

**HEARING TO RECEIVE TESTIMONY ON THE
ACTIVE, GUARD, RESERVE, AND CIVILIAN
PERSONNEL PROGRAMS IN REVIEW OF THE
DEFENSE AUTHORIZATION REQUEST FOR
FISCAL YEAR 2014 AND THE FUTURE YEARS
DEFENSE PROGRAM**

WEDNESDAY, APRIL 17, 2013

U.S. SENATE,
SUBCOMMITTEE ON PERSONNEL,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 2:00 p.m. in room SR-232A, Russell Senate Office Building, Senator Kirsten Gillibrand (chairman of the subcommittee) presiding.

Committee members present: Senators Gillibrand, Donnelly, Kaine, King, Ayotte, and Graham.

Majority staff members present: Jonathan D. Clark, counsel; Gabriella E. Fahrner, counsel; and Gerald J. Leeling, general counsel.

Minority staff members present: Steven M. Barney, minority counsel; and Allen M. Edwards, professional staff member.

Staff assistant present: Jennifer R. Knowles.

Committee members' assistants present: Elana Broitman and Kathryn Parker, assistants to Senator Gillibrand; Marta McLellan Ross, assistant to Senator Donnelly; Karen Courington, assistant to Senator Kaine; Steve Smith, assistant Senator King; Brad Bowman, assistant to Senator Ayotte; and Craig Abele, assistant to Senator Graham.

**OPENING STATEMENT OF SENATOR KIRSTEN E. GILLIBRAND,
CHAIRMAN**

Senator GILLIBRAND. Good afternoon, everyone. The subcommittee meets today to receive testimony from the Department of Defense on the Active, Guard, Reserve, and civilian personnel programs contained in the administration's National Defense Authorization Request for Fiscal Year 2014, and the Future Years Defense Program.

Today we will have two panels. The first panel consists of senior Department of Defense leaders with whom we will discuss not only DOD personnel policy issues, but also specific budget items pertinent to our subcommittee's oversight responsibilities. Our witnesses are the Honorable Jessie Wright, Acting Under Secretary of

Defense for Personnel and Readiness, the Honorable Jonathan Woodson, Assistant Secretary of Defense for Health Affairs and Director of the TRICARE Management Activity, Mr. Frederick Vollrath, the Acting Assistant Secretary of Defense for Readiness and Force Management, and Mr. Richard Wightman, Acting Assistant Secretary of Defense for Reserve Affairs.

The second panel will consist of representatives from groups of Active and Reserve component servicemembers, retirees, and their families. I will introduce them after the first panel concludes.

As this is my first budget related hearing as chairwoman of this subcommittee, I want to bring—I want to begin by recognizing the hard work the subcommittee has done over the past decade. While we have more work to do, the committee has significantly improved the pay and benefits of servicemembers, enabling the services to recruit and retain the very best, and maintain the highest caliber force, even during a decade of persistent armed conflict.

This subcommittee has supported numerous enhancements to the TRICARE benefit over the last decade as it has supported enhancements to pay, critical family programs, transition assistance programs, education benefits, morale and welfare programs, mental health counseling programs, survivor benefits, all to ensure continued viability of the all-volunteer force during a decade of war.

The military health system delivers world class care to over 9.5 million beneficiaries, Active Duty members, Reserve members, retirees, and dependents, and has achieved unprecedented rates of survival from combat wounds. While we must continue to look at ways to expand TRICARE to cover autism treatment, on the whole TRICARE is an extraordinary program.

It is clear the Department faces significant budgetary and pragmatic pressures. For the remainder of the fiscal year, the Department will operate under the sequestration imposed by the Budget Control Act, and, as a result, DOD will have to take extraordinary measures to deal with the across the board programmatic cuts of nearly eight percent. The budget submitted by the Department for fiscal year 2014 does not account for any sequestration of funding in the fiscal year, which, if it remains in effect, would reduce the Department's budget by yet another \$52 billion.

Because of the current budget environment, the President's budget request reflects some difficult choices that this subcommittee will have to carefully examine as we begin consideration of the annual defense bill. The budget requests a 1 percent across the board pay raise for military and civilian personnel. This is regrettably below the annual rise of the employment cost index of 1.8 percent. This hearing is our opportunity to hear from both our military and advocacy group panels about the impact of this pay raise level, as well as the housing and subsistence allowance increase of about four percent. The Department's budget request assumes savings of \$459 million based on holding pay raises to just the 1 percent.

The Department also proposes to establish or raise certain fees related to health care coverage for military dependents and retirees. Congress has not supported these proposals in the past years, and I personally remain very skeptical about increasing costs for military members and veterans. The Department budget request

has assumed nearly \$1 billion in savings in fiscal year 2014 as a result of these health care proposals.

There is no greater responsibility for Congress and military leaders than to support our brave servicemembers, their families, and the civilian employees who are vital components of our military team. While the President has protected the military personnel pay accounts from sequestration, he could not do the same for the DOD civilian workers, which gives me great concern. The furloughs that are planned for the rest of the fiscal year, while perhaps necessary, breaks our commitment to our civilian workforce.

Our defense civilians include an important support network as well as many of the experts in critical fields, such as cyber security. Even as the Department works to comply with the congressional mandate to reduce the size of the civilian workforce, civilians are in the midst of yet another year of pay freeze. DOD and Service leaders have expressed their concern not just about the short-term negative effects these furloughs will have on critical services for servicemembers and their families, but of the long-term effects, including damage to morale and the prospect of our most talented may no longer view public service as a viable career option. I share their concern.

A highlight in the last year of personnel issues, however, is the expansion of personal benefits to same sex partners: the opportunity to shop at commissaries, take emergency leave, and participate in family-centered programs. I know that the Department is waiting to implement additional benefits, such as in health care and housing, until the Supreme Court decides the constitutionality of DOMA.

I urge you all to be as forward leading as possible in ensuring that all of our military benefits are as inclusive as possible.

Lastly, I want to say something about sexual violence in the military, an issue which I remain deeply committed to solving. I held my first hearing as chairwoman of the subcommittee last month on this topic. As I said then, a system where less than one out of 10 reported perpetrators are held accountable for their alleged crimes is not a system that is working. And that is of just the reported crimes. The Defense Department itself puts the real number closer to 19,000. A system where in reality fewer than two out of 100 alleged perpetrators are faced with any trial at all is clearly inadequate and unacceptable.

This committee and the Pentagon took some first steps on this issue as part of last year's national defense authorization bill that President Obama signed into law, including ensuring that all convicted sex offenders in the military are processed for discharge or dismissal from the armed forces, regardless of which branch they serve in, and reserving case disposition authority for only high ranking officers in sexual assault cases.

Secretary Hagel has made an important announcement by proposing changes to Article 60 so that courts martial cannot be overturned by the commanding officer. This is a good step forward, and I commend the Secretary for honoring the commitment he made to me by taking this issue head on. But it is not enough, and Congress must act to address this issue. I look forward to continuing

to work with my colleagues on the legislation to hold those who commit these violent crimes accountable.

I look forward to hearing your testimony about other important personnel programs and the overall morale and health of our military. As always, I encourage you to express your views candidly and tell us what is working well and to raise any concerns and issues you may want to bring to the subcommittee's attention. Let us know how we can best assist our servicemembers and their families to ensure our military remains steadfast and strong.

Senator GILLIBRAND. It is now my privilege and honor to give the mic to Senator Graham. Thank you.

STATEMENT OF SENATOR LINDSEY GRAHAM

Senator GRAHAM. Thank you, Madam Chairwoman. I appreciate it.

I am very interested in TRICARE. We have had discussions in my office and this room, all over the building for years about what can we do in a rational, logical way to deal with the growth in TRICARE costs to the government. In 2001, it was \$19 billion. I am told in fiscal year 2014, it is \$49.4 billion.

To the beneficiary community, we certainly want to listen to your concerns about how to make the program more efficient. But I am looking for sustainability. I am looking for a generous benefit that is sustainable, because if it is not sustainable, it is a false promise. And we cannot get ourselves in a situation where we are dealing with retiree health care and a shrinking military budget, and pit it against modernization, weapons, active duty needs. There has got to be some way to make this program more sustainable, and ask of some of us, like myself who will be retired in a couple of years, to have a gradual premium increase. I am certainly willing to do that. I just want to make sure that what we are asking of the retired community is rationale, is logical, affordable. So that is a big deal for me.

As to the pay increases, I wish it was more. I wish it was the 1.8 percent. But once we get sequestration behind us, replacing this \$1.2 trillion cut where half of it falls on the military over the next decade with a bigger deal, which I think we can do—at least I hope we can do—that will free up some money for discretionary spending.

To all the witnesses, thank you. To the organizations who support men and women in uniform, the retired force, I look forward to hearing from you.

I got to go to the floor at 2:20, but I shall return.

Thank you, Madam Chair.

Senator GILLIBRAND. Thank you, Senator Graham.

You are each now invited to give your opening statement.
Secretary Wright.

**STATEMENT OF HON. JESSICA L. WRIGHT, ACTING UNDER
SECRETARY OF DEFENSE, PERSONNEL AND READINESS**

Ms. WRIGHT. Chairwoman Gillibrand, Senator Graham, distinguished members of the subcommittee, I appreciate the opportunity to appear before you to discuss personnel and readiness programs in support of the President's fiscal year 2014 budget request.

You have heard from Secretary Hagel that the fiscal year 2014 budget is based on the defense strategic guidance, a comprehensive review of military missions, capabilities, security rules around the world. It is also a proposal made in face of extraordinary fiscal budget uncertainty caused by sequestration and the Budget Control Act of 2011.

In fiscal year 2014, the DOD budget, \$526.6 billion, includes \$137.1 billion for our military personnel, as well as \$49.4 billion for military Medicare, adding up to approximately a third of the base budget's request. As Secretary Hagel stated, our people are doing extraordinary work and making great sacrifices. Their dedication and professionalism are the foundation of our military strength. Therefore, it is our job to make sure that we take care of them.

We are here today to discuss how the fiscal year 2014 budget and the plan will affect the total force, the Department's greatest asset. The Department's Total Force, Active, Guard, Reserve, National Guard members, government civilians, and contract service representatives, a carefully coordinated approach balances operational needs, and satisfies mission requirements, and recognizes fiscal constraints. After 11 years of intensive operations, our warriors and civilians are experienced and proficient than ever to execute current operational missions and respond to emergent needs throughout the globe. We must build on the most appropriate total force by actively recruiting and retaining the right people for the mission with the appropriate level of compensation and benefits. Building and sustaining the right balance also requires constant vigilance of readiness.

Therefore, we want to thank Congress for the legislative authorities in fiscal year 2013 of the NDAA, which provides flexibility to affect required drawdowns. These authorities allow the Department to avoid the loss of critical expertise and provide military services, the tools necessary to manage their force with the least impact on readiness.

Next, our mission to support servicemembers and their families by providing a network of services and programs which promote readiness and quality of life. This means the Department must keep pace with our servicemembers by doing all it can to protect the men and women from harm. This includes preventing and responding to sexual assault, working to lower the risk of suicides, and providing a reliable network of legal and health services in the time of need.

