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Before the

COMMITTEE ON
ARMED SERVICES

UNITED STATES SENATE

DEPARTMENT OF DEFENSE PERSONNEL REFORM
AND STRENGTHENING THE ALL-VOLUNTEER FORCE

December 2, 2015

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DEPARTMENT OF DEFENSE PERSONNEL REFORM
AND STRENGTHENING THE ALL-VOLUNTEER FORCE

Wednesday, December 2, 2015

U.S. Senate
Committee on Armed Services
Washington, D.C.

The committee met, pursuant to notice, at 9:29 a.m. in Room SD-G50, Dirksen Senate Office Building, Hon. John McCain, chairman of the committee, presiding.

Committee Members Present: Senators McCain [presiding], Inhofe, Ayotte, Fischer, Cotton, Rounds, Ernst, Tillis, Sullivan, Lee, Reed, McCaskill, Manchin, Shaheen, Gillibrand, Donnelly, Hirono, Kaine, and King.

1 OPENING STATEMENT OF HON. JOHN McCAIN, U.S. SENATOR
2 FROM ARIZONA

3 Chairman McCain: Good morning. The committee meets
4 this morning to continue our series of hearings focused on
5 defense reform. Today, we will focus on military and
6 civilian personnel reform and how to strengthen the All-
7 Volunteer Force in the 21st century.

8 We're fortunate to have a distinguished group of
9 witnesses joining us today: The Honorable David Chu,
10 President and CEO of the Institute for Defense Analysis and
11 former Under Secretary of Defense for Personnel and
12 Readiness.

13 David, we have a long a relationship, and we appreciate
14 all the great work that you have done.

15 The Honorable Bernard Rostker, who is a RAND
16 Corporation Senior Fellow, also a former Under Secretary of
17 Defense for Personnel and Readiness. The Honorable Robert
18 Hale, Booz Allen Hamilton Fellow and former Under Secretary
19 of Department of Defense Comptroller. And Admiral Gary
20 Roughead, USN [Retired]), Annenberg Distinguished Visiting
21 Fellow at the Hoover Institution and former Chief of Naval
22 Operation.

23 Put simply, our All-Volunteer Force is the greatest
24 fighting force in human history. Any consideration of
25 personnel reform must begin from that basis. And all of us,

1 the Congress and the Department of Defense, must take great
2 care as we consider what changes are needed to ensure that
3 our force can respond to the needs of a new generation of
4 warfighters and meet our future challenges. Our efforts
5 must proceed from rigorous factfinding and analysis. We
6 must always ask what problems we are trying to solve. We
7 must always measure any reform against the military's unique
8 mission of combat effectiveness. And we must always
9 remember that what works for the private sector or society
10 at large may not always work best for our military.

11 We've all heard the stories of the many excellent
12 servicemembers who are choosing, or being forced, to leave
13 the military for ridiculous personnel reasons. This is a
14 real problem. But, it's made more complicated by the fact
15 that so many talented officers and enlisted continue to fill
16 the ranks of our force. All of us meet them every day
17 across the country and around the world.

18 The question is whether our military is able to recruit
19 and retain so many excellent Americans because of its
20 personnel system or in spite of it. I'm concerned that all
21 too often it is the latter, as in the acquisition system and
22 other parts of our defense organization. Too often, our
23 military is losing and misusing talent because of an archaic
24 military personnel system. Promotions are handed out
25 according to predictable schedules with only secondary

1 consideration of merit. That's why, even after more than a
2 decade of service, there is necessarily no difference in
3 rank among officers of the same age. Is it really because
4 they all perform the same or deserve the same rank? Jobs in
5 the military are assigned rather than chosen. To some
6 extent, that is necessary. After all, the mission must
7 always come first. But, we should ask whether we can better
8 support this mission by giving servicemembers more of a say
9 in their assignments.

