DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE COMMISSION ON THE NATIONAL GUARD AND RESERVES

SUBJECT: CHANGES NEEDED TO TRANSFORM NATIONAL GUARD AND RESERVES TO SUSTAINABLE OPERATIONAL FORCE

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NOT FOR PUBLICATION UNTIL RELEASED BY THE COMMISSION ON THE NATIONAL GUARD AND RESERVES Chairman Punaro and distinguished members of the Commission on the National Guard and Reserves, thank you for the opportunity to appear before you today and present testimony relative to the United States Air Force and its Total Integrated Force. Integration is key and fundamental to how the Air Force fights the Global War on Terrorism. The Air Force generates our integrated forces by utilizing the Regular, Air National Guard (ANG), and Air Force Reserve (AFR) to fulfill mission requirements.

Never before in the history of the United States have the members of the AF Reserve Components played such a pivotal role in the defense of our homeland and our National Security Objectives around the globe. Today, there are over 9400 ANG and AFR personnel on duty in a Federal Status both at home and abroad. Additionally, we have over 1100 ANG personnel on Title 32 status in support of the Border Patrol through OPERATION JUMP START; these outstanding members epitomize the "Citizen Soldier". The long standing tradition of the volunteer force dates back to the days of colonial times when citizens put aside the tools of their trade and took up the musket for the common defense. This tradition has stood the test of time as the reserve components have participated in every major conflict in the history of our great nation. Over a century ago, America crossed the threshold of powered flight and gave wings to the world. Today, the Air Force continues its transformation of the Total Force – Regular, Air National Guard and Air Force Reserve -- to meet the emerging challenges of a dynamic world and to ensure the nation's security by dominating air, space, and cyberspace at home and abroad. Active Duty Airmen, Air National Guardsmen, and Air Force Reservists have, since our inception as a separate Service, worked side-by-side toward that future.

You asked what changes have been implemented to transform the Air Reserve Components (ARC). The Air Force is engaged in an unprecedented Total Force Integration (TFI) effort to produce a smaller, more capable and more affordable fighting force composed of Regular, Guard, and Reserve Airmen by recapitalizing our force and changing our organizational constructs. These changes will defend against, deter, and defeat every adversary in any future challenge to the American way of life. Air Force commitment to the Total Force construct seeks to maximize the Air Force's overall Joint combat capability through air components cohesion. TFI is critical to meeting the challenges of competing resource demands, an aging aircraft inventory, and emerging missions with unique capabilities. There is nothing conventional about TFI.

The Air Force began phasing in TFI initiatives in 2005. On 14 Mar 07, the SECAF and CSAF signed-out the Phase IV TFI initiatives list that added 22 initiatives, bringing the total to 138 initiatives involving Regular, Guard, and Reserve Airmen working together. Integration efforts ensure the Air Reserve Components are involved in emerging missions using the most advanced weapon systems. Examples of our integrated associate units include F–22s in Virginia and Alaska, C–17s in Hawaii, F–16s in Utah, C–130Js in Wyoming, GWOT Intelligence Analysis in Kansas, and Unmanned Aerial Vehicle (UAV) missions in Nevada. These new missions together with Predator, Distributed Ground Stations (DGS), Warfighting Headquarters (WFHQ), Space, and Joint Cargo Aircraft (JCA) provide greater capabilities to meet homeland crisis response and provide Combatant Commanders' reach-back support while concurrently providing the units stability and predictability.

Our Airmen—Regular, Air National Guard and Air Force Reserve--have proven tremendously successful across the spectrum of operations, from humanitarian efforts the Global War on Terrorism (GWOT) which includes both Defense of the Homeland and global deployment. The Air Force continues to rebalance Regular Air Force and Reserve Components aircraft and end strength. Over 30 years ago, the Regular/Reserve Component personnel end strength ratio was 8.2 to 1 and the Regular/Reserve Component aircraft ratio was 4.3 to 1. However, by FY 2010, programmed rebalancing efforts will dramatically lower these ratios to reflect Regular/Reserve Component end strength of 2 to 1 and a Regular/Reserve Component aircraft ratio of 1.75 to 1. Part of these rebalancing efforts calls upon greater use of the Regular AF/ANG/AFR association relationships through Total Force Integration.

Total Force decision-making is an inclusive process. All stakeholders have a voice in ensuring their contributions to the Air Force best supports national strategy. It is founded upon the trust developed between our three components, and based on a common goal of providing Air and Space Power to America. We will seek a partnership with other stakeholders within the Department of Defense (DoD) as we move forward. The Total Force concept is the focus of everything we do as an Air Force from budgeting and policy making to organizing, training, and equipping the air components and deploying forces.

