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Chairman Punaro, and distinguished members of the Committee, thank you for providing me opportunity to appear before you today on behalf of America's Army. Undoubtedly this is a dangerous period in our lives where America is threatened by an array of traditional, irregular, catastrophic and disruptive challenges. The complexities and dynamics of how we utilize our volunteer forces from all components have evolved significantly since we engaged in the Global War on Terror six years ago. The current environment (and I predict – future) requires the seamless integration of the active and reserve military, civilian employees, and support contractors into a cohesive and rapidly tailorable force. Today I will present my perspective of managing that total force to meet those challenges.

America's Army, over one million strong, serves proudly around the globe. The Army's capability and versatility to meet the needs of the nation are due to the efforts of all three components: Active, Guard and Reserve. We take tremendous pride in this multi-component All-Volunteer Force and all that it has accomplished for our great Nation.

This year marks the sixth year that our Reserve Components have augmented and reinforced our Active Component in support of the Global War on Terror. Since 11 September 2001, 382,860 Reserve component Soldiers mobilized to fight the Global War on Terror. As I speak to you today, more than 600,000 Soldiers serve on active duty. We have more than 255,000 Soldiers - Active, Guard, and Reserve - in 80 countries, and another 8,000 Soldiers securing the homeland. Our Active Component at just over 500,000 strong is still less than 40% of its Cold War size despite the fact that mission requirements have increased. The Reserve Component has stepped into the gap and assisted in completing the mission time and time again for the Nation.

Despite this success, I believe we can improve the effectiveness of how we manage and sustain our total force personnel; we must optimize our use of every person and every capability through a more seamless integration of the total force. We must functionally integrate to maximize individual performance while recognizing the uniqueness and capitalizing upon the strengths of the people who comprise the total

force. Organizations must be structured so they can be easily tailored to optimize and integrate the use of the knowledge, skills, and abilities of each individual in the accomplishment of the Army mission. Organizations and forces must be flexible and responsive to the requirements of the Commanders in order to meet the challenges of twenty-first century missions.

Additionally, this must include efforts to enhance quality of life for the total force and support military members, their families, and retirees across the full human resource life cycle. To support the total force, our military families, and retirees, we must pursue initiatives that reflect our commitment to all of those who are serving as well as those who have served. To preserve, strengthen and advance our ideals and values, we must focus on quality of life initiatives across the full human resource life cycle from recruiting through retirement. We must provide continued, seamless support to our military personnel and their family members as the military personnel cross from active to reserve status and back, as they deploy and redeploy, and as they leave military service to enter the private sector as veterans or retirees. We must provide this support efficiently through effective interface with the Department of Veterans Affairs and other government agencies. Our commitment to our people far exceeds that of any other employer. People must not be viewed as short-term costs to be cut but as long-term assets that are the foundation to our success. Now, more than ever before, we are one Army, with Active and Reserve forces serving together around the globe. Now more than ever, we must ensure that we capitalize on the investment we have placed into our total force.

### **Continuum of Service**

The implementation of a true continuum of service for the Army is of paramount importance to both our total force management and human capital strategies. The Army's approach to continuum of service is holistic for the Soldier and based on the readiness needs of the Total Army, yet also accounts for the civilian employer to whom our Reserve Component Soldiers rely for their primary employment. We have taken the initiative to clearly define and visualize what continuum of service should look like and what goals and objectives it should serve for the Army, the Soldiers, the Families, and employers. We are in the early stages of outlining our

current state of continuum of service. We will prioritize and implement specific and quantifiable efforts that will take us from our current state reality to our future state vision. Once achieved, continuum of service will contribute to a quality Army by adapting efficient horizontal integration processes between the components; enhancing Army readiness and fulfilling personal aspirations.

We define Continuum of Service as: the ability to transfer an individual from one Army component to another in a seamless, efficient manner that meets the needs of the Soldier and the readiness requirements for the Total Army. There should be no degradation in personnel management, career opportunities or benefits for a Reserve Component Soldier's military and civilian career. When a Soldier receives assignment orders to any Army unit, regardless of the gaining or losing unit's component, he or she should not suffer any setbacks in terms of benefits, family care, promotions, utilizations – whether, personally or professionally. Additionally, we are considering how to include our civilians in our Continuum of Service concepts.

Fundamentally, the Army is striving to implement continuum of service as part of its total force management strategy to improve access to its most precious resource - its Soldiers. Maintaining critical Soldier skills, capabilities, and experience for current and future needs and maximizing the resources invested in Soldier accession, training, and retention across components is not only fiscally astute but sound Warfighting Strategy as well.

