

**Prepared Statement**  
**of**  
**The Honorable David S. C. Chu**  
**Under Secretary of Defense**  
**(Personnel and Readiness)**  
**Before the**  
**House Armed Services Committee**  
**November 5, 2003**



Biography  
Dr. David S.C. Chu  
Under Secretary of Defense  
for Personnel and Readiness

David S. C. Chu was sworn in as the Under Secretary of Defense for Personnel and Readiness on June 1, 2001. A Presidential appointee confirmed by the Senate, he is the Secretary's senior policy advisor on recruitment, career development, pay and benefits for 1.4 million active duty military personnel, 1.3 million Guard and Reserve personnel and 680,000 DoD civilians and is responsible for overseeing the state of military readiness.

The Under Secretary of Defense for Personnel and Readiness also oversees the \$15 billion Defense Health Program, Defense Commissaries and Exchanges with \$14.5 billion in annual sales, the Defense Education Activity which supports over 100,000 students, and the Defense Equal Opportunity Management Institute, the nation's largest equal opportunity training program.

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

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

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

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

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

## **INTRODUCTION**

Mr. Chairman and members of this distinguished Committee: it is my pleasure to be here to talk with you about military and civilian personnel and programs and how they are operating amid our global commitments.

Since September 11, 2001, this country has undergone fundamental shifts in the perceptions of our security and our missions. The Department of Defense has reflected – and sometimes led – this exercise in national self-examination.

I would like to take the opportunity today to tell you about changes we have implemented, successes we have achieved, and lessons we have learned; and to ask for your support as we shape our future efforts.

## **USE OF THE ALL VOLUNTEER FORCE**

Just last month we celebrated the 30<sup>th</sup> anniversary of this nation's All Volunteer Force (AVF). Amongst the attendees and speakers was the Honorable Melvin Laird. A former Congressman, Mr. Laird was the Secretary of Defense as the military started the transition to an all volunteer force. Of that change he said, "...[The AVF] was a great accomplishment, and I think it has worked out well..." Nobel laureate Milton Friedman, in a letter on the AVF anniversary, noted that "Afghanistan and Iraq are the most recent demonstration that an all-volunteer force can be both highly effective militarily and compatible with a free society."

Celebrating an All Volunteer Force means recognizing the contributions of the Total Force – both the Active and Reserve Components. Milton Friedman noted that, "...with the All-Volunteer Service, we developed the total force concept to bring forth the Guard and the Reserve and to give them the kind of equipment that they needed and that was needed and necessary at

the time so that they could be called upon to serve, and they are called upon and are serving well...” We know that since September 11, 2001, the Total Force has been used aggressively and has performed exceptionally.

Between October 2001 and October 2003, over 300,000 Active and Reserve Service members have been deployed to the Central Command (CENTCOM) Area of Responsibility (AOR), which includes the Iraqi Theater of Operations (ITO) (see Chart 1). In a little over two years in that AOR, the percentage of Reserve forces as part of the Total force increased from approximately 5% to as high as 34%, dropping back down to around 31%. Since May 2003, the peak, the number of deployed personnel has dropped by over 100,000. On October 31, the total number of forces in the AOR stood at 193,098, of which 60,453 were Reservists.