Finally, our responsibility continues as our men and women prepare to transition into civilian life and become a veteran. A new generation of servicemembers are coming home, and we must live up to our commitment to them because of their service and sacrifice. Whether it is on the battlefield, at home, or with their families, or after they have faithfully concluded their military service, we are committed to preparing servicemembers for whatever challenges they may face from warrior to veteran. They really deserve no less.

Now I will turn to Dr. Woodson, Mr. Vollrath, Mr. Wightman, to discuss their particular policy priorities under their purview.

Dr. Woodson.

**STATEMENT OF HON. JONATHAN WOODSON, M.D., ASSISTANT
SECRETARY OF DEFENSE, HEALTH AFFAIRS, AND DIRECTOR
OF TRICARE MANAGEMENT ACTIVITY**

Dr. WOODSON. Chairwoman Gillibrand, Senator Graham, and members of the subcommittee, thank you for the opportunity to present the President's budget request for military medical programs for fiscal year 2014, and for the distinct honor of representing the men and women of the finest military health care system in the world.

Over the last 11 years, men and women serving in the military health system have performed with great skill and courage. They continue to help advance military and American medicine as witnessed by many comments in the tragic aftermath of the Boston bombings. They continue to serve courageously and to simultaneously prepare a service that engages in combat and medical operations, supports a comprehensive peace time health care system, and respond to humanitarian crises around the world. It is unique among all militaries on the globe.

The medical readiness of men and women in our armed forces remain at the center of our mission and strategy. We are using every tool at our disposal to assess our servicemembers' health before, during, and following deployment from combat theaters, and we are committed to improving the health and wellness of all who receive care in our system.

Concurrent with our mission of maintaining a medically ready force is our mission of maintaining a ready medical force, a force of medical professionals who are well trained, engaged in ongoing active clinical practice, and supported by military hospitals and clinics that are operating at optimal capacity. To sustain this active practice also requires beneficiaries to choose the military medicine system as their primary and preferred source of care.

As we maintain our readiness, we must also responsibly manage the budget we are given. In 2013, the Department and the Federal Government have encountered headwinds. Budget sequestration continues to present significant challenges to our system and would create potentially catastrophic effects if this approach to budgeting were sustained through 2014.

Still, we must be careful stewards of the taxpayers' dollars, and in this effort, the Department has proposed both internal and external reforms of military medicine. Internally we are undergoing a comprehensive set of reforms of how we are organized as a military health system. The overarching goal of this effort is to create an even more integrated system of care better coordinating delivery of services in Army, Navy, and Air Force medical facilities, along with care provided by the Veterans Administration and the private sector medical community. Improved integration combined with more streamlined decision making will result in better health care, better care overall, and cost deficiencies.

We are in a collaborative and effective pathway forward to eliminate redundancies within the military health systems, improved business practices, and clinical outcomes, and effectively managed care for servicemembers and their families. We have a strong, committed leadership team that includes senior civilian and military

leadership of all services and the Joint Chiefs of Staff to ensure that we achieve these goals.

Externally, the Administration is once again asking military retirees to pay more than they do today for health benefits that they have rightly earned and that they now receive, but proportionately less than when the health benefit was initiated. In an era characterized by more limited resources, we must make decisions and determine tradeoffs among a series of important mission requirements—military operations, training, research, and benefits—particularly the enormous and profound responsibility for lifelong care for our veterans who seek services and benefits for conditions related to their military service.

Our proposal will slow the growth in retiree health benefits costs to the Department over time, while keeping in place the comprehensive medical benefits that retirees receive, and ensuring that this program is there for future generations. The proposal will not affect the most active duty family members. Additionally, our proposals exempt the most vulnerable within our retired population from fee increases to include families of servicemembers who died on active duty and families of servicemembers who are medically retired.

Many other challenges remain ahead for the military and medical system. We are working to mitigate the harmful effects of sequestration involving civilian personnel and limit cuts in our vital military medical research programs. We will continue to identify approaches that curb unnecessary utilization of health care services, and we are increasing our emphasis on wellness, and we are deepening our collaboration with the Department of Veterans Affairs.

I want to close by thanking the Congress, and particularly this subcommittee, for its long support of our programs and its endorsement of our establishment of the Defense Health Agency to improve administration of the military health system.

Thank you for your time today, and I look forward to your questions.

STATEMENT OF HON. FREDERICK E. VOLLRATH, ACTING ASSISTANT SECRETARY OF DEFENSE, READINESS AND FORCE MANAGEMENT

Mr. VOLLRATH. Chairwoman Gillibrand, members of the subcommittee, thank you for the opportunity to join you today.

As we transition from a decade of war, the Department is challenged with managing a total force and maintaining our readiness and capability under significantly reduced funding. Sequester will have a great impact on the Department and will add new challenges in meeting the National security needs. But it will also reinforce the need to take a hard look at our programs and our priorities in order to effectively and efficiently implement necessary reforms in order to maintain a ready force.

A tangible aspect of readiness remains our ability to recruit, train, and retain and All-Volunteer Force. We need to carefully manage scarce resources while supporting military compensation and benefits reform without breaking faith and while sustaining the All-Volunteer Force. As our combat operations are lessened,

there remains a need for sustainment of family programs and wellness, because the military experience remains one of selfless service and sacrifice, of long training exercises and family separations.

There will always be stress on the force and our families. Therefore, we must continue to monitor these programs carefully and strive to sustain those that remain critically important as we experience funding reductions in the years to come. For example, the Department's suicide prevention efforts will continue to be a top priority as we implement the provisions of the fiscal year 2012 and 2013 NDAA, as well as the President's executive order on this matter. Additionally, as we draw down our forces, we will continue to improve and enhance our transition assistance and licensing and credentialing efforts to better prepare servicemembers for transition to their civilian and the civilian labor force.

Given reduced resources and a smaller total force, we remain committed to recruit, train the most qualified candidates. And, therefore, the Department remains focused on fully implementing the February 2013 Secretary of Defense decision to eliminate the 1994 policy that restricted women from being assigned to direct combat units, as well as open more military occupations to women.

Madam Chairwoman, this concludes my statement. I thank you and the members of the subcommittee for your steadfast support and leadership. I am happy to answer your questions.

Mr. Wightman.

**STATEMENT OF HON. RICHARD O. WIGHTMAN, ACTING
ASSISTANT SECRETARY OF DEFENSE, RESERVE AFFAIRS**

Mr. WIGHTMAN. Thank you. Chairwoman Gillibrand, members of the subcommittee, I thank you for your invitation to participate in this hearing. I welcome the opportunity to give an overview of some issues we are addressing on the Reserve components.

I would also like to thank the committee and your staff for all that you have done for the men and women in uniform, especially for those who it is my responsibility to serve, the 1.1 million members of the Reserve and National Guard and their families. Today I can report to you that we have over 55,000 mobilized members of the National Guard and Reserve supporting operations globally.

Current utilization and a combination of factors change the way we view future utilization of our Reserve component and constitute a new normal. Although major force commitments to Afghanistan are being reduced, there is a pivot of our national defense strategy towards the Asia-Pacific region. A volatile international security environment still persists, and a constrained defense budget for the foreseeable future will place additional burdens on manning, training, equipping, recruiting, and retention of the total force in fiscal year 2014 and beyond.

Therefore, continued use of the Reserve components as a part of the operational total force makes sound business sense. The Reserve component as part of the Defense Department's total force provides the ability to preserve capability and capacity and reduce costs to manageable risk.

Our National Guard and Reserve is undoubtedly the most combat seasoned Reserve component force ever, and the Department is

seeking ways to leverage the Reserve component to provide needed military capacity during current austere economic times. These factors necessitate use of the Reserve component across a broad spectrum in the future to include: continued routine use as a part of the operational force as we have over the past decade, fulfilling day-to-day operational missions at home and abroad, albeit on a smaller scale, and the use of a portion of the Reserve component in its traditional role as a strategic Reserve.

The new normal use of the Reserve component as part of the operational force is enabled by a key principle of the 2012 defense strategy: emphasizing rotational presence versus forward station presence. This concept, combined with legislative changes under Section 12304 Alpha and Bravo, enacted by Congress in the fiscal year 2012 NDAA, authorizes further use of the Reserve components.

The first permits the use of Reserve components in response to disasters in the United States as we recently witnessed during Hurricane Sandy. The second permits access to the Reserve components and opens the opportunity to participate in peace time overseas rotational posture and deterrence missions. However, the Department must also continue to preserve equality of the all-volunteer force and not break faith with our men and women in uniform, their families, and our civilians.

Despite these difficult economic circumstances necessitating budget reductions across all levels of government, the Department is committed to providing servicemembers and military families with support programs and resources and empower them to address the unique challenges of military life. With close to 1,700 events projected for this fiscal year, programs, such as the Yellow Ribbon Reintegration Program, continue to provide relevant, reliable information and resources to military members, their families, and designated representatives throughout the deployment cycle, and complements programs such as the Transition Assistance Program, by assisting servicemembers as they transition between their military and civilian roles.

Programs, such as the Hero to Hire, or H2H, provides a comprehensive approach aimed at enhancing career readiness and reducing unemployment of our Reserve component members and their families. This program has helped facilitate over 1,000 placements per month since October 2012.

Today's citizen warriors have made a conscious decision to serve since September 11 with full expectation that their decisions might mean periodic recalls to active duty under arduous and hazardous conditions. They will continue to play a vital role as we move beyond the past decade of war, and the Department shapes the force to implement defense strategy and respond to the challenge of a new era.

Thank you again for the opportunity to testify, and I look forward to your questions.

[The prepared joint statement of Ms. Wright, Dr. Woodson, Mr. Vollrath, and Mr. Wightman follows:]

Senator GILLIBRAND. Thank you to each of you for your testimony and for your service. I am extremely grateful to both of you.

I would like to start with Dr. Woodson first. Last year, several of us fought very hard to have TRICARE cover the applied behavioral therapy. It is a behavioral therapy for autistic children and children with development disabilities. I am disappointed that the pilot program we funded is delayed by three months by sequestration, but in any case, I have not seen details on how it will be rolled out.

A number of the children covered in the ECHO Program for active duty do not receive adequate services due to caps on funding. Will the pilot program have caps on services?

Dr. WOODSON. Thanks very much for the question and your support of the men and women in the service and retirees and beneficiaries.

As it relates to the ABA pilot, a couple of things need to be brought forward. First of all, we could not start the pilot until we got an appropriate, and so that did not happen until March 26th. But almost virtually on that day we pushed out information to providers so that they could start answering questions from potential beneficiaries relative to this service.

We have mapped out the program. We have started writing the contracts for the program, and just the contracting issues require time, and because we could not start the program before March 26th, there is that obvious delay.

But let me just say that since last summer, beneficiaries—that is, non-active duty beneficiaries—have been able to receive ABA therapy through the TRICARE basic medical program. And that is not capped, so that has been available since last summer. And of course now we are setting up the pilot.