Equally imperative is the Army's abilities to balance force management in shaping its human capital strategy. In leveraging continuum of service to meet the aspirations of its Soldiers and their Families, the Army is keenly aware of the varied and multiple personal goals and desires of its members. Addressing the development of knowledge, skills, and abilities; and preserving and expanding the Army quality of life across components are essential in achieving a true continuum of service.

The Army's perspective of continuum of service is composed of three aspects: 1) Soldier - the specific individual physical, mental, and administrative elements of every Soldier, 2) Organizational - the organization of the Army into defined internal and external groups that identify the state the individual Soldier may be in at any given point in time along the continuum, and 3) Environmental (or cultural)- those potential enablers

and barriers to Soldiers flowing seamlessly from one Organizational Component to another. As we continue to develop the continuum of service model, the Army will ensure balance is maintained within each of these areas for a healthy force.

Using this integrated relational model, the Army has focused on a handful of initial initiatives and efforts as test cases for our ability to properly implement a true continuum of service. We are developing a recruiting incentive termed the Army Advantage Fund (AAF), which offers money towards either home ownership or a small business. In terms of a continuum of service, the incentive will remain with the Soldiers as they migrate from one component to another.

Another immediate need arising from current operations with respect to this ongoing sustained conflict is developing a streamlined process with accompanying policies that better transitions voluntarily participating mobilized Reserve Component Soldiers into the full time Active Regular Component. We strongly advocate the Blue to Green inter-service transition and O9L (translator/interpreter) programs and continue to look for ways to improve the particular policies and processes these “continuum of service” initiatives rely upon.

In the future, our intent is to more formally institutionalize continuum of service just as we do with other critical human capital and force management functions such as recruiting and retention. By creating an operational organization within the Army that can dedicate full time attention to capturing broad strategic issues such as future conflict planning, re-sizing the force, and global repositioning; the Army can better manage the alignment of requisite process, policy, technology, and legislative driven initiatives and modifications necessary to the goals and objectives of a true continuum of service.

## **Recruiting**

Our Nation is blessed with the world's finest Army. It is an all-volunteer Army that is recruited under conditions not foreseen when the draft ended in 1973. Our Soldiers must be confident, adaptive, and competent. They must be able to handle the full complexity of 21<sup>st</sup> Century warfare in our combined, Joint, and expeditionary force. These 21<sup>st</sup> Century warriors became heroes when they enlisted.

Recruiting qualified young men and women in a highly competitive labor market is extremely challenging. Competition with industry, an improving economy, lower unemployment, decreased support from key influencers, the media, and the continuing Global War on Terrorism, present significant challenges. Additionally, the citizen Soldiers of the Reserve Component are faced with the repeated issue of balancing civilian employment with duty as a Soldier. Six years ago this was less accentuated than it is today. Opportunities that were sought five to six years ago by becoming a member of the National Guard or Army Reserve are still available but may not be as appealing. Potential enlistees weigh personal goals with repeated deployments and associated training events as the Reserve Component shifts from a strategic reserve to an operational reserve. Enlisting in the Reserve Component today is a much bigger commitment than years ago.

Soldiers transitioning from active duty to Selected Reserve units provide an additional source of experienced Soldiers to complement Reserve Component units. These transitioning soldiers, although relatively small in number, are critical to allow the Army's reserve components to build their ranks with a number of trained accessions in critical military occupational specialties by offering the Soldiers a continuum of service option. Last year's results showed a significant improvement over the FY05 recruiting results. Although these successes are noteworthy, we must all remain committed to meeting the recruiting challenges in a foreseeable long war.

The Active Army and the Army National Guard have met their year to date recruiting mission. Through May 2007 the Active component recorded a year-to-date achievement of 105%. The United States Army Reserve achievement stands at 90%. Army Reserve recruiting lagged at the start of the year but through a renewed focus we expect to be back on track with year to date goals by the end of June. The Army National Guard is enjoying unprecedented recruiting success and through May 2007 have a year-to-date achievement of 103%. All components are projecting successful annual missions for FY07.

We must recognize that those who volunteer to serve during these difficult times, have distinct qualities all their own. Once accepted, the Army molds them into a precious resource – The American Soldier.

