have spent about 33 years in the Coast Guard and I am proud of it. During this time I have spent 5 years on Navy bases and 5 years on Air Force Bases, and I still think the Coast Guard is the best military service. It also does more with the money for the amount it gets than the other services.

One of the hardest questions I am ever called on to answer is from my four children is how come you never get promoted when your co-pilots do.

Thanking you in advance for what assistance you can help enlisted pilots.

Very truly yours,

JOHN PERSHING GREATHOUSE, ADCMAP.

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NONCOMMISSIONED OFFICERS ASSOCIATION  
OF THE UNITED STATES OF AMERICA,  
Washington, D.C., April 8, 1974.

HON. HARRY F. BYRD, Jr.,  
Chairman, Subcommittee on General Legislation, Senate Committee on Armed Services,  
Russell Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: It is our understanding that your distinguished Subcommittee will soon open hearings on H.R. 12670, "The Aviation Career Incentive Act of 1974."

The Non Commissioned Officers Association of the USA (NCOA) would welcome the opportunity to testify on the issue before the Subcommittee; however, its 13th Annual International Convention will be conducted April 15-19, 1974 at San Antonio, Texas. Consequently the Association's legislative representatives will be at that site during the period April 9-22, 1974.

Since this may preclude their appearance, may we impose upon your kind permission to request that the attached "position paper" be included in the record for consideration by the Subcommittee.

With your continued support of the NCOA and the Noncommissioned and Petty Officers Corps of the U.S. Armed Forces, we extend our best wishes with grateful acknowledgement.

Respectfully yours,

"MACK" MCKINNEY,  
Director of Legislative Affairs.

THE NON-COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA—POSITION ON H.R. 12670, 93RD CONGRESS, "THE AVIATION CAREER INCENTIVE ACT OF 1974"

A BILL To amend Section 301 of title 37, United States Code, relating to incentive pay, to attract and retain volunteers for aviation crew member duties, and for other purposes

PURPOSE OF BILL

To restructure the flight-pay system of the Armed Forces so as to achieve a more equitable distribution of flight pay and increase the ability of the Armed Forces to attract and retain officer aviator crewmembers.

BACKGROUND

Originally the Department of Defense (DOD) petitioned Congress to introduce legislation that would "amend section 301 of title 37, United States Code, relating to incentive pay, to attract and retain volunteers for aviation crewmember duties, and for other purposes."

Subsequently the proposal was introduced in the House of Representatives as H.R. 8593. Later it was restructured by the House Subcommittee, reintroduced and numbered H.R. 12670.

During the first three days of scheduled hearings before the Subcommittee of the House Committee on Armed Services (HASC), chaired by the Honorable Samuel S. Stratton, M.C., the line of questioning directed to witnesses by Subcommittee members related only to officer personnel.

Consequently the NCOA Director of Legislative Affairs forwarded a letter to the Chairman requesting that the Subcommittee consider the following recommendations:

1. That incentive pay for aircrew members be based on assignment of duties and the scope of responsibility rather than pay grades; and
2. Provide that any aircrew member shall continue entitlement to monthly incentive pay if he or she participates in aerial flights at least four times in one calendar month, or eight times during any two consecutive calendar months, or 12 times during any three consecutive calendar months.

It is believed that because of the NCOA letter dated July 26, 1973, copies of which were supplied to members of the Subcommittee, the Honorable Mendel J. Davis, M.C. made the first inquiry concerning enlisted members during one of the earliest hearings following receipt of the letter.

Querried witnesses were unable to supply any thoughts in this area until a DOD witness reappeared before the Subcommittee, and the Air Force Sergeants Association offered its testimony during the final phase of the House hearings.

DOD advised the Subcommittee that the bill did not address itself to the enlisted crewmember. The proposed legislation concerned flight pay for commissioned and warrant officers only.

Offered also in the Subcommittee's Report No. 93-799 were other facts relating to enlisted personnel; (a) enlisted personnel receive incentive pay for hazardous duty under a separate pay scale and on the basis of receiving the incentive pay only when flying, (b) obtaining an adequate number of volunteers for flight duty among enlisted personnel has not been a problem, and their training as regards their flight duties, in most cases, relatively low in cost and shorter in terms of training time than in the case of officer personnel, and (c) enlisted personnel hold a particular specialty, and such additional compensation as may be required because of retention shortages in their specialty is paid through other methods, such as proficiency pay, or enlistment or reenlistment bonuses.