So the bottom line is we have multiple ways of paying for ABA, and, in fact, historically, we have been in front of the pack. We have been providing this for active duty family members for over 10 years. So we are moving with all due haste to set up the program, but we did have some limitations relative to the appropriation.

Senator GILLIBRAND. ECHO currently only covers certified consultants, leaving many locations without adequate coverage. Will the pilot program cover ABA technicians and assistant behavioral analysts?

Dr. WOODSON. So the pilot certainly will cover the technicians. So these are the non-certified tutors, which is the other name that is used. The pilot will cover those individuals.

Senator GILLIBRAND. And the last piece, in July we provided a lot of the data that the military was asking for, medical data, demonstrating the benefits of ABA coverage. When this review of data is complete, can we then ensure that there will be permanent ABA coverage under TRICARE?

Dr. WOODSON. Well, right now it is covered under TRICARE basic medical program. And since we always follow the law, if the law says we have to provide it, we will provide it irrespective of what the data says. So that is not an issue.

Senator GILLIBRAND. That is contrary to what we heard in the last hearing on this topic. They said it was not a medical treatment. They said it was an educational treatment, and so, therefore,

they were able to cap the access to the number of therapies that could be received because it was not considered medical.

Dr. WOODSON. So, yeah, good question, and we should draw the point of clarification that if it was left to our discretion, we would probably define it still as an educational benefit. But the law says that we have to provide it, so we will provide it.

Senator GILLIBRAND. But if it is defined as educational, it only requires a certain number of therapy sessions. And so what the families have told us is that they were literally doing second mortgages on their homes or going through bankruptcy because to be able to afford all the therapies their doctor prescribed for their children. It was a financial burden that they could not cover.

Dr. WOODSON. So once again, since this summer, under the basic program, families can receive ABA therapy. That is not capped if a certified provider, you know, delivers it. So it is there for them right now.

Senator GILLIBRAND. Okay. Turning to Secretary Wright, as you know, we held our last hearing on sexual assault in the military. There has been a lot of attention drawn to the issue, largely because of the Invisible War documentary. One of the things that we discussed in the hearing was that when reporting is made, it is made throughout the chain of command, and the disposition authority sits within the chain of command, and that that may, in fact, undermine reporting, because if we have 19,000 sexual assault cases and only 2,500 roughly are reported, and of that 2,500, only 240 going to trial, and only 190 convictions, you are really seeing only one out of 100 convictions happening for every 100 alleged cases.

So my question to you is, if we shift the disposition authority away from the chain of command and actually make that decision making be a responsibility of, let us say, the JAG corps, the specific prosecutors who are trained on sexual assault, what do you think the impact of that will be? Do you think it would affect good order and discipline?

Ms. WRIGHT. Well, ma'am, you are right. The 19,000 is an extrapolation from the survey that we have done in 2010, I believe. And we are soon to send to Congress the new sexual assault report which will be the end of the month, which will clarify more recent numbers. So the 19,000 and the chain of command, I would say that the chain of command is really for good order and discipline, and I speak from experience because I am a retired general officer.

I do understand the issues with sexual assault, and I think the reporting could have something to do with the chain of command, but I also think it has something to do with the stigma or the risk of reporting, so I think it is not just an area related to the chain of command. So I would hazard to say to take it out of the chain of command, though I will tell you that Secretary Hagel is taking this extremely seriously. And I have a meeting with his office tomorrow morning to talk about more measures that we can take—remember he just did the Article 60—more measures that he could take to put more teeth into what the Department is doing.

And so I will tell you, ma'am, that everything is on the table because I think his aperture is wide to solve this problem.

Senator GILLIBRAND. I have a concern that you just said having 19,000 sexual assaults a year represents good order and discipline.

Ms. WRIGHT. No, ma'am. I think the chain of command is what represents the good order and discipline.

Senator GILLIBRAND. But we have the chain of command, and it is the disposition authority, and you still have 19,000 sexual assaults.

Ms. WRIGHT. That is an extrapolation from the survey—

Senator GILLIBRAND. Okay. So maybe you have 15,000. Maybe you have 12,000. Maybe you have 10,000. Maybe you have 5,000. Maybe you have the 2,400 that are reported. I do not believe 2,400 sexual assaults and rapes every year is good order and discipline.

So honestly, I think if you are going to stick to that line, you will undermine your credibility enormously because you are not getting it done. You are not assuring the safety of men and women who are serving and giving their lives for this country from rape from their colleagues. So you cannot say the chain of command is assuring good order and discipline because you are failing.

Ms. WRIGHT. Yes, ma'am, I agree with you that 19,000, two, one, is way too many, and that we have a problem, and that we need to do better. I agree with you 100 percent, and that I am doing everything in my power, and the Joint Chiefs are also working very diligently to correct this problem.

Men and women join our ranks, as you know, to serve our country, and they join our ranks because they want to protect this country. This is a place where they should feel safe. This is a place where they should never, ever, ever have a problem of feeling unsafe. They should never have a problem of wondering whether they would be sexually assaulted, whether they were a man or a woman. I agree with you 100 percent. Whether the number is 19,000 or one, that is way too many for any period of time in our military.

I do believe that the chain of command is a worthwhile organization.

Senator GILLIBRAND. We are not talking about the chain of command. I am talking about them having a specific responsibility called disposition authority. Already Secretary Hagel feels very comfortable taking away the responsibility of the disposition authority to be able to overturn a verdict. That is a big change. He feels no problem making that change.

And what I am asking you to consider is if we make the change to say, you also are no longer going to have the ability to decide whether the facts that are put before you are worthy of going to trial because, number one, you are not trained as a prosecutor. Number two, you may not have any background in sexual assault and rape. Number three, you may have a relationship with a perpetrator or the victim. And number four, you are not in the position to be objective.

Ms. WRIGHT. Ma'am, all of those are very good points. And to my initial comment, Secretary Hagel has everything now on the table since he decided on Article 60, which was a very big step, and a very important step, and a very needed step. Since he decided on that, I have a meeting with him tomorrow morning to give him

more ideas, and that is on the table to take it away from the chain of command.

And so we are—yes, ma'am.

Senator GILLIBRAND. My time has expired, but I will leave you with this. Secretary Graham made very good points in our last hearing on sexual assault. He went through the number of cases when, in fact, Article 60 was used to overturn a case. It was extremely rare. It was one out of many, many, many cases. It was so uncommon.

If Secretary Hagel believes that that made a difference, I think that is a very good first step. But if it is so rare, I do not think that alone will change people's interest in reporting. I do not think it will change people's assessment of whether they will receive justice. I do not think it will change people's assessment of whether they think it is safe to report to their commanding officer.

And so I would like you to make sure when you say everything is on the table that you really mean it.

Ms. WRIGHT. Yes, ma'am.

Senator GILLIBRAND. Because so far every person in the military that I have spoken to defends this one little responsibility that has not—that has only recently been elevated to someone higher up the chain of command, so it is not as if this person has had this authority for very long. It is really since the last NDAA we passed. So it is not something that has been set in stone forever and a day.

So I think if you say everything is on the table, you should look at the whole structure because that is really what needs to be looked at.

Ms. WRIGHT. Yes, ma'am.

Senator GILLIBRAND. There is a reason why people are not reporting.

Ms. WRIGHT. Yes, ma'am. And I will guarantee you that we are looking at the whole structure.

Senator GILLIBRAND. Thank you.

Senator Ayotte?

Senator AYOTTE. Thank you. I appreciate your passion on this really important issue, Madam Chair. And this is an issue that is a bipartisan issue that we are concerned about making sure that when our men and women in uniform are victims of sexual assault, that they understand that when they come forward, they will receive justice. They will receive support. And, you know, it seems that they should—to make sure—my background is as a prosecutor before this, so I appreciate your passion for this and really the pursuit of this in open hearings and having a very important dialogue on how we can address this problem.

I wanted to ask you, Secretary Wright—excuse me—about the National Guard Youth Challenge Program. And the National Guard Youth Challenge Program is, I think, very important. We—Senator Landrieu, myself, and three other senators—sent you a letter that cited concerns we have about the Office of Secretary of Defense's role in managing the Guard Youth Challenge Program.

And one of the concerns that we have is that I do not understand why when we had a good program run by the National Guard Bureau that OSD felt the need to enter into a technical assistance

contract from OSD rather than letting that control remain in the Guard Bureau. So can you help me explain why you did that?

And second, I also want to understand why we are not really looking at sufficiently funding to maintain national training standards as required by the cooperative agreement.

Ms. WRIGHT. I can tell you that the Youth Challenge Program is a phenomenal program. I agree with you totally. It takes youth at risk and it turns them into clearly prosperous citizens, and have been doing it for years.

The National Guard Bureau was in that decision to have that technical contract at OSD. It was a gentleman that was part of the program named Lou Cabrera who works with the chief of the National Guard Bureau. And he was working with the OSD staff for that technical contract, and we kept it in OSD Reserve Affairs.

We have an oversight role in OSD Reserve Affairs for the Youth Challenge Program, and so that is why we kept it there. But we did not do it independently at all. We did it in concert with the National Guard Bureau.

Senator AYOTTE. So the National Guard Bureau actually supported basically reducing—I mean, one of the responsibilities we have is to provide staff training. And if you look at the fiscal climate that we are in, to have OSD now have control over this instead of having the National Guard Bureau have control, that, when we look at some of the training gaps, I see that as almost the same amount of money that you entered into on the spectrum contract for what the needs are on the training of the National Guard Bureau level.

So can you help me understand the thinking there, because I am actually shocked to see hear that our National Guard Bureau would want to give, with all due respect to all of you, more control in Washington than at the State level. That is not usually what I hear from them. But can you help me understand that?

Ms. WRIGHT. Well, ma'am, I would have to go back and research it. May I take it for the record—

Senator AYOTTE. Yes, please.

Ms. WRIGHT.—because I will certainly talk to Mr. Cabrera, who is our point of contact in the Guard Bureau for the Youth Challenge Program, and I will get back to you.

Senator AYOTTE. I really appreciate that, because this is a very important program. And, you know, obviously the study that was done assessing this program said for—the program earned \$2.66 in benefits from every dollar spent for the students. And we are empowering the future leaders of this country with that program. So I really appreciate it very much.

And I also wanted to ask about military voting. And I am very concerned about what I have heard about concerns of our military getting the right and access to voting. And given the sacrifices they are making, I think we can do a lot better within DOD.

And, in fact, if you look at—in August 2012, the Department of Defense inspector general basically attempted to contact the voting assistance offices, and 50 percent of the time when they tried to contact the voting assistance office, they got no answer. So I cannot even imagine what sometimes our men and women in uniform go through in trying to exercise their right to vote.

And so I would ask you, there are other examples like the way that DOD treats a servicemember group life insurance. When someone moves from base to base or duty station to duty station, and in processes and out processes, you actually reconfirm their status in that system. Is there any system in place to reconfirm with the servicemember when they are being in processed or out processed. You are moving. This is how you register to vote. This is your right to exercise your right to vote. What are we doing to make sure that our men and women in uniform, whatever—whoever they decide to vote, have that right?

