

COMMISSION ON THE NATIONAL GUARD AND RESERVES

*Transforming the National Guard and Reserves
into a 21st-Century Operational Force*



Final Report to
Congress and the Secretary of Defense
January 31, 2008

EXECUTIVE SUMMARY

INTRODUCTION

The Commission on the National Guard and Reserves was established by the Ronald Reagan National Defense Authorization Act for Fiscal Year 2005. Through its enabling statute, Congress tasked this Commission to report on the roles and missions of the reserve components; on how their capabilities may be best used to achieve national security objectives, including homeland defense; on their compensation and benefits and on the effects of possible changes in these areas on military careers, readiness, recruitment, and retention; on traditional and alternative career paths; on their policies and funding for training and readiness, including medical and personal readiness; on the adequacy of funding for their equipment and personnel; and on their organization, structure, and overall funding. Congress has asked this Commission to provide it a road map to a strong, capable, sustainable reserve component.

Congress directed the Commission to deliver three separate reports. The first of these reports, detailing the status of the Commission's organization and the progress of our work, was submitted to the Senate Armed Services Committee, the House Armed Services Committee, and the Secretary of Defense on June 5, 2006.

The second report, *Strengthening America's Defenses in the New Security Environment*, was submitted on March 1, 2007, and primarily addressed 17 provisions of legislation titled the National Guard Empowerment Act, introduced in the 109th Congress and reintroduced in the 110th Congress (S. 430/H.R. 718). DOD has supported in whole or in part 20 of the Commission's recommendations, and Congress in the National Defense Authorization Act for Fiscal Year 2008 has addressed all those that require legislation.¹

This third and final report, *Transforming the National Guard and Reserves into a 21st-Century Operational Force*, contains six major conclusions and 95 recommendations, supported by 163 findings. The Commission began organizing in September 2005, held its first official meeting in March 2006, and, following the submission of this report, concludes its work in April 2008. At that time, as Congress envisioned, the most comprehensive, independent review of the National Guard and Reserve forces in the past 60 years will be complete, and the burden for action will fall to the legislative and executive branches.

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The Structure of the Report

This report is the first step in a comprehensive reevaluation of the reserve components of the U.S. military in which the legislature and general public soon should join. In reviewing the past several decades of heavy use of the reserve components, most notably as an integral part of recent operations in Iraq, in Afghanistan, and in the homeland, the Commission has found indisputable and overwhelming evidence of the need for change. Policymakers and the military must break with

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1 As this report was about to go to press, President Bush vetoed the National Defense Authorization Act for Fiscal Year 2008. We are confident, however, that the sections pertaining to the National Guard and Reserves will remain in the bill that ultimately is signed into law. We therefore cite those sections of the act in their current form, as published in House Report 110-477, the Conference Report to accompany H.R. 1585, December 6, 2007.

outdated policies and processes and implement fundamental, thorough reforms. Many of today's profound challenges to the National Guard and Reserves will persist, notwithstanding force reductions in Iraq and Afghanistan. The need for major reforms is urgent regardless of the outcome of current conflicts or the political turmoil surrounding them. The Commission believes the nation must look past the immediate and compelling challenges raised by these conflicts and focus on the long-term future of the National Guard and Reserves and on the United States' enduring national security interests.

In our final report, the Commission first assesses the necessity, feasibility, and sustainability of the so-called operational reserve, which is significantly different from the strategic reserve of the Cold War. We assess the unplanned evolution to an operational reserve. We then evaluate the factors that should influence the decision whether to create a truly operational reserve force, including the threats to our nation in the current and emerging security environment; the military capabilities, both operational and strategic, necessary to keep America secure in this environment; the urgent fiscal challenges caused by the spiraling costs of mandatory entitlement programs and ever-increasing cost of military personnel; and the cost and value to the nation of the National Guard and Reserves. And we consider the challenges the nation faces in funding, personnel policy, recruiting, equipment shortages, and other obstacles to creating a sustainable operational reserve force.

Second, we assess the Department of Defense's role in the homeland and whether it is clearly defined and sufficient to protect the nation; the role that the reserve components, as part of DOD, and other interagency partners should play in preparing for and responding to domestic emergencies; the role and direction of U.S. Northern Command, the joint command in charge of federal homeland defense and civil support activities; the role that states and their governors should play in homeland response; the need to rebalance forces to better address homeland response needs; and the implications of these assessments for the readiness of the reserve components.

Third, we examine what changes need to occur to enable DOD to better manage its most precious resource—its people. We consider what attributes of a modern personnel management strategy would create a true continuum of service; how reserve component personnel should be evaluated, promoted, and compensated; what educational and work opportunities they should be given to maximize the return to the nation from their service; how DOD should track the civilian skills of reserve component members; whether the active and reserve personnel management systems should be integrated; why the prompt establishment of an integrated pay and personnel system is urgent; how many duty statuses there should be; and what changes need to be made to the active and reserve retirement systems to ensure that both serve force management objectives and are sustainable.

Fourth, we explore what changes need to be made to develop an operational reserve that is ready for its array of overseas and homeland missions. We examine how policies related to equipping, training, funding, and access must be transformed to ensure that the resulting force is ready, capable, and available to the nation when it is needed, whether for war, for routine peacetime deployments, or for unexpected emergencies here at home.

Fifth, we assess current programs supporting service members, their families, and their employers. We consider whether disparities remain between the active and reserve service members' compensation, whether the legal protections for activated members are sufficient, what can be done to improve the support provided to members and their families when reservists are activated and after they return home, and how DOD can strengthen the relationship between the Department and employers of reserve component members.

Sixth, we scrutinize the organizational and structural changes required to support a truly operational reserve force: specifically, changes to remove cultural barriers that hamper the effective use of the reserve components, changes to the categories used to manage the reserve components,

changes to the Office of the Secretary of Defense, and changes within the reserve components and their headquarters.

For these topics, we address the issues and discuss in detail the areas where we believe reform is required, explain how we arrived at our conclusion that reform is urgently needed, state the principles we believe should guide reform, and make specific recommendations to solve the problems identified. Where possible, we have articulated appropriate milestones and benchmarks to gauge progress toward the full implementation of those recommendations.

Finally, we identify the Commission's vision, or end state, for the future National Guard and Reserves: what it will mean to be an operational guardsman and reservist of the 21st century; what their future roles and missions will be; how they will be integrated into the total force; what the nature will be of the compact between the reservists and their families, employers, and the nation; what future career paths for reservists will look like; and what organizational structures, laws, and policies affecting personnel, compensation, benefits, training, equipping, mobilization, and funding will look like. All our recommendations are geared to achieving this end state.

In developing these recommendations, the Commission solicited formal and informal input from a broad range of individual service members, family members, military and civilian leaders, subject matter experts, businesspeople, and elected representatives. We examined reports, studies, lessons learned, and papers on the topics before us. We visited Guard and Reserve personnel, families, and employers where they live, train, and work. We benefited from outside analytical support from the Government Accountability Office, the Congressional Budget Office, and the Federal Research Division of the Library of Congress. We sought to define and document as clearly as possible the issues and problems facing the National Guard and Reserves and to present a reasonable and achievable set of solutions to those problems.

Our study has been informed by 17 days of public hearings involving 115 witnesses; 52 Commission meetings; more than 850 interviews with officials and other subject matter experts, including the current and former Secretaries of Defense, and current and former Chairmen and Vice Chairmen of the Joint Chiefs of Staff; numerous site visits, forums, and panel discussions; and the analysis of thousands of documents supplied at the Commission's request (a comprehensive list of persons interviewed is contained in Appendix 10 of the full report).

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We recognize that the problems we discovered through our study are systemic and have evolved over many years, and some were created as new threats evolved. This report is in no way meant to be a report card on past or current officials. Most of the challenges facing the reserve components have existed for decades. While the Goldwater-Nichols Department of Defense Reorganization Act of 1986 made fundamental adjustments to the roles of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and combatant commanders, no significant reforms have been undertaken in the key laws affecting the reserve components for half a century.

The Secretary of Defense reacted positively, constructively, and quickly to the limited but significant set of recommendations in the Commission's March 1 report to Congress, and Congress also has demonstrated a strong willingness to address National Guard and Reserve issues through its recent passage of the 2008 National Defense Authorization Act, which incorporated most of the Commission's March 1 recommendations. By mandating that the Department of Defense work with the Department of Homeland Security to identify and fund what is needed to protect the homeland, and updating the status, structure, and activities of the National Guard Bureau and its leadership, Congress has sent a powerful message that it is time for fundamental change in DOD's roles and

responsibilities for the homeland. This legislation represents the kind of dramatic and sweeping change that is long overdue.

But reform is difficult, and a number of the Commission's March 1 recommendations will continue to face continued resistance from within the DOD bureaucracy and the other government institutions that they affect (see Appendix 8 of the full report for the Commission's assessment of how completely the March 1 recommendations have been implemented).

The Nature of the Reforms

Instead of meeting immediate needs, or satisfying the requests of particular interest groups, proposed reforms should serve a set of guiding principles that reflect the new 21st-century realities. On the basis of all its analysis to date, the Commission has identified values or principles against which proposed reforms should be judged. In general, proposed reforms must

- Serve the national security interests of the United States by improving the ability of the National Guard and Reserves to meet all threats to the nation as part of a total integrated force.
- Improve the nation's return on its investment in its military.
- Build upon the jointness among the military services, developed as a result of the Goldwater-Nichols Act, to create an effective operational reserve force whose units and individuals can rapidly integrate with the active component.
- Ensure that service plans to employ the reserve components produce a force that is ready, capable, and available for predictable overseas rotations, responses to emergencies in the homeland, and strategic depth with the ability to surge when required.
- Produce a sustainable reserve component, by which we mean one that is affordable, that attracts and retains high-quality people, that remains relevant and effective in a changing security environment, and that maintains the support of the public.
- Be practical and executable.

Accordingly, the reforms that the Commission believes the nation must adopt to enable the National Guard and Reserves to fulfill U.S. national security objectives are significant and transformational. They will be welcomed by some and engender considerable opposition in others. To successfully execute the national military strategy in the 21st century, the active and reserve components must increase their military effectiveness by becoming a more integrated total force. It has taken the U.S. armed forces two decades to approach the level of jointness envisioned by the authors of the Goldwater-Nichols Act, which did not address the reserve component. Achieving total force integration of the active and reserve components will require changes to the defense establishment of a magnitude comparable to those required by Goldwater-Nichols for the active component.

These recommendations will require the nation to reorder the priorities of the Department of Defense, thereby necessitating a major restructuring of laws and DOD's budget. There will be some costs associated with these recommendations, but the need for these reforms is critical, and the benefits, in terms of the improved military effectiveness of the total force, more than exceed the cost to implement them.

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Many of the Commission's recommendations can be implemented immediately. However, a number of these large, systemic changes may take years to implement effectively. We recognize that the details

of implementation will need to be worked out by Congress and the executive branch, and that some reforms will be transitional, remaining in effect only until others are fully realized. At the core of the needed changes is the explicit evolution of the reserve components from a purely strategic force with lengthy mobilization times, designed to meet Cold War threats from large nation-states, to an operational force in periodic use, readily available for emergencies, that retains required strategic elements and is seamlessly integrated with the active component.

I. CREATING A SUSTAINABLE OPERATIONAL RESERVE

During the Cold War, the reserve components were designed to facilitate rapid expansion of the armed forces for a major war with the Soviet Union; in this role, they were commonly referred to as the strategic reserve. Beginning in the early 1990s, the National Guard and Reserves have evolved into an essential element of the military's operational forces. Our nation is now faced with the prospect of a decades-long engagement with enemies who seek to attack us and harm our interests throughout the world, including in our homeland. Congress directed the Commission to study the roles, missions, and capabilities of the National Guard and Reserves in this new climate. The issues that must be addressed are whether the reserve components should continue to play the significant role they have assumed in operations, foreign and domestic; whether they should also retain a strategic role; and what changes are necessary to ensure both that they succeed in their missions and that our national security is protected. In studying this issue, the Commission has evaluated possible alternatives to the current operational use of the reserves, given the significant changes required for such a force. Our analysis leads us to conclude that for the foreseeable future, there is no reasonable alternative to the nation's continuing increased reliance on its reserve components for missions at home and abroad, as part of an operational force.

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The uncertain security environment ahead and the challenging fiscal realities faced by our government make obvious the necessity for more flexible sources of manpower that are better able to respond rapidly in the homeland, that can be efficiently increased in times of need, and that can be reduced in a way that economically preserves capability when requirements diminish. To meet these criteria effectively, the manpower pool must be organized to facilitate the required flexibility and ensure that resources can be focused where they are needed with desirable returns on investment.

It is a difficult problem, and the answer clearly lies in the reserve components—uniquely capable of responding in the homeland, employed operationally at costs on a par with the active components, yet able to be maintained at much lower expense when requirements allow for a reduced operational tempo. Employing the reserves in this fashion has proven necessary and effective from Operation Desert Storm onward, and they in fact have been relied on in every major military operation since then.

We conclude that this reliance should continue and should grow even after the demands for forces associated with current operations are reduced. We base this conclusion on a number of factors discussed below.

At the same time, the current pattern of using the reserves is endangering this valuable national asset, and reforming laws and policies will be necessary to reverse the damage done and make certain that an operational reserve is sustainable. It is to those ends that the Commission has devoted significant effort and the majority of our final report. In order to create a sustainable reserve, we must under-

stand how we got to this point, why it is necessary to continue our reliance on the reserves as part of an operational force, and what the challenges to achieving their sustainability are.

A. THE UNPLANNED EVOLUTION TO AN OPERATIONAL RESERVE

At many times in our nation's history, the reserves have been called up, often in conjunction with a draft of the broader population. They have served, and then returned to civil society. Members of the reserves played significant roles in the Revolutionary War, the War of 1812, the Mexican-American War, the Civil War, the Spanish-American War, World War I, World War II, the Korean War, and the Gulf War. Today, the reserves are playing an indispensable role in the global war on terror.

In each case, the nation called forth and trained its reserves, sent them into battle under federal command, and then, after the war ended, grappled with the size, structure, and funding of the reserve forces. In several instances, the nation sought a "peace dividend" in the form of a large postwar reduction in the size of national security institutions, including military forces. Following the Spanish-American War, which exposed grave weaknesses in the training and readiness of the state militias, Congress created a federal reserve and increased federal oversight of the state militias, now called the National Guard.

The last major reform to the reserve components took place after the Korean War, for which the nation was poorly prepared. Established as a force designed to facilitate rapid expansion of the armed forces for a major war with the Soviet Union, the reserves were commonly referred to as the strategic reserve. The Vietnam War was the last conflict fought with a draft and without a large reserve mobilization. It was followed by a significant shift in the mid-1970s to an all-volunteer force; however, the reserves remained a strategic force to be used only for extraordinary contingencies overseas, with the assumption that they would have the benefit of lengthy mobilization periods, and threats to the homeland continued to be viewed in the context of the threat from Soviet nuclear weapons.