### Personnel Deployed to CENTCOM AOR AC vs RC

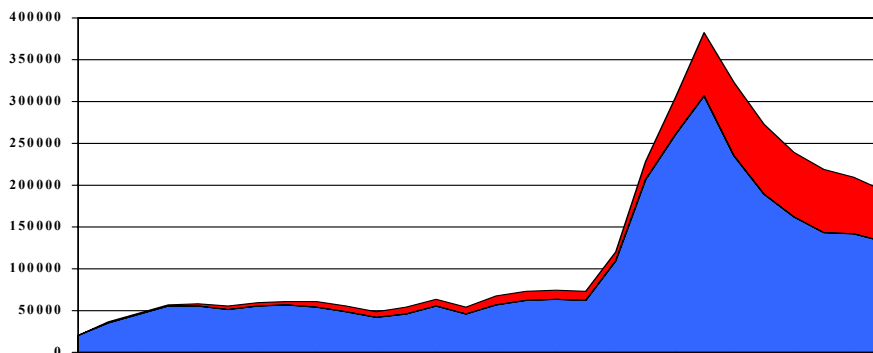
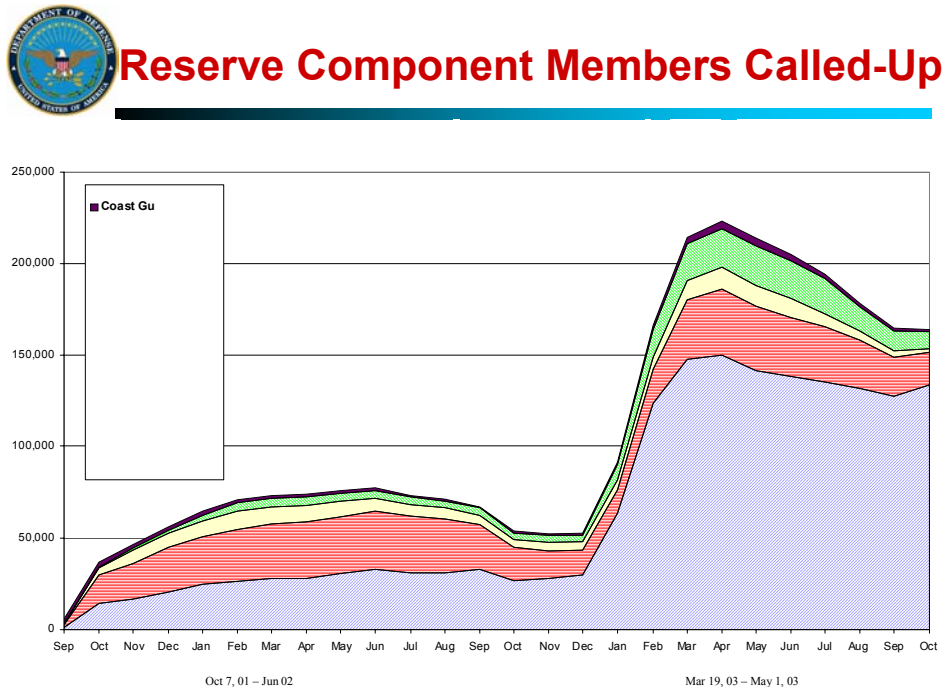


CHART 1

## *A Flexible Force*

Since September 2001, over 300,000 Reserve Component members have been called up in support of Operation Noble Eagle, Operation Enduring Freedom, and Operation Iraqi Freedom, with a peak of just under 225,000 on duty at any one time (see Chart 2). The Reserve forces were called, reported, and performed alongside their active duty counterparts, making the United States military a true Total Force. Major areas of Reserve Component contributions include combat arms, security, intelligence, air operations, and maintenance. We expect to call a number of additional Reservists to active duty in the coming winter and spring to replace those ending their active duty. The result of that call up will be a temporary but significant increase in the number of Reservists on active duty while those coming onboard are trained to replace those who will be coming home.

CHART 2



Since September 11, 2001, the military has proven itself to be flexible and adaptive in meeting the demands of a new security environment, and the operational needs of multiple operations. For example:

- Navy carrier battle groups were deployed as Special Operations Forces platforms
- Marines were launched from amphibious platforms in the North Arabian Sea inland to Afghanistan
- The Air Force deployed B-52s from Diego Garcia, providing close air support to Special Operations Forces, and employed Unmanned Aerial Vehicles
- Special Operations Forces were utilized for initial entry into Afghanistan

During Operation Iraqi Freedom, in particular, the force showed how it could adapt its standard way of doing business. To be responsive to the developing needs of Combatant Commanders, deployment and mobilization processes were closely managed. Forces were deployed via a Deployment Order instead of “flowing” forces via pre-planned Time Phased Force Deployment Data. While this new process presented us with some challenges, it most importantly increased flexibility when required.

### ***Concerns About the Force***

It is true, though, that adaptation and flexibility did not come without some discomfort. To meet the needs of the operations, the Department invoked certain methods of maintaining the Force, including Stop Loss and longer deployments than expected for Reserve Components.

