

RECORD VERSION

**STATEMENT BY
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INTRODUCTION

Mr. Chairman and members of this distinguished subcommittee, thank you for the opportunity and the privilege to testify on behalf of the 211,000 Soldiers, 12,000 civilian employees, and the families of the United States Army Reserve, an integral component of the world's greatest Army; an Army at war for a nation at war. I'm Ron Helmly, and I'm an American Soldier in your Army, and proud of it.

Today as we speak, nearly 60,000 Army Reserve Soldiers are on active duty in Iraq, Kuwait, Afghanistan, in the continental United States, and elsewhere around the world as part of America's global war on terrorism, serving courageously and proudly. They are joined by another 151,000 Army Reserve Soldiers training and preparing for mobilization or resting and refitting after being demobilized. These modern-day patriots are your neighbors who live in your communities, work in your factories, teach your children, deliver your babies, your mail, and share your everyday lives. They have willingly answered the call to duty to perform missions they have trained for, and to honor their commitment as part of a responsive and relevant force, an essential element and indispensable component of the world's finest land force, the United States Army.

The strength and added value we bring to that partnership is drawn from the people who serve in our formations. With nearly 25 percent of its Soldiers female, and more than 40 percent minority, the Army Reserve is the most ethnically and gender-diverse force of all the armed services. Overall, 92 percent of our force holds high school diplomas. Our force consists of individuals who are community and industry leaders, highly trained and educated professionals, experts in their chosen fields who give of their time and expertise to serve our nation.

Since September 11, 2001, more than 100,000 Army Reserve Soldiers have served on active duty as part of the global war on terrorism. Tragically, 21 Army Reserve Soldiers have made the ultimate sacrifice in service to our nation to keep their

fellow citizens and their families and neighbors safe and free. We are deeply in their debt and honor their memories by our actions here today.

THE CHALLENGE

Your invitation to testify comes at a time of profound and unprecedented change and challenge in the dynamics of our nation's security environment. Since September 11, 2001, we have been embroiled in a war with wily, determined enemies, who are intent on destroying our very way of life. In this global war on terrorism, we are confronting regional powers; facing the potential use of weapons of terror and mass destruction at home and abroad; and struggling with the challenges of how to secure our homeland while preserving our precious rights and freedoms. From the start, we have understood that this will be no brief campaign or a short war. It will be an enduring global war, a protracted war, a long struggle that lacks clear, well-defined borders. Have no doubt, it is a war. It challenges our national will and our perseverance. It tries our patience and our moral fiber. It is a war different, just as all previous wars have been different. Unlike previous wars the Army fought here on our own soil, where we in the armed services must be continually ready to carry out our mission when and where the nation calls.

As we engage these enemies we recognize that carrying out current missions is not by itself sufficient. The very forces that cause this war to be different have propelled the world into a period of unprecedented change and volatility. We live in a much-changed world and we must change to confront it. We must simultaneously confront today's challenges while preparing for tomorrow's. The Army will maintain its non-negotiable contract to fight and win the nation's wars as we change to become more strategically responsive and dominant at every point across the spectrum of military operations. The confluence of these dual challenges, transforming while fighting and winning, and preparing for future wars, is the crux of our challenge - *transforming while at war*.

Last year was my first opportunity to address this subcommittee as the Chief, Army Reserve. I told you then that I was humbled and sobered by that responsibility. That feeling remains and indeed has grown more profound. The Army Reserve is an organization that daily demonstrates its ability to be a full and equal partner, along with the Active component of the Army and the Army National Guard, in being the most responsive dominant land force the world has seen. Together with the Marine Corps, Navy, Air Force, and Coast Guard, the Army Reserve of your Army fights as part of the joint team: the sum of the parts is much greater – and that’s the power we bring to the battlefield today.

ALL-VOLUNTEER FORCE

A critical issue that should be recognized is that this is the first extended duration war our nation has fought with an all-volunteer force. January marked the 30th anniversary of the all-volunteer force. This tremendous policy change in our Nation has brought the Army Reserve, and the Armed Forces, an unheard of quality of people. Yet the all-volunteer force also brings expectations and sensitivities that we must confront with regard to how we support our people, and how we train them, and how and when we employ those people.

Title 10 of the United States Code directs the Army Reserve to provide units and Soldiers to the Army, *whenever* and *wherever* required. Since 1973, the Active and Reserve components have met this challenge with a force of volunteers, men and women who have freely chosen to serve their nation. Perhaps more than any other policy decision, this momentous move from a conscript force to a force, Active and Reserve, manned solely by volunteers has been responsible for shaping today’s armed forces, the most professional and capable military the world has seen. Working through this sea change in how we lead our force has highlighted differing challenges that we simply must recognize and address if we are to maintain this immensely capable force.