### **Enlisted Retention**

The Active Army retained 67,307 Soldiers in FY06, finishing the year with 105% of mission. The Army Reserve finished the year achieving 103% of mission and the Army National Guard finished at 118% of mission. This year's retention mission is just as challenging as the previous year's. However, we believe that we will accomplish this mission. Thus far, the Active Army has achieved 99% of its year-to-date mission, the Army Reserve achieved 114% of its year-to-date mission, and the Army National Guard achieved 107% of its year-to-date mission. Once again, a robust bonus program is important to continuing success in the total Army retention program.

The Army National Guard continues to successfully capitalize on a menu of state and federal retention incentives. Active component Soldiers seeking to continue to serve in uniform are benefiting from a variety of Army National Guard programs including in-state tuition waivers, reductions in state tuition rates, college money and mobilization deferment. Likewise, the USAR recently implemented a mobilization deferment program offering enhanced predictability and stability for Soldiers transitioning from the Active Component into the Selected Reserves as well as for Soldiers transitioning from within the Individual Ready Reserve to the Selected Reserves.

Retention rates for units deployed, and others, are a clear indicator that Army retention remains strong especially for units deployed multiple times since 2001. Our research indicates that Soldiers are most concerned with the limited time at home between deployments. They would prefer more predictability, and more time - at least 24-months - with their families, between deployments.

Although we have not seen downward trends in overall retention, we will not take this trend for granted. We will continually monitor reenlistment rates closely and target

our incentive programs accordingly. All components employ positive levers, including Force Stabilization policy initiatives, updates to the reenlistment bonus program, targeted specialty pays, and policy updates to positively influence the retention program. Thanks to the continued support of Congress, we are confident that we will achieve FY07 retention success in the Active Army, the Army National Guard, and the U.S. Army Reserve.

### **Officer Accessions and Retention**

As a result of the rapid increase in force structure in a transforming Army, we are challenged to bring in more officers, and retain more of those officers that are already in our formations. Since 2002, the Army force structure has increased by over 8,000 officer positions; roughly 58% of this growth is in the ranks of captain and major. Those mid-level and field grade leaders are critical to this highly professional, highly technical force, and we can't grow those leaders quickly. It takes 10 years to access, train and develop a major to meet these increased requirements.

For the Reserve Components we have also made changes to better meet the manning needs of today's Army. Last year we began selecting Army Reserve first lieutenants for promotion to captain a year sooner. This change has allowed us to reduce the pin on time for those officers selected by mandatory boards to slightly less than five years. This change has helped reduce our captain shortages in the Army Reserve by promoting an additional cohort of officers sooner and the change is expected to improve retention through the incentive of an earlier promotion. The National Guard continues to rely on their Unit Vacancy promotion system to fill vacancies to the maximum extent possible.

Another promotion change is that we now promote Reserve Component Chaplains and Army Reserve Judge Advocate General's Corps first lieutenants to captain when they reach as little as one year time in grade. This promotion to captain for these two special branches essentially mirrors a system already in place for the Active Component.

For the first time, this year we began selecting Army Reserve officers below the zone. This policy change allows the very best Army Reserve officers to be selected a year sooner than they otherwise would have.

For the most part, our selection rates in the Reserve Components for those educationally qualified officers remains very high to ranks of captain, major, and lieutenant colonel, with a promotion opportunity of 90 to 95% for all three ranks.

In 2005, the Assistant Secretary of the Army for Manpower and Reserve Affairs approved a significant change in policy which allows both National Guard and Army Reserve Active Guard Reserve officers to serve until their mandatory retirement date. Previously a board action was required to extend AGR officers beyond 20 years of active service. This change allows us to truly manage the AGR program as a career program and develop those critical full-time Reserve Component officers accordingly.

The Office of the Deputy Under Secretary of Defense (Military Personnel Policy), in conjunction with the services and the respective reserve components (RC), is collectively creating a plan to expand Joint Professional Military Education and experience for reserve component officers. The goal is to build a pool of qualified RC officers for assignment to joint positions. The Army National Guard and Army Reserve have actively engaged in the joint working groups developing the process and procedures for Army RC officers to become joint qualified. Key factors to be finalized for the RCs are the determination of joint credit experience, particularly for traditional reservists, and the identification of duty positions meeting the criteria for a RC Joint Qualification System.

We have a menu of retention programs and incentives for RC Officers that in particular address Captain and Major shortages in Selected Reserve (SELRES) units:

- The RC Officer Accession & Affiliation Bonuses is a \$10K bonus paid to those AC officers who accept commissions in the RC. The bonus is paid to AC and IRR officers that agree to serve in a SELRES RC unit.