Stop Loss is the involuntary extension on active duty of Service members beyond their planned date of separation. At the high point of the Stop Loss program, approximately 30,000 persons were affected. The Services closely monitor needs and exercise this authority sparingly. The Marine Corps, Navy and Air Force have discontinued their active duty programs, while the Army only retains two specialties on its list. Only the Army has a stop loss program currently in effect for its Reserve components. For the Army Reserve component unit stop loss program, members are retained on active duty for the duration of their mobilization, plus 90 days for transition. (The Marine Corps still has some Reserve members who are impacted by a 90-day transition policy following demobilization.) As the Global War on Terrorism proceeds, we may need to use Stop Loss again, from time to time.

The Department's goal is for Reserve Component members to receive mobilization orders 30 days prior to deployment so they may take care of employer, family, financial, legal, and other issues before departing. It has not always been possible to meet this goal. Some units, based on their designed operational capability, have standing policies requiring Reserve Component members to report for mobilization within as few as 24 hours after receipt of formal notification, and be prepared to deploy within 72 hours. Affected Service personnel understand this policy and maintain an increased readiness posture. Although "meeting mission requirements takes first priority" is the most common reason for late receipt of orders, we know that in many cases we must improve notification times.

There are concerns that the Force is stretched too thin and that too much is being asked of our men and women in uniform. I would like to share with you some data about how the Force has been used, perceptions of that use from the Service members themselves, and lessons we have learned about managing the Force in this new era.

Regarding the concern that the same Reserve members are continuously involuntarily called up for every military operation, the empirical data show that is not really the case. Since 1996 Reserve members have been involuntarily called to active duty to support military operations in Bosnia, Southwest Asia, Kosovo, and most recently worldwide in support of Operations Noble Eagle/Enduring Freedom/Iraqi Freedom. Though a tremendous amount of support has been provided by Reserve members, our data show that less than 3% of Reserve members who have served in the current operations were also called up involuntarily for previous operations since 1996 (Bosnia, Southwest Asia, and Kosovo). As we continue to call up Reservists, that number, of course, could increase, but we will be monitoring it very closely.

Additionally, our data show that while some Reserve members have been called up more than once to support Operations Noble Eagle/Enduring Freedom/Iraqi Freedom, that number is also low – less than 5% of those members mobilized, and that does include volunteers.

Tour lengths are longer than previously was the case. Tour lengths in support of Operations Noble Eagle/Enduring Freedom/Iraqi Freedom average 300+ days. During Desert Shield/Desert Storm the average tour length was 156 days; during Presidential Reserve Call-ups for operations in Bosnia, Kosovo, Southwest Asia, and Haiti the majority of tour lengths were 200+ days.

Recent mobilizations have highlighted shortages in certain capabilities that may require rebalancing of the Force. Chart 3 shows the percent of the Reserve Component inventory called up, by broad functional area. Logistics stands out as the functional area with the highest mobilization rate—and health care the lowest. (As a point of comparison, Desert Shield/Desert Storm percentages are also provided.)

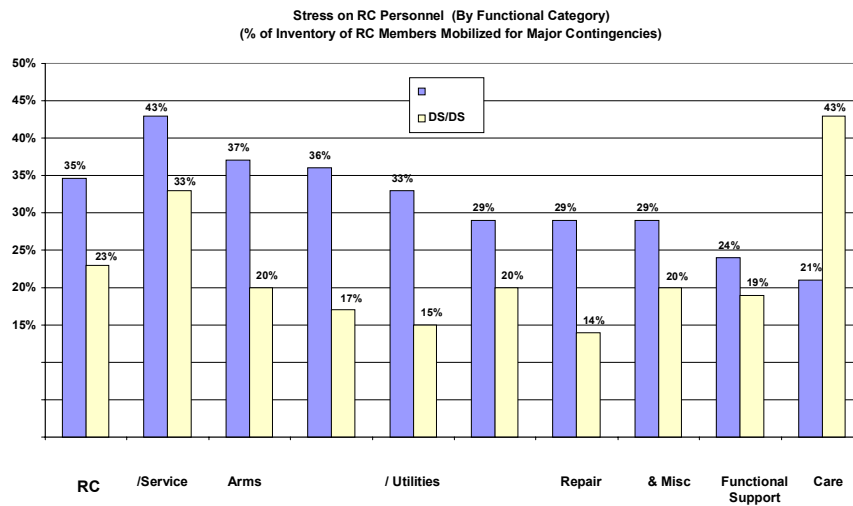


As we consider rebalancing, we are also looking at specific highly stressed specialties within the broad categories of Chart 3, such as civil affairs, police, pilots and air crews, installation security, and law enforcement. We find that, for example, the Reserve Civil Affairs officer inventory (which constitutes 72% of the Total Force Civil Affairs officer inventory) has had about 54% called up. However, the Reserve installation security enlisted inventory (which represents only 30% of the Total Force installation security enlisted inventory) has had 76% called up. Clearly, we are aware of the criticality of distributing our skill mix properly to optimize our force capabilities.