During a recent conference celebrating 30 years of the All-Volunteer Force (AVF) policy, former Secretary of Defense Melvin Laird discussed its genesis. He explained that while from the start, it was understood that the policy would apply to the Total Force, in reality, after the AVF was established, the focus tended to be almost exclusively on manning the Active component -- understandable since it was the tip of the spear. But as a result, manning the Reserve components became, in effect, an accidental by-product of manning the Active component. This lack of a deliberate focus has hindered the development of force-manning policies that recognize the unique nature of Reserve service. As a result, the "one weekend a month and two weeks in the summer" paradigm was created. For almost three decades, that paradigm has remained largely intact. The world has witnessed major change since we started relying on an all-volunteer force. And yet we, in the Army Reserve, allowed the continuance of expectations for our most critical element -- our people -- our volunteers -- for a world that no longer existed.

To meet the demands of our nation and the needs of our Army and joint force team, we must change the way we man the Army Reserve, we must change the way we organize, train, and prepare the force, and to accomplish this change, the culture must change. This is a period of change from the old to the new. Forging a new paradigm is akin to the depth of change the Department of Defense endured when transitioning from a conscript force to an all-volunteer force. But we must forge this change while simultaneously continuing the fight in the current war. We are not afforded the luxury of hanging a sign outside the US Army Reserve Command headquarters that says, "Closed for Remodeling." The culture must change from one that expects "one weekend a month, two weeks in the summer" to one that understands "I am, first of all, a Soldier, though not on daily active duty, before and after a call to active duty I am expected to live Army values; I am expected to prepare for mobilization as if I knew the day and the hour that it would come. I use my civilian skills and all that I am to perform my military duties. I understand that I must prepare to be called to active duty for various periods of time during my military career while simultaneously advancing my civilian career."

The Army Reserve is part of a public institution founded in law. Our mission and our responsibility come from this law. I would like to note that the law does not say for big wars, little wars, short wars or medium wars, it says whenever our Army and our armed services and our nation require us, we are to provide trained units and qualified individuals. We must change to continue fulfilling the mandate of that law while simultaneously perfecting and strengthening the quality force we have today.

ACCOMPLISHMENTS

The past year has been a full one for your Army Reserve, marked by great efforts and remarkable achievements. Among the most significant have been:

At War - Army Reserve Soldiers Called to Active Duty in 2003

In 2003, the Army Reserve called to active duty and deployed nearly 70,000 Soldiers, more than 30 percent of the Army Reserve's 205,000 Selected Reserve end strength, to Afghanistan, Iraq, Kuwait, and theaters around the world in support of Operations Enduring Freedom, Iraqi Freedom, Noble Eagle, and other contingency operations.

377th Theater Support Command Operates Logistics on the Battlefield

The seamless integration of the Army's Active and Reserve components was epitomized by the Army Reserve's 377th Theater Support Command during Operation Iraqi Freedom (OIF). The 377th was redeployed to OIF after performing as the senior logistics headquarters during Operation Enduring Freedom. Once redeployed, the 377th TSC (headquartered in New Orleans) supported OIF, and reported directly to the Combined Forces Land Component Command.

The joint and coalition flavor that the 377th brought to the fight is a historic first. From the early hours onward, the 377th supported combat operations from Kuwait throughout the entire battle space into Iraq. The headquarters commanded over 43,500 Soldiers during the buildup of forces and subsequent combat phase of OIF, and consisted of 8 general officer commands and 8 area support groups. The 377th TSC helped shape the theater logistical footprint and was responsible for supporting the reception, staging, onward movement, and integration of all coalition forces, in addition to many other logistical support operations.

Of particular note were the 377th's accomplishments in seaport of debarkation operations in Kuwait. This included the largest wartime combined/joint logistics over the shore operation in over 50 years, at the Kuwait Naval Base. These operations involved over 150 ships, 31,000 personnel, 4,900 wheeled/tracked vehicles, over 6,000 ammunition and general containers, over 29,000 ammunition and general pallets, and over 2,500 other pieces of cargo. The base was operated by units of 377th and the Army Reserve's 143rd Transportation Command (headquartered in Orlando).

Three Consolidated and Streamlined Support Commands Established

- *Army Reserve Personnel Command (AR-PERSCOM) Merged with Human Resources Command (HRC)*

Effective 2 October 2003, the St. Louis, Missouri-based Army Reserve Personnel Command inactivated and merged with the Total Army Personnel Command to form the U.S. Army Human Resources Command (HRC). The HRC envisions becoming the nation's premier human resources provider. The HRC mission is to execute the full spectrum of human resources programs, services, and systems to support the readiness and well-being of Army personnel worldwide.

The HRC executes Army personnel policies and procedures under the direction of the Department of the Army G-1. It integrates, manages, monitors, and coordinates

military personnel systems to develop and optimize utilization of the Army's human resources in peace and war. HRC is the activity within the Department of the Army responsible for managing the Individual Ready Reserve (IRR) and Standby Reserve. The HRC will also plan for and integrate civilian personnel management and processes to attain a fully integrated HR focus.