Ms. WRIGHT. Ma'am, we know that, and I think it was August that you said that there was a problem. And we really upped the game. We put a full court press in on the voting assistance office because we recognized that that was an issue throughout military system.

We are in full compliance with the MOVE Act. We enhanced the Federal Government with voting with automated tools. And I am reading here because I want to get this right. We provide guidance and support to the military services and the designated insulation voting assistance officers. We provide guidance and training to the State and local election officials to ensure that they are aware of the laws and requirements, and we execute the enhanced voter education and outreach campaign. Yes, ma'am?

Senator AYOTTE. I do not want to interrupt because I know my time—but one thing I am trying to understand is can we when someone either out processes or in processes, can that not—is that part of their in processing? Are they told along with an array of everything whether this is what you need to do for your life insurance, this is what you need for that, if you would like to exercise your right to vote, here is information on that. Do we do that?

Ms. WRIGHT. I would have to go back and check, but I will also tell you, ma'am, that oftentimes in the active component military, an individual has a home of record. So the home of record could be Oregon because they entered and they live—they do not live, but they have their voting rights in Oregon. They may move all over the country, but they vote in Oregon. And so that would not change based upon their PCS to another duty camp or station.

So we—I can go and look to see if when we transition we ask them, but most times the active component member continues to vote in the State of his or her home of record.

Senator AYOTTE. I understand that, and I am not asking you to inquire into people whether they vote or not. Just making sure that they have the tools at their hands to understand how to exercise their right to vote.

For example, one of the big issues I heard a lot of concerns about when they were stationed overseas, whether or in Afghanistan or other places overseas, a real difficulty of getting the ballots in time, all of those issues. That is another whole separate conversation we can have.

But if you can at least get back to me on an answer of what—if I am now in the military and I move, or if I am stationed overseas, I am in Korea, wherever I am, you know, what am I told, and what information am I given?

Ms. WRIGHT. And how do you go about getting that.

Senator AYOTTE. And how do you go about—I just want to make sure it is standardized in an appropriate way—

Ms. WRIGHT. Yes, ma'am.

Senator AYOTTE.—not to infringe, but to give people information.

Ms. WRIGHT. Yes, ma'am.

Senator AYOTTE. So I appreciate it. Thank you.

Senator GILLIBRAND. Senator Kaine.

Senator KAINE. Thank you, Madam Chair. Good afternoon to all of you. One of the measures of whether, I guess, a budget or a policy is working with respect to personnel is just kind of the big picture. How is it going with respect to recruiting, and how is it going with respect to retention? What are, you know, strengths and successes, and what are challenges that you face right now on the recruiting and the retention side? Please, Mr. Vollrath.

Mr. VOLLRATH. Thank you. Let me take that one. First, I would make the point that currently recruiting is on track and in good shape.

Senator KAINE. And quickly, you are not having to do anything unusual or extra in order to—

Mr. VOLLRATH. That is correct.

Senator KAINE. Okay.

Mr. VOLLRATH. That is correct. But having said that, okay, let me project out because that is really what I believe we are all about here, to manage the future and make sure we are prepared. And so we are very cognizant of the fact that by all means we hope, okay, that the economy in the United States continues to improve and that the unemployment rate continues to go down. And that is our fondest wish along with every other citizen. But as that occurs, and we believe that will occur, then we know by experience that we have to be attuned to the fact that recruiting is probably going to get a little more difficult as we move.

The second point I would make, as we look to the future, because we should learn from the past from the last drawdown in the mid-1990s, it is sometimes hard to explain to America that you are letting people go, but we still would like to hire somebody. And so it is counterintuitive.

And so those are two things that we, as we look to the future, we want to make sure that we do not become complacent and say, well, we can take more money out of recruiting, take more money out of recruiting and advertising because it might be just the wrong thing to do at the wrong time. So we are watching it like a hawk.

On retention, retention has—is equally as good, and we do not see any clouds out there right now.

Senator KAINE. Have you noticed any change in the morale around recruiting and retention because of budgetary challenges, things like sequester, or just the steady drumbeat of we have got to be about cutting, cutting, cutting?

Mr. VOLLRATH. Not on the military side. We have seen some concerns on the civilian recruiting side because of a 20 percent cut in your pay. We have a hiring freeze. And so we are cognizant of that one, and it is not a major issue yet, but we are watching that, because that is probably going to occur earlier than the military issue.

Senator Kaine. Yes. On the pay side, there is an authorization to allow for an increase in salary of 1.8 percent, and the salary increase proposed in this authorization budget is 1 percent. And I gather the difference there is about \$540 million first year and, you know, some escalator as it goes by. Was that decision made purely as a result of trying to deal with challenging budget realities that we would be at the 1 percent rather than at the 1.8?

Ms. Wright. Yes, sir, it was. That was an extremely hard decision because our men and women really do yeomen's work for us. But with the budget the way it is, we had to kind of strike an even balance. And so it will be a savings of about \$540 million this year, and so we wanted to make sure that we certainly got them a pay raise. And so it was a collective decision within the Department that 1 percent was a good balance.

Senator Kaine. And just to make sure I understand because this is my first personnel hearing dealing with salary and benefit issues, the 1.8 percent figure that was authorized was a measure of sort of what comparability of what people were getting outside the military? Is that sort of a best judgment or best—it is like a CPI index of what salary increases are in the broader—

Ms. Wright. Employment cost index, sir.

Senator Kaine. Okay.

Ms. Wright. Yes, sir.

Senator Kaine. Okay. I very much applaud in the submission the focus on credentialing and training, and this is an area with my first piece of legislation I am trying to deal with this. And I want to do it in a way that is coordinated with you.

My experience talking to Virginians as Governor and then as a candidate was so many folks having a challenge getting traction back in a civilian workforce, and there are a variety of reasons for that. But one of the reasons seems to be this lack of understanding among the civilian hiring officials about what it is that somebody brings to the table if they are from the military, especially enlisted.

We appreciate that you serve, but in a day of an all-volunteer military, where only 1 percent of adults serve, they do not understand what a gunnery sergeant does or what an E-5 does, and so we like you. We are glad you served. You are a patriot. But we do not know what you bring and the work that you are doing. And I very much look forward to working with you on credentialing along the way so that people are getting credit for the skills they obtain at the moment they obtain them rather than trying to recreate it in the last 30 days of an active service. I applaud the work you are doing in that area.

I think that could be a really good—the better it is, the better recruiting technique as well. And I look forward to working with you on that.

What is your current strategy—as we are wrestling with potential force drawdowns, what is the current strategy about this scope of officer training, especially ROTC programs, and how have you factored that in going forward in terms of the numbers of people you are taking into those officer training programs? Because I hear a little bit about people getting out and getting commissioned, but then kind of being backed up going in, or being put into Reserve status for a long time, or potentially even being told, well, now we

may not need you. So how are you factoring that into your planning?

Mr. VOLLRATH. Senator, right now it is, we would say, steady as she goes, okay. Navy term. I am not Navy.

Senator KAINE. Yeah. Is that wise? Is it wise to be steady as you go if it looks like the overall—

Mr. VOLLRATH. If we know the—we do. We know the force is drawing down, so we have turned off slightly, okay, the ROTC program. We commission about 6,000 a year, okay, heavily for the active component. We have 21,000 or so in the program, most of them on scholarship or some type of help. And so we believe that we have the math about right based on the propensity to not over-produce, particularly given the fact that we are going to reduce the size.

And so as we have worked with the various services. Army, for example, they have already reduced the input, and they have planned on it for well over a year. And so they believe, Army in this case and all the services because we have regular meetings about it, that they are not going to wind up with a surplus.

And your point is well taken, okay? And, again, back in the good old days where we got the tee shirt, we had too many coming through the pipe. And so that has already been factored in, and we think we have it about right. We have not had to turn anybody down yet.

Senator KAINE. Great.

Mr. VOLLRATH. And we think we have got it.

Senator KAINE. Okay, thank you. Madam Chair?

Senator GILLIBRAND. Senator Donnelly.

Senator DONNELLY. Thank you, Madam Chair. And this would be for any of you. I wanted to talk to you about a specific situation that has arisen recently, and that is that over a thousand National Guard members from Indiana—that is my home State—570 of them were preparing to deploy to the Horn of Africa this month, 446 preparing to deploy to Egypt in June, others preparing to deploy as well. We were just off ramped and notified that they were being replaced by active component forces.

This is the only State that this happened to. Two of these units it has happened to less than 6 weeks from deployment date. Now these are people who cancelled leases, quit jobs, took extraordinary steps in their lives to prepare to get things squared away. This off ramp has been extraordinary painful to them, to their families. And I know that there was a policy put in place that was, okay, we will not do this unless somebody is at least over 120 days out. And that was after this occurred because these folks were 6 weeks away.

Over 1,000 soldiers and their families will lose TRICARE in four days, four days from today. A hundred and forty-two of the soldiers that re-enlisted, re-enlisted and/or offered bonuses because they were going on a deployment. So they are being terminated. And then they are going to be asked to be—to re-enlist, but there will be no bonus included with them as they do.

Sixty of the soldiers left their employment. Others were denied a job due to the short time between and the mobilization date where they could not get a job. And some went back and their em-

ployer had already hired and were training a replacement for them. A number had terminated housing leases.

And so we have no objection in Indiana to doing our share, to taking our share of the hit, but this is over and above what took place. And so what we are asking for is just a—it is not much. And in terms of the pain and the suffering that these families are going through, it is next to nothing. But this is the Hoosier way. They said, look, we are willing to take a shot. We are willing to stand up for our country and help out and reduce costs. Can you help us with a couple of things? Number one, continue the bonus that they were promised. That is not much. It is a \$500 a month bonus. It is the total of less than a million dollars at the end of the day. Enable these soldiers to have 180 days of additional TRICARE because in four days, they are off of TRICARE. And so these are minimal things that are really, in my mind, keeping our promise.

I spoke to Senator Hagel—Secretary Hagel now, and one of the things he has always said, people are central to everything we do. Well, it is time for us to show that in this case. And I would like a comment from any of you.

Ms. WRIGHT. Sir, I understand completely. My job—my last job was adjutant general of Pennsylvania, so I know General Umbarger very well, and know—

Senator DONNELLY. He is not in a good mood.

Ms. WRIGHT. No. I can only imagine. I have spoken to him. I know Marty, and rightly he should not be in a good mood. This was done for financial reasons, but we need to take care of the soldiers that it was done to.

I know that we—the Army is working through the Guard Bureau with General Umbarger. There is a group of those soldiers that were catastrophically harmed because of this. There are some of those soldiers that may think this is okay. There are people in all categories. But our job is to take a look at all of the requests that you gave Secretary Hagel and to get back to you about where we go from here and how we can affect these soldiers' lives for the betterment.

Senator DONNELLY. I am here to try to make sure that this is made right because what was done is not.

Ms. WRIGHT. Yes, sir, and I know how terribly difficult it was not only on the soldier because it was very hard on the soldier, but on the family members of these soldiers.

Senator DONNELLY. Okay. We will stay in very close contact with you on that.