10 At the Reagan Defense Forum last month, for example,
11 the Chief of Staff of the Army, General Milley, described
12 how he had met a soldier who spoke six languages but had
13 been assigned as a truck driver. We need truck drivers, of
14 course, but we also need first-rate linguists and
15 intelligence analysts, and we need a personnel system that
16 can manage our people's talent accordingly. We should ask
17 whether we should give commanders greater discretion to
18 build a staff with the specialists and experts they need in
19 the right positions. Commanders are better able to assess
20 their needs than bureaucrats in the personnel system.

21 Our military has always had an entrepreneurial culture
22 that encourages individuals to innovate, but the military
23 personnel system undermines that spirit when it mistakes
24 upholding professionalism with enforcing conformity. And
25 when high standards give way to a zero-defect mentality in

1 performance evaluations, this discourages risktaking, truth-
2 telling, and cultivation of entrepreneurial leaders.

3 To strengthen the All-Volunteer Force, we must also
4 review the promotion system, especially the requirements of
5 the Defense Officers Personnel Management Act and the
6 Goldwater-Nichols reforms. Previous witnesses have
7 expressed concern that the joint duty requirements that a
8 military officer must meet have contributed to the growth in
9 headquarters staff that we have seen in recent decades as
10 the personnel system seeks to check a series of boxes that
11 may be of little value for actual career development. We
12 need to review whether this requirement is meaningfully
13 enhancing the joint capabilities of the force, and how it
14 can be better tailored for our 21st century force. The
15 personnel system cannot be an end in itself. Similarly, we
16 must ensure that our civilian personnel system is equally
17 capable of recruiting and retaining the best leaders.

18 Unfortunately, there is much work to do. The USAJob
19 system, for example, is an abysmal failure. We are
20 repeatedly told by managers that they can't hire the
21 employees they need to fill mission-critical roles because
22 they cannot hire qualified individuals through the USAJob
23 system or because they cannot make job offers in a
24 reasonable timeframe. The Department of Defense needs to
25 devote more energy to resolving these hiring stalemates, not

1 developing more -- many bureaucracies that have so often
2 failed before.

3 Finally, a key pillar of personnel reform will continue
4 to pertain to compensation. This committee has made great
5 strides this year with the most sweeping reforms of our
6 military retirement system in seven decades. We must bring
7 the same rigorous bipartisan approach to the task of
8 reforming the military health system next year. If we do
9 nothing, the Congressional Budget Office projects that
10 defense healthcare costs will devour about 11 percent of the
11 defense budget in 2028. This is staggering. Every dollar
12 that the Department of Defense spends on healthcare is a
13 dollar that can't be spent on training and equipping our
14 warfighters.

15 While we need to slow the growth of defense health
16 spending, the primary focus of our reform efforts must be to
17 create a better healthcare system for servicemembers,
18 military families, and retirees by improving access to care,
19 quality of care, and health outcomes. We must identify and
20 eliminate waste in the military healthcare system and
21 evaluate the organizational structure of the services'
22 medical departments, with an eye toward making them flatter,
23 more efficient, and more responsive. In some cases, we may
24 need to eliminate some organizations where infrastructure --
25 while ensuring that we maintain and improve medical

1 readiness.

2 With these and other reforms, we can make the military
3 health system perform better for beneficiaries and more
4 sustainable for the Department of Defense. It's often said
5 that America's greatest military advantage is its people.
6 That is not a talking point, it's a reality. We will
7 consider input from all sides throughout this process,
8 starting with our witnesses today.

9 I thank you for your willingness to appear before the
10 committee, and I look forward to your testimony.

11 Senator Reed.

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1 STATEMENT OF HON. JACK REED, U.S. SENATOR FROM RHODE
2 ISLAND

3 Senator Reed: Well, thank you very much, Mr. Chairman.

4 Let me join you in thanking the witnesses for being
5 here today, but, more importantly, for your extraordinary
6 service to the Nation. You have come with great expertise
7 and insights to address a very important topic.

8 The committee has held a series of hearings to review
9 the organizational structure of the Department. Experts
10 have testified the importance of streamlining our defense
11 acquisition process, reevaluating the roles and missions of
12 the services, ensuring effective management of the
13 Department, and in the formulation of our defense strategy
14 and future force structure. But, I believe today's hearing
15 may be among the most important this committee will convene
16 during our review.