- A policy change requires newly appointed Reserve Component Officers to be appointed into a SELRES unit vice the old policy that permitted newly commissioned officers to be assigned to the IRR.

- We have established a formal AC to RC transition mission for the active Army, offering additional incentives to officers leaving active duty to encourage enrollment into the SELRES, including bonuses and stabilization.

- The Army recently adopted a policy of offering separating active duty officers a reduced Mandatory Service Obligation in exchange for a shorter period of duty in a SELRES unit. This policy encourages officers who would normally enter the IRR to continue to serve in a more active status.

- The 2LT Reserve Component Active Duty program provided approximately 300 temporary active duty opportunities for those commissioned in the RC while they waited for Basic Officer Leader Course (BOLC) training seat. This program is planned for expansion and could increase the number of RC officers reaching Captain by 12% or more.

- The top five reasons officers are departing the RC is retirement, separation (resignation), transfer to the IRR, or transfer to the AC. To counter this, the USAR submitted a proposal to maximize use of a Critical Skill Assignment Retention Bonus.

- The USAR is implementing a 24-month stabilization policy to provide equity with ARNG.

- Pending Legislative Proposals for FY08 NDAA (currently in House H.R. 1585) includes an increase in the annual limit on the number of ROTC scholarships under USAR and ARNG program (Guaranteed Reserve Forces Duty) – increase to 446 for FY08 and 476 in out years. Another legislative proposal is for continued service within two years of retirement eligibility. This amendment would permit members to execute a one-time waiver to cover future periods of Active Duty that would otherwise place the member in retirement sanctuary.

The Army is confident that the implementation of these strategies will grow the RC officer force and will enable us to meet our manning needs by FY13.

### **Individual Ready Reserve Mobilization**

The mission of the Individual Ready Reserve (IRR) is to provide a pool of Soldiers who are “individually ready” for call-up. In January 2004, the Army began our current IRR mobilization effort. We use the IRR primarily to fill deploying Reserve

component forces supporting OIF and OEF, and to fill individual augmentation requirements in Joint organizations supporting Combatant Commanders.

The IRR has improved the readiness of deploying Reserve component units and has reduced required cross-leveling from other Reserve component units. This effort allows the Army to preserve unit integrity for future operations.

As of May 28, 2007, there are 2,028 IRR Soldiers on active duty supporting the Global War on Terrorism— 272 are supporting Worldwide Individual Augmentation requirements, 219 are supporting the 09L Linguist Program, 0 are replacements, and 1,537 are fillers. Another 1,608 IRR Soldiers have received mobilization orders, and are pending mobilization between now and March 30, 2008.

The IRR also contributed to the manning of joint headquarters elements such as the Multi-National Force-Iraq, Combined Forces Command-Afghanistan, and others. This talent pool allows the Army to balance the contributions of the Active and Reserve components within these joint headquarters.

Recently, under the endorsement of the Secretary of the Army, the Human Resources Command took lead in executing IRR Transformation and all of the approved initiatives. As part of this effort, the IRR shrunk in size by approximately 25%, data validity of the population improved and a cultural change of referring satisfactory participants as “Individual Warriors” began. Until now, a large number of IRR Soldiers were either unaware of their service obligation, or were unqualified to perform further service. IRR Soldiers today participate in virtual musters, attend one day musters and can volunteer to participate in professional development training. Through transformation, the Army will maintain a viable pool of previously trained Soldiers who are employable to meet individual augmentation requirements of the Total Force.

### **Military Benefits and Compensation**

A strong benefits package is essential to recruit and retain our quality force. Congress has provided a very competitive compensation and entitlements programs for our Soldiers and their families and we sincerely appreciate your support to that end. With help from Congress, the Army continues to develop programs to address our unique challenges with recruiting and retention. Congress has provided us the flexible

tools we need to encourage America's young men and woman to enlist in the Army. The referral bonus and the bonus for service members who agree to transfer between branches of service are two critical authorities that provide the Army the necessary assistance to meet its recruiting goals.

The Army regularly looks for ways to compensate our Soldiers for the hardships they endure while serving under the most dangerous conditions. The Department has requested, and we are hopeful we will receive in the FY08 Appropriation Act, an increase in Hardship Duty Pay from \$750 to \$1500 and authorized payment in lump sum. We are continually seeking other ways to appropriately compensate Soldiers for the hardships they endure.