- *Army Reserve Engineers Integrated with DA ACSIM*

Effective 1 October 2003, the Army Reserve Engineers, formerly known as the Office of the Chief, Army Reserve (OCAR) Engineer Staff and the US Army Reserve Command (USARC) Engineer Staff, transferred to the Army's Assistant Chief of Staff for Installation Management (ACSIM) and Headquarters, Installation Management Agency (IMA).

The former OCAR Engineer Staff (Arlington, VA) was integrated as a separate division within the Department of the Army, ACSIM, as the ACSIM-Army Reserve Division (ACSIM-ARD). The former USARC Engineer Staff (Atlanta, GA) was integrated as a separate division within the HQ, IMA, as the IMA-Army Reserve Division (IMA-ARD). The IMA-ARD is split-stationed between Arlington, VA and Atlanta, GA.

The ACSIM-ARD and IMA-ARD program, plan, and execute base operations support (e.g., environmental, maintenance and repair, and sustainment) and military construction functions on behalf of the Army Reserve and its more than 900 Army Reserve centers worldwide and two power projection platform installations (Fort Dix, NJ and Fort McCoy, WI).

- *Army Reserve Chief Information Office (CIO) Merged with DA CIO/G-6*

At a 25 June 2003 signing ceremony, the Department of the Army CIO/G-6 and I formalized a memorandum of agreement that integrates the Army Reserve, CIO into the Department of the Army CIO/G-6.

The Army Reserve counts communication and signal technology as one of its core capabilities – an enduring skill-rich capability across the spectrum of operations. With this integration, the Army Reserve demonstrates a commitment to both the transformation of the Army and to a common/single Army enterprise. With this integration, the Army Reserve Enterprise Integration Office will continue to be responsible for C4/IT planning, programming, budgeting, and execution support for all related Army Reserve appropriations. The Department of the Army CIO/ G-6 will provide resource guidance and policy oversight, ensuring that Army Reserve C4/IT requirements are integrated and validated as part of broader Army requirements.

FEDS_HEAL Program Expanded and Improved

The Army Reserve Surgeon's office worked with the Veteran's Administration to expand and improve the Federal Strategic Health Alliance (FEDS_HEAL) program. This initiative includes the addition of consolidated medical and dental records review, centralized appointment scheduling, dental treatment, vision examinations and eyeglass and lens insert procurement, and support to Soldier readiness processing activities.

The year began with a concerted effort to enhance Soldier readiness in support of Operation Iraqi Freedom. This resulted in 85,000 records being reviewed by the FEDS_HEAL Program Office, which subsequently initiated and completed 48,000 physical examinations, 31,000 dental examinations, 3,200 dental treatment services, 71,000 immunizations (not including Anthrax), 22,500 Anthrax immunizations, and 1,000 vision examinations. The effort has been sustained via routine SRP support

across the nation. The effect has been to increase readiness and minimize processing time and the frequency of non-deployable Soldiers being called to active duty.

In addition, the effectiveness of FEDS_HEAL was enhanced by the program's extension to the Army National Guard, Air Force Reserve, six Active component dental treatment facilities, and the occupational health programs of the Army National Guard and Reserve.

GROWING CONTRIBUTIONS

Prior to Operations Desert Shield and Desert Storm, Army Reserve Soldiers provided minimal support to military missions. That all changed with the first Gulf War, when almost 95,000 Army Reserve members were called to active duty – and they not only responded but performed that duty well, contributing over 14 million duty days of support. Since that war, the Army Reserve provided between 1 million and 4 million duty days annually to total force missions until the terrorist attacks of September 11, 2001. Once again the Army Reserve has responded quickly and continuously with over 95,000 members serving on active duty and providing nearly 16 million duty days of support to the Active forces in FY03.

The increased personnel tempo became steady-state even before September 11th as our Reserve Soldiers took their places among the rotational forces that are still keeping the peace in Eastern Europe. Our military police, medical, civil affairs, and public affairs Soldiers continue to provide their skills and capabilities in Operations Joint Endeavor and Joint Guardian in Bosnia and Kosovo.

In the wake of the events of September 11th, came the global war on terrorism, Operation Noble Eagle in the United States, and the subsequent campaign, Operation Enduring Freedom in Afghanistan and Kuwait. Civil affairs units made up of Army

Reserve Soldiers who possess civilian-acquired and sustained skills in the fields of engineering, city planning, and education were deployed to the region to lead in reestablishing a free, functioning society. Numerous new schools were built and medical aid provided to the people of Afghanistan. These Soldiers represent the goodwill and interests of the American people with every classroom they build and every skill they teach, every functioning social capability they help create, and every contact they make with the native population. And your Army Reserve Soldiers are doing an incredible job.

In Operation Iraqi Freedom our troops have liberated Iraq and brought down Saddam Hussein. Today they remain, boots on the ground, helping restore the fabric of Iraqi society and its infrastructure and return self-determination to the people of Iraq who are free for the first time in more than 30 years.

