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ARMED SERVICES COMMITTEE

COMBINED STATEMENT OF
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PERSONNEL SUBCOMMITTEE
OF THE
SENATE ARMED SERVICES COMMITTEE
ON
RECRUITING & RETENTION
MARCH 20, 2002

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INTRODUCTION

Mr. Chairman, and distinguished members of the Subcommittee, thank you for this opportunity to appear before you today to testify on behalf of the outstanding men and women of the United States Navy. I want to express our deep gratitude for the outstanding support Congress, especially this subcommittee, continues to show for Navy people and their families during this unprecedented time in our Nation's history.

Even as we continue to wage war on terrorism, the military readiness of the greatest Navy in the world continues to improve. Navy men and women are at the top of the Chief of Naval Operations' (CNO) top five priority list and he has remained committed over the last year-and-a-half to the resources necessary to win our battle for people. This year's Navy Military Personnel budget request continues the momentum we have been building. We have met recruiting goals for the past three years and our reenlistment rates are reaching unprecedented levels and we continue to reduce the attrition of our junior Sailors.

The pay raises, both across-the-board and targeted; enhancements to special and incentive pays, especially career sea pay; efforts to improve housing and reduce out-of-pocket housing expenses; the authorization to participate in the Thrift Savings Plan and improvements in medical care and retirement reforms, are among the most significant factors that have helped us attract and retain the Sailors we need today, many of whom will form the core of tomorrow's Navy leadership. As a result of these and other accomplishments, battle groups deploying to execute the Nation's global objectives are better manned than any time in recent memory.

Readiness Dividend

The investments made in our people over the last few years paid off when Navy was called into action on September 11th. Five Carrier Battle Groups and Amphibious Readiness Groups have deployed (some early) in support of Operation Enduring Freedom in the highest states of personnel readiness. They have operated at wartime tempo -- twenty-four hours a day, seven days a week – without requiring additional personnel. Having the right number of people with the right skills on deck as the war started enabled Navy to lean forward and strike the first blows into Afghanistan without having to wait for more people to arrive.

Last year, Navy made a strategic decision to pay for approximately 4,000 additional strength above the original budget submission, to improve fleet readiness. Today, we are continuing those efforts to maintain the highest states of personnel readiness by minimizing gaps at sea, especially for deploying units. On average, battle group manning has increased by approximately 800, with additional personnel arriving as early as 12 months before deployment.

SUSTAINING THE WAR

Since the attacks of September 11th, Navy has activated over 10,000 Reservists, from those who provide force protection and intelligence capabilities to linguists and medical personnel. Navy also invoked a limited stop-loss which impacted less than 10,000 people in the same skill areas, but recently reduced that requirement by about half. The CNO has directed the Navy staff to develop plans for a prolonged conflict, which will require phasing out the first wave of mobilized Reservists with new Reservists, active personnel or technological alternatives to force protection functions.

New requirements have emerged in force protection as we increase our baseline posture across the Navy to heightened threat conditions. The Reserve activation has gone a long way in helping us fill these requirements in the short-term, but our ability to maintain the heightened security posture will gradually diminish as Selected Reserves are demobilized.

We are continuing to examine our evolving manpower requirements. While the Fiscal Year 2003 (FY03) budget request seeks an active end strength authorization of 375,700, we are working to adjust our force mix as new or increased requirements in particular skill areas emerge. Our retention success this year, while significantly improving fleet readiness, has also led to more people remaining on active duty than originally anticipated. This has permitted us to reduce our recruiting accession mission by 4,000 (from 54,000 to 50,000).

Readiness Challenges

Even in the current wartime environment, we must continue to closely monitor the individual personnel tempo of our Sailors to ensure that we are not overburdening them and degrading our long-term personnel readiness. We are striving to minimize the increased wartime operational tempo of the fleet through careful planning and innovative training. We are continuing to examine the best way in which to properly balance the need to keep our forces forward deployed, ensure their preparedness for operations during deployment work-ups, and still permit them to enjoy quality of life at home and time with family and friends.

CONTINUING TO INVEST IN OUR PEOPLE

Pay Raise

The significant pay raise in FY02 was a critical step in ensuring our ability to recruit and retain a force in sufficient numbers and quality to meet our military manpower needs. While we made progress, we must continue to ensure that basic pay achieves competitiveness with the private sector.