17 The men and women who make up the All-Volunteer Force
18 remain this committee's top concern. Any changes we
19 recommend to the processes, structure, and organization of
20 the Department of Defense, or to the benefits structure,
21 will not matter if we don't provide the Nation with a
22 sufficiently sized, trained, and equipped military of the
23 necessary quality, of the character and talent to meet
24 national defense requirements.

25 To that end, Congress has, for several years,

1 considered various proposals for changes in compensation and
2 healthcare to slow the growth of personnel costs so that
3 those savings could be redirected to buy back readiness and
4 modernization shortfalls. The Department has consistently,
5 over the past several decades, proposed a budget in which
6 military personnel costs comprise roughly 33 percent, or a
7 third, of that budget. In 1980, this third devoted to
8 military personnel bought an Active Duty strength of over
9 2.1 million. Today, with the total DOD budget that is
10 hundreds of billions of dollars higher, that third only buys
11 1.2 million Active Duty members. And that figure continues
12 to fall, and will likely drop further if rising personnel
13 costs are not constrained.

14 In my view, hard choices will need to be made,
15 especially in the budget environment we find ourselves. We
16 made some difficult choices this year, as the Chairman
17 pointed out, through his bipartisan leadership. They
18 included the enactment of a retirement benefit for
19 tomorrow's force. But, we need to do more. I am concerned,
20 frankly, that we are pricing ourselves out of a military
21 that is sufficiently sized and trained to accomplish
22 national defense objectives. I look forward to any
23 recommendations the witnesses may have for addressing the
24 increasing personnel costs.

25 With regard to the management of military personnel, it

1 is time to reevaluate whether the Defense Officer Personnel
2 Management System, commonly referred to as DOPMA, continues
3 to meet the needs of our military services. The "up or out"
4 promotion system is 70 years old, and, in many respects, it
5 has worked, and continues to work, well. It ensures
6 promotion opportunity for talented young servicemembers as
7 they progress in their careers. But, it also has its
8 weaknesses. In some circumstances, it requires divestiture
9 of talent at its peak. It may not be the right system for
10 highly technical occupations, such as cyberexperts, pilots,
11 doctors, or special operators in whom we may have invested
12 millions of dollars in training. It relies on a cohort-
13 based system that may be outdated. Joint professional
14 education requirements, a signature element of the
15 Goldwater-Nichols legislation, may, in some cases, be so
16 substantial that servicemembers have difficulty fitting in
17 all the required training, joint assignments, and command
18 assignments needed for professional development. I hope
19 that our witnesses can, first and foremost, identify what
20 problems exist within the military personnel management
21 system and compensation system, and offer proposed solutions
22 to these problems that Congress and the Department of
23 Defense should consider to bring our military personnel up
24 to date.

25 I thank you all for your time, your expertise, and,

1 most importantly, your great service to the Nation.

2 Thank you, Mr. Chairman.

3 Chairman McCain: Welcome, Dr. Chu. Thank you for
4 appearing again before the committee.

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1 STATEMENT OF HON. DAVID S.C. CHU, PRESIDENT AND CEO,
2 INSTITUTE FOR DEFENSE ANALYSIS

3 Dr. Chu: Mr. Chairman, thank you. It is a privilege,
4 indeed, to be part of the panel this morning.

5 I do have a prepared statement that I hope can be made
6 part of the record.

7 Chairman McCain: All prepared statements will be made
8 part of the record.

9 Dr. Chu: Thank you, Mr. Chairman.

10 And I should emphasize that the comments I make are
11 entirely my own views, not necessarily the position of the
12 institution that I currently serve.

13 It's my belief that decisions about the issues that you
14 and Senator Reed have outlined and the committee is
15 confronting ultimately should be rooted in a set of choices
16 about the kind of military force we want for the future 5,
17 10, 15, 20 years from now. And the characteristics of that
18 force will ultimately, in my estimation, determine what
19 kinds of personnel we need and how we should prepare those
20 personnel for their responsibilities.