No one expects this mission to be completed soon or the war on terrorism to be won quickly. Both will try our patience and test our resolve as a nation and as an Army. Both will require new organizational and institutional paradigms and expectations if we are to prevail in our present endeavors and prosper in future ones. The world will remain a dangerous and unstable place for the foreseeable future. We must so organize ourselves and our efforts that we have the institutional endurance and robustness to accomplish our missions effectively, efficiently, and definitively.

THE IMPERATIVE FOR CHANGE

Despite the clear relevance and strength demonstrated by these examples, we, the Army as an institution, are not without our challenges. First and foremost, we, the Army Reserve, must evolve as an institution to accommodate the changes in our environment. The division-oriented, set-piece battles of the past now share the stage with conflicts in which smaller interchangeable units will be combined in formations tailored to meet specific threats and situations and to offer the combatant commander

the capabilities he needs to contain and defeat the enemy, and prevail upon the shifting, asymmetrical battlefields of the twenty-first century.

ARMY RESERVE RESPONSE

The Army Reserve is moving to meet that challenge, preparing changes to training, readiness and policies, practices, and procedures. We are restructuring how we train and prepare the force by establishing a Trainee, Transient, Holdee, and Student Account, much like the Active Army, to manage our force more effectively. We are preparing plans to support the continuum of service concept recently proposed by the Office of the Secretary of Defense, which would allow ease of movement between Army components as dictated not only by the needs of the Army, but also by what is best for the Soldier developmentally and educationally. We are excited by the potential of such transition proposals.

Federal Reserve Restructuring Initiative (FRRRI)

Our initiatives concerning the management of individuals and units in the Army Reserve are the catalyst of the evolving Army Reserve – The Federal Reserve Restructuring Initiative. Six imperatives are necessary in order for the Army Reserve to change to a 21st century force. These imperatives are: re-engineer the call to active duty process; transform Army Reserve command and control; ensure ready units; implement human resources life cycle management; build a rotational base in our force; and re-engineer individual Soldier capabilities.

Call to Active Duty Reform

Changing our industrial-age, Cold-War era call-to-active-duty and mobilization process remains a critical component to realizing the capabilities and potential of our highly skilled, loyal and sacrificing Soldiers. The nation's existing process is designed to support a traditional, linear, gradual build-up of large numbers of forces and equipment and expansion of the industrial base over time. It follows a construct of war plans for various threat-based scenarios. *It was designed for a world that no longer exists.* Today, multiple, operational requirements, unclear, uncertain, and dynamic alliances, and the need for agile, swift, and decisive combat power, forward presence in more responsive ways, and smaller-scale contingency operations, demand a fundamentally different approach to the design, use, and rotation of the Army Reserve forces. Rather than a "force in reserve," the Army Reserve has become and serves more as a complementary force of discrete specialized, skill-rich capabilities and a building block for teams and integrated units of capabilities, all essential to generating and sustaining forces. The process of accessing and employing these forces must be overhauled completely to become more efficient, flexible, and responsive to the nation's needs, yet sensitive to, and supportive of the Soldier, the family and the civilian employer. To do this we require a more decentralized, agile, and responsive process that accommodates the mission requirement while simultaneously providing greater predictability for soldier, family, and employer.

Changing the way we employ Soldiers starts with changing the way we prepare for calls to active duty. The current process is to alert a unit for calls to active duty, conduct administrative readiness preparations at home station, and then send the unit to the mobilization station for further administrative and logistical preparedness processing and to train for deployment. This alert-train-deploy process, while successful in Desert Shield/Desert Storm, today inhibits responsiveness. By changing to a train-mob-deploy model, and dealing with administrative and logistical requirements prior to active duty, we will reduce the time needed to bring units to a campaign quality level needed for operations. This will require us to resource more training events at

home station through the use of devices, simulators and simulations. As you would expect, this shift in paradigms will increase pre-call-to-active-duty OPTEMPO beyond the current statutory level and will require greater effort and resources to achieve. We are confident that the increased costs will pay significant dividends in terms of readiness and deployability.

Realigning Force Command and Control

Our evolutionary force structure journey actually began 10 years ago and is accelerating rapidly today. In 1993 we reorganized to produce a smaller, more efficient, and more effective structure. Our overall strength was reduced by 114,000 Soldiers, or 36 percent, leaving us with a 205,000-Soldier statutory end strength today. We continue our journey from a Cold-War Army Reserve force to our current, fully engaged Army Reserve, to a changed, even more responsive and capable future Army Reserve force that will include a rotational capability. In the 1990s, we cut the number of our Army Reserve commands by more than half and re-invested those resources into capabilities such as medical and garrison support units as well as Joint Reserve units. We reduced the number of our training formations by 41 percent and streamlined our training divisions to better meet the needs of the Army and its Soldiers. Our journey continues today as we mature plans for further realignments and force structure initiatives. Between FY05 and FY08, we will reduce our force structure by 35,000 spaces, reinvesting those into remaining units in order to man them at 100 percent. Simultaneously, we will redesign the remaining force into more capable modular organizations and reduce the number the number of general officer functional commands and the number of general officer command and control headquarters subordinate to the Army Reserve Command.