Since employing the reserves in Desert Shield and Desert Storm, DOD has increased their operational tempo to sustain global commitments. The reserves have fought in two wars that have not relied on a draft or on full mobilization. The National Guard and Reserves' contribution to our nation's defense efforts has risen to almost five times the level it was before 9/11. Some components have been drawn on even more heavily: by the end of the same period, the Army Guard and Army Reserve workload had increased more than seven times. At their peak use in 2004, national guardsmen and reservists constituted more than 33 percent of all U.S. military forces in Iraq.

Reserve component personnel use has increased from 12.7 million duty days in fiscal year 2001 to 61.3 million duty days in fiscal year 2006. Reservists have been mobilized more than 597,000 times since September 11, 2001; and in addition to the mobilizations, thousands of reserve component members have volunteered for extended periods of active duty service.

The notion of an operational reserve developed almost by default, in response to current and projected needs for operations in Iraq and Afghanistan and the associated force generation requirements. The Commission believes that backing into such a far-reaching decision is a mistake, because it is not clear that the public or its elected representatives stand behind this new concept. Major changes in the roles and missions of the reserve components must be examined, discussed, and accepted by the public and Congress if they are to succeed. Our analysis shows that there is much to debate, and the debate is overdue.

Although DOD has sought to define the operational reserve,² it has taken several years to come up with a definition, and that definition does not answer the basic questions policymakers face: What missions will the National Guard and Reserves perform in their strategic and operational roles? How will DOD resource and equip the reserve components for these missions so they will be a ready force capable of operating both overseas and in the homeland? And what can combatant commands, the services, service members and their families, and civilian employers expect in terms of predictable deployments? Because it does not answer these questions, it offers no road map for what changes in resources or to laws, policies, force structure, or organization are required to make the reserves truly operational within the total force.

B. THE NECESSITY FOR AN OPERATIONAL RESERVE

Given the threats that the United States faces at home and abroad, the looming fiscal challenges the nation confronts, the projected demands for forces, the unique capabilities resident in the reserve components, and their cost-effectiveness, the Commission sees no reasonable alternative to an increased use of and reliance on the reserve components. This conclusion is not dependent on the wars in Afghanistan and Iraq and on the reserves' current sizable role in the total operational force: the factors below indicate that their contribution to operations at home and abroad will be enduring.

The New Security Environment

Challenges presented in today's strategic environment are radically different than those that faced previous generations. The current operational environment is volatile, uncertain, complex, and ambiguous. Traditional threats posed by nation-state actors remain, but new threats have emerged as well. National security challenges fall into five categories:

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- The proliferation of weapons of mass destruction that constitute a growing threat across the globe, including to the U.S. homeland, and the potential access to such weapons by individuals or terrorist groups who wish to use them indiscriminately on civilian populations.
- Violent extremists, Islamist and other, who seek to control populations and geographic areas, attack U.S. soil, and harm U.S. interests throughout the world.
- Disasters in the homeland such as pandemic disease, hurricanes, earthquakes, and floods that can harm populations and cause losses that equal or exceed those incurred by war.
- Failed states; numerous ethnic, tribal, and regional conflicts that can cause humanitarian crises and endanger global stability; and nation-states containing safe havens for uncontrolled forces that threaten us.
- Traditional nation-state military threats, including the rise of a near-peer competitor.

2 "The total Reserve component structure which operates across the continuum of military missions performing both strategic and operational roles in peacetime, wartime, contingency, domestic emergencies and homeland defense operations. As such, the Services organize resource, equip, train, and utilize their Guard and Reserve components to support mission requirements to the same standards as their active components. Each Service's force generation plan prepares both units and individuals to participate in missions, across the full spectrum of military operations, in a cycle or periodic manner that provides predictability for the combatant commands, the Services, Service members, their families, and civilian employers" (Joint Staff, "Operational Reserve Definition," draft, October 15, 2007).

This modern threat environment requires that the United States bring to bear all instruments of national power to achieve its national security objectives, including using its global leadership to prevent conflicts from occurring and developing partnerships to avert them. Among these instruments is the U.S. military, including the National Guard and Reserves, which must be properly organized, trained, equipped, and coordinated with other government agencies to present in a timely manner the multitude of capabilities necessary to meet the many irregular, catastrophic, and disruptive threats to America both at home and abroad.

These capabilities are

- The ability to engage any adversary and win on the battlefield in many different kinds of environments.
- The ability to prevent and recover from warfare through peacekeeping, stability operations, capacity building, military-to-military exchanges, theater security cooperation, and civil support activities.
- The ability to support civil authorities at all levels of government in responding to domestic emergencies in which military manpower and assets are useful to save lives or property, secure communities, or mitigate the consequences of or recover from a major natural or man-made disaster.
- The ability to respond to the national security requirements arising from an adversary's use of a weapon of mass destruction.
- The ability, even during times of peace, to sustain a global military presence as a means of providing credible deterrence toward potential enemies and to shape and maintain stable relations with U.S. allies and friends.

At the same time, the resources to generate and sustain these capabilities are not unlimited. Ultimately, we can afford and must be willing to allocate appropriate resources to ensure our national security. However, the nation is confronting a major fiscal challenge in the form of escalating and ultimately unsustainable federal deficits and debt, tied to the expansion of mandatory entitlement programs. If this fiscal imbalance is not addressed, it will consume a growing share of federal resources and damage our economy and national security. The most compelling presentation of these challenges is offered by the Comptroller General of the United States, David Walker, in his report titled “21st Century Challenges: Reexamining the Base of the Federal Government” (February 2005). This grave fiscal reality dictates that every government department, including the Department of Defense, must fundamentally reexamine how it spends money to become more effective and efficient.

DOD Plans for Continued Reliance on the Reserves

DOD leaders have repeatedly stated their expectation that the National Guard and Reserves will continue to provide a wide range of capabilities that include warfighting, humanitarian assistance, disaster relief, and post-conflict and transitional operations such as democracy building, stability efforts, and peacekeeping. DOD also plans a “focused reliance” on the National Guard and Reserves for civil support missions in the homeland. Each service has developed detailed plans to train, equip, and use the National Guard and Reserves for the foreseeable future on a rotational basis in coordination with the active component. This shift—away from a force primarily designed for infrequent federal use against a large nation-state and toward a better manned, trained, and equipped force that is more interdependent with the active duty military, is employed in predictable cyclical rotations overseas, and is more ready and more able to respond quickly at home—would mark a significant adjustment to how the nation has historically conceived of and used its reserves. The change is particularly significant for the largest reserve components, the Army National Guard and Army Reserve.

The Cost and Value of the Reserve Components

The Commission has analyzed the cost of the reserve components as a function of their share of the DOD budget over time, as their share of their services' budget over time, and as calculated by think tanks and by the Government Accountability Office. Using a comprehensive approach to this question, the Commission finds that an active component service member costs approximately four times as much as a reserve component service member when he or she is not activated. This significant cost advantage for the reserves will drive policymaking in coming years, when pressure on the forces from current conflicts will have abated. The Commission believes the nation should avoid the kind of shortsighted policy decisions made after past conflicts that left the military ill-prepared for the next conflict, and should instead focus on where the best value for the taxpayer can be achieved in an ever-tightening fiscal environment.

The Commission also finds that the National Guard and Reserves offer the nation great capability and return on its investment. Reservists provide our military's most intimate and extensive links to the American people and form an important bridge to their neighbors and co-workers who have never served in uniform. They are forward-deployed in thousands of communities across the United States, pretrained, and available to respond to an emergency that exceeds the capacity of local government personnel.

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The reserve components act as a repository of military skills and experience gained over years of service that would otherwise be lost. They also have skills acquired through their civilian careers that are invaluable to DOD for both domestic and overseas missions. These skills are not easily attained or maintained by personnel in full-time military careers. Members of the reserves who are not being used operationally also continue to provide strategic, or surge, capability for a military that has reduced personnel significantly since the peak of the Cold War. The value of these skills, and of the capability resident in the reserves to respond to unforeseen events, is not easily quantified, but it is significant.

One alternative to the continued use of the reserve components as part of the operational forces is to expand the active force. However, respected analysts question the affordability and achievability of this option, given the high costs of active duty benefits and infrastructure and the current recruiting challenges being experienced by the services. The per capita annual cost of active duty manpower has risen from \$96,000 to more than \$126,000 since 2000, owing largely to increases in such deferred benefits as health care, as well as to the expenses of recruiting, retention, and other initiatives to maintain an all-volunteer force strained by prolonged conflict. From a cost perspective, the reserve components remain a significant bargain for the taxpayer in comparison to the active component.

In addition, significantly increasing the active force—versus investing more in the reserves—may not be the right long-term choice in light of the new threats to our homeland, where the reserves have a significant advantage over the active component. When disaster strikes at home, the first military responders will be national guardsmen and reservists coming to the aid of their friends and neighbors close by. The value of this linkage cannot be discounted. In contrast to the nationwide presence of reserve component forces, the nation's active duty military forces are increasingly isolated, interacting less frequently with the civil society they serve. There are fewer active duty military bases, and members of the active component only reside in or near this limited number of government facilities.

Another politically nonviable alternative would be to return to a draft. It is worth recalling that the all-volunteer force was not designed for a sustained, long-term conflict, and that the nation continues to mandate that young men register for the Selected Service in the event a draft becomes

necessary. However, the draft is an instrument not employed since the Vietnam War, and its use would be extremely unpopular.

Thus, the Commission believes that the nation will need to rely on an operational reserve force for many years to come. We are not suggesting that reliance on the reserve component is somehow undesirable. In fact, without the National Guard and Reserves, the nation would have needed to reinstitute the draft to fight in Iraq and Afghanistan. Thus, the reserves are the key to ensuring the success of the all-volunteer force and avoiding the draft.

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Meeting that challenge—creating an operational reserve force that is feasible in the short term and sustainable in the long term—will require fundamental reforms to homeland roles and missions, to personnel management systems, to equipping and training policies, to policies affecting families and employers, and to organizations.

C. THE CHALLENGE OF SUSTAINING THE RESERVES AS AN OPERATIONAL FORCE WITHIN A COLD WAR FRAMEWORK

In our March 1 report, the Commission concluded that the current posture and utilization of the National Guard and Reserves as an operational force cannot be sustained over time. Our conclusion in this regard subsequently has been supported by the October 2007 findings of the Defense Science Board Task Force on Deployment of Members of the National Guard and Reserve in the Global War on Terror. Our conclusion remains unchanged.

The fact that in some respects the reserve components are currently being used operationally does not make them a sustainable operational force. The reserve components were not established to be employed on a rotational basis, and key underlying laws, regulations, policies, funding mechanisms, pay categories, mobilization processes, and personnel rules that manage the reserve components will have to be modified to support their evolution into such an operational force.

Additional significant challenges exist. The propensity of our nation's youth to enlist in the military was at a historical low of 9 percent in June 2007. At the same time, DOD estimates that more than half the youth in the U.S. population between the ages of 17 and 24 do not meet the minimum requirements to enter military service. Approximately 22 percent of America's youth exceed the limits set for enlistees' body mass index. The military services will face extremely stiff competition from civilian employers seeking to recruit and retain the quality workforce required for the 21st century. Recruiting the all-volunteer force is more difficult and costly today than it has ever been. Only 79 percent of the new recruits entering the Army in fiscal year 2007 possessed a high school diploma (the DOD standard is 90 percent), and the Army approved more waivers for candidates with a criminal history (10 percent of all recruits) than it has done in years past.

At the other end of the service continuum, those highly skilled service members who are in the Individual Ready Reserve or are retired constitute a pool that is rarely tapped to benefit the nation.

Other long-standing obstacles continue to hamper total force integration and, hence, military effectiveness. Outdated personnel policies prevent DOD from addressing the demographic challenges above and from making the most effective use of their personnel resources. The military retirement system is not serving important force management goals, and because of the growing cost of personnel it is not sustainable. The military, despite acknowledging that civilian skills are a reserve component core competency, has done little to take advantage of those skills. While the Air Force, Navy, and Marine Corps have each made significant progress toward integrating their active and reserve components into a total force, persistent cultural and structural barriers between Army active and

reserve component members block meaningful progress toward a more integrated, effective Army.

The Commission has heard from DOD officials who contend that the changes necessary to create an operational reserve have already occurred. They point out that since 2002, 168 pieces of legislation pertaining in some fashion to the reserve components have become law. These are a patchwork of incremental changes that mend problems at the margins—they are not bold and systemic reforms designed to address the needs of the reserve components today and in the future. Moreover, they include some changes of very dubious merit, such as cutting the numbers of active duty personnel providing full-time support for the Army reserve components.

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The Commission believes that continued use of the reserve components as part of an operational force will be feasible and sustainable only if the nation commits to and invests in this increasingly important portion of our military forces.

Conclusion One: The nation requires an operational reserve force. However, DOD and Congress have had no serious public discussion or debate on the matter, and have not formally adopted the operational reserve. Steps taken by DOD and Congress have been more reactive than proactive, more timid than bold, and more incremental than systemic. They thus far have not focused on an overarching set of alterations necessary to make the reserve components a ready, rotational force. Congress and DOD have not reformed the laws and policies governing the reserve components in ways that will sustain an operational force.

Recommendation:

1. Congress and the Department of Defense should explicitly acknowledge the need for, and should create, an operational reserve force that includes portions of the National Guard and Reserves. In order to place the reserve components on a sustainable path as part of that force, Congress and DOD must modify existing laws, policies, and regulations related to roles and missions, funding mechanisms, personnel rules, pay categories, equipping, training, mobilization, organizational structures, and reserve component categories. These significant changes to law and policy are required if the reserve components are to realize their full potential to serve this nation and if existing adverse trends in readiness and capabilities are to be reversed. Moreover, the traditional capabilities of the reserve components to serve as a strategic reserve must be expanded and strengthened.

II. ENHANCING THE DEFENSE DEPARTMENT'S ROLE IN THE HOMELAND

Protecting the people and territory of the United States is the mission of state and local government, the Department of Defense, the Department of Homeland Security, and the rest of the federal government. As these levels of government and agencies work together in that broad effort, each has a specific role to play. State and local governments are the nation's first line of defense. Their first responders, the National Guard, and other state and local officials often represent the bulk of the capabilities responding to a disaster. Furthermore, as the chief executives of the states, governors are

vested with a primary responsibility to protect the lives and property of their citizens. On the federal level, the Department of Defense ensures the military security of the people and territory of the United States, commonly referred to as homeland defense. The Department of Homeland Security is responsible for coordinating national homeland security efforts to protect the United States from terrorism and to carry out the functions of its constituent agencies, including emergency management. DOD is often called on to support DHS, other federal agencies, and state and local governments in carrying out their missions, thereby providing what is termed civil support. Congress tasked the Commission to assess the capabilities of the reserve components and determine how the units and personnel of the reserve components may best be used to support national security objectives, including homeland defense of the United States.