21 In my estimation, one of the high-payoff, high-leverage
22 opportunities lies, from both a performance and a cost
23 perspective, in the decision about the mix of personnel
24 types for the future. To what degree do we want to rely on
25 Active Duty military personnel? What's the role of the

1 Reserve components? What should be the proper level of
2 Federal civilian staffing? And to what extent do we want to
3 use civilians engaged through contractor arrangements of one
4 sort or another? And I might emphasize that those
5 arrangements exhibit a great variety of characteristics,
6 and, in some ways, we might usefully experiment with
7 additional varieties of contractor arrangements, going
8 forward.

9 The Department today, institutionally, does not make
10 this decision in a holistic manner. It decides each of --
11 it decides how much of each community it desires separately.
12 So, military end strength is considered at one point,
13 civilians are a decentralized hiring decision left largely
14 to the field, and so on and so forth. So, it does not
15 examine the tradeoffs among these personnel, which I think
16 present extraordinary opportunities for the country.

17 Looking at the likely effect of budget constraints,
18 it's my -- that the Department will probably choose to rely
19 more heavily on Reserve components of one fashion or
20 another, and perhaps look at a different role for civilians,
21 especially Federal civilians.

22 In managing these communities, it would be my plea that
23 we move away from the implicit premise of the current
24 systems, which is one-size-fits-all, as you pointed out in
25 your opening statement. It's particularly true of other

1 officer management system, DOPMA. My urging would be to
2 encourage experimentation within the waiver authority the
3 Department already possess under a declaration of national
4 emergency and 2 years thereafter, although Congress could
5 grant an additional waiver authority, if it so chose, and
6 encourage its actual use. In fact, the Department could
7 begin with experiments on the enlisted force side, because
8 most of the enlisted force rules are a product of policy,
9 not a product of statute.

10 Now, as you look at the civilian management issue, in
11 my estimation -- and you pointed out this issue, Mr.
12 Chairman, in your statements about USAJobs -- most important
13 -- one of the most important issues is appointing authority.
14 Department does not have, under Title 5 of the various
15 Federal Civil Service systems, operates the latter two to
16 appoint, and to appoint properly, that I think is needed in
17 today's environment.

18 In fact, Secretary Carter is fond of pointing out that,
19 except for the fact that the office in which he got his
20 first DOD job had extraordinary appointing authority,
21 special appointing authority, he could not have been hired
22 by the Department of Defense as a young academic.

23 I also believe that we ought to look at investing more
24 energetically in our civilian workforce. It's quite ironic,
25 in the Department of Defense, on the military side, we have

1 a well-established and much-admired training education
2 system on the civilian side. We leave the employees'
3 department largely to their own devices.

4 And I endorse what you underlined, Mr. Chairman, and
5 that Secretary Carter has opened the door upon with his
6 Force of the Future speech, and that is, a greater use of
7 volunteers in self-selection. Give the individual greater
8 voice in his or her future assignments, further training,
9 education, et cetera.

10 On the compensation front, the Congressional Budget
11 Office has long pointed out that the military system puts
12 too much in deferred compensation and pays too much in kind.
13 And we know that compensation is much more effective if it's
14 in cash and it's up front. And the changes made by the
15 Congress this year to the TARMA system move in that
16 constructive direction. In fact, in my estimation, they
17 open the possibility of a much wider range of experience
18 targets for the Department by skill area that's much more
19 responsive to issues like the need for cyber personnel that
20 Senator Reed -- to which Senator Reed pointed.

21 I do think further -- a further look should be taken at
22 how we treat single personnel in the military. They make up
23 just under half the force. Much of their compensation is
24 really in kind, because, at the junior level, especially,
25 about one-third of the package is the housing allowance, and

1 they must surrender that housing allowance in order to live
2 in the barracks. Because we tell them to live in the
3 barracks, we know from similar results that living in the
4 barracks is not one of the great attractions of military
5 service.

