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HEARING
ON
NATIONAL DEFENSE AUTHORIZATION ACT
FOR FISCAL YEAR 2008
AND
OVERSIGHT OF PREVIOUSLY AUTHORIZED
PROGRAMS
BEFORE THE
COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
ONE HUNDRED TENTH CONGRESS
FIRST SESSION
MILITARY PERSONNEL SUBCOMMITTEE HEARING
ON
**BUDGET REQUEST ON OVERVIEW OF
RECRUITING AND RETENTION**

HEARING HELD
FEBRUARY 15, 2007



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THURSDAY, FEBRUARY 15, 2007

FISCAL YEAR 2008 NATIONAL DEFENSE AUTHORIZATION ACT— BUDGET REQUEST ON OVERVIEW OF RECRUITING AND RETENTION

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FISCAL YEAR 2008 NATIONAL DEFENSE AUTHORIZATION ACT—BUDGET REQUEST ON OVERVIEW OF RECRUITING AND RETENTION

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
MILITARY PERSONNEL SUBCOMMITTEE,
Washington, DC, Thursday, February 15, 2007.

The subcommittee met, pursuant to call, at 2:04 p.m., in room 2212, Rayburn House Office Building, Hon. Vic Snyder (chairman of the subcommittee) presiding.

OPENING STATEMENT OF HON. VIC SNYDER, A REPRESENTATIVE FROM ARKANSAS, CHAIRMAN, MILITARY PERSONNEL SUBCOMMITTEE

Dr. SNYDER. The hearing will come to order. We are pleased today to have this array of witnesses to discuss recruiting and retention. This has been an important issue to Mr. McHugh for the time that he was the chairman and it continues to be an interest of both of ours.

We are aware, the committee is aware, of the challenging recruiting and retention environment that we face as a country, particularly in light of the proposal for increased numbers in the Army and Marine Corps.

During fiscal years 2006 and 2007, the Congress and Department of Defense partnered to authorize a wide array of increased recruiting and retention incentives and more flexible legislative authorities and part of our purpose today is to get a sense of where we are at with these partnerships. And I know, Dr. Chu, you made mention of legislative proposals coming up.

So we are glad to have you all here, and before I introduce the witnesses, I will turn the time over to Mr. McHugh for any opening statement he has.

[The prepared statement of Dr. Snyder can be found in the Appendix on page 45.]

STATEMENT OF HON. JOHN M. MCHUGH, A REPRESENTATIVE FROM NEW YORK, RANKING MEMBER, MILITARY PERSONNEL SUBCOMMITTEE

Mr. MCHUGH. Thank you, Mr. Chairman.

Without objection, I would ask that my full statement be submitted in the record in its entirety, and I will just make a couple of opening comments.

First of all, gentlemen, welcome, as always. Thank you for being here. We deeply appreciate your service to the country and your efforts to help this subcommittee do its important work.

Some of the issues we face, as you know, are relatively the same as in years past; the concerns about sustainment of adequate recruiting and retention programs, the question of end-strength, et cetera. But they take on a different dimension this year because we do have, some of us would argue, a long-overdue increase in the force structure and the growth of end-strength for the Army and the Marine Corps.

That puts a different light on our recruiting and retention programs. We are going to be interested to hear from you as to that challenge and how you feel the way ahead may feel to you at this point. A number of other issues, as well, of course, that we look forward to your comments about, particularly as they relate to this budget.

I am going to be interested in pursuing these supplemental requests as it affects your job. Most people think of that supplemental as a war-fighting instrument, something to pay for those important theaters. They are that, but there are other efforts as well, I suspect, perhaps recruiting and retention and how the approval or not of those requests may affect your job to grow the force.

So thank you for being here, and I look forward to your comments.

Thank you, Mr. Chairman.

[The prepared statement of Mr. McHugh can be found in the Appendix on page 47.]

Dr. SNYDER. Thank you, Mr. McHugh.

Our five witnesses today are Dr. David Chu, the Under Secretary of Defense for Personnel and Readiness; Lieutenant General Michael Rochelle, Deputy Chief of Staff, G-1, for the Army; Vice Admiral John Harvey, Chief of Navy Personnel and Deputy Chief of Naval Operations; and Lieutenant General Roger Brady, Deputy Chief of Staff, Manpower and Personnel, for the U.S. Air Force; and Lieutenant General Ronald Coleman from the Marine Corps, Deputy Commandant for Manpower and Reserve Affairs.

We appreciate you all being here. If you all would testify in that order so that I won't get confused, that would be great.

And, Dr. Chu.

**STATEMENT OF DR. DAVID S.C. CHU, UNDER SECRETARY OF
DEFENSE (PERSONNEL AND READINESS)**

Dr. CHU. Thank you, Mr. Chairman and members of the subcommittee. It is a privilege to be here this afternoon, to be joined by my colleagues.

It is our responsibility, as you suggest, Mr. Chairman, to testify about the recruiting and retention programs that affect the most important resource of the Department, and that is our people.

We have in the last 18 months, in my judgment, sustained the success the volunteer force has enjoyed over the three decades of its existence. And that is due very much, I would argue, to the additional authorities that you have provided us in previous authorization bills.

Indeed, the record of the recent years, I think, should be viewed in that historic context. If I could ask Mr. Gatreau to put the chart up for me, please. This chart is in my prepared statement, which

I hope you would accept for the record, but it shows the Department's performance against two key standards that have for over a decade now been the norms against which we aim to succeed.

That is to say that 90 percent or better of our new recruits, non-prior-service recruits, have a high school diploma as a predictor of their ability to stay with military service, and, second, that 60 percent or more of our recruits score above average on the Armed Forces Qualification Test.

There has been a great bit of discussion about these standards. They have not changed for over a decade. They come out of a study undertaken in partnership with the National Academy of Science in the 1990's that balanced the return to these important characteristics against the costs of acquiring and retaining personnel with these success indicators.

And in a longer perspective, they come out of the early history of the volunteer force, and as you can see from the chart, in the early days the volunteer force did not enjoy this same level of personnel quality in terms of its recruits, a much lower quality by these same standards. We have, however, for the last 20 years sustained those standards, and that is true down to the present day.

Yes, we do make some changes in important factors that are a part of this picture, so, for example, several years ago we normed the test, we normed the Armed Service Vocational Aptitude Battery, that actually makes it somewhat tougher by two or three percentage points to get an above-average grade on that test than was true in the past.

Our challenge, our challenge together, as you suggest, Mr. Chairman, is to sustain that success in the future. And I think there are two key complements in that present and future partnership.

One, of course, is legislative action. You will be seeing from us shortly a proposal, once cleared by the Office of Management and Budget, to consolidate the myriad of special pay authorities we have into a smaller number of categories to improve the flexibility of the response to this Department as we look to future challenges.

Second, we would like to extend and expand the pilot authorities given the Army to undertake special new initiatives, particularly in the recruiting lane. And, third, as we look to the joint needs of the future against a smaller manpower base for some of the services, we do believe we need some relief on grade restrictions for senior enlisted and for mid-grade officers. Certainly that is the case in the United States Navy, and I will let Admiral Harvey speak to that agenda.

The second area in which we seek your partnership is in advocacy. I think it is critical, if the Nation wants a strong, able military, that we all speak up positively about the favorable aspects of military service.

As the military has shrunk in the post-Cold War years, important parts of the country, and especially I think in many New England states, Northeastern states in the upper Midwest, important parts of the country no longer can see a military base next-door or see an example of a military effort close to the hometown. It is more distant than it was in the past, and I think it is important in that situation that we all speak up, encouraging young people

who are interested in military service in the choice that they might make.

In fact, I would argue that the most serious recruiting challenge we face is the outlook of what we call the influencers. What do parents, what do counselors, what do teachers, what do coaches, what do leaders like yourselves say when a young person steps forward and indicates that he or she be interested in military service? It is not just the Army's job or the Marine Corps' job to succeed in this regard. We would argue it is all our jobs as citizens of the United States to help ensure that success, or what we tell our young people about the choices they might make.

Thank you, Mr. Chairman.

[The prepared statement of Dr. Chu can be found in the Appendix on page 50.]

Dr. SNYDER. I haven't said about the order. I forgot who is next on our list here.

General ROCHELLE. Sir, I am.

Dr. SNYDER. Good. There you go. Thank you. General Rochelle.

**STATEMENT OF LT. GEN. MICHAEL D. ROCHELLE, DEPUTY
CHIEF OF STAFF, G1, U.S. ARMY**

General ROCHELLE. Chairman Snyder, Representative McHugh, ladies and gentlemen, thank you so much for this honor and privilege to appear before this body today.

Success of the all-volunteer Army starts with recruiting. Competition with industry, an improving economy, lower unemployment and decreasing support, as you heard from Dr. Chu, of key influencers are all significant factors, not to mention the global war on terror (GWOT).

Thanks to your support and the efforts of the secretary of the army, secretary of defense, chief of staff of the army and support from this body, the United States Army was successful in recruiting over 175,000 young men and women in fiscal 2006, and we expect to repeat that this year.

However, recruiting will continue to be challenging. It is always challenging, and that will be no different, obviously, in 2007 and moving into 2008. Medical recruiting is a significant challenge for all of us, but I will speak only for the Army.

You are clearly aware that nurses are a national matter. There is a shortfall for everyone, and we feel that most pronouncedly in the United States Army. We will be seeking some dispensations to help us with that challenge, and I believe you will hear more about that.

I will conclude my remarks by saying thank you for your support. Thank you on behalf of the more than one million soldiers who are serving in your Army today.

[The prepared statement of General Rochelle can be found in the Appendix on page 68.]

Dr. SNYDER. Admiral Harvey.

**STATEMENT OF VICE ADM. JOHN C. HARVEY, JR., CHIEF OF
NAVAL PERSONNEL AND DEPUTY CHIEF OF NAVAL OPER-
ATIONS (MANPOWER, PERSONNEL, TRAINING & EDU-
CATION), U.S. NAVY**

Admiral HARVEY. Thank you, sir. Chairman Snyder, Representative McHugh, distinguished members of this committee, thank you very much for the opportunity to appear before you today.

I think it is important to start with one of the bigger lessons I have learned in my first year-plus on the job, and that is to state how grateful we are for the unstinting support that this committee has provided our sailors and our Navy. And without this support, we would clearly not be the Navy that we are today, and it is this Navy of today that you have done so much to support and sustain over time that continues to perform exceptionally well, helping to bring certainty to an uncertain world.

Our Navy total force—and I emphasize the total force aspect of our Navy, active and reserve, our Federal and civilian employees and our contract personnel—continue to perform the traditional at-sea roles that we all grew up with, while drastically increasing our support in what has been non-traditional missions for us: counterinsurgency, counterterrorism, civil-military operations and delivering humanitarian aid around the world.

And certainly our challenge is to sustain these core capabilities and readiness that the Nation expects every day of every year, while building a future fleet increasingly capable of applying influence from the sea across the littorals and ashore.

For the past five years, our focus has been on sizing the force, ensuring we had the right number of billets and the right number of sailors to fill those billets. Today, we are focused on shaping and stabilizing the force, ensuring we have the right fit between the knowledge, skills and abilities required by a billet and those possessed by the sailor to fill that billet and ensuring that we can easily adjust that fit based on what we see as a rapidly changing war-fighting requirements in our current environment.

This shift in focus from fill to fit requires profound changes in the way we do business. Our recruiting, our personnel distribution system, our training and compensation processes, all must change in order to meet the challenge of delivering tomorrow's force.

Cold War recruiting and retention strategies won't sustain us into the future, particularly in the face of a shrinking talent pool with decreased propensity for military service. Major demographic shifts, reflecting significant growth in our immigrant and minority populations, present new challenges, but also present us terrific new opportunities to leverage the diversity of our population and bring their talent into our Navy. And a Navy that reflects society's diversity will be a stronger, more cohesive and more capable fighting force in this society.

The robust economy, evidenced by our low unemployment and sustained economic growth, increases the overall competition for the best and brightest talent in our Nation and meeting our recruiting goals in quantity and quality—quality which makes the difference for our force—will certainly become a far tougher task over the next few years.

Retention dynamics are also changing as a new generation of sailors, the millennials and the post-millennials, enter the force and are increasingly likely to forego traditional, career-long relationships with a single employer, opting instead for frequent job changes over the course of a career, increased availability and variety of career choices, portable incentive packages, multiple training and education opportunities and increased competition for technologically savvy youth certainly contribute to this new dynamic.

Our basis pay table was developed in 1922. The Officer Personnel Management System was essentially codified from 1971 to 1979 and passed into law in 1980. Current military retirement compensation principles were essentially developed at the end of the last century.

Given these foundations for how we do business, perhaps it is time, perhaps it is time to reexamine our existing compensation policies with an eye toward establishing a construct that is competitive, fair, flexible and responsive to the rapidly changing operational and market-based environment we are facing today and will continue to face in the future.

Likewise, existing Defense Officer Personnel Management Act (DOPMA) grade limitations greatly inhibit our flexibility to efficiently align our personnel to current and projected force structure requirements. Navy has become a far more joint and senior force, reduced in size but with increased war-fighting capability.

As our end-strength stabilizes, the need for more senior and experienced sailors will continue to increase. We are currently operating at or very near statutory control grade limits. Consequently, we are now suppressing billet grades through the programming and budgeting process in order to comply with current DOPMA constraints.

In fiscal year 2008, Navy is seeking relief, as Dr. Chu mentioned, from these control grade limits to enable us to properly man our billet structure, while providing the flexibility to respond to the continuously emerging external control grade requirements, particularly in the rapid growth in the joint world.

As we build the Navy of the future and prepare our people to meet the demands of this dynamic and dangerous world, we must continue to improve total force readiness, stabilize our force and develop the policies that bring forth the full promise of our people.

Our Navy total force must be ready when, wherever called upon. That is our heritage, that is our legacy and, with the continued support of the American people and this Congress, that is exactly what we will continue to do.

Thank you very much, sir.

[The prepared statement of Admiral Harvey can be found in the Appendix on page 88.]

Dr. SNYDER. Welcome.

General Coleman.

STATEMENT OF LT. GEN. RONALD S. COLEMAN, DEPUTY COMMANDANT FOR MANPOWER AND RESERVE AFFAIRS, U.S. MARINE CORPS

General COLEMAN. Sir.

Chairman Snyder, Representative McHugh and distinguished members of the subcommittee, it is an honor to appear before you today to discuss Marine Corps recruiting and retention.

I would like to first thank all of you for your continued support for our Marines and their families. The commitment of Congress to increase the war-fighting and crisis response capabilities of our Nation's armed forces and to improve the quality of life for Marines is central to the strength of your Marine Corps today.

I would like to make three points. First, in fiscal year 2006, the Marine Corps exceeded its mission both in recruiting and retention. In doing so, we continued to exceed DOD quality standards in recruiting. We also achieved over 97 percent military occupational specialty match in first-year Marines and 94 percent in career Marines.

Second, in fiscal year 2007, the Marine Corps is off to a strong start in both recruiting and retention. We were initially on pace to meet or exceed our fiscal year 2006 results. As part of the plan to increase our end-strength to 202,000 by fiscal year 2011, we are now planning to increase our end-strength to 184,000 by the end of fiscal year 2007.

Consequently, we are increasing both our recruiting and retention missions significantly. These new missions will present challenges to our recruiters, commanders and retention specialists, but we believe we will meet the challenge.

Key to our success will be the additional funding that we have applied to both our enlisted, bonus and selected reenlistment bonus programs. Third, the plan to increase the Marine Corps end-strength will enable our Marine Corps to better train across the war-fighting spectrum, responding to other conflicts and crises and reducing the strain on our Marines and units.

Meeting the end-strength growth requirement will require us to continue to increase our recruiting and retention goals. The Marine Corps will also increase the number of recruiters, expand marketing and advertising efforts and increase enlistment and reenlistment incentives.

We ask for your support in authorizing and funding these programs. With these important tools, we will be able to continue to attract and retain the best and brightest. Thanks to you, your Marine Corps remains the Nation's force in readiness and will continue to fulfill its mission of being most ready when the Nation is least ready.

I look forward to answering your questions.

[The prepared statement of General Coleman can be found in the Appendix on page 115.]

Dr. SNYDER. Thank you, General.

General Brady.

STATEMENT OF LT. GEN. ROGER A. BRADY, DEPUTY CHIEF OF STAFF, MANPOWER AND PERSONNEL, U.S. AIR FORCE

General BRADY. Mr. Chairman, Congressman McHugh and members of the committee, thank you for this opportunity to discuss our efforts to ensure we recruit and retain high-quality airmen for the world's most respected air and space force.

Our airman have been continuously deployed and globally engaged in combat missions for more than 16 straight years, since the first F-15 touched down in Saudi Arabia in August of 1990. Today, airmen are fully engaged in the interdependent joint fight and stand prepared for rapid response and conflict across the globe.

Our priorities are clear: winning the global war on terror and preparing for the next war, developing and caring for our airmen to maintain our competitive advantage, and modernizing and recapitalizing our aircraft and equipment to meet 21st-century challenges.

As you know, we have been involved in a critical recapitalization and modernization effort for an aging air and space force. Budgetary pressures force difficult choices to ensure that the Air Force would maintain the right balance across our personnel, infrastructure, readiness and investment portfolios.

The Air Force undertook significant personnel reductions to generate dollars, to reprogram toward essential systems for recapitalization and modernization, concurrent or congruent with these three key mission priorities.

While this has been difficult, it has also provided the impetus for a hard look at our processes and organizational structure. At the same time, we have placed equal emphasis on improving the education and training of our airmen.

The bottom line is that we are becoming a leaner, more flexible, more capable force. As we prepare for an uncertain future, we are transforming the force to ensure we have the right sized and shaped force to meet emerging global threats with joint and battle-trained airmen.

We are becoming a smaller force with a critical need for specific skills. We recruit, train and educate our airmen for the complex multinational and interagency operations of today with an eye on tomorrow. Our recruiting force has met our recruiting mission through great persistence and dedication.

In 2001 through 2006, we had a recruiting mission of more than 158,000 and assessed over 160,000, or 101 percent of mission accomplishment. For 2007, the active-duty mission requirement is 27,800. Over 6,400 new airmen have assessed up to this point, with another 12,000 waiting to enter basic training. We are on track to meet our goals.

To date, for fiscal year 2007, we have assessed 100 percent of our active-duty goals, 100 percent and 107 percent of our reserve and guard goals, respectively. Our recruiting service continues to find the right person for the right job at the right time, and this is ever evident in our most critical war fighter skills.

The recruiting service has filled every requirement for combat control or pararescue; tactical air control party, survival, escape, resistance and evasion; and linguists since 2001. This has been accomplished through hard work and significant assistance of this Congress, and we appreciate it.

These individuals are offered an initial enlistment bonus ranging from \$3,000 to \$12,000, depending on the job and the term of enlistment. No other enlistment bonuses are offered.

The majority of our officer programs have met with mission success, but much like General Rochelle told you, medical recruiting and retention remained a challenge.

In fiscal year 2007, we continue to manage and shape the force across and within skills. Maintaining retention at acceptable levels through targeted retention programs continues to be critical to this effort. Force shaping ensured active-duty end-strength met our longer-term requirements. This effort is successful in no small measure because of your support.

Active-duty Air Force and Air National Guard met their overall officer and enlisted retention goals for fiscal year 2006. The Air Force Reserve met its officer goal but fell slightly short of its enlisted retention goal by 0.8 percent, attaining 99.2 percent of goal.

Even with these successes, some enlisted specialties in the active Air Force did not achieve their overall retention goal. Our most critical war-fighting skills require a special retention focus to maintain combat capability due to critical manning and increased operations tempo demands placed on career fields such as pararescue, combat control, explosive ordnance disposal.

Budgetary support for retention programs is critical to effectively manage the force and retain needed war-fighting capabilities. These programs are judiciously and effectively targeted to provide the most return on investment in both dollars and capability.

Our war-fighting airmen are committed to serving, including those experiencing high deployment rates. Combatant commander requirements and the global war on terror at large require a high demand for pilots, intelligence, maintenance, civil engineers, communication and enlisted officers, as well as enlisted airmen and aerospace maintenance, supply, transportation munitions and weapons, fire protection, services and security forces.

Despite an increased operations tempo and deployment rate, retention statistics for these career fields mirror the Air Force average. As part of our Air Force transformation, we continue to improve education and training. We are extending basic military training to 8.5 weeks to teach airmen the skills to defend an airbase and set them up in an expeditionary operation. We are teaching every airman self aid and buddy care so that they can take care of each other when their bases take mortar fire or the truck they are driving comes under enemy attack.

We are teaching language training and enhancing regional studies in our Air Command and Staff College, Air War College and our non-commissioned officer (NCO) schools. We are consolidating Air Force specialty codes to provide broader skill sets and enabling flexibility and GWOT and support of combatant command (COCOM) missions.

We have also placed a great focus on language and culture training at officer accession sources. One force development strategy is to target foreign language speakers, primarily focusing on Air Force Reserve Officer Training Center (ROTC) detachments sponsoring foreign language programs. We currently have 54 cadets enrolled as language majors, with another 629 scholarship cadets majoring in technical degrees and taking language as electives.

All Air Force Academy and Air Force ROTC cadets on scholarship contracts majoring in non-technical degrees must complete

four semesters of foreign language and our technical majors must complete two semesters. Today's airmen are performing at the high standards that have been the hallmark for as long as there have been American airmen.

Our airmen are fully prepared and engaged today, and we must continue to invest to ensure tomorrow's air and space and cyberspace dominance. We have taken prudent actions to ensure your Air Force remains the most respected air and space force in the world.

We appreciate your unfailing support for the men and women of our Air Force, and I look forward to your questions. Thank you.

[The prepared statement of General Brady can be found in the Appendix on page 109.]

Dr. SNYDER. I think we made it through everyone, even though I didn't follow the order worth a darn.

Mr. Higgins is going to start the clock here. We are going to follow our five-minute clock, but that is for us. And we have a panel of five, and if you see the red light go on and you have got a thought you want to finish or if it hasn't gotten to you, we want you to go ahead and spend the time. Don't be panicked about that. That is for us, that we will stop.

Go ahead and start it there.

Dr. Chu, you mentioned advocacy.

I guess it is just coincidental, but, Mr. McHugh, have any of you done this "Colbert Report" thing? So right away you know what a doofus you have got for chairman here, because I did. It was taped down the hall here about three weeks ago, and tonight they are broadcasting it. But as part of that, I forget the context. He tapes for about an hour and 20, 30 minutes so he can have a lot of material to edit and to making officials look stupid, which is not difficult to do.

But part of that was at some point he said, I want you to look in the camera and encourage people to enlist, which I did very sincerely. And the point I tried to make is that even in times of great foreign policy debate, which our country goes through every now and again, we still need good folks to step forward and back their country, and I believe that very strongly. I appreciate what you have said about advocacy.

Dr. Chu, before I get into some specific questions, I want to get real basic here. I want you to define with as much particularity as you want to, the terms attrition, accession, retention, delayed-entry program and recruitment.

Dr. CHU. Okay, sir, let me do my best. First of all, thank you for your advocacy.

Dr. SNYDER. We will see the show tonight at 11:30, then we will decide.

Dr. CHU. That is not my usual bed time, but let me be sure I touch all the terms you—

Dr. SNYDER. Retention, attrition, accession, delayed-entry organization and recruitment.

Dr. CHU. Okay, let me start with accession. That means to us that you actually join the military. You raise your right hand and take the oath to protect and defend the Constitution of the United States. That is different from contracts, I might add, which are like

reservations in the system. So we may have higher contract goals in order to build a pool of people.

That is the delayed-entry program. There are people who agree to serve, but to come on at a future date.

Attrition refers to the premature loss of an individual, in other words, before the expected term of service. And, typically, against a three-year horizon, we lose about one-third of the cohort before the end of that period of time.

Retention implies that the individual made a positive decision to accept a longer or additional term of service that may or may not be in return for something we offer them as an incentive.

I believe I covered all your terms——

Dr. SNYDER. Just the general term recruitment, is that a term of art, or does it just refer broadly to——

Dr. CHU. I think recruitment is, as you imply, sir, subject to a broader and less precise interpretation. Perhaps the way I would look at it, as I think my colleagues would, is that while people on the one hand speak of this as an all-volunteer force, in reality it is an all-recruited force.

We don't just wait for people to show up, we reach out, partly because, as you appreciate, we do set high standards and have for the last 20 years or so for whom we would like to have in military service. So we need to advocate for those kinds of people to come in and make a positive decision, in particular make a positive decision, as General Brady's testimony implied, to take on some of the most arduous, demanding, hard-to-train-for tasks in the military.

Dr. SNYDER. Dr. Chu, and then anyone else can join in on this question, too, with regard to the valuation for promotion, the performance of your recruiters, are all the services now evaluating their recruiters the same way and which of those do they look at in terms of evaluating the performance of recruiters for promotion, et cetera?

Dr. CHU. I would let my colleagues answer, because I do think there are some individual service——

Dr. SNYDER. That is what I would like to hear.

Dr. CHU [continuing]. Their specific circumstances. So, as one example that General Coleman can elaborate on, the Marine Corps unites both the recruiting and the training function, because its view, and I think there is merit to that view, is that until the person has successfully come to the conclusion, graduated, from training, we haven't quite succeeded yet.

But perhaps I would turn to each of my colleagues to describe how they evaluate their recruiters.

Dr. SNYDER. General Coleman, do you want to start, and we will just go down the line.

General COLEMAN. Yes, sir, and thank you, sir.

Our recruiters and all recruiters are probably one of the more difficult, if not the most difficult, assignment anyone can have. But recruiters are graded, evaluated on how well they do their job, not only how many recruits come in, how many recruits graduate and the quality of those recruits.

Our recruiters are out for usually a 36-month tour. Some will volunteer to stay longer. Some will kiss the ground and leave at that 36-month mark, because it is such a tough assignment. But

they are evaluated not only by the number that they contact and the number that they bring in, but also the number that remain and graduate from basic training.

Dr. SNYDER. Admiral Harvey.

Admiral HARVEY. Yes, sir. It is a multifaceted approach. You start it with an assigned quota, but you don't want a quota solely to drive performance, because that leads you down some roads that you don't want to walk down. So you have a quota you aim for, and you also are a member of a team and a district, and so you are evaluated on your participation and your ability to enhance the overall performance of the recruiting team in that area, as well.

And then you are evaluated on your ability to sustain our delayed-entry pool, what you do to keep the folks that we have put under contract, that we depend on for a steady flow through the year, to keep them on board and interested and focused and motivated.

So it is a lot of things go into it, one of which, an important part of which, is have you met what we expect you to bring in in terms of your own individual performance, and then how are you as a member of the team and contributing to our overall performance, sir?

Dr. SNYDER. General Rochelle.

General ROCHELLE. Yes, sir, not much more to add, except that we recognize recruiters who are exceptionally good at recruiting quality just a little bit better, or higher, if you will, than the recruiter who simply achieves the number, if I may put it that way.

And since 2002, we have been gradually shifting the credit, frankly, to mirror the Marine Corps' model from simply achieving the enlistment contract or reservation to the young man or woman actually arriving at basic training.

Dr. SNYDER. Arriving at basic training or finishing basic training?

General ROCHELLE. Arriving, sir.

Dr. SNYDER. General Brady.

General BRADY. I would echo very much what my colleagues have said, and particularly Admiral Harvey.

It is multifaceted, clearly, maybe to a greater degree than other people in our service there are some empirical standards by which you can measure how effective they are. But, at the same time, I think it is just as important that we expect our standards, our recruiters, to reflect the very high standards of Air Force. They are the welcome wagon to the Air Force, and so we want them to look sharp and be sharp and have all the professional standards that there is nowhere that it is more important than that.

So it is not just they are meeting their recruiting goals, but it is the way they present themselves, the way they conduct themselves, their teamwork and their ability to present the Air Force to the young men and women of America.

Dr. SNYDER. Mr. McHugh.

Mr. MCHUGH. Thank you, Mr. Chairman.

One of the many reasons I haven't done "Colbert" is I am just so bad at math. So, General Rochelle, I am going to ask you to help me understand some math, here.

In your written statement, you note that the Army in 2006, fiscal year 2006, reached more than 100 percent of your recruiting mission. You also note that the Army achieved 105 percent of its retention mission in 2006. And those are great statistics, but the interesting part, and where the math comes in, is that in spite of those more than 100 percent achievements, you really achieved an end-strength of just over 505,000 in 2006, that failed to reach the authorized end-strength of 512,000, about 7,000 less.

And what I am having a hard time understanding is how can you be so successful on your recruiting and retention goals, but not achieve the end-strength. And then I have got to ask a broader question about end-strength to your colleagues. But what happens there?

And, really, while you are at it, I guess the more important question is you are going to retain those same objectives for the next fiscal year, in spite of the fact that your next target for end-strength is supposed to grow to 518,400, with that recruiting goal of 80,000. How does the math work there? How are we going to successfully grow the force when those kinds of objectives, having been met, are not really adding to the force. They are not getting where you state you want to be. Help me understand.

General ROCHELLE. Excellent question, sir. Thank you for the opportunity.

To be quite blunt, we reached our limits of advance in 2006. Given the recruiting climate that we were in, we were very successful. In total, we grew the force of the United States Army by 13,000 in 2006. We could not simply grow it any faster or any larger, nor could we achieve it any faster in 2006.

We do expect to hit 518,000 in 2007, from a combination of both strong recruiting, with the help of this body and certainly very strong retention. By the way, sir, I might add that we were in fact within the 2 percent tolerance given us by the Congress against that 512,000 end-strength.

Mr. MCHUGH. Absolutely.

General ROCHELLE. We were authorized to go up that high.

Mr. MCHUGH. And I don't want to suggest that it was less an achievement than it was, because you had come a long way. But clearly the challenge now, uniquely, is to grow the force for you and the Marine Corps. And I am having, as I said, a hard time understanding how an 80,000 target—you are going to have to really overachieve. And I am just concerned myself that recruiters naturally will target the target—that is why they call it a target—and not focus on the fact of that expected overachievement. And retention is really going to have to work, which brings me to my next question.

This committee, I and the chairman and many others, have expressed a concern about the roller coaster budget lines that recruiting and retention receive. Good times, when recruiting is easier, the dollars don't seem to be there. They go elsewhere. Retention and recruiting programs kind of fall off, and then times get hard and it is tough to make it up.

If you look at your budget for recruiting, it is clear that more and more the services are being called upon to rely upon supplementals for their recruiting and retention programs, and we can go through

the numbers, but you know them probably far better than I do. The Army, for example—on my left, Michael tells me.

Thank you, Michael.

The Army right now, compared to what they actually spent in 2006 and the base budget for 2007, for recruiting and retention programs, is about \$735 million behind. All the services are behind. The Army is the biggest number.

So I think it is good for us in Congress to hear your assessment of what the upcoming supplemental budget may mean to your ability to meet your end-strength and what happens in that ability if somehow the Congress doesn't go where you think it needs to go.

Dr. CHU. If I may start, Congressman McHugh, the fact that some of this funded in supplemental reflects a budgetary strategy that is under change, as you appreciate, as to how these things are handled. That is the decision made about the individual service level.

There is in my judgment an aggressive posture, particularly for the Army, in the 2007 supplemental for additional funding, both to support recruiting and retention efforts and to support the growth in end-strength that we hope thereby to achieve.

Two, your bottom-line question, how important is the supplemental to our success? Critical, and I think critical especially to receive the supplemental. I recognize it is beyond this subcommittee's responsibilities, but critical to receive the supplemental in a timely manner, or the natural reprogramming friction will make it much harder for the military services to reorient monies in order to try to sustain the success that has been achieved thus far.

Dr. SNYDER. Thank the gentlemen.

Ms. Davis.

Ms. DAVIS OF CALIFORNIA. Thank you, Mr. Chairman.

While we are looking at these numbers, can we talk a little bit about—and thank you all very much for being here, for your service, as well.

Just can we sustain the rate of bonuses that we are giving out, and is that of great concern to all of you?

Dr. CHU. Let me start, ma'am, and invite my colleagues to join. My short answer would be yes.

Ms. DAVIS OF CALIFORNIA. Numbers, because I think it is—we spent \$1.8 billion on retention bonuses. Fiscal year 2006 was \$300 million more than the 1.5 spent in during 2005. And we really are escalating it.