Career Sea Pay (CSP)

Using the authority enacted by Congress in FY01, Navy recently increased CSP rates and expanded it to E-1 to E-3 and all officers, regardless of time at sea, thereby adding 25,000 people on sea duty to the 86,000 already receiving CSP. This pay directly recognizes and compensates for the arduous nature and sacrifices of those serving at sea. This action was taken as Navy men and women were deploying around the world in support of the new war against terrorism. Fleet feedback has been overwhelmingly favorable.

Basic Allowance for Housing (BAH)

Reducing the BAH out-of-pocket expenses to 11.3 percent in FY02 was another major compensation enhancement that has resonated very well in the fleet. The FY03 budget submission reduces out-of-pocket expenses even further, to approximately 7.5 percent. This brings us closer to the goal of zero percent (on average) out-of-pocket expense by 2005.

Another major initiative this past year was extending BAH to single E-4 Sailors on sea duty. Allowing single Sailors to reside off the ship while in homeport is one of our most important quality of service initiatives. While we are currently paying BAH only to those E-4's

with over four years of service, we are considering options to move all Sailors off of ships over the next several years.

Thrift Savings Plan (TSP)

The net effect of the compensation improvements this past year was to give Sailors more opportunity to invest in their futures. TSP has proven to be the investment vehicle of choice for a significant number of our people. Our Navy men and women, like their Federal workforce counterparts, now have the opportunity to develop individual savings, which will greatly enhance their chances for long-term financial security. As of the end of January 2002, nearly 68,000 active and Reserve Navy members have enrolled in TSP. This represents 16 percent of the total force. Through continued wide-scale educational efforts, we hope to increase this number substantially during the next open season this May.

Individual Personnel Tempo (ITEMPO)

Since October 1, 2000, Navy has been tracking the individual deployment days of its Sailors in accordance with the FY00 and FY01 National Defense Authorization Acts. Navy fully supports the congressional intent of managing individual member deployments, but has concerns with some elements of the legislation and its unintended consequences on Sailor choice. In the interest of national security, the Deputy Secretary of Defense, on October 8, 2001, suspended certain ITEMPO management constraints and the accumulation of deployment days in determining per diem payments. After this suspension, Navy, with the support of the Secretary of Defense, invested \$150 million in CSP enhancements, sending an immediate signal

to our people that their deployment time mattered and is recognized by leadership. CSP has long been Navy's most effective tool for compensating those whose primary duty it is to deploy.

Navy is working with the Secretary of Defense in developing the required Report to Congress on the impact of, and suggested changes to, ITEMPO legislation. Navy favors a system that adequately compensates individuals whose ITEMPO exceeds that which would normally be associated with an expeditionary force. The system should not force Navy to limit an individual's personal preference by imposition of a fiscal penalty. Navy also fully supports congressional intent that payment should be from the Operations and Maintenance account.

Educational Enhancements

I am a strong proponent for ensuring that the Montgomery GI Bill (MGIB) remains an effective tool for attracting young men and women into the military services and, more importantly, that it adequately recognizes them for their selfless commitment to service to our Nation. This helps them transition when they eventually leave our ranks and bring their wealth of experience, training, education and professionalism back into the civilian workforce. Our Sailors appreciate recently enacted enhancements to MGIB and will benefit from them personally and professionally.

Mr. Chairman, I am grateful for your foresight in recognizing the desire for choice that Sailors have consistently expressed as a priority when it comes to their benefits package. We are currently examining ways in which we might best implement the new authority by which Sailors could transfer to eligible family members a portion of their Montgomery GI Bill benefits so that it is cost-effective and yields the greatest return on investment. We see this authority as a potential incentive for retaining certain senior, experienced, members serving in critical skill

areas, who might otherwise opt to transfer to the Fleet Reserve at the earliest opportunity, rather than staying Navy until they reach mandatory retirement thresholds. Our ability to retain such Sailors will permit us to continue to capitalize on their many years of experience, advanced training, leadership and mentoring expertise, and will support our efforts to grow the seniority of the force to reflect validated requirements in the 21st Century high-tech Navy.