NCOA RECOMMENDATIONS

As noted in the preceding discussion on the bill's background, the NCOA had presented two recommendations. The first was to base incentive pay on assignment of duties and scope of responsibility rather than pay grade.

Seniority in grade is already recognized in the military pay structure; i.e.—“the higher the grade, the higher the pay.” There then is no apparent reason to apply a pay-grade mechanism to incentive pay legislation. Commissioned officer pilots, regardless of pay grade, have no more responsibility toward an assigned mission, nor do they face greater danger than warrant officer or enlisted pilots flying identical or similar aircraft and performing identical or similar duties.

Incentive pay ratings should be attuned to the assignment of duties and the responsibilities involved in the mission of the aircraft. For example; a flight leader has more responsibility resting on his shoulders than that assigned to individual pilots in his flight, a pilot has more responsibility than his co-pilot, and the co-pilot has more responsibility than the flight engineer, who in turn, has greater responsibilities than the remaining crew-members.

The present law, as well as the proposed incentive pay scale recommended in H.R. 12670, does not reflect these responsibilities. A senior commissioned officer can be assigned as a co-pilot to a junior commissioned officer, a warrant officer, or as has happened in the past, to an enlisted pilot, and the senior officer will be entitled to a higher rate of incentive pay.

By the same token, a commissioned officer assigned to such duties as the flight communications/electronics officer or flight medical officer is entitled to a higher pay than the flight engineer (crew captain, or etc.), normally an enlisted member, when the latter is primarily and directly responsible for the aircraft's mechanical performance. Even the pilot cannot accomplish his mission unless the flight engineer has the aircraft ready to fly.

Finally, a commissioned officer can be assigned to “fill-in” as a replacement for certain enlisted billets aboard an aircraft and receive a higher rate of incentive pay than the enlisted member. Their duties, of course, are identical.

The NCOA's second recommendation, “to continue flight entitlement based on a certain number of flights performed in a certain time limit,” was offered to alleviate the sudden termination of flight pay for enlisted personnel. Unlike commissioned and warrant officers the present regulations provide that enlisted members can have their flight pay turned on-and-off at the will of the commander.

#### INCENTIVE PAY

Chairman Stratton pointed out very vividly, during the introduction of H.R. 12670 to the Full Committee of the House, that his Subcommittee had two objectives; (1) to try to obtain a more equitable and less wasteful basis of paying aviation pay, and (2) trying to make certain that the legislation would attract and retain young men in flying aircraft in the services.

He further stated that the Subcommittee could not come up with any system that “might provide equity that at the same time would completely eliminate incentive.” The result was a “gate system” for commissioned officers, and higher rates for warrant officers.

Although the Subcommittee did a commendable job, no changes in incentive pay scales for enlisted aircrew members were recommended; this—in spite of the fact that the Armed Forces have had enlisted pilots during the last three major hostilities involving the United States, and that certain enlisted members have greater responsibilities toward the mission of the aircraft than certain officer personnel.

For example; flight surgeons or other medical officers holding certain qualifications can still draw incentive pay at a higher rate than the enlisted flight engineer (crew captain, etc.) having responsibility for the aircraft's mechanical performance in flight. Flight surgeons or other medical officers have no specific responsibility for the aircraft's performance on the ground or in the air.

#### ENLISTED PILOTS

The Subcommittee did nothing to face the question of enlisted pilots other than to briefly inquire as to their numbers, then dismissing the matter as irrelevant to the issue. Since only one enlisted pilot was then on active duty with the U.S. Armed Forces, the Subcommittee evidently felt that further consideration was of no merit.

The Subcommittee could have, in all fairness, investigated the matter further. The Armed Forces, as noted previously, have utilized enlisted pilots in WW II and the Korean and Vietnam conflicts. They have flown almost all types of aircraft, the same as piloted by commissioned and warrant officers. There is no reason to assume that enlisted pilots will not be used again in future major hostilities.

So why didn't the Subcommittee consider this fact in the same light as it previously considered the question of Aviation Cadets in the amendment to the Dependents Assistance Act of 1950, as amended (Public Law 93-64)? Although presently there are no Aviation Cadets in the Armed Forces, and none are contemplated to be assigned in the near future, the Subcommittee provided for their well-being "just in case."