The Army Reserve is the nation's repository of experience, expertise, and vision regarding Soldier and unit calls to active duty. We do have forces capable of mobilizing in 24 hours and moving to their active duty stations within 48 hours, as we demonstrated in response to September 11th. This norm of quick and precise calls to

active duty ability will become institutionalized in the processes and systems of the future and give our forces the ability to marshal Army Reserve Soldiers rapidly and smoothly.

Trainees, Transients, Holdees, and Students (TTHS) Account

The most immediately effective methods for improving Army Reserve unit readiness is to harvest the personnel authorizations (spaces) associated with those units whose historical missions have been largely overtaken by events and whose consequent relevance to war plans and missions has been significantly reduced or eliminated all together. These spaces can then be used as a holding account that increases unit readiness by removing unready Soldiers from troop program unit spaces. Currently, unready Soldiers are carried on the rolls for a variety of reasons and reported as unavailable to fill force authorized positions. With the creation of the TTHS account, these unready Soldiers will be assigned to the TTHS account where they will be trained and managed until they can be assigned to a unit in a duty-qualified status.

This procedure can be accomplished within existing manpower and funding levels. This initiative will improve the quality of service for individual Soldiers and relieve unit commanders of a major administrative challenge thus enabling them to better focus on calls to active duty and readiness activities.

The TTHS account will be used to manage vacancies and the assignment of qualified Soldiers to authorized positions, thus increasing retention with a positive Soldier-oriented life-cycle management program.

Individual Augmentee Program and Continuum of Service

In today's operational milieu, there is a growing need to establish a capability-based pool of individual Soldiers with a range of specialties who are readily available, organized, and trained for calls to active duty and deployment as individual

augmentees. In spite of numerous force structure initiatives designed to man early deploying Active Army and Reserve component units at the highest possible levels, a requirement remains for individual specialists for unforeseen, unplanned-for-contingencies, operations, and exercises. Therefore, I have directed the establishment of an Individual Augmentee Program within the Selected Reserve to meet these needs.

The Individual Augmentee Program is intended to meet real-world combatant commander requirements as validated in the Worldwide Individual Augmentation System (WIAS). Additionally, this program will preclude the deployment of individual capabilities from Active or Reserve component units, adversely affecting their readiness, cohesion, and future employment effectiveness. This program will allow Soldiers to participate at several levels of commitment, and supports the Office of the Secretary of Defense proposal for a continuum of service that enables service members to move more easily between their services' components during their careers.

Rotating the Force

While changing industrial-age mobilization, personnel, training, and development policies is necessary, restructuring our force so that we can implement predictable and sustainable rotations based upon depth in capability is also necessary. We are committed to achieving a capability ratio that will manage Army Reserve deployments to once every four or five years. Predictable and sustainable utilization is a key factor in maintaining Soldier, family, and civilian employer support. One of the goals of transforming our force is to change policies that are harmful to Soldiers and families. Predictable rotation schedules will allow the Army Reserve to continue to be a long term source of skill-rich capabilities for small scale contingency conflicts and follow-on operations. Properly executed, predictable rotations will provide our units with operational experience; provide a sense of fulfillment for our Soldiers; impart a sense of order for our Soldiers, and even out the work load across the force. The recent changes to the Operation Enduring Freedom and Operation Iraqi Freedom rotational schedules are an important step in establishing those rotational capabilities.

Rebalancing the Force

There has been considerable concern raised about what is viewed as excessive reliance on the nation's Reserve components both for small-scale operations such as the Balkans rotations and for long-term contingency operations such as Operations Enduring Freedom and Iraqi Freedom. While only 33 percent of Army Reserve troop strength is currently called to active duty, and while that level of usage does not seem extreme, raw numbers alone do not tell the whole story. Some units, notably, military police and truck transportation units are in fact over-extended, and it is true that some types of units that have been used more in the war on terrorism than others. Military police, civil affairs, military intelligence, transportation and biological detection and surveillance capabilities are the highest in utilization. We are committed to eliminating these pockets of specialty over-stress by increasing the number of some units in both the Active component and the Army Reserve and Army National Guard.

The Department of Defense is currently deeply involved in determining how to rebalance the Active-Reserve component force mix to mitigate the effects of over-use of particular specialties. Currently, 313 Standard Requirement Codes (types of units) are found exclusively in the Army Reserve. The Army Reserve has been able to meet the challenges with this structure thus far, but clearly the structure requires change and perhaps augmentation to meet the continuing demand for these skill-rich capabilities that are more practically sustained in a Reserve component force.