RETENTION

We continue to challenge our leaders to motivate and retain the Sailors under their charge. That leadership coupled with expanded reenlistment bonuses, enhanced special and incentive pays, increased advancement opportunity, and significant Quality of Service improvements has paid off. In FY01, we saw impressive improvements in reenlistment rates across all zones of service, most noticeably in our critical initial term population (less than 6 years of service) where reenlistment rates improved nearly 19 percent over the previous year. Mid-career and career reenlistment rates also showed improvement over the previous year. Equally important, we saw 8.5 percent fewer initial term attrition losses than the previous year thereby allowing more young Sailors to complete their obligations. Early indications are that FY02 will be equally successful. While challenges still exist, we will continue to cultivate a command climate throughout Navy that offers plentiful opportunities, encourages participation, and is conducive to personal and professional growth.

Overall officer retention in FY00 and FY01 showed marked improvement over previous years; however, we must continue to work to improve officer retention, especially among our aviator, submarine and surface warfare officers.

Direct fleet engagement in the retention battle is critical to our continued success. Through a variety of means, we have carried leadership's message directly to fleet Sailors to ensure that they are aware of the things being done to improve their quality of service. At fleet concentration areas, teams of retention and professional development experts host Career Decision Fairs (CDF) and speak to Sailors and their families about various aspects of Navy life including compensation and benefits, and career opportunities. In the last 18 months, these CDFs have reached over 50 commands and 35,000 Sailors and family members, resulting in the immediate decisions of more than 600 Sailors to stay Navy. In return, CDFs provide a means by which issues most important to Sailors are brought to the attention of Navy leadership at the highest levels. For example, Sailors want greater choice in their assignment process, so Navy has begun a number of initiatives to make the process more Sailor-centered, including a Sailor Advocacy Program that has expanded outreach by personnel managers to Sailors. This type of initiative will move Navy into the future as we broaden our human resource horizons.

Navy retention experts also share success stories and best practices with command leadership teams and brief all prospective commanding officers, executive officers, and command master chiefs at the Command Leadership School and Senior Enlisted Academy, thereby, ensuring that those in critical leadership positions are well informed.

Other initiatives include collecting Sailor feedback on areas of Navy life that they find enjoyable or unattractive, and using advertisements and the latest information technology to provide Sailors with timely and quality career decision information. For example, since it was launched nearly a year ago, the www.staynavy.navy.mil website, commonly known in the fleet as the "one-stop shop for career information," has registered over 1.2 million visits, averaging over 4,000 visits per day. The site is an extremely popular tool that provides Sailors and their

families, worldwide, with high-tech, timely and accurate career information. The Naval Media Center has also produced televised Public Service Announcements (PSAs) addressing various pay and benefit topics. PSAs began airing on Armed Forces Radio and Television Service in December 2001 and will continue throughout 2002. More than 180 ship and shore units have access to these commercials, which reach a daily viewing audience of over 200,000. Initiatives such as these will allow us to continue building upon recent retention successes.

Special and Incentive Pays

Special and Incentive pays are a key component in retaining Sailors with critical skills and experience, and are an essential part of the total military compensation package.

Selected Reenlistment Bonus (SRB) continues to be our most cost-effective and successful retention and force shaping tool. Our retention successes are largely attributable to improvements in reenlisting members in critically manned skills who are eligible for these bonuses. It is vital that we continue to maintain a robust SRB program while continuing our efforts to improve reenlistments among ratings that are not eligible for SRB. With recent enactment of authorizations of continuation pays for Surface Warfare Officers and Special Warfare Officers and enhancements to Aviation Continuation Pay and Nuclear Officer Incentive Pay, we have seen improvements as we strive to retain these highly trained and experienced warfighters.

We appreciate your recognition of the importance of these incentives and your support for keeping them the effective tools that they are. We solicit your continued assistance as we explore further improvements, which will enhance Service Secretary flexibility in adjusting and

targeting cost-effective special and incentive pays to react quickly to the ever-changing recruiting and retention picture.