A. MAKING CIVIL SUPPORT A STATUTORY RESPONSIBILITY

The nature and scope of the Department of Defense's role in providing support to civil authorities have been described in policy. DOD's *Strategy for Homeland Defense and Civil Support* recognizes that homeland defense and civil support are total force responsibilities, and it directs a "focused reliance" on the reserve components for those missions. But there is no equivalent statement of DOD's homeland role in law, and Congress has not specifically tasked the Department with its civil support responsibilities. Policymakers seem reluctant to acknowledge what is obvious to almost every expert who has written on the subject or spoken to the Commission: because of its manpower, communications, and transportation capabilities, DOD is the only organization that can deal with the consequences of a catastrophe incapacitating civilian government over a substantial geographic area, such as an attack by a weapon of mass destruction. The Commission believes that this reluctance to acknowledge reality places the nation at risk.

DOD is the only organization that can deal with the consequences of a catastrophe incapacitating civilian government over a substantial geographic area.

While DHS will have the responsibility to coordinate the overall federal response in most national emergencies, DOD must be fully prepared to play a primary role, at the President's request, in restoring order and rendering other assistance in the aftermath of certain catastrophes. To ensure its readiness to perform these missions, DOD must be told that it is required to perform these critical functions and make advance planning, coordination, and training for them a high priority.

Another element not yet written in law is the proper role of the reserve components in emergency response activities. Nowhere is specified the role that the National Guard and Reserves should play in providing homeland civil support, up to and including responding to a major catastrophe of the type described above. While civil support is a responsibility of the total force, it is a mission that the National Guard and Reserves are particularly well-suited to performing. National guardsmen and reservists live and work in communities throughout the country. Their nationwide presence gives them a unique capability as well as the knowledge, experience, and relationships needed to assist civil authorities effectively in restoring order, protecting the public, mitigating damage, and relieving suffering.

B. INTEGRATING THE RESERVE COMPONENTS INTO HOMELAND OPERATIONS

The Department of Defense and the Department of Homeland Security have not yet acted adequately to integrate DOD and National Guard leadership into national preparedness and response planning activities. DHS still does not contain a resident National Guard presence sufficient to promote necessary levels of coordination among these two vital elements of our national response tool kit. DHS and DOD need to act and act quickly to ensure that DOD is ready to respond, particularly to catastrophic events, in the homeland.

It also is not clear that the nation's military capabilities are arrayed appropriately to meet the threats facing the country. The Army Reserve contains primarily combat support and combat service support capabilities that are useful in responding to domestic crises. The Army National Guard is structured to provide large formation combat arms capabilities for overseas missions, as well as combat support and combat service support capabilities useful at home. Although specific requirements for the homeland must be developed before informed decisions can be made, it is likely that some rebalancing of forces will be necessary for DOD to meet its homeland responsibilities. Because the nation has not adequately resourced its forces designated for response to weapons of mass destruction, it does not have sufficient trained, ready forces available. This is an appalling gap that places the nation and its citizens at greater risk.

There remain significant continuing challenges associated with U.S. Northern Command. The commander of NORTHCOM is responsible for the planning, exercising, and command and control of Title 10 (federal) forces in response to a domestic contingency. NORTHCOM should focus equally on homeland defense and civil support missions. Although DOD agreed in principle with the Commission's March recommendation to alter the staffing at NORTHCOM and its component commands, and the Secretary of Defense prescribed that "a significant percentage" of NORTHCOM's billets should be filled by National Guard and Reserve personnel, U.S. Northern Command has made only limited progress toward that goal.

C. BUDGETING AND PROGRAMMING FOR CIVIL SUPPORT

The National Response Plan; its successor, the National Response Framework; and related preparedness efforts have not been translated adequately into DOD's programming and budgeting requirements. As we discussed in our March report, the Department of Defense has neither explicitly programmed and budgeted for civil support missions nor adequately equipped the National Guard for its domestic missions, relying on the flawed assumption that they are derivative of its wartime missions. In addition, the Department of Homeland Security has not demonstrated a commitment to assuming its responsibility as the lead agency for identifying the requirements that the Department of Defense must meet to adequately perform domestic civil support missions. DOD has now agreed, as part of its budget processes, to evaluate civil support requirements generated by DHS, but DHS has thus far failed to generate those requirements for DOD to evaluate. In the 2008 National Defense Authorization Act, Congress requires DHS and DOD to coordinate their programming for civil support. While this constitutes important progress, DOD and DHS must demonstrate continuing commitment to the successful implementation of this initiative in order for it to fulfill its purpose of making the nation and its people safer.

There is a need to clarify lines of authority for military actions in the homeland.

D. PROVIDING GOVERNORS THE AUTHORITY TO DIRECT ALL MILITARY FORCES WITHIN THEIR STATE

There is a need to clarify lines of authority for military actions in the homeland. The foundational tenet of national emergency management is that problems should be solved at the lowest level practicable, and most domestic response efforts will be managed at the state level or below. Unity of command, by which we mean the direction of the efforts of all military forces by one government official, is a time-honored principle of military doctrine. However, no mechanism has been established to permit a governor to direct within his or her state the unified efforts of all military forces that are responding to domestic contingencies. In a catastrophe, this lack could lead to confusion, wasted efforts, and loss of life and property. The Department of Defense disagreed with the Commission's March 1 recommendation to develop protocols that allow governors to direct the efforts of federal military assets responding to an emergency such as a natural disaster, and incorrectly suggested that such an approach is inconsistent with established law. In fact, similar protocols are employed routinely overseas when U.S. forces are placed under the command of a foreign commander. The process is fully consistent with law and precedent. The President, as commander in chief, can assign a task force of active duty forces as a supporting command to a state military joint task force while retaining ultimate command authority over those federal forces. This decision by the Department to reject the Commission's recommendation, while offering no viable substitute, places the nation at risk of a disjointed federal and state military response to a catastrophe.

The Commission believes proposed reforms in this area must

- Take advantage of the positioning and expertise of the National Guard and Reserves, stationed throughout the United States in more than 3,000 communities.
- Promote cooperation and proper interrelationships between the chief institutions responsible for homeland defense and homeland security.
- Improve DOD's ability to bring its resources and capabilities to bear efficiently in response to a catastrophe.

Conclusion Two: The Department of Defense must be fully prepared to protect American lives and property in the homeland. DOD must improve its capabilities and readiness to play a primary role in the response to major catastrophes that incapacitate civilian government over a wide geographic area. This is a responsibility that is equal in priority to its combat responsibilities. As part of DOD, the National Guard and Reserves should play the lead role in supporting the Department of Homeland Security, other federal agencies, and states in addressing these threats of equal or higher priority.

Recommendations:

2. Congress should codify the Department of Defense's responsibility to provide support for civil authorities. This statutory language should include the acknowledgment that responding to natural and man-made disasters in the homeland is a core competency of DOD, of equal importance to its combat responsibilities. Congress should also clearly state that DOD should be prepared to provide the bulk of the response to a major catastrophe that incapacitates civilian government over a substantial geographic area and that DOD should initiate the necessary planning, training, and coordination for such events.

3. Consistent with DOD's *Strategy for Homeland Defense and Civil Support*, homeland defense and civil support should continue to be total force responsibilities. However, Congress should mandate that the National Guard and Reserves have the lead role in and form the backbone of DOD operations in the homeland. Furthermore, DOD should assign the National Guard and Reserves homeland defense and civil support as a core competency consistent with their required warfighting taskings and capabilities.
4. A majority of U.S. Northern Command's billets, including those for its service component commands, should be filled by leaders and staff with reserve qualifications and credentials. Job descriptions for senior leaders and other key positions at NORTHCOM should contain the requirement of significant Reserve or National Guard experience or service. In addition, either the officer serving in the position of the commander or the officer serving in the position of deputy commander of NORTHCOM should be a National Guard or Reserve officer at all times.
5. In accordance with §1815 of the 2008 National Defense Authorization Act, the Secretary of Homeland Security, with the assistance of the Secretary of Defense, should generate civil support requirements, which the Department of Defense will be responsible for validating as appropriate. DOD should include civil support requirements in its programming and budgeting. As part of this effort, DOD should determine existing capabilities from all components that could fulfill civil support requirements and rebalance them where appropriate (consistent with their other obligations), shifting capabilities determined to be required for state-controlled response to domestic emergencies to the National Guard, and shifting capabilities currently resident in the National Guard that are not required for its state missions but are required for its federal missions either to the federal reserve components or to the active duty military, as appropriate.
6. The Secretary of Defense should ensure that forces identified as rapid responders to domestic catastrophes are manned, trained, and equipped to the highest levels of readiness.
7. As part of its efforts to develop plans for consequence management and support to civil authorities, DOD should develop protocols that allow governors to direct the efforts of federal military assets responding to an emergency such as a natural disaster. This direction may be accomplished through the governor's use of a dual-hatted military commander.
8. Congress should amend the mobilization statutes to provide service Secretaries the authority to involuntarily mobilize federal reserve components for up to 60 days in a four-month period and up to 120 days in a two-year period during or in response to imminent natural or man-made disasters, similar to that employed to mobilize the Coast Guard Reserve under 14 U.S.C. §712.

III. CREATING A CONTINUUM OF SERVICE: PERSONNEL MANAGEMENT FOR AN INTEGRATED TOTAL FORCE

DOD's personnel management strategies and the laws, policies, and systems that support them were designed during the middle of the last century. They addressed the problems faced by the armed forces after World War II, in response to Cold War national security and force structure issues and to the demographics of the day. The 21st century presents a completely different set of challenges

to planners focusing on our national security and on military manpower. They must recruit, train, and maintain a technologically advanced force in an era that will be characterized by ever-increasing competition for a shrinking pool of qualified individuals whose expectations about career paths and mobility are changing dramatically. It is essential that the nation recognize these new strategic and demographic realities by developing a personnel management strategy for the new century and by reforming laws, policies, and systems to implement it.

The reserve components' role in such a new strategy will be key. They will provide the flexibility to retain highly trained and skilled personnel who desire career mobility. They will remain a repository of increasingly essential skills that can be gained only in the civilian workforce. Their service in the operational force will be required in peacetime, and they will continue to provide a cost-effective means of ensuring that strategic requirements to meet a large wartime threat are also available.

It is essential that the nation recognize . . . new strategic and demographic realities by developing a personnel management strategy for the new century.

The phrase “continuum of service” appears frequently in testimony and documents, but with little explicit description of what would actually constitute such a continuum. As generally understood, a continuum of service would facilitate the seamless transition of individual reservists on and off of active duty to meet mission requirements and would permit different levels of participation by the service member over the course of a military career. In this report, the Commission makes specific, concrete recommendations for changes to law and policy required to bring into existence a true continuum of service. Two critical enablers of an enhanced continuum of service are a reduction in the number of reserve duty status categories and the implementation of an integrated pay and personnel system. Equally important, however, is an integrated personnel management system.

Congress directed the Commission to assess policies and programs for achieving operational and personnel readiness, to identify options for improving compensation benefits, and to assess those options' cost-effectiveness and foreseeable effects on readiness, recruitment, and retention for the regular and reserve components. Of particular concern were health benefits, health insurance, and career development.

The discussion and recommendations that follow provide the foundation of the integrated personnel management system required to meet the realities of the 21st century. Proposed reforms must

- Ensure that military manning decisions are based on national security (including homeland security) requirements, on merit, and on capability.
- Take advantage of the civilian skills of reserve component service members.
- Promote military effectiveness by breaking down barriers to service that prevent further integration of the active and reserve components, while respecting the different ways in which each service makes use of its dedicated, professional part-time force.
- Consider the capabilities that individuals can provide to their country over a lifetime, not just for 20 years.
- In the case of compensation-related proposals, serve specific force management purposes; increase flexibility; provide greater simplification; have a demonstrated systemic benefit; expand choice, volunteerism, and market-based compensation; maximize efficiency; improve the transparency of the costs of compensation over time; draw on the strengths of the private sector; and be fair to service members and their families.
- Understand and respect the impact of reserve component policies and practices on service members and their families, on communities, and on employers.

- Improve the quality of medical care that reservists and their families receive during activation and upon their return to civilian life, and enhance individual medical readiness.

For DOD to remain competitive, it will have to institute a personnel management system that fosters a true “continuum of service.”

A. THE NEED FOR A NEW PERSONNEL MANAGEMENT STRATEGY

The demographics of the available talent pool from which DOD must draw in the 21st century will be different in many significant respects from those of the baby boomer generation, whose members will be retiring in increasing numbers over the next two decades. The services will have to compete with the private sector for a workforce that is growing more slowly and becoming older and more diverse. In addition, the accelerated pace of technological change will continue to intensify the demand for workers who are better educated and more highly skilled.

The current movement in the private sector toward more decentralized, less vertically integrated business organizations is expected to be accompanied by a shift away from permanent lifetime jobs to more fluid and flexible working relationships. U.S. workers are changing jobs more frequently and staying in those jobs for shorter periods. Experts predict that more flexible, nontraditional working relationships will proliferate, a development that will increase the importance of flexible and portable benefit packages for workers. For DOD to remain competitive, it will have to institute a personnel management system that fosters a true “continuum of service.”

Internal reviews within DOD have highlighted similar concerns. A Defense Science Board assessment of its human resources strategy in 2000 called for a single integrated personnel and logistics system for active and reserve components, a pay system that places greater emphasis on pay for performance and skills, modification of the “up or out” promotion system, and reform to the retirement system to provide earlier vesting, a 401(k)-type option, benefit portability, and varying service lengths and retirement points. In April 2006, the Defense Advisory Committee on Military Compensation recommended that changes to the military compensation system be based on increasing both the effectiveness and efficiency of the compensation system as a force management tool.

In its 2007 Human Capital Strategy, the Department of the Navy recognized that workforce demographics are changing and that a new generation of workers expects greater flexibility in their work lives and the opportunity for continued professional development. Many of the recommendations in this section reflect the work of these and previous reviews of force management, dating back to the President’s Commission on an All-Volunteer Armed Force of 1970 (the Gates Commission). There is little question that in the decades ahead, the nation’s military will be competing with civilian employers expected to be offering less rigidly structured organizations and more flexible and shorter-term relationships with employees. Moreover, it enters this competition at a disadvantage: unlike civilian employment, military service entails accepting the possibility of lengthy family separation, injury, and death. Rapid technological change will increase the importance of continuing education and training for personnel, and greater personnel mobility will increase the value of flexible and portable benefit packages.

Conclusion Three: Current law and policy still reflect a Cold War–era vision of the employment of valuable military manpower assets and do not adequately support an operational 21st-century force. A new integrated personnel management structure is needed to provide trained and ready forces to meet mission requirements and to foster a continuum of service for the individual service member.

Recommendation:

9. DOD should develop a personnel management strategy for a modern military workforce that is diverse, technologically skilled, and desires flexible career opportunities. Key components of this strategy must include an integrated total force that provides opportunities for those who choose a civilian career, as well as ease of transition between differing service commitments; personnel management policies that promote retention of experienced and trained individuals for longer reserve or active careers; and maximum use at all levels of the skills and abilities acquired from civilian experience. Congress must support this strategy with changes to statute where required.

B. TIME-VERSUS COMPETENCY-BASED PROMOTION CRITERIA

DOD’s current “up or out” promotion system was codified in 1947 to prevent a superannuated senior officer cohort from hindering military effectiveness, a problem observed at the outbreak of World War II. The Defense Officer Personnel Management Act of 1980 (DOPMA) and its follow-on reserve component counterpart, the Reserve Officer Personnel Management Act of 1994 (ROPMA), updated the 1947 legislation but retained the up-or-out structure. In recent years, it has been criticized by numerous studies and experts as inflexible and as a Cold War–era relic.