With the implementation of the Reserve Income Replacement Program, eligible Reserve Component Soldiers are paid monthly an amount greater than \$50 up to \$3000 to replace the income differential between their military compensation and the average monthly civilian earned income during the twelve months preceding mobilization. Payments begin after Soldiers meet the eligibility criteria and terminate upon release from the mobilization order.

**Employer Support:**

The Army works with the National Committee for Employer Support of the Guard and Reserve (ESGR) to ensure the relationship between RC employee and employer stay strong. ESGR asks all known RC employers to sign a Statement of Support, which commits the employer to comply with the Uniformed Services Employment and Reemployment Rights Act (USERRA). To date, 36,000 employers have signed Statements of Support.

The ESGR has also developed and implemented the Civilian Employer Information (CEI) database. The CEI database has allowed ESGR to communicate directly with the known RC employers and to obtain signed Statements of Support. Furthermore, ESGR has produced a training DVD designed to educate first line supervisors on their responsibilities under USERRA. Nearly 180,000 of these training

DVDs have been mailed to known RC employers as identified through the CEI database.

The DOD has not conducted a statistically valid survey of employer attitudes regarding the transformation from a strategic reserve to an operational reserve. Such a survey could assist the Secretary of Defense and Assistant Secretary of Defense for Reserve Affairs on matters pertaining to employer support and its impact on recruiting and retention.

### **Total – Army Family Support:**

The Army is fully committed to our Families. In an All-Volunteer Force, and central to retention, caring for Army Families is vital to sustaining the commitment of our Soldiers. For deployed Soldiers, it is essential that they know without reservation that their families are secure within strong support networks. Total – Army family support programs remain instrumental to taking care of The Army Family. This assurance that the families will receive reliable and friendly support, acts as a stabilizer for the Soldier.

Family support programs provide geographic support rather than support by unit or component. As demonstrated by the mobilizations of Soldiers across the country, we need to meet the needs of their families across the country as well. Long-term strategic implications of not implementing certain family support programs may negatively impact recruiting and retention. When we recruit or retain the Soldier, we do the same for the family. It's a package deal.

The Army's approach is holistic to family readiness programs and is resourced for greater expansion to meet the needs of the RC Soldier as extensively as the AC Soldier. The Army provides assistance to all Soldiers and families through a variety of methods. The Army National Guard (ARNG) has operated family readiness groups and family assistance center operations for over 20 years. Additionally, in FY 2002, the ARNG enhanced their Family Assistance Centers program to provide families with information, referrals and limited outreach to support families throughout the Mobilization cycle regardless of Component or Service. The Army Reserve's (USAR) website allows family, friends, employers, volunteers, and staff to access current information, take online training, and locate paid staff near their home for assistance.

There is also a feedback feature that allows questions and concerns to be raised and addressed. The Department of Defense operates Military OneSource (MOS), which provides 24/7 contact with personnel to assist in providing families with required support. Chaplains and Military Family Life Consultants are also accessible to families in the event of crisis situations.

The Army has developed the Integrated Multi-Component Family Support Network (IMCFSN), which capitalizes on the strengths of each of the Army components to establish a comprehensive multi-agency approach for community support and services to meet the diverse needs of Active and mobilized Guard and Reserve Army families. The IMCFSN delivery concept is accomplished by training Active Army, ARNG, and USAR service providers on all authorized services and programs available to Soldiers and families by each component; communicating services to families; and unifying collaboration of military and civilian service providers through an Inter-Service Family Assistance Committee (ISFAC). A pilot project confirmed that the IMCFSN can be used to meet the needs of geographically dispersed families. The data suggested that the IMCFSN furnishes providers, Soldiers and Families a better understanding of services available as well as enhances networking between service providers of each component/service. Also it will reduce the duplication of effort between services and provide geographical support where families actually live. Networked systems will provide Families access to online knowledge sources and interconnect people and systems independent of time, location, or Service component or branch. The IMCFSN will be implemented in FY08.

### **Conclusion**

The Army National Guard and Army Reserve are vital to the Army and to the nation. It takes the total Army to sustain the force required to fight the Global War on Terror. Our Army is strong. We continue to meet our worldwide commitments and provide the best led, best trained, and best equipped Soldiers to combatant commanders. We need the continued support of Congress and advisory bodies such as this one for the resources to maintain and grow our Army over the long war. I thank you for the opportunity to appear before you today and we look forward to answering your questions.