Dr. CHU. Ma'am, we have increased the amounts. That is true. However, you look at the total compensation bill for the Department, the bonuses, special pays, typically are less than ten percent. Many years they have been five percent of the total.

It is, I think, a tribute to the management of the Department and the partnership of the committee for many years that we have been able to use bonus and special pays in a targeted manner, because that is much more economical of taxpayers' money.

And so, yes, I think that success can be sustained. What probably matters more than attention to the total amount is our authority on how and when we can pay it. You have been very gracious in the last several years in enlarging that authority, allowing payment of bonuses and targeted extensions when we have a spe-

cific need. So, for example, to persuade individuals to join specific reserve units, or in the case of an important program where we are urging those personnel leaving from the Air Force and the Navy, as part of their downsizing, to consider the Army as a further career choice.

Those have been very helpful authorities. So our emphasis has been much more on how we can spend the money, be sure we can spend it in a way that is effective.

The budgetary amounts are manageable from the Department's perspective, the executive branch's perspective. Indeed, our problem in the bonus accounts has typically been that the appropriations process has not always been kind to them. Sometimes it has reduced them in manners that we find problematic.

Ms. DAVIS OF CALIFORNIA. Anybody else want to comment? Generally, is that how you found that you are able to retain the folks that you want as a result of the bonus? And what if they went away? Is that not possible?

General ROCHELLE. I would first of all say, ma'am, and thank you for the opportunity to respond to that question, that on the retention side, that is very, very wise investment, to keep a trained soldier, sailor, airman, Marine, Coast Guardsman, is a wise, wise investment. So I would say you have to sustain that, and maybe even take it higher.

The second point I would make is that given what we see in terms of the individuals who are eligible to serve in—and I will speak, once again, just for the Army today—only three out of 10 young Americans between the ages of 17 and 25 are eligible to serve today, without a waiver. That is medical waiver or a moral waiver or an aptitude waiver.

And given declining propensity, which Dr. Chu spoke of and my colleague from the Navy also spoke of, we may have no choice on the recruiting side, except to continue along the same path.

Ms. DAVIS OF CALIFORNIA. Thank you. You are mentioning the percentage of individuals that are eligible to serve now, and I know, Dr. Chu, you pointed out the fact, and I have actually heard this when we have asked people, tell us about the quality of recruits or the quality of individuals that are serving today, and they often mention the fact that people are much more adaptable to information technology, of course, but their physical condition is poor.

Can you address that, and are we lowering those standards in order to get the folks, and how are we going to deal with that?

Dr. CHU. No, ma'am, we are not lowering the standards. We are exploring how we best apply those standards.

The Army, and General Rochelle can speak to it better than I, has another program in which we look at people who might be viewed as overweight by our body mass index indicator but nonetheless have good physical fitness.

So, for example, most National Football League players could not pass the body mass index standard. The issue therefore for us is well, is that always the right indicator? The Army has developed an additional set of tests to put people through to see do they have the physical potential to succeed in basic and advanced training? Because that is really the issue.

I will acknowledge, however, that the national problem with overweight, obesity in the extreme, is an issue for us, because it is partly behind General Rochelle's three in ten number. And so improved national physical fitness is an important consideration for us.

General ROCHELLE. I would only add, to echo what Dr. Chu said, and to piggyback off of the wonderful remarks of Admiral Harvey, as well, we have designed two tests with support from the Office of Secretary of Defense, the Tier Two Attrition Study, which takes a young person who has not graduated from high school and applies different aptitude tests, in addition to the Armed Services Vocational Aptitude Battery, and tracks their performance. And it is comparable to that of a high school retention and success in basic training.

And to the extent that we have the longitudinal data, unit attrition, as well, mirrors that of a high school graduate. The body mass index test that he referred to is called the Advanced Respiratory Monitoring System (ARMS) test, and it is a measure of, really, if you will, the heart of the individual to serve. Here, again, those individuals who would not have been eligible to enlist based upon body mass, height and weight and the ratio thereof, they, too, retain and are successful at the rates of individuals who do.

So, in that sense, I would offer that to echo Admiral Harvey's comments about our changing demographic.

Dr. SNYDER. Mr. Kline.

Mr. KLINE. Thank you, Mr. Chairman. It occurs to me when we are sitting here that half the Marines in Congress are at this table and we are trying to do this higher math. I am very concerned. [Laughter.]

I have got tables and charts here, and frankly we are trying to figure out if we are authorizing enough money, if there is enough money to meet the increased recruiting demands, because I certainly believe what General Krulak used to say, that the all-volunteer force was an all-recruited force. You have got to get them. You need access to high schools and to colleges, and we are interested in watching that.

I was sorry to hear about the shortage of nurses, and I will try to keep that from my wife. She may decide that the 22 years she served as an Army nurse wasn't enough.

Dr. CHU. We do have retiree recall programming.

Mr. KLINE. No, I am taking the phone off the hook.

Let me try to get at it this way, if I can. I want to get this down simple enough so that I can sort of get my hands around the increased recruiting effort, and I want focus—Dr. Chu, you can address this, or General Rochelle or General Coleman, or all three of you.

Can you quantify for me two things that would help me understand what we are doing with the increased demands for recruiting? One, if you compare—we will use fiscal year 2006, before we increase the end-strength of the Army and the Marine Corps, to fiscal year 2008, particularly in the Army and Marine Corps, now, how many more recruiters—and you can include officers selection officers of whatever we call them—are you going to be putting out in the field? And how much more money are you going to spend

on advertising? Not on bonuses and all the rest of it—that is very important. That number is probably \$6 billion plus. But just so I can kind of understand the impact, how many more people you are putting in the field, how much more you are spending on advertising, what goes on television and so forth.

If you have got that, I would love it. Supplemental, anything, whatever you have got out there. How much more?

General ROCHELLE. Sir, I will have to take for the record the advertising budget for fiscal 2007. I am afraid I don't have that figure immediately at my fingertips.

Mr. KLINE. I am looking for it for 2008.

General ROCHELLE. Yes, sir, I meant for 2008. What I do know is that, one, we have added in the last 3 years approximately 400 additional recruiters to the field. And these are the enlisted recruiters who recruit for both officer candidate school (OCS), as well as the enlisted force. And we are planning in the next few months to add an additional 200, and I think you will hear from my colleagues that just about everyone is adding to that recruiting force.

We are looking at the advertising from within the existing budget to attempt to reapportion the amount that is spent at the national level, broad-reach advertising, if you will, which is television, cable TV and the like.

And the secretary has authorized a shift more to the local level, not ignoring the national level, and I think that is quite wise.

Mr. KLINE. Okay, well, I will still be looking for the overall dollars spent. I appreciate that we are going to spend money more wisely, more efficiently. I am not yet persuaded that that is the thing to do, but nevertheless, that is hard for me to believe that we are going to try to increase this end-strength and not have to spend more money on advertising.

General ROCHELLE. Sir, if I may add one thing, please.

Secretary Harvey, in his testimony yesterday, indicated that the budget for fiscal year 2008 is sufficient to achieve the mission, and I honestly believe that is absolutely true. In addition to that, he made it clear that there was no hesitancy on his part to reprogram, should that be necessary.

Mr. KLINE. Okay, and I heard that. I attended that hearing. I would still like to see the dollars and we are a little bit in the oversight business here.

General ROCHELLE. Of course.

Mr. KLINE. I want to see how this plays out.

And then either Dr. Chu or General Coleman, what is going on—

Dr. CHU. Before General Coleman responds from the Marine Corps perspective, let me just add one other thing that I think is important to highlight in terms of the Army's experience, and that is the Army has, importantly, led by the National Guard, tried, benefiting also from your pilot authority, additional authorities in the authorization act, tried a new approach to recruiting. To get young people, and start with the guard, having their own people, serve as recruiters and receive a small payment as a recompense for their effort if that individual shows up and swears in and then completes basic training successfully.

And that, I think, General Blum, the National Guard bureau chief would tell you, General Vaughn, the Army Guard chief would tell you has been very, very important in terms of the Army Guard's recent success in recruiting, getting a different, beyond our normal trained recruiters, getting a different set of people out there to advocate with their peers, really—and of course for the guardsmen, someone who can speak to this is what it is going to be like. This is what you are signing up for. This is what I experienced.

I think it is very powerful, very innovative. The Army has been aggressively extending that to the Army Reserve as an approach and I think the active Army is starting to do something similar.

Mr. KLINE. Thank you. We have seen that in Minnesota for some years now. In fact, the Minnesota Guard has been at the forefront of that recruiting from high schools. It does put them in competition, a little bit, with the active Army.

But, if I could—the light is red, but if I could get the answer from General Coleman on how many more recruiters and how much more money you are going to spend advertising.

General COLEMAN. Yes, sir. On recruiters, we recently added 200 recruiters for a total of 2,850 recruiters. We plan to increase by 200 in fiscal year 2008 and another 200 in 2009.

As far as money, sir, we spent in fiscal year 2007 \$135 million and we would need an—we are talking about advertising. We would need an increase in 2008.

Mr. KLINE. But you don't know what that number is? It is not in the budget? You haven't put a line in there for the 2008 budget?

General COLEMAN. No, sir, I don't have that. I will have that for you before we leave here.

Mr. KLINE. Okay, thank you.

Thank you, Mr. Chairman.

General ROCHELLE. And if I may, sir, if I could answer Mrs. Davis's question from before, we absolutely need the bonuses and cannot do without them.

Dr. SNYDER. Ms. Drake.

Mrs. DRAKE. Thank you, Mr. Chairman.

And thank you all for being here.

In regards to healthcare, can you tell me what our recruiters are saying now to a new recruit? What I am trying to determine is what is the expectation of our men and women who are signing up in recent years or today? We all know that years ago people thought, or were told, or thought they were told, they would have healthcare for life at no cost.

So I just want to know, what are we saying today?

Dr. CHU. Ma'am, let me start and invite my colleagues to continue. If you look at our Web sites, look at our materials, what they are told is when you are on active duty, you and your family will get a low-cost, high-quality healthcare plan. We do not say it is free. And, in fact, it is interesting, we don't generally speak to the post-service elements of the plan. So it is focused on active service. When you join the active military, this is part of the package that you will receive.

Mrs. DRAKE. And you are not talking about retirement at all, which would be good.

Dr. CHU. As you look at our materials, and I did review this very recently, no, typically we do not speak to post-service benefits.

I think that reflects a variety of factors, including the fact that young people, whether they enter the military or not, tend to be very present focused. Something 20, 30 years from now, at least that has been our experience, collectively, isn't a major selling point.

Mrs. DRAKE. Okay.

Dr. CHU. Maybe it should be, but it is not.

Mrs. DRAKE. And that is across the board, all four of you.

The other question that I have deals with, again, retention and bonuses, but particularly in regards to our Special Operations forces. We all know that they are an incredible asset, and they are in very high demand right now in the corporate world. And I have actually experienced it, hearing people come up in the community and to be out somewhere and be there with someone who is an active-duty SEAL and someone come up and talk to them about what they would be willing to give them if they were to separate from the military.

So I wondered if you think the bonuses are a short-term fix or if there are things we could talk about more in retirement benefits. Or if we ask them, what is it that would keep you here with the military? And, of course, the young man where I overheard the conversation was just so determined he was going to serve the U.S. that he did not buy into that.

Dr. CHU. That certainly is the spirit of so many of the fine people serving in those ranks. We have actually had a conversation like that over the last three years with the commander of the Special Operations Command, currently General Brown. And we have put in place a much more energetic program of retention incentives for Special Operations personnel.

I think the most interesting feature of those changes is that for the first time the Department is using authority you gave us, including the critical skills retention bonus authority, to encourage people to stay beyond 20 years of service. To my knowledge, it is the only important program we have where we tried to do that. And it is for exactly the reasons that you described. Part of it is in the different Special Operations communities, it is typical that you recruit someone to that community who has already had several years of service in some other military specialty, so that the career length in Special Operations is going to foreshortened.

Until now, until the build-up of these forces, it hasn't been a big issue. It is now, and so we are actually offering rather powerful incentives, large amounts of pecuniary reward to counter the private sector, in part. If you will agree, when you reach 16, 17, 18 years of service, or 20 years of service, to serve for a number of years beyond the 20-year point, I think that is the—there are other parts to the package, but that is the most interesting change, in my judgment.

Mrs. DRAKE. Well, and I think we would like to know if there is anything you identify that you think would be more helpful and could keep them retained.

I see I have just a little more time, so if I could ask something a little off topic, I wondered from General Brady if you could give

us an update on the National Security Personnel System (NSPS) and particularly the Spiral 1.1, because I understand the Air Force is involved in the program and I wondered if you have any input on that, if you could give us an update?

General BRADY. I think it is going very well. Obviously, that issue, as you well know, there are some legal issues in the minds of some and there is some court action regarding that. But for those people who are not in bargaining units, we are moving forward with that. I think we are enthusiastic about it. I know we are enthusiastic about it, and we are very positive about and very pleased with the response of our people in regard to NSPS.

We think it is an incredibly important initiative for the services and, quite frankly, for our people, for our ability to retain, recruit and reward our very finest people.

That system was designed to help us do that and we are very anxious to move forward with it as conditions permit.

Mrs. DRAKE. Thank you for that.

Thank you, Mr. Chairman. I yield back.

Dr. SNYDER. Dr. Chu, the issue about evaluating the recruiters, and I understand there has got to be—you are evaluating human behavior, it is an art. It can't just be some kind of strict thing. But it seemed a little bit loosey-goosey to me. You had made some reference that there are some differences in the services.

Is that something on your level that you are continuing to look at or are you satisfied that the services are doing what they need to do?

Dr. CHU. We are generally satisfied with what the services are doing, although the details vary. Typically, actually, it is among the more focused and performance-oriented standards in the military.

Dr. SNYDER. Do you have an apples-to-apples comparison between the services on attrition?

Dr. CHU. Yes, sir, we do. We have the data.

Dr. SNYDER. Your charts, by the way, are part of the record that has been submitted. I don't think that was part of your statement.

Dr. CHU. It was. The chart is in my statement.

Dr. SNYDER. On attrition?

Dr. CHU. The chart I showed up there.

Dr. SNYDER. That one is, yes, I know.

Dr. CHU. The attrition numbers are not in my statement but we would be glad to furnish them for the record, sir.

Dr. SNYDER. Do you know offhand, are all four services about the same?

Dr. CHU. To a first approximation, they are roughly speaking the same. There are some differences about when it occurs. So the Marine Corps does benefit, in my judgment, from the way it handles delayed entry program (DEP). It has somewhat less attrition, therefore, in the basic training period, because some of that occurs during the DEP period, importantly, I think, because the Marine Corps does that use that period for some very elementary military training and some physical fitness training.

And, if anything, we would like to encourage all to think about that. There are some legal issues there, I would acknowledge, that are a little tricky. But to a first approximation looked across a

three- or four-year time horizon for the initial cohort, the services are roughly similar.

Dr. SNYDER. You make a reference I think both in your oral statement, also in your written statement, about the special and incentives pay legislative proposal coming.

Dr. CHU. Yes, sir.

Dr. SNYDER. Do you anticipate that that will be essentially budget neutral?

Dr. CHU. Yes, sir.

Dr. SNYDER. Is it going to be about the same amount of money but you want to move it around. Okay.

Dr. CHU. It is the rules, how we apply it and flexibility, ability to be agile, that in our judgment are important. They would not turn the money around.

Dr. SNYDER. And I think it was also in your written statement, Dr. Chu, where I think you discussed ROTC and ROTC scholarships and that there has been a drop-off. Is that something that you are looking at or we need to look at?

My take-home a little bit from that was that we need to increase the amount of scholarships. Is that an over-simplistic reading of that, or how do you see that issue? Amplify on that for me, please.

Dr. CHU. First, there is, as you would recognize, a trade-off among the three, really four, commissioning sources we enjoy, the academies, ROTC, officer candidate programs of various kinds and direct commission. So one must be careful not to overdo any one, because each has its merits and its benefits to the services, to the Nation, to the individuals concerned.

We are relatively comfortable where we are, broadly speaking. I do think we have to be energetic about our ability to pay tuition expenses at the more expensive schools, because that is an issue. The Army has over the last two or three years revamped how it has handled ROTC scholarships to make it more advantageous at those schools. And I do think we have to watch out over time for our ability pay, which you have helped with, expenses other than tuitions for schools that have low tuition but significant expenses of other kinds, typically some of the state institutions.

So there are issues of degree, but think in terms of kind we are relatively comfortable with where we are.

Dr. SNYDER. Your written statements says that the Government Accountability Office (GAO) indicates that enrollment has dropped to 26,000—this is ROTC enrollment. It has dropped to 26,000 from a 32,000 enrollment in 2003. The ROTC program has produced 12 to 16 percent fewer offers this year than the 4,500 that has been programmed. I would assume that is a significant number for you all to deal with.

So you are saying it is——

Dr. CHU. Manageable, because the other source is—let me back up. First of all, we have to discriminate between how many people enroll in the ROTC and how many people graduate to paid commissions. Those are different outcomes, as you appreciate.

Second, we also have the Officer Commissioning School lane. And I do think, as a matter of mobility within the force, particularly given the high quality of enlistees in the contemporary volunteer force, it is very important to have a vigorous officer candidate

school and direct commissioning program so that those who are best qualified at this point can look forward to that opportunity.

Do you want to add anything?

Admiral HARVEY. Yes, sir. Just in the Navy, just to your point, we are seeing behaviors across the board return to our pre-9/11 level, and so our force shaping and sizing that we based on and the balance you have between retention and recruiting, the assumption we made was we are going to be able to retain to where we were pre-9/11 and not in that post-2002, 2003 period, where there was certainly another dynamic in play influencing those decisions. And to that point, we see that in applications, both at the Naval Academy and for ROTC programs.

I think the drop is from an abnormal increase that we experienced post-9/11, and now we are seeing a return to what has been a steady-state level before that time, sir.

Dr. SNYDER. Thank you.

Mr. Murphy, we are going to let you do a catch up on round one, even though we just started round two. So go ahead, five minutes.

Mr. MURPHY. Thank you, sir.

Thanks, gentlemen, for being here today. We obviously didn't meet the allocated authorized force, especially when we talk about the Army on active duty. And I understand that with the recruiting they have met their goals, but they were so short. How about retention? Why do you think the retention—is it just the op tempo of the Army that we are seeing such bleeding within the Army?

General ROCHELLE. Sir, the Army was successful in 2006, highly successful in 2006, across all of our components of retention, to the 108 percent level overall. And thus far this year, retention is running at about 111 percent of our goal. Part of the reason we are successful, obviously, are the authorities that we have been granted by this body for retention bonuses and such.

Mr. MURPHY. I am just trying to wrap my arms around the numbers, though, because we are short as far as the authorized goal of active-duty trends, we are not there. That is correct.

Dr. CHU. Congressman, if I may interrupt. I think the confusion arises from the fact that the end-strength goal that the Congress authorized was not the goal at which the Army was aiming. The Army was aiming at a sort of goal that was consistent with then-planned force build, which was not necessarily 512,400.

Mr. MURPHY. What was the Army goal, Doctor?

Dr. CHU. The Army was aiming at a personnel, active personnel, number consistent with its build to 43 brigade combat teams active. That was not necessarily 512,400. That number was the Congress's authorized goal. It was the same as the internal planning agreement between the then secretary of defense, Don Rumsfeld, and the Army, over how far above the baseline number, 482,400, could the Army go without coming back to him for a further dialogue.

But the Army did not necessarily name at 512,400 in order to sustain its build toward 43 brigade combat teams (BCTs). I think that is a source of confusion. You have a congressionally authorized number, which as General Rochelle points out the Congress itself said plus or minus two percent is okay. And under a declaration

of national emergency, these numbers are not a floor or ceiling for the Department, at least under current statute.

We had the Army building its strength through its accession and retention goals to sustain a particular brigade combat team plan. The last three, the accession goals and retention goals and brigade combat team plan, that those all came together, 512,400 is a different mark on the wall. That is my only point.

And so the Army didn't miss a goal. That is what I would underscore.

Mr. MURPHY. But, so I am accurate, what is the goal? What are the numbers? I understand the 43 BCTs, Mr. Secretary, but my confusion, and maybe you could help me here, is what was the Army's goal. I know you are saying it wasn't the Congress's goal, 512, what was the Army's goal?

General ROCHELLE. For recruiting or the goal for overall growth?

Mr. MURPHY. Overall. I mean, was it just that we are going to get 43 brigade combat teams and then we are going to stop? Or was it we are going to try and hit—you are saying the goal wasn't 512 that we authorized, but what was the goal?

General ROCHELLE. We attempted to grow the Army as far toward that 512,000 authorized end-strength as far as we could go. I commented earlier to a question from Congressman Kline that we essentially reached our limits of advance on the recruiting side of it, but we are very happy with the retention achievements and accomplishments.

We were shooting for a goal, we thought we could hit 502, and we did hit 502, and that is the figure that Dr. Chu was speaking of. In fact, we exceeded 502—505.

Mr. MURPHY. Yes, thank you.

Dr. SNYDER. Dr. Chu, the ROTC information was not from your written statement. It was from the committee staff memo, so if you thought you just completely had a loss of brain matter, it was me that did, not you.

Mr. McHugh.

Mr. MCHUGH. Thank you, Mr. Chairman.

Mr. Murphy's point, though, I think is one that we tried to pursue earlier, and it is well-taken, and that your goals are not going to get you where you want to be in 2008. And I guess we have agreed upon that. You are going to have to be terrific overachievers to get to the 518,400. That is your goal.

Dr. CHU. Yes, sir. Now, on that point, we agree with you.

Mr. MCHUGH. Or 2007, pardon me.

Dr. CHU. We will have to recruit more than 80,000 this year. We will have to retain well, consistent with the Army's 2006 track record, to hit 518.

Mr. MCHUGH. You are absolutely right. You are going to have to have a great year. And I guess the disconnect is, then, why aren't we adjusting goals? Why don't we have a goal of 90,000, versus 80,000?

Dr. CHU. That issue is under discussion within the Department, should we adjust the formal goal, and, if so, how? To be fair to the Army, the decision to add additional combat brigades to the Army's structure was taken after the 2007 budget was formulated and after the 2007 goals were established. The 2007 goals, of course,

start 1 October 2006. The decision on additional brigades for the Army, additional structure of the Army and likewise the Marine Corps, that decision was taken in late December, early January, 2007.

So, yes, we are going to have to hit more than 80,000. There is a robust discussion going on about how should one formally recognize that. There is the management issue of how do you change the signals to the recruiters in the field in an effective way so that they do the right thing?

Yes, sir, we know, we have to recruit more than in——

Mr. MCHUGH. Thank you, Mr. Secretary.

Let us talk a little bit about waivers. If you look at the raw numbers for DOD across all the services, in 2004, all waivers as a percent of accessions was 20 percent. Through 2006, it is now 25 percent. That is a 25 percent increase. And if you look at, for example, the active Army, you went from 12 percent of waivers as a percentage of accessions in 2004, and now it is up to 20 percent, nearly doubling those.

And the troubling part to me, and Dr. Chu talked about body mass index and overweight and revaluations and health areas. And I think that is appropriate. The American health profile is changing and the services ought to be allowed to do that as well.

But the largest, by far, percentage of those waivers is in the moral. In 2004, the Army issued 4,529 moral waivers. Now it is nearly twice that that, at 8,129. The Marine Corps, 53 percent of all of its accessions is under a waiver. What can you say to this subcommittee and this Congress to assure us that is not a clear indicator, or an indicator at all, of the erosion of recruit quality?

Dr. CHU. Let me begin and invite my colleagues to join me in this response. First, I think we have, in the way we have presented the waiver issue, caused a misapprehension which is ill founded.

One has to step back, I believe, and ask why are the waivers there? They are there because, just as you suggested, sir, we put applicants' military service through a long series of screens. There is a set of physical screens, there is a set of mental screens, there is a set of credential screens. That is the high school diploma, GED, et cetera. And there is a set of behavioral screens—have you ever done X, Y or Z.

We could, of course, not ask those questions and we would have zero waivers, but we do. And so the waivers represent those cases where an individual has answered honestly and said, "Yes, I did try marijuana." That is one of the reasons for the high Marine Corps number. And then we make, or my colleagues and their teams make, a considered decision, in the most serious cases at the general officer level, is this truly a disqualifying event, or is it a one-time aberration, youthful indiscretion, whatever the case might be?

We count, frankly, in the most unkind way, so charges, for example, that are not adjudged not guilty by a court are counted in our system. It doesn't mean that you actually were found guilty. It doesn't mean that you would have been found guilty. It means that we reviewed your case. That is really what the waiver means. It says you answered positively.

It is like a health screen, when you go to the doctor. You answered positively on an indicator did you ever try marijuana, yes or no. The Marine Corps standard is one trial, one trial, which would disqualify large numbers of Americans, one trial is enough to trigger a review.

Now, it doesn't mean that we disqualify you, but it does mean that to be enlisted you have to have a waiver in the Marine Corps standard. Now, other services aren't quite so strict with the marijuana issue. Each service has slightly different standards in this regard.

And so I am not troubled by the waivers, because they are an indicator that we are reviewing the records of these people, we are making considered decisions. The real issue is, are those decisions wise? In other words, is the subsequent service of these people consistent with our judgment that the youthful indiscretion or whatever it might be—you broke your neighbor's window, for example. In Massachusetts, malicious destruction of property of more than \$250 can be charged as a felony. At repair rates these days, it is not hard to run up a \$200 bill for something that you might do to your neighbor's house.

Mr. MCHUGH. You know that pretty well. Were you charged?

Dr. CHU. I have been paying these bills, recently. I have painful knowledge of what local labor rates look like. So I think we need to look at the waivers as these are the people who processed successfully—we don't report, maybe we should, how many people answered these questions positively and we rejected. We don't actually keep those data, unfortunately. Maybe we should be keeping those data, to give you a fuller picture of what is going out there.

Now, the Army has shared with me, and I will let General Rochelle have his turn at this, its tracking of the subsequent attrition, to go back to Chairman Snyder's question, of those who received moral waivers. And my understanding of those data is at least in the last four or five years, the attrition rates, which is one indication of whether you have served successfully or not, for those who received moral waivers is about the same as those who received no waiver whatsoever. And it is below waivers for other reasons.

For example, we have administrative waivers if you have a large number of dependents and so on and so forth, and that group does not serve as successfully.

General Rochelle.

General ROCHELLE. Sir, I would only add that we do ask tough questions, and we induce as best we can the individuals to answer them truthfully and then follow up.

The review that is done for any serious misconduct is at the general officer level. I would like to emphasize that. And the judgment, to Dr. Chu's point, when we look back at either the attrition or the overall performance of the soldiers who have been granted waivers, is very positive. In fact, as he said, it exceeds the stick-to-itiveness and it exceeds the quality of service, for example, for an individual we might give a medical waiver to.

Mr. MCHUGH. Does anyone else have a comment?

General COLEMAN. Yes, sir, I would, sir.

As was stated, all it takes is for a poolee to say, "I tried marijuana one time," for the Marine Corps to say, "Okay, we are going

to have to re-look this, see if you are deserving of a waiver and then give or issue or not issue that waiver.”

I think this is a check and a double-check and a third check to ensure that we are getting the quality recruits. Over the last five years, the increase in waivers has been four point eight percent, which means less than one percent a year increase in our numbers of waivers.

Mr. MCHUGH. And, Mr. Chairman, if I just may submit a question for the record, and I appreciate that. And, clearly, the outcomes justify what has been happening here. The quality of the men and women in uniform today is stunning. It is remarkable. So something sure is working.

But we have all heard the questions and the aspersions of doubt cast upon the quality of folks in the military today by others and I find it despicable. And I would like to have an additional response for the record, please, as to the growth of the waivers.

Dr. CHU. Sir, I think that is very much appropriate. I think we are at fault, I accept responsibility. We have not explained the waiver program to the American public in the way it should be. And I think when properly explained people will be comfortable with what we are doing and whatever changes might occur in those numbers.

Mr. MCHUGH. Thank you.

Thank you, Mr. Chairman.

Dr. SNYDER. When you have 535 representatives that I suspect a few times a year ask you to consider getting waivers for someone. Isn't that accurate?

Dr. CHU. I won't go there, Mr. Chairman.

Dr. SNYDER. Ms. Davis.

Ms. DAVIS OF CALIFORNIA. Thank you. Thank you, Mr. Chairman.

You have some very ambitious goals in terms of recruiting and I know that we talked a little bit about some of the demands on recruiters and how tough that it is, perhaps. The GAO, and I am sure you are familiar with this report, took a look at recruiting and felt that the services needed better data to enhance the visibility over the recruiter irregularities, and I understand there were a number of recommendations, of which DOD accepted probably the bulk of those in terms of the recommendations.

Has there been a change in the way that that data is collected, so that they can have a better handle on where are the irregularities, where the problems may be, and what is it about those changes that you have confidence in, perhaps, or not so? Or do you think that they were overreacting?

Dr. CHU. Yes, ma'am, we have accepted the majority of the GAO's recommendations in this regard, the most important of which you have touched upon, and that is we need to establish and we have established for the Department as a whole a set of standard category standard definitions of what constitutes irregularity.

Again, I want to praise the quality of the recruiter force, generally. It is excellent. It is some of our finest young men, young women, in uniform. The Marine Corps has long had a policy, for example, of sending some of its strongest performers to recruiting duty.

General Pace was a recruiter, if I recall correctly, early in his career. And some of the irregularities, in fact, a nontrivial portion of the irregularities in the GAO count were what you would call administrative irregularities. In other words, they did not conform to all the procedural steps, or they made some other error of one sort or another that is not really an indictment of performance, but it does indicate an area that we should—so we have laid down—

Ms. DAVIS OF CALIFORNIA. And yet the numbers, sir, were fairly high, the jump of irregularities, as I understand it. Is that not true?

Dr. CHU. No, I don't think we judged them to be extraordinary. But to the central issue of the GAO report, that we lacked a consistent way of defining, tabulating and reporting on this, they were right. We have published that template and the services are now following it.

Ms. DAVIS OF CALIFORNIA. Let me just turn to one area that we all recognize as of great need in the services, and that is linguistic ability. I know that yesterday at the hearing—I believe it was yesterday—I needed to leave early, but I saw that in the goals, it states that the initiatives had been fully funded for language recruits or work that is being done.

And I am just wondering how you would assess how ambitious those goals are. Are we setting a goal which is doable, but maybe doesn't get us to where we want to go? Should we be more aggressive in that area?

Are recruiters encouraged to find students in communities who may have some language gifts that we can use? And are they being as aggressive in that? Should we be providing some kind of bonuses even in recruitings in that area because it is such a great need? How would you assess that? Are we being as ambitious as we should?

Dr. CHU. Whether we are being ambitious enough or not I think only time will tell. I do think this is an area of true transformation in the Department. When I came to this Department in 2001, language was not viewed as a critical skill. It was not given much attention. It is now central, in my judgment, to the efforts of all four military services.

And just to outline the major steps we have taken, we have, as you know, strengthened the Defense Language Institute (DLI), which has long been a flagship asset to the United States. Recall, many of our most proficient academics trained originally at DLI as service members in years past. But we are doing more there. We are doing more in depth there. We are doing more language there.

Second, we have, as General Brady's testimony underscored, decided that language is and will be a competence that our future leaders must have across the board. Two out of three military academies are making it mandatory for everyone. The third is adding a strong emphasis to its current programs. And we are in the process, thanks to your approving it last year, of awarding grants to ROTC institutions to strengthen the language programs.

American higher education typically teaches what the former secretary would have called the old European languages. We don't teach as much Arabic, Chinese, Korean and Japanese, et cetera, as we should. We need to change that. We in the Department need

to provide the seed money and recognize that we are funding it as part of the President's national security language initiative.

And we are willing to reach beyond that. We recognize that the time to learn a language is when you are young, when you are in kindergarten and first grade, not to wait until high school. And so the Department of Defense has funded at the Federal level the first of these so-called pipeline programs. The first one was in Oregon in Chinese. The second one, announced just last fall, Michigan, in Arabic.

And that is to pay the local educational authorities to start a program at the kindergarten level that takes students all the way through high school, to encourage the local, the state university, to offer a scholarship, other support, for those who prosper and succeed in those areas.