More Senior/Experienced Force

As the Navy force structure has stabilized somewhat since the end of the drawdown, it has become increasingly evident that our smaller more high-tech force would require us to change the mix of our personnel both in terms of skills and level of experience. As a result of constrained advancement opportunity during the drawdown, as a cost saving measure, our top six enlisted pay grades were limited to less than 70 percent of the force. As we replaced older labor intensive ships and aircraft with more modern platforms, validated fleet authorizations for Sailors in the top six grades grew to over 75.5 percent of the force. A widening of the inventory to authorizations gap among the top six pay grades has resulted in billet mismatches with Sailors routinely being tasked to perform at levels above their pay grade and level of compensation. We have been focused on shifting the balance of our grade mix by increasing the number of people in the top six enlisted pay grades.

Personnel Distribution Incentive Pay

Navy is pursuing establishment of a flexible, market-based incentive to encourage service members to volunteer for hard-to-fill jobs or less desirable geographic locations. This would replace more costly or ineffective measures currently in use. For example, we currently use a variety of monetary and non-monetary incentives to compensate for assignments to billets in different locations. However, existing incentives are neither flexible enough nor sufficient to encourage the required number of qualified volunteers to fill these billets. We have also used

many non-monetary incentives such as sea duty credit, neutral duty credit, points towards promotion, choice of assignment or homebase, and other means to attract Sailors to serve in billets in both the continental United States and overseas. Although traditional incentives have been somewhat effective in manning these billets, they have unintentionally imposed an adverse impact on the sea/shore rotation structure. With shortages in critical sea intensive ratings, any incentive that adversely impacts our ability to assign members to sea duty only exacerbates the problem.

Distribution Incentive Pay would augment existing special pays and compensation, while replacing the non-monetary incentives described above. It would enable the services to provide monetary incentive to encourage adequate numbers of volunteers for hard-to-fill jobs in an effective and responsive manner.

Permanent Change of Station (PCS) Moves

The FY02 Appropriations Act cut \$30 million from Navy's PCS account, which has significantly impacted our ability to move many people. Since accession and retirement moves must be funded, the true impact of the cut is on operational and training moves, now at a critical juncture with the war in progress. We are working to mitigate the effects of the PCS cut on readiness, but it has already had an effect on the fleet. Up to 5,000 planned moves may not occur this fiscal year, potentially disrupting the lives of many Sailors and their families. Additionally, mandated PCS reductions could adversely impact our ability to move Sailors from ITEMPO-intensive jobs.

MEETING THE RECRUITING CHALLENGE

While we have been successful in sustaining an all-volunteer force, it is important to emphasize that we still have to recruit our people and compete against other career and educational opportunities. Recruiting success demands a professional recruiting force that has the tools they need to get the job done. We have invested in maintaining the right number of recruiters and recruiter support programs. And our recruiters have been delivering.

Navy Recruiting met its overall goal for the last three years and in FY01, achieved 90 percent High School Diploma Graduates (HSDG), with more than 63 percent scoring in the upper half of the Armed Forces Qualification Test (AFQT). We also achieved our very important Nuclear Field and General Detail (GENDET) Sailor mission.

Through February 2002, we are on a string of seven consecutive months in which we have met new contract objective and cumulative accession mission—a feat we have not accomplished since the drawdown of the early 1990s. Meeting new contract objective is important because it builds our Delayed Entry Program (DEP) to a level suggesting a high probability of long-term recruiting success. This success is partly attributed to a new dynamic approach to monthly accession goaling of our recruiting districts, which allows them to work as a team and ensures that accession shortfalls at individual districts do not preclude attainment of the national mission. While there were some early adjustments to this new system, the results speak for themselves in how our professional recruiting force has responded.

Improving Quality

Our data clearly indicates that a higher quality recruit less likely to attrite in the first term of enlistment. The higher quality recruit is also well suited for the highly technical Navy of the

future that will require Sailors to develop and maintain increasingly complex skill sets through higher levels of education and a broader range of training. Recruit quality, in this context, is measured by the percentage of HSDGs, percentage scoring in the upper half of the Armed Forces Qualification Test (AFQT), number enlisting with college credits and the number requiring waivers of standards.

This year we are raising our target of HSDGs from 90 to 92 percent and are focused on recruiting 2,500 new accessions from junior colleges (up from about 1850 in FY01) to help grow Navy's career force of the future. We are on track to meet the 92 percent HSDG goal for FY 2002 and have provided recruiters with tools with which to increase penetration into the college market.