CHART 3



## Percent of Reserve Component Inventory Called-up



Some have asked for more Active Component end strength to address emerging demands faced by the military. We believe there is a long series of actions that should be considered before adding end strength. One experiment in relieving short-term stress is the conversion of

some Reserve artillery units to Military Police units. We are making extensive use of civilians and contractors in-theater to perform functions that do not have to be performed by the military. Additionally, the Department is working on the conversion of positions filled by military personnel that could be performed by civilians or contractors. The ultimate size of the conversion will depend on the merits of each situation. The Department is reconsidering both the extent and nature of its inherited overseas posture, which is likely to make additional forces available.

### *Measuring Effects on the Force*

We monitor the effects of current events on the force during these stressful times by tracking recruitment, retention, attrition, and our people's assessment of quality of life. Overall, these indicators are positive in both the actives and Reserves.

As you can see from Tables 1 and 2, active duty retention and recruiting generally met or exceeded goals in both Fiscal Years 2002 and 2003. All Services' active duty components entered Fiscal Year 2004 with healthy Delayed Entry Program levels. However, this is an issue that requires vigilant attention, as an improving economy and the high operations tempo associated with the Global War on Terror present continuing challenges to recruiting and retention. We are very grateful for this Committee's support of the strong program of pay and benefits so essential to this success.

TABLE 1



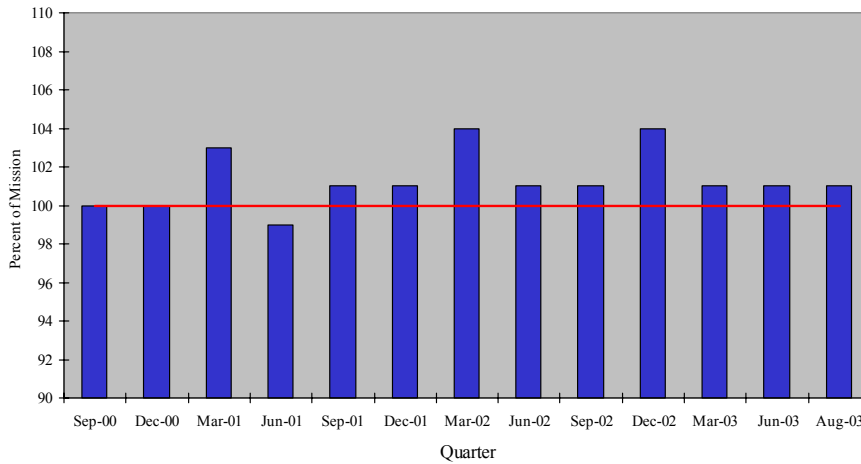
## Active Duty Retention

<b>Career</b>	<b>15,000</b>	<b>15,700</b>	<b>12,757</b>	<b>12,804</b>
<b>Zone A</b>	<b>57%</b>	<b>58.7%</b>	<b>56%</b>	<b>61.8%</b>
<b>Zone B</b>	<b>70%</b>	<b>74.5%</b>	<b>73%</b>	<b>76.7%</b>
<b>Zone C</b>	<b>90%</b>	<b>87.4%</b>	<b>86%</b>	<b>87.9%</b>
<b>Marines</b>				
<b>First Term</b>	<b>5,900</b>	<b>6,050</b>	<b>6,025</b>	<b>6,001</b>
<b>Subsequent</b>	<b>5,784</b>	<b>7,258</b>	<b>6,172</b>	<b>5,815</b>
<b>Air Force</b>				
<b>First Term</b>	<b>55%</b>	<b>72.1%</b>	<b>55%</b>	<b>60.5%</b>
<b>Second Term</b>	<b>75%</b>	<b>78.3%</b>	<b>75%</b>	<b>72.9%</b>
<b>Careerist</b>	<b>95%</b>	<b>94.6%</b>	<b>95%</b>	<b>95.2%</b>