The up-or-out system under DOPMA is time-based: officers are considered by selection boards for promotion at certain “time” or years-of-service points during their careers. If twice non-selected for the next highest grade, or failed of selection, the officer is subject to involuntary separation or retirement—forced to move “up or out.” Such officers may be permitted by a selective continuation board to remain to meet service requirements, but they nonetheless bear the stigma of the label “failed of selection.”

Up or out . . . pushes service members out of the force when they are most experienced.

To remain competitive, officers must punch specific tickets at specific points in their careers. This time-based career management system prevents service members from pursuing alternative career paths and penalizes their attempts to do so. Up or out instead pushes service members out of the force when they are most experienced. A competency-based career management system, organized around the mastery of knowledge, skills, and abilities, would encourage more flexible career paths, thereby permitting longer assignments, greater opportunity for graduate education, time-outs for family responsibilities, the lateral entry of skilled professionals, and longer overall careers. Such changes better reflect the new career patterns in the private sector previously discussed and offer a framework to foster a true continuum of service.

Under current law and policy, promotion boards rank officers on the basis of experience, demonstrated performance, and potential for success in the next grade. A competency-based system would rely on those same criteria but would use accumulated experience gained through assignments,

education, and training to determine which officers are eligible for promotion. Such a system would allow officers to undertake additional or longer assignments or further their education without being at a disadvantage in relation to their peers. For some communities, the required skills, timing of promotions, and career length might change little from today's norms. For the combat arms, for example, a service might decide that the current framework is optimal because of the need for youth and vigor. Similarly, the services might make little change in the promotion timing for officers scheduled for a command/leadership track.

To prevent stagnation, competency would need to be demonstrated for officers to continue in service as well as to be promoted—in other words, “perform or out” in lieu of up or out. Their continuation would be determined by their continued employability by commands or agencies seeking their services.

Transitioning to a competency-based system would also facilitate the development of a single personnel management system, which is essential to the effective management of an integrated 21st-century total force.

Recommendations:

10. DOD, with support from Congress, should implement a more flexible promotion system based on the achievement of competencies (knowledge, skills, and abilities, or KSAs); under this new system, the timing of and opportunities for promotion should vary by competitive category (career field), depending on service requirements.
11. The Defense Officer Personnel Management Act (DOPMA) and the Reserve Officer Personnel Management Act (ROPMA) should, over time, be merged into a single system, modified to base advancement on achievement of competencies—including competencies acquired through civilian employment and education as well as military experience. To facilitate the transition, Congress should amend current statutes to create a single type of commission in lieu of the current regular and reserve commissions, consistent with the elimination of the use of reserve designations for personnel and units (see Recommendation #85).

C. JOINT DUTY EXPERIENCES, JOINT EDUCATION, AND ENHANCING THE CAPABILITIES OF FLAG AND GENERAL OFFICERS

The imperative to employ the reserve components as a portion of our nation's operational forces is not limited to deploying units but must also include reserve component leadership serving in integrated joint and service headquarters. The total force integration required for effective operational employment can best be achieved by ensuring that experts in reserve matters are serving in staff and decision-making positions at all levels. It is clear that future reserve component officers, with both military experience acquired in the operational reserve and civilian skills gained from a variety of experiences that cannot be duplicated in the full-time military force, will be qualified and desirable for senior leadership positions. But to date, both statutes and policies regarding joint qualifications, joint

... total force integration ... can best be achieved by ensuring that experts in reserve matters are serving in staff and decision-making positions at all levels.

education, and opportunities for joint experience have been major obstacles to taking advantage of the considerable pool of talent resident in the reserve components.

The Goldwater-Nichols Department of Defense Reorganization Act of 1986 did not, for the most part, include the reserve components. Though the act mandated that the Secretary of Defense establish policies “similar” to the active component’s for governing reserve component joint education and experience, it contained no provisions requiring that reserve officers ever obtain joint qualification. Indeed, DOD did not even act on establishing similar policies for two decades after receiving Congress’s direction to do so, and there is still no requirement for reserve component officers to be joint qualified. The systems put in place to offer such qualifications to reservists are so new that they cannot be fairly assessed at this time, but some early reports on their implementation are not favorable.

Until reserve officers are held to the same standards as their active component peers and are required to obtain joint experience, education, and qualification to achieve promotion to senior ranks, the armed forces will not be able to take full advantage of the unique skills and experiences that these professionals possess and will not achieve the integration essential for the most effective employment of an operational reserve. The recommendations that follow address these disparities.

Recommendations:

12. Congress should amend the Goldwater-Nichols Act to require reserve component officers to be designated as “joint qualified” (under the new joint qualification system, effective October 1, 2007) and, at the end of a 10-year transition period, to make joint qualification a criterion for promotion to flag and general officer rank. Congress should mandate that the services develop an action plan and milestones and report regularly to Congress on progress made to accomplish this goal.
 - a. To provide an incentive for early attainment of joint service qualification, service Secretaries should charge their reserve promotion boards selecting officers for the rank of colonel or Navy captain in the reserves to assign additional promotion weight to those officers who have achieved full joint education, have served in joint duty assignments, or are recognized as joint qualified.
 - b. Each service should integrate the management of its active and reserve component service members to better administer its military personnel and ensure that all members are afforded the joint duty and educational opportunities necessary for promotion to senior ranks.
13. For the next five years, DOD should annually increase the number of fully funded slots allocated to reserve component officers at the National Defense University, service war colleges, and the 10-week Joint Professional Military Education II in-residence course to foster greater interaction between active and reserve component students and to increase the number of educationally qualified reserve officers. DOD should direct senior service schools to adjust the curricula and requirements in their distance learning programs to include material that will satisfy JPME II requirements for joint qualifications, as they have done for their in-residence courses.
 - a. Capitalizing on technology, Advanced Joint Professional Military Education should be redesigned to provide formats that encourage active and reserve component participation from all services in a manner that satisfies course objectives, affords social interaction, and values the individual service members’ time and other obligations.

- b. Active component officers should be permitted to attend and receive full credit for AJPME, and the course should be viewed as equivalent to the Joint and Combined Warfighting School.
 - c. DOD should require that all reserve component officers selected for general or flag officer rank attend CAPSTONE; the services should provide full funding for this effort, and the school should have sufficient capacity to accommodate these officers without significant delay.
14. DOD should establish programs to provide reserve component enlisted members with joint duty and JPME opportunities comparable to programs available to their active duty counterparts.
 15. JPME-related courses offered as part of all levels of service professional military education, including service academies and ROTC programs, should contain significantly more material on reserve component organizations and capabilities to increase the understanding of, and appreciation for, the skills and background of reserve component service members.
 16. For both active and reserve component officers, criteria for granting joint duty experience credit should be flexible enough to allow for a qualitative assessment of proficiency based on knowledge, skills, and abilities in joint matters, not on inflexible time-based requirements. Congress should expand the statutory definitions of joint matters to incorporate service involving armed forces in operations, including support to civil authorities, with state and local agencies.
 17. DOD should list all manpower billets in joint organizations in a single manpower document. As part of this change, DOD should review all positions thoroughly and identify the essential skills or special background qualifications required or desired for each. To develop a pool of reserve component officers with the range of professional and joint experience required for selection to senior ranks,
 - a. DOD and the military services should develop a program that enables reserve component members to become fully joint qualified after rotating through the following assignments: serving over a period of years in a drilling status, serving on active duty for training in select joint billets, completing JPME either in residence or by distance learning, and, finally, serving a year on active duty in a joint designated billet. This program would allow reservists acting as individual augmentees to serve in a predictable manner and provide them joint qualification while supporting the operational needs of the Joint Staff and combatant commanders. To ensure that the best qualified officers are able to participate in this program, reimbursement of travel expenses for those selected should be mandated (see Recommendation #53).
 - b. Congress should amend the Goldwater-Nichols Act to require that the level of reserve component officer representation in service headquarters and joint organizations, including combatant commands and the Joint Staff, be commensurate with the significant role that reserve components play in DOD's overall missions.
 - c. The Secretary of Defense should require that National Guard or Reserve officers on tours of active duty serve as director, deputy director, or division chief within each joint directorate on the Joint Staff and at the combatant commands.

18. In order to provide an incentive to the services to increase the number of billets available to reserve component general and flag officers, Congress should allow the services to assign reserve component general and flag officers to billets currently filled by active component officers by waiving up to 10 percent of the current statutory limitation (877) on the number of active component general and flag officers on a one-for-one basis, and sunseting this additional head space at the end of 5 or 10 years. Priority should be given to assignment in joint positions. Congress should require DOD to report annually on the number of reserve component general and flag officers serving (1) in joint duty positions and (2) in positions of importance and responsibility. Following the sunset, Congress should reconsider the number of Chairman's exempt positions, taking into account the number of reserve general and flag officers who have successfully served in joint tours during this time.

D. TRACKING CIVILIAN SKILL AND EMPLOYER DATA

Civilian skills are a reserve component core competency, but DOD has done little to harness these skills. DOD's Civilian Employment Information (CEI) database is not an effective tool in this regard, in part because it does not capture updated employment information and because the way it records civilian skills data is not standardized for practical use.

By contrast, some U.S. allies around the world have developed reserve programs that track and to varying degrees utilize the civilian skills of their reserve military personnel. Such programs enable them to maintain a reserve force of personnel who are highly trained and experienced in their civilian and military specialization. In addition, some allies are collaborating with employers to develop military training programs focused on skills specific to both the military and civilian occupations of their reservist employees, thereby providing not only highly qualified reserve military members for the government but also highly qualified civilian employees for employers.

A robust civilian skills database that tracks, in standardized format, comprehensive education, training, and experience data on reservists would be a valuable tool for commanders seeking to fulfill mission requirements.

Recommendations:

19. DOD should develop a standardized system for developing and maintaining a "civilian skills database" that is consistent with standardized database formats, such as that used by NATO, to allow worldwide interoperability.
20. Congress should direct DOD to revalidate the current civilian employer database annually, to require service members to update the information in this database annually, and to expand the database to include résumé-type narrative information.

E. AN INTEGRATED PAY AND PERSONNEL SYSTEM

The military has a long history of problems with the administration of personnel and pay and its associated information technology. The current automated systems are neither joint, integrated, nor standardized across the military components, and the resulting deficiencies include incorrect pay, low data quality, multiple personnel files and records, and inaccurate accounting of credit for service. The Defense Integrated Military Human Resources System (DIMHRS) is the Department

of Defense’s solution to existing personnel and pay problems. It is a Web-based human resource system, integrating personnel and pay and designed to ensure that timely and accurate compensation, benefits, and entitlements are afforded to all military personnel throughout their careers and in their retirement.

The manpower management systems and processes in place today are crude tools that have evolved over decades of applying Cold War administrative policies and procedures. Many service members reported to the Commission that these systems routinely raise unreasonable obstacles to transitions between military jobs, cause loss of entitlements such as leave, and engender a reluctance to volunteer for service. These systems hinder the services from fully utilizing the talents of the available manpower pool. Initiated more than a decade ago, DIMHRS has struggled with numerous delays, a lack of accountability, increased costs, and mismanagement; the system remains controversial within some of the services.

The future human resource system must be a “continuum of service system” that enables a trouble-free, easy transition between active and reserve statuses. Movement between the active component and reserve component will be based on the needs of the service and the availability of the individual member to support existing requirements. To make these transitions seamless, the “on-ramp” and “off-ramp” procedures must be smooth. The Defense Department is in critical need of an integrated pay and personnel system capability, whether a single system such as DIMHRS or multiple systems as part of a larger enterprise architecture, that enables an easy transition between active and reserve service, accurately records critical information regarding a member’s service, and provides timely pay and benefits.

Recommendation:

21. DOD should implement a combined pay and personnel system as soon as possible to rectify the inadequacies in today’s legacy systems. Further, this implementation, together with the reduction and simplification of duty statuses and duty categories (see Recommendation #22), should receive immediate attention at the highest levels of DOD leadership. Whether DOD establishes a single system or multiple systems as part of a larger enterprise architecture, the military personnel and pay system must be streamlined and made more efficient. It must provide better service to military personnel and their families, including accurate records of service and timely and error-free delivery of compensation, benefits, and entitlements.

F. DUTY STATUS REFORM

A complicated framework of laws, policies, and rules developed through the decades since 1916 has resulted in the current byzantine duty status structure. Today’s 29 duty statuses are confusing and frustrating to both reserve component members and their operational commanders. Service members may encounter pay and benefit problems, including in health care eligibility for their family members, when they transition between one or more duty status categories. Commanders may experience similar frustration when seeking to access, in a timely manner, reserve component members needed to meet operational requirements. The current operational use of the reserve component demands simplicity, compatibility, and administrative clarity to meet training and mission requirements and to promote a continuum of service. Under a simplified system, reserve component members, whether in a Title

Under a simplified system, reserve component members, whether in a Title 10 or Title 32 status, should either be on duty or off duty.

10 or Title 32 status, should either be on duty or off duty. (This new system would not alter the nature of National Guard service in state active duty.)

One sticking point in previous attempts to simplify duty status categories has been the difference between the pay and allowances received when the reserve component member is either activated or in an active duty training status and the pay received for two drills per day when the member is in an inactive duty training status. In recommending a reduction to two duty statuses, the Commission recognizes the continued salience of this issue, which would benefit from additional analysis, and offers a possible approach to deal with it in the full report.

Recommendations:

22. DOD should reduce the number of duty statuses from the current 29 to 2: on (active) duty and off (active) duty. All reserve duty will be considered active duty, with appropriate pay and other compensation. The 48 drills should be replaced with 24 days of active duty. A day's pay should be provided for a day's work without reducing compensation for current service members. The system should be sufficiently flexible to deal with service-specific training requirements.
23. During the transition to two duty statuses, DOD should uncouple existing statuses from pay and other compensation, substantially reduce the number of duty statuses, and standardize them across the services for ease of understanding and use.
24. DOD should develop a plan to implement these changes within two years of this report, and should complete their implementation within five years of the report's issuance.

The Operational Support Manpower Accounting Category

Each year Congress prescribes both active and reserve component end strengths. Following September 11, 2001, the active duty force needed more assistance from reserve component members. Those who served temporarily on active duty were not counted against active duty end strength, provided that they served for 179 days or less. Once they passed the 180-day threshold, however, they counted against active duty end strength and active duty grade tables.

In 2004 Congress created, at DOD's request, a new category for counting reserve component strength called active duty for operational support (ADOS). It is composed of reserve component members who volunteer for active duty

for operational support missions. Those who are on voluntary active duty providing operational support can remain on active duty for up to three years, or for three years cumulatively over a four-year period, without being counted against active duty end strength. Congress tasked the Commission to assess DOD's implementation plan for the ADOS category. The Commission notes that DOD has successfully implemented a plan to manage the active duty for operational support category, but does not believe it to be an effective force management tool.