Navy is rewarding recruits with college credits by offering advanced pay grades and bonuses based on college credit attained. Applicants who have satisfactorily completed 20 semester hours of college credits are enlisted in pay grade E-2, while applicants with at least 45 semester hours are enlisted in pay grade E-3. Additionally, we offer an enlistment bonus of \$2,000 for those with as little as 24 semester hours of college credit, and up to \$8,000 for those with a bachelor's degree.

Recognizing the importance of the college market, Navy is developing a college penetration strategy. One Navy Recruiting District (NRD) in each of four recruiting regions will participate in a pilot program designed to incorporate the expertise of education specialists, advertising representatives, public affairs officers, and officer recruiters already familiar with recruiting in the college market. Using the best practices and lessons learned from the pilot, all NRDs will incorporate a junior college penetration strategy into their annual marketing plan.

Another way in which Navy is working to improve quality is reflected in waiver standards. The number of recruits requiring waivers dropped from over 14,000 in FY00, to 9,835 in FY01. A full review of waiver standards is underway to identify those that should be further restricted or completely removed. By raising the bar on these standards, Navy expects to continue decreasing first term attrition, further contributing to improved fleet readiness.

Advertising

Navy's "Accelerate Your Life" advertising campaign was rolled out approximately one year ago. The campaign communicates Navy as an adventure that will accelerate one's life to the highest level of achievement. Its objectives have included building awareness and consideration of the Navy as a career option and generating leads for recruiter follow-up. During the campaign's inaugural year, the strategy has focused on media channels and creative solutions targeted at the 18-24 year old audience. Navy has increased spending in radio (95 percent of teens listen to radio at least 10 hours a week) and makes full use of the Internet (target market on-line time is 50 percent greater than that of adults). Television advertising has been targeted to youth-oriented programming. Action-oriented imagery provides a sense of urgency and excitement in all our messages, while showing Sailors getting hands-on experience with the latest technology.

The centerpiece of our campaign is the Interactive Life Accelerator found on the Navy.com website. It enables individuals to indicate their likes/dislikes and translates their interests into a range of possibilities for a Navy career. Leads are captured and sent directly to the National Advertising Leads Tracking System providing recruiters with timely and invaluable prospect information. At launch, the website averaged 12,000 visitors per day. This number

continues to grow, and today the site averages 18,000 visitors per day. Through February, nearly 230,000 people have logged on to the Life Accelerator with 85 percent completing the assessment. Many recruiters report prospects walking into recruiting offices with Life Accelerator assessments in hand.

Navy's recognition of rapid growth in the Hispanic community has led to the development of El Navy.com, a Spanish/English recruiting website that deploys within Navy.com and addresses the Hispanic community to include parents family members, and other youth influencers. We effectively communicate the benefits of the Navy experience to this audience by tailoring, the look, language and subject matter of the site to Hispanic culture and traditions. The site focuses on Navy Hispanic heritage, achievements and success stories; and depicts education, benefit, and travel/recreation opportunities available to those who choose Navy.

Non-Instrumented Drug Testing (NIDT)

Based on attrition levels for FY99 and FY00, recruit drug screening failures at boot camp cost Navy over \$10 million in lost resources each year. To reduce these lost funds and improve recruit quality, the Secretary of the Navy authorized a new Pre-Accession Drug Testing Program pilot aimed at reducing Recruit Training Center (RTC) attrition and associated losses. Through an inexpensive field test instrument, Navy now tests recruits for drugs prior to sending them to boot camp. If tested positive upon arrival at boot camp a recruit is discharged and permanently disqualified from future naval service. Individuals testing positive on the NIDT are not shipped to RTC but are evaluated by the NRD commanding officer to determine if they are a good prospect for naval service. If deemed to be so, the individual's ship date to boot camp is delayed

a minimum of 45 days. If they remain drug free throughout this period, during which they are provided further indoctrination on Navy anti-drug use policy, they are offered a second opportunity to attend boot camp. Attrition due to positive drug tests at boot camp was reduced by 30 percent from FY00 to FY01 as a direct result of this program. NIDT is credited with saving \$3.3 million in RTC resources during its first 12 months. Navy is committed to continued use of the program following its initial pilot phase.