Ms. WRIGHT. Yes, sir. Thank you.

Senator DONNELLY. Thank you. Thank you, Madam Chair.

Senator GILLIBRAND. Thank you very much, each of you, for your service and your testimony. If any of the senators have a second round, we will permit it now. Otherwise, we will go to the next panel.

Senator Kaine?

Senator KAINE. Just one question, Mr. Wightman, on guard and Reserve issues, and just really a comment more than a question. I imagine the manpower, as you are dealing with a time of tough resources, some of the manpower issues you are having to decide, the Guards, and we all relied on them so heavily as governors, they

were primarily a Reserve Force. And then we built them up into essentially an OPTEMPO force. As Iraq and Afghanistan are drawing down, some of the occasion for the OPTEMPO will drop.

Nevertheless, that training is such good training to have in the system right now. So as you are wrestling with manpower questions, what do you do with your active duty component? That has a cost. Might it be better to maintain a big chunk of your guard at an OPTEMPO type training? That may be a more cost effective way to do it.

I am just kind of curious as to how you wrestle with those kinds of manpower challenges. And in particular, with respect to the Guard, is there an intention to go back to the old days, to have the Guard be a Reserve, primarily a Reserve Force, or is there, as part of the DOD strategy going forward, is the sense that we ought to keep the Guard, you know, continue to harvest the value of that training and keep it in a component where there is an OPTEMPO capacity there that may obviate the need for some of the, you know, manpower or training over on the active side?

Mr. WIGHTMAN. Thank you for that question. It is a very difficult situation, as you said, when you have got men and women who have been out there over the last 10, 11 years and have acquired the skills and got to the level that they have, to be told that they are going to be on a shelf.

And as you heard from our opening comments, our position is that the intention is not to use them simply as a strategic Reserve, that we still want to keep them as a part of the operational force, and we still strive to push that as much as we can.

Now, along those lines, there are three or four studies going on within the building, and you heard Secretary Hagel the other day talk about when somebody asked him about the active component, Reserve component mix, he said, hang on, that was just one of many factors. And then he went through general purpose, special operations forces. We have got to look at that mix. We have got to look at the mix of conventional and unconventional. And then we also have to look at the capability of our allies. So all of this weaves in, in addition to whether or not they are forward stationed, or rotationally deployed, or home site. So all of this sort of underway in the building at this time.

As you probably are also aware, there are several costing studies going on, and Chairman Arnold Punaro of the Reserve Forces Policy Board has got a cost methodology study. In fact, he is briefing it to Representative Walls right now. So there is that one.

So there is one that we are doing as well. Arnold is looking at the individual cost Reserve versus active. The CAPE folks over there are looking at more of a unit in the course of a year, how much it costs to maintain a unit. And then ours is sort of a mixture, and we are looking at different alternatives to come out of that in terms of costing.

So I guess my answer to your question is, there is a lot going on. I think the sentiment from my superiors in the building is that, yes, we need to maintain the Reserve component, maybe at a lesser, you know, OPTEMPO, but certainly keep them a part of that operational force.

Senator KAINE. Thank you.

Senator GILLIBRAND. Thank you, members of the panel. We appreciate your testimony very much.

We will now turn to the second panel. The second panel, we have members of the Military Coalition, a consortium of nationally prominent uniformed service and veteran organizations.

Master Chief, Retired, Joseph L. Barnes, is the National Executive Director, Fleet Reserve Association. Ms. Kathleen Moakler is the Government Relations Director, National Military Family Association. Colonel, Retired, Steven P. Strobridge is the Director of Government Relations, Military Officers Association of America. And Captain, Retired, Marshall Hanson is the Director, Legislative and Military Policy, Reserve Officer's Association.

Before you give your opening statements, I do want to recognize Mr. Barnes and Mr. Strobridge, both of whom will be retiring soon. You have both appeared before this subcommittee numerous times, and the staff informs me that this is quite likely the last time that you will come before us. I want to publicly thank you for your service in uniform and your service in support of those in uniform in your second careers.

Mr. Barnes spent over 20 years in the Navy before retiring as master chief, and then served another 20 years with the Fleet Reserve Association. Mr. Strobridge served 24 years in the Air Force, retiring as colonel, and then spent another 19 years at the Military Officers Association of America.

You have served the men and women of the armed services well in your time as RFA and MOAA. I thank you for your service and wish you well in retirement.

I now invite you to present your opening statements, but ask that you keep your oral statement to 3 to 5 minutes. Yes, Mr. Strobridge, please.

STATEMENT OF COLONEL STEVEN P. STROBRIDGE, USAF, RETIRED, DIRECTOR OF GOVERNMENT RELATIONS, MILITARY OFFICERS ASSOCIATION OF AMERICA

Colonel STROBRIDGE. Madam Chair, distinguished members of the subcommittee, we are grateful for the subcommittee's long-standing efforts to ensure fair treatment for the entire uniformed services community. We deeply appreciate this opportunity to present our views on the personnel related issues. And my portion of the statement will cover health care.

The coalition disagrees strongly with the budget proposal to shift billions more cost to beneficiaries. Claims of exploding military health care costs cite growth since 2001 as if that were a reasonable starting point, but it is not. Congress enacted TRICARE For Life in 2001 to correct the ejection of older retirees from military health care in the 6 years before that. There was a spike as they returned to coverage in 2002 and 2003, but the cost growth has actually been declining ever since. It was less than 1 percent growth in 2012, and will likely decline in 2013 because of recently approved fee increases and benefit changes directed by this subcommittee and also implemented by the Department of Defense.

So the exploding cost claim is actually based on a 10-year old data point. The truth is combined personnel and health costs are the same share of the defense budget, a little less than one-third,

that they have been for the last 30 plus years. In fact, the Department of Defense has used the health count as a cash cow to fund other needs: diverting \$700 million in surplus funds last year and \$2.5 billion over the last three years.

I want to make it clear that the TRICARE benefit is by and large an excellent one. We certainly recognize that. But it has to be to help induce large numbers of top quality people to accept the extraordinary demands and sacrifices inherent in a multi-decade military careers. That is why assertions that military retirees pay far less for health care than civilians do are so aggravating to the military community.

When someone gives me that argument, I ask if the military deal is so great, are you willing to pay what they did to earn it? Would you sign up to spend the next 20 years being deployed to Iraq, Afghanistan, or wherever the next fight is? That is when people realize military people already pay far steeper premiums for health care than any civilian, and most of it is paid in kind, not in cash.

And that is why when Congress enacted TRICARE For Life in 2001, it required no cash enrollment fee. Defense leaders say they will keep faith with the currently serving on retirement reform, and would apply any retirement changes only to new entrants. But if it is breaking faith to change the rules for someone with 10 years or even one year of service, it is doubly so to impose a four-figure TRICARE fee hike on those who already completed 20 or 30 years, whether they will retire next year, or whether they are already retired.

After retirees kept their part of the bargain, defense leaders, in effect, are saying their service is no longer worth so much as they were told it would be. And they should pony up another \$1,000 or \$2,000 each year for the rest of their lives. They blame the budget crunch, but balk at changes to make the system more efficient.

Many studies document the inefficiencies of DOD's fragmented health systems, but DOD's recent review made minimal changes, in part because one of the key decision criteria was how hard change would be. So the first choice was to make retirees pay more because it was easier.

There is still no single point of responsibility for budgeting or delivery of DOD health care. And as for the plan to means test, retiree health fees, that is patent discrimination against the military. No other Federal retiree has their health benefits means tested, and it is rare in the civilian world. Under that perverse system, the longer and more successful you serve, the worse your benefits are. The coalition believes that proposed rates are significantly too high for all grades.

We have worked with this subcommittee and its House counterpart for years to put what we think are reasonable standards in law for health fees and other benefits. We now have statutory rules and guidelines, not only for the fee levels, but for future adjustments that were put into law only five months ago. And now the Department of Defense wants to go change those again.

We have accepted mail order refill requirements into high pharmacy co-pays. We accept higher rates for TRICARE prime, higher co-pays for pharmacy co-pays, and statutory adjustments to future increases. This year, the Department of Defense will drop nearly

170,000 beneficiaries from TRICARE prime. All those changes will save DOD billions of dollars. Now, we think it is time to hold DOD leaders accountable for developing management efficiencies that do not impact beneficiary fees or delivery of quality care.

That concludes my statement. Thank you very much for your consideration.

Senator GILLIBRAND. Thank you.

Ms. Moakler?

STATEMENT OF KATHLEEN B. MOAKLER, GOVERNMENT RELATIONS DIRECTOR, NATIONAL MILITARY FAMILY ASSOCIATION

Ms. MOAKLER. Madam Chair, distinguished committee members, thank you for letting me speak to you today about military families.

Military families are strong, resilient, and resourceful. They know about uncertainty after more than 11 years of war. But there is a new uncertainty, the uncertainty of the programs, resources, and benefits contributing to their strength and resilience remaining available to support them now and in the future.

Because of sequestration and the 6-month delay in passing a defense appropriations bill, military families now doubt our Nation's leaders' commitment to supporting their service. DOD civilian furloughs will affect military families. Some are military spouses, so while military pay is not affected, for which we are grateful, the overall income of some military families will be impacted. Furloughs and hiring freezes could force family service centers to adjust hours. Smaller staffs will result in longer waits for families needing counseling, financial advice, new parent support, survivor outreach, and victim advocates.

The Department of Defense insists they will work to provide school children with a full year of quality education, and ensure each school maintains its accreditation. We are pleased DOD announced late last week there would be no school level furloughs at the end of the current school year. But we know communities are concerned about the beginning of the next school year.

The TRICARE benefit is a rich and appreciated benefit. Military families can sometimes find it difficult to access care, but rarely complain about the quality of care. Access to care is most threatened by the \$3 billion sequestration cut and anticipated furloughs of hospital personnel.

You have heard from the Service Chiefs how sequestration is hurting the readiness of our servicemembers. We have shared some examples in our written statement of how sequestration is negatively affecting military families. We ask Congress to end sequestration now.

With the number of cuts already made, military families are concerned about the elimination of vital resources and programs as part of the next round of savings. What is an acceptable level of support? What should the standard be? Our association believes the Department of Defense Instruction 1342.22 must be the unequivocal baseline for military family readiness. It provides appropriate expectations and emphasizes that resource decisions be

made based both on the evaluation of military family needs and the effectiveness of those programs.

Programs and services can adapt as needed to respond swiftly to the changing needs during peacetime, war, BRAC, natural disaster, and other emergency situations. Currently, this effort at a baseline of support is stymied at all levels by the continued call for belt tightening and capricious budget cuts where these programs are often the first targeted. Military families need to know what to realistically expect about the delivery of support services.

We remain concerned about the transition of wounded, injured, and ill servicemembers and their families. Caregivers are an important part of the servicemember's recovery. VA and DOD caregiver benefits do not mesh, and many caregivers lose the support they just when they need it the most.

We ask you to create a smoother transition for caregivers between DOD and VA caregiver benefits. Now is the time to end the dependency and indemnity compensation offset to the survivor benefit plan. Although we know there is a significant price tag associated with this change, ending this offset would correct an inequity that has existed for many years for our survivors.