Third area of endeavor is to recruit from the heritage language communities. The Army has a very successful program in this regard, and I certainly would defer to General Rochelle to say a few more words about it. But language and culture is now a central part of how we view future war-fighting skills. It is embodied now in the curricula of separate service war college, commander general, staff college programs.

General ROCHELLE. I would only add, ma'am, that we have had a program since 2004 to recruit from native Arab speakers for a program we call the translator, Arabic translator. This past year, 2006, we recruited 300 for that program. I can't give you the total over time, but——

Ms. DAVIS OF CALIFORNIA. I appreciate that.

Thank you, Mr. Chairman, for the additional time. I think one of the concerns is, at least it was my understanding, that even today, with one of the embed forces, we may have two translators there for however many people in theater, in any one particular area. It seems like we obviously have to work on this very hard, and I appreciate what is being done.

The other thing I would just mention really briefly, I know that Camp Pendleton in San Diego is partnering with San Diego State University in a program, because the folks coming from the defense university actually said that they didn't feel they were well-prepared. And so they are now working with more informal speech, really, more conversational speech, at that level. And maybe we need to take a look at that and be sure that if we have those programs that can be worked in with the university where they also are providing fitness training and a whole lot of other things at the same time. That might be helpful and something that we can use——

General BRADY. Congressman Davis, I think you have raised a great question, and I think the honest answer is we don't know. We can ask what the requirement is. I think we can tell you with some precision what the requirement is in an intelligence sense for near-native speakers and absolute native speakers. We can tell you what that is, and that is hard to achieve.

The other issue, as Dr. Chu alluded to, is this issue of language and culture. And this very panel has had this discussion on a weekly basis, occasionally, over in Dr. Chu's office, about is it big "L" and little "c" or is it big "C" and little "l"? How do you get to

a greater cultural awareness, which we all sign up to? We all know we have got to be better at this. How is the best way to get to that?

So defining the requirement, outside of the pretty clear intelligence requirements for those kinds of linguists I think is hard to know. And next week several of us on this panel are going to be meeting with some other predominantly English speakers, the people from Canada and the U.K. and New Zealand and Australia and Great Britain are going to meet and discuss this topic as to how are those services addressing this challenge. And I am looking forward to that discussion.

Dr. SNYDER. Mr. Kline.

Mr. KLINE. Thank you, Mr. Chairman.

I have been sitting here worrying about my comment about my wife's former service as an Army nurse and dreading the phone call. So I think I should offer that my niece is a graduate of one of those splendid ROTC programs and is already serving on active duty as an Army nurse, and so leave us alone. [Laughter.]

I think it needs to be said that I, at least, am very proud of the recruiting effort and the retention effort that the services have mounted. I, of course, spent my life in the Marine Corps and I am always pleased to see that the Marines have exceeded their accession and retention goals, and all of the services have really done a fine job in the climate that we are in with the very, very low unemployment. What you are competing with is really tough. There are lots of jobs out there, and so you have got to compete with that civilian employment.

Having said that, I want to one more time make sure that it is perfectly clear what I am asking for in my earlier question. I understand fully, as do the members of this committee and the staff and all others, that there are many things associated with recruiting and retention. It is bonuses and it is general quality of life and there are all sorts of things involved.

But what I am asking for is specifically a comparison between fiscal year 2006 before the President announced the increase in end-strength, which we have all been begging for for some time, I might say, and fiscal year 2008, once we have gotten through all of this fiscal year 2007 and started transition and what we requested and didn't request and all that. But the difference between 2006 and 2008 and the numbers of recruiters, Army and Marine Corps, and the dollar amount of the advertising budget. And I know that is not the whole story; I understand that. And if you want to put asterisks and commas and things, that is okay.

But I really would like to see that comparison, so we can get an idea of what you are thinking and what you are doing. Even though I said I wasn't any good at it and probably shouldn't do it, I tried to do some math here. And it looks to me like the Marines are increasing their recruiters in the field by some 21 percent. I think those are the numbers, 2,800, 200, something. That is a pretty significant increase, and I am not critical of that at all. That may not even be enough. I don't know.

But if you can just for us, for the record, as quickly as you can, let us see those two snapshots. I don't mean to be ignoring the Air Force and the Navy, but you haven't had this plus-up in end-

strength that the other two services have. And, with that, incredibly enough, with the light green, I yield back.

Admiral HARVEY. One point, sir, that we are increasing our recruiter strength significantly in view of the more challenging environment we are getting to. I took the watch last year in fiscal year 2006 with about 3,400 field recruiters. And by the middle of 2009, I am going to be at 5,000 recruiters in the field to meet a mission that is going to be going up, even though our end-strength is coming down. So the dynamic applies to just about everybody, sir.

Mr. KLINE. Since the light still is green, even though I yielded back, let me reclaim some time. Since you have volunteered that up, let me ask all the services for that same comparison, because you are looking—I mean, clearly you are looking at the climate and so forth, so let us see that comparison, 2006 to 2008, please, for all——

Admiral HARVEY. Absolutely, sir.

Dr. SNYDER. Mr. Murphy.

Mr. MURPHY. Thanks, Mr. Chairman.

I joined, first, the Army. I joined in 1993 and from 2001 to 2003 my additional duty when I was a professor at West Point was to be a recruiter, called into the JAG Corps, the New York law schools, Fordham, Columbia and Pace Law School, New York Law School. I went to interview prospective officers coming into the JAG Corps.

I know, I was thinking back, when I was a recruiter, I didn't have an standard operating procedure (SOP) as far as if there was a protest. I mean, they protested about Iraq, about the don't ask, don't tell policy, but I never had an SOP from my understanding, or from my memory, to report that back.

Is there an SOP to report if there is a protest, either at a college or at a high school, if there is a protest or if there are people that are barring you access to that student body?

Admiral HARVEY. Yes, sir. During the normal incident reporting system that applies across the board to the military, not just to recruiters, you would have something that goes from a unit situation report (SITREP), where someone comes and stands in front of your recruiting station with a sign, to when if you were actually trying to go on and visit a recruiter and you were physically intimidated. And it moves up the scale to the old operations report (OPREP) system, that type of things.

So I see all those kind of reports. The CNO sees them, the secretary of the navy sees them all throughout the Navy, so it is covered in our normal incident reporting system, sir.

Mr. MURPHY. How about the numbers, Admiral? Have they been going up, since, say, the start of the Iraq war? At least maybe the past——

Admiral HARVEY. I will quantify it for it later, sir, but my sense is from my year on the job is that it has been very steady, low numbers of physical events near a recruiting station, bomb threats, things like that. Nothing out of the usual that I have seen in the past year, sir.

Mr. MURPHY. What percentage, if you could—I know you don't have the numbers in front of you, but what is the percentage?

Admiral HARVEY. I would really hesitate to give you something that I don't have a basis for, sir. So I will come back to you.

Mr. MURPHY. But you can get that to us, you think?

Okay, can I ask the other branches?

General ROCHELLE. Sir, may I add that in 2005 we saw a fairly precipitous increase in the numbers of seriously reportable incidents in and around recruiting stations and on college campuses. So, at that point, the Army Recruiting Command strengthened its reporting criteria, as well as to capture as much, if you will, information about the protest or the incident as we could.

I can't give you a number, but my estimate would be that it has remained relatively—it actually may have declined since 2005.

Mr. MURPHY. I am sorry, General, so you think it has declined?

General ROCHELLE. I think it has declined a little bit since 2005.

Mr. MURPHY. And that is because we strengthened more recruiters?

General ROCHELLE. I am speaking of the number of incidents that are reportable may have declined, but I will provide that information accurately for the record.

Dr. CHU. If I might, Congressman Murphy, to buttress what General Rochelle said, when we had some of the high-profile incidents, we have taken extra steps in terms of what you do when this occurs, how you comport yourself, et cetera, in terms of counseling those who are going to go to a campus and it might be an issue.

Two, the law schools, specifically, you read a list where fortunately I don't believe we had any miscreants on it, but when this Administration began, we had approximately two dozen law schools that would not afford our JAG recruiters access equal in quality and scope to that afforded civil employers.

The Congress armed us with the authority to deal with this issue and we have been quite successful. That list is down to a very small number. There is one still in litigation, I regret to say, where the Supreme Court did reject the argument of the law schools that they could bar such recruiting. And you, the Congress, strengthened our authority by putting those words, equal in quality and scope, into the statute.

Mr. MURPHY. And maybe those are——

General BRADY. This would be the Air Force, sir.

Mr. MURPHY. I am sorry. My brothers in the Air Force are going to be upset with me right now.

General BRADY. I think our report would be anecdotal, but we are highly sensitized to areas in which we sense less friendly access in schools. And so our recruiters are very good about reporting if they run across a school district or independent school, individual schools, where we may feel like we get the folding chair back in the locker room for a recruiting area. So we are paying a lot of attention to that, but have seen no real significant uptick in that, anyway.

Mr. MURPHY. I have a little bit of time. I guess how about as far as the high schools and I accessed it as student information responses. Has that——

Dr. CHU. That has likewise improved with the provisions Congress has given us and direction it gave us some years ago, which

was to send a senior officer to speak with those schools. We have gotten the number of those schools down significantly. We do have one high school that is an issue, currently.

I won't mention its name or location, but it is consistent with every stereotype in American culture. That doesn't mean there isn't a potential issue out there, and that is the whole question of opt out and how to deal with that, with some wanting it to be opt in. We would, of course, vigorously oppose such a step as being inconsistent with the very call to service that Chairman Snyder has just recorded.

Dr. SNYDER. General Brady, articulate for me—and I am now hesitant to say where I have read stuff, since I have already confused Dr. Chu's statement with the committee memo, but articulate for me where the thinking of the Air Force is right now with regard to the coming down of numbers when the Marine Corps and Army are going up and you all are to be responsible for carrying them around.

General BRADY. Right. That is an excellent question, and I appreciate you asking it. As you recall, in fact, I think you and I have personally had this conversation; the Air Force finds itself in a situation where we have a rapidly aging fleet that we must recapitalize. We decide that we could and should, to ensure that our airmen have the best chance of not only survival but mission success tomorrow that they have today, we had to provide them with the appropriate equipment to meet the threats that we foresee in the future and to be successful.

To do that, we made the decision, which we believe was the prudent one, to take some reductions, and you are aware of that. As we look going forward at that, we are certainly not unaware of the discussion going on regarding the ground forces. And, as you increase the ground forces to whatever degree they are increased as a result of the ongoing discussion in this body, there is—if they increase, to whatever degree they increase, there is a commensurate complement that you have to do in the Air Force as well as part of the interdependent joint fight.

So, as we go forward, and that increase takes effect in the ground forces, to whatever degree it does, that requires that we reassess where we end up in terms of our end-strength, and, as you point out, our ability to take them around to be attack P's, to be para-jumpers (PJs), to provide what we provide as part of the joint fight, intelligence, surveillance, and reconnaissance (ISR), whatever it might be.

So I think that is what you are seeing. You are probably referring to the testimony of our chief and secretary in another hearing that said, I think, what I am saying, that that is something that we are looking at. We are not asking for a change in this cycle, but as we get through the end of 2008 and into 2009, there will be a time and we will be doing that this summer, looking at where we go in 2009.

Now, a change, of course—of course, we have budgeted for a change to take us to 316,000 from where we are now. We are at roughly 344 and change at the moment. So we are on a path to 316. If for whatever reason circumstances require that we arrest that dissent somewhere short of that, there will have to be money

back in the budget beginning in 2009 to allow that to happen. But we would only be interested in that if it does not put at risk what we think is the most critical thing, which is our recapitalization program.

Dr. SNYDER. Dr. Chu, do we have a proposal coming with regard to the high-tempo pay, ops-tempo pay for individuals? Is there something coming from you all on that?

Dr. CHU. No, sir. We think we possess sufficient authority with existing statutes to deal with that issue. We are, I will be candid in acknowledging, debating what is the right way to do this. We have not made a decision yet.

Dr. SNYDER. And one of the issues that has been talked about a lot in the past in this committee, based on things that have been reported publicly and that we hear privately has been recruiter misconduct. What is your current thinking and any comments any of the rest of you have with regard to where we are at with regard to recruiter misconduct, either criminality or inappropriate behavior?

Dr. CHU. I think we regret any incident of recruiter misconduct. We do owe you a report on certain issues attached to that, which is due in approximately a month and a half, if I recall correctly.

Dr. SNYDER. March 1st. Is it March 1st?

Dr. CHU. March 1st, okay, a week and a half.

Dr. SNYDER. I may be wrong.

Dr. CHU. But we will try to render that in a timely manner. I do think that we have in place good safeguards against such misconduct. As I said, it is regrettable even if there is one single instance of such misconduct, so I don't want to defend any such misconduct. I do think the rate is at relatively low levels.

General ROCHELLE. Sir, I would only add that any case of recruiter misconduct is indefensible, and it injures no one more deeply than the 99.9 percent of great recruiters out there who are doing it the right way, the hard way, every single day.

I know that the leadership takes care of every single incident that is proven and that that is done both swiftly and is taken very, very seriously.

Admiral HARVEY. Sir, a couple of the questions you have asked really come together and bear on this, and I think it is really important. The environment out there is getting tough, a lot tougher, and will continue to be so. If we ask people to do more with less, that is where you get into trouble. That is why we are increasing the number of recruiters out there, so that when we give them a goal to get, it is realistic, it is achievable within their professional abilities. And we don't try to play a game where you push them beyond what reality would yield and then that is when you induce a problem downstream that gets you into that place that we won't go to.

General Rochelle has it exactly right. The people who suffer most from a recruiter misconduct, other than the individual this misconduct is perpetrated upon, is the service. These recruiters are our face to the families.

Dr. Chu represented we not only have a fight with the youth to get them into our service, but also the influencers. And so any account of misconduct really hurts us in that battle, and so we react

very strongly to that in terms of I have reviewed the code of conduct we give our recruiters down at our introductory course in Pensacola.

Admiral Kilkenny has gone over with me what he does in each district that he visits, when he visits them. We have the standard we expect of a successful petty officer of the United States Navy. So there is no one more energized or agitated about this than the people you see at this table. We are the ones who not only have to make sure it happens, but we are the ones who lose doubly when it does happen.

So I think we have got steps in progress. As Dr. Chu alluded to, better reporting, clearly. We have a lot of people out there on independent duty who carry a very heavy load for us. We are screening them to make sure they are ready for that kind of duty and we are giving them the resources they need to perform as we expect them to do, so we are approaching this on a multitude of fronts, sir.

General COLEMAN. I would like to echo that, sir, as what everyone said here. Every recruit, every potential recruit that walks into a Marine Corps recruiting station or is visited by a Marine Corps recruiter deserves the utmost dignity and respect and that is the way he or she will be treated, sir.

General BRADY. Dr. Snyder, if I could make a couple of comments, I first of all want to echo what my colleagues have said. They have said it extraordinarily well. We are all in relatively—it varies from service to service—tough recruiting environments. Occasionally I read and am told that the Air Force is in a recruiting holiday.

Brigadier General Suzanne Vautrinot would find that—that would come as a great surprise to her if I told her that. We are after the talent in America, and it is going to be tougher and tougher for us to get them.

Congressman Davis asked, are bonuses important? Absolutely they are important. Absolutely they are important to all of us. But there is one thing that we haven't said and I think is important for us to say and it gets to Congressman McHugh's comment about waivers. When we grant a waiver or consider a waiver, it almost invariably in the Air Force, and I suspect it is the same in the other services, it comes as a result of a conversation with those young people.

And the information we got, we got from them. I think it speaks in eloquent ways to the integrity of the young people that are coming in, that they are sharing this with us at some risk to their future service. So they are having this great conversation with us about them and things they have done in their lives. And I think it is important that we make that point and we are making an assessment. The waivers are not automatic. They are certainly not in the Air Force and I am very confident they are not in the other services.

But they come as the result of some self disclosure from the great young men and women of America who come into the recruiting places.

Dr. SNYDER. Mr. McHugh.

Mr. McHUGH. Mr. Chairman, let me play off a question you posed to General Brady about the ability of the Air Force to meet

its challenges in this new environment vis-a-vis a growing force in the Army by going over to Admiral Harvey.

Admiral, in fiscal year 2004, the Navy projected its end-strength to be, at the end of 2009, 365,900. In that 2004 year, you then revised the end-strength estimate for 2009 to be 357,400. In 2005, the revised end-strength for 2009 became 345,300 and then 2006, you revised the 2009 end-strength again to 330,000 and now in 2007 you have revised your end-strength projections again, to go down to 328,400 in 2008 and 322,200 by 2013.

I am wondering, where do we begin to settle on an end-strength number? What seems to be the challenge here? And, equally important is how are you accommodating your challenges that will be associated with your sister force and brother force in the Marines, given their end-strengths growths, whether it is in medical personnel, chaplains or whichever?

Admiral HARVEY. Well, first off, if we assume that the full end-strength plus-up to the Marine Corps does occur, we have estimated what our requirement will be for that, and that is programmed into the 2008 and out budget. So we have built into the program what we call blue and supportive green that supports the end-strength increase of the Marine Corps. So that is done, sir, and we think we have a very good handle on what that is across the board, and we have got that accommodated.

But, to your other question, form follows function. The years you highlighted were the years where the Navy was trying to come to grips with what is the size of the future fleet? And I think if we were sitting in another one of the subcommittees off this full committee, you would have heard that same question posed perhaps to Admiral Clark and then incoming Admiral Mullen, that your ship-building plan has changed every year. The form follows function. Our personnel plan must support the future fleet size.

Well, one of the things I had the great benefit of when I came into this job was that Admiral Mullen has led the effort and developed what is the fleet of the future that we are aiming for now? And so it is about 313 ships, about 3,800 to 4,000 tactical aircraft. And that, with the completion of the last piece of the BRAC process, gives me the overall structure that we have to support in our manpower program.

So I am quite confident that what we have brought forward to you in 2008, that we are going to lead to this final end-strength figure of about 322,000, is what we need to do the mission that the Nation expects this Navy to do with the fleet structure we expect to have of about 313 ships and about 3,800 tactical aircraft.

Mr. MCHUGH. General Coleman, do you feel comfortable with that? You are going to get where you need to be?

General COLEMAN. Yes, sir.

Mr. MCHUGH. I am sure the Marine Corps was an integral part of those calculations, Admiral.

Admiral HARVEY. Absolutely, sir. General Amos was the first one, as soon as that plus-up was authorized, asked the question, okay, what are we going to get to help make it work from your end?

We had that dialogue, we agreed on what the number is, and that number has been programmed, sir.

Mr. MCHUGH. Okay, good. Thank you. You raised the point, you said blue supports green. All of us on this panel have been talking about blue into green, a big program to try to take advantage of some great people, but now the Army is changing uniforms. What is it, blue into deep blue, or we have to rename it?

Admiral HARVEY. We will be able to keep up with them, sir, no matter what color they end up in.

Mr. MCHUGH. All right, good enough.

Mr. Chairman, I would thank you for this. Let me just make my normal year-end comment, and it does not have anything to do with the authorities of the gentlemen at the table, but it does have a lot to do with what they are changed with doing and do so very well, and that is the budget structure for recruiting and retention.

I continue to be deeply troubled by a budget process that relies so heavily upon supplemental funding. We are sitting here right now and really find it almost impossible to talk about real numbers on recruiting and retention—forget 2008, in the 2007 supplemental. And the timing of these approvals, when they get to the Congress, are critical, and of course it is exacerbated by the fact that it is not built into the base budget.

So I would be remiss if I didn't, as I have in each of the last five years, make my plea to this Administration and I assume subsequent Administrations to do everything we can to build our recruiting and retention budgets into the base budget.

Thank you, Mr. Chairman. Yield back.

Dr. SNYDER. I guess back to Mr. Kline's concern about advertising budgets and everything else. You get more bang for the buck with advertising if you can know you have got the money ahead of time.

Mr. Murphy. Okay.

Mr. Kline.

Mr. KLINE. I thought I was going to have to defend myself there for just a minute. Are you yielding to me for a moment?

Dr. SNYDER. You are up for five minutes.

Mr. KLINE. Well, I don't need five minutes.

Dr. SNYDER. That is what you said the last time.

Mr. KLINE. No, I didn't. I will try to take six.

I just was thinking about the discussion we were having earlier about officer accessions and, Dr. Chu, you gave a very good response and to the sort of four sources. And you had a response to the chairman, I think, about well, we are a little bit concerned about some of the ROTC programs at some of the more expensive schools.

Can I just ask you or any of them sort of across the board, do you see any problem areas in any of those programs, but particularly the academies and ROTC and getting enough qualified people who want to get in those programs?

Dr. CHU. I should let my colleagues answer. My assessment of the overall data is that, just as Admiral Harvey said, we had an increase at the academies, specifically, which is the easiest indicator to gather—we had an increase in interest after 9/11, more applicants to the programs. They have come back down, just as we said.

Mr. KLINE. Excuse me. We see that, of course, in our offices. I think it would reflect probably the same, but I am not taking that as an indication of trouble. We have splendid young men and women who are coming to apply.

I am just asking, do you use a warning area out there in young men and women applying to either the academies or the ROTC program? That is all I am asking.

Dr. CHU. Not that I have seen, but I defer to my colleagues.

General Rochelle.

General ROCHELLE. Sir, the quality of the young men and women applying to the Military Academy is as high as we have ever seen it. We have increased recently by, I believe, 100. We are very limited on our capability at the academy to increase the intake. But we have increased it recently.

Army ROTC will have to grow. As we grow the Army, the brigade combat team structure, it does require that we increase the number of officers from Army ROTC. We have some concerns.

Admiral HARVEY. Sir, the numbers and quality overall look good, academy and ROTC. As I referenced in my remarks, though, we are focused on the shaping of that force and the increased diversity demands that we want to see in our service that reflect in the changing demographics of the Nation.

But I would say that as strong as we are at the ROTCs and the academies, to a point that Congressman Murphy made in reference to his own experience, it is at the professional schools—medical school, dental school, nursing school, law school, that I see a really terrific battle ahead in terms of propensity to join the service.

I think there is one common element among all four of us here is that our medical programs that we are going for, we are not meeting the goals that we have set for ourselves. And so it is at the professional schools, where their demographics have changed dramatically and an increase in numbers of women graduates who are less propense even than the normal graduate to join the military. So that is the focus area for us, sir. I know it is not your question, but I did want to call your attention to it, because it is a serious one that will be with us for some time, sir.

Mr. KLINE. Thank you.

General BRADY. Our assessment would be exactly the same. As Admiral Harvey said, there was a peak post-9/11. We are pretty much down in academy applications, et cetera, to the pre-9/11. We still have many more qualified applicants than we can accept, but we share the same concerns about professional schools.

General COLEMAN. Sir, our recruiting and retention of officers is very well. There are no concerns, and I would submit to you that if we could talk the Navy into allowing more Marines to come out of the academy, we would fill the school.

Mr. KLINE. I think I am still on that board of visitors, pending the new speaker's confirmation. We will have that chat. I yield back.

Dr. SNYDER. I am going to do another five minutes, John, if that is all right with you all.

Dr. Chu, going back to the foreign language issue, you used the words it was central, in your words, foreign language is central to the modern war fighter, and I think that is true. We talk about a

Marine always being a rifleman, and I suspect now we say a Marine is always a rifleman and somehow the ability to operate a laptop.

But I don't think we are at the point yet in the military where a foreign language really is central like a rifle is to a Marine, and I suspect that is something that we are going to be working on for some time to come, exactly what that means.

For example, I have suggested this before, not entirely tongue in cheek, but I have always thought that incoming recruits ought to be assigned a foreign language in boot camp, and that is it. Whether they are in the military for 3 years or 25 years, they will continue, they will have an expectation that wherever they are, we have got the ability with computers and all, if they are sitting in Korea, they can still be working on their Farsi, whatever it is that they are assigned.

And, at some point, that will be of value to us as a Nation. When we think of Marine Corps tours rotating every seven months now, I mean, who are we kidding about the ability of someone to really pick up on language and culture in that kind of a rotation. But I think this is something, I know, that there are a lot of Members of Congress that are very interested in exploring and recognizing that we are going to be fumbling around.

It is not just a military problem. Just like the issues that we have with paying for healthcare in the military, it is a societal problem. And one of our abilities—one of the challenges we have as a Nation, our ability to compete in globalization. We have so many of our young folks, we are so far behind foreign language skills compared to the rest of the world. I don't know if there are some things that we can help with as far as exploring other approaches or experiments. I guess we don't call them experiments.

Dr. CHU. Well, you have, I think, touched on the very issues we are attempting to work. We recognize it is going to be a considerable journey to get to the point where it really is in fact central, and that is not just a goal, which is the present situation. I would add one of the services is doing something like you have described, making them choose early on in their careers and then continue with that choice.

But, to your larger point about how it is a societal issue, we agree. We are willing to put the Department's money—and you have supported us in that, we are grateful for that—on the line to start changing the American landscape. I have been impressed at how advocacy does make a difference, just as you are doing this evening in the program that you mentioned, just having the Department cosponsor with the University of Maryland a conference on what we should be doing here caused a program in California to start—pipeline Chinese program to start, simply because we said there is going to be a market for you out there, that your young people, if they do this, will have a benefit. And I think it is part of our responsibility.

Where in your larger responsibility for the overall for the budget, you can help us, is an area where I think as a Nation we fell short last year. The Administration did ask for support in Department of Education for the so-called pipeline grants, did not get it out of the appropriations process. Now, you gave it to us in Defense, and

we will proceed with those grants and we need to renew that effort. Because, long term, that really is a Department of Education responsibility and Defense shouldn't be doing the whole thing, shouldn't really be in charge, either. We don't seek to be in charge.

Some of this is just simple, good public Administration. So, for example, we have required the military departments now to survey all their uniformed—and we will be doing soon the same thing for field personnel—simply to ask them, what language competence do you have?

The Navy, we are very impressed, Admiral Harvey came back, the Navy had reported over 1,000 who self reported some degree of competence in one of the African languages, quite an extraordinary potential inventory.

Now, in addition, as you know, we are paying an incentive to those who take the necessary tests and demonstrate a level of proficiency in that test a modest stipend to maintain that proficiency. And that is proving a powerful incentive to get people to step forward, get people to take the test and show it is not just that you claim you can speak X, you really have the following degree of competency.

So I think we can move forward in less than a generation. I don't think this is forever, but it is not one year. I acknowledge that. And we are still at the early stages, as General Brady said, of deciding, well, what do we want to have? We have polled now the combatant commanders, every one of them, with a template the joint staff approved, to say, okay, which billets in your command ought to have which languages? So we start to create for the military services a set of targets to aim at.

It is not enough and, as General Brady said, I agree, we haven't fully decided exactly what the end point should look like. Should we be like the Dutch, where any professional has to speak a major foreign language? And it is typically English. Is that our proficiency level? We are building now a foundation, because the literature argues that if you know some of a foreign language, even one relatively close to your native language, your ability to learn the next foreign language is enhanced, and we are putting predeployment packages out there.

Now, they are rudimentary, but I think within the limits that time permits, they are helpful. So we are taking a number of steps. We recognize it is a national problem. We are willing to contribute to the solution of a national problem both by leadership with funding, if you permit us, and with exploring new avenues for success.

Dr. SNYDER. Mr. McHugh, any further questions or comments?

Mr. Murphy, any further questions?

We appreciate you all being here this afternoon. Did anybody have any closing comments you all would like to make?

Dr. CHU. Thank you, Mr. Chairman.

Dr. SNYDER. The men's room is right back this way. [Laughter.] Thank you all very much.

The hearing is adjourned.

[Whereupon, at 4:10 p.m., the subcommittee was adjourned.]

A P P E N D I X

FEBRUARY 15, 2007

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

FEBRUARY 15, 2007

Opening Statement Chairman Snyder
Hearing on Overview of Recruiting and Retention
February 15, 2007

Today the Subcommittee will turn its attention to recruiting and retention—two programs that are of vital importance to the future combat capability of our military forces. This is a very challenging recruiting and retention environment and we believe that the strength of the civilian job market and the continuing high operations tempo in the War on Terrorism will cause the environment to remain difficult during fiscal year 2007 and in the years that follow.

As you might expect, the Subcommittee is concerned about the need to achieve the number of new recruits needed to meet mission requirements, particularly now that the President has endorsed increased end strengths for the Army and the Marine Corps. However, the Subcommittee has become increasingly troubled that the proper balance between recruit numbers and recruit quality has not been maintained and that recruit quality has suffered in some areas. Finally, the Subcommittee is very concerned that recruiting and retention programs are fully funded in a timely manner because we have learned that these programs cannot be salvaged with funding at the 11th hour. Recruiting and retention programs must be planned and executed over time and full funding must be made available as early as possible.

During fiscal years 2006 and 2007, the Congress and Department of Defense partnered to authorize a wide array of increased recruiting and retention incentives

and more flexible legislative authorities. Part of our purpose today is to reaffirm that the partnership will continue to revamp legislative authorities and add resources to meet the challenges that lie ahead.

Mr. McHugh, did you have any comments.

Let me introduce our panel.

Honorable David S. C. Chu

Under Secretary of Defense for Personnel and Readiness

Lieutenant General Michael D. Rochelle, USA

Deputy Chief of Staff, G-1, Headquarters, U.S. Army

Vice Admiral John C. Harvey, Jr., USN

Chief of Naval Personnel, Department of the Navy

Lieutenant General Roger A. Brady, USAF

Deputy Chief of Staff, Manpower and Personnel, Headquarters, U.S. Air Force

Lieutenant General Ronald S. Coleman, USMC

Deputy Commandant for Manpower and Reserve Affairs, Headquarters, U.S. Marine Corps

General Rochelle and General Coleman, I believe this is the first opportunity each of you has had to testify before the Military Personnel Subcommittee after assignment to your current positions. Welcome!

**Opening Remarks – Rep. John M. McHugh
Military Personnel Subcommittee Hearing
Recruiting and Retention Overview
February 15, 2007**

Thank you Dr. Snyder.

The Fiscal Year 2008 budget request is notable because it recommends significant – and I might add well-justified – growth in the Army and the Marine Corps. Such increases have heretofore been a multi-year, bi-partisan objective of both this subcommittee and the full Armed Services committee. I would expect that this committee will remain solidly committed to increasing not only the size of the Army and Marine Corps, but also in the growth of force structure and capabilities that is inherent in the end strength growth.

What's different about the fiscal year 2008 request, however, is that budget now presents this committee and Congress with a discreet, measurable and significantly larger funding request to support that growth. We certainly will look closely at the funding request, and as indicated in the memorandum prepared by staff for this hearing, raise questions about the

adequacy and sufficiency of the request. For example, given what we know about the fiscal year 2008 request, I have concerns that the budget is not adequate to support the significant recruiting and retention efforts required by the Army and Marine Corps in both fiscal years 2007 and 2008.

I have a larger concern, however, that the debate over U.S. strategy in Iraq will undercut the resolve of this House to support the force structure and end strength growth contained in the budget. I hope that will not be the case, but as you may hear today, Congressional action already taken to strip several billion in fiscal year 2007 BRAC funding has created significant consternation among the military services.

The question remains whether Congress will make the services whole by restoring that funding. If the House, and ultimately Congress, does not restore that funding and requires the services to fund some or all of those fiscal year 2007 BRAC requirements from the budget request before us, then this body, in effect, will undercut the ability of the Army and Marine Corps to achieve the growth that has been the long-standing

objective of this committee. We must be united in not letting such a goal be thwarted.

That said, Mr. Chairman, I will reserve the remainder of my comment and questions until after the opening statements of our witnesses. I look forward to their testimony.

Prepared Statement
of
The Honorable David S. C. Chu
Under Secretary of Defense (Personnel and Readiness)
Before the
House Armed Services
Subcommittee on Military Personnel
“Overview of Recruiting and Retention”
February 15, 2007

Not for publication until released by the committee

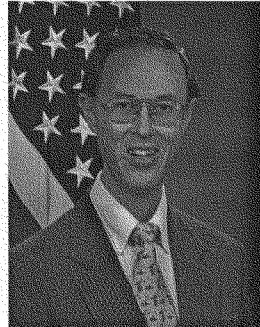


Under Secretary of Defense for Personnel and Readiness

The Honorable David S. C. Chu

David S. C. Chu was sworn in as the Under Secretary of Defense for Personnel and Readiness on June 1, 2001. A Presidential appointee confirmed by the Senate, he is the Secretary's senior policy advisor on recruitment, career development, pay and benefits for 1.4 million active duty military personnel, 1.1 million Guard and Reserve personnel and 700,000 DoD civilians and is responsible for overseeing the state of military readiness.