To avoid problems with end strength authorization, some are seeking to remove the current three-out-of-four-years restriction on reserve component personnel serving in the ADOS category. The Commission believes that there are better alternatives, such as transitioning those ADOS billets to active duty, career civilian, or contractor billets.

... the Commission believes that managing forces by end strengths is inefficient and makes it necessary to create workarounds.

Further, the Commission believes that managing forces by end strengths is inefficient and makes it necessary to create workarounds to remain within prescribed levels, as the ADOS manpower accounting category itself illustrates. By contrast, Congress recognized the inefficiencies inherent in managing by end strength for DOD civilians and eliminated such management in 10 U.S.C. §129.

The Commission concludes that the operational support (ADOS) category is not an effective force management tool and could be phased out if duty statuses were simplified and if there were less emphasis placed on managing the U.S. military through authorized end strengths.

Recommendations:

25. As a part of the process of simplifying duty status categories, Congress should phase out the ADOS category and designate long-term billets as either active duty or civilian or as part of a program that rotates reserve members on full-time active duty tours. Such a program would benefit both the reservists, to whom it would provide career-broadening experience, and DOD, which would take advantage of the unique talents and experience within the reserve component.
26. Congress should cease to manage DOD manpower levels by using authorized end strengths. DOD should budget for—and Congress should fund—personnel, active and reserve, based on requirements and needed capabilities.

G. AN INTEGRATED RETIREMENT SYSTEM

Today's non-disability retirement systems for both the active and reserve components were designed shortly after World War II for a Cold War-era force that relied on a draft. At that time very few inductees remained in uniform past their initial term of service, and the retirement benefit was intended to meet the needs of the relatively small proportion of service members who served a full 20-year career. The military offers very generous retirement benefits immediately upon separation to career service members in the active component, a comparable benefit received at age 60 by career service members in the reserve components, and no retirement benefits at all for non-disabled service members who serve for less than 20 years. Thus the increasingly integrated active and reserve components have two separate retirement systems. They are based almost entirely on the age when a service member receives his or her retirement annuity, with 20-year "cliff" vesting that excludes 85 percent of active duty enlisted personnel and 53 percent of officers from receiving any non-disability retirement benefits. Only 24 percent of reservists serve long enough to be eligible for 20-year retirement. Numerous studies undertaken since the inception of the all-volunteer force have recommended major modifications to the system, such as earlier vesting and deferred receipt of the annuity. The commission that recommended the creation of the all-volunteer force, the Gates Commission, in fact suggested that for such a force, earlier vesting was more appropriate than 20-year cliff vesting.

... the military retirement system, for both the active and reserve components, is in need of deep, systemic reform.

Reliance on deferred benefits, such as retirement pay, is costly and an inefficient force management tool. As discussed elsewhere in this report, manpower is becoming increasingly unaffordable. Under the current system, many service members retire soon after they reach the 20-year point. As the Gates Commission noted in its 1970 report, many of those who retire early are individuals with the best salary and employment opportunities in the civilian sector and thus are "precisely the individuals the services would like to retain longer." The current system should be modified to

provide for earlier vesting, government contributions to the Thrift Savings Plan in a manner similar to the Federal Employee Retirement System, and retention incentives at critical career points. Such a change would improve force management and provide greater equity, particularly to enlisted members who seldom become eligible for any non-disability benefits. In addition, a single system for both active and reserve component members would foster a continuum of service, as envisioned in other changes recommended by the Commission. All current service members should be grandfathered under the existing scheme but offered the opportunity to switch to the new one.

In short, the military retirement system, for both the active and reserve components, is in need of deep, systemic reform.

Recommendations:

27. Congress should amend laws to place the active and reserve components into the same retirement system. Current service members should be grandfathered under the existing system but offered the option of converting to the new one; a five-year transition period should be provided for new entrants, during which time they could opt for either the new or the old plan.
28. Congress should set the age for receipt of a military retirement annuity at 62 for service members who serve for at least 10 years, 60 for members who serve for at least 20 years, and 57 for members who serve for at least 30 years. Those who wish to receive their annuity at an earlier age should be eligible to do so, but the annuity should be reduced 5 percent for each year the recipient is under the statutory minimum retirement age (consistent with the Federal Employees Retirement System). For reserve component members, retired pay would continue to be calculated on the number of creditable retirement years, based on earning at least 50 retirement points per creditable year.
 - a. Congress should expand current statutory authority to permit all service members to receive up to 5 percent of annual basic pay in matching government contributions to the Thrift Savings Plan; the government's contribution would vest at 10 years of service, and the Thrift Savings Plan benefit would be portable and thus capable of being rolled over into a civilian 401(k) account.
 - b. Congress should pass laws providing that the military retirement system allow some portion of its benefits to be vested at 10 years of service.
 - c. As part of the reformed retirement system, retention would be encouraged by making service members eligible to receive "gate pay" at pivotal years of service. Such pay would come in the form of a bonus equal to a percentage of annual basic pay at the end of the year of service, at the discretion of the services.
 - d. As part of the reformed retirement system, service members who are vested would receive separation pay based on the number of years served and their pay grade when they complete their service.

The Department of Defense . . . does not program or budget to meet the needs of a ready, capable, and available operational reserve.

IV. DEVELOPING A READY, CAPABLE, AND AVAILABLE OPERATIONAL RESERVE

Readiness is a key determinant in the ability of the reserve components to achieve their roles and missions, and therefore is closely monitored. Congress tasked the Commission to assess how effectively the organization and funding structures of the National Guard and Reserves are achieving operational and personnel readiness. An operational reserve component requires a higher standard of readiness than does today's Ready Reserve, for a greater duration, with less time to achieve readiness goals between deployments. If the reserve components are to sustain this standard of readiness, the services must change their policies, budgets, and planning. Traditionally, readiness has three components: personnel, training, and equipment. In addition, individual medical readiness and the type and amount of full-time support are important factors in reserve component readiness. Readiness requirements vary by service and, within each service, by a unit's progression through the applicable appropriate force generation model.

The readiness of units and of individuals varies greatly among the services, and the differences relate largely to funding. The services are encountering difficulties in funding the readiness of both their active and reserve components. The Department of Defense exerts great effort in developing requirements and justifying budget requests for thousands of service programs. However, it does not program or budget to meet the needs of a ready, capable, and available operational reserve, including the funding required for individual medical readiness, full-time support, and homeland missions.

In addition, DOD does little or nothing to measure the output of its programs in their year of execution. DOD measures programs against their spending plans; thus, it considers them successful when 100 percent of funds are fully obligated at fiscal year-end. This approach provides no mechanism for assessing the cost-effectiveness or value of a particular program or its effect on the readiness of the force.

Finally, the readiness of reserve forces is useful only as long as the services have assured access to all of the reserve components, and can draw on the resources invested in their reserve components to accomplish assigned missions.

Conclusion Four: The reserve components have responded to the call for service. Despite shortages in equipment, training, and personnel they have once again proven their essential contribution to meeting national security requirements in a time of need. To sustain their service for the duration of the global war on terror will require maintaining the force at a new standard of readiness. Current policies cannot accomplish this task. A ready, capable, and accessible operational reserve will require an enduring commitment to invest in the readiness of the reserve components. This commitment will necessitate service integration, additional resources, and new constructs for employing the reserve components and for assessing readiness.

Recommendations:

29. The services should budget for, and Congress annually should authorize, the amount of funding necessary to support the operational portion of the reserve components, ensuring that their budget requests are sufficient to meet their readiness requirements for overseas and homeland missions, including for individual medical readiness and full-time support.

30. The Secretary of Defense should mandate that future programming decisions and budget requests be linked to the delivery of desired outcomes, conveyed in budget justification material in a manner that clearly delineates funding for reserve programs.
31. Senior leaders at service headquarters and large commands must be held accountable for the readiness and performance of Reserve and National Guard units within their purview. These responsibilities must be reflected in job descriptions and performance appraisals.

Readiness Reporting

The service Secretary and Chief of each service are responsible for the readiness of both their active and reserve components. All too often, the Commission has found this statutory responsibility to be so diluted through delegation that those with Title 10 responsibility for reserve component readiness do not monitor and report on that readiness.

Complicating any effort to assess the readiness of the reserve components is the lack of uniform reporting standards among the services. Moreover, their reports do not include information on full-time manning levels, on individual medical readiness, or on the readiness of the National Guard and Reserves to perform homeland missions.

Complicating any effort to assess the readiness of the reserve components is the lack of uniform reporting standards among the services.

Recommendations:

32. Readiness reporting systems should be expanded to encompass full-time support and individual medical readiness. The readiness reporting system should also identify individual and unit readiness to perform the full spectrum of missions, including support to civil authorities.
33. The Secretary of Defense should mandate that a common readiness reporting system include reporting on all data needed to determine readiness of units and allow full access to underlying data on personnel, equipment, and training. The system should be managed by the Joint Chiefs of Staff to assist the Chairman in the Chairman's statutory requirement to report on readiness and should include both active and reserve component data, thereby precluding any need to transfer data on reservists.

A. PERSONNEL

The personnel readiness of reserve component units is a measure of the number of personnel in each unit, the individual qualifications of the service members, and the distribution of leaders. The services have testified before the Commission as to ongoing shortages of junior and mid-grade officers in both the active and reserve components. There are also persistent shortages of individuals in certain "high-demand/low-density" skill categories, while certain skills are overrepresented in the reserve components. The impact of the current operational tempo on personnel readiness has been mitigated through force-shaping programs such as the use of recruitment and retention bonuses, advanced promotions, and the cross-leveling of units to obtain qualified personnel. However, these policies do not provide a sustainable basis for maintaining the personnel readiness of the reserve components as part of an integrated total force that promotes a continuum of service. (Recommendations on attracting, managing, and supporting personnel appear in sections III and V.)

B. INDIVIDUAL MEDICAL READINESS

Although not included in the existing readiness rating system, two additional personnel factors are critical to the personnel readiness of the reserve components: individual medical readiness and full-time support. DOD sets a service-wide goal of 75 percent for individual medical readiness. Five of the seven reserve components are not satisfactorily meeting DOD medical readiness standards.

Recommendation:

34. Ensuring individual medical readiness is a corporate responsibility of the Department of Defense. The Assistant Secretary of Defense for Health Affairs should create an account in the Defense Health Program for the reserve components to meet the individual medical readiness (IMR) requirements that it has established, and then hold individuals and their unit commanders responsible for maintaining individual medical readiness standards.
 - a. DOD should provide annual dental screening at no cost to service members.
 - b. To encourage reservists to maintain dental readiness, Congress should, for the member only, reduce the out-of-pocket costs for restorative dental care (currently 20–50 percent) under the TRICARE Dental Program.
 - c. All services should adopt a policy of requiring service members to be medically ready at the time they complete annual training requirements.
 - d. Commanders of all National Guard and Reserve units should be held responsible for the individual medical readiness of their unit, and reserve component members should have appropriate incentives to meet IMR standards.

Congress should authorize that service Secretaries may provide members of the Ready Reserve any medical and dental screening and care that is necessary to ensure that the member meets the applicable medical and dental standards for deployment. To provide such screening and care, service Secretaries should be authorized to use any available funds appropriated for the operations and maintenance for the reserve components involved.

C. FULL-TIME SUPPORT

Adequate full-time support is essential for reserve component unit readiness, training, administration, logistics, family assistance, and maintenance. The effective performance of such functions correlates directly to a unit's readiness to deploy.

In the Army, funding for full-time support has not been sufficient. In fact, the Army does not have a reliable process for determining full-time support requirements in its reserve components. But it is clear that in particular, small units (equivalent to company-size and below) have not received adequate FTS personnel. The provision of full-time support is an opportunity for the Army to more fully integrate its active and reserve components into a total force.

The full-time support programs in the reserve components of the Navy, Marine Corps, and Air Force promote the achievement of total force readiness and one standard. The Marine Corps and Navy programs could, however, do more to increase interaction between the active and reserve component.

In the Army, funding for full-time support has not been sufficient.

Recommendations:

35. All reserve component full-time support personnel must be the best-qualified individuals, selected for these billets on the basis of their knowledge, skills, and abilities to fulfill unit full-time support needs, including needs for training and certification for deployment. To support a competitive career path they must be required to serve in periodic tours with the active component, in operational forces, or in total force assignments at joint or service-level headquarters.
36. Congress, with input from the Department of Defense, should adopt a new model to provide full-time support to the Army reserve components as part of an overall program to improve their military effectiveness and to more fully integrate the Army and its components into a total force. This program should have the following elements:
 - a. On an expedited basis, the Army should complete a baseline review—that is, a full manpower review, down to the lowest level—to determine the full-time support requirements for the reserve components as part of an operational force, including those requirements related to DOD’s homeland defense and civil support missions.
 - b. DOD should program and budget, and Congress should fully fund by fiscal year 2010, the Army’s identified full-time support requirement. The Secretary of the Army should also seek to generate additional military manpower for this purpose, including through military-to-civilian conversions.
 - c. The Army should replace all Army Reserve Active Guard and Reserve (AGR) personnel with active component soldiers with recent operational experience serving rotational tours. The transition should take place gradually, in phases, to ensure that the careers of currently serving AGR Army reservists are protected.
 - d. Military full-time support for the Army National Guard should be a mix of active component soldiers and AGR soldiers. Active component soldiers serving in Guard FTS positions should have recent operational experience and serve in rotational assignments of defined duration, under the control of the governor, and be dual-hatted, serving in Title 10 status and in the state’s National Guard.
37. The Secretary of the Army should prescribe that all military technicians in the Army’s reserve components be assigned to the same organization in both their military and civilian capacities at all times, that they be required to maintain full qualification in both their military and civilian capacities, that they deploy with the organization to which they are assigned, and that such technicians who lose their military qualifications shall be either reassigned to non-deploying civilian positions or separated in accordance with established civilian personnel procedures.
38. The Marine Corps Active Reserve program should be merged into the active component with no loss to the Marine Corps Reserve in total full-time support billets. This merger should be completed in phases to protect the careers of marines currently serving in the Active Reserve.
39. The Navy Reserve’s FTS program should be replaced with a program that provides active component full-time support to reserves with no loss in the number of

billets that support the reserve component. The transition to active component FTS for the Navy should take place in phases to protect the careers of currently serving FTS Navy reservists.

D. TRAINING

The reserve components have minimum training requirements defined in law that equate to approximately two days per month plus two weeks of annual training. In addition, some service members perform individual training and qualifications. Each reserve component trains its personnel differently, but all currently report unmet training needs. This problem is rooted in the additional training requirements generated from consolidation and transformation initiatives, as well as in wartime requirements that have combined to create unaddressed needs for increased training capacity. During their long wait to be trained, reservists are not available to fully engage in unit activities.

An operational reserve will require additional training resources to achieve necessary readiness levels for three reasons. First, an operational reserve will be expected to be ready to deploy under a “train, mobilize, deploy” model. As a result, most individuals and units will be required to train more than the traditional 39 days per year in order to meet standards established by the services’ force generation models. The Army National Guard and Army Reserve will need to certify the readiness of their units at home stations. Army officials responsible for certification must be engaged before activation to avoid repeated checks at post-mobilization training sites. Post-mobilization training must be efficient and focused solely on theater-specific requirements in order to maximize the “boots on the ground” time of deployment within the limited period of activation. Reserve component training will require greater planning and coordination with the active component. Current Army reserve component training programs are inadequate to meet the needs of this operational force construct.