6 On the civilian front, in compensation, I plead for a
7 return to the use of pay bands to give the Department
8 greater flexibility in civilian compensation so that in
9 areas of high cost, high demand for certain skills, it can
10 pay more competitively; in areas where there isn't the same
11 situation, it could be more austere in its compensation
12 choices.

13 Whatever compensation system we select, I would urge
14 that we set and honor the expectations that's established.
15 I'm very concerned about the actions of the last several
16 years in which, often, changes the compensation have a
17 flavor of being arbitrary and driven by budget
18 considerations. And I think it's important that we set a
19 standard and keep to that standard so that the young people
20 who join the American military establishment understand the
21 future that they have selected, and are enthusiastic about
22 that choice.

23 I thank you, Mr. Chairman. I look forward to your
24 questions.

25 [The prepared statement of Dr. Chu follows:]

1 Chairman McCain: Thank you.

2 Mr. Rostker.

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1 STATEMENT OF HON. BERNARD ROSTKER, SENIOR FELLOW, RAND
2 CORPORATION

3 Dr. Rostker: Thank you, Chairman McCain and Ranking
4 Member Reed and members of this distinguished committee.

5 It's my pleasure and honor to be asked to testify today
6 on this very important issue. As you know, I've spent my
7 whole professional life working in this area, and have often
8 written about our need to reform the system, so I welcome
9 this opportunity to further discuss this today.

10 In many ways, the need for reform has been obscured
11 because, by and large, the system we have today has produced
12 a superb professional military. The problem as I see it is
13 that we could have done it better, perhaps at less cost, but
14 certainly, in terms of meeting the needs of our
15 servicemembers and their families. Moreover, as the threat
16 and our needed capabilities evolve, the only way to -- of
17 doing business in the future is likely to be less effective
18 as we move -- as it has been in the past. The trick here is
19 to understand the current system, how it operates, what
20 needs to be changed. To use an old cliché, we must not
21 throw the baby out with the bath water.

22 Rethinking the kind of military we want, and how to
23 achieve that what some have called "the force of the future"
24 is needed, and your hearing today is very timely.

25 I've prepared a longer statement, but I want to

1 highlight for you here six points that I think are critical
2 as you move forward.

3 The first imperative is that you look at changing the
4 system. You ask what will be the impact of the experience
5 profile of the force 10 and 20 years in the future. For the
6 vast majority of our military workforce, the people we
7 recruit today will be the journeymen we need 10 years from
8 now and the leaders we need 20 years from now. While in
9 some specific areas, new programs of lateral entry may
10 provide added flexibility, the vast majority of military
11 skills will still be in at the bottom and up through the
12 rank.

13 Second, the plain fact is that the military we build
14 today must be capable of winning wars in the future. But,
15 we don't know when that might be. In the aggregate, the
16 year of service profile is the best indicator of the
17 readiness of the force to go to war at any point of time in
18 the future. Maintaining the appropriate experience profile
19 is critical.

20 Third, the key to achieving the needed experience
21 profile over time is maintaining an adequate flow of people
22 into and through the force over time. We have done this
23 with the so-called "up or out" promotion system. While
24 there are many ways such a system can be managed, there must
25 be a way of ensuring sufficient turnover to constantly

1 revitalize the force. The flow out of the force should not
2 be just at the end of a career. Our enlisted and officer
3 personnel need to progress or leave. They must not be
4 allowed to stagnate in place.

5 Fourth, the one thing that distinguishes the military
6 personnel system from our private sector or our government
7 civilian personnel system is we have the tools needed to
8 maintain the required personnel profile over time. Some
9 have argued that we should institute a system that allows
10 people to stay in place as long as they adequately perform
11 in their jobs. The ultimate example of such a system is our
12 current civilian personnel system, but I don't know anyone
13 who thinks that that system has been so successful it should
14 be the model for the military. For our military, if
15 servicemembers do not advance, they must be sent home to
16 make room for the next generation, because it is the next
17 generation and the one that comes after that that will carry
18 the fight in the future.