The Under Secretary of Defense for Personnel and Readiness also oversees the \$21 billion Defense Health Program, Defense Commissaries and Exchanges with \$17 billion in annual sales, the Defense Education Activity which supports approximately 96,000 students, and the Defense Equal Opportunity Management Institute, the nation's largest equal opportunity training program.



Dr. Chu began his service to the nation in 1968 when he was commissioned in the Army and became an instructor at the U.S. Army Logistics Management Center, Fort Lee VA. He later served a tour of duty in the Republic of Vietnam, working in the Office of the Comptroller, Headquarters, 1st Logistical Command. He obtained the rank of captain and completed his service with the Army in 1970.

Dr. Chu earlier served in government as the Director and then Assistant Secretary of Defense (Program Analysis and Evaluation) from May 1981 to January 1993. In that capacity, he advised the Secretary of Defense on the future size and structure of the armed forces, their equipment, and their preparation for crisis or conflict.

From 1978 to 1981, Dr. Chu served as the Assistant Director for National Security and International Affairs, Congressional Budget Office, providing advice to the Congress on the full range of national security and international economic issues.

Prior to rejoining the Department of Defense, Dr. Chu served in several senior executive positions with RAND, including Director of the Arroyo Center, the Army's federally funded research and development center for studies and analysis and Director of RAND's Washington Office.

Dr. Chu received a Bachelor of Arts Degree, magna cum laude, in Economics and Mathematics from Yale University in 1964 and a Doctorate in Economics, also from Yale, in 1972. He is a fellow of the National Academy of Public Administration and a recipient of its National Public Service Award. He holds the Department of Defense Medal for Distinguished Public service with silver palm.

INTRODUCTION

Mr. Chairman and members of this distinguished Subcommittee, thank you for the opportunity to be here today.

Recruiting and retention remain solid, despite a difficult recruiting market. Today, I will review with you the current status of military recruiting and retention and discuss some of the current initiatives we are working with the Services to address the challenges. We gratefully acknowledge the Subcommittee's support during these challenging times to facilitate our success in both recruiting and retention.

When we face challenges, we carefully monitor the situation and take measures to resolve problems. We continually review compensation packages to ensure that they are fair and equitable. We are committed to a competitive pay and allowances package.

Active Duty Recruiting and Retention

The success of our all volunteer force begins with recruiting, and the viability of the force is assured with successful retention. An improving economy, lower support from influencers to recommend service, increased Army and Marine Corps recruiting goals, and high operations tempo continue to challenge our ability to recruit.

Active Duty Recruiting

During FY 2006, the military Services recruited 167,909 first-term enlistees and an additional 12,631 individuals with previous military service into their active duty components, for a total of 180,540 active duty recruits, attaining over 100% of the DoD goal of 179,707 accessions.

While meeting our quantitative goals is important, we also need to have the right mix of recruits who will complete their term of service and perform successfully in

training and on the job. The “quality” of the accession cohort is critical. We typically report recruit quality along two dimensions – aptitude and educational achievement. Both are important, but for different reasons.

All military applicants take a written enlistment test called the Armed Services Vocational Aptitude Battery (ASVAB). One component of that test is the Armed Forces Qualification Test (AFQT), which measures math and verbal skills. Those who score above average on the AFQT are in Categories I-III A. We value these higher-aptitude recruits because they absorb training lessons and perform better on the job than their lower-scoring peers (Categories IIIB-IV). These category groupings describe a range¹ of percentiles, with Category I-III A describing the top half of American youth in math and verbal aptitudes.

We also value recruits with a high school diploma because they are more likely to complete their initial three years of service. About 80 percent of recruits who have received a traditional high school diploma complete their first three years, yet only about 50 percent of those who have not completed high school will make it. Those holding an alternative credential, such as a high school equivalency or a General Educational Development (GED) certificate, fall between those two extremes.

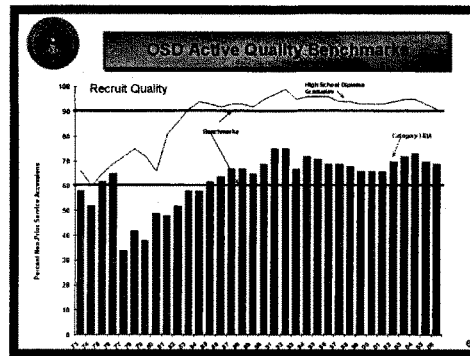
In conjunction with the National Academy of Sciences, the Department developed an optimizing model that links educational attainment, aptitude, and recruiting resources to job performance. With this model we established recruit quality benchmarks of 90 percent high school diploma graduates and 60 percent scoring above average on the AFQT. Those benchmarks were set by examining the relationship between costs

¹ AFQT (Math-Verbal) Percentile: I (93-99); II (65-92); III A (50-64); IIIB (31-49); IV (10-30)

associated with recruiting, training, attrition, and retention using as a standard the performance level obtained by the enlisted force cohort of 1990—the force that served in Desert Shield/Desert Storm. Thus, the benchmarks reflect the aptitude and education levels necessary to minimize personnel and training costs while maintaining the required performance level of that force.

For over twenty years, the military Services have met or exceeded the Department's benchmarks for quality active duty recruits (Figure 1). The quality of new

Figure 1. DoD Quality 1973-2006



active duty recruits remained high in FY 2006. DoD-wide, 91% of new active duty recruits were high school diploma graduates (against the goal of 90%). This compares favorably to the national average in which only about 80% graduate from high school. On the Armed Forces Qualification Test, 69% are drawn from the top half of America's youth (versus a desired minimum of 60%).

Through January, FY 2007 all Services have met or exceeded numerical recruiting objectives for the active force. Army achieved 22,213 of its 20,350 recruiting goal, for a 109% year-to-date accomplishment (Table 1). The active Army did miss one of its quality benchmarks, falling short of recruits with a High School Diploma.

Although the Army is slightly below the desired number of recruits scoring at or above the 50th percentile on the AFQT, we look for the Army to achieve the DoD benchmark by the end of FY 2007.

Table 1. FY 2007 Active Duty Enlisted Recruiting Through January

Active Duty Enlisted Recruiting (Through January)	Quantity			Quality	
	Accessions	Goal	% of Goal	% High School Diploma Graduate (HSDG); DoD Benchmark = 90%	% Scoring at / above 50th Percentile on AFQT (Categories I-III A); DoD Benchmark = 60%
Army	22,213	20,350	109.2%	80.4%	58.2%
Navy	10,198	10,198	100.0%	93.0%	72.4%
Marine Corps	9,902	9,661	102.5%	94.7%	66.9%
Air Force	9,038	9,038	100.0%	98.0%	79.4%
Total	51,351	49,247	104.3%	90.3%	68.5%

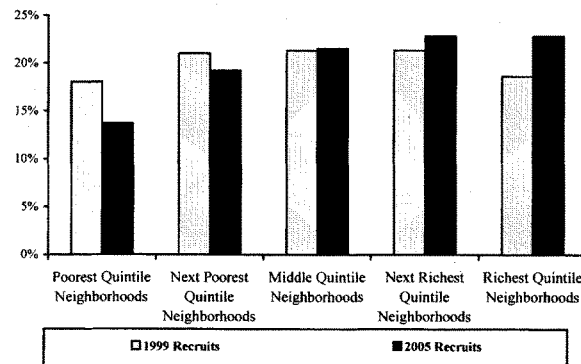
We should not lose sight of the fact that, although the youth population is large, a relatively small portion of American youth is qualified to enlist. It is an unfortunate fact that many of the contemporary youth population are currently ineligible to serve. Some are medically disqualified (with obesity a large contributing factor), others have moral/criminal issues, or cannot meet our education and aptitude standards.

While we are optimistic that all Services will make their numerical recruiting mission, the Army is aggressively attacking any potential shortfall in quality through several avenues: (1) maintaining a high number of active duty recruiters; (2) focusing on incentives, with substantial enlistment bonuses and the Army College Fund; (3) targeting advertising, focusing on influencers, particularly parents; and (4) continuing market expansion programs, an example of which is, the Assessment of Recruit Motivation and Strength (ARMS)—that requires some otherwise unqualified overweight applicants to

take an additional psychological screen and fitness test to determine likelihood of enduring military training.

Despite the success of our volunteer military, some call for a return to conscription. They claim that today's military recruits come disproportionately from the poor, the unemployed, the uneducated, and the minority populations. Data show the contrary. Most recruits come from middle income families, with far more recruits drawn from higher-income households than poorer households. Since 1999, we have seen a significant increase in the number of recruits from higher income families (Figure 3). Furthermore, data show that recruits do not come from the ranks of the unemployed, that they are more educated than their civilian peers, and that they are not disproportionately from minority populations.

Figure 3. Socio-Economic Neighborhoods of New Recruits



Source: The Heritage Foundation

Some have asserted that African-Americans sustain the greatest proportion of casualties in Operation Iraqi Freedom. That is not correct. As of February 2007, African Americans represented about 19 percent of the force, yet accounted for 10 percent of

deaths and 8 percent of the wounded (Caucasians accounted for 67 percent of the force, but suffered 74 percent of deaths and 73 percent of the wounded). The corresponding numbers for Hispanics were 10 percent of the force, 11 percent of the deaths, and 6 percent of the wounded. These patterns are simply an outcome of the occupational choices young people make. African Americans, for example, preferring skills offering training easily transferred to the civil sector, generate a modest overrepresentation in the health care field. The choices members of an All-Volunteer Force make are up to them.

The Services commissioned to active duty 15,449 officers in FY 2006, with Navy and Marine Corps meeting their numerical commissioning requirements. The Army and Air Force finished with shortfalls of 5% and 9% respectively, primarily concentrated in a few medical specialties. In FY 2007, active duty officer accessions are on track in all Services for overall numeric success, although medical specialties continue to present recruiting challenges.

Active Duty Retention

Overall, in FY 2006 we exceeded active duty retention goals across the board. The Army, Air Force, and Marine Corps met FY 2006 active duty retention goals in every category. The Navy retained in high numbers at the outset of the year, but a focus on physical fitness test performance led to an increase in disqualification among first-term sailors later in the year. Navy is on a planned, controlled path to reshape the force and will continue to monitor carefully zone behavior by skill set.

For FY 2007, active duty retention continues on track (Table 2). The Army, Air Force and Marine Corps met or exceeded their overall active duty retention missions, although Army lags in the Mid-Career category. Historically, Army begins the year

slowly and finishes strong; thus we are predicting that Army will meet its reenlistment goals in all categories, including Mid-Career, for FY 2007.

While Navy numbers remain below monthly goals in Zone A, Navy is on a controlled path to reshape the force and will continue to carefully monitor zone behavior by skill set and take necessary actions as required to meet reenlistment goals. We are predicting that Navy will meet its goals in all zones for this fiscal year.

Table 2. FY 2007 Active Duty Enlisted Retention Through January 2007

Active Duty Enlisted Retention	Reenlisted Thru Jan 07	Mission
Army		
- Initial	10,367	8,185
- Mid Career	6,447	6,967
- Career	5,004	4,823
Navy		
- Zone A	4,187	4,832
- Zone B	3,340	3,482
- Zone C	1,836	1,730
Air Force		
- Zone A	5,738	5,700
- Zone B	3,342	3,475
- Zone C	2,017	2,100
Marine Corps		
- First	5,111	2,032
- Subsequent	2,862	2,154

Of course our retention efforts ultimately support the delivery of seasoned performers to higher ranks. In recent years, the grade proportions have shifted upward slightly as we continue to field weapon systems and units with fewer lower-grade positions. This will require legislative change to adjust some of our enlisted and officer grade structures. Concurrently, the Department seeks expanded demonstration authority to allow us to try new manning concepts, and prove their merit, as an important antecedent of permanent legislative change.

The Army is the only Service currently using Stop Loss. As of December 2006, the Army Stop Loss program affected less than half of one percent of the total force (7,072 Active Component, 1,603 Reserve, and 2,036 National Guard soldiers). The active Army Unit Stop Loss program takes effect 90 days prior to unit deployment or with official deployment order notification, if earlier, and remains in effect through the date of redeployment to permanent duty stations, plus a maximum of 90 days. Reserve Component Unit Stop Loss begins 90 days prior to mobilization or with official mobilization alert deployment order notification, if later, and continues through mobilization, and for a period up to 90 days following unit demobilization. The Secretary has directed that we minimize the use of Stop Loss.

Reserve Component Recruiting and Retention

There has been considerable discussion about the stress that the Global War on Terrorism (GWOT) places on the Reserve Components. A repeated question is: What levels of utilization can the National Guard and Reserve sustain while still maintaining a viable reserve force? Recognizing that the GWOT might last for a number of years, the Department established early a strategic approach to ensure the judicious and prudent use of the Reserve Components in support of the war effort. We will continue to assess the impact of mobilization and deployments on the National Guard and Reserve, and adjust our policies as needed to sustain a strong Reserve force.

Almost 550,000 Selected Reserve members have served in support of GWOT operations since September 2001, representing about 42% of the 1.3 million who served in the Selected Reserve during that period. But a more relevant examination of National Guard and Reserve mobilization is in terms of today's force – those who are currently

serving in the force. Of the 831,108 Reserve Component members who are currently serving in the Selected Reserve, 390,466 have been mobilized between September 11, 2001 and December 31, 2006 – representing 47 percent of the current force

These data do not include the Individual Ready Reserve (IRR) force, which has been used modestly, especially when compared to Operation Desert Storm, when we mobilized 30,000 Individual Ready Reserve (IRR) members. In the past five plus years, we have mobilized only 14,500 IRR members.

Reserve Component Recruiting

Even with the stress of mobilization and the other elements in this challenging recruiting environment, the DoD Reserve components reversed the downward trend of the preceding three years and, cumulatively, achieved 97% of their fiscal year 2006 recruiting objectives --- a significant increase over the 85% achievement in FY 2005. Two of the six DoD Reserve components exceeded their recruiting objectives – the Marine Corps Reserve and the Air Force Reserve. The Army National Guard and Air National Guard came close to making their goals, achieving 98% and 97%, respectively. The Army Reserve fell short by 1,653 (achieving 95%), and the Navy Reserve fell short by 1,458 (achieving 87%). The improved recruiting results compared to the previous three years, coupled with low attrition, have helped the Reserve components achieve a better end strength posture.

We see fiscal year 2007 as another challenging year for reserve recruiting. But the Reserve components have undertaken many successful initiatives to mitigate the challenges. These seem to be paying off. During the first quarter of fiscal year 2007,

four of the six DoD Reserve components met or exceeded their recruiting objectives (Table 3).

We also continue to monitor the quality of our recruits against the DoD benchmarks. We see no decline in the quality of young men and women being recruited today. They remain America's finest. Changes authorized to the Reserve enlistment and affiliation bonuses should help continue this positive trend.

Table 3. Reserve Component Recruiting Performance through January 2007

	Quantity			Quality	
	Accessions	Goal	% of Goal	% High School Diploma Graduate (HSDG); DoD Benchmark = 90%	% Scoring at / above 50th Percentile on AFQT (Categories I-III A); DoD Benchmark = 60%
Active Duty Enlisted Recruiting (Through January)					
Army National Guard	21,598	19,162	113%	93%	58%
Army Reserve	8,672	9,213	94%	90%	58%
Naval Reserve	2,777	3,149	88%	93%	73%
Marine Corps Reserve	2,657	2,594	102%	95%	71%
Air National Guard	3,201	2,926	109%	98%	75%
Air Force Reserve	2,263	2,211	102%	99%	70%

There is less encouragement today from parents, teachers, and other influencers to join either the active or reserve forces. In addition, fewer individuals are separating from the active components. These factors, coupled with a strong economy and lower unemployment, adversely affect reserve recruiting.

The Army is aggressively attacking any potential shortfall in Reserve Component recruiting through three avenues of approach: (1) extension of the quick ship bonus and improvements in the Reserve Partnership Councils, (2) stronger incentives, with

increased enlistment bonuses for both prior service and non-prior service recruits, and (3) increased advertising expenditures, including targeted advertising to parents and influencers. Your support of these efforts is essential.

Reserve Component Retention

The percentage of reenlistment goal achieved increased in FY 2006 to 104%, up from 100.1% in FY 2005. This fifth straight year of increase reflects the positive trend that we believe will continue in fiscal year 2007.

Measuring all losses, regardless of reason, from the Reserve components, we are pleased to report that enlisted attrition remained below established ceilings for fiscal year 2006, also a very positive trend. As a matter of fact, the composite (officer + enlisted) attrition rate of 18.4% was the lowest it has been since FY 1991. Through the first quarter of FY 2007, enlisted attrition is on track to remain below ceilings established by each Reserve component. We are closely monitoring retention/attrition, particularly for those members who have been mobilized and deployed to support operations in Iraq and Afghanistan.

Table 4. Reserve Component Attrition through December 2006

Selected Reserve Enlisted Attrition Rate (in percent)	FY 2000 YTD (Dec 99)	FY 2004 YTD (Dec 05)	FY 2007 YTD (Dec 06)	FY 2007 Target (Ceiling)
Army National Guard	5.44	4.17	4.70	19.5
Army Reserve	6.50	4.69	5.27	28.6
Navy Reserve	3.91	7.92	7.28	36.0
Marine Corps Reserve	7.15	5.11	6.46	30.0
Air National Guard	3.05	2.62	2.50	12.0
Air Force Reserve	5.73	3.33	4.22	18.0
DOD	5.33	4.38	4.78	NA

The Way Ahead

Recruiting and retaining the right people in the right skills in the right number has always been a challenge and continues to be our challenge today. None of this comes easily, and Congressional support continues to be...critical. We appreciate the new authorities to support recruiting you provided in both the FY 2006 and 2007 National Defense Authorization Acts, especially the Demonstration Authority authorized for the Army. The authority allows the Army to experiment with programs that may enhance its recruiting efforts. It will also provide data to determine the utility of expanding such authority in the future.

Funding for recruiting must be sufficient to meet whatever increased goals are imposed. But resources must be allocated in a cost-effective way among advertising, educational benefits, bonuses, and recruiters in the field.

We are adjusting our numerical objectives in accordance with the recent Secretary of Defense decision that authorized the Army and Marine Corps to increase their strengths to 547,400 and 202,000, respectively, over the next 5 years.

The Army continues to pursue constructive levers, such as Force Stabilization policy initiatives; extending reenlistment window eligibility for deployed Soldiers, thus enabling full access to Army bonus programs at tax free rates; and broadening targeted special pays to influence soldiers and, most importantly, families to reenlist. The Marine Corps is actively pursuing additional steps within current law to increase retention in FY 2007.

The Department is taking advantage of a unique force restructuring development—the “Blue” services, Air Force and Navy, are reducing strength while the

“Green” service, Army, is increasing. Our “Blue to Green” program provides sailors and airmen with a unique opportunity to “Go Army” under an initiative intended to rebalance the military and preserve human capital. Sailors and airmen in skills identified as excess and are qualified to remain in Service, are given the opportunity to apply for immediate inter-service enlistment into the Army. The program has been a success – as we recently witnessed the 1,000th (675 enlisted and 325 officer transfers) Blue to Green transfer in January 2007.

The Department is also working closely with the Department of Homeland Security’s Citizenship and Immigration Service to expedite citizenship applications for resident aliens who serve honorably as members of our Armed Forces.

Fundamental in addressing these challenges is the need to resource recruiting and retention sufficiently to achieve numerical and quality goals. Funding for recruiting and retention must remain high, and the FY 2007 supplemental GWOT funding requests are critical to achieve these goals.

Military Compensation and Management

In support of current recruiting challenges and to ensure desired retention, we continually review the compensation package. To that end, we seek expert reviews of some of our most important compensation policies and programs. Last year, the Defense Advisory Committee on Military Compensation reviewed matters pertaining to military compensation, examining approaches to balancing military pay and benefits and incentive structures, and made suggestions for improvements that it believes will assist us in meeting our recruiting and retention objectives. We are using the findings and recommendations of the Advisory Committee's report as a starting point for the Tenth Quadrennial Review of Military Compensation, mandated by statute.

The Tenth Quadrennial Review of Military Compensation (QRMC) was tasked to review the principles and concepts of the compensation system with particular attention to (1) the potential for consolidation of special pays and bonuses into fewer, broader, and more flexible authorities, and (2) the potential need for enactment of broader and more flexible authorities for recruitment and retention of uniformed services personnel. Currently, the large number of special and incentive (S&I) pays available dilutes the effectiveness of the pays to influence behavior, and makes the system unwieldy and difficult to administer and oversee. The degree of flexibility among the many different pays also varies. Most S&I pays are narrowly focused, with strict statutory limits on how they are disbursed. The QRMC submitted a proposal to the Department which replaces the more than 60 pays that now address relatively narrow staffing issues with eight pay categories designed to cover a broad range of personnel needs. The Department is currently developing legislation based on this proposal.

CONCLUSION

Today's environment poses significant recruiting and retention challenges for our All-Volunteer Force. The pressures of high operational tempo, increases in Army and Marine Corps end strength in support of GWOT, and a strong economy make it challenging to achieve Army and Marine Corps recruiting goals.

Today I ask you to support us by lending us your time and your voice. We are increasing our efforts to communicate the Value of Service to the American people. Throughout our nation's history, military Service had a tremendous formative impact on many of our greatest leaders –Presidents, legislators, leaders of industry, educators.

We have developed a focused public affairs campaign aimed at bolstering patriotic impulses and the perception of military service. The ultimate objective is to reach out to parents and influencers in ways that lead them to support their sons' and daughters' decisions to serve. We hope that you will partner with us in this effort by joining our speakers' bureau to emphasize the importance, nobility, and Value of Service.

With your continued cooperation in support of the programs I have outlined, we believe the Department will meet its current challenges, ensuring the continued viability of our All-Volunteer Force.

STATEMENT BY

LTG MICHAEL D. ROCHELLE

DEPUTY CHIEF OF STAFF, G1

UNITED STATES ARMY

BEFORE

PERSONNEL SUBCOMMITTEE

HOUSE ARMED SERVICES COMMITTEE

HOUSE OF REPRESENTATIVES

FIRST SESSION, 110TH CONGRESS

FEBRUARY 15, 2007

Chairman Snyder, Representative McHugh, distinguished members of the Committee, thank you for providing me opportunity to appear before you today on behalf of America's Army. The Army, over 1 million strong, serves proudly around the globe. As our Army is growing to meet today's demands, we are grateful to this Committee for improving incentives and bonuses to attract and retain the very best Soldiers.

This is an all volunteer force. We compete in a very tough market within a robust economy. We rely on your support to help the Army grow. Your continued support gives us the necessary tools to attract and retain the Soldiers that serve our great Nation. Through your continued support, our Army will grow to meet the needs of the Nation and to defend America in the long war on terror.

Our Soldiers are this generation's heroes. They continue to make history, demonstrating to America that our Army is the best. This generation shows that America can call upon the All-Volunteer Force time and time again to persevere in prolonged conflict. With your continued assistance, we will achieve the right mix of incentives to compensate, educate, and retain the best and brightest our Nation has to offer.

The Soldier remains the centerpiece of our Army. As I speak to you today, more than 600,000 Soldiers serve on active duty. We have more than 243,000 Soldiers Active, Guard and Reserve in 76 countries, and another 8,000 Soldiers securing the homeland. Soldiers from every state and territory...Soldiers from every corner of this country... serve the people of the United States with honor and distinction. Soldiers fight in Iraq and Afghanistan in support of the Global War on Terrorism. Soldiers participate in homeland security activities. Soldiers support civil authorities on a variety of missions within the United States. More than ever before, we are one Army, with Active and Reserve forces, serving together around the globe.

Additionally, a large Army civilian workforce (over 240,000), supports our Army – to mobilize, deploy, and sustain the operational forces – at home and abroad. Our Soldiers and Department of Army Civilians remain fully engaged around the world. They remain committed to fighting and winning the Global War on Terror.

With help from this body, the Army continues to meet challenges in the Human Resources environment. In recent years, your support for benefits, compensation, and incentive packages ensured the recruitment and retention of a quality force. Today, I will provide you with an overview of our current military personnel posture and programs, and the status of our benefits and compensation packages as they relate to building and maintaining a quality force.

Recruiting

Our Nation is blessed with the world's finest Army. It is an all-volunteer Army that is being 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 21st Century warfare in our combined, joint, and expeditionary force. They are the warriors of the 21st Century and they became heroes when they enlisted.

Recruiting these qualified young men and women is extremely challenging in a highly competitive environment. Competition with industry, an improving economy, lower unemployment, decreased support from key influencers, the media, and the continuing Global War on Terror, present significant challenges. Thanks to your support and the efforts of our recruiting force, the Army achieved great success in FY 06. The FY 06 recruiting year ended with the Active component making over 100% of its mission, US Army Reserve accomplishing 99.5%, and the Army

National Guard accomplishing 98.6%. These results are a significant improvement over FY 05 recruiting results. Although these successes are noteworthy, we must all remain committed to meeting the challenges in the foreseeable future.

To date, Active Army and Army National Guard have met their recruiting missions. The Active component finished January 2007 with a year to date achievement of 111.4%. The United States Army Reserve, finished January 2007 with a year to date achievement of 98.8%. The Army National Guard finished January 2007 with a year to date achievement of 113%. Two components, Active and National Guard are projecting successful annual missions for FY07. The mission of the Army Reserve remains the most challenging of all three Army components this year. U.S. Army Recruiting Command and the Department, with help from the Army Reserve Command, are working together on incentives and policy changes to mitigate risk and increase success. With over two-thirds of the year's mission remaining, the Army is optimistic that the recruiting challenges will again be met.

Some Members of Congress have had concerns over the quality of the force, when viewed by the DOD standard of high school diploma graduates and Mental Category IV Soldiers. However, all Soldiers who enlist into the Army are qualified for their respective military occupation specialties – their jobs. No exceptions.

In America, there is an increasing trend in dropouts from the traditional high school. Our ability to recruit in the current environment – which is unparalleled in the history of the volunteer force - requires innovation, experimentation, and perseverance. 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 – American Soldiers.

Incentives & Enlistment Bonuses

The Army must maintain a competitive advantage to attract high quality applicants. Bonuses are the primary and most effective competitive advantage the Army can use to attract quality Soldiers. These bonuses help us to compete within the market and prepare for future conditions. The bonuses and incentives are key in filling critical Military Occupation Specialties in an increasingly college oriented market and meet seasonal ("quick-ship") priorities.

College attendance rates are at an all-time high and continue to grow. With nearly 70% of the Nation's high school graduates intent on college attendance within the year of graduation, the Army College Fund is a proven performer. The Army College Fund allows recruits to both serve their country and meet their desires to attend college.

The Loan Repayment Program, with a maximum of \$65,000 payment for already accrued college expenses, is another incentive we offer within this competitive market. This Loan Repayment Program is the best tool for those with college education credits and student loans. Over the past four years, approximately 27% percent of Army recruits have some post-secondary education credits and we expect that trend line to increase.

Other recently passed legislation assisting our recruiting mission. The increased enlistment age brought nearly 600 Soldiers into the Army. The expansion of the \$1K Referral Bonus to \$2K increased accessions by nearly 2500 qualified Soldiers since enactment last year. The increase in bonuses above \$20K resulted in over 5000 Soldiers signing up.

Further assisting our efforts to attract and retain officers, is the expanded Student Loan Repayment Program. It now includes officers, and permits repayment of a broader variety of student loans.

The temporary Recruiting Incentives Authority under NDAA 2006 permits the Department of the Army to develop and test four new pilot programs for recruiting. The Army implemented the first pilot program, the Recruiter Incentive Pay Program, on 6 June 2006, and plans to implement the second, an Officer Accession Bonus Program.

The Army Advantage Fund (AAF) is a third incentive. It will provide a choice between a down payment for a home loan or seed money for a small business loan to new Soldiers. The Army expects AAF to be a major recruiting market attraction – the next Army College Fund. With congressional support for the required incentive trust fund authorization this year, we will move another step in the right direction toward growing the all volunteer force.

Collectively, these incentives assist the Army in FY07 mission achievement by targeting different segments of our society and will help to build the entry pool for FY 08. With all previous competitors mentioned, we rely on your continued support for the resources to recruit and retain the all volunteer Army.

Enlisted Retention

The Active Army achieved all retention goals for the past nine years, a result that can be directly attributed to the Army's leadership and the motivation of our Soldiers to accept their "Call to Duty". The Active Army retained 67,307 Soldiers in fiscal year 2006, finishing the year 105% of mission. The Army Reserve finished the year achieving 103% of mission and the Army National Guard finished at 118% of mission.

In fiscal year 2007, the Active Army must retain approximately 62,200 Soldiers to achieve desired manning levels. This year's mission is just as challenging as last year's mission. We believe however, that we will accomplish this mission. Thus far, the Active Army achieved 109% of

its year-to-date mission, the Army Reserve achieved 110% of its year-to-date mission, and the Army National Guard achieved 127% of its year-to-date mission. Once again, a robust bonus program is key to continuing success in the Army's retention goals.

We must continue to be innovative in our offerings to retain Soldiers to fight the ongoing Global War on Terror. We continue to review the impact of our Reenlistment Bonus Programs on retention and additionally use a deployed reenlistment bonus as a tool to attract and retain quality Soldiers with combat experience. This bonus targets eligible Soldiers assigned to units in Iraq, Afghanistan, and Kuwait. Soldiers can receive a lump sum payment up to \$15,000 to reenlist while deployed to Iraq, Afghanistan, or Kuwait. The average lump sum payment is currently \$10,400. All components benefit from this program, and results show increased reenlistments amongst deployed Soldiers.

Retention rates of units supporting of Operations Enduring and Iraqi Freedom continue to exceed 100%. During FY06, the 4th Infantry Division and the 101st Airborne Division achieved 124% and 132% of their respective retention missions while deployed. Currently, elements of the 1st Armored Division are deployed and have achieved 137% of their retention mission.

Moreover, the Army has not seen a decline in retention rates from units that have deployed multiple times. For example, the 10th Mountain Division has deployed elements of its command several times since 2001, and has currently achieved 162% of its retention mission.

Although we have not seen any downward trends in overall retention, we monitor our mid-career reenlistment rates closely. We adjusted our incentive programs to target this population of Soldiers. Multiple deployments appear to be impacting mid-career Soldiers between

their sixth and tenth year of service more than any other population. We do know that Soldiers are most concerned with the limited time at home between deployments. They would like more predictability on deployments, and more time, at least 24-months with their families, before their next deployment.

Increased deployments, an improving economy, and limited time between deployments, all affect retention. We closely monitor leading indicators including reenlistment rates, retirement trends, first term attrition, Army Research Institute Surveys, and Mobilization/Demobilization Surveys, to ensure we achieve total force success.

Additionally, 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. We will achieve FY07 retention success in the Active Army, the Army National Guard, and the United States Army Reserve.

Officer Retention

The 10-year historical loss rate for company grade officers is 8.5%. In FY06, the loss rates for company grade officers was 7.9%, which was below the historical norm. While this is encouraging, we must drop this loss rate to 5% to support our transformational Army. We have successfully grown the officer corps over the last several years through increased officer promotion selection rates and earlier pin-on time to captain and major. For example, the captain promotion pin-on time has dropped from 42 months to 38 months, and the major promotion pin on time dropped from 11 years to 10 years. Additionally, promotion selection rates to captain and major are between 95-98%. While promotion rates are high, we continue to select the "best qualified" officers.

In 2006, we offered an additional 200 fully funded graduate school opportunities to serving captains, beyond the 412 graduate school opportunities we previously provided. Officers participating in this program serve an additional 3 months for each month they attend school. We plan to send another 200 officers to graduate school in academic year 2007.

In 2006, we implemented a pre-commissioning retention program that offers cadets their first branch of choice, assignment of their choice, or a guarantee to attend a fully funded graduate school in their 6th - 11th year of service. These options are offered in exchange for an additional active duty service obligation of 3-years. United States Military Academy cadets may agree to serve 3-years beyond their 5-year obligation; scholarship Reserve Officer Training Corps cadets agree to serve their 4-year obligation plus an additional 3-year of active duty service; and non-scholarship officers agree to serve their 3-year active duty obligation plus an additional 3-years. In FY06, over 1100 cadets from USMA and ROTC signed up for this program. In FY07, we expect over 1500 cadets to sign up for one of these programs.