An operational reserve will require additional training resources to achieve necessary readiness levels.

Recommendations:

40. **The Secretary of Defense should ensure that training institutions and facilities are resourced to meet the needs of the total force. In particular, institutions should be able to meet the current training needs of reserve component personnel, whether the courses they offer are resident, nonresident, or distance learning tailored to the reserve components. The service Secretaries should ensure that the school training system provides sufficient access to seats for members in its active and reserve components to meet total force training requirements, and should further integrate the system as necessary to achieve that goal.**
 - a. **Each service should reassess the number of training and administrative days that reserve component units and members will need prior to activation. The services should fund and implement policies to undertake more pre-mobilization training and to focus training on mission requirements.**
 - b. **The services should disclose fully to all prospective members of units the expected number of training days required annually to participate successfully in that unit. Annual training requirements beyond the traditional 39 days per year should be based on unit needs and accomplished by clear mutual agreement with the individual service member regarding his or her minimum obligation.**

- c. Training equipment must be sufficient to give service members regular access to modern warfighting equipment so that they can train, and can develop and maintain proficiency, on the same type of equipment with which they will be deployed and fight.
41. To effectively implement a “train, mobilize, deploy” model, the Secretary of the Army should direct that pre-deployment training is programmed for and that reserve component units are certified ready to the company level. This certified training should ensure that units arrive at mobilization stations without the need to be recertified and are ready to perform theater-specific training.

E. EQUIPMENT AND SUPPLIES

Congress tasked the Commission to assess the adequacy of funding for National Guard and Reserve equipment. The high operational use of reserve equipment in the current conflicts has degraded their readiness for both combat operations and domestic emergency response. Such degradation, added to the low priority historically given to reserve component requirements and such practices as passing down older, obsolete equipment from the active to the reserve components, has generated equipment deficiencies.

Existing equipping strategies and budgets for equipment are inadequate to sustain an operational reserve. DOD reports show a \$48 billion unfunded shortfall for reserve component equipping at the beginning of fiscal year 2007. This figure does not include the projected costs of adequately equipping reserve forces to meet the requirements of the Army Force Generation Model or to prepare adequately for responding to catastrophes. Many reserve component units in the Army continue to have non-deployable substitute equipment. The Army’s plans to modernize and equip its reserve components are unrealistic in light of plans to increase active component end strength, prior unfulfilled plans to equip its reserve components, and requirements associated with transformation initiatives. Too often Army materiel development, acquisition, and modernization programs, as well as multi-year procurement contracts, do not integrate reserve component requirements. For example, the Army has not programmed to provide the Army National Guard with its multi-billion-dollar Future Combat System (FCS), its main transformation initiative.

Existing equipping strategies and budgets for equipment are inadequate to sustain an operational reserve.

The Army has funded or programmed nearly \$47 billion for reserve component equipment between 2005 and 2013. Yet current Army plans and budgets for equipment will not restore readiness and attain the goal of fully manning, training, and equipping its units until 2019. The current strategies of equipping just prior to deployment and cross-leveling equipment between units will likely continue for some time. The Commission believes that this target date of 2019 delays the restoration of equipment readiness for too long and increases the likelihood the Army’s plan will not be realized. The goal of fully equipping the Army reserve components should be reached much sooner, with particular emphasis on rapidly procuring critical dual-use (CDU) equipment.

The Army National Guard has identified a funding shortage for critical dual-use items needed for both warfighting and domestic emergency response. As noted above, the Department of Defense does not explicitly budget and program for civil support missions, and the Department of Homeland Security has not identified the requirements that DOD must meet to adequately perform domestic civil support missions.

Equipment readiness is a matter not just of adequate funding but also of ensuring oversight of funding allocations. It is extremely difficult to track reserve component equipment from its appearance in budget documents to its delivery. DOD officials responsible for performing this function can provide only estimates, not accurate assessments of progress in efforts to eliminate shortfalls in reserve component equipment levels.

The challenge for the reserve components in equipment funding is tracking the money from the budget line to execution. Procurement funding is consolidated for all components in each service in a document referred to as the P-1. A supplemental document, the P-1R, lists the equipment (and associated funding) that is identified in the P-1 as intended for distribution to the reserve components. However, there is no mechanism to ensure that the items specified in the P-1R are not subsequently diverted to other purposes. In the work leading to our March report, the Commission looked at the viability of establishing a separate procurement appropriation for each component—consistent with current treatment of personnel, operations and maintenance, and military construction. The Commission concluded that the efficiencies of consolidation outweigh the benefits of a separate appropriation.

A better solution, which improves accountability for equipment destined for National Guard and Reserve forces while retaining the synergy and efficiency of the existing process, is to assign a separate program element code to each of the components. Requiring separate program elements would continue to provide the economy of scale and efficiencies of one appropriation while allowing oversight during the execution process. Any major reprogramming from reserve to active component use would require approval from the four defense oversight committees.

Recommendations:

42. Congress should require that total force equipment requirements be included in service and joint materiel development, acquisition, and procurement plans, production contracts; and delivery schedules.
43. Program elements should be added to the DOD procurement budget justification material and accounting system to increase transparency with regard to reserve component procurement funding and to improve DOD's ability to track delivery of equipment to the reserve components.
44. The services should conduct a baseline review of reserve component equipment requirements, encompassing the accelerated degradation of equipment readiness caused by the current operations as well as the services' plans to implement force generation deployment models for both the active and reserve components; those requirements for civil support identified through DOD's collaboration with the Department of Homeland Security; and a revalidation of existing requirements, some of which remain tied to Cold War force management and a strategic reserve.
45. The services should use this review to prioritize funding to restore equipment readiness for the current operations and to prioritize programming and budgeting for requirements, including
 - a. Re-equipping programs for the Army and Marine Corps that would restore their reserve components to a C-1 level (as measured by the Status of Resources and Training System, modified pursuant to Recommendation #32) for required equipment on hand (including systems in training sets) as soon as possible, but no later than 2015.
 - b. Providing critical dual-use (CDU) equipment to conduct the full range of homeland missions as soon as possible, but no later than 2013.

F. Access to the Reserve Components

Mobilization laws and policies are among the key factors that affect how the reserve components are used, in terms both of how accessible the reserve components are to the federal government and of how predictable deployments are for service members. These laws and policies must provide adequate authority and generate practices to support a predictable and effective mobilization process.

Current mobilization statutes were enacted for Cold War–era scenarios in which the National Guard and Reserves were a force to augment and backfill the active forces (after long post-mobilization training periods) only in the event of a major conflict. These statutes address neither the needs of the current prolonged conflict, in which portions of the reserve component are at an extremely high operational tempo, nor the permanent use of that force in a sustainable system of rotation.

Service Secretaries are tasked with the responsibility under Title 10 to organize, man, train, equip, and mobilize forces within their departments. However, the mobilization process is in fact managed within the Department at a higher level, burdened by lengthy approval processes that can cause delays in notification to units and individuals about pending deployments.

On January 19, 2007, Secretary Gates issued a mobilization policy that addressed the lack of effective guidance regarding how many times a reservist can be mobilized, for how long, and the amount of time reservists should be allowed to remain at home between deployments: he announced that reservists can be remobilized, stating as a goal that mobilizations should be for periods of no longer than 12 months, with a five-year dwell time between them. However, this policy cannot be fully implemented by the Army and Marine Corps given current global commitments and the existing force structure.

In addition, DOD and the services have explored using contract-based service agreements to augment existing mobilization statutes. An example of such agreements is the variable participation reserve unit (VPR-U) concept, which provides for members to become part of a unit performing more than the minimum annual training commitment without involuntary mobilization. Such contracts further DOD’s goal of enabling enhanced participation by reserve component service members.

Current mobilization statutes were enacted for Cold War–era scenarios in which the National Guard and Reserves were a force to augment and backfill the active forces.

Recommendations:

46. Congress should amend the partial mobilization statute (10 U.S.C. §12302) to clarify congressional intent with regard to the duration of the mobilization obligation.
47. The limitation of 1,000,000 service members at any one time that can be mobilized under a partial mobilization should be replaced with a limitation that is relevant to the size of the existing Ready Reserve or the new reserve component categories proposed by the Commission in Recommendation #86.
48. Congress should require the military services to report on any potential impediments to implementing dwell times and deployment periods that are sustainable during current and projected operations and to specify the necessary actions and appropriate milestones to overcome these impediments.

49. Service Secretaries should be empowered to exercise their statutory authority to conduct the functions of mobilizing and demobilizing their respective departments. Other DOD organizations should defer to this statutory authority.
50. The military services should provide their members with adequate notice of a mobilization. Until the Army and Marine Corps have fully implemented force generation models for predictability, alert notification for these services needs to occur earlier—one year out—to allow all units sufficient time to train and prepare for deployment.
51.
 - a. Congress should update 10 U.S.C. §12311 to provide for contract-based service agreements for units and individuals of the reserves.
 - b. DOD should employ a contract-based service and incentive system to ensure access to the reserve components and to provide predictable and sustainable activations.
 - c. The services should expand the number of variable participation reserve units.
 - d. The contract-based system of assured availability recommended here should form the basis of accessing the Operational Reserve category outlined in Recommendation #86.

V. SUPPORTING SERVICE MEMBERS, FAMILIES, AND EMPLOYERS

The Commission was tasked by Congress to assess “the adequacy and appropriateness of the compensation and benefits currently provided for the members of the National Guard and the other reserve components, including the availability of health care benefits and health insurance.” Since that time, Congress has made a number of improvements in the compensation and benefits, including health care, provided to reserve component members. Congress has, for example, approved a reserve component critical skills bonus and permitted the Secretary of Defense to waive the requirement limiting that bonus to those with not more than 25 years of service, expanded high-priority unit assignment pay, improved the housing allowance, created new health care benefits for reserve component members and their families, and authorized payment of a stipend to continue civilian health plan coverage for an activated reservist’s dependent with special health care needs.

The ability . . . to receive medical care when a service member is activated . . . remains a major worry for reserve component families.

The Commission examined remaining disparities in compensation and benefits and evaluated the availability and user-friendliness of DOD’s health care program (TRICARE) for reserve component families. In addition, the Commission paid particular attention to two major influencers of the reserve component member’s decisions about enlistment, participation, and retention: families and employers.

The ability of reserve component family members to receive medical care when a service member is activated (so-called continuity of care) remains a major worry for reserve component families, because civilian providers often do not participate in TRICARE and because for many family members, particularly those new to the military, TRICARE is difficult to navigate and not user-friendly.

Numerous serious shortcomings have been identified in the health care provided to injured service members, including inadequate case management, delays and inconsistencies in the disability determination process, lack of coordination between the Department of Defense and the Department of

Veterans Affairs, and inadequate processes for assessing such grave conditions as post-traumatic stress disorder (PTSD) and traumatic brain injury (TBI).

In addition, although employer support is critical to recruiting and retaining a quality reserve force, DOD has not taken sufficient steps to recognize the vital role that employers play, such as providing them with greater predictability in their employees' deployments and creating a stronger partnership between employers and senior-level decision makers within the Department. There continue to be reports that employer support is waning.

Conclusion Five: To maintain an operational reserve force over the long term, DOD must appropriately support not only the service members themselves but also the two major influencers of members' decisions to remain in the military—their families and employers. Significant improvements in current programs in all three areas are essential to sustain an operational reserve force both today and in the future.

A. Compensation

Housing and Travel Issues

In 2004, a congressionally directed DOD report on reserve compensation identified the requirement that reservists be on active duty for 140 days or more in order to receive full basic allowance for housing (BAH) as a funding-driven disparity impeding a seamless flow from reserve to active duty status. Congress subsequently reduced the threshold to 30 days. In the Commission's view, the lower 30-day threshold remains a funding-driven constraint that both is out of sync with duty status reforms recommended elsewhere in this report and impedes a continuum of service.

In testimony at public hearings, considerable concern was expressed to the Commission about the distances that some reserve component members must travel to their weekend drills and the out-of-pocket costs incurred by members for that travel. The average distance traveled varies among the services, depending on whether the reservist drills with a local unit or provides support to a more distant command. The problem has been exacerbated in some components by the Defense Base Closure and Realignment Commission process. As a result, commanders have found it increasingly challenging to recruit and retain qualified personnel, particularly for leadership positions, who may reside far from their training locations.

If Congress were to expand recently enacted legislation to provide DOD with broader authority to reimburse reserve component service members, on a discretionary basis, for inactive duty training (IDT) travel over 50 miles, military commanders would be better able to effectively manage the reserve component. In addition, authority to reimburse for travel is consistent with—and an important component of—the duty status reforms recommended elsewhere in this report.

DOD and Congress will need to further review compensation and personnel policy issues to ensure that reserve component members are treated equitably both during and after the transition to two duty status categories.

Recommendations:

52. Congress should eliminate the ordered-to-active-duty-for-more-than-30-days requirement for receipt of full basic allowance for housing.

53. Congress should provide the service Secretaries with discretionary authority, delegable to the reserve component Chiefs, to reimburse service members for travel expenses in excess of 50 miles to participate in what are currently called drill periods. In addition, using existing authority, the services should budget for and provide lodging to each reserve component member who travels more than 50 miles from his or her residence to perform inactive duty training.

The Montgomery GI Bill

The Montgomery GI Bill–Selected Reserve benefit was designed as a retention tool that provides educational assistance to reserve component members who continue in a drilling reserve status. Over the past several years, more than half of reserve component members using a reserve educational benefit (including the MGIB-SR) were unable to continue their education because they were activated. Current law does not allow a reserve component service member to use the MGIB-SR benefit if he or she leaves the Selected Reserve and transitions into the Individual Ready Reserve.

Recommendation:

54. Congress should amend the law to permit reserve component service members who have been activated for a specified period of time to use MGIB-SR benefits after their discharge, provided that they remain subject to recall and supply DOD with accurate contact information.

B. SERVICE MEMBER PROTECTIONS

Reservists returning to civilian life sometimes encounter difficulties in their civilian employment. The Uniformed Services Employment and Reemployment Rights Act of 1994 defines the roles and responsibilities of individual agencies in aiding such reservists, but it does not make any single individual or office accountable for overseeing the entire complaint resolution process. The lack of such oversight makes it difficult for the relevant agencies—the Departments of Defense, Labor, and Justice, and the Office of Special Counsel—to effectively carry out their USERRA responsibilities, though all have taken action to improve the information provided to employers and the assistance offered to service members under the law.

Reservists returning to civilian life sometimes encounter difficulties in their civilian employment.

USERRA, which establishes that an employee may be absent from work for military duty for a cumulative total of five years and retain reemployment rights, was originally written with a strategic reserve force as its focus, but its Cold War design does not appear to have disadvantaged service members or their families at a time when the reserves have become operational. USERRA affords reservists fundamental protection against employment and reemployment discrimination. Moreover, its cumulative five-year maximum, along with its exemptions to that limit, provides an essential safeguard for the service member. USERRA and Department of Defense policy offer adequate notice to and redress for employers, given the unpredictable nature of military duty. Nonetheless, USERRA would benefit from some fine-tuning as the reserves become an operational force.