We appreciate the action being taken to address the rising number of suicides by servicemembers. We are concerned that military and veteran families were not included when examining suicides. We recommend Congress require a DOD report on the number of family members who commit suicide, made a suicide attempt, or reported suicidal thoughts.

We want to ensure family support programs are authorized, funded, and implemented at the level needed to maintain the readiness of servicemembers and their families, and to allow them to meet the challenges of the military lifestyle. Military families should be able to access support no matter where they live.

We believe the people the servicemember identifies as family should have the information and help they need within the law and DOD regulations to support the readiness of the servicemember.

Thank you, and I await any questions you may have.

Senator GILLIBRAND. Mr. Barnes?

STATEMENT OF MASTER CHIEF JOSEPH L. BARNES, USN, RETIRED, NATIONAL EXECUTIVE DIRECTOR, FLEET RESERVE ASSOCIATION

Chief BARNES. Madam Chair and members of the subcommittee, thank you for the opportunity to appear before you today. I will be addressing priority active duty and retiree issues.

Military service is unlike any other career or occupation, and less than 1 percent of our population is shouldering 100 percent of the responsibility for our national security. Ensuring adequate pay and benefits for our Active Guard and Reserve personnel, their families and survivors, and fulfilling commitments to provide health care and other benefits for military retirees, must be top priorities.

Thanks to support from this subcommittee, there have been major pay and benefit improvements enacted since 2000. There has been much attention to these and the associated costs during the ongoing sequestration related budget crisis. However, there is usually no mention of the 13.5 percent pay gap at that time, plus

major recruiting and retention challenges, concerns about a hollow force, and the government's failure to honor commitments to those who served in the past.

Defense spending as a percentage of GDP during war time is now much lower than during past conflicts. According to the Wall Street Journal, projected defense spending will shrink from more than 4 percent today to 2.7 percent of GDP by 2021, a level last seen before Pearl Harbor. The coalition strongly supports a full 1.8 percent ECI indexed active duty pay increase for 2014. Pay comparability is directly related to long-term readiness.

There is concern in the active duty community regarding the so-called reform of pay and retirement benefits by the Military Compensation and Retirement Modernization Commission. The powerful pull of the 20-year retirement system is the main reason retention levels have not imploded as a result of unprecedented wartime strain on troops and their families. Despite extraordinary demands, men and women in uniform are still answering the call, but at the cost of ever greater personal sacrifices.

Budget driven retirement benefit cuts enacted in 1986 affected only future retirees and eventually resulted in the repeal of the REDUX plan in 1999 due to concerns about retention and readiness. Adequate end strengths are also essential to military readiness.

Significant threats to national security continue despite the winding down of operations in Afghanistan, and ensuring sufficient dwell time between deployments remains an elusive goal. Navy deployments, for example, have increased from 6 to as long as 9 months, and the stress on repeatedly deployed servicemembers and their families continues.

No Federal obligation is more important than protecting national security, and the most important element of national security is sustaining a dedicated, top quality, all-volunteer force.

Thank you again for the opportunity to present our views on these issues.

[The prepared joint statement of Colonel Strobridge, Ms. Moakler, and Chief Barnes follows:]

**STATEMENT OF CAPTAIN MARSHALL HANSON, USN, RETIRED,
DIRECTOR, LEGISLATIVE AND MILITARY POLICY, RESERVE
OFFICERS ASSOCIATION**

Captain HANSON. Madam Chair, members of the committee, I am Marshall Hanson. In addition to my job at the Reserve Officers Association, I am a co-chair for the TMC's Guard and Reserve Committee.

Amid the news reports about Monday's bombing in Boston, there was a video clip of two people in uniform helping clear debris. Whether they were active or Reserve component, these brave individuals exemplify a military that runs towards chaos.

During the last 11 years of war, almost 875,000 Reserve and Guard members were called to active duty. Of these, 1,225 died in the line of duty. Despite such sacrifices, there remains a number of benefit parity issues that need to be fixed by legislation.

While TMC thanks this committee for allowing Reserve component members to earn early retirement, many do not receive the

full retirement credit that they deserve. A fiscal year barrier exists, denying them a 90-day credit if their service crosses between two fiscal years. TMC supports S. 240 by Senators Tester, Chambliss, and Blumenthal to fix the problem in U.S. Code. TMC also advocates extending the early retirement to the warriors who served since September 11, 2001. Just yesterday, I learned of a female colonel who was affected by both aspects of the law. She served 16 months in theater, won a Bronze Star, but only got nine months' credit towards earlier retirement.

A need exists to modernize the Reserve retirement system to incentivize service beyond 20 years. This has been declining over the last 11 years of war. As many senior officers enlisted are performing duty without pay, TMC endorses crediting all inactive duty toward Reserve retirement. Also, if an officer or enlisted retiree is recalled, his or her retirement should be recalculated after one year of mobilization as it is allowed now for general offices.

Documenting active duty should be reexamined. Many Reserve and guard members do not qualify as veteran status because their active duty periods are not long enough. Rather than collect a pile of DD-214s at the end of one's career, it makes sense to have a single document upon separation from the Reserve component that accumulates that all duty performed and lists specialty codes and awards.

The Title 10 Montgomery GI Bill allowance for selective reservists is woefully inadequate, being only 11.5 percent of what is paid in the post-9/11 GI Bill. The new GI Bill pays up to \$2,800 per month while the Montgomery GI Bill for selected Reserve pays only \$356 per month for full time study. As one reservist said, "This barely pays for gas and parking."

TMC asks the committee to work with the Senate Veterans Affairs to restore the selected Reserve allowance to the historic benchmark of 47 percent of the active duty MGIB, and to also integrate it into Title 38 so there is no longer an orphan GI Bill under Title 10.

While the Transition Assistance Program is being revised and approved, the Reserve and guard members will not benefit. The active duty is hesitant to allow Reserve component members to linger on active duty so they can participate in TAP. And after a long period of active duty, Reserve and guard members are anxious to get home.

There is a need to explore an outside of the gate version of TAP so that RC members can get the materials without being at an active duty base. Integrating this with the Yellow Ribbon Program is an option, but one that requires funding as we cannot ask our returning guard and Reserve members to be debriefed without pay.

Reserve health care also needs some continuity tweaking. Those who participate in TRICARE Reserve Select love the program, but the Reserve Officers Association joins other groups in not supporting suggested TRICARE fee increases because it will have a possible impact on the cost of TRICARE Reserve Select.

Regrettably, the transitions between different military health care programs are not seamless. Serving members need to re-enroll at various points as they transition on and off of active duty. It is

even worse for those who have kept their civilian employer's medical plan.

TMC thanks this committee for the added 18 months' TRICARE Reserve Select transition when one leaves the selected Reserve. But the current TRICARE retired Reserve program is inadequate because of its high premium levels.

ROA, like other associations, looks forward to working with the committee on these and other issues that were highlighted in written testimony. I thank you, and I await your questions.

[The prepared statement Captain Hanson follows:]

Senator GILLIBRAND. Thank you to each of you for your testimony and your advocacy and your service. We appreciate it very much.

I wanted to start with Ms. Moakler just because you raised the issue of suicide. We are obviously still seeing a very high number of suicides by our servicemembers from those both returning from war and those who have never been deployed. In 2012, the military hit a tragic record high of 349 suicides, or one every 25 hours. This statistic obviously is heartbreaking and tragic, and should call as a call to action for the DOD to do more to prevent our servicemembers from taking their own lives.

Now, Ms. Moakler, you said that you wished the families and the servicemembers had been included in the work they are doing. Can you amplify what you stated and give me more information?

Ms. MOAKLER. Yes. Because of the need of accessing behavioral health care, because of perhaps not having access and the tools that they need to address the stress from deployment, we hear of many family members who have contemplated suicide or even have committed suicide. As a matter of fact, we have been hearing about three military children who have committed suicide just in Fairfax County in the—over the past year.

So while the tools are out there, how do we determine—how do we pinpoint what we can give to families to meet their needs? And how do we get the information out to them so that they can realize that there is someone that they can reach out to before they take drastic steps?

Senator GILLIBRAND. From other members on the panel, I would like your thoughts on this. Obviously we have a lot of challenges after separation. There is often a stigma associated with seeking mental health services. There is the type of Yellow Ribbon programs and other programs we have often do not continue beyond the first year. Oftentimes PTSD and other traumatic brain injuries manifest themselves over time, and so suicide becomes an issue over time.

What are some of your thoughts on this issue and how we should respond to it as a committee?

Chief BARNES. Madam Chair, I would thank you for your attention to this issue and for the question. I know from my own personal experience while on active duty, I can speak to the tremendous stigma associated with seeking counseling and admitting the need for counseling. That continues. That a major motivator, as you mentioned.

I believe it is a leadership issue with regard to—from the top down within the Department to uniform leaders with trying to

communicate the importance of seeking counseling, and also educating servicemembers about the importance of that, not just with regard to suicide, but with regard to PTS and TBI conditions and whatever, as you know, the signature conditions associated with service in Iraq and Afghanistan.

But I think that is really, really important to emphasize and try to address the stigma associated with that. And I agree with the importance of looking at this more broadly with regard to family members and dependents.

Thank you.

Colonel STROBRIDGE. Madam Chair, I have to say there is a certain amount of intransigence, you know, to this problem. But I think there is at least some similarity to the sexual assault issue. Both of these are highly traumatic kinds of situations. They are deeply personal. People are, in many cases, very reluctant to come forward.

But I do think that there is an institutional element to that stigma. And just as you have talked about holding the command responsible for the sexual assault issues, we have had many cases, very frankly, where there was pretty atrocious behavior by people in the chain of command telling people, "suck it up," you know, "you do not have a problem," "get back to work," you know, those kinds of things. We even had a very senior officer—it was several years ago—actually prosecuted a lieutenant colonel for attempting to commit suicide against the advice of the surgeon general.

To my knowledge, I have never heard of anybody being relieved for that kind of behavior. And to me, I think that is one of the reasons why the stigma persists, because people see no penalty for the people who do engage in that behavior. Now, I have no doubt about the sincerity of the leadership in pursuing this, but I think in the chain of command, whether it is a senior NCO, or an O-3, or an O-5, or an O-6, or a flag officer who tolerates the behavior or participates in that behavior. And the person suffers the consequences, but the person who imposed that intimidating factor does not, that sends a message.

Senator GILLIBRAND. We in the last NDAA asked for a study, particularly about hazing. We said, you know, suicide resulted from a couple of hazing incidents. They happened to be New Yorkers. And so we asked for an analysis by the military on incidents of hazing and how to get rid of it and how to address the issue. And, Ms. Moakler, you said that you were requesting that we ask for a study similarly for military families on suicide rates, which I think is a very fine suggestion.

Mr. Hanson, do you have any thoughts you want to add to this debate?

Captain HANSON. Thank you. I was noticing how everybody was so quick going for the talk button. It just shows you how impassioned we are all on this issue.