TABLE 2



## Enlisted Recruiting Mission Accomplishment



The Reserve Components have achieved 100% or better of their authorized end strength for the past four years. Overall, Reserve Component officer and enlisted attrition rates remain at their lowest levels seen in recent history – below 20%. Certain high-demand (high-use) units and specialties have experienced higher than normal attrition, however, including Public Affairs, Civil Affairs, Psychological Operations, and Security Forces. We believe that rebalancing the force to relieve stress in these communities is necessary.

In addition to closely watching recruiting and retention, we survey our Service members on their satisfaction with the military life. Surveys of the active duty force in July 2002, March 2003 and July 2003 showed increased satisfaction with the military way of life versus similar surveys in 1999 (over 60%, versus 49%). The May 2003 Reserve survey showed 74% of members satisfied with the military way of life. As might be expected, members deployed to Iraqi Freedom were slightly less satisfied (57% of active duty and 65% of Reservists satisfied with the military way of life).

Over the last decade, the Reserve components have provided important support to U.S. military operations worldwide (12 million to 13 million duty days annually), and since September 11 that rate has increased substantially. Despite the significant amount of active duty time provided by our Reserve members, survey data from 2000 and 2003 show that the overall satisfaction with military service has remained stable in the 70% range.

We are also monitoring the intent to stay in uniform. Fifty eight percent of active duty members surveyed in July 2003 intend to stay, and 73% of Reserve members surveyed in May 2003 intend to stay. Rates for deployed members are, understandably, lower. Of active duty participants deployed to Iraqi Freedom, 54% intend to stay and 66% of Reservists state their

intention to stay. It is actual decisions, of course, that will ultimately matter; your support for the elements of military life that matter in those decisions is invaluable.

Overall, deployed Service members indicate that they were individually well-prepared for their missions. Ninety-two percent of active duty participants in Operation Iraqi Freedom, indicated being well prepared. Eighty-five percent of currently deployed Reservists indicated being well prepared.

We know that the war on terrorism and the efforts to ensure homeland security have placed a strain on the employers of our Guard and Reserve members. We also know that many Reservists worry about the effects their service will have on their civilian employment. Results from the May 2003 survey indicate only 7% of the survey participants experienced severe or very severe civilian employment problems at the beginning of activation for operations in support of the Global War on Terror, and 8% had serious or very serious problems getting their jobs back. This is generally consistent with experience reported in the 2000 Reserve Component Survey, where 16% of those ever deployed experienced a serious or very serious employer problem.

### **LESSONS LEARNED AND LOOKING AHEAD**

We are taking a look at the lessons we can learn from what has and hasn't worked well. We know that some capabilities fell short of need and expectations, and recognize that we can and must improve.

Post-September 11, 2001, and through the end of combat operations in Operation Iraqi Freedom, attempts were made to limit Reserve Component mobilizations to 12 months. Flexibility has been required to meet this objective: for example, the Army has provided security

at Air Force installations in order to relieve Reserve forces who were at the end of their 12 months.

However, this 12 month policy has been adjusted in the past several months in order to: (1) meet Combatant Commander requirements for the continuity of ground forces and stability during this phase of operations and (2) honor the desire of Reserve Component leadership for equal treatment with their Active Component counterparts. The new one year “boots on the ground” policy has resulted in 12 to 18 month mobilizations to allow for mobilization/train-up time and post-deployment leave/demobilization.

We know that many troops are unhappy with earlier uncertainty about tour lengths. We are working to ensure that every unit knows the date that it will be coming home.

The 2001 Quadrennial Defense Review commissioned a study to review Reserve Component contributions to national defense. The results of that study form the centerpiece of ongoing transformation efforts as applied to the Reserve components within the Department. The study introduced various innovative management techniques aimed at maximizing the efficiency of our existing forces. Additionally, the Secretary signed out a memorandum on July 9 of this year on the subject of rebalancing the forces. The three principal objectives are to structure active and Reserve forces to reduce the need for involuntary mobilization of the Guard and Reserve, establish a more rigorous process for reviewing joint requirements, and make the mobilization and demobilization process more efficient.