Influence of September 11th on Recruiting

While the tragic events of September 11th resulted in a significant increase in the volume of calls to our toll free Navy Recruiting phone line (1,586 on September 11th alone; a 112 percent increase over the previous Tuesday), it has not translated to a measurable increase in qualified applicants who want to enlist in the Navy.

We have, however, observed American patriotism and willingness to support Navy in other ways. Navy Recruiting District public affairs officers, who assist in getting airtime for Public Service Announcements (PSA) have noticed an increased access to local media outlets as a result of strong patriotic sentiment in the aftermath of September 11th. Through new PSAs entitled “Freedom Campaign”, which are distinctly different than the paid “Accelerate Your Life” campaign, we are focusing on the freedoms Americans enjoy that the Navy has protected for over 200 years.

Officer Recruiting

While Officer recruiting has been generally successful thus far in FY02, several communities still face significant challenges. FY02 goals for pilots, naval flight officers, surface

warfare officers (conventional and nuclear), nuclear reactor engineers, cryptologists, intelligence officers, aviation maintenance duty officers, public affairs officers, Civil Engineering Corps officer and Judge Advocate General officers, have been met. The Chaplain, Supply and Nurse Corps and the Medical Service Corps specialties of Health Care Administration, Environmental Health, Optometry, and Pharmacy remain communities of greatest concern.

Nuclear, Civil Engineering and Chaplain Corps recruiting have improved over the last few years. Officer recruiters adopted strategic plans between the recruiters and their respective officer communities. By making the officer communities aware of the recruiting challenges and offering practical ways in which the communities could help, recruiters gained valuable support and the additional leads necessary to realize significant accession increases. These strategic plans have served to improve accession results in these communities and we will continue to export best practices to other communities.

Diversity

Navy's FY01 enlisted accessions (20.9 percent African American, 15.7 percent Hispanic and 9.8 percent Asian/Pacific Islander/Native American) largely match the diversity of the American population. Cognizant of projections for continued growth in minority populations we continue in our efforts to ensure all segments of the American population are aware of the opportunities and benefits associated with Naval service.

Accession of minorities into our officer ranks in FY01 (8.0 percent African American, 5.8 percent Hispanic and 7.1percent Asian/Pacific Island/Native American), although significantly lower than their respective enlisted accession percentages, closely resemble minority representation in the college market. To improve performance in accessing minority

officers, we have conducted three flag-level diversity summits this past year to share best practices among the U.S. Naval Academy, the Reserved Officer Training Corps (ROTC), Officer Candidate School and Officer Indoctrination School. In conjunction with these summits, we are taking junior officer volunteers from the fleet to minority conferences to talk to college students about their Navy experience and to demonstrate that officers do not lose their cultural identity while serving in the Navy. These visits have been uniformly well received and generate great interest from students who see their peers doing well in the Navy. Organizations such as the National Society of Black Engineers, the Society of Hispanic Professional Engineers, and the Society of Mexican American Engineers & Scientists, have been valuable partners in these outreach efforts. Continued partnership will ensure that minorities possessing technical backgrounds are aware of the many exciting opportunities available in today's Navy.

Another successful initiative has been offering minority officer applicants the opportunity to make VIP trips to fleet concentration areas. Applicants visit various afloat units, and other commands, where they meet with Naval officers (many of whom are minorities) who illustrate the point that upward mobility is available to all talented individuals. The results of these VIP trips over the past two years have been very encouraging. Of the 39 participants, 27 have submitted applications with eight more still working on their applications. Of the 27 applications submitted, 19 were selected and 17 accepted their commission.

QUALITY OF LIFE

The events of September 11th and the declaration of war on terrorism were a call to enhance support for Sailors as they rise up to defend our nation. The Navy team of professionals who manage and deliver Morale, Welfare and Recreation (MWR) and Family Support services

around the world embraced the challenge posed by the President. Navy has developed an MWR program that is a major Sailor-centered force, which acts aggressively to meet the heightened level of needs of Sailors and their families. The CNO has targeted a 20 percent increase in the level of MWR program support provided to deployed Sailors and their families. Navy MWR is well on the way to meeting this challenge.

Navy's goal is to make an unequivocal and tangible statement of its commitment to ensure outstanding support to our Sailors. The approach is to "wow" Sailors and their families with new, innovative and expanded programs delivered with the speed and intensity that sends the message, "You are important and your Navy is deeply committed to meeting your needs".