19 Fifth, many of today's critics warn of a brain drain,
20 projecting that some may claim -- and they -- some claim
21 many bright young people will leave the military frustrated
22 because of the service are not making the appropriate use of
23 their talents. However, the more significant issue is the
24 larger drain that is the systematic expulsion of talented
25 officers who, regardless of experience and skills, who are

1 forced out at 30 years of service or those who leave earlier
2 than 30 years of service, anticipating that they will be
3 forced out at 30 -- at the 30-year mark, which generally
4 equates to a chronicle -- chronological age at about 52 or
5 in the early 50s. I've written extensively about this
6 problem and, even when I was Under Secretary of Defense for
7 Personnel and Readiness, tried to address this, but to no
8 avail.

9 Sixth, and lastly, it might seem strange to you for me
10 to be arguing that we must maintain the flow of personnel
11 through the military just as I'm saying that in select areas
12 we should extend careers. But, I assure you that there is
13 nothing contradictory in what I am proposing. Today, DOPMA
14 gives us a one-size-fits-all personnel system for officers.
15 While we can manage different occupational groups separately
16 in what is called "competitive categories," the career
17 structure for each category is the same. To me, that makes
18 no sense. Without arguing the merits of longer careers for
19 the combat arms, I am certain that our specialty corps, such
20 as intelligence, medical, chaplain, acquisition, and many
21 more, including, in the future, cyber, do not need to adhere
22 to the standard DOPMA structure of promotion timing,
23 opportunity, and tenure, which reflects our thinking about
24 youth and vigor in the 1940s.

25 To summarize this quick overview of reforming the

1 military personnel system, here are a few points that I
2 think this committee should keep in mind: keep your eye on
3 the future, particularly what changes will do to the
4 experience profile of the force; maintain the desired
5 experience profile over time; ensure adequate flow of
6 personnel; maintain the basic concept of "up or out"; be as
7 flexible and permissive as possible to allow the services to
8 better manage the assignment of people; and then lengthen
9 careers beyond 30 years of service, particularly for
10 specialty corps.

11 Thank you for allowing me to testify before you today,
12 and I look forward to your questions.

13 [The prepared statement of Mr. Rostker follows:]

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1 Chairman McCain: Thank you.

2 Mr. Hale.

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1 STATEMENT OF HON. ROBERT F. HALE, FELLOW, BOOZ ALLEN
2 HAMILTON

3 Dr. Hale: Well, thank you, Mr. Chairman, Senator Reed,
4 members of the committee.

5 I'll focus today on two broad issues: military
6 compensation, or slowing its growth as free money for
7 readiness, and also some selected personnel issues.

8 Let me just say, I appear here as a former Comptroller
9 and as an individual, not necessarily representing my
10 current organization.

11 Let me turn first to compensation. As a share of the
12 total DOD budget, military compensation has stayed roughly
13 constant since 2000. It's up a couple of percentage points,
14 but not much. But, those constant percentages mask
15 important shifts. As the DOD budget grew sharply after
16 9/11, compensation costs grew with it, fueled by increases
17 in healthcare costs and also pay raises. As the budgets
18 then turned down in 2010, the Department sought to slow the
19 growth in military compensation. It made this decision not
20 to alter, not to shoot for any particular percentage, but,
21 rather, to free up funds to sustain readiness and
22 modernization, but particularly readiness. And the proposed
23 compensation reforms also sought to modernize the
24 compensation system and make it more effective.

25 Now, conventional wisdom holds that the Congress turned

1 the Department down almost all of its -- with regard to
2 almost all of its requests. In fact, Congress approved a
3 number of DOD proposals, including initiatives to slow
4 growth and payments to healthcare providers, to raise care
5 -- TRICARE fees modestly, to reform pharmaceutical copays,
6 and others. Congress even took the lead on some issues,
7 principally military retirement reform.

8 Taken together, these changes reduced DOD costs by
9 about \$6 billion a year, freeing up substantial funds to
10 help the Department return toward full-spectrum readiness.
11 I think the Congress deserves more credit than it gets, and
12 principal credit -- or significant credit certainly goes to
13 this committee.