Recruiting and Retention

Recruiting and retention is an area of the highest importance to the Army Reserve and a volunteer force. Our responsibilities require the best Soldiers America can provide. In this regard, we are most appreciative of the help your subcommittee has provided us. We would be remiss if we did not thank you for the attention you have paid to our recruiting needs in recent legislation. With your help we have met our

recruiting mission for four straight years from 2000 to 2003. In FY2004, however, we are 182 accessions short of expected year-to-date mission out of a projected 10, 156 accessions. While this is cause for some concern, I am not alarmed over this because we are currently at 103 percent strength.

Although generally successful in overall mission numbers, we continue to experience difficulty in attracting and retaining qualified individuals in certain critical wartime specialties. Your continued support on behalf of recruiting and retention incentives, allowing for innovative readiness training and the funding of continuing health and educational opportunities will help us with this difficult task.

The Army Reserve, in partnership with the United States Army Accessions Command, has conducted a thorough review of Army Reserve recruiting. This review has helped us forge a stronger relationship with the Accessions Command and has streamlined our processes to support the symbiotic relationship between recruiting and retention. To that end, we will seek to ensure that all Army Reserve Soldiers are involved in recruiting and retention activities - we all are a part of the Army's accessions efforts. We are removing mission distracters allowing the Accessions Command to focus on their core competency of recruiting non-prior service applicants; we are focusing on life cycle personnel management for all categories of Army Reserve Soldiers and our retention program seeks to reduce attrition, thereby improving readiness and reducing recruiting missions.

During 2003, the responsibility for the entire prior service mission transferred from the Accessions Command to the Army Reserve. Tenets of this transfer included: establishment of career crosswalk opportunities between recruiters and retention transition NCOs; localized recruiting, retention and transition support at Army Reserve units, and increased commander awareness and involvement in recruiting and retention efforts.

To support recruiting and retention, the Army Reserve relies on non-prior service and prior service enlistment bonuses, the Montgomery GI Bill Kicker, and the Student Loan Repayment Program in combinations that attract Soldiers to fill critical MOS and priority unit shortages. The Army Reserve must be able to provide a variety of enlistment and retention incentives, for both officer and enlisted personnel, in order to attract and retain quality Soldiers. Fully funded incentive programs must be available to ensure success in attaining recruiting goals and maintaining critical shortages and skills.

As for the retention of this all-volunteer force, during the mid-eighties, at the height of the Cold War, the Army Reserve averaged a 36-38 percent officer and enlisted attrition at a time when we were *never* used. Today, after 8 continuous years of calls to active duty and use since 1997, we are averaging 24-26 percent attrition. Interestingly, the retention rates appear to be higher in those units that get called to active duty than in those that are not called. Our Soldiers feel the pressure, they understand the sacrifice, and they recognize their contributions to the common good and their fellow citizens. They are proud and they are determined. I am profoundly impressed by their performance, their commitment, and their dedication every day.

Historically, our retention program has been a success. Faced with an enlisted attrition rate of 37.5 percent at the end of FY 1997, we adopted a corporate approach to retaining quality. Retention management was an internal staff responsibility before FY 1998. In a mostly mechanical approach to personnel management, strength managers simply calculated gains and losses and maintained volumes of statistical data. Unfortunately, this approach did nothing to focus commanders on their responsibility of retaining their most precious resource — our Soldiers.

In response, the Army Reserve developed the Commanders Retention Program to correct this shortcoming. A crucial tenet of this program places responsibility and accountability for retention with commanders at every level of the organization. Commanders now have a direct mission to retain their Soldiers and must develop annual retention plans. Additionally, first line leaders must ensure all Soldiers are

sponsored, receive delivery on promises made to them, and are provided quality training. In this way, the Commanders Retention Program ensures accountability because it establishes methods and standards and provides a means to measure and evaluate every commander's performance.

Since the introduction of the Commanders Retention Program, the Army Reserve has reduced enlisted troop program unit attrition by nearly 12 percentage points. The enlisted attrition rate in FY 2003 was 25.5 percent.

The attrition rate for FY 2004 is projected to increase to 30.4 percent, due to an increase in the Expiration of Term of Service (ETS) population, expected retirements as well as recalls to active duty. The exact impact of demobilization of troops rotating out of theater having served in OIF1 and OEF3 remains to be seen. The next several months will tell the tale as stop-loss provisions are lifted 90 days after our troops are released from active duty.

Overall, the Army Reserve successfully accomplished its FY 2003 recruiting mission while achieving the Department of the Army and Department of Defense quality marks. Beginning FY2004, the Army Reserve transitioned the U.S. Army Recruiting Command (USAREC) from a contract recruiting mission to a ship mission as well as began a three-year phased implementation of the Delayed Entry Program (DEP) similar to the Active Army. To support these efforts the Army Reserve recruiting mission will increase over the next three years and will stabilize by FY07. The purpose of these two initiatives is to better utilize our training seat resources and to reduce overall unit attrition. The accomplishment of the recruiting mission will demand a large investment in time on the part of our commanders, our retention NCOs, and our recruiters as they are personally involved in attracting the young people in their communities to their units.