In October 2006, the Army established an Officer Retention Branch as part of a new campaign designed to retain more of our best officers. Unit commanders are getting more involved in officer retention. We intend to manage this program like to the enlisted personnel retention program.

Officer Accessions.

The current shortfall of officers is a result of the rapid increase in force structure, caused by modularity and end strength increases. 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. It takes 10 years to develop a major. To meet these increases in requirements we need to retain more of our best officers than we have in the past, as well as increase our officer accessions.

Prior to 2004, Army's active component accession mission was 4300 officers. In 2005, we increased this mission to 4600. We intend to further increase the officer accession mission to 4900 in FY07, 5200 in FY08 and 5500 in FY09. These increased accessions, combined with retention efforts, will allow us to develop junior officers and move them into our field grade ranks as seasoned professional officers.

In addition, we are leveraging other accession programs such as the "Blue to Green" Inter-service Transfer Program. To date, we have accessed over 325 officers into the Army from the Air Force, Navy and Marines. We expect to access another 200 officers from the other services in FY07.

Through continued service, approximately 250 Reserve Component officers volunteered to transfer to the active component. Additionally, we encourage those who served honorably to serve again through a retiree recall or a call to active duty. Today, we have approximately 700 retirees serving on active duty in a retiree recall status.

Our current officer accession mission is the highest in 30 years. To assist in meeting this mission we will rely heavily on OCS. Though we increased accessions in USMA (by 100 in FY 06) and ROTC, those commissioning sources have longer lead times to produce officers. OCS is critical in meeting today's manpower needs. The OCS bonus will help

attract NCOs to go OCS and become officers, especially as we increase the FY 08 OCS mission from 1700 to 1950.

Stop Loss

The Global War on Terrorism demands trained, cohesive and ready units. Stop Loss is a management tool that effectively sustains a force that has trained together, to remain a cohesive element throughout its deployment. Stemming from statutory authority, (Section 12305, Title 10, U.S.C), the Army's Stop Loss policy is very limited in size and for a very short duration on average. Losses caused by non-casualty oriented separations, retirements, and reassignments have the potential to adversely impact training, cohesion, and stability in Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF).

Although there is not a specific end date for the current use of Stop Loss, initiatives such as Force Stabilization (three year life cycle managed units), modularity, and the program to Rebalance/Restructure the Active Component/Reserve Component for mix should alleviate stress on the force and will help mitigate Stop Loss in the future. Stop Loss will still occur - at a reduced level - during periods of mobilization for the National Guard and Reserve due to limited control for distributing personnel as a result of community based manning.

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 August of 2004, the Army began our current IRR mobilization effort. We use the IRR primarily to fill deploying reserve component forces supporting Operations

Iraqi Freedom and Enduring Freedom, 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 units for future operations.

As of 28 Jan 07, there are 2,164 IRR Soldiers on active duty supporting GWOT – 256 are supporting Worldwide Individual Augmentation requirements, 202 are supporting the O9L Linguist Program, 15 are replacements, and 1,691 are fillers. Another 1,662 IRR Soldiers have received mobilization orders, and are pending mobilization between now and 16 Dec 2007.

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 in these headquarters.

The Army will continue to use the IRR. The Army is implementing several initiatives to transform the IRR into a more viable and ready prior-service talent bank.

Until now, a large number of IRR Soldiers were either unaware of their service obligations or were not qualified to perform further service. The term "Individual Warrior" is now used to identify the Soldiers within the IRR. We initiated a program where IRR Soldiers will participate in virtual musters, attend annual readiness processing, and participate in training opportunities to maintain their military occupational specialties.

To improve the Soldier's understanding of service commitments, the Army will develop and deliver expectation management briefings and obligation confirmation checklists to all Soldiers at initial enlistments/appointments and again during transition. The Army is also conducting systematic screening to reconcile records and identify non-mobilization assets which will likely result in a reduction in the current IRR population and aid in establishing realistic readiness reporting.

Military Benefits and Compensation

A strong benefits package is essential to recruit and retain our quality force. The Administration and Congress have provided very competitive compensation and entitlements programs for our Soldiers and their families and we sincerely appreciate this support to our Soldiers and families.

With help from the 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 our young men and woman to enlist in the Army. The referral bonus and the bonus for service members who agree to transfer between Armed Forces are two critical authorities that provide the Army the necessary assistance to meet its recruiting goals. The extension of the pay table beyond 30 years and the lifting of the cap on the Retired pay percentage multiplier have enabled additional successes with retention.

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 an increase in Hostile Duty Pay from \$750 to \$1500 and authorized payment in lump sum. We will

use this pay to recognize those Soldiers who are deployed often in support of contingency operations.

The Army appreciates your emphasis and interest in Soldiers and families, and their need for financial support when they suffer a combat injury or become a casualty. Soldiers perform best when they know their families are in good care. Many of our surviving families remain in Government housing for an extended period during their recovery from the loss of their spouses. This facilitates a transition from the Service, and allows their children to continue the school year with the least amount of disruption. The changes to survivor benefits ensures all Soldiers and their families are treated fairly and equitably. The Army also implemented the combat injury rehabilitation pay (CIP) and continues to monitor pay and personnel issues for our wounded warriors. Recent enhancements to survivor benefits and other entitlements for our wounded Soldiers demonstrate recognition of their sacrifices and a commitment to care for our own.

Well Being

A broad spectrum of services, programs and initiatives from a number of Army agencies provide for the well-being of our people while supporting the Combatant Commanders in conducting their Joint Warfighting missions. Our well-being efforts are focused on strengthening the mental, physical, spiritual, and material condition of our Soldiers, civilians, and their families, while balancing demanding institutional needs of today's expeditionary Army.

Sexual Assault

The Army continues to operate and improve its comprehensive Sexual Assault Prevention and Response (SAPR) Program. Its primary

goal is to create a climate where Soldiers live the Army Values. This climate encourages victims to come forward, without fear, knowing they will receive the help and care they deserve.

Calendar Year 2006 (CY06) represents the first full year the Army SAPR Program had Sexual Assault Response Coordinators (SARC, civilian), military deployable SARC advocacy support, and the restricted reporting option. These changes allow Soldiers to receive medical care, counseling, and advocacy services without undergoing a criminal investigation.

Based on the initial assessments of the program, the Army has made significant progress, including: the publication of a comprehensive policy; the expansion of the victim advocacy component of the program; and the proliferation of required training throughout Army units, Army schools, and Army response groups.

Despite our best efforts however, the number of reported cases of sexual assault in the Army continues to rise. Although 42% of all sexual assault investigations completed by CID in 2006 were dismissed as unsubstantiated, unfounded, or lacking insufficient evidence, there were 1,618 reported cases across the Army. This represents a 30% increase over 2005, and includes 300 restricted reports.

While the increase in reported cases may not represent an increase in the number of actual assaults, it does indicate the magnitude of a problem that continues to exist. Sexual assault has consistently been cited as the most under-reported violent crime in the United States. Our conclusion is that much of the increase in reported cases is attributed to the implementation of the Army's program, and our growing emphasis on awareness and response.

Our efforts have empowered more Soldiers to come forward and report these crimes. Leaders hold offenders accountable and ensure victims receive the care they need. We continue to assess the

effectiveness of our SAPR Program and make every effort to improve it and make further progress toward our goal of eliminating sexual assault in the Army.

Suicide Prevention Program

The loss of any American Soldier's life is a great tragedy and a matter of concern regardless of the cause. In the case of suicide, the United States Army is committed to providing prevention and intervention resources.

For 2006, the Army sustained 91 active duty confirmed suicides (with 7 possible cases still pending), 88 in 2005, 67 in 2004, 78 in 2003, 70 in 2002, and 51 in 2001. Although experiencing a relatively high number of confirmed suicides since the beginning of the Global War on Terrorism, the Regular Army average rate per 100K Soldiers is 11.8, which is lower than the rate of 12.1 that existed prior to the war. The Regular Army rate is also considerably lower than the national demographically-adjusted rate of 19.9 per 100k.

Our goal is to provide our Soldiers and families the best available support to overcome the stresses that military service entails. We continue to work through training, counseling, and intervention measures to help find alternative and appropriate ways of stress management. Our goal is to minimize suicidal behavior and subsequently the risk of suicides across the Army.

U.S. Army Wounded Warrior Program

Soldiers suffering from severe injuries or illnesses in support of the Global War on Terrorism deserve the highest priority from our Army for support. These heroes need services associated with healing,

recuperation and rehabilitation, evaluation for return to duty and if required successful transition from active duty to civilian life. The Army Wounded Warrior takes to heart the Warrior Ethos, "I Will Never Leave a Fallen Comrade." To date the AW2 Program assisted over 1500 Soldiers. As Soldiers progress through their care and rehabilitation, AW2 facilitates communication and coordination between the Soldier, their families, and relevant local, federal and national agencies and organizations.

The Soldiers and their families gain information concerning available resources and opportunities for their future. Additionally, the Soldiers gain priority access to services they may require through the assistance of a dedicated Soldier Family Management Specialist (SFMS). Since October 2005, the program increased the number of SFMS from 9 to 43, with plans to hire an additional 4. This reduces the average caseload to 36 Soldiers to every SFMS. Our SFMS are currently imbedded in 6 Military Medical Treatment Facilities and 16 VA Medical Centers located throughout the United States. We anticipate future expansion. This decentralization of operations allows our SFMS to co-locate with our Soldiers and families nationwide for optimal support.

To date, AW2 assisted 28 Soldiers to Continue on Active Duty or in an Active Reserve Status (COAD/COAR). In conjunction with the Soldier's Career Managers at the Army Human Resource Command, a 5-Year Assignment Plan was developed for each Soldier.

AW2 actively seeks employment and educational opportunities for our Soldiers and their families. AW2 conducted more than 120 office calls with interested employers. An interactive geo-employment locator is included in the AW2 website. AW2 participated in many federal and state sponsored conferences and seminars to remain current on the latest developments and programs to assist the severely injured Soldiers.

Additionally the AW2 staff networks with grass roots type organizations to discover new possibilities for the Soldiers.

To ensure Soldiers receive the best treatment available to them, the AW2 Program has several initiatives working at this time. These include a third Wounded Warrior Symposium scheduled for June 2007, and the implementation of a Pilot Program with the National Organization on Disability (NOD). This program aligns an employment expert with a Soldier Family Management Specialist to enhance their ability to assist Soldiers seeking employment.

Additional initiatives include a cooperative review with the Department of Veterans Affairs of the current transition process of our Soldiers from the military to VA health care system. AW2 is involved with the Veterans Advisory Committee on Rehabilitation, the DoD Mental Health Task Force and the Office of Secretary of Defense/Health Affairs Family Transition Initiative. AW2 is facilitating a DoD sanctioned study by the RAND Corporation to learn about Severely Injured and Wounded Soldiers' experiences in returning to duty.

USCENTCOM Rest and Recuperation Leave Program

A fit, mission-focused Soldier is the foundation of our combat readiness. For Soldiers fighting the Global War on Terrorism in the USCENTCOM area of responsibility, the Rest & Recuperation (R&R) Leave Program is a vital component of their well-being and readiness.

Every day, flights depart Kuwait City International Airport carrying hundreds of Soldiers and DOD civilians to scores of leave destinations in the continental United States and throughout the world. Such R&R opportunities are essential when units are deployed and engaged in intense and sustained operations. Since 25 September 2003, 444,087 Soldiers and DOD civilians participated in this highly successful program. They benefit from a break from the tensions of the combat environment for the opportunity to reconnect with family and loved ones. The R&R Leave Program is an integral part of operations and readiness, and is a significant contributor to our Soldiers' success.

Deployment Cycle Support

Deployment Cycle Support, or DCS, is a comprehensive process that ensures Soldiers, DA civilians and their families are prepared and sustained throughout the deployment cycle. It provides a means to identify Soldiers, DA civilians, and families who may need assistance with the challenges inherent to extended deployments. The goal of the DCS process is to facilitate Soldier, DA civilian and family well-being before, during and after the deployment cycle.

All Soldiers deployed away from home station for 90 days or more complete the DCS process. Services for DA civilians and families are integrated in every stage of the process, and they are highly encouraged to take advantage of the resources provided.

As of 7 February 2007, 480,704 Soldiers completed the in-theater redeployment stage DCS tasks.

Retirement Services

Our efforts extend beyond our active duty population. The Army counts on its retired Soldiers to continue to serve as mobilization assets and as volunteers on military installations. Retired Soldiers are the face of the military in communities far from military installations. As key influencers they often act as adjunct recruiters, encouraging neighbors and relatives to become part of their Army. They speak from experience.

Retired Soldiers and family members are a force of more than one million strong with nearly 800,000 retired Soldiers and their spouses and family members receiving retired pay.

Conclusion

Our Army is strong, as we continue to meet our worldwide commitments. We need the continued support of Congress for the appropriate level of resources to maintain and grow our Army. As important, we need your support as national leaders to affect influencers and encourage all who are ready to answer this Nation's call to duty. To ensure our Army is prepared for the future, we need full support for the issues and funding requested in the FY07 Supplemental and the FY08 President's Budget to support the Army manning requirements given the current operational environment.

I thank you for the opportunity to appear before you today and I look forward to answering your questions.

NOT FOR PUBLICATION UNTIL RELEASED BY
THE HOUSE ARMED SERVICES COMMITTEE

STATEMENT OF
VICE ADMIRAL JOHN C. HARVEY, JR., U.S. NAVY
CHIEF OF NAVAL PERSONNEL
AND
DEPUTY CHIEF OF NAVAL OPERATIONS
(MANPOWER, PERSONNEL, TRAINING & EDUCATION)
BEFORE THE
SUBCOMMITTEE ON MILITARY PERSONNEL
OF THE
HOUSE ARMED SERVICES COMMITTEE
ON
RECRUITING, AND RETENTION
15 FEBRUARY 2007

NOT FOR PUBLICATION UNTIL RELEASED BY
THE HOUSE ARMED SERVICES COMMITTEE



United States Navy Biography

Vice Admiral John C. Harvey, Jr.
Chief of Naval Personnel
Deputy Chief of Naval Operations
(Manpower, Personnel, Training & Education)

Vice Admiral Harvey was born and raised in Baltimore, Md. He received his commission from the U.S. Naval Academy in 1973 and immediately commenced training in the Navy's Nuclear Propulsion program.

Vice Adm. Harvey has served at sea in *USS Enterprise* (CVN 65), *USS Bainbridge* (CGN 25), *USS McInerney* (FFG 8), as Reactor Officer in *USS Nimitz* (CVN 68), and as Executive Officer in *USS Long Beach* (CGN 9). He commanded *USS David R Ray* (DD 971), *USS Cape St. George* (CG 71) and Cruiser-Destroyer Group Eight/Theodore Roosevelt Strike Group. Vice Adm. Harvey has deployed to the North and South Atlantic; the Mediterranean, Baltic and Red Seas; the Western Pacific, Indian Ocean, and the Arabian Gulf.



Ashore, Vice Adm. Harvey has served at the Bureau of Naval Personnel (two tours), as the Senior Military Assistant to the Under Secretary of Defense (Policy), as Director, Total Force Programming and Manpower Management Division (OPNAV N12), and as Deputy for Warfare Integration (OPNAV N7F).

On 22 November 2005, Vice Adm. Harvey assumed duties as the Navy's 54th Chief of Naval Personnel. He serves concurrently as the Deputy Chief of Naval Operations (Manpower, Personnel, Training & Education).

Education: Phillips Exeter Academy, 1969
 U. S. Naval Academy, BS in Political Science, 1973
 John F. Kennedy School of Government, Harvard University, MA in Public Administration, 1988.

Chairman Snyder, Representative McHugh, distinguished members of the Military Personnel Subcommittee, thank you for providing me with this opportunity to appear before you today.

The one constant in our world today is change. The post-9/11 security environment has extended Navy missions to include both traditional and non-traditional operations. In addition to our core missions we are responding to multifaceted security challenges related to the Global War on Terror (GWOT). We find ourselves working with familiar allies, former adversaries, and an expanding set of global partners.

In the past year, 51,943 active component (AC) officers, 293,818 AC enlisted, 12,740 reserve component (RC) officers, 56,647 RC enlisted, and 174,416 civilians in our Navy helped bring certainty to an uncertain world. They provided "boots on the ground" support to combat operations in Iraq and Afghanistan. They delivered food and shelter to the victims of the earthquake in Pakistan. They fought piracy and participated in Theater Security Operations in the Horn of Africa. They provided medical care and comfort to citizens in Indonesia, Malaysia, Bangladesh and the Philippines. They protected the seas and seized illegal drugs in the Caribbean. They stood watch on ships in the Persian Gulf providing a formidable deterrent to Iran. They flew combat sorties in Operations Enduring Freedom and Iraqi Freedom, provided security for oil platforms and conducted civil affairs missions in Afghanistan.

The men and women of the Navy's Total Force – active and reserve Sailors, civilians and contractors – ARE the United States Navy. In 2006, this nation and the world asked much of the United States Navy -- and Navy answered that call.

The challenge for Navy today is to sustain our core capabilities and readiness while at the same time build the future naval Fleet and develop a Navy workforce that can operate, fight and lead in a variety of challenging environments. Our goal is to ensure naval power and influence can be applied at or from the sea, across the littorals, and ashore, wherever and whenever required.

The rapidly expanding requirements posed by the Nation's maritime strategy demand that Navy be composed of a more capable and versatile workforce. This workforce is, and will be, a diverse Navy Total Force, collectively possessing the wide array of knowledge, skills and abilities required to deliver critical warfighting capability to the Joint force.

We recognize that this requires a profound change in the way we do business – that the recruiting, personnel management, training and compensation systems of the past will not deliver the workforce of the future.

Recruiting and retention strategies that were effective during the Cold War, when we had a robust labor market, will not sustain us during this long war when there is a shrinking talent pool and decreased propensity to join the military. Major demographic shifts, reflecting an influx of new immigrants and growth in minority populations, will require that we focus on the talent resident in the diversity of our population and how we gain access to that talent. To the degree that we represent our nation, we are a far stronger, more relevant Navy Total Force.

A stronger economy, with low unemployment and positive economic growth, means there will be greatly increased competition for the best talent in our nation. Recruiting the Total Force will become even more challenging with slower overall population growth and an aging workforce.

The dynamics of retention have shifted from long-term commitments to a new generation, most of whom expect to change employers, jobs and careers several times in their working life, and are clearly motivated differently than previous generations. They have more choices than ever before, and are more technologically savvy. They expect innovative and flexible compensation policies, a commitment to continuing education and professional development opportunities.

Our Basic Pay Table that was first conceived in 1922 and an officer personnel management system codified in the late 1970's. Our current military retirement compensation principles were essentially established in 1870 based upon a voluntary retirement of officers at 30 years of service and fixed retirement pay at 75 percent of the officer's base pay. Perhaps it is time to re-examine existing compensation policies with an eye towards establishing a construct that is competitive, fair, flexible, and sufficiently responsive to an ever-changing operational and market-based environment.

As we build the Navy of the future and prepare our people to answer the challenges of our dynamic, dangerous world, we must continue to improve our Total Force readiness, stabilize our workforce, and develop policies that bring forth the promise of our people, ensuring full development of their personal and professional capabilities.

NAVY TOTAL FORCE READINESS

We are a maritime nation. Throughout American history, naval forces have played a key role in fighting wars, defending freedom of the seas, and providing a formidable deterrent to aggression. Our Navy is the world's preeminent sea power. We are always ready and able - anytime, anywhere.

America's all-volunteer force (AVF) has been an overwhelming success. This force has proven to be successful not only during peacetime, but also during sustained periods of conflict. Our Navy Total Force serves because they want to serve. Young Americans are choosing military service, even during these trying and uncertain times. We are attracting better educated and more highly-skilled recruits far more representative of the diversity of our great nation than at the end of the Vietnam-era draft. And, the Sailors we need are "staying Navy."

In 2006, Navy achieved 100 percent of our AC enlisted recruiting goal, and 104 percent of our AC enlisted retention goal. We met 88 percent of our AC officer accession goal, and 99 percent of AC officer end strength goal.

Global War on Terror-Centric Communities

While we met individual recruiting and retention goals for most ratings and designators in the active and reserve components, our engagement in the long war has increased operational tempo

(OPTEMPO) and clearly stressed the readiness of GWOT-centric communities. These communities include: Naval Construction Force (SEABEES), Naval Special Warfare (NSW) and Naval Special Operations (NSO) (SEALs, EOD, SWCC), and our Health Professionals. We have been, and continue to be, concerned about the long-term strength and health of these communities. We have identified programs to help address the challenges, and we are optimistic about meeting future commitments.

Naval Construction Force

Our SEABEE force is in very high demand and continues to be under considerable stress due to the increased number and length of operational commitments. Despite this challenge, the Naval Construction Force (NCF) sets the example in volunteerism, as evidenced by higher-than-planned reenlistment and retention rates, and high volunteer rates for multiple OIF/OEF tours. On average, 18 percent of the NCF RC forces going into OIF/OEF have volunteered for a second or third mobilization to theater. The latest approved RC SEABEE rotation into OIF had a 39 percent volunteer rate for a second or greater deployment.

Navy deployed 8 active and 12 reserve Naval Mobile Construction Battalions (NMCB), with their associated regiments (2 active and 4 reserve). To meet GWOT requirements, there are two NMCBs in OIF, one in OEF, one in PACOM, and one with a nominal presence in EUCOM. This is a Total Force deployment of both active duty and reserve NMCB's.

We have identified the need to expand the number of battalions and enhance our reserve mobilization plans. As a result, for 2007, Navy added a ninth AC NMCB. We are also pursuing a detailed, phased remobilization plan for use by the RC NMCB in FY09. We believe this integrated deployment plan for the NCF is sustainable through FY14.

Naval Special Warfare and Special Operations

Our NSW and NSO communities not only face the pressures of high OPTEMPO, but are further stressed by specific recruiting and retention challenges. The health of the NSW/NSO communities is critical to the Navy's success in the GWOT and requires us to place special emphasis on the overall readiness of these highly specialized communities.

In 2006, recruiting efforts resulted in NSW/NSO attaining 55 percent of a QDR based increased goal. Navy met 37 percent of Explosive Ordnance Disposal (EOD), 59 percent of SEAL, 65 percent of Special Warfare Combat Crewman (SWCC), and 46 percent of Diver recruiting goals. As of December 2006, we had retained 79 percent of EOD, SEAL, SWCC, and Diver Sailors in Zone A (between 17 months and 6 years of service), 82 percent in Zone B (between 6 and 10 years of service), and 89 percent in Zone C (between 10 and 14 years of service).

To improve recruiting and retention in the NSW/NSO communities, Navy doubled the size of the recruiting force whose primary mission is NSW/NSO accession. We increased Enlistment Bonuses for each of the communities: \$40K (SEAL), \$18K (SWCC), \$30K (EOD), and \$25K (Diver). SEAL Motivators have been assigned for all 26 Navy Recruiting Districts (NRD) to test

and mentor potential NSW/NSO applicants. Each NRD designated a military member to assist SEAL Motivators in supporting applicants.

In 2007, we will take additional steps to enhance NSW/NSO recruiting efforts. Commander, Navy Recruiting Command (CNRC) will reassign additional recruiters to the NSW/NSO recruiting effort. Six selected NRDs will designate one recruiter per zone for NSW/NSO leads identification. This designation realigns 52 recruiters from other recruiting efforts. A SEAL Working Group (SWG) will address all current and future SEAL recruiting issues. The SWG is headed by Navy's senior SEAL officer and CNRC. We are also piloting a NSW/NSO recruit division at Recruit Training Command to increase camaraderie, improve RTC Physical Screening Test (PST) pass rate, and reduce program attrition.

The unique skill sets of the NSW/NSO communities demand the most extensive Navy training, and require exceptionally bright, physically fit and mentally tough individuals. Recently, it has been a challenge to provide a sufficient quantity of qualified applicants able to pass the NSW/NSO PST at Recruit Training Command (RTC). To improve readiness in the NSW/NSO communities, Navy implemented initiatives in physical training preparedness to ensure candidates are physically able to pass the PST at RTC.

Health Professionals

We continue to miss end strength targets for our health professional communities resulting in shortages in critical wartime medical subspecialties. Generally, medical professionals do not consider the military for employment. Civilian medical professional salaries are still more lucrative than military pay and continue to outpace the offer of financial incentives (bonuses and loans) to our target market. Excessive education debt load is a major concern for medical professionals who turn to low-interest education loans, outside the military. Other challenges include concerns over excessive deployments/mobilization, especially in meeting RC goals, and fear over the potential loss of private practices.

In 2006, the Navy achieved 75 percent of AC medical specialty mission, a 17 percent improvement over FY05. We achieved 45 percent of RC medical specialty mission, a 27 percent decline from FY05.

In the AC, we achieved 70 percent of Medical Corps (MC) accession goal, 75 percent of Dental Corps (DC) goal, 83 percent of Medical Services Corps (MSC) goal, and 92 percent of Nurse Corps (NC) goal. The Health Professions Scholarship Program (HPSP), the student pipeline for the majority of Navy physicians and dentists, is cause for concern. MC HPSP recruiting achieved just 66 percent of goal. DC HPSP recruiting achieved 76 percent of goal.

In the RC, we met 24 percent of MC accession goal, 46 percent of DC goal, 29 percent of MSC goal, and 85 percent of NC goal. Five year AC retention rates for these communities stand at 75 percent for MC, 51 percent for DC, 83 percent for MSC, and 65 percent for NC.

We are much more optimistic with our recruiting efforts of Hospital Corpsman (HM). We met 99 percent of AC enlisted HM recruiting goal and 94 percent of RC enlisted HM recruiting goal.

From January 2006 to January 2007, we retained 52 percent of HM Sailors in Zone A, 55 percent in Zone B, and 84 percent in Zone C. HM is slightly below overall Navy retention rates for Zone B but is increasing. The other two HM Zones are either at or exceed overall Navy retention rates and exceed goal.

This past year, Navy implemented numerous incentives for health professionals, including tuition assistance, bonuses, financial aid incentives, and loan repayment programs. Our Medical, Dental, and MSC (Optometry) Health Professional Scholarship Program (HPSP) provides full tuition, books and a monthly stipend to students. Navy's Financial Assistance Program (FAP) provides medical/dental residents a monthly stipend and an annual grant.

Retention beyond the first career decision point is a significant challenge for the Dental Corps. More than 70 percent of Dental Officers leave the Navy at this point. Navy has funded, and is about to implement, a Critical Skills Retention Bonus (CSRB) for General Dental Officers with three to eight years of service. This two-year \$40K bonus is expected to address Navy's retention for these officers. With enhancements included in the FY07 National Defense Authorization Act (NDAA), we are contemplating implementation of future Dental Corps Accession Bonus increases. The FY06 NDAA authorized oral surgeons a \$25K per year Incentive Special Pay (ISP), which 69 out of 70 eligible Oral Surgeons accepted in August 2006. Navy is currently contemplating a recommendation to authorize a \$60,000 four-year Critical Skills Retention Bonus (CSRB) to abate a shortage of Clinical Psychologists within our mental health system.

Navy currently provides bonuses for the Nurse Corps Direct Accession (DA) Program at \$15K for a three-year obligation, and \$25K for a four-year obligation. Navy has combined the three-year accession bonus with the Health Professional Loan Repayment Program (HPLRP), which offers \$32K for a two-year commitment, creating an extremely successful incentive package. Combined with a three-year accession bonus, the officer incurs a combined active duty obligation of five years. We anticipate that Nurse Corps will meet its direct accession goal for the first time in four years. We also have a \$20K Critical Skills Accession Bonus (CSAB) for Medical/Dental HPSP recipients. We provide a \$30K - \$60K sign-on bonus and/or affiliation bonus for specific medical/dental specialties.

We appreciate Congressional support for the numerous Medical Recruiting and Retention incentive enhancements enacted in the FY07 NDAA. Such enhancements, coupled with an increase of over \$21M in medical special and incentive pays between FY06 and FY07 are expected to contribute in a significant way to attainment of medical recruiting and retention goals.

Language, Regional Expertise and Culture

Because the GWOT is truly global and stretches far beyond Iraq and Afghanistan, Navy continues to focus significant effort on transforming and enhancing our expertise in foreign language, regional expertise and cultural awareness.

Navy implemented a Language, Regional Expertise and Culture (LREC) strategy that galvanizes and aligns related efforts across the Navy Total Force. We surveyed existing language

proficiency within the workforce, increased bonuses for language competencies, initiated a focused effort in heritage recruiting, established a new Foreign Area Officer (FAO) community, and implemented training and education programs in regional issues.

Navy conducted a foreign language census of the workforce, which yielded over 138,000 assessments of proficiency in over 250 different languages, many in GWOT-related dialects and many at the native-level skill. To systematically capture foreign language proficiency in the future, Navy began mandatory foreign language screening at military accession points.

Navy has tripled foreign language bonus rates (up to \$1,000 per month for more than one language) and extended eligibility for the Foreign Language Proficiency Bonus (FLPB) beyond Navy career linguists (e.g., cryptologists and FAOs) to include any Sailor, AC or RC, with fluency in critical languages. Since June 2006, Navy FLPB applications have grown almost 200 percent, with approximately 3,000 payments made each month, and increasing at a rate of roughly 200 per month.

The Heritage Recruiting Program accesses Sailors from the nation's immigrant communities with native-level language skill. The program offers a special enlistment bonus of up to \$10,000 for qualified language proficiency, and attempts to place Sailors in occupational specialties offering the greatest opportunity for their use.

A forward leaning FAO community was established within the Restricted Line, accessing an initial cadre of 74 FAOs. We plan to access 50 officers a year with a goal of maturing the FAO community to 400 officers by 2015. We are currently exploring development of an RC FAO program and are in the early stages of defining the RC FAO requirement. We will realign and redistribute existing PEP billets, as feasible, to accommodate new and changing international relationships with existing and emerging partners.

The Naval Post Graduate School (NPS) Regional Security Education Program, which deploys faculty to carrier and expeditionary strike groups underway, was expanded in scope and fully funded across the Fiscal Years Defense Program (FYDP). Naval War College (NWC) integrated regional content into its Senior and Intermediate resident curricula, providing students with the equivalent of a minor in one of five major regions of the world. Instruction is tailored for on-line delivery to primary officers (O1-O3 and CWO) and senior enlisted. NWC has programmed to further adapt the instruction for junior and middle enlisted in FY08. The newly established Center for LREC in Pensacola, Florida, coordinates delivery of culture and survival-level language training for individual and unit deployers.

Individual Augmentation

Many communities of our Navy Total Force, beside the GWOT-centric communities, are supporting the GWOT. As of December 28, 2006, we have deployed or mobilized 45,194 Sailors – 12,124 AC and 33,070 RC – as Individual Augmentees (IAs) since the beginning of Operation Enduring Freedom. Almost 75 percent of IAs are employed using their core Navy

competencies such as, electronic warfare, airlift support, cargo handling, maritime security, medical support, explosives engineering, construction.

Under the umbrella of Task Force Individual Augmentation (TFIA), a collaborative effort involving Fleet and major headquarters commanders, we have made significant progress improving notification, processing, deployment support, and recognition of duty for IAs. We increased average notification time from less than 30 days to over 60 days. Navy leveraged Active/Reserve Integration (ARI) efforts by processing all active duty Sailors on IA tours through one of four Navy Mobilization Processing Sites (NMPS). We established an Expeditionary Combat Readiness Center within the Naval Expeditionary Combat Command to serve as a primary interface with IAs and their families. Navy is ensuring Sailors serving on IA remain competitive for advancement by providing specialty credit for IA tours, points toward advancement, and flexibility in exam taking.

We will continue efforts to enhance predictability and stability for IAs and their families. Our goal is to do everything we can to enable them to plan - professionally and personally - for these tours. Navy will give priority for follow-on assignments, preclude back-to-back deployments and increase geographic stability. We are developing options for shifting the sourcing of all joint warfighting requirements into mainstream detailing processes, providing transparency, and ensuring longer "lead times" to improve Sailor readiness and family preparedness.