The challenge for the Reserve and guard is the fact that when they return home, they do not have the same type of ties to military bases that the members of the active duty component have access to. So there are more challenges out there for getting them assistance, and there have been some good programs. TriWest worked on, for example, out west of embedding mental health pro-

professionals right into units prior to deployment so that when these people returned, they had rapport already established.

Also the expansion that both DOD and the TRICARE contractors are working on of providing civilian mental health providers out in the field closer to the reservists and guards members has already been very helpful.

But one program that I would encourage is basically peer counseling. One thing you learn if you ever come in contact with a combat veteran is they feel comfortable only talking with someone else who has been through the same experiences. And I think this is an important program to expand.

Senator GILLIBRAND. Senator Ayotte?

Senator AYOTTE. Thank you very much. I want to thank all of our witnesses who are here today for their service and particularly the important organizations that you represent for our men and women in uniform and our veterans.

I wanted to follow up on this idea, Mr. Hanson, on the Guard and Reserve assistance. And I noticed in your prepared testimony you talked about the Yellow Ribbon Reintegration Program. And as you mentioned New Hampshire in that program, because we have deployment cycle support program that is really trying to put together the public resources from the Guard and then mirroring it with Easter Seals in terms of private resources to be able to provide our guard and Reserve members support when they come because they do not have—you know, they do not go back a base, so they do not have that group of peers that are even there or the active duty support structure.

So I wanted to get your thoughts. You know, I know that you cite our program in it, what your thoughts are. I am very proud of it. But one of the concerns that I have had is I have asked our military leaders to come and see it so that it is one thing if New Hampshire or Virginia or some other State has it, but every guard and Reserve member across this Nation and their families deserve that type of support because, you know, we could not have fought the wars in Iraq and Afghanistan without their help. And they go through the same traumatic issues and have so many issues that their families need support for, yet that structure is not there the same as in the active duty.

So I wanted to just get your thoughts on this on what more can we do to move this so that there is some consistency and national emphasis on this.

Captain HANSON. Well, Senator, I think you hit the nail on the head by suggesting better communications. New Hampshire, Minnesota, Montana, Maryland have all had outstanding programs, and one of the successes is sharing what each is doing rather than developing things independently. And I think the lessons learned definitely have to be communicated.

And I have to commend DOD that they have taken some special action to do that, and each of the services have also shared. Coming from a Navy background, I know the Navy learned from the other services, so it included such things as bringing family members into Yellow Ribbon and finding financing to help the more junior people to be able to afford to attend these things. In fact, in many cases for the Yellow Ribbon Program, they are now soliciting

private money in for the States to assist in some of the financing that occurring.

Senator AYOTTE. Well, I can tell you in our program, the Veterans Count is a non-profit organization, so we are raising money privately to match the Federal dollars to have the community involved as well. So, you know, but that does not take away the responsibility of the Federal Government, you know, given what we have asked our Guard and Reserve members to do, along with our Active-Duty Forces, you know, in fighting the wars for our country and for our Nation.

Captain HANSON. One of the things that other States have done that they share with New Hampshire is going out into the community because it is important to teach community leaders about what type of stresses that returning members from deployment are going to be facing. Not that these individuals should not be responsible for their activities, but it has been pointed out that there is an adrenalin withdrawal after deployment, and a lot of substitute activities occur. And the more people know about it, the more they can understand the situation.

Senator AYOTTE. Ms. Moakler, do you have anything to add to this because the family piece of this is incredibly important as well in the support structure.

Ms. MOAKLER. Well, I think that—I am sorry. I wanted to bring this up under the last set of questioning. Recently we became aware of a program in the chairman's home State of New York in Bay Shore, Long Island, where the VA has partnered with a local counseling hospital, organization, corporation, and the veterans, and, of course, our returning guardsmen and reservists are eligible for care and counseling from the VA as they return from deployment, as well as those who separate from service are offering counseling for the servicemember.

And it is done in cooperation with the private counseling, and so the families are able to access that, and then, oh, my goodness, the doctors talk to each other, so they are able to treat the families as a whole and deal holistically with the reintegration problems that they might be having.

Senator AYOTTE. Thank you. Mr. Strobridge, thank you for your service. And I wanted to ask you about the TRICARE increases that are proposed in the President's budget. And you had testified the concerns you have, the opposition that you have to those increases. And you identified that you believe that the services have not undertaken some of the hard work of looking for efficiencies. And there has been a lot of discussion in the past about, for example, consolidation of health care commands.

I wanted to get your thoughts on what types of efficiencies and work should our service bureaus be doing and should we be emphasizing with them rather than going back again, you know, to those who have served and asking them to pay a pretty—there are some very significant increases proposed here.

Colonel STROBRIDGE. Yes, Senator. We believe very strongly that, you know, the military health care system is built to meet the requirements of the services, to meet the requirements of readiness. That is different from being built to meet the needs of the beneficiaries.

The military is unique. The beneficiaries need—you need to serve readiness. It has that unique role. However, when people start talking about having the beneficiaries share some percentage of DOD health costs, those kinds of things have to be brought into the equation. When the system is built to have three different service surgeons general and DOD running four different major contracts, and tons of subcontracts, and they are all competing with each other one way or another for budget share, that is not the way you or I would organize the system if we are trying to be efficient.

And so there is a part of that that is, if it is the right way to do business, it is an institutional cost. When we deploy doctors, we send more beneficiaries downtown, which costs the Defense Department more money. That is not the beneficiary's fault. The beneficiary should not have to pay for that.

When we implemented the mail order pharmacy system in 2001, for the first 6 years there was no DOD effort whatsoever to try to get people to use it, even though at that time, every prescription was \$100 cheaper through the mail order system. We actually were pushing. Just the preventive care kinds of issues, the Department of Defense just put out a big program saying we have—you know, we are now paying for smoking cessation. Well, they only did that because you had to put something in the law requiring them to do it, and then they took four years to implement it, and they still do not cover Medicare eligible beneficiaries.

Another example, on the chronic conditions. What is the most important way to hold down long-term health care costs for people with asthma, for people with diabetes, those kinds of things? It is to take their medications. There are studies that show that even a modest co-pay deters people from taking their medications.

One of the things we had urged DOD to do was eliminate the co-pay for those chronic condition medications. Instead, we just jacked them up, and DOD is proposing to triple them. This just is not cost efficient.

Senator AYOTTE. Thank you for your testimony. I want to thank all of you for being here.

Senator GILLIBRAND. Senator Kaine.

Senator KAINE. I also want to thank you, Madam Chairman, and committee members.

I feel better having you guys on the case. I have a son in the military, and it is good to know that there are great advocates like you out there battling for him. And to those of you who are completing this chapter of service with more to come, thank you for that.

You know, I kind of feel like I am in a schizophrenic world in the Senate because I go to Budget Committee meetings where a primary message is we are not cutting enough spending, and I go to Armed Services meetings where a primary message is that the cuts that are being made or being proposed are too severe. And sometimes even the schizophrenia combines, so when active, you know, major military figures say that the deficit is the number one security challenge, which we have had that testimony before us, it is challenging to know how to negotiate these icebergs and be pro-military, pro-armed services, and yet try to deal responsibly with a budget.

And I think we would all say if we looked at deficits right now, they are not what we want them to be, and we want to manage them in a significant way, but do it right, and do it consistent with obligations.

Mr. Strobridge, you were testifying earlier about TRICARE, and I was sort of struck. Your opposition as a coalition, you were speaking on behalf of the coalition, your opposition to the TRICARE proposals, but you are not opposed to reform. It is just this particular one you do not like because you cited in response to Senator Ayotte's question a whole series of reforms or avenues for reform that you think should be done.

And if I am—I think I am accurate in this that the coalition in the past has also supported a number of reforms that have been done to health care or retirement on the military side.

So you are not an anti-reform coalition. You have supported reform efforts to try to find savings, is that not true?

Colonel STROBRIDGE. Yes, Senator, that is very true. You know, when the Department of Defense two years ago proposed far more modest fee increases, they proposed a 13 percent increase in TRICARE prime, they proposed \$2 and \$3 increases in pharmacy co-pays, we took some heat for not objecting to those because we had really strongly objected to previous Department of Defense proposals for a far higher increase.

And we had always said, look, if you talk about—we are about principles. One of the big problems here is that the Department of Defense did go a long time without exercising authority it had to do any fee increase. What that meant, what that told beneficiaries each year was that we do not think fees are appropriate, any increases are appropriate.

Senator KAINE. Right.

Colonel STROBRIDGE. And when you do that for a decade at a time, people kind of get the impression that it is not appropriate. Then you get a new Secretary of Defense, and we got a new budget problem. And he says, let us quadruple the fees.

Senator KAINE. Right.

Colonel STROBRIDGE. That is—

Senator KAINE. Unacceptable.

Colonel STROBRIDGE.—unacceptable.

Senator KAINE. Yeah, absolutely.

Colonel STROBRIDGE. And so what we have been after is trying to put principles in law: what are the fees, what is the reason for the fees, what is the adjustment methodology. And we have been—we have done pretty much that over the last couple of years working with the subcommittee

Senator KAINE. You mentioned something I completely agree with, the notion—raising the notion, for example, that military benefits, health care or otherwise, be means tested would be very discriminatory given the fact that we do not generally means test other Federal health or retirement programs.

I am not asking you to advance an organizational position, but clearly the idea of means testing broadly is an idea that is being kicked around a lot here. And I agree it would be very unwise to do this on the military side without doing it more broadly.

But has the coalition or organization talked more broadly about what it thinks about means testing strategies if it really was a—you know, a society wide approach to dealing with some of our spending or deficit issues?

Colonel STROBRIDGE. Yes, sir, we have. And we draw the distinction between programs—when you look at the programs that are means tested, they are either—you do not like to use the term “welfare programs,” but there are those kinds of things. There are—they are social insurance programs. Social security is means tested. You get different benefits based on how much you earned. Medicare is means tested. You pay different premiums based on how much you earn. But none of those is earned by decades of service, and that is the difference. To us, if your benefit is earned by service as an employee, then that benefit should not be means tested.

We have had proposals in the past to say we should means test military retired pay or military retired pay cost of living adjustments. And what that boils down to is if you get a job, you lose your retirement, or if your spouse gets a good job, you lose your retirement.

Then what do we tell someone we are trying to induce to serve 20 years under the conditions we have had, the war time conditions we have had over the last decade? Do we tell them if you serve these years, you will get these benefits, unless you get a good job, even if we kick you out of the service in your 40s or 50s, or unless you marry a spouse who has a job, in which case we will cut your benefits. Is that a message that we want to send to people? Do we think that is a good career attractant? I do not.

Senator KAINE. Just extending the metaphor for the discussion, what about non-military Federal employees?

Colonel STROBRIDGE. I think that is the same thing, sir. You know, if you are—when people make a decision to make a career, they are looking ahead to see what you earn for that. And what you earn for your service is different than what you get from social security or from Medicare that is open to every American regardless of whether they work for the military or work for the government or not.

Senator KAINE. So I just—so just to make—because I just to make sure I understood your point. When you said earlier that to means test military without programs would be discriminatory would be, and in my view that would be wrong. But even if we looked at means testing, you would draw a distinction between means testing social welfare programs like Medicaid, for example, might be allowable or in accord with principles. Means testing programs that are—like social security and Medicare where you are chipping in out of your salary might be allowable, but would not be allowable either for programs associated with military service or public employment.

Colonel STROBRIDGE. It is bad policy as an employer to tell your benefits—to tell your employees that the benefits they earn by serving you for decades are conditional. And you are not going to tell them what the conditions are.

Senator KAINE. Yeah, and I agree. If it was only a matter of employment law we were thinking about, you would be right? If we

are dealing also with the reality of deficits and budgets that all of us as citizens have some desire and maybe even a citizen's obligation to try to fix, it is not just a matter of employment law and practice.

Colonel STROBRIDGE. Well, in the end it is, sir, because this is my last time here. I started working military compensation issues in 1977. That was the middle of a terrible erosion of benefits issue. We had another one in the late 90s. We do this periodically, and we always do it because of budget cutbacks, and we always rationalize.

And you made the point, what is the ultimate? Is recruiting and retention okay? Well, when you are drawing down the force, recruiting and retention is always okay. And we have used that in the past to say, gee, we cannot afford it. It is unaffordable if you project the costs out in the future, so we cut retirement benefits in 1986. And they said the same thing we have today. Oh, gee, we cannot change the rules, so it will only apply to new people, as if that would not affect the new people. All that does is kick the problem 10 years downstream. We had to repeal it because then the new people ultimately would not stay.

We rationalized annual pay caps by saying retention is fine, so we can cut pay again. That is like driving by looking in the rear view mirror. You never see the problems ahead, and you keep doing it until you cause a retention problem. And then you have to scramble to pay even more to repair the force, and you end up with a hole in the force because a lot of people got out.

And so that is the consequence of the budget mentality, and that is why we have worked so hard over decades literally to put these principles in law. Congress only put the pay standard in law in 2003 because we learned the lessons of the past and we said, we do not want to do that anymore. The standard should be whatever the average American gets is what the military should get, and that is supposed to apply through good times and bad.

Now, the practical reality is it does not. We always cut when we are having budget—and we always pay it, and we always say when the problem comes, gee, we have to learn from that. We will never do it again. Here we go again.

Senator KAINE. Does your organization—last question—ever take a position on big picture issues like the right and wrong ways to deal with deficit and spending? Do you deal with it all with cuts? Do you deal with it with revenue increases? Do you take positions on that?

Colonel STROBRIDGE. I think it is safe to say that we have some of the same problems with taking a stance on revenue increases that you all do.

Senator KAINE. Yeah. We have a divided—we have a citizenry that is of multiple opinions about it.

Colonel STROBRIDGE. Yes, sir.

Senator KAINE. And I guess we are all in the same boat there. Thank you a lot. Thanks, Madam Chair.

Senator GILLIBRAND. Senator King.

Senator KING. Thank you. I apologize for being late. I was at a—

Senator GILLIBRAND. And we will conclude at 4:00 in times for votes, so there is enough time for you to have a full—

Senator KING. I was at a full committee hearing on the issue of Syria with Secretary Hagel and General Dempsey.

A couple of questions following up on the exchange, and please feel free to chime in. Just to be sure I have the numbers right, as I have been told, the TRICARE fees for enlisted—for active duty are zero. They are covered. What we are really talking about retirees, and the rates I have been told are \$270 for an individual, \$540 for a family. Are those in the ballpark? Is that right?

Chief BARNES. A little low.

Senator KING. A little low? How low? Can you give me a number?

Colonel STROBRIDGE. It is pretty close.

Senator KING. I think it is important just to know what we are talking about.

Colonel STROBRIDGE. For TRICARE prime for a family, it is now \$539. And I think that is about what you said.

Senator KING. Yeah, \$540 is what I said. Okay.

Colonel STROBRIDGE. And about half that for the single people. But we kind of rush to say that is not the full premium people pay. That is what they pay in cash.

Senator KING. Okay. What else do they pay?

Colonel STROBRIDGE. We tell people if you want to understand the full premium people pay, it is—would you be willing to sign up to spend the next 20 or 30 years being deployed to Afghanistan on a regular basis.

Senator KING. I understand that. I am going to get to that next.

Colonel STROBRIDGE. No, that is it.

Senator KING. I am going to get to that next.

Colonel STROBRIDGE. And most people are unwilling to do that.

Senator KING. But that is the number.

Colonel STROBRIDGE. Yes, that is the cash annual enrollment fee.

Senator KING. So the next question is, and I think, you know, you make a good point that you should not—if you are contracting with people essentially that you should not change the terms of the deal. My question is, when people sign up with the military, do they know \$540 a month is what they are going to have to pay for their health care in 20 years? In other words, what are they told at enlistment about health care benefits?

Colonel STROBRIDGE. They are not told details. They are told words like, you will have health care for life.

Senator KING. Is there an implication that it is free?

Colonel STROBRIDGE. In many cases, as you said, while they are on active duty, they are not paying it, and so many of them interpret it as meaning that. Many are very surprised that they have to pay anything once they retire. Many are surprised to learn they cannot go to the military facility anymore. They have to go find a civilian doctor. And, you know, to a lot of people, that does not seem like much. To a military person or anybody who has spent their 20 or 30 years in one health care system, changing is traumatic.

Senator KING. But the question is, and perhaps, Madam Chairman, we could see the documents. I would like to see what somebody is given when they sign up. They must be given terms of employment, and it would be interesting to see what they are told

about health care, and whether, in fact, it is part of what they are contracting for when they sign up.

Colonel STROBRIDGE. Well, I used to write some of those, and I have seen a lot of others. And I have never seen one that is handed to someone with four to 10 years of service that lays out specific premiums that will be paid in the future.

Senator KING. But you understand the line of my questions.

Colonel STROBRIDGE. Yes.

Senator KING. You are essentially saying this is a contract that we are making with somebody when they sign up that they are going to get this health care in the future. And I am just curious as to whether—I would like to know is that, in fact, the case.

Colonel STROBRIDGE. I guess that is a little firmer way than I would say it. And that is—

Senator KING. Moral obligation?

Colonel STROBRIDGE. Well, I would come to say that there need to be some standards. I do not think you are ever going to brief any person when they are coming up to reenlistment on all the details of what they will earn if they stay.

Number one, if they are 15 or 20 years away from retirement, Congress may well change it. So you cannot guarantee what they will get, and that is one reason why they are vague. But they say you will have health care for life. You will earn X amount of retired pay. They do not say, well, unless you get disabled in the line of duty, in which case you may have to give up part of your retired pay if you also get VA compensation. Or, you know, you may have to pay X amount of money for, you know, health care, because I do not know what the health care fees are going to be 15 years from now.

Senator KING. Well, I am not being argumentative. I am new to this committee, so I am trying to understand and learn.

Colonel STROBRIDGE. Sure, absolutely.

Senator KING. But as I understand it, the—if you retire from the military and you are a doctor and you set up a practice, and you are an orthopedic surgeon and make half a million dollars a year, your insurance—your health care costs would still be \$540 a year. Do you think that is okay?

Colonel STROBRIDGE. Yes, sir, I do because that—number one, that person is probably not using TRICARE. He is probably in a facility where he is getting care, you know, on his own. So, you know, you have to take those kinds of things into consideration.

But the issue is, did your service earn the benefit or not? Very simple yes or no question.

Senator KING. And that was the point of my prior questions. I am trying to get to the bottom of that of was that an expectation.

Colonel STROBRIDGE. Absolutely. Absolutely.

Senator KING. Mr. Barnes.

Chief BARNES. Senator, we take an oath of office when join the military. We do not necessarily sign a contract. One observation. The second point, within our association, we are communicating with three generations, those that are currently serving, those that are currently serving ends of careers and moving into retirement, and those that have served in the past, going back to the Korean and sometimes World War II conflicts and that era.

The older retirees are adamant with regard to commitments that were made to them in return for their service. Many believe they are entitled to health care for life, and many attest to being promised free health care for life. This has been tried in the courts. This has been—this is an issue. We reference this. This is a huge issue with them, their periods of service, them coming forward serving our Nation, and then how they were treated subsequent to their service.

The issue—another point with regard to the TRICARE fees, those are adjusted annually based on inflation. There was a point made earlier about the many years that the Department of Defense declined to adjust fees, the TRICARE prime fees. I have asked—I asked that question when I much younger and doing legislative service work in meetings with the Department over that period of time. This is a commitment.

And going back to my comments, and I think the comments of my colleagues here that is coming through, military service is unlike any other occupation or career field. And it is essential that the pay and benefits associated with that service are unique and reflect that service. And I believe that is—

Senator KING. And I completely agree with that statement. I completely agree with that statement and understand it entirely. I am just trying to determine—it would be interesting to survey 21-year-olds who have enlisted and ask them what their expectations are.

Colonel STROBRIDGE. If I could comment on that. I think the expectations—a 21-year-old is probably not even thinking about it. They probably never gave two thoughts to it. It is at some point between the 4- and 10-year point where people get married, have children, start thinking about financial responsibilities, start thinking about do I want to keep doing this for a career or not. And that is when they start weighing the sacrifices expected of them versus the rewards that they are likely to receive if they complete a career.

And that is a very subjective—very few people sit down and do the research to say exactly how much is it, you know. They do some basics. They may look at a pay table and say, if I—you know, here is today's pay table. Here is what a colonel with, you know, 26 years of service makes, get a rough idea of the retirement. They probably do not do any investigation on health care. They assume, I think, that their health care will continue the way it is now, and they make those judgments.

Senator KING. Well, I understand. Madam Chairman, I know I am out of time. Just one more quick observation.

The sequester, which many think is a one-year deal, is not. It is in the law for 10 years. And the cuts that are coming, unless we can unwind that in some way, are drastic. And the impact on the military is going to be and already is drastic.

And from the point of view of the people you represent, you need to understand that you have a stake in how we collectively resolve this problem because if we are unable to do something realistic about it and have to absorb those cuts, these kinds of things are going to be very difficult, very difficult, because we are talking, you know, in the next 6 months almost \$50 billion out of the Defense

Department, and multiply that by 10 in addition to the cuts that were made in the bill in August 2011.

So there is a lot of discussion around here about these budget cuts. And, you know, they are real, and they are real. They are going below the level of—they are real cuts. They are not just cuts in growth.

So I am just—I urge you to think broadly as we are wrestling with this issue because there is no way to make those cuts without impacting virtually everybody in the military system. That is just reality.

Senator GILLIBRAND. Thank you. Thank you, Senator King.

Thank each of you for your testimony. Thank you for your service. Thank you for being advocates. We appreciate it. Your written statements will be made part of the record.

We also received a statement, for the record, from the National Association of Chain Drug Stores. Without objection, it will be included in the record.

[The information referred to follows:]

[SUBCOMMITTEE INSERT]

Senator GILLIBRAND. Thank you all for your testimony today.

Meeting adjourned.

[Whereupon, at 3:59 p.m., the subcommittee adjourned.]