However, the same environmental pressures that make non-prior service recruiting and retention difficult also affect prior service accessions. With the defense drawdown we have seen a corresponding decrease in the available prior service market

in the Individual Ready Reserve. This affects Army training costs, due to the increased reliance on the non-prior service market, and an overall loss of knowledge and experience when Soldiers are not transitioned to the Army Reserve. Consequently, the Army Reserve's future ability to recruit and retain quality Soldiers will continue to be critically dependent on maintaining competitive compensation and benefits.

The Army Reserve is currently experiencing a shortfall of 4,200 company grade officers. Retention goals focus commanders and first line leaders on junior officers. The establishment of a sound leader development program is a cornerstone of Army Reserve transformation. Providing young leaders the opportunity for school training and practiced leadership will retain these officers. A transformed assignment policy will enhance promotion and leader development. Increased Army Reserve involvement in transitioning officers from active duty directly into Army Reserve units will keep young officers interested in continuing their Army career. Allowing managed flexibility during their transition to civilian life will be a win for the Army and the officer.

Special attention needs to be placed on the recruiting budget, for advertising, to meet our requirements in the next several years. Young people of today need to be made aware of the unique opportunities available in the different military components. The best way to get this message out is to advertise through the mass media. Funding our critical advertising needs is imperative if we are to be honestly expected to meet our recruiting goals. Your continued support of our efforts to recruit and retain quality Soldiers is essential if we are to be successful.

Family Programs

A functional family readiness program is important in peace and critical in war. Family programs provide invaluable family assistance during peacetime and calls to active duty, to include training for family program directors and volunteers in support of

family readiness activities. These volunteers and contract employees provide information referral and outreach to family members and deployed Soldiers. Within this system are 25 contractors serving in family program director positions whose duties include aiding in promoting families' awareness of benefits and entitlements, orienting family members to Army Reserve systems, programs, and way of life.

In preparation for calls to active duty deployment, these volunteers and staff provide an extensive briefing for both families as well as Soldiers. These family services include briefings by members of the Chaplains Corps who explain what happens to spouses or families upon separation. We also provide briefings when the service member returns and coach the family members to expect changes upon the Soldier's return to home.

The average Army Reserve soldier is older and more likely to be married than the average active component soldier. While all families face hardships when their soldier is called to the colors, Army Reserve families have additional challenges as they generally do not live near an installation that can provide services. While historically we have relied extensively on volunteers, experience has shown we must increase the amount of full time staff available for families. We will soon have 25 additional family readiness group assistants positioned in locations where they can assist geographically isolated families of mobilized soldiers. We also have begun the process of accreditation to ensure the program delivers a consistent level of service to families. We continue to work on obtaining more resources for the program.

During Desert Shield/Desert Storm Army Reserve family readiness programs were sparse. Today, these programs are extensive, and they are providing a support network for our families. We have been able to meet the needs of our deployed Army Reserve Soldiers and will continue to do so. We are anticipating challenges in the future.

Information Technology

Network Service/Data Center

The Army Reserve is redesigning its information technology infrastructure to support the global war on terrorism and greatly increase the survivability of our information technology infrastructure in the event of a cyber or physical attack. This redesigned infrastructure will establish a network service/data center that supports the continental United States. With this redesign, the Army Reserve would have the technological capability to sustain existing Army systems or field new Army systems to meet readiness requirements. The redesign will also enhance the timely dissemination of information supporting command and control of areas of mobilization, training, and overall data exchange.

Force Protection

The Force Protection program within the Army Reserve is designed to provide security and preparedness to meet the full spectrum of threats facing Army Reserve facilities and stand-alone facilities worldwide. The program is an integrated set of five security activities: physical security, anti-terrorism, law enforcement , information operations, and installation preparedness.

The timely and accurate flow of threat information is the foundation of the overall Force Protection program within the Army Reserve. Vulnerability and risk assessments coupled with current threat information provides a solid crisis management planning platform for the Army Reserve stand alone facilities and installations.

The Army Reserve Force Protection program enables commanders to prioritize facilities and focus resources using a proven decision making methodology. The Army Reserve Force Protection program is being used to dramatically repair and upgrade facilities, train leaders and integrate security programs to ensure fully capable units are available to support combatant commanders in the Global War on Terrorism.

Installation Preparedness concentrates on detailed planning, integrated training and for the coordinated response of first responders such as fire, police and emergency services to incidents involving weapons of mass destruction or industrial accidents and disasters on or near Army Reserve facilities and installations.

The Army Reserve is challenged with its existing military and civilian manpower structure. To sustain the current Force Protection program and meet the demands of emerging requirements, we must expand contract requirements for physical security, anti-terrorism vulnerability and risk assessments, force program leader training and exercise planning for the entire Army Reserve.