USERRA does not specify how much advance notice of duty is required to be provided to employers. An employer may ask the unit for verification of the duty performed; but under USERRA, an employer is entitled to proof of service only when the period of absence exceeds 30 days. Any inconvenience to the services caused by providing proof of an employee's service is minor in comparison to the sacrifices that employers willingly bear.

USERRA also provides that a reservist's health care plan can be reinstated on reemployment, without exclusions or a waiting period. However, in the case of flexible spending accounts (employer-established benefit plans, primarily funded by the employee, that are used to pay for specified medical expenses as they are incurred), this intent conflicts with the Internal Revenue Code, whose treatment of FSAs unfairly penalizes redeploying service members. Moreover, there is no clear rule that protects the health care reenrollment rights of a service member whose return to work is timely but who elects not to immediately reenroll in his or her employer-based health care plan, choosing instead to use the Transition Assistance Management Program (TAMP) benefit. The TAMP 180-day post-deployment transitional TRICARE coverage is a valuable benefit for redeploying service members and their families, and it is unfair that service members who elect to use this benefit are put in the position of losing USERRA's protection of civilian health insurance coverage.

The Servicemembers Civil Relief Act (SCRA) allows all members of the armed forces to suspend or postpone some civil obligations so that they may devote their full attention to their duties. An area of particular concern is mortgage foreclosure. Reservists face considerable stress when they return from deployment; while some of those stressors are unavoidable, service members can be given more time to deal with the threat of foreclosure.

Lastly, the use of Social Security numbers on military documents, identity cards, and dog tags increases the chance that military members and their families could be the victims of identity theft and related fraud.

Recommendations:

55. Congress should make a single entity accountable for overseeing the entire USERRA complaint resolution process.
56. USERRA's five-year limit and its exemptions should not be eliminated or modified. USERRA should, however, be amended to establish that an employer is entitled to documentation, if available, confirming that an employee performed any period of military service.
57. Both the Internal Revenue Code and USERRA should be amended to specify that when service members are mobilized and until their deployment ends, the "year" in which funds were deposited into their flexible spending accounts be frozen.
58. USERRA should be amended to specify that an exclusion or waiting period may not be imposed in connection with the reinstatement of an employer-based health care plan upon reemployment or upon termination of health care coverage under the Transition Assistance Management Program, whichever is later. In addition, the Servicemembers Civil Relief Act (SCRA) should be amended to increase the period during which a service member may apply for reinstatement of health insurance from 120 days to 180 days, the period of TAMP eligibility.
59. The SCRA should be amended to increase to a period greater than 90 days the time allowed a service member to file for relief from foreclosure.
60. DOD should replace Social Security numbers with another form of unique identifier for service members and their families in all Defense systems and should discontinue the use of SSNs on identity cards and dog tags.

Many "suddenly military" National Guard and Reserve families . . . find TRICARE to be difficult to navigate and non-user-friendly.

C. HEALTH CARE

Using TRICARE is often a challenge for reserve family members unfamiliar with its complexities. Many “suddenly military” National Guard and Reserve families, whose service members are activated for the first time, find TRICARE to be difficult to navigate and non-user-friendly. Many reserve component families find it difficult to maintain continuity of medical care using their existing health care providers once their service member is activated, because many civilian health care providers do not participate in TRICARE. Simplifying the TRICARE reimbursement and claims process would encourage more providers to participate in the program.

TRICARE Management Activity and the military services have not undertaken a sufficiently aggressive educational campaign to help improve reserve component families’ understanding of TRICARE. Important elements include more briefings, Web pages, and printed materials prepared for first-time users, as well as the creation of a centralized ombudsman capability to assist families in solving their TRICARE problems.

The Commission examined health savings accounts and flexible spending accounts as an alternative to TRICARE and found that they do not offer a viable option, as currently structured. However, as an add-on, flexible spending accounts could prove helpful in offsetting unreimbursed out-of-pocket costs, such as co-payments and deductibles.

The Federal Employees Health Benefits Program (FEHBP) makes a variety of insurance plans available to federal employees nationwide at reasonable cost. It offers a viable alternative to TRICARE, with the potential of improving continuity of care for family members when service members are activated. In addition, a stipend provided by DOD to the service member or employer, or a tax credit to the employer, to retain coverage for family members during activation could help maintain continuity of care for the member’s family and could provide an incentive for employers to hire reservists. In the Commission’s view, payment of a stipend would do more than give families an important benefit: it would constitute a major element of an enhanced compact with employers, whose continued support, like that of families, is essential to recruiting and retaining top-quality young men and women in the National Guard and Reserves.

Recommendations:

61. Congress should direct DOD to resolve long-standing issues for families not located near military treatment facilities (MTFs). This direction should include mandates to
 - a. Update educational materials to be more user-friendly, written in easy-to-understand language.
 - b. Establish an Assistant Secretary of Defense for Health Affairs ombudsman office, with a single toll-free customer support number, for family members who do not have convenient access to an MTF benefits counselor to resolve problems.
 - c. Simplify the TRICARE claims and reimbursement process to eliminate current disincentives that discourage providers from participating in the TRICARE program.
62. In addition to offering TRICARE Reserve Select to all members of the Selected Reserve, Congress should amend the law to permit reserve component members to participate in the Federal Employees Health Benefits Program (FEHBP). When the service member is activated, with or without the member’s consent, DOD should pay the premiums for coverage of the service member’s family. When the

member is inactivated, however, the member should again pay the premiums, as is now the practice, for TRICARE Reserve Select.

63. Congress should establish a program that provides the activated service member with a stipend (whose use for medical care must be certified) or provides the employer either a direct stipend or a tax credit as reimbursement for the cost of keeping the member's family in the employer's health insurance plan during the period of activation; the stipend should be based on an actuarially determined cost of the TRICARE benefit.

D. ENHANCING FAMILY SUPPORT

Family members play an important role in the service member's decision to remain in the military. Increased operational use of the reserves has placed added stresses on families and family relationships. Reserve component family members face special challenges because they are often at a considerable distance from military facilities and lack the on-base infrastructure and assistance available to active duty family members.

Some families have reported problems in obtaining needed information and assistance from other services or other reserve components. Military family members today believe that all families in the community should enjoy a comparable level of "purple" support services, regardless of an individual's service or component—with adequate funding and staffing resources. And while a robust network of reserve component family members who serve as volunteers assisting other RC family members is a critical element of an effective family support program, family readiness suffers when there are too few paid staff positions within family support programs to help maintain the volunteer network's administration.

For families living a considerable distance from on-base facilities, Military OneSource is the best current program providing "one-stop shopping" for military family support services, but it is under-advertised and underutilized. Many reserve component members and their families have never heard of this valuable resource. Families also need better sources of information and assistance during the mobilization and demobilization processes.

Military family members today believe that all families . . . should enjoy a comparable level of "purple" support services.

Recommendations:

64. DOD should create a "purple" system, available to employees of any DOD family assistance center via the Internet and phone, that would allow any family member access to needed information.
65. DOD should increase funding within reserve component budgets for family support services to ensure that there are sufficient paid staff members within these programs to maintain the services' volunteer networks. In order to reduce the isolation of reserve component families, DOD should place a paid, full-time employee charged with family support at the unit level in all units (and the term *unit level* should be defined by each component) to augment the existing volunteer network.
66. DOD should initiate and execute a massive information campaign to educate reserve component members and their families about the capabilities offered by the Military OneSource program.

67. DOD should change its policies to increase the amount of family participation in the mobilization and demobilization process in order to help educate family members about benefits, health care, family support programs, potential demobilization issues, and other family concerns.

E. ESTABLISHING A COMPACT WITH EMPLOYERS

Like families, employers have a major influence on whether reservists continue their reserve participation and on the level of that participation. In a 2002 report, DOD acknowledged the need for a stronger compact between DOD and the employers of its reserve members. Employers are experiencing many challenges because of the high operational tempo of the reserve components during the past several years. These challenges have caused a strain in relations between employers and DOD.

... employers need a stronger voice to make their concerns known at the highest levels of the Department of Defense.

Created in 1972, the National Committee for Employer Support of the Guard and Reserves (ESGR) fosters support for reserve service within the employer community and assists individual reservists who are experiencing problems with their employers because of their reserve status. ESGR relies heavily on a nationwide network of local employer-support volunteers. Given the operational use of the reserves today, the role of ESGR within the Department of Defense and within the employer community clearly should be strengthened. In the Commission's view, employers need a stronger voice to make their concerns known at the highest levels of the Department of Defense. In addition, DOD currently has no one phone number that employers can call or Web site that they can visit to receive comprehensive information on reserve component issues; such a centralized source would greatly enhance employers' education about and knowledge of these issues and would benefit reserve component members as well.

The federal government employs more reserve component members than any other employer in the United States. In the benefits it offers reserve component members, such as military leave and continued medical coverage for family members during activation, the federal government sets the pattern for other employers. The federal government should also be a model employer in its treatment of reservists, but this is not always the case.

Several countries allied with the United States are using contracts between the government, employers, and employees to form a "sponsored/contracted reserve," which can be used to provide a manpower pool for military mobilization based on specific skills. A sponsored/contracted reserve is also part of the compact between the government and the employer in which all parties participate, enabling all to agree to the reservist's level of commitment.

The resources available from the Small Business Administration to aid small business owners who employ mobilized and deployed reserve component members are not well publicized. The Small Business Administration does not have an effective program to educate small business owners on how they can protect themselves from incurring a substantial monetary loss when one of their employees is deployed. The time period during which Military Reservist Economic Injury Disaster Loan (MREIDL) assistance is available to small businesses that employ reserve component members is inadequate.

Recommendations:

68. The mission of the National Committee for Employer Support of the Guard and Reserves (ESGR) should be expanded. It should encompass helping employers

find information on a wide range of topics, including those within the purview of the Department of Labor, Small Business Administration, and Department of Veterans Affairs; preparing and distributing information to employers on post-deployment health issues faced by reserve component members, such as post-traumatic stress disorder (PTSD) and traumatic brain injury (TBI); and providing employers with information on the sources of assistance available to the member and his or her family.

- a. DOD should increase the numbers of ESGR paid staff, particularly ombudsmen in the field, to enhance the level of expertise available to employers and service members and to promote greater institutional memory.
 - b. ESGR's name should be changed to reflect its expanded mission. The new organization should balance its outreach to employers and to service members and their families.
 - c. Supervision of ESGR should be removed from the Assistant Secretary of Defense for Reserve Affairs, and the ESGR's executive director should be made an advisor or assistant to the Secretary of Defense.
69. The Secretary of Defense should establish an employer advisory council to meet regularly with and provide direct input to the Secretary of Defense. The Secretary should appoint the council members in accordance with congressional direction regarding the type and mix of employers who should be included. In addition, DOD should establish a program for regularly surveying employer interests and concerns and should track data developed in those surveys on a longitudinal basis.
 70. The President should direct all federal agencies and the U.S. Postal Service to issue guidance emphasizing the importance of reserve service; prescribing appropriate behavior for supervisors with regard to their employees who are reservists, including treatment of reservists as a criterion for rating performance; and prescribing sanctions for noncompliance. State and local governments should adopt similar policies and procedures.
 71. Information on Military Reservist Economic Injury Disaster Loans (MREIDLs) and other assistance from the Small Business Administration should be provided to reserve component members and their small business employers at the time they join the National Guard or Reserves. Either these small businesses should be able to get MREIDLs immediately, because they have key employees in the reserve component, or they should be able to do all the paperwork and qualify for the loans at that time, and then secure them as soon as the employee learns that he or she will be activated.
 72. DOD should explore the possibility of creating and implementing a standardized program for a "contracted reserve" that is developed around a contract between volunteer civilian employers, their volunteer employees, and the U.S. government to provide a specialized and skilled reserve force for use in time of need.

F. DEMOBILIZATION AND TRANSITION ASSISTANCE

The demobilization process is designed to assist reserve component members in transitioning back to civilian life. For today's operational reserve, it is also essentially the first opportunity to begin preparing reserve component members for their next deployment. Many problems in the demobilization

process have come to light during the global war on terror. Those issues have been considered over the past year by a number of other commissions and task forces and by Congress in its passage of the landmark Wounded Warrior Act. Numerous serious shortcomings have been identified in the health care provided to injured service members, including inadequate case management, delays and inconsistencies in the disability determination process, lack of coordination between the Department of Defense and the Department of Veterans Affairs, and inadequate processes for assessing such grave conditions as post-traumatic stress disorder and traumatic brain injury.

... the pre-deployment health assessment mandated by Congress may not adequately identify serious mental or physical health problems.

Several groups performing reviews have found significant differences in how disability ratings are assigned both within and between the services and between DOD and VA.

The demobilization process relies on data gathered before service members deploy, but the pre-deployment health assessment mandated by Congress may not adequately identify serious mental or physical health problems prior to deployment. Once service members return, shortcomings in the demobilization process delay timely identification of PTSD, TBI, and other serious health problems. There are significant disparities among the services with respect to how well health care providers follow up on the mental health questions on the Post-Deployment Health Assessment (PDHA). The Office of the Secretary of Defense also has failed to provide uniform guidance. In addition, the services do not adequately track completion of the Post-Deployment Health Reassessment (PDHRA) within the required 90–180 days, a lapse in oversight that affects reserve component members.

While physical injuries are usually identified and treated when they occur, mental health problems may at first not be easily detected or may be the result of cumulative exposure. Inactivating reserve component members often lose touch with their colleagues and their chain of command during the transition process, as current DOD policy exempts involuntarily activated members from drill periods for 60 days after a unit returns from deployment. During that span of time, serious problems may go unrecognized. And problems may be exacerbated if the PDHRA is not administered in a timely manner.

In fact, 44 percent of reservists and 41 percent of national guardsmen screened since 2005 have reported some concerns about psychological health. Because many reserve component members live at a significant distance from military installations, however, they often have considerable difficulty in finding good information about and access to medical care. Reserve component members who serve in cross-leveled units distant from their home station and as individual replacements can face particularly difficult challenges in finding needed support and assistance after they are inactivated.

Reserve component members returning from theater may be discharged with their dental problems unresolved. Many are unaware that they have a limited time period, recently increased from 90 to 180 days, to access dental care through VA. Failing to seek such care can impair dental readiness for the next deployment cycle and result in additional out-of-pocket expenses.

Many reserve component members do not receive adequate transition assistance information during briefings and during the demobilization process, especially when demobilization occurs at a site other than their home station. A good model is the Minnesota National Guard's Yellow Ribbon Program, which offers a promising holistic system for addressing the reintegration challenges of medical benefits, suicide prevention, family benefits, legal issues, education, employment, and business.