#### PAY SCALES BASED ON DUTY ASSIGNMENT

In both, his introductory remarks before the Full Committee of the House, and in the Subcommittee's Report No. 93-799, Chairman Stratton made no mention of the NCOA's letter of July 26, 1973. Instead he stated in the former that, "We did not address ourselves to the matter of enlisted personnel flight pay, first of all, because there was no request from the Pentagon. However, we did listen to organizations who wished to testify. The only group solely representing the enlisted people that testified was the Air Force Sergeants Association, and they indicated that they supported the bill."

Chairman Stratton was of course correct. The Pentagon, as usual, failed to recognize the value of the enlisted air-crew member, and further, stuck to its policy of supporting continued beneficial legislation in behalf of its officer personnel while ignoring the enlisted member.

The NCOA letter was not mentioned in the report for it was probably the only one from an all-enlisted organization representing all branches of the U.S. Armed Forces that called for a change in incentive pay-scales for enlisted members. The Air Force Sergeants Association did not present itself to the matter of the disparity between officer and enlisted pay-scales in the proposed legislation. It limited its testimony to the sudden grounding of enlisted air-crew members, per diem payments, and temporary duty assignments.

Nevertheless, certain Subcommittee members did pursue the question of enlisted pay scales and the possible use of duty assignments as a basis for paying incentive pay to flight-crew members. As to the latter, DOD witnesses answered that such a system would be too complicated to create and too difficult to administer. But would it?

DOD, above all other federal departments, has the expertise and the facilities to create a system of equity in incentive pay. It certainly can offer a plan that distinguishes the duties and responsibilities of a pilot over a co-pilot, a co-pilot over a bombardier, and etc.

If DOD can come up with a complicated plan of legislation such as the New Nondisability Military Retirement System, it can certainly tackle the task of designing an equitable incentive pay plan for the Armed Forces based on duties and responsibilities.

As for difficulty in administering such a system, it shouldn't be any more complicated than the military pay system, and the bonuses and allowances scales that are now in effect. If DOD can figure out that an officer performing the same duties as an enlisted member rates a higher pay level (although the opposite is not true), then it certainly can work an acceptable administration of a program that will provide an enlisted flight engineer a higher rate of incentive pay than that received by a flight surgeon.

The NCOA would be most pleased if it could offer a soluable plan, but as it pointed out to Chairman Stratton in the letter of July 26, 1973, the Association did not have the staff nor the time (nor the facilities) to create a recommended pay-scale based on duties and responsibilities.

The task is too huge (as it appeared to be for the Subcommittee), and it can be handled only by a department or organization as large as DOD with its great number of employees, and with the information and machinery available to get the job done.

#### ENLISTED PAY

As noted earlier in the background section of this paper, DOD and the Subcommittee stated that one of the reasons not to revamp enlisted aircrew members' pay-scales was that enlisted personnel were entitled to proficiency pay or enlistment or reenlistment bonuses. Unfortunately such a statement does not clarify the big "IFS" in the end product it should leave with the reader or listener.

For example, all enlisted members do not draw proficiency pay. All enlisted members are not entitled to enlistment bonuses, and most enlisted members draw but a total of \$2,000 over a 20-year period (or (\$100 per year for each year of active duty commitment fulfilled) for reenlistment bonuses.

Furthermore, the statement does not mention a comparison of the "extra" monetary benefits received by a commissioned officer that are not available to enlisted members.

To go even further, the statement made by DOD witnesses and echoed by the Subcommittee's report failed to mention that at almost the same time it was crediting all these "goodies" to the enlisted members the Pentagon and this same Subcommittee were in the process of recommending changes to the present enlisted bonus plan that could do away with pre-pay, and would offer reenlistment bonuses only to enlisted personnel on a selective basis. The new bonus authority would limit all bonuses to be paid to fill critical and shortage skill requirements of the Armed Forces. Initial enlistment bonuses continue also on a selective basis thereby limiting the number of enlisted personnel that would actually be entitled to the bonus.

This new bonus plan has now been passed by the House and Senate and may be, or soon will be enacted into law.