Building on outstanding core programs, MWR has stepped up the pace and "raised the bar" to respond to the special wartime needs of Sailors at sea who are deployed in pursuit of freedom. I will share a number of actions to enhance MWR support and reinforce the message that the Navy is committed to meeting Sailors' needs as war-fighters while also supporting their needs at home. Among the actions taken are:

- Navy MWR, with the support of the Navy Exchange, completed a sponsorship agreement that provided over 400,000 15-minute CONUS/OCONUS prepaid calling cards that were issued free to all active duty personnel and active reservists. In addition, Navy MWR issued free 10-minute prepaid calling cards to all Naval Reservists recalled to active duty. Working together under the banner of "Let Freedom Ring" penny-a-minute phone calls were arranged for Sailors from every ship afloat over the holiday period. All of these services were a big hit in the fleet and allowed Sailors to stay connected with their families during the holidays, which are always a difficult time to be away from home.

- Arduous deployment schedules required expanded fleet recreation opportunities. Navy MWR procured and delivered to afloat units over 530 pieces of cardiovascular fitness equipment, and over 300 deployment kits consisting of 89,000 recreational games and sports equipment. Navy MWR sent 221 pallets containing over 314,862 items of holiday and recreation material to units afloat and ashore during the holiday season with particular emphasis on commands in the Middle East, Arabian Sea, and Central Asia.

- Navy MWR had teams of forward deployed recreation programmers at Naval Support Activity Bahrain to provide support and assistance to deployed units. These trained recreation professionals worked as expeditors and recreation programmers.

- Navy MWR has, and continues to, furnish programming materials for deployed units for special celebrations and events such as Super Bowl parties, Valentines Day, March Madness, Mardi Gras and steel beach picnics ensuring Sailors have an opportunity to enjoy these events.

- Fleet Sailors around the world, responded enthusiastically to operation “HO, HO, HO” (Helping Our Heroes Overcome Holiday Obstacles) in which holiday kits were distributed, including six foot tall stockings stuffed with electronic games, T-shirts, battery operated fans and post cards. Every Sailor and embarked Marine in the Operation Enduring Freedom area of operation was provided a candy filled stocking.

- Special holiday snack packs were provided for all Sailors and Marines on the ground in Afghanistan. The shipment of over 5,000 individually wrapped Famous Amos Cookies and over 2,500 half-pound bags of energy mix were delivered before Christmas.

A program entitled “Saluting Sailors and Their Families” was recently created to provide greatly expanded recreational opportunities for Sailors and families. The purpose of the program is to send a clear message to Sailors that, as a result of their Naval service they have access to

high quality, high profile leisure activities that are not available anywhere else. The goal for 2002 is to touch over 100,000 Sailors and family members with a wide variety of events that create memorable and special experiences.

Fleet and Family Support Centers also expanded several programs to ensure services are available to every member of our Navy community, at every point in their career. The Spouse Employment Assistance Program has entered a piloted program called Career Accelerator with a world class staffing services company. Recruiters will help military spouses take command of their careers by providing them career counseling, training and placement in temporary and full-time jobs.

The Personal Financial Management program provides education that focuses on money management and proactive, long-range, financial planning. The program is aimed at preventing financial crises often faced by our Sailors and their families. The Fleet and Family Support Centers also responded to the needs of our Sailors and their families during Operation Enduring Freedom with increased support in the areas of pre-deployment briefs for deploying units and families, crisis incident stress debriefings, and reserve mobilization support.

CONCLUSION

History will remember September 11th for how it changed the course of events of our Nation. At the same time, it will look critically at how we, as a nation, responded to the newest threat to our national security. I will reflect that Navy was ready. Largely, because of the sweeping improvements to our pay and benefits, the manning of our operational units reached unprecedented levels due to success in recruiting and retaining top quality people.

Service matters. So too does the recognition of that service by those in positions of leadership, both in uniform and civilian. Our people are grateful for the support from Congress, and this committee in particular. We have a long struggle ahead of us, both in fighting the war and in retaining our volunteer force with the high tempo of operations we face in the coming years. Our Navy men and women deserve nothing less than an absolute commitment to recognize their service and support their families while the nation is at war.