We are convinced our transformation efforts are on target. As we move forward, the Air Force faces increasing modernization and recapitalization challenges, budgetary pressures, and elusive adversaries. Our nation's air dominance cannot be assumed. We are stretching the service life of legacy weapon systems while investing in cutting-

edge technology and highly capable, highly trained personnel. We must make transformational changes to optimize the capability these advances give us.

You asked what changes have been implemented to reduce stress on the Air Reserve Components.

As competition within the global and domestic markets intensifies, the

Department of Defense is increasingly reliant on highly competent people and services.

To compete effectively, the DoD must ensure its Human Capital Management (HCM)

policies and processes are agile, dynamic, and forward looking. Personnel planning

and recruiting must be proactive and focused to acquire the right people with the right

skills at the right time.

A pillar of Total Force is HCM through the Continuum of Service (CoS) program that aims to provide tools to facilitate the smooth transition between Total Force components, while balancing competing public and private sector demands to effectively support the National Military Strategy. CoS seeks to integrate Total Force personnel management policies to facilitate the management of the human capital lifecycle - for both military and civilian, regular and reserve component members -- to sustain, develop, and deliver the force. CoS directly supports the Air Force's top three priorities of supporting the global war effort; maximizing availability of skills and experiences of our Airmen to integrate force development activities; and recapitalizing and modernizing the Total Force. CoS aims to facilitate the seamless personnel movement between Regular, Reserve, and Civilian Component duty statuses. The 21st century operating environment mandates increased integration of Air Force workflow components. Now and in the future, the US military must fight as a single integrated

whole. This means aligning not only the services – Army, Navy, Air Force, and Marine Corps -- but also and most importantly within the service

The principal goals of a continuum of service construct:

- Enhance Regular/Reserve Component Career Development –under the
 CoS construct, the concept of serving in a particular component to a
 concept of performing Air Force missions across a continuum of service in
 different components."
- Establishment of new affiliation programs by maximizing the effectiveness of CoS requires consideration of a variety of non-traditional personnel management initiatives and approaches to enhance air and space power.
- Improve flexibility of compensation systems to attract, retain, motivate and reward its people. To provide for the smooth transition of members among Total Force components, barriers must be identified and concrete strategies developed to balance military pay and benefits in sustaining recruitment and retention of highly qualified people as well as cost effective and ready military force. A good example of a financial incentive process that does not seem appropriate for the current GWOT OPSTEMPO is the Aviation Career Incentive Pay (ACIP) and Crew Enlisted Flight Incentive Pay (CEFIP) which is based on the 1/30th rule. The foregoing will pay 1/30th of a full month's ACIP/CEFIP for one day of flying a mission...an active duty crew member would be paid a full month of ACIP/CEFIP for the same one day, thus ARC members, even though they may be flying at a greater OPSTEMPO in the course of a month must

fly every day that month to receive a full month's ACIP/CEFIP. The AF Audit Agency recently completed an audit of the AF ACIP/CEFIP processes and found that RegAF pay was always standard without any inherent computation or distribution problems; ARC ACIP/CEFIP processes were found to be labor intensive (expensive) and often inaccurate causing morale problems for over or under payment.

- Increase access to critical skills to enhance support to defense missions and elevate return on training investment.
- Increase access to specialized skills in the civilian labor-market through new lateral entry programs.
- Improve flexibility and agility through planned and executed Total Force operations.
- Maximum utilization of limited resources while optimizing emerging technologies.

The Air Force CoS program supports OSD as well as Total Force. CoS plays an integral role in the Air Force Personnel Delivery Transformation and Total Force Development constructs by providing a bridge from compliance based Cold War legacy policies and process to modern management philosophies that meet today's multifaceted asymmetrical challenges.

Existing laws, policies, practices, cultural, financial, and technological factors often impede the individual's movement between components. These factors constitute "barriers" that seriously diminish the capacity of DoD to acquire and retain the personnel and skills needed. The Air Force has developed an evolving "Barriers Matrix". This

matrix provides the foundation for coordinating efforts with the Office of Secretary of Defense and our sister services to systematically identify problems and solutions to reach stated CoS goals. A few examples of existing barriers are:

- Grade Inequities: Currently, Regular AF personnel utilize Total Active Federal Military Service (TAFMS) time to determine the grade of ARC personnel who are accessed into active service. TAFMS does not consider inactive duty or civil service time, in the case of Air Reserve Technicians.
- Skill Inequities: There are no standardized methods for assessing professional competencies that ARC personnel nor line RegAF posses based on experience received in civilian or other experience.
- Accession Process: Members processing between components are treated as new accessions versus transfers or reassignments which create administrative problems and delays that can discourage continued service.
- Personnel System Interoperability: Regular AF and ARC personnel data systems lack interoperability. Personnel actions (such as pay, training, duty status, assignment, orders systems) are not integrated across component Human Resource military information systems.
- Duty Status: Multiple pay status categories (32) complicate management of ARC personnel and produce a complicated series of "on and off" ramps for CoS Integration Issues:

Integration Issue: The Air Force faces challenges when RC members move between extended active duty (EAD) and training events. Often, the RC member must choose to lose EAD benefits (such as basic allowance for housing, medical, dental, etc.) during the training period. Only to have the benefits restored upon returning to EAD status. For example: To attend, a two week Joint Training Course, spanning the beginning and ending of any given month, a Reserve member on extended orders will amend EAD orders, lose 2 months of Basic Housing Allowance and may be obligated to repay Permanent Change of Station costs incurred by the EAD tour. Most members can not "afford" this loss of benefits and will turn down training. This lost training opportunity negatively impacts the member, service readiness and disincentives volunteerism.

Implementation of CoS will provide seamless access to Regular, Reserve and civilian personnel to serve in various forms of duty in response to a mixture of personnel needs and national security requirements. The Air Force is leaning forward to implement new, flexible, targeted and comprehensive policies to facilitate a seamless force through a Continuum of Service construct. We believe a given is that our airmen want to serve, we just need to permit them to do so.

The ARC has served in all modern conflicts. In the aftermath of the Vietnam War, the Abrams Doctrine identified a strong link between public support for military operations and employing the reserves. During this period, the Total Force concept emerged and embraced the all volunteer force as a strategic force reserved for major combat operations. As defense budgets declined, the ARC was recognized as a cost

effective way to maintain military capabilities. In February 2000, the Defense Science Board Task Force on Human Resources Strategy stated the Operational Reserve concept was a "move to a more seamless integration of active and reserve components with a single, integrated personnel and logistics system." This integrated Total Force compensated for a smaller Regular AF by providing better access to the ARC and a ready war-fighting capability to meet worldwide global threats. Today, the ARC remains a strategic force through more integrated day-to-day operations and participates at a higher level in operational missions. In July 2006, the Center for Strategic and International Studies (CSIS) report, "The Future of National Guard and Reserves" states "with the exception of the Air Force, greater and sustained use of the Reserve Component in military operations is a paradigm shift for most of the military services and the DoD, and the implications of this shift have not yet been fully realized."

An Operational Reserve is defined as a trained, predominately part-time force, a portion of which is mission-tasked and engaged at all times. This force, a part of which is designed, structured, and resourced to conduct operational missions on a continuous basis, assumes full-time roles and functions. The remainder of the force is readily available to be placed on active duty to conduct operational missions as needed.

Total Force Integration (TFI) is the Air Force's innovative organizational construct and an integral aspect of Force Shaping. The Air Force has already championed associate units and Community Basing missions within the F-16, C-17, C-5, C-40, and AFSOC communities. These programs strengthen the Air Force model of "one team - equal partners" and ensure comparable training standards within all the components.

You asked what changes are being implemented to make the operational reserve a sustainable force for the long war and beyond. As we face the challenges of today's global environment, the Air Force cannot meet today's worldwide requirements/ missions without significant Guard and Reserve involvement.

The daily accomplishments of the ARC validate the underlying premise of Total Force. Increased Total Force integration must continue to leverage the unique capabilities of the Regular, Guard, and Reserve to provide Combatant Commanders the capabilities they need to meet national security requirements. To make the contribution of the Air Reserve Component work, the Active Component must ensure predictability is achieved through the effective execution of the Air/Space Expeditionary Force construct. Since the onset of GWOT, the Air Force Reserve has flown over 101,480 sorties, logging more than 430,768 hours of flying time and the Air National Guard has flown more than 245,100 sorties, logging over 738,126 hours of flying time all in support of GWOT. The magnitude of our Guard and Reserve personnel contributions to our nation's defense requires a fundamental rethinking of the nature of our reserve component service.

To support volunteerism, the Air Force will work with operational commanders, their staffs and subordinate operatives to assess what works best and provide proposal to eliminate barriers and implement pilot programs. We will work with the DoD in the upcoming budget cycle to see how these proposals might be implemented.

The Air Force has embraced rebalancing efforts to fully integrate the ARC and sustain the force for current and future contingencies. First, we have increased unit

associations and shifted reachback allowing Guard and Reserve forces to train to perform an operational mission and execute that mission from home station.

Reachback capabilities support theater commanders by leveraging civilian-based competencies and talent difficult to replicate in a full -time force. Additionally, this provides more Aerospace Expeditionary Force (AEF) and GWOT options for greater flexibility and force utilization. The Air Force proposed changes to Title 10/Title 32 in the National Defense Authorization Act for FY 2007 which would streamline ARC training for a larger pool of ready personnel. These new authorities streamline ARC training to provide a larger pool of ready capability.