#### TERMINATING FLIGHT PAY

The second recommendation made by the NCOA to the Chairman in its letter of July 26, 1973, was to provide certain provisions for the continuation of flight pay for enlisted crewmembers.

The Subcommittee did concern itself with the problem and instructed DOD to "establish, by regulation, a requirement that enlisted men cannot be involuntarily removed from flight pay with less than 120 days notice."

The action did much to help the issue, but why didn't the Subcommittee have this provision entered into the language of the bill, H.R. 12670?

Members of Congress should be well aware of the history of military regulations. Since they are not legal and binding in the judiciary sense, they are often changed at the will or whim of certain commanders.

To protect the enlisted crewmember, the provision should be a part of the bill.

#### SUMMARY

The regular enlisted member of the U.S. Armed Forces continues to be the "forgotten man." The protections provided in the law for commissioned and warrant officers, and certain other enlisted members, are conspicuously absent for enlisted members of the regular components.

From initial entry into the Armed Forces until retirement, the regular enlisted member is not the beneficiary of any military law dealing with tenure of service, promotions, severance or readjustment pay, or other protective provisions available to other members of the uniformed services.

The Non-Commissioned Officers Association believes it is well past the time for Congress to stop the discriminate practice of continuing its patronage of commissioned officers and commence action to bring certain equities into the military laws as they apply to enlisted members of the U.S. Armed Forces.

Commissioned officers are entitled to higher grades and pay, and to certain allowances and privileges commensurate to those grades. This is only fair and necessary under the military structure. However, responsibility and assignment of duties are not always based on the service members' grades.

This is particularly true when it comes to paying incentive pay (and even hazardous duty pay). Many enlisted members face heavier responsibilities and greater hazards than many commissioned or warrant officers now entitled to higher rates of incentive or hazardous duty pay by virtue of their grades alone.

The fact should be investigated fully and inequities corrected by the Department of Defense and the congressional committees having the responsibility of recommending future legislative proposals to the Full Committees of Congress.

It is not enough to say that the present proposal will be recommended and that corrective action on discriminate practices will come at a later date. Later rarely ever comes around at an early time.

If DOD really wants the incentive pay proposal for air-crew members to be enacted, then it should be instructed by Congress to present an equitable plan for enlisted members at an early date.

#### SUBSEQUENT RECOMMENDATIONS

In view of the action taken by the House of Representatives in regard to H.R. 12670, and acutely aware of the outstanding task accomplished by the HASC Subcommittee in preparing the bill, the NON COMMISSIONED OFFICERS ASSOCIATION of the United States of America (NCOA), the world's largest

military enlisted association representing 160,000-plus Noncommissioned and Petty Officers of the U.S. Armed Forces; on active duty (nearly 80%), in the Reservé or National Guard, retired or in a veterans' status; urges the members of Congress to consider the following recommendations concerning the passage of H.R. 12670:

1. That the bill, H.R. 12670, contain a provision to amend section 301(a)(1) of title 37, United States Code, so that enlisted crew members must receive notice of terminal flight pay at least 120 days in advance of the date final flight pay is due for performing such duties; and,

2. That the Department of Defense be instructed that it will submit to Congress, no later than one year from the date of enactment of H.R. 12670, proposed legislation that will offer a more equitable system for paying Incentive Pay and Hazardous Duty pay to Enlisted Members of the Uniformed Services based on responsibility and duty assignments, and comparable to the pay-scales now in effect for commissioned and warrant officers.

Senator BYRD. Do any of you gentlemen have additional comments you wish to make?

General BENADE. I don't believe so, Mr. Chairman. We certainly appreciate your taking the time today to review H.R. 12670 so thoroughly, particularly in view of your other heavy commitments. But this legislation is extremely important to the Department of Defense and to the individual services, and of course, to the individuals affected, Mr. Chairman. While I would not presume to re-echo Senator Goldwater's comments, sir, certainly to the extent that the Congress would complete its deliberations on this bill, it would be of great help to us in planning for the future.

Senator BYRD. I recognize that this is important legislation for the Defense Department and for the individual services. The committee will attempt to give expeditious consideration to the matter.

General BENADE. Thank you, sir.

Senator BYRD. Thank you, gentlemen.

[Whereupon, at 3:45 p.m., the committee was adjourned, subject to the call of the chair.]



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