Recommendations:

73. To ensure coordinated implementation of the excellent recommendations of the reports submitted by numerous commissions over the past six months, as well as Congress's landmark Wounded Warrior Act, the President should require the development of action plans—including timelines for implementation—by the Department of Defense, the Department of Veterans Affairs, and other federal agencies. The President should also establish a cabinet-level task force to oversee their implementation, coordinate interdepartmental concerns, and address issues of funding with the Director of the Office of Management and Budget. The cabinet-level task force should make its top priority restructuring and streamlining the DOD and VA disability determination processes and eliminating other long-standing VA and DOD stovepipes, such as medical information systems that lack interoperability and bidirectionality.
74. The pre-deployment health assessment should be revised to reflect the original congressional intent to establish baseline health data, including data on psychological health; it should also go beyond the current reliance on self-assessment to incorporate greater participation by health care providers.
75. Reserve component units should resume monthly drills immediately after demobilization. As recommended by DOD's Mental Health Task Force, "At least the first drill should focus on reintegration issues with attention to discussion of deployment experiences, aspects of reintegration into community life, coping strategies and resilience supports, and other appropriate topics."
76. The services should more closely track Post-Deployment Health Reassessments to ensure that they are completed within the statutorily required 90–180 days and that a member who has identified problems on the reassessment receives face-to-face counseling from a provider. In addition, a tracking system should be established to identify reservists who have not completed the PDHRA, and DOD should monitor the services' compliance with all requirements.
 - a. DOD should prescribe uniform guidance for providers who follow up on responses to the mental health questions on the Post-Deployment Health Assessment, and it should monitor the services' compliance.
 - b. DOD, VA, and the services should establish protocols requiring VA participation in the counseling of service members and their families both before and after deployment, as well as VA participation in all post-deployment health reassessments.
77. The services should develop a protocol to ensure that needed services are available to reserve members who do not demobilize at their home station or who are members of the Individual Ready Reserve. The services should establish a tracking system to make certain that these individuals receive all the information, help, and benefits to which they are entitled.
78. Reserve component members should have one year to apply for dental care through VA.
79. Transition assistance information should be provided not just during the demobilization process but also during the first several post-demobilization drill sessions. Family members should be encouraged to attend and to participate in transition

assistance; they should be counseled on the services available to assist families in coping with post-deployment concerns.

80. A single standard of reintegration care should be provided to all those who serve on extended or multiple deployments regardless of their service or reserve component category (Individual Ready Reserve, Retired Reserve, or individual mobilization augmentee). Funding to provide these services should be reflected in each service's base budget for the reserve components.

VI. REFORMING THE ORGANIZATIONS AND INSTITUTIONS THAT SUPPORT AN OPERATIONAL RESERVE

Congress directed the Commission to assess the current and future organization and structure, roles, and missions of the National Guard and Reserves. The current leadership structure of the reserve components and categories of reserve service were created and evolved during an era when the reserve components were intended to be used solely as a strategic reserve. If the Department of Defense and Congress choose to continue to use the reserve components as both an operational and a strategic force, then they will need to reform department, service, and reserve component organization and leadership structures to sustain that force.

Conclusion Six: The current reserve component structure does not meet the needs of an operational reserve force. Major changes in DOD organization, reserve component categories, and culture are needed to ensure that management of reserve and active component capabilities are integrated to maximize the effectiveness of the total force for both operational and strategic purposes.

A. MAKING NECESSARY CULTURAL CHANGES

Though there have been efforts at the highest levels to bridge the cultural and structural divide between the active component and the reserve component and though improvements have been realized in some of the services, the divide persists, to the detriment both of components and of the overall military mission. Some cultural divisions are not just perceptions but are based in law.

Recommendations:

81. While differences will persist, the Secretary of Defense should recognize the cultural divide that exists between the reserve components and the active components, and should develop a new Total Force Integration Policy to achieve the next level of integration among all components.
82. The service Secretaries should ensure that active component officers are encouraged to serve in reserve component units and that such service is considered favorably when determining who is most qualified for promotion.
83. Reserve component officers and senior enlisted personnel should be selected for leadership positions in reserve component units without geographic restrictions. As proposed in Recommendation #53, reserve training travel allowances should be modified to eliminate fiscal obstacles to implementing this policy.

84. All vestiges of the cultural prejudice existing between reserve and active component personnel that remain in law and policy should be removed. In particular, Congress should modify section 1187 of Title 10 to allow reserve officers to serve on Boards of Inquiry for active component officers.
85. Reserve designations should be removed from all titles, signature blocks, and unit designators.

B. TRANSFORMING RESERVE COMPONENT CATEGORIES

The existing reserve component categories (RCCs) were designed to facilitate rapid expansion of the armed forces for a major war with the Soviet Union. They do not optimally support the rotational use of the reserve components over a prolonged period, as now envisioned by the Army and Marine Corps. The existing reserve component categories are not meaningfully tied to mobilization statutes, in that the three major subdivisions of the RCCs—Ready Reserve, Standby Reserve, and Retired Reserve—are not constituted in a way that reflects their readiness for mobilization, their use on a cyclic rotational basis or as part of a strategic, surge force, or their priority for resourcing.

The existing reserve component categories . . . do not optimally support the rotational use of the reserve components over a prolonged period.

The current construct of RCCs must be expanded to encompass the total force, including the active components and retirees, both regular and reserve. This spectrum also includes men registered with the Selective Service System. Managing this entire spectrum holistically will foster required integration and a true continuum of service. It will support the reserve components' role as part of the operational forces and more efficiently allocate efforts to manage personnel who are part of the nation's strategic reserve force.

Recommendations:

86. The current reserve component categories should be reorganized. The total force manpower pool should be viewed as consisting of the full-time active components and the reserve components, which should be divided into two categories that support integration, a continuum of service, the operational use of the reserve force, and continuing strategic depth and the ability to surge when required. DOD and the services should effectively manage and resource both of the categories.
 - a. The two major divisions that should be established are
 - The Operational Reserve Force, which will consist of present-day Selected Reserve units and individual mobilization augmentees and will periodically serve active duty tours in rotation supporting the total force.
 - The Strategic Reserve Force, which will consist of two subdivisions:
 - The Strategic Ready Reserve Force, consisting of current Selected Reserve units and individuals who are not scheduled for rotational tours of active duty as well as the most ready, operationally current, and willing members of today's Individual Ready Reserve and retired service members (regular and reserve), managed to be readily accessible in a national emergency or incentivized to volunteer for service with the operational reserve or active component when required.

- The Strategic Standby Reserve, consisting of those current Individual Ready Reservists and retired service members (regular and reserve) who are unlikely to be called on except in the most dire circumstances yet who still constitute a valuable pool of pretrained manpower worth tracking and managing.
- b. Today’s Standby Reserve category should be eliminated and its members that are not viable mobilization assets should be excluded from the total reserve force; those that are temporarily unavailable for mobilization should be maintained in the Strategic Reserve together with others unlikely to be called to service except in the case of full mobilization.
 - c. DOD and service leaders, in consultation with the Chairman of the Joint Chiefs of Staff and combatant commanders, must carefully determine which portions of each reserve component’s current Selected Reserve should be placed in the Operational Reserve Force and which should be placed in the Strategic Reserve Force. These decisions must be based on requirements for units in rotation in constructs such as the Army Force Generation Model, the Marine Corps Total Force Generation model, and the Air Force Air and Space Expeditionary Force model. Requirements for homeland security and civil support capabilities must also be considered, and they may dictate that larger portions of the National Guard components be maintained in the Operational Reserve Force.
 - d. Each service must develop tools and incentives to manage each individual’s movements between RCCs according to requirements for personnel, skills, and experience in active component and reserve component units and according to each individual’s willingness and ability to serve. These tools must consist of both inducements for individuals to volunteer for service with operational forces when needed and the legal authority to enforce their compliance with contractual obligations.
87. Members of the current Individual Ready Reserve and all military retirees should be placed into either the Strategic Ready Reserve Force or the Strategic Standby Reserve—depending on their readiness and willingness to serve, and on the need for their skills—and both categories should be managed to take advantage of these individuals’ vast experience, including for homeland-related missions.
 88. Regular retired service members and retired reserve service members should be managed together in the same RCCs and encouraged both to volunteer and to maintain readiness for identified mobilization assignments.
 89. Service Secretaries should be held accountable for resourcing and managing their total reserve manpower regardless of category in order to maintain, ready for activation, the optimal pool of personnel with required skills and experience. The Secretary of Defense should report annually to Congress on the status of both the Operational and Strategic Reserve Forces.
 90. DOD should treat individuals registered with the Selective Service System as part of the total manpower pool available in the event of national emergency, and should coordinate planning for the mobilization and training of those individuals with the Director of the Selective Service System.

C. REFORMING INSTITUTIONS TO SUPPORT AN OPERATIONAL RESERVE

Management of reserve forces was segregated from management of the active force during the Cold War. This approach, which worked when DOD plans assumed that the reserves would be called on once in a generation, is ill-suited to a long war that will require the use of the reserves as part of an operational force for the foreseeable future. Current and projected reserve component missions require greater interdependence between the reserve and active components than now exists.

As was discussed in our March 1 report regarding the Chief of the National Guard Bureau, the duties and responsibilities of the reserve component Chiefs have changed significantly since 9/11. As a result, a grade review is also needed in their case.

Title 10 of the United States Code assigns to the service Secretaries the responsibility and authority for conducting all affairs within their departments, including the management of reserve components. Service Chiefs have a similar mandate to oversee the manning, training, and equipping of their reserve forces, including the National Guard components. The Directors of the Army and Air National Guards, reporting solely to the Chief of the National Guard Bureau, are not optimally positioned to facilitate the execution of Title 10 responsibilities by the Secretaries and Chiefs of the Army and Air Force, respectively.

The Commission believes that the individuals serving in the Office of the Assistant Secretary of Defense for Reserve Affairs are some of the most highly qualified public servants in the Department of Defense. However, this office operates in isolation from functional managers elsewhere within the Office of the Secretary of Defense and thereby inhibits total force integration. It also operates in areas that interfere with the legal mandate given to the service Secretaries and service Chiefs to manage the reserve components. Moreover, its existence has exacerbated a tendency within the Office of the Secretary of Defense and the Joint Staff to deal with reserve component issues on a separate, stovepiped path, rather than efficiently integrating them with total force issues in the functionally organized offices of the Secretary. These problems are purely a function of the organizational structure with the Office of the Secretary of Defense, and do not reflect on the fine professionals who work in this office.

. . . the Office of the Assistant Secretary of Defense for Reserve Affairs . . . operates in isolation from functional managers elsewhere within the Office of the Secretary of Defense and thereby inhibits total force integration.

Recommendations:

91. The services Secretaries should manage reserve issues as part of the total force and assign the staffs who work on those issues to the appropriate assistant secretary assigned responsibility for the corresponding active component issues.
92. The Secretary of Defense should direct each service to review the duties, command relationship, authority, and grade of the respective DOD reserve component Chiefs/Commanders to determine whether the grade is appropriate for the duties being performed, and whether it is commensurate with duties performed by four-star officers in the Department. The Secretary should initiate action, as necessary, to change the grades determined to be appropriate for the reserve component Chiefs/Commanders. The grades of all reserve component Chiefs/Commanders and the Chief of the National Guard Bureau should be periodically reviewed to

ensure that the duties and responsibilities required for these positions support the grade designated for them.

93. The statutory qualifications of all reserve component Chiefs should include the requirement that the officer appointed should be from the reserve component of the office to which he or she is appointed. Congress should amend sections 5143 (Office of Naval Reserve: appointment of Chief) and 5144 (Office of Marine Forces Reserve: appointment of Commander) of Title 10 to ensure that the Chiefs of the Naval Reserve and Marine Forces Reserve are from the reserve components of those services.
94. Congress should establish an office for the Director of the Army National Guard and an office for the Director of the Air National Guard within the Army and Air Force staffs, respectively. The directors of these offices would have responsibilities similar to those held by the Chief of the Army Reserve and the Chief of the Air Force Reserve. The Director of the Army National Guard of the United States would assist the Army Chief of Staff in executing the Chief's responsibilities pursuant to Title 10 U.S.C. §3033. The Director of the Air National Guard of the United States would assist the Air Force Chief of Staff in executing the Chief's responsibilities pursuant to Title 10 U.S.C. §8033. The Directors of the Army and Air National Guard would have dual reporting responsibilities—reporting both to their respective Chiefs of Staff and to the Chief of the National Guard Bureau for non-federal National Guard matters. The Secretaries of the Army and Air Force should evaluate the need to establish commands for Army and Air National Guard forces serving in a Title 10 status as members of the Army National Guard of the United States and Air National Guard of the United States, respectively, and whether the Directors of the Army National Guard and the Air National Guard should command such organizations.

Explanation of Recommendation #94

The Commission believes that long-standing problems associated with relations between the Air and Army National Guard and their parent services, while to some extent necessary outcomes of tensions inherent in our federalist system of government, nevertheless must be examined and alleviated in order to enhance the ability of the National Guard to perform its vital state and federal missions. The Commission believes that any proposed solutions should better align the statutory authorities (10 U.S.C. §3013 and §8013) and responsibilities of the Secretaries of the Army and Air Force from the service Secretaries to the Directors of the Air and Army National Guard. These service Secretaries are responsible for formulating “policies and programs that are fully consistent with national security objectives and policies established by the President and Secretary of Defense” for their entire department, including the National Guard components.

The Chief of National Guard Bureau's role would be elevated by provisions in the 2008 National Defense Authorization Act, consistent with the recommendations of our March 1 report. Having been given a four-star rank and increased responsibilities as an advisor to the Secretary of Defense on matters related to the National Guard forces in non-federal status, the CNGB should retain the ability to influence decisions regarding such matters and ensure that the needs of states and their governors are addressed in policies formulated by the Secretary of

. . . long-standing problems associated with relations between the Air and Army National Guard and their parent services . . . must be examined and alleviated.

Defense. The CNGB would also retain direct lines of communication to the service Secretaries and their Chiefs of Staff. At the same time, placing National Guard leaders on the staffs of the service Chiefs of Staff will ensure that those same policies are carried out at a lower level in the Department and that the National Guard components are provided the resources they require to perform effectively in both their state and federal roles. We believe this is the best approach to solving the problems we identify; we emphasize, however, that what is most important is not how the problems are solved but that they are solved as soon as possible.

The service Secretaries have statutory authority (10 U.S.C. §§3074 and 8074) to prescribe command organizations. When National Guard service members are called into federal service they are operationally attached to specific commands to perform their operational missions. However, as in the case of Army and Air Force Reserves, the Secretaries may determine it is beneficial to have a specific commander responsible for other oversight of these service members. The Commission sees considerable merit in the proposal to establish such commands, but believes the nature of these structures should be determined by the service Secretaries based on the needs of their service. (See Appendix 1 of the full report for Additional Views of Commissioner E. Gordon Stump on this recommendation.)

95. **Congress should pass legislation eliminating the Office of the Assistant Secretary of Defense for Reserve Affairs. The Secretary of Defense should report to Congress on how responsibility for reserve issues currently managed by the ASD-RA will be addressed by the appropriate under secretary or assistant secretary assigned responsibility for corresponding active component issues, and whether any further legislation is needed to ensure that personnel working on reserve issues hold rank and have responsibilities commensurate with those of their counterparts who handle active component issues.**