14 But, the job's not done. Further efforts to reform
15 compensation and slow the growth to free up funds need to
16 take into account the recruiting and retention climate,
17 which obviously is tightened. But, the key candidate for
18 future reform is the military healthcare system, as the
19 Chairman said in his opening remarks. The current system
20 often requires copays that are zero, or nearly so, which can
21 lead to overuse of care. And the system's costly to
22 administer. And also, despite some overuse of care, there's
23 substantial underutilization in military healthcare
24 facilities, which results in wasteful spending. And
25 finally, there are access and quality issues.

1 Congress has before it two proposals, a DOD proposal
2 for several years, and then the one from the Military
3 Compensation and Retirement Modernization Commission. The
4 DOD proposal would certainly be the easiest to implement.
5 It would result in some modernization and savings. And, I
6 might add, more than three-quarters of the savings in DOD
7 proposals -- in the DOD proposal comes not from the pockets
8 of the beneficiaries, but from more selective use of care
9 and from the reductions in the cost to administer the
10 system.

11 The Commission version offers beneficiaries a choice,
12 and that is certainly a substantial advantage and, I think,
13 warrants a careful look, but it isn't clear, at least to me,
14 how the system -- how the Commission proposal would maintain
15 the system of military treatment facilities, which must
16 remain in place, in some degree, to train future healthcare
17 providers for war. And so, I think significant further work
18 would be needed before you could enact the Commission
19 proposal.

20 In sum, the military personnel system has received
21 substantial attention in recent years, and needs continued
22 attention, but I am more concerned about the system that DOD
23 manage -- uses to manage its career civilian employees.
24 Listening to debates over civilians, I sometimes feel like
25 critics believe that the 775,000 DOD civilians mostly work

1 at the Pentagon, maybe making PowerPoint slides or
2 testimony. In fact, about 80 percent of them work outside
3 the Washington, D.C., area, they perform many necessary
4 support functions, they fix some DOD weapons, they teach
5 military kids, they provide military healthcare, they manage
6 bases.

7 The system that recruits, retains, and manages these
8 civilians has major problems. I'm not in a position to
9 offer a comprehensive assessment or reforms, but let me use
10 my experience in DOD to offer a couple of ideas:

11 First, it takes too long to hire civilians. The
12 Chairman mentioned this in his opening remarks. This
13 committee made a start by granting expedited hiring
14 authority for acquisition professionals. You might want to
15 consider expanding that. One group that would come to my
16 mind is professionals with expertise in the -- and
17 experience in the audit of financial statements.

18 Poor performers are another issue. DOD has a small
19 proportion of career civilian employees who do not perform
20 well. Executives working for me spent way too long
21 disciplining and, when needed, attempting to terminate
22 members of this relatively small group. Most recent
23 authorization legislation makes a start here, allowing
24 performance to be considered in RIF actions and expanding
25 the probationary employment to 2 year -- period of

1 employment to 2 years. It is a good start. But, DOD and
2 Congress might consider establishing review points
3 throughout a career when poor performance can lead to
4 termination. Some safeguards would be needed, but they have
5 to be more streamlined than the onerous safeguards and
6 lengthy proceedings that are required today.

7 Let me also briefly address the requirements for
8 civilians. Civilian personnel needs, in my experience, tend
9 to be established job by job, making it hard to debate what
10 numbers and types of civilian employees are needed in the
11 aggregate as warfighting and support needs change. We have
12 much better information to debate the numbers needed of the
13 military.

14 Even in the -- so, I think Congress should challenge
15 DOD to provide a better basis for determining, in the
16 aggregate, the number and types of civilians that are needed
17 to meet warfighting requirements -- but, even in the absence
18 of improved requirement tools, it's clear that DOD needs to
19 reduce the size of its civilian workforce, but it needs to
20 do so in a way that allows it to continue to meet support
21 needs. Some key steps that would permit that require
22 congressional support, including contentious ones, like
23 permission