Sailor Readiness and Family Preparedness

Sustaining combat readiness – Fleet readiness – now and in the future, starts with our Sailors and their families. We remain committed to ensuring that Sailors are physically, mentally and professionally prepared to fulfill their missions, and that their families are prepared for the challenges associated with lengthy separations. As members of the Navy community, our family members are entitled to quality programs and resources to support them and meet their needs while their loved ones are deployed.

Navy continues our emphasis on Sailor readiness and family preparedness through targeted efforts in fitness, education and professional development, financial management training, support to disabled and injured Sailors, and child and youth programs.

Fitness

Navy established new fitness standards, training and support. Improved remedial programs assist Sailors in meeting new physical fitness assessment standards. We introduced state of the art fitness equipment and support services to all Navy afloat commands, as well as sites ashore in the 5th Fleet Area of Responsibility. In the future, all Navy Fitness Centers will establish programs and services to increase physical activity and nutrition awareness for our Total Force.

Education and Professional Development

The Advanced Education Voucher (AEV) program was implemented to provide off-duty educational opportunities and financial assistance to senior enlisted personnel (E7-E9) in pursuit of Navy-relevant post-secondary degrees. We increased the number of semester credit hours of advanced education available through the Tuition Assistance (TA) program, and continue paying up to \$250 per semester hour.

Financial Management Training

With the help of Congressionally-supported regulation, we are protecting Sailors and their families from predatory lending practices through an aggressive plan to improve financial literacy. Our personal financial management career life-cycle training continuum was revamped. Accredited financial counselors are now positioned at all Fleet and Family Support Centers. A series of communications and advocacy campaigns will heighten awareness of predatory lending at all levels of leadership. Senior Navy leadership will continually monitor trends and partner with key financial organizations to improve the financial literacy of Sailors and their families. We will work closely with the other Services, OSD staff, FDIC, FTC, and other regulatory agencies to develop and implement regulations for predatory lending restrictions enacted in the FY07 NDAA.

Support to Injured Sailors

Through our SAFE HARBOR Program, Navy provided severely injured Sailors timely access to available resources and support. We offered pre/post separation case management and deployment health assessments. Navy coordinated benefits with the Departments of Veterans Affairs and Labor, and other service providers. The Task Force Navy Family Functional Plan, based on lessons learned from the aftermath of hurricanes Katrina and Rita, enhances our response capabilities for future catastrophic events.

Child and Youth Programs

We are offering quality child and youth care programs to Navy families, which meet or exceed the national accreditation standards, and satisfy 69 percent of the potential need for child and youth program spaces. Given the additional spaces achieved by Congressional-sponsored Military Construction (MILCON) projects and other OSD sponsored facilities, the Navy will achieve 71 percent of the potential need for child and youth program spaces in 2007.

The positive impact of these programs is reflected in the stabilization of Navy's divorce rates, declining rates of alcohol and drug abuse, as well as a lowering of the number of substantiated cases of spouse or child abuse.

Basic Housing Allowance

We welcome Congress' decision to return funding for Basic Allowance for Housing (BAH) and Facilities, Sustainment, Restoration and Modernization (FRSM) to the traditional Defense Appropriations accounts in FY08, and we hope that Congress will afford us with ample transfer authority during FY07 to effectively manage these accounts.

Sea-Shore Rotation

Enhancements to our Sailor readiness and family preparedness are critical because we are a sea-centric force. Navy's first priority is to properly man sea duty and front line operational units. This means placing a higher priority on utilizing Sailors "at sea." As the number of Navy missions and operations increases, and as we continue to make adjustments to stabilize the Navy workforce, we have, and will continue to, become more sea-centric.

Initial analysis indicates that while it will be possible to sustain a more sea-centric military workforce, it will be more costly. This is due not only to normal cost-of-living increases, but also to increased costs of compensation, training, and recruiting and retention incentives.

Navy continues to evaluate options for rotation of the workforce as we become more sea-centric. We are in the early stages of determining how to transition our current sea-shore rotation business practices to achieve four desired outcomes for our people: geographic stability, deployment predictability, increased professional and personal development, and continually satisfying work.

The Navy's Total Force is ready. We are meeting most recruiting and retention goals, addressing stress in GWOT-centric communities and for IAs, developing new capabilities and communities, and preparing our Sailors and their families for a more sea-centric force.

It is not enough to be ready today. We must look forward and predict our future requirements. We must continuously assess the size of our total Navy workforce, and make the necessary course corrections to shape and stabilize our workforce based on anticipated future requirements.

SIZING, SHAPING AND STABILIZING THE NAVY TOTAL FORCE

For several years, our focus was on sizing the force – ensuring we had the right number of billets, and *filling* every billet with a Sailor. Today, we are focusing on shaping and stabilizing the force – ensuring we have the right *fit* between the knowledge, skills and abilities required by a billet and those possessed by the Sailor filling that billet, and ensuring we can easily adjust either based on changes in warfighting requirements.

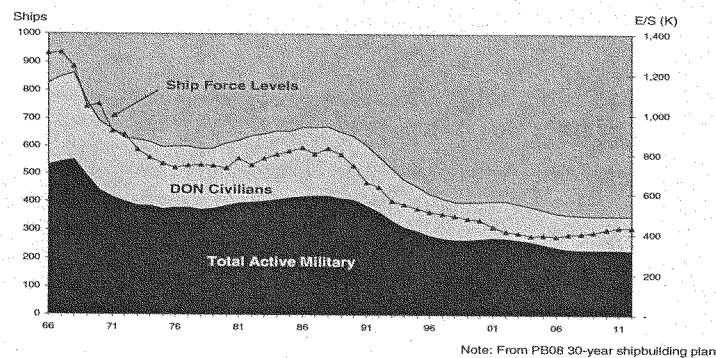
The goal of sizing the force is to determine the right *number of billets* required to meet current and future warfighting requirements. The goal of shaping the force is to ensure we have the right *type of individual* available in our workforce to fill those billets. The goal of stabilizing the force

is to have a personnel management system that can proactively respond to changes in warfighting requirements.

Sizing the Total Force

After the initial post-9/11 workforce surge, Navy started reducing end-strength in a controlled manner commensurate with reductions in force structure and our infrastructure. We were reducing manpower in conjunction with a decrease in the number of ships and aircraft. We were focused on reducing the number of people in each component of the Total Force.

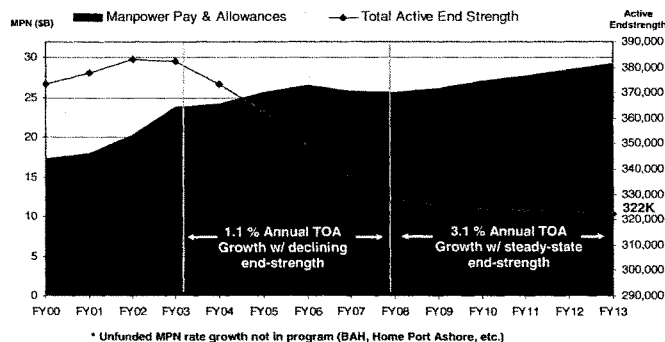
In 2006, Navy shifted from this platform-based manpower determination approach to capability-based personnel management. Based on extensive analysis of the current and future warfighting needs, we forecasted that the AC manpower required to provide the necessary capabilities is approximately 322,000 for a force structure of 313 ships and approximately 3,800 aircraft. As a result, we are now “exiting the glide slope”; that is, we are planning to stabilize the Navy AC workforce around 322,000 by FY13.



Our analysis also allowed us to evaluate the quality of *fit* between the work that needed to be done and the skill sets of the Sailors assigned to do that work. In some cases, we identified work currently performed by Sailors that could be done more efficiently by employing new technologies, decommissioning manpower-intensive platforms, improving training or work processes, or altering the mix of military, civilian and contractor resources.

As we move toward an AC workforce of approximately 322,000 in FY13, we will decrease AC strength by approximately 14 percent between 2003 and 2008. It is extremely important to note, however, that during this reduction, the overall cost of our manpower will rise by almost seven percent. Not only will accessing and retaining our Sailors be generally more expensive, but, as

skill requirements increase, the cost to train, educate and retain them will increase, as well. It is imperative that our force be effective and cost-efficient as we “exit the glide slope.” We can not afford – operationally or fiscally – anything less.



Shaping the Total Force

In order to shape an appropriately skilled AC workforce sized at 322,000, Navy must utilize all force-shaping tools at our disposal. We must also look for new strategies such as DOPMA grade-relief and innovative compensation programs. We need to apply both small adjustments and major course corrections in order to shape our force into a smaller, more effective and cost-efficient Total Force.

Rating Merger

Navy reviewed its ratings (i.e., job specialties) to ensure we provide the Fleet with the right skill mix and reduce redundancies. Since 2003, the total number of enlisted ratings has been reduced from 81 to 77. Twelve ratings were disestablished through mergers that better reflect Sailors' skill sets and duties performed. Eight ratings were established to align ratings to changing technology and emerging skill sets.

Rating Conversion

Perform to Serve (PTS) is a rating conversion program that permits Sailors in overmanned ratings to switch to other ratings that are undermanned. The goal is to align our Navy personnel

inventory and skill sets through a centrally managed reenlistment program, and to instill competition in the retention process. Since inception four years ago, more than 6,400 Sailors have been guided to undermanned ratings, and more than 98,800 have been approved for in-rate reenlistment.

Voluntary Separation

Voluntary Separation Pay (VSP), enacted in 2006, has been a useful addition to our force shaping tools by providing a financial incentive to elicit voluntary separations by officers in carefully targeted communities. VSP has been used to separate 132 officers from an eligible pool of 208. Navy greatly appreciates the additional flexibility that Congress enacted in the FY07 NDAA, which will permit Navy to extend the use of VSP to select enlisted personnel and apply it to members with between six and 20 years of service.

MIL-CIV Conversion

Conversion of military billets, not focused on inherently military work, to civilian billets enhances our ability to align military personnel to warfighting functions. This year, we will target non-warfighting functions previously staffed and performed by military personnel, for conversion. We will transfer some commissioned U.S. vessels to Military Sealift Command (civilian mariners). Our focus will be on mil-civ conversions for medical and legal services, aviation support and maintenance, training support, and headquarters administrative functions.

Law and Regulation

DOPMA and the Goldwater/Nichols Act, both conceived and enacted in the Cold-war era, make it difficult to efficiently align our personnel to current and projected force structure requirements. Navy has become a far more joint and senior force, reduced in size, but with increased warfighting capability. As Navy end strength stabilizes, the need for more senior and experienced officers will continue to increase. Navy is currently operating at, or very near, statutory control-grade limits across the board and, consequently, is suppressing billet grades through the programming and budgeting process in order to comply with DOPMA constraints. In FY08, Navy is seeking relief from current control-grade limits to enable us to properly man our billet structure while providing a reasonable amount of flexibility to respond to continually emerging external control grade requirements.

Incentives

The Assignment Incentive Pay (AIP) continues to be an effective market-based incentive to elicit volunteers for difficult-to-fill jobs in critical, but less desirable locations. Navy recoded approximately 8,800 billets from a non-monetary incentive (overseas shore duty with sea duty credit) to a normal shore tour with a monetary incentive.

Sea Duty Incentive Pay (SDIP) will soon be implemented as a pilot program to incentivize enlisted Sailors in sea-intensive ratings to volunteer for longer sea duty. Sailors will either extend their assignment at sea, or curtail their assignment ashore, returning to sea duty. SDIP is aimed at increasing assignment flexibility to support the Navy's move toward a more sea-centric force.

Retention Shaping Tools

Selective Reenlistment Bonus (SRB), our primary retention tool, allows us to optimize the Navy workforce by targeting personnel with precise, in-demand skills and experience to reenlist. Navy's maximum SRB payment is currently set at \$75,000, allowing sufficient flexibility to increase the bonus ceiling as retention needs dictate over the next several years. This cap increase has been extremely valuable in retaining experienced nuclear-trained personnel and SEALs.

Stabilizing the Total Force

In the past year we have seen remarkable developments in the global security environment. It is clear that the security challenges of this century will be multifaceted and wide-ranging. If we are to respond to this rapidly-changing environment, we must have a capability-based personnel management system that is proactive, agile and cost-efficient. Such a system will allow a stabilized force that can rapidly adjust to new requirements. A key to establishing this system is a single, centralized analytical construct that is Navy-wide and balances warfighting requirements, personnel and costs.

In 2006, the Navy's Manpower, Personnel, Training and Education (MPT&E) Domain became the Single Manpower Resource Sponsor. The OPNAV N1 organization became the single point of responsibility for oversight of resourcing and manning all Navy, active and reserve, end strength. This consolidation of planning, programming, budgeting and execution authority places all Navy billets and positions into a single analytical framework. Having centralized authority and accountability enables Navy leadership to look across the entire Service to identify and prioritize the work to be performed in delivering warfighting capability. Our analytical framework links people to work, work to platforms, and platforms to capabilities resulting in far better ability to fit our people directly to warfighting capability.

In 2007, as the Single Manpower Resource Sponsor, OPNAV N1 will assume a more robust assessment responsibility through close liaison with Resource Sponsors, Appropriation Sponsors and the warfighting Enterprises through all phases of the Planning, Programming, Budgeting and

Execution System (PPBES) process. I intend to expand our focus beyond military personnel to include the Navy's civilian workforce as well.

The transition from *FILL* – a Sailor in every billet - to *FIT* – the right person (military, civilian or contractor) in the right position - is just the beginning. Navy has developed strategies and action plans to enable sustainment of the changes we have made to-date, and carry us through to match the rapidly changing demands sure to come.

STRATEGIES FOR THE FUTURE NAVY WORKFORCE

Sometimes we still think of the 21st century as the future. It is not. It is today. Sailors, Navy civilians and contractors who will respond to uncertain future missions are entering the workforce and Navy today. What we do today – the decisions we make – will dictate our situation tomorrow, and determine what we are capable of in the future.

To inform, guide and ensure these decisions enable us to sustain the ready, stable Navy workforce we need in the future, we have defined a number of strategies and action plans to transform the Navy Total Force. These strategies address: the long term vision of Navy MPT&E; leveraging the diversity of our Total Force; executing Spiral One Sea Warrior; integrating education and training across Navy; better preparing and positioning the Navy to support Joint missions, and integrating our active and reserve military force.

Strategy for Our People

To sustain a stable Total Force, we must transform into a capability-driven, competency-based, diverse, Total Force that is agile, effective and cost-efficient.

In 2006, we developed the MPT&E Strategic Vision. This vision sets the course along which Navy's Total Force management will evolve over the next 10 years. It describes our environment of uncertainty and changing operations, a more competitive marketplace and rising fiscal constraints. It defines six strategic goals that, when achieved, will enable us to be responsive and effective in the future.



Our six strategic goals for 2016 are:

- *An Effective Total Force.* Workforce components – active and reserve Sailors, federal civil employees, and contractors – will be viewed as one, integrated team that supports required warfighting capability.
- *Capability-driven.* Navy workforce requirements will be based on current and future joint warfighting needs as dictated by the national defense strategy.
- *Competency-based.* Navy work and workforce will be defined, described and managed by the knowledge, skills, and abilities that enable performance required for mission accomplishment.
- *Competitive in the marketplace.* We will continuously revise and update our policies and practices to deliver necessary and comprehensive pay and compensation structures such as life-long learning, career choice and improved family support.
- *Diverse.* We will have a culture of inclusion that encourages and enables all Sailors and civilians to reach their full professional and personal potential.
- *Agile and cost effective.* We will deliver additional capability from a smaller, yet increasingly talented, educated and integrated workforce.

In 2007, we intend to define specific approaches and action plans to achieve our six strategic goals. We will develop roadmaps that define the specific tasks and activities that must be undertaken to ensure we are making decisions that move us forward toward our vision. These roadmaps will include precise objectives that enable measurement and accountability.

Diversity Campaign Plan

Diversity is a strategic imperative for our Navy. Our diversity program leverages the different characteristics and attributes of individual Sailors and civilians. It enhances the contribution of our diverse force to mission readiness.

We defined the Navy's Diversity Campaign Plan. This plan consists of three Phases: Phase I – Assessment; Phase II – Decisive Action, and Phase III – Sustainment and Accountability. Phases I and II are complete. We are now in Phase III.

The goals of this plan are to (1) institutionalize a culture that values and fully leverages the unique attributes of the Navy's workforce, (2) attract and retain the best talent of our nation, and (3) provide opportunity for all to succeed and advance.

In Phase I, we took a fix – to get a Navy-wide snapshot of where we are in diversity, specifically looking at how recruiting, retention, and promotion practices have resulted in current demographics. As a result, five focus areas were identified for further analysis and action: Accountability; Outreach; Mentoring; Training, and Communication. Our focus was on operationalizing diversity as a frontline issue by involving all Navy leadership in the effort. We

attempted to understand why we have diversity shortfalls in some communities, ratings and occupations, and how we can best improve and sustain representation in those areas.

During Phase II, we performed root cause analysis and implemented decisive corrective actions to institute enduring change. We identified diverse affinity groups and other organizations that Navy would engage or increase engagement with to institute an outreach regimen and build a sustained engagement strategy. A mentoring program was conceived that is formalized but voluntary for mentors and protégées and incorporates one-on-one group and peer-to-peer mentoring. An overarching communication strategy was prepared to deliver a coherent and consistent message to the force.

In Phase III, we are committed to sustainment and accountability. Our focus is on continuing and enduring actions which are critical to our long term success. Navy will communicate a coordinated and consistent strategic diversity message. There will be CNO Enterprise/Community accountability reviews, which will improve outreach – moving from episodic to sustained engagement. We will launch a service-wide mentoring program, and ingrain diversity throughout the learning continuum, empowering our leadership Navy-wide to reinforce the strategic imperative of diversity in today's Navy.

Spiral One Sea Warrior

Our new generation of Sailors expects to be more involved in making their career and life decisions. As a result, we are moving from a schedule-based requisition legacy system to Sailor choice and partnership, a Sailor-centered model.

The Sea Warrior family of career management tools is based on entrepreneurial efforts of Revolution in Training, Project SAIL and Improving Navy's Workforce, which helped us precisely understand the work that we need to do, and how we can best match the Sailor to that work.

Like other elements of Sea Power 21, Sea Warrior is a conceptual framework to deliver a capability. Our long range vision – an easy to use, integrated and responsive family of career management, training, and education systems for Sailors to invest in and direct their careers, education, and professional development – remains unchanged. In the near term, we are focused on access and delivery, performance, and policy to support one primary product - interactive detailing.

In 2006, Navy applied programmatic discipline to place more rigor into specific content development. We stood up a program office within PEO-EIS and deepened partnerships with key Navy organizations. We also unbundled existing products (Navy Knowledge Online,

SMART transcripts, Navy Credentialing Opportunities Online (COOL)) to field Sea Warrior Spiral One – Career Management System (CMS) with Interactive Detailing capability.

In the future, we intend to continue to test, evaluate and deliver proven products to Sailors. Sea Warrior will be established as a program of record for POM-10. Testing starts this year with a tightly defined control group to use the system and provide us valuable feedback to improve upon this capability. The ability to apply for billets online using CMS-Interactive Detailing (consistent with policy and access) will be delivered to our Sailors by June 2009. In future spirals, we will build on lessons learned and as access and systems capability improve, we will move from a policy focus to individual Sailor and access and capability focus. As each build reaches maturity (and passes strict quality acceptance tests for accuracy, ease-of-use, and technical robustness), we will open its use to wider audiences.

Navy Education Strategy

Developing a Total Force that is ready any time, anywhere starts with education. Education provides the foundation for development and enhancement of the critical thinking skills necessary to confront uncertainty, and adapt and respond quickly and decisively. Education is a strategic investment for Navy's Total Force. It provides preparation for enduring missions that are well-known, plus yet-to-emerge missions we know are certain to come.

In 2006, the Navy conducted a study that sought to establish a requirements and career progression framework and lay the groundwork for an education strategy within that framework. The study included intensive discussions with Navy leaders, unintended consequence analysis of prospective education initiatives, and a literature review and exploratory data analysis.

In 2007, the Navy will conduct a follow-on study that includes extensive data gathering, model building, and data analysis. The goal is to develop a comprehensive Navy Education Strategy that: supports the Navy Total Force, enhances warfighting proficiency; strengthens joint, multi-national and interagency operations; addresses enduring, emergent and future requirements, and exploits learning strategies and best practices.

Path to Jointness

The Navy is committed to developing Joint leaders – both in the officer and senior enlisted communities. We are pursuing a "Path to Jointness" that will improve how we plan, prepare and assign Navy leadership talent to Joint positions in a way that maximizes the Navy's contribution to Joint, interagency, and multi-national coalition partners.

In 2006, we made significant progress on the policy initiatives linking career progression and assignment with the Chairman's Vision. We defined the professional military education (PME) requirements for the ranks of E-1 through O-8 across the entire active and reserve military forces. Navy has revised the process to select and assign officers who have clearly demonstrated the potential to assume positions of strategic and operational leadership of staff responsibilities as appropriate to their grade in Navy, Joint, interagency and multi-national billets. The Navy now

requires completion of Intermediate PME, including JMPE Phase I for selection to URL 0-5 Command by FY09 screen boards (which are actually held in FY08).

In 2007, we intend to continue our efforts on the "Path to Jointness" by expanding our efforts to the Total Force, and monitoring our policy and process changes to ensure compliance and effectiveness. We will expand our efforts by providing the appropriate PME to the entire active and reserve Total Force, and ensuring graduates are tracked and assigned to billets that exploit their education and accelerate their development as Joint leaders. Our effectiveness will be tracked by the number and percentage of PME graduates assigned to career milestone billets. We have set a requirement for 100 percent fill of Navy resident student billets at all Joint, Service, and foreign war colleges.

Active-Reserve Force Integration

Navy continues to make significant strides in achieving a true Total Force through Active-Reserve Integration. ARI aligns active and reserve component units to achieve unity of command. It leverages both budgetary and administrative efficiencies, and ensures that the full weight of the Navy resources and capabilities are under the authority of a single commander.

Strength planners and community managers, both active and reserve, are being collocated and are implementing the same business rules and models to manage our Navy's manpower from a Total Force perspective. Active and Reserve Regions have been aligned under the five CONUS Navy Region Commanders and Naval District Washington, to improve communications and provide mutual support, optimizing our resources and making them more accessible across the Navy.

Navy Reserve Centers have been redesignated as Navy Operational Support Centers (NOSCs). Their mission is to meet the requirements of the Fleet and Combatant Commanders by providing integrated operational support to supported Navy and Joint commands world-wide.

CONCLUSION

Your Navy is ready. We are ready now and we will be ready tomorrow. We are recruiting and retaining the best and brightest talent our nation has to offer. Our Sailors, our civilians, and their families, are physically and mentally prepared. We have sized and shaped our force based on current and projected warfighting requirements. We are building a more flexible personnel management system that can rapidly respond to the ever-changing security environment. Our strategies for the future are defined and executing.

The United States Navy has a proud history of accomplishing its maritime core missions—forward presence, crisis response, sea control and power projection. This past year, our Total Force not only lived up to, but surpassed, this standard, accomplishing our traditional missions,

as well as supporting the non-traditional missions of the long war - counterinsurgency, counterterrorism, civil-military operations and nation-building. We also provided desperately needed humanitarian assistance around the globe.

The challenge before us is the uncertain world. We do not know which of these missions we may be called upon to perform in the future. The nation needs a strong Navy – with unmatched capability, global reach, persistence presence, agility and unequaled lethality. Our Navy's Total Force must be ready today and in the future to respond whenever, wherever we are called upon to do so. That is our heritage, that is our tradition and that is exactly what we will do.

DEPARTMENT OF THE AIR FORCE

**PRESENTATION TO THE MILITARY PERSONNEL SUBCOMMITTEE
COMMITTEE ON ARMED SERVICES
UNITED STATES HOUSE OF REPRESENTATIVES**

SUBJECT: OVERVIEW OF RECRUITING AND RETENTION

**STATEMENT OF: LIEUTENANT GENERAL ROGER A. BRADY
DEPUTY CHIEF OF STAFF, MANPOWER AND PERSONNEL
UNITED STATES AIR FORCE**

15 FEBRUARY 2007

**NOT FOR PUBLICATION UNTIL RELEASED
BY THE COMMITTEE ON ARMED SERVICES
UNITED STATES HOUSE OF REPRESENTATIVES**

Introduction

Mr. Chairman, Congressman McHugh, members of the committee, thank you for this opportunity to discuss our efforts to ensure we recruit and retain high quality Airmen for the world's most respected air and space force. Our Airmen have been continuously deployed and globally engaged in combat missions for sixteen straight years—since the first F-15 touched down in Saudi Arabia in August 1990. Today, Airmen are fully engaged in the interdependent joint fight and stand prepared for rapid response and conflict across the globe as our nation's sword and shield.

Our priorities are clear: winning the Global War on Terrorism (GWOT) and preparing for the next war; developing and caring for our Airmen to maintain our competitive advantage; and modernizing and recapitalizing our aircraft and equipment to meet 21st century challenges. Due to increased operations, maintenance, and personnel costs, we have been forced to self-finance the centerpiece of future dominance—a massive and critical recapitalization and modernization effort for our aging air and space force. Budgetary pressures forced difficult choices to ensure that the Air Force would maintain the right balance across our personnel, infrastructure, readiness and investment portfolios.

The Air Force undertook significant personnel reductions to generate billions of dollars to reprogram towards essential air, space, and cyber systems recapitalization and modernization, congruent with three key mission priorities. The impact on our warfighting Airmen has been significant. We have been compelled to make some very difficult choices with respect to our people. Fewer platforms that require fewer operators and maintainers are part of the equation. We are taking a hard look at all our processes and streamlining our organizations. At the same

time, we want to improve the training of our Airmen. The bottom line is that we are becoming a leaner, more flexible, more capable force.

Recruiting

As we prepare for an uncertain future, we are transforming the force to ensure we have the right sized and shaped force to meet emerging global threats with joint and battle trained Airmen. We are becoming a smaller force, with a critical need for specific skills. We recruit and organize our talent pool aimed at using these talents toward advancements in training and education for the complex, multinational, and interagency operations of the future.

Our recruiting force has met our recruiting mission through persistence and dedication. 2001 through 2006 had a recruiting mission of 158,533 and accessed 160,603 for 101% of mission accomplishment. For 2007, the active duty mission requirement is 27,800 and 6,486 new Airman have accessed up to this point with 12,122 waiting to enter Basic Military Training. We're on track to meet our goals. To date for FY07, we've accessed 100% of our active duty goal, and accessed 101% and 107% of our Reserve and Guard accession goals, respectively.

Recruiting Service continues to find the right person, for the right job, at the right time and this is ever evident in our most critical warfighter skills. Recruiting Service has filled every requirement for Combat Controller (CCT), Pararescue (PJ), Tactical Air Control Party (TACP), Survival, Evasion, Resistance, and Escape (SERE), and Linguist since 2001. This has been accomplished through hard work and the significant assistance of the Congress. These individuals are offered an Initial Enlistment Bonus (IEB) ranging from \$3K to \$12K, depending on the job and length of enlistment. No other enlistment bonuses are offered.

The majority of our officer programs have met with mission success except for the medical side of recruiting. Since 9/11, Air Force Recruiting Service (AFRS) and Air Force

Medical Service (AFMS) have worked together to implement innovative ways to address our shortfalls in medical recruiting. Overall recruiting of fully qualified (FQ) healthcare professionals is 56.5%. By category, recruiting rates for physicians and dentists are 9.4% and 24.1% respectively; nurse recruiting was 90.2%. Biomedical sciences and medical administrators recruiting rates were both 100%.

Retention

Low retention is a major contributor to AFMS chronic specialty shortages. Retention of health professionals after initial commitment is a difficult challenge. The retention at the 10-year point is ~ 26% for physicians and dentists, ~35% for nurses, ~47% biomedical sciences officers and ~60% for administrators. AFMS continues to develop accession and retention incentives to ensure the right mix of health professionals.

In FY07, we continued to manage and shape the force across and within skills. Maintaining retention at acceptable levels through targeted retention programs continues to be critical to this effort. Force shaping ensured active duty end strength met our longer term requirements.

Active duty Air Force and ANG met their overall officer and enlisted retention goals for FY06. The AF Reserve met its officer retention goal but fell short of its enlisted retention goal by 0.8%, attaining 99.2% of its goal. Even with these successes, some enlisted specialties in the active Air Force did not achieve their overall retention goal, including Air Traffic Control, Survival, Evasion, Resistance, and Escape (SERE), A-10, F-15 & U-2 Avionic Systems, Aerospace Maintenance, Special Vehicle Maintenance Fire Trucks, and Contracting.

Our most critical warfighting skills require a special retention focus to maintain combat capability due to critical manning and increased operations tempo demands placed on career

fields including Pararescue, Combat Control, and Explosive Ordnance Disposal. Budgetary support for retention programs is critical to effectively manage the force and retain needed warfighting capability. These programs are judiciously and effectively targeted to provide the most return-on-investment in both dollars and capability.

Our warfighting Airmen are committed to serving, including those experiencing high deployment rates. Combatant Commander (COCOM) requirements and the GWOT require a high demand for pilots, intelligence, maintenance, civil engineers, and communication and information officers as well as enlisted Airmen in aerospace maintenance, supply, transportation, munitions and weapons, fire protection, services, and security forces. Despite an increased operations tempo and deployment rate, retention statistics for these career fields mirror the Air Force average.

Force Development

As part of our Air Force Transformation, we continue to improve education and training. We are extending Basic Military Training to 8.5 weeks, to teach Airmen skills to defend an Air Base and set them up in an expeditionary operation. We are teaching Airmen self aid and buddy care so they can take care of each other when their bases take mortar fire or the truck they are driving hits an Improvised Explosive Device (IED). We are teaching language training and enhancing regional studies in our Air Command and Staff College, Air War College, and NCO Academy. We are consolidating Air Force Specialty codes to provide broader skill sets and enabling flexibility in GWOT and support of COCOM missions.

We have also placed a great focus on language and culture training at our officer accession sources. One force development strategy is to target foreign language speakers, primarily focusing on AFROTC detachments sponsoring foreign language programs. Currently,

we have 54 cadets enrolled as Language Majors, with another 629 scholarship cadets majoring in technical degrees and taking languages for their elective. Beginning with cadets contracted in August of 2006, cadets with AFROTC scholarship contracts majoring in non-technical degrees must complete 12 semester hours of foreign languages.

Conclusion

Today's Airmen are doing amazing things to execute the Air Force mission, meet Air Force commitments, and keep the Air Force on a vector for success against potential future threats in an uncertain world. We are ready and engaged today, but we must continue to must invest to ensure tomorrow's air, space, and cyberspace dominance. Our aim is to improve capability, maintaining the greatest combat-ready force in the world. America can afford nothing less.

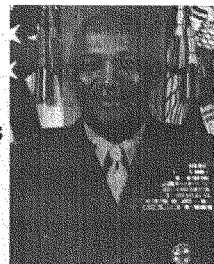
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STATEMENT OF
LIEUTENANT GENERAL RONALD S. COLEMAN
DEPUTY COMMANDANT FOR MANPOWER AND RESERVE AFFAIRS
UNITED STATES MARINE CORPS
BEFORE THE
PERSONNEL SUBCOMMITTEE
OF THE
HOUSE ARMED SERVICES COMMITTEE
CONCERNING
RECRUITING, RETENTION & POLICY OVERVIEW
ON
FEBRUARY 15, 2007

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**Lieutenant General
Ronald S. Coleman
Deputy Commandant for
Manpower and Reserve Affairs**



Lieutenant General Ronald S. Coleman is the Deputy Commandant for Manpower and Reserve Affairs.

General Coleman joined the Navy in April 1968 and was discharged upon his return from Danang, Republic of Vietnam in June 1970. Upon graduation from Cheyney State University in 1973, he was commissioned a Second Lieutenant in December 1974. Following the Basic School in 1975, he reported to Camp Lejeune with 2d Marine Regiment and served as the Regimental Supply Officer, Platoon Commander, and S-4A.

In November 1977, he transferred to 3d Force Service Support Group, Okinawa, Japan, and deployed with Landing Support Unit Foxtrot.