Along these lines, the Assistant Secretary of Defense for Reserve Affairs and the Joint Staff sponsored a mobilization symposium last year. Recommendations to improve the mobilization process emerged along five themes: shorten the mobilization timeline, tailor the forces, adopt best business practices, make judicious use of the Reserve forces, and ensure

adequate support to the Reservist, his family, and the employer. We are establishing standards for the judicious and prudent use of the Guard and Reserve. This includes encouraging volunteerism and using—where appropriate--alternate sources of manpower, such as contractors, coalition forces, and technology.

We are also building a Joint National Training Capability (JNTC). The basic concept is that because we fight as a team, we should train as a team. This would capitalize on the Services' many major training exercises, but transcend the classical definition of "Joint" to include interagency, intergovernmental, and multinational training. We are looking forward to our initial JNTC event in January 2004.

Those deployed face difficult times, as do their families. Therefore, the Department is working hard to support those most directly affected by service in Operations Iraqi Freedom and Enduring Freedom. At the Secretary's direction, we have pulled together those in the best position to know those needs – the Senior Enlisted Advisors of each Service – with staff experts best able to find and deliver remedies. This "Warrior Support Group" is headed by a senior executive from my office.

The group began by identifying needs, such as expanded opportunities to communicate with loved ones by phone or e-mail, and has ranked those needs in order of leverage, with highest payoff items at the top of the list (fulfilling the greatest need at the best cost). To the extent possible and appropriate, we are matching many of those needs with voluntary donations from the private sector, such as phone cards. This process ensures that those who frequently interact with the troops in identifying needs – the senior enlisted – are able to have their voices heard quickly, comprehensively, and responsively.

### ***Transformation Proposals***

I urge you to consider again, in your future deliberations, a number of legislative proposals we have sent you that would reshape and transform the Department's military and civilian personnel management capabilities. While some or parts were incorporated in either the House or Senate versions of the Fiscal Year 2004 Authorization Act, many were not. We still believe that these proposals are essential to improving the Department's performance.

To assure a prompt response to changing circumstances, we seek to modernize and streamline general, flag, and joint officer management and create a "continuum of service" in our Reserve Component. The Department needs greater flexibility in managing job tenure and career length for general and flag officers with a view toward longer time in a job and longer careers. We also presented several provisions to strengthen joint officer management and training. We want to train and develop our leaders like we fight—in a joint environment.

The Reserve Component is an absolutely essential part of our military structure. We want to simplify the rules for employing Reserve Component members, enhance combined Active Component/Reserve Component career development, and create conditions for the seamless flow of personnel between active to Reserve and back again over the course of a military career – a career that spans a "continuum of service."

Managing within a continuum of service can help to attain and retain skills that are hard to acquire and maintain in the military, including those in cutting-edge technologies. Adopting a new availability and service paradigm as the basis for managing active and Reserve forces would allow individuals to change levels of participation with greater ease and better leverage the DoD investment in training and education to meet operational requirements.



Volunteerism is a critical element of the continuum of service. Volunteerism is not limited to those currently serving in uniform, but also includes military retirees as well as individuals who have never served in uniform. To enhance volunteerism, the Department encourages the creation of Service auxiliaries, based on the Coast Guard auxiliary model.

Finally, for Defense civilians, I thank you for the serious attention you have given to the Department's proposed National Security Personnel System. I echo Secretary Rumsfeld's desire that the Congress pass the House version of this very important transformational program. To effectively fight the Global War on Terrorism, our Armed Forces need to be flexible, light and agile so they can respond quickly to sudden changes. The same is true of the men and women who support them in the Department of Defense.

### **CONCLUSION**

Mr. Chairman, in conclusion, I want to say how gratified we all are by the performance of our military during this very challenging and fluid time in its history. The consistency and enthusiasm displayed by so many is properly the focus of great national pride. We should applaud the Active Duty and Reserve Service members, their families, Defense civilians, and contractors who, in the face of often daunting circumstances, have remained committed to the call to serve professionally and responsibly.

This concludes my statement. I thank you and the members of this Committee for your outstanding and continuing support for the men and women of the Department of Defense.