Currently, the Army Reserve meets installation access control requirements, but sustainment of access control combined with the additional stand alone facility level security requirements associated with the global war on terrorism has become a challenge.

Funding to support these critical security programs will allow the Army Reserve to continue to repair facilities, train leaders, and integrate security programs to ensure fully capable units are available to support combatant commanders in the global war on terrorism.

Equipment Procurement and Modernization

Increasing demands placed on the Army Reserve highlight the importance of equipment that is mission-essential. In addition, the increased use of Reserve forces in

operational missions and the global war on terrorism has highlighted the importance of having compatible and modern equipment. In order for our Soldiers to be able to seamlessly integrate on the battlefield, our equipment must be operationally and technically compatible. Without complete interoperability, the ability of the Army Reserve to accomplish its combat support and combat service support missions would be diminished. The need to quickly and efficiently deploy Army Reserve units invalidates the old Cold War planning that Army Reserve units will have sufficient mobilization time to replace non-interoperable equipment or fill shortfalls deliberately accepted as “necessary risk.” Retaining older, less effective equipment or filling the Army Reserve’s authorized levels of equipment only partially, leads to delays as a limited pool of Army Reserve equipment is transferred between deploying, redeploying and non-deploying units and Army Reserve Soldiers are trained or retrained to operate more modern equipment, they did not have access to during drills and annual training. The National Guard and Reserve Equipment Appropriation (NGREA) has been a significant and essential tool to improve the Army Reserve through force modernization.

Meeting these challenges requires not only that the Army Reserve be issued modern, interoperable equipment, but that the resources to maintain the readiness of this equipment also be provided. Sufficient funding needs to be provided to allow the Army Reserve to reach higher standards of readiness than currently maintained as an element of risk accepted by the Army under constrained budgets. Until the Army Reserve can be fully equipped with modern items, sustaining the combat and deployment readiness of the equipment currently on hand is essential. This requires full funding of operations and maintenance requirements and continuing support of the Army’s depot maintenance program, which is vital to maintaining the readiness of Army Reserve equipment, while extending service life, reducing life cycle costs and improving safety for Army Reserve Soldiers.

Combat support and combat service support transformation is a vital link to the Army Transformation Plan. The Army Reserve is the main provider of this capability for the Army and the Army must continue to modernize the Reserve components along a

timeline that ensures the Reserve components remain interoperable and compatible with the Active component. The Army Reserve is continuing to support the Army's Transformation through the assignment of equipment from Army Reserve units to Army prepositioned stocks (APS) and stay-behind equipment (SBE) in Iraq and Afghanistan.

Equipment modernization of the Army Reserve is indispensable in meeting the goals of the Army's Transformation Campaign Plan. Full integration into the Army's modernization plan to implement force interoperability enables our units to deliver required combat service and combat service support ensuring our Army's operational success.

Facility Revitalization

The Army Reserve installation community proudly sustains two of the Army's major installations and 12 regional support commands. These regional commands function as "virtual installations" with facilities in 1,160 communities across all 50 states, United States territories, and in Europe.

Our primary facilities, Army Reserve centers, are prominent symbols of The Army on Main Street America. They often create the very first impressions of the entire Army and present a permanent billboard for all Americans to see. Unfortunately, most Army Reserve facilities consist of 1950's era structures that remain virtually the same as when they were constructed. They are sorely in need of modernization or, as in most cases, replacement.

Army Reserve Soldiers train in widely dispersed training centers and support facilities worldwide, whose 40 million square feet of space equates to more square footage than Forts Hood, Sill and Belvoir combined. Our facilities experience the same type of challenges active Army posts do. The impacts of poor facility conditions are even more acute for our Soldiers. Overcrowded, inadequate and poorly maintained

facilities seriously degrade our ability to train and sustain units as well as sapping Soldier morale and esprit de corps.

SUMMARY

In today's national security environment, the Army Reserve has many challenges -- we accept these without hesitation. These challenges find expression in our reliance on Reserve component forces in contingency operations. Historically our nation has placed great reliance on Reserve components of Soldiers, Marines, Sailors, and Airmen to expand the armed forces for operations during time of war. As BG David Fastabend notes in his unpublished white paper, *Serving a Nation at War; a Campaign-Quality Army with a Joint and Expeditionary Mindset*, " Although the fundamental nature of war is constant, its methods and techniques change chameleon-like to match the strategic context and capabilities at hand." We must also change to accommodate the twenty-first century strategic context and operational reality. This global war on terrorism, as our president has described, is a long-term campaign of inestimable duration, fought in many different places around the world. The issues we have brought to you today -- changing how we man, train, prepare, maintain, and resource our force recognizes the commander-in-chief's intent to prepare for future wars of unknown duration in places we have yet to fight and against enemies who threaten our freedoms and security.

We are grateful to the Congress and the Nation for supporting the Army Reserve and our most precious resource, our Soldiers -- the sons and daughters of America.

Thank you.