In November 1978, he reported to Officer Candidate School and served as the S-4, Supply Officer, Candidate Platoon Commander and Director, Non-Commissioned Officer School. He attended Amphibious Warfare School during the 1981-82 academic year and was then transferred to HQMC Officer Assignment Branch, and served as a company grade monitor and Administrative Assistant to the Director, Personnel Management Division. In August 1985, Major Coleman was assigned as an Instructor at Amphibious Warfare School. In 1987, he attended the Marine Corps Command and Staff College.

In 1988, he returned to Okinawa and served as the Operations Officer, 3d Landing Support Battalion; Executive Officer, 3d Maintenance Battalion; and Commanding Officer, Combat Service Support Detachment 35, Contingency Marine Air Group Task Force 4-90.

In June 1991, he reported to HQMC and served as the Logistics Project Officer and Head, Maintenance Policy Section, Installations and Logistics Branch. He was promoted to Lieutenant Colonel in May 1992.

In June 1993, he assumed duty as Commanding Officer, 2d Maintenance Battalion, 2d Force Service Support Group, and in December 1994, was reassigned as the Group Deputy Operations Officer. In August 1995, he reported to the Industrial College of the Armed Forces, National Defense University.

In 1996, he reported to the Pentagon in the Logistics Directorate J-4, as Deputy Division Chief, Logistic Readiness Center.

He was promoted to colonel in July 1997 and returned to Camp Lejeune in 1998 for duty with the 2d Marine Division as the Assistant Chief of Staff, G-4. In April 1999, he deployed to the Balkan Region and served as J-4, Joint Task Force Shining Hope. He assumed command of 2d Supply Battalion in July 1999. In June 2001 he reported to HQMC as the Assistant Deputy Commandant Installations and Logistics (Facilities) and was promoted to brigadier general in November 2002.

General Coleman reported to 2d Force Service Support Group in June of 2003 and deployed in support of Operation Iraqi Freedom as Commanding General Special Purpose MAGTF until November 2003. He deployed again from February 2004 until June 2004 as Commanding General, Combined Joint Task Force Haiti, in support of Operation Secure Democracy.

General Coleman was assigned as the Director, Personnel Management Division on 1 July 2005 and was frocked to Major General in May 2006.

On 29 September 2006, General Coleman was assigned to his current position and appointed to the rank of Lieutenant General.

Chairman Snyder, Representative McHugh, and distinguished Members of the Subcommittee, it is my privilege to appear before you today to provide an overview of your Marine Corps personnel, with emphasis on recruiting and retention.

Introduction

We remain a Corps of Marines at war with over 33,700 Marines deployed to dozens of countries around the globe. The young men and women who fill our ranks today recognize the global, protracted, and lethal nature of the challenges facing our Nation, and their dedicated service and sacrifice rivals that of any generation preceding them.

Thanks to you, Ladies and Gentlemen, your Marines know that the people of the United States and the Government are behind them. The continued commitment of Congress to increasing the warfighting and crisis response capabilities of our Nation's armed forces, and to improve the quality of life of Marines, is central to the strength that your Marine Corps enjoys today. The Nation is receiving a superb return on its investment in the world's finest expeditionary force.

This past year, you have seen evidence of this not only in Iraq and Afghanistan, but in Lebanon, where we were partners in the largest noncombatant evacuation since Vietnam; in the southern Pacific, as part of humanitarian assistance and relief efforts in the wake of multiple natural disasters; and throughout the world in our theater security cooperation engagements. We know the future will remain challenging—not only in the current conflicts, but in subsequent campaigns of the Long War on Terror. I am confident that with your continued support, your Corps will remain the Nation's force in readiness and will continue to fulfill its congressionally mandated mission of being *the most ready when the Nation is least ready*.

Right-size our Marine Corps

To meet the demands of the Long War and other crises that arise, our Corps must be sufficiently manned, trained, and equipped. Like the Cold War, the Long War is a continuing struggle that will not be measured by the number of near-term deployments or rotations. To meet our challenges, we must ensure that our personnel policies, organizational construct, and training are able to operate at a “sustained rate of fire.”

Strain on the Individual. Marines are resilient warriors and are willing and able to absorb increased deployment stress without outward symptoms. However, any deployment causes stress as members are away from their families and in dangerous environments. Families worry about their loved one’s safety and spouses have to care for their children alone. As members deploy multiple times, these stresses are multiplied. Nevertheless, despite the current unparalleled Personnel Tempo, the morale of our Marines and their families remains high.

To avoid an adverse toll on our Marines and their families, and to prevent a decrease in readiness, the Secretary of Defense established a 1:2 deployment-to-dwell ratio goal for all active component forces. This ratio relates to how long our forces are deployed versus how long they are at home—the goal being for every six months a Marine is deployed, they will be back at their home station for one year. We need to relieve the strain on those superb Americans who have volunteered to fight the Nation’s battles.

Strain on the Institution. The current deployment cycle requires commanders to focus on those skill sets required to accomplish the mission in Iraq and Afghanistan. This emphasis, along with the added requirement for individual augments, training team requirements, and the need to deploy many units for missions outside of their normal functions has caused deterioration in other skill sets. The result of this strain is limitation in the Marine Corps’ ability to provide

trained forces to project power in support of other contingencies. To fulfill our mandate to be *"most ready when the Nation is least ready,"* our deployment cycles must not only support training for irregular warfare, they must also provide sufficient time for recovery, maintenance, and training for other contingency missions.

Reducing the Stress. The proposed increase to our active component end strength to 202,000 Marines by Fiscal Year 2011 will go a long way to reducing the strain on the individual Marines and the institution. It will enable us to build capacity to fight the Long War and to better train and respond to other crises. It will also help us meet the Secretary of Defense's goal 1:2 deployment-to-dwell ratio.

Our first task will be to build three new infantry battalions and their supporting structure – approximately 4,000 Marines. We will then systematically build the additional individuals and units on a schedule of approximately 5,000 per year. This plan will gradually increase the deployment-to-dwell ratio of some of our habitually high operational tempo units such as ground reconnaissance, light armored reconnaissance, assault amphibian, combat engineer, military police, signals intelligence, unmanned aerial vehicle, helicopter, air command and control, combat service support and explosive ordnance disposal units.

Increasing end strength to 202,000 will be achieved by through increased active component accessions and increased retention. These mission increases will be significant and will require additional compensation incentives. We have developed a number of Assignment Incentive Pay based initiatives that will be critical to our increased retention missions, and we ask for congressional support for these programs.

Reserve Component End Strength. Our efforts in the Long War remain a Total Force effort. Recent policy changes within the Department of Defense will allow us to use the Reserve

forces as they were structured to be employed—to augment and reinforce our active component forces. To this end, our goal is to obtain a 1:5 deployment-to-dwell ratio within our Reserve Component. We believe our current authorized Reserve Component end strength of 39,600 Selected Reserve Marines is adequate. As with every organization within the Marine Corps, we continue to review the make-up and structure of the Marine Corps Reserve in order to ensure the right capabilities reside within the Marine Forces Reserve units and our Individual Mobilization Augmentee program across the force.

Funding. The Marine Corps greatly appreciates the increased end strength to 180,000 in the Fiscal Year 2007 National Defense Authorization Act. As you know, our Program of Record requires that we internally fund any end strength in excess of 175,000 Marines. We are resourcing these additional costs through Supplemental funding. We look forward to working with Congress to bring the Authorization and Program of Record in line.

Compensation. The vast majority of our personnel budget is spent on entitlements, including compensation. Compensation is a double-edged sword in that it is a principal factor for Marines both when they decide to reenlist and when they decide not to reenlist. Private sector competition will always seek to capitalize on the military training and education provided to our Marines – Marines are a highly desirable labor resource for private sector organizations. The targeted pay raise effective 1 April 2007 has allowed the Department to accomplish its efforts in bringing all pay grades up to the 70th percentile of comparably educated civilian pay levels. We look forward to the product of the thorough analysis being conducted by Quadrennial Review of Military Compensation review of the Defense Advisory Committee on Military Compensation recommendations.

The continued support of the Congress for appropriate increases in basic pay and a sound, comprehensive compensation and entitlements structure greatly assists efforts to recruit and retain the quality Americans you expect in your Corps

Recruiting

Active Component. In Fiscal Year 2006, the Marine Corps achieved 100.1 percent of the enlisted shipping (accession) objective. Over 95 percent of those shipped to recruit training were Tier 1 high school diploma graduates and 68 percent were in the I-III A upper mental group testing categories. In short, we accomplished our recruiting mission and exceeded DoD quality standards. To meet the Marine Corps' proposed end strength increase, annual total force accessions missions must steadily grow from 38,217 in FY06 to 45,000 in FY10. FY07 total force accessions mission is 39,927. As of 1 Feb 2007, we have shipped (accessed) 11,528 recruits to basic training which represents 102 percent of our mission Fiscal Year to Date. Although challenging, we anticipate meeting our annual recruiting mission. With regard to our self-imposed contracting mission, we are ahead of our current plan for the year and expect to meet our objectives. Our Officer Selection Teams were also successful accessing 1,494 Second Lieutenants in Fiscal Year 2006, 101 percent of mission, and we are on course to make our officer accession mission in Fiscal Year 2007.

Reserve Component. For the Reserve Component, the Marine Corps achieved its Fiscal Year 2006 reserve enlisted recruiting goals with the accession of 5,880 non-prior service Marines and 3,165 prior service Marines. As of 1 Feb 2007, we have accessed 1,626 non-prior service and 1,449 prior service Marines, which reflects 30 percent and 41 percent of our annual mission, respectively. Again, we expect to meet our reserve recruiting goals this year. Officer recruiting and retention for our Selected Marine Corps Reserve units is traditionally our greatest challenge.

and remains the same this year. To help address this issue, we have initiated a reserve officer commissioning program exclusively to address the company grade officer shortfall. Under this program, individuals will attend Officer Candidates School, The Basic School, a Military Occupational Specialty school, and return to a reserve unit to serve. When coupled with the continued selected reserve officer affiliation bonus provided in the Fiscal Year 2007 National Defense Authorization Act, we believe we will have established a method to retain officers leaving active duty and attract qualified officer applicants into the reserve ranks.

Accomplishing the Mission. To assist in meeting our growing recruiting mission, the Marine Corps plans to increase the number of recruiters, retain experienced recruiters, increase enlistment incentives, and expand marketing and advertising efforts. The recruiting environment continues to be highly challenging. Private sector opportunities, low unemployment, declining propensity for military service, the Global War on Terror, and the higher costs in advertising require innovation in marketing the Marine Corps. We strive to emphasize intangible benefits by projecting the Marine Corps message of "Tough, Smart, Elite Warrior," and the "transformation" that a young man or woman experiences in becoming a Marine. The Corps continues to explore the best means to communicate and appeal to the most qualified young men and women of the millennial generation. We endeavor to educate the parents of potential applicants. Parents continue to have the greatest influence on young men and women in their decision to serve their country, and it is important that we inform them of the benefits of serving in the Marine Corps.

Our message is reinforced through marketing and advertising programs - paid media, leads for recruiters, and effective recruiter support materials. Paid advertising remains the most effective means to communicate our message and, as a result, is the focus of our marketing efforts. As advertising costs increase, it is imperative that our advertising budgets remain

competitive to ensure that our recruiting message reaches the right audience. Marine Corps recruiting success in the past is a direct reflection of a quality recruiting force and an effective and efficient marketing and advertising program. We would like to thank congress for their continued support of the “No Child Left Behind Act” which provides recruiters access to high schools and student directory lists critical to recruiting quality applicants.

Finally, a very important factor in our success lies in ensuring clear and direct responsibility and oversight. The Commanding Generals of our two Marine Corps Recruit Training Depots also serve as the Commanding Generals of our Eastern and Western Recruiting Regions. Having the same individual responsible for quality recruiting and entry-level basic training is key in recruiting and making Marines. Consistent with this, our recruiters’ commitment to recruiting a quality force is reinforced by the fact that they are held accountable for their recruits’ performance as they earn the title Marine and complete “boot camp.”

Retention

Retention is the other important part of building and sustaining your Marine Corps. The dynamics of our manpower system must match skills and grades to our Commanders’ needs throughout the operating forces. The Marine Corps endeavors to attain and maintain stable, predictable retention patterns. However, as is the case with recruiting, civilian opportunities abound for Marines as employers actively solicit our young Marine leaders for private sector employment. Leadership opportunities, our core values, and other similar intangibles are a large part of the reason we retain dedicated men and women to be active duty Marines after their initial commitment.

Enlisted Retention. The Marine Corps is a young service by design and retaining the highest quality Marines to lead our force remains of paramount importance. I am pleased to

report that in Fiscal Year 2006, the Marine Corps achieved 101.9% of its First Term retention goal and an impressive 115.8% for the Career Force. Both goals were accomplished in June 2006, which was 3 months before the end of the fiscal year.

In Fiscal Year 2007, the Marine Corps is exceeding the success of Fiscal Year 2006. The mid-year course correction to achieve an end strength of 184,000 by the end of this Fiscal Year will be a challenge. The Marine Corps has historically reenlisted approximately 25 percent of the first term force, but will be required to reenlist over 30 percent in Fiscal Year 2007; Fiscal Years 2008 to 2011 will present an even greater challenge as the Marine Corps grows to 202,000. Our continuing success can be largely attributed to two important enduring themes: Marines want to stay Marines because of the superb leadership in our officer and staff noncommissioned officer ranks, and Marines desire to remain part of a 'band of brothers.' In addition, the Marine Corps makes wise use of the Selective Reenlistment Bonus (SRB) funding provided by Congress. Your Marine Corps' baseline budget last year was \$57M and the Marine Corps spent an additional \$32M in supplemental funding to achieve its retention goals. This fiscal year we have \$55M in the baseline; however, because retention success has accelerated, we are dependent on Congress for supplemental funding of approximately \$156M. To date in FY07, the Marine Corps has obligated approximately \$68M. For FY08, the President's budget indicated baseline SRB funding of over \$213M; we anticipate needing an additional \$157M in supplemental.

There is no doubt that your Marines' leadership and technical skills make them very marketable to lucrative civilian employment opportunities. As we continue the Long War and grow the Marine Corps to an end strength of 202,000, the challenge to keep the most qualified Marines must be met with increased SRB funding. Your continued Congressional SRB support

with added supplemental funding will ensure the Marine Corps has the necessary combat trained Marines for the Long War and the other contingencies that will inevitably arise.

Officer Retention. I am happy to report that the Marine Corps continues to achieve our goals for officer retention. We are retaining experienced and high quality officers. Our aggregate officer retention rate was 91.0 percent for Fiscal Year 2006, which is above our historical average. Current officer retention forecasts indicate healthy continuation rates for the officer force as a whole.

Reserve Retention. Concerning our reserve force, we satisfied our manpower requirements by retaining 80 percent in Fiscal Year 2006; the fifth consecutive year above our pre-9/11 historic norm of 70.7 percent. For the current year, reserve officer retention has thus far remained above historical norms. Enlisted reserve retention is currently lower than has been seen in the last 2 years, and is being monitored very closely. It is important to note that higher planned retention in the active component will reduce the number of personnel transitioning into the Selected Marine Corps Reserve. To address the potential impact of our increased retention and increased active component end strength, the Marine Corps Reserve is aggressively pursuing options to increase retention within the Reserve Component, to include increasing the number and dollar amount of reenlistment incentives with a focus on units identified for future deployment in our Long War Force Generation Model.

Marine Corps Reserve

This year marks the sixth year that our reserve component has augmented and reinforced our active component in support of the Global War on Terror. Thanks to strong Congressional support, the Marine Corps has staffed, trained and equipped its Reserve to respond to crises around the world. Our Reserve Component possesses capabilities to fight across the full

spectrum of conflicts to support our Marine Air Ground Task Forces. As of 31 January 2007, 41,440 Reserve Marines have been mobilized since 9/11. The Marine Corps Reserve continues to recruit and retain quality men and women willing to serve in our military and help our nation fight the Global War on Terror. These men and women do so while maintaining their commitments to their families, their communities and their civilian careers.

More than 5,400 Reserve Marines are currently on active duty with nearly 4,200 serving in reserve ground, aviation and combat support units, while over 1,200 serve as individual augments in both Marine Corps and Joint commands. Seventy-four percent of all mobilized Reservists have deployed to the CENTCOM area of operations. To support ongoing mission requirements for Operation IRAQI FREEDOM, the Marine Corps Reserve provides approximately 10 percent of our Total Force commitment.

We are currently working closely with the Department of the Navy and OSD on the development of the new activation policy. This policy, in conjunction with our Long War Force Generation Model will greatly improve our ability to provide our Reserve Marines with advance notification of activation.

As previously mentioned, recruiting and retention remain a significant interest as the Marine Corps Reserve continues its support for the GWOT. The funding increases and flexibility inherent in the Reserve incentives you provided in the Fiscal Year 2007 National Defense Authorization Act are invaluable assets to assist in our continued recruitment and retention mission. The increased bonus amounts not only generate greater interest in reserve affiliation, but also provide financial assistance during the critical period of transition from active duty to reserve service.

Healthcare remains an essential part of mobilization readiness for our reserve component. The new streamlined healthcare benefit that Congress authorized this fiscal year will help ensure that our Selected Marine Corps Reserve members, and their families, have access to affordable healthcare as they do their part to prosecute the Global War on Terrorism. Increased access and flexibility to healthcare for these families assists in alleviating one of the most burdensome challenges facing families of deploying reserve Marines.

The long-term success and sustainability of our Reserve Forces is directly related to our ability to prepare and employ our forces in ways that best manage limited assets while meeting the expectations and needs of individual Marines and their families. In an effort to ensure a well-balanced total force and address any potential challenges that may arise, we are constantly monitoring current processes and policies, as well as implementing adjustments to the structure and support of our reserve forces.

Civilian Marines

Civilian Marines continue to provide an invaluable service to the Corps as an integral component of our Total Force. Working in true partnership with Marines, Civilian Marines will continue to play an important role in supporting the mission of the Marine Corps and the Global War on Terror. Our vision for the future not only defines what the Marine Corps will offer its Civilian Marines, but what the Corps expects from them.

Marine Corps Civilian Workforce Campaign Plan. Marines, more than ever before, recognize the importance of our civilian teammates and the invaluable service they provide to our Corps as an integral component of the Total Force. To that end we continue to mature and execute our Civilian Workforce Campaign Plan, a strategic road map to achieve a civilian workforce capable of meeting the challenges of the future. We are committed to building

leadership skills at all levels, providing interesting and challenging training and career opportunities, and improving the quality of work life for all appropriated and non-appropriated Civilian Marines.

National Security Personnel System (NSPS). The Marine Corps is committed to the successful implementation of the National Security Personnel System. The NSPS will enable the Marine Corps to better support the warfighter by providing a civilian workforce that is flexible, accountable, and better aligned to the Marine Corps mission. The Marine Corps is actively participating with the Department of Defense in the development and implementation of this new personnel system and is cooperating with the sister Services to ensure Civilian Marines and other civilian employees are afforded the training opportunities and support necessary for a successful transition. The Marine Corps is dedicated to providing all available resources to the NSPS implementation effort while maintaining high operational performance. Marine Corps implementation of NSPS began with Headquarters, Marine Corps (HQMC) converting approximately 900 non-bargaining civilian employees on 21 January 2007.

Military-to-civilian conversions. Military-to-civilian conversions continue to provide a valuable source to send additional Marines back to the operating force in support of our warfighting initiatives and help reduce stress. We will continue to pursue sensible conversions and remove Marines from billets that could be capably filled by civilian Marines.

Information Technology

We continue to transform our manpower processes by exploiting the unique benefits of the Marine Corps Total Force System (MCTFS), via our fully integrated personnel, pay, and manpower system. The Marine Corps Total Force System seamlessly serves our active, reserve and retired members, both officer and enlisted; provides total visibility of the mobilization and

demobilization process of our Marines; and ensures proper and timely payments are made throughout the process. This Fiscal Year, MCTFS continues to obtain a pay accuracy rate of 100% for our active component and 99.73% for our reserve component.

MCTFS is the backbone that has allowed the Marine Corps to develop the Total Force Administration System (TFAS), a virtual administration center that moves Marine Corps pay and personnel administration to a predominately self-service, virtually paperless, web based environment. This capability allows global access to pay, personnel tools, and personal information viewed electronically in a secure environment. During 2006, individual Marines and their leaders leveraged MCTFS' capabilities, using TFAS via Marine Online, a web based application, to automatically process more than 1.4 million transactions, including over 84% of our annual leave events.

MCTFS' integrated environment also directly feeds our Operational Data Store Enterprise and Total Force Data Warehouse, a shared data environment of current and historical individual and aggregate data. This unique capability allows analysts to quickly respond to a myriad of data analysis and requests. Our Manpower Performance Indicators present this data in a tailorable, easy to read, graphical format to operational commanders and headquarters planners, via the World Wide Web. We continue to program technology investments that build on these integrated capabilities, ultimately providing greater effectiveness and efficiencies with a goal of further decreasing Marine administrative support and redirecting this structure to warfighting capabilities. Proper management of our manpower requirements and processes requires continued investment in modern technologies; we remain committed to these prudent investments.

Taking Care of our own—the “New Normal”

Upon successful recruitment and retention of high quality Marines, the Marine Corps seeks opportunities to enhance the experience of being a U.S. Marine. It is widely recognized that lasting intangible benefits are gained through duty and commitment. These positive experiences are further intensified by the assurance that the Marine Corps “takes care of our own.”

Marines and their families have long been accustomed to rapid and frequent deployments. Over time, the Marine Corps has developed a flexible and evolutionary infrastructure to support our way of life and the “normal” operations of our expeditionary force. Marines and their families have been well served, but we must continuously assess our support programs and capabilities to ensure sufficiency and relevance.

Assessment & Improvement. Going forward, it is becoming more evident that what was once characterized as “surge” support requirements of Operation Iraqi Freedom and Operation Enduring Freedom should now more appropriately be viewed as “normal” operations of the Marine Corps--albeit a “new normal.” With this view, we recently conducted a Wounded Marine and Family Support Forum for the purpose of assessing the quality and consistency of our support programs. Over 100 major command representatives convened in Alexandria, Virginia, to examine seven program areas for wartime applicability and consistency of support across the Marine Corps. Areas reviewed included: wounded warrior support, post-traumatic stress disorder and traumatic brain injury, casualty notification and support, Marine and family pre-deployment training, Marine and Family Services Programs, special needs families, and the Key Volunteer Program. As may be expected, we found some program inconsistencies that will require greater analysis, further program development, and in some cases increased resources.

Recommendations subsequently approved for action will take advantage of ad hoc best practices and be directed for implementation Marine Corps-wide. Execution will remain the responsibility of our Commanders, but they will be supported with good guidance along with standard templates and tools that will ensure we continue the proud Marine Corps tradition of “taking care of our own.”

In addition to the efforts described above, the Quality of Life in the Marine Corps Survey and Study will be administered this year. This same survey was previously conducted in 1992, 1998, and 2002. The purpose of the survey is to gain insights from Marines and their families on their perceptions of quality of life. Eleven “life domains” covering all aspects of quality of life; including pay and compensation, military life, family life, housing, health care, etc. will be surveyed for levels of satisfaction. We will use the results of the survey to support Marine Corps desired outcomes for recruitment, retention, and readiness.

Importance and Role of Marine Leaders. Marine leaders, at all levels, have the greatest opportunity to directly engage Marines and their families through active listening and appropriate referral to an array of support agencies and services. In this capacity, Marine leaders set an environment where it is “okay to ask for help.” As described previously, we must provide good guidance, tools, and templates our leaders can use for immediate and lasting care of Marines and families. Our “Leaders Guide for Managing Marines in Distress” is an example of an innovative tool for leaders engaged in the “new normal” operation. The Guide, which is updated regularly, is an online and pocket version resource for Marine leaders in the effective management of combat/operational stress and other common problems (i.e. suicide, substance abuse, financial problems, and domestic abuse).

Marines and Marine families have demonstrated great strength and resiliency. In fact, for the past five years, our rates of domestic abuse and child maltreatment; incidents of drug use, divorce, and suicide have remained comparatively low. We remain vigilant in monitoring trends and will continue to provide appropriate support mechanisms to help Marines and their families prevent and, when necessary, overcome problems that may arise.

Casualty Assistance. The Marine Corps ethos of “taking care of our own” is never more relevant than when we care for our fallen Marines and their survivors. Whether the death is combat-related or comes after a long and well-lived life, each Marine death is a tragic or significant loss to the survivors, the Corps, and our Nation. We steadfastly endeavor to honor their sacrifices with sincerity and continued remembrance. Our Casualty Assistance Calls Officers are trained to treat next of kin and other family members as they would their own family. Providing casualty assistance always begins with the basic tenet that there is no standard casualty call; each case is distinct and families grieve in their own way and time. Assistance to families is carefully measured to facilitate their transition through the stages of grief and the completion of the casualty assistance process.

In the past few years, we have been careful to incorporate best practices or adapt our casualty assistance process to better meet the needs of our surviving families. In fact, over 150 key personnel involved in the Marine Corps casualty process from Commands around the Marine Corps met in December to receive professional development and discuss casualty assistance issues. We have also instituted a long-term case management system for surviving families. Finally, as part of the Wounded Marine and Family Support Forum, we also identified some additional CACO training requirements that we will soon resolve.

We will continue to lean forward and aggressively assess our quality of life and support services. As necessary, our programs will evolve to an appropriate wartime footing.

Marine for Life--Injured Support. Pending implementation of the Wounded Warrior Regiment, whose mission will be to track and assist wounded Marines and Sailors, thereby adding additional discipline and continuity to taking care of the injured, the Marine For Life Injured Support program will continue to assist seriously and very seriously injured Marines, Sailors who served with Marines, and their families. The Marine for Life program provides support from the time of injury through transition from military service, or re-integration to duty. Marine For Life provides support tailored to an individual's needs, including pre- and post-service separation case tracking, assistance with the physical evaluation boards' process, and an interactive website that acts as a clearinghouse for all disability and benefit information. The program also provides employment assistance through a pre-existing Marine For Life network, which establishes local coordination with veterans, public, private, and charitable organizations that provide support to our injured warriors. Marine For Life integrated Marine Corps and Department of Veterans Affairs' efforts to seamlessly transition handling of Marine cases into the Veterans Administration by assigning a Marine field grade officer to the Department of Veterans Affairs Headquarters' Seamless Transition Office. This integrates Marines into the Department of Veterans Affairs system and provides service oversight of Veterans Health Administration care and Veterans Benefits Administration benefits delivery. The Marine For Life program provides the direct point of contact for problem resolution for Marines within the Veterans Affairs system.

Conclusion

As we continue to fight the Long War, our Services will be required to meet many commitments, both at home and abroad. We must remember that Marines, sailors, airmen, and soldiers are the heart of our Services – they are our most precious assets – and we must continue to attract and retain the best and brightest into our ranks. Personnel costs are a major portion of the Department of Defense and Service budgets, and our challenge is to effectively and properly balance personnel, readiness, and modernization costs to provide mission capable forces.

Marines are proud of what they do! They are proud of the “Eagle, Globe, and Anchor” and what it represents to our country. It is our job to provide for them the leadership, resources, quality of life, and moral guidance to carry our proud Corps forward. With your support, a vibrant Marine Corps will continue to meet our nation’s call as we have for the past 231 years!

Thank you for the opportunity to present this testimony.

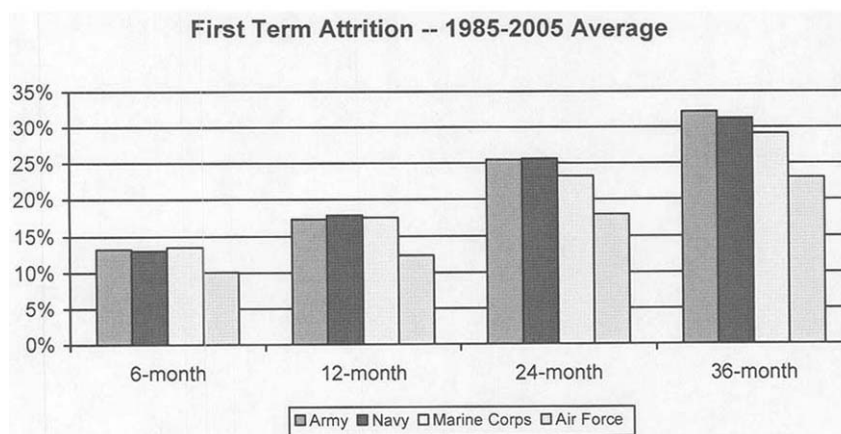
**QUESTIONS AND ANSWERS SUBMITTED FOR THE
RECORD**

FEBRUARY 15, 2007

QUESTIONS SUBMITTED BY DR. SNYDER

Dr. SNYDER. Do you have an apples-to-apples comparison between the services on attrition?

Dr. CHU. This chart reflects the average first term attrition of active duty personnel by Service for the period 1985 through 2005.



Dr. SNYDER. Given that the depleted level of the active Army's delayed entry program at the beginning of fiscal year 2007 seems to put the recruiting program at greater risk of failure, how significant is the level of risk and what is the Army and DOD doing to reduce the level of risk? What does the Congress need to do to assist in reducing the level of risk?

Dr. CHU. Recruiting was successful in FY 2006, despite having an entry pool of 12.4% at the start of the fiscal year. The Army's goal is to recruit 35% of its annual mission prior to the onset of the fiscal year in the delayed entry program. A moderate level of risk is 20% or greater. Entry pool levels less than 20% pose a significant challenge to mission success. An inadequate entry pool increases stress on the recruiting force, constrains the Army's capabilities, and increases recruiting costs.

To offset the shortfall in the FY 2006 entry pool, the Army increased the size of its recruiter force, increased incentives, began pilot programs, and refined business practices. As a result, the FY 2007 entry pool was 15.1%. We are working with the Army on policy and resource adjustments. These include adding processing dates at Military Entrance Processing Stations, encouraging funding of enhanced strategic media outreach (Army Strong campaign), supporting increased funding of enlistment incentive programs, and continuing to seek increases in the recruiter force for the FY 2007 recruiting effort. Fundamental in addressing these challenges is the need to sufficiently resource recruiting and retention to achieve numerical and quality goals. Robust funding for recruiting and retention is essential, and the Global War on Terror supplemental is critical to reducing risk and achieving recruiting goals.

Dr. SNYDER. Will the change in policy terminating the 24-cumulative month limit on mobilization of reservists have an affect on the retention in the reserve components?

Dr. CHU. The new guidance governing Reserve component mobilizations prescribed by the Secretary of Defense did, in effect, eliminate the "24-cumulative" month policy, but it also established other tenets, including:

- Limiting Reserve component mobilizations to a maximum of one year at any time.

- Enhancing predictability by establishing the “one year mobilized to five years demobilized ratio.”
- Strongly emphasizing proper employment of hardship waiver programs.
- Minimizing the use of “Stop Loss.”
- Managing the mobilization of ground forces on a unit basis.

Taken together, these policy changes have been designed to reduce stress on the force, enhance the prudent and judicious use of our Reserve forces, and provide significantly more predictability for members, their families, and employers. Accordingly, the policy changes should have a positive effect on retention in the Reserve components.

Dr. SNYDER. Are there any plans to extend the G-RAP program to the other Army components and to the other services?

Dr. CHU. Yes. The Army Reserve has just recently initiated a similar program, and the program will be briefed to the other military services in the coming months.

Dr. SNYDER. Will the change in policy terminating the 24-cumulative month limit on mobilization of reservists have an affect on the retention in the reserve components?

General ROCHELLE. For the Army Reserve (AR), the effect on retention is unknown at this time; however, the AR has experienced high retention rates for Soldiers previously mobilized. The AR has distributed an extensive Strategic Communications (STRATCOM) package to commanders in the field to effectively communicate the new policy to all Soldiers. Additionally, implementation of the AR manning strategy to support Army Force Generation (ARFORGEN) will provide increased predictability to Soldiers, families, and employers. As part of the manning strategy, the AR is implementing targeted monetary and non-monetary incentives to aid in retention of key skills and grades. In the near term, a compensation package for breaking dwell time in order to remobilize AR Soldiers is critical to continued retention success.