Air component members are and have been deployed around the world and help to maintain peace and security. In today's environment, the pace of reserve force operations is expected to remain high and will stretch indefinitely into the future.

Volunteerism is the Air Force's force-multiplier; it allows the AF to source more missions with ARC personnel than through the new 1 to 5 Total Force Utilization construct. The Air Force has maximized the critical availability of their reserve component volunteer forces through legislation and proudly emphasizes volunteerism in meeting national strategic objectives. The National Defense Authorization Act of FY 2005 provided relief from end strength accounting and added flexibility to ensure volunteers would not count against active duty end-strength while serving no more than 1095 days within a 1460 day rolling period (3 years in 4). Enhancing ARC member's ability to volunteer provides a more predictable service environment for the military member, their family, employer, and commander. In turn, this predictability allows more advanced planning, lessens disruptions, and enables more volunteer opportunities. This solution to continue to

support volunteerism acknowledges the great sacrifices of our ARC warriors and ensures that our nation continues to have a pool of ready, trained, and willing professionals in direct support of GWOT. The USAF continually recognizes the importance of the outstanding volunteerism of the ARC,

Although we cannot speak to the ARFORGEN concept, the Air Force will continue to support the long-term vision of an operational reserve through our expeditionary construct. The Air Force is an expeditionary global force configured for the full spectrum of air and space operations. It has returned to its expeditionary roots in the way it organizes itself and presents its forces. This construct provides a unifying structure that brings all Air Force members together in shared challenges, goals, and successes. An expeditionary military force by definition is one that can conduct military operations on short notice in response to crises with forces tailored to achieve clearly stated objectives. The rotational structure provides Air Force personnel predictability for their lives and stability for their training. Predictability also is key to optimizing peacetime participation of the traditional guardsmen and reservists who must balance military duties with full-time civilian employment.

The debate as to whether we are an Operational Reserve is over. Approximately 25 percent of each AEF rotation is AFR and ANG. We rely on the capabilities of the guard and reserve to support operational missions and the expectation is that this increased reliance will continue. Whether it is the airlift or fighter aircraft in the Iraq area of responsibility, rescue crews, aero medical or weather reconnaissance personnel in natural disasters, or reachback operations flying satellites and predators, the ARC is engaged and an indispensable element in the defense of this nation.

You asked if there are areas of concerns that remain unaddressed by the Department.

Volunteerism is integral to Air Force responsiveness. It is incumbent on the commission to review and recommend changes to eliminate barriers in current legislation that inhibit volunteerism. There are two concerns with multiple call-ups and high ops tempo: "first, the sustainability for both reservists and employers during multiple cal-ups, where reservists are trying to serve two masters." Second, if we are going to use the Guard and Reserve in this fashion of multiple extended call-ups, then Congress needs to address the compensation package that goes along with this service.

The guiding principals for continued Air Force success for a fully integrated Total Force include:

- Review and rewrite the Total Force Policy.
- Allow the RC to fill COCOM requirements, each in their own way - one size does not fit all...In-lieu-of mission impact readiness
- Change policies, processes to enable Continuum of Service
- Validate and provide oversight on Joint RC operational support requirements.
- Keep PERSTEMPO predictable to ensure employer support.
- Examine processes and polices to provide more efficient and flexible support of federal missions by reserve component personnel while in state and training statuses.
- Examine AGR policies in support of federal missions to fill operational requirements.

The DoD must consider retention from a total force perspective. Force drawdown incentives should include Selected Reserve participation as a viable option. Legislation regarding separation should encourage incentives for continued active participation in the Reserve components. It is imperative legislation does not incorporate language that would desensitize component affiliation. Recruiting and retaining our experienced airmen is the best investment the country can make to ensure the force is ready for any emergency.

As discussed earlier, the National Defense Authorization Act 2005 provided relief from end strength accounting and added flexibility to ensure volunteers could seamlessly transition in support of the Air Force requirements. This legislation was passed, as a vehicle to eliminate the 179 day limit for participation. The Commission should examine exempting MPA performed in support of Emergency Contingency Operations from total end-strength accounting. Restated, Emergency Contingency Operations reporting would remain separate from MPA for Active Duty for Operational Support. (1095 days out of 1460)

In summary, integrating the Total Air Force ensures all components are ready to perform tomorrow's missions today. Missions can no longer be stove piped into Regular, Guard, or Reserve – a unified Total Force effort is required. The Guard and Reserve have assumed new mission roles in space, reconnaissance, airlift, and support. This brings Air Force front-line weapon systems to the Guard and Reserve; (F-22A, B-2, JSF, UAVs and cyber systems) and allows force unification at all levels. The Air Force will continue to operate as a seamless Total Force in times of peace and in times of war.