The Army National Guard (ARNG) as an operational force, must provide manned and ready units. The cornerstone for achieving this resides in effectively managing the force to increase the number of qualified Soldiers. Recruiting and retaining Soldiers during war time remains a challenge. Specifically the change in policy to terminate the 24-cumulative month limit on mobilization does have a minor affect on recruiting and retention. This impact is largely overcome by highly trained Recruiting and Retention Non-Commissioned Officers (RRNCOs) in the field. All RRNCOs are trained in comprehensive communication skills in their Military Occupations Specialty (MOS) training to address the challenges of war time recruiting and retention. The overall impact on retention is yet to be determined but loss rates may increase due to multiple and prolonged mobilizations and deployments.

Dr. SNYDER. Are there any plans to extend the G-RAP program to the other Army components and to the other services?

General ROCHELLE. The Army is currently taking steps to expand the G-RAP program to the United States Army Reserve. Expansion of the G-RAP program to other services is an action best addressed by the Office of the Secretary of Defense (OSD) because such an initiative exceeds the purview of Headquarters, Department of the Army.

Dr. SNYDER. Given that the depleted level of the active Army's delayed entry program at the beginning of fiscal year 2007 seems to put the recruiting program at greater risk of failure, how significant is the level of risk and what is the Army and DOD doing to reduce the level of risk? What does the Congress need to do to assist in reducing the level of risk?

General ROCHELLE. The Army's goal is to recruit 35% of its annual mission (Delayed Entry Pool) prior to the onset of the fiscal year, anything less than this could present a risk. In Fiscal Year 2006, the starting entry pool was 12.4% and the Army still managed to have a successful recruiting year. In anticipation of the shortfall, the Army increased the size of its recruiter force, increased incentives, began pilot programs and refined business practices; as a result, it began FY07 with a 15.1% entry pool. We are working with the Office of the Secretary of Defense on further policy and resource adjustments to include: adding processing dates at Military Entrance Processing Stations; encouraging funding of enhanced strategic media outreach (Army Strong Campaign, etc.); supporting increased funding of enlistment incentive programs, and continuing to seek increases in the recruiter force for the FY 2007 recruiting effort. Sufficient resources for recruiting and retention are fundamental to addressing the challenges to achieve numerical and quality goals and in preventing undue stress, cost and capability constraints that an inadequate entry pool can cause. Full funding for these programs must continue and the GWOT supplemental is essential to achieve recruiting and retention goals.

Dr. SNYDER. What was done during the last six months of fiscal year 2006 and the first three months of fiscal year 2007 to make Air National Guard recruiting successful and why wasn't corrective action taken at an earlier date? What role in the improved posture of the Army National Guard recruiting program can be attributed to the Guard Recruiter Assistant Program (G-RAP)?

General ROCHELLE. The Guard Recruiting Assistance Program (G-RAP) is designed for individuals who voluntarily apply to serve as part-time, contracted, Recruiting Assistants (RA). Each RA cultivates quality potential Soldiers from within their individual sphere(s) of influence and can earn up to \$2000 for each new enlistee who reports to Initial Entry Training (IET).

Since the inception of the G-RAP program in December of 2005, the Army National Guard (ARNG) has enlisted a total of 30,802 Soldiers through this enlistment enabler. The ARNG enlisted 15,511 Soldiers in fiscal year (FY) 2006; the ARNG has enlisted 15,291 Soldiers in FY 2007, as of 10 April 2007. At the present moment, G-RAP accessions account for almost half of the prior service and non-prior service enlistments nationally. This growth exceeded all expectations and is a testament to the importance of the program in reaching strength goals.

The contribution of the G-RAP program to the improved strength posture of the ARNG is immense. Without the G-RAP program, the ARNG would not have achieved 350,000 end-strength. This program allows the ARNG to take advantage of our greatest asset, Citizen Soldiers serving their State and Nation that are embedded in local communities. It is through their contributions, sacrifice, and hard work that the ARNG continues to meet manpower objectives in this time of war.

The uncertainty brought about by Base Realignment and Closure decisions, implementation of Total Force Integration initiatives, and required changes to existing manpower documents all negatively impacted the Air National Guard Recruiting and Retention Program. Much of the success in the Air National Guard Recruiting and Retention Program is a result of implementing the Guard Recruiter Assistant Program; a program which has been very successful in the Army National Guard. Additionally, toward the end of fiscal year 2006, new manpower documents were issued to the field units. This mitigated some of the uncertainty derived from Base Realignment and Closure decisions.

Dr. SNYDER. Will the change in policy terminating the 24-cumulative month limit on mobilization of reservists have an affect on the retention in the reserve components?

Admiral HARVEY. Unknown, but minimal effects are anticipated. Without sufficient quantitative data to support this response, much is left to speculation since this change in policy is relatively recent (two months) and this change was made in conjunction with six other major policy changes (in the 19JAN07 DoD Utilization of the Total Force memorandum), each of which may have either positive or negative effects on retention. Overall, the combined effects of the changes being implemented from SECDEF's 19JAN07 memorandum will most likely be increased stability in the predictable, periodic rotation of SELRES personnel, and that should be expected to have a positive effect on retention. However, until the policy guidance is fully implemented and an opportunity to observe/analyze retention trends is afforded, a more definitive answer can not be crafted. Furthermore, irrespective of this policy, the Navy has yet to involuntarily mobilize any Sailors for a second time and does not intend to do so pursuant to the new policy for any Sailors until the use of all volunteers and "first-time mobilized" Sailors has been exhausted and sufficient "dwell" time has expired (which is not anticipated to occur for the first time until 2008).

Dr. SNYDER. What is the continuing problem with recruiting in the Navy Reserve and why hasn't there been management action to make the program successful? If the Navy Reserve recruiting problem is related to force structure reductions, why hasn't the recruiting goal been adjusted?

Admiral HARVEY. Navy continues to experience difficulty in attaining sufficient numbers of prior service members to meet established requirements largely due to the fact that nearly 70 percent of our Reserve accession mission is comprised of personnel departing active duty, many of whom are not inclined to affiliate with the Reserve upon leaving active duty. Additionally, many of the skills required in the Reserve component are the same as those needed in the active component; consequently, the success we have enjoyed in retaining these individuals on active duty diminishes the number available for Reserve affiliation.

To mitigate these shortfalls in the near-term, we increased the FY06 non-prior service accession mission by 13 percent from the original goal, representing 34 percent of the total mission. Non-prior-service goal was increased again for FY07 by almost 50 percent over original plans. In doing so, Navy incurs certain risk associated with readiness declines resulting from a reserve component force-mix that is

less senior, less trained and less experienced than required to meet minimum readiness requirements. We also implemented a one or two-year mobilization deferment policy, increased advertising and expansion of efforts to attract Sailors from current source ratings into critical ratings directly supporting the Global War on Terrorism (GWOT) and enhanced many special pays to target personnel with required skills to affiliate with, and then remain in, the Selected Reserve. All incentives require a drill obligation from three to six years. This will increase retention in those critical skill sets attained.

Additionally, I have directed the following actions to improve mission accomplishment:

- (1) A Fleet-to-NOSC (Navy Operational Support Center) program which streamlines the process for immediately enlisting a separating active duty Sailor into the Reserve.
- (2) New Accession Training (NAT) and Prior Service mission flexibility changes to meet critical skill requirements and accelerate reserve personnel through the training pipeline.
- (3) Implementation of a pilot to retrain prior service Sailors to gain the needed skill sets for Reserve GWOT ratings.
- (4) Revitalization of direct procurement enlistment programs to offer commensurate advanced pay grade to Reserve recruits in recognition of acquired civilian skills.
- (5) Expanded incentives focused on GWOT critical skill sets for both officer and enlisted programs. All incur a three to six year drill obligation.

Reserve recruiting problems are not related solely to force structure reductions. The improving economy and eroding public support for the war in Iraq have contributed to a lower propensity to enlist in the Reserve. While Navy has decreased the size of the active duty force, thereby increasing the number of personnel leaving active duty, the skills those personnel possess frequently do not coincide with those required of prior service Reserve accessions. So, despite the fact that overall Reserve strength is also declining, the recruiting mission continues to present significant challenges, particularly in specific critical skill areas. Until we can consistently meet both aggregate and specific skill Reserve accession goals, it would not be prudent to reduce the accession mission.

Dr. SNYDER. Given that the recruiting environment is equally harsh for all the services, is there any concern within the Navy that some of the recruiting incentives have been designated for use by the Army alone? What incentives do you believe should be made available to all the services?

Admiral HARVEY. Yes, Navy has concerns with the concept of recruiting incentives that are designated for use by the Army alone. The recruiting environment is becoming increasingly challenging for all services, and it is imperative that each of the Services has maximum latitude to address specific recruiting challenges. As Navy exits the glide slope and stabilizes end strength, it is critical that we have effective, flexible and competitive tools available to recruit and retain the right highly qualified Sailors to meet current and future requirements.

Army-only incentives that Navy would like made available for all the services use includes:

- Reserve Referral Bonus payable to service members who refer candidates for enlistment with Reserve component.
- Enhanced Reserve Referral Bonus to be paid to any person, active, guard, reserve, retired, or civilian employees, who successfully refers a new recruit.
- Advanced authority to implement selected pilot projects.
- Recruiter "Pay for Performance" incentive program.

Dr. SNYDER. Will the change in policy terminating the 24-cumulative month limit on mobilization of reservists have an affect on the retention in the reserve components?

General BRADY. To date the 24-cumulative month policy has not appeared to impact the retention of our Airmen. It is difficult to predict how the recent change to the 24-consecutive month policy will impact the Air Force Reserve. Our AEF rotation model ensures that predictability, an important element in retention, is provided for both Active and Reserve component members. We have postured ourselves to utilize the total force in prosecuting the GWOT for the long haul.

Dr. SNYDER. Given that the recruiting environment is equally harsh for all the services, is there any concern within the Air Force that some of the recruiting incen-

tives have been designated for use by the Army alone? What incentives do you believe should be made available to all the services?

General BRADY. While we support the Army getting these authorities to meet urgent Army recruiting shortfalls, we believe incentives in like “hard-to-fill” career fields such as Pararescue, Combat Controller, Explosive Ordnance Disposal (EOD), etc. should be the same throughout all components. It is especially important that authorities for accessions be extended, thus allowing each component to determine its own set of initiatives which best meets its individual requirements to recruit the right person for the right job. While the AF is meeting its enlisted recruiting goals, we are concerned with the future recruiting environment and the challenges in some specific specialties. After seeing these incentives in operation in the Army, we believe they should be extended to the AF.

We have reviewed a complete list of current Army incentives. Of note, the Army offers recruits in critical specialties a Thrift Savings Program (TSP) that matches contributions. While we must continue research on the intricacies of the program (percentage of matching funds), we have little doubt a similar program could enhance our ability to fill critical Air Force skills. Additionally, the Army offers “seasonal” bonuses that allow them flexibility to ship recruits earlier, depending on the immediate need; these bonuses range from \$3K to \$15K. Traditionally the Air Force experiences difficulty making its recruiting mission from February through May (seasonal) each year. Implementing a “seasonal” bonus would aid our recruiting posture. Finally, the Army College Fund (ACF) supplements the Montgomery GI Bill (MGIB) and offers much larger dollar amounts for college (\$36K+ for a two-year enlistment up to \$72K+ for six or more years). The Air Force MGIB program, by contrast, offers the DOD standard of \$40K+ for either a four or six-year enlistment.

While we have highlighted only three Army specific bonuses, there are others that merit availability to all the services. As stated previously, identical career fields across the services and those critical, “hard-to-fill” skills should receive the same bonuses. We have also compared initial enlistment bonuses across the services. There are disparities.

INCENTIVES:

SUBJECT: Enlistment Incentives Changes Effective 2 March 2007.

1. This message supersedes USAREC MSG 07-045, dated 06 December 06. Subject: Enlistment Incentive Program Change Effective 07 December 2006, USAREC MSG 07-075, dated 30 January 07 and USAREC MSG 07-079, dated 02 February 07.

2. References:

a. HQDA Message, DAPE-MPA, Subject: Enlisted Incentive Program Changes Effective 02 March 2007. DAPE-MPA, 2-27-2007.

b. HQDA Message, DAPE-MPA, Subject: Enlisted Incentive Program Changes Effective 9 February 2007. DAPE-MPA, 2-08-2007.

c. HQDA Message, DAPE-MPA, Subject: Enlisted Incentive Program Changes Effective 30 January 2007. DAPE-MPA, 1-29-2007.

3. Thrift Savings Program (TSP) matching funds pilot program. Non-prior service enlistees with Tier I or II education credential that are TSC I-IIIIB and elect to serve 5 or more years on active duty in a critical specialty listed in paragraph 18 with incentive level 1-4 may participate in the TSP matching funds pilot program. This incentive is in addition to any enlistment incentive that the applicant is otherwise qualified to receive. See USAREC message 07-001 for more information on this program.

4. Seasonal enlistment bonuses of \$15000, \$10000, \$6000, or \$3000 may be available to Non-Prior Service applicants.

a. Non-Prior Service and DOS seasonal enlistment bonuses are available to TSC I-III A applicants with Tier I, NGYC, Home School (HS) or other Tier II, TSC I-III A that pass TTAS, selecting an incentivized MOS level 1-7 and the following MOS level 8: 15Q, 21D, 25N, 27D AND 31B as described in paragraph 18. This is for new contracts enlisting for three or more years. The REQUEST system will identify the availability of the bonus, the training seat priority, and the bonus amount. This bonus may be combined with all other incentives.

b. Applicants receiving the seasonal bonus and later choosing to renegotiate their enlistment contract may lose the seasonal bonus if a priority training seat is not available. Applicants that renegotiate to an earlier ship date with the same MOS may retain the seasonal bonus.

5. 09L enlistment bonus: All NPS Applicants enlisting into 09L regardless of education level and TSC standards for a minimum four years term of service will be

eligible for all cash bonuses. Applicants enlisting for ACF require at least TSC I-IIIIB. Note: Activated IRR soldiers who hold MOS 09L and are approved for RA enlistment under the provisions of MILPER Message Number 05-143; subject: Enlistment of Mobilized United States Army Reserve (USAR) or Army National Guard of the United States (ARNGUS) soldiers into the Regular Army, issued:

06/16/2005 who are enlisting into the Regular Army for a period of four or more years will receive a bonus of \$15,000. These applicants are not eligible for any other incentives.

6. Enlistment bonus for PS, RC to AC and B2G applicants enlisting as Skill Level 1:

a. Prior Service and Blue to Green (B2G) applicants who select training or enlist in an MOS listed at levels 1-7 (include option 18) will receive the same bonus amount as NPS applicants. The Prior Service applicants must enlist for a term of service of three or more years, may not receive other enlistment bonuses (including ACF or LRP), and are subject to recoupment policies in AR 601-280.

b. Active Duty RC soldiers who are approved for RA enlistment under the provisions of Milper Message Number 05-143; Subject: Enlistment of Mobilized United States Army Reserve (USAR) or Army National Guard of the United States (ARNGUS) soldiers into the Regular Army, Issued: 06/16/2005 who select training or enlist in an MOS listed at level 1-7 based on TOS will receive a bonus in the same amount paid to NPS applicants. These applicants are not eligible for any other incentives.

7. A Higrad bonus is authorized for TSC I-IIIIB Non-Prior Service and days of service (options 3, 4, 19, 26, 40) applicants with 30 or more semester hours enlisting for 2 or more years into all MOS's. The Higrad bonus may be combined with other incentives.

a. \$2000 bonus is authorized for 30-59 semester hours of college.

b. \$4000 bonus is authorized for 60 or more semester hours of college.

c. \$5000 bonus is authorized for applicants with a two-year Associate Degree or equivalent.

d. \$6000 bonus is authorized for applicants with a four-year Bachelor degree or higher.

8. OCS Loan Repayment Program (LRP): LRP is authorized to all NPS OCS applicants.

9. College First: Applicants are eligible for MOS-related bonuses and MOS-related Loan Repayment Program (LRP) in effect at the time of MOS selection.

See Paragraph 15 for LRP requirement. Applicants are not eligible for the Army College Fund.

10. \$6000 Airborne enlistment bonus and \$4000 Ranger enlistment bonus are rescinded.

11. Army Civilian Acquired Skills Program (ACASP): A \$5,000 enlistment bonus is authorized for Non-Prior Service or DOS applicants in TSC I-IIIIB with tier I education credential, enlisting for 3 or more years TOS in any ACASP MOS listed in paragraph 18.

12. A \$5,000 enlistment bonus or repayment of qualifying student loans (principal and interest) up to \$18,000 is authorized to national call to service program (NCSP) applicants. The bonus may not be combined with any other incentive and will be paid upon completion of the 15 month active duty obligation. The NCSP bonus is available for the following MOS's: 11X, 13B, 13D, 13F, 13M, 13P, 13S, 13W, 15Q, 15R, 15T, 15U, 19D, 19K, 21B, 21C, 21E, 21F, 21J, 21K, 21L, 21M, 21R, 21S, 21T, 21U, 21V, 21W, 31B, 31L, 42A, 42L, 45B, 52C, 52D, 55B, 56M, 63B, 63S, 63W, 73C, 74D, 88H, 88M, 88N, 91E, 91G, 91Q, 91R, 91S, 91T, 91W, 92A, 92F, 92G, 92M, 92S, 92W, 92Y, and 96R.

13. The total bonus amount is limited to \$6000 for a two year TOS (not authorized for TSC IIIIB), \$10,000 for a three year TOS (\$20,000 max may be available on selected MOS's as identified in the Request System) and \$40,000 for four or more years TOS. Applicants receiving an enlistment incentive and not completing their initial term of service will be subject to the re-coupment policies in AR 601-280. Recoupment applies to enlistment bonus, seasonal, Higrad, airborne, or any and all other enlistment bonuses. However, Higrad and seasonal bonuses will not be subject to re-coupment if the soldier fails to complete training in the incentivized MOS or is reclassified to any other skill that is not incentivized as long as they remain in the army and complete their term of contracted service. Applicants selecting MOS

18X who fail any portion of their MOS qualification training will revert to 11X. They will receive the 11X bonus that was available at the time of contracting.

14. Initial payment of all bonuses will not exceed \$10,000 and will be made upon arrival at first duty station. The remaining bonus amount to be paid upon graduation from basic or OSUT training in annual increments. Recruits for 18X will be paid upon successful completion of special forces assessment and selection (SFAS) course. Applicants not completing their initial term of service will remit any unearned portion of the enlistment bonus. This authority is not retroactive with the exception of soldiers enlisting for the OCS enlistment option as described in paragraph 8 above.

15. The Loan Repayment Program (LRP) is available to all NPS Tier I education credential, TSC I-IIIB (and OCS applicants as indicated in paragraph 8 above), enlisting for a minimum term of service no less than three years in an MOS as shown in paragraph 18. Term of service is dictated by the parent MOS. The maximum reimbursable loan amount is \$65,000. LRP applicants are required to decline enrollment in the MGIB. Guidance Counselors need to brief applicants selecting LRP as an enlistment option IAW AR 601-210 Table 9-4. Applicants must choose the EB+LRP or ACF/LRP Only package from paragraph 18 below. However, LRP may be combined with the seasonal bonus, HG bonus, or ACASP if qualified. The LRP is not available for Days of Service applicants except in the following cases: Applicants who served on Active Duty for less than 180 days and were separated for medical or other non disciplinary reasons with an uncharacterized separation or separated under honorable conditions. In no casewill an applicant currently affiliated with the USAR or ARNG be enlisted for LRP.

16. Army college fund amounts (when combined with the MGIB) are in excess of \$36,864 for two-year enlistments, \$51,300 for three years, \$62,100 for four years, \$69,300 for five years, and \$72,900 for six or more years for selected MOS's. The applicants must be non-prior service with tier I education credential, TSC I-IIIB or Tier II, TSC I-IIIA. The ACF is not available for Days of Service applicants. The minimum TOS for the MOS governs the availability of ACF. Applicants must enroll in the Montgomery GI Bill to receive the ACF. Guidance Counselors will ensure that the soldier understands the importance of maintaining the GCR Dynamic Annex for verification of ACF benefits with the Department of Veterans Affairs. The ACF may be linked with all other incentives except LRP.

17. The following non-combat arms MOS are part of the 2+2+4 ACF test program (2 years active duty, 2 years reserve duty, 4 years inactive reserve): 56M, 68Q. These recruits enlisting for this program are eligible for 2 year ACF only.

18. The enlistment bonus is available to Non-Prior Service and DOS applicants with TSC I-IIIA applicants with Tier I, NGYC, Home School (HS) or other Tier II that pass TTAS, selecting an incentivized MOS at levels 1-7 based on Term of service as shown below. Incentives for each MOS by allowable term of service are listed in the following table. An MOS merging into another MOS will carry the original incentive with it unless the new MOS has a larger incentive, in which case the larger incentive will become the current incentive. The three incentive packages for each MOS are broken down to show the enlistment bonus (EB) only package, EB that combines with the ACF or LRP (EB+ACF or EB+LRP), and the ACF only package. The applicants can only choose one of the three packages. The 'H' in MIN TOS column for MOS 97E, 98C, 98X or 98Y indicates that ACASP option applicants (language proficient IAW AR 611-6) that are otherwise eligible for an enlistment incentive, may enlist for a TOS of 4 years and a 4 year incentive for that MOS and incentive level. The actual ACF combined with MGIB amounts for 2 year TOS is \$36,864, 3 year TOS is \$51,300, 4 year TOS is \$62,100, and 5 year TOS is \$69,300, and 6 or more year TOS is \$72,900.

USAF	Initial Enlistment Bonus (IEB)	FY07/1Q—New		FY06/1Q—Old	
AFSC	TITLE	6-YR	4-YR	6-YR	4-YR
1A831	AIRBORNE LINGUIST	\$12,000	\$3,000	\$12,000	\$3,000
	ARMY LINGUIST	\$14,000	\$8,000	\$14,000	\$8,000
1C231	COMBAT CONTROL	\$10,000	\$6,000	\$10,000	\$6,000
	ARMY SPEC FORCES	\$20,000	\$12,000	\$20,000	\$12,000

USAF	Initial Enlistment Bonus (IEB)	FY07/1Q—New		FY06/1Q—Old	
AFSC	TITLE	6-YR	4-YR	6-YR	4-YR
	NAVY SEALS	\$15,000	\$10,000	\$15,000	\$10,000
1C431	TAC AIR COMMAND AND CONTROL	\$6,000	\$4,000	\$6,000	\$4,000
1N331	LINGUIST	\$12,000	\$3,000	\$12,000	\$3,000
	ARMY LINGUIST	\$14,000	\$8,000	\$14,000	\$8,000
	NAVY LINGUIST	\$12,000	\$8,000	\$12,000	\$8,000
	MARINE CORPS	\$12,000	\$4,000	\$12,000	\$4,000
1T0X1	SURVIVAL, EVASION, RESIST, ESCAPE	\$10,000	\$6,000	\$10,000	\$6,000
1T231	PARARESCUE	\$10,000	\$6,000	\$10,000	\$6,000
	ARMY SPEC FORCES	\$20,000	\$12,000	\$20,000	\$12,000
	NAVY SEALS	\$15,000	\$10,000	\$15,000	\$10,000
3E831	EXPLOSIVE ORDNANCE DISPOSAL	\$10,000	\$6,000	\$10,000	\$6,000
	ARMY EOD	\$20,000	\$12,000	\$20,000	\$12,000

Dr. SNYDER. Will the change in policy terminating the 24-cumulative month limit on mobilization of reservists have an affect on the retention in the reserve components?

General COLEMAN. The implementation of the new activation policy and the impact of the active component increase to 202K with its associated incentives for Marines to stay/return to active duty are both factors that may have an impact upon retention in the Marine Corps Reserve. However, we are currently unable to forecast the exact nature of that impact. We continue to pursue various options to mitigate these factors to include the development of the Long War Reserve Force Generation Model in order to provide an element of predictability for our Reserve Marines. We expect that providing a tool that allows our Reserve Marines the ability to predict when they will be called to full-time duty will enhance retention.

Dr. SNYDER. Given that the recruiting environment is equally harsh for all the services, is there any concern within the Marine Corps that some of the recruiting incentives have been designated for use by the Army alone? What incentives do you believe should be made available to all the services?

General COLEMAN. The Marine Corps is not concerned with incentives designated for, or used by the Army. However, any recruiting incentives should be open to all services. At this time, the Marine Corps makes a determination internally based on accession needs how any incentives available to all the services are used to support Marine Corps recruiting.

QUESTIONS SUBMITTED BY MR. MCHUGH

Mr. MCHUGH. I would like to have an additional response for the record, please, as to the growth of the waivers.

Dr. CHU. While there has been an increase in the number of new accessions with waivers, the quality of new recruits remains high. Today's military is younger than the population as a whole, is more disciplined, and is more physically and morally fit. Over 90 percent of new recruits are high school graduates while only 80 percent of American youth are. About 67 percent of new enlistees score in the upper half of the enlistment (math/verbal aptitude) test. These attributes translate to lower attrition, more effective training, and higher performance. Our entrance standards are tough; over two-thirds of the American youth populations are disqualified for enlist-

ment by military entrance standards, mainly owing to medical conditions. However, a limited number of enlistees are permitted to enter the military with a waiver of otherwise disqualifying conditions.

The percentage of new enlistees entering the Service with waivers did increase between 2003 and 2006. The greatest increase was for waivers for medical conditions. Numerous reports show that obesity is prevalent among our youth. Additionally there is a preponderance of previously undiagnosed conditions such as Attention Deficit Disorders. If these conditions increase in the general population, there will be a corresponding increase in our market, and thus a need to review cases that warrant consideration.

Moral waivers are another area of concern. The percentage of people entering the Services with moral waivers between 2003 and 2006 actually decreased by about 3 percent. Often reports concerning moral waivers imply that the Services are allowing hardened criminals and felons to routinely serve in our military. This is not true. Our standards and criteria for requiring a moral waiver are high. The majority of those we identify as felony waivers are individuals who, as a youth, were charged with a serious offense, and through the court process, the charges were reduced or ultimately dropped. Our policies and practices are very conservative, and require us to consider these court actions as adverse adjudication at a General Officer's review. The public at large generally would not consider these individuals convicted felons, but for reporting purposes, we acknowledge the charges. The waiver process ensures that the individual is indeed fit to serve.

Our waiver process has served us well. It is not the quality of our young men and women who are in uniform that should be questioned but rather our reporting procedures. We will continue to try to educate the public about this process in an attempt to dispel the misconception that we are allowing felons and hardened criminals to serve. We will remain vigilant of the waiver process and will continue to ensure that only those determined to be fit for Service are allowed to serve.

QUESTIONS SUBMITTED BY MR. KLINE

Mr. KLINE. What are we doing with the increased demands for recruiting? And how much more money are you going to spend on advertising?

Admiral HARVEY. Navy had 4,879 production recruiter billets authorized in FY06 (3,771 active enlisted, 726 reserve enlisted, 264 active officers and 118 reserve officers) and has 5,084 billets authorized for FY08 (4,000 active enlisted, 703 reserve enlisted, 263 active officers and 118 reserve officers).

Navy advertising budget in FY06 was \$119.2 million and is \$84.6 million for FY08.

Mr. KLINE. What are we doing with the increased demands for recruiting?

General COLEMAN. The Marine Corps has not seen a significant increase or decrease in incidents around recruiting stations that could be tied directly to the Iraq war.

Mr. KLINE. What are we doing with the increased demands for recruiting? And how much more money are you going to spend on advertising?

General ROCHELLE. The Army annually adjusts the accession mission to support the end strength requirements. To achieve the accession mission, the Army has several levers to include the size of the recruiting force, advertising missions, and financial and educational incentives. To support the required FY06 accession mission, the Army fielded 12,600 uniformed recruiters and spent \$477 million on marketing and advertising (including dollars re-programmed during the year of execution). The Army has already added an additional 300 uniformed recruiters (FY07). Funding decreases slightly in FY08 but will be adjusted, and the number of recruiters increased, if mission requirements increase above 80,000 for the active force.

Mr. KLINE. What are we doing with the increased demands for recruiting? And how much more money are you going to spend on advertising?

General BRADY. The number of FY06 recruiters for Air Force active, guard, and reserve, respectively, was 1,342, 465, and 400. In FY07, we have 1,342 active, 463 guard, and 400 reserve recruiters. In FY08, we project having 1,200 active, 493 guard, and 396 reserve recruiters.

The Air Force recruiting advertising budget for active, guard, and reserve in FY06, respectively in millions of dollars, was: (programmed) 61.1, 5.8, and 9.7 & (executed) 66.5, 15.2, and 12.5. In FY07, the budget is programmed at 68.2 million for active, 17 million for guard, and 12 million for reserve. Our FY08 programmed recruiting advertising budget is 55.1 million for active, 19.4 million for guard, and 13.7 million for reserve.

QUESTIONS SUBMITTED BY MR. MURPHY

Mr. MURPHY. What are the numbers of reported incidents at recruiting stations?

General BRADY. Over the past three years, the number of reported incidents at recruiting stations where protestors caused problems was 5 incidents in FY04, 21 incidents in FY05, and 31 incidents in FY06.

Mr. MURPHY. Is there a standard operating procedure (SOP) if there is a protest, either at a college or at a high school, or if there are people that are barring you access to that student body? What are the numbers of reported incidents at recruiting stations?

General ROCHELLE. Following a precipitous increase in the numbers of seriously reportable incidents in and around recruiting stations and on college campuses in Fiscal Year (FY) 2005, the United States Army Accessions Command (USAAC) strengthened its reporting procedures and tracking of these incidents. Reportable incident data for FY 2006 and FY 2007 year-to-date data is below. While demonstrations appear to be on the decline, it appears that acts of vandalism and threat communications may equal or exceed the previous year totals.

United States Army Recruiting Command (USAREC)*

	<u>FY06</u>	<u>FY07</u>
Demonstrations	81	42
Government Vehicle Vandalisms	70	49
Vandalisms against Recruiting Stations	27	32
Bomb Threats	23	15
Total	201	138

United States Army Cadet Command (Army ROTC)**

	<u>FY06</u>	<u>FY07</u>
Demonstrations	2	0
Government Vehicle Vandalisms	0	1
Vandalisms against ROTC Facilities	0	1
Bomb Threats/Suspicious Packages	2	1
Total	4	3

* Note: United States Army Recruiting Command data is as of 24 Apr. 2007.

** Note: United States Army Cadet Command data is as of 30 Apr. 2007.

Mr. MURPHY. Is there a standard operating procedure (SOP) if there is a protest, either at a college or at a high school, or if there are people that are barring you access to that student body? What are the numbers of reported incidents at recruiting stations?

Admiral HARVEY. With respect to protests, either at a college or a high school, Commander Navy Recruiting Command (CNRC) provides standard operating procedures through issuance of Public Affairs Guidance (PAG) to all Recruiters and Navy Recruiting Districts (NRDs). Training on handling protest situations begins at entry-level training for recruiters and is reinforced in regular training sessions at NRDs.

With respect to situations in which access to a school is denied, procedures are promulgated in the Navy Recruiting Manual. Instances of denial are first resolved, if possible, by the local NRD commanding officer and staff. If such efforts fail, reports and procedures are executed as provided in a Memorandum of Understanding (MOU) between the Department of Defense (DoD) and the Department of Education (DoED), which delineates procedures and responsibilities for military recruiters and recruiting activities denied access to public schools. Recruiters or recruiting activities experiencing problems accessing either a school or a student directory reflect this information in the Military Recruiter Access to High School (RAHS) database maintained by the Defense Manpower Data Center (DMDC). Training on access-to-school denials begins at the entry-level training for recruiters and is reinforced in regular training sessions at NRDs.

Navy recruiters have encountered very few instances of organized protests at schools. In 2006, Navy Recruiting Region East—comprised roughly of the states east of the Mississippi River—reported no organized protests at any school or university

during recruiting visits. For Navy Recruiting Region West, 17 such protests were experienced at high schools, 18 at undergraduate colleges and none at graduate schools. Navy Recruiting Command reported just one instance of denied access (both to students and to student directory) at a public high school in 2006 to the Department of Defense via the RAHS database.

Mr. MURPHY. Is there a standard operating procedure (SOP) if there is a protest, either at a college or at a high school, or if there are people that are barring you access to that student body? What are the numbers of reported incidents at recruiting stations?

General COLEMAN. The Marine Corps has not seen a significant increase or decrease in incidents around recruiting stations that could be tied directly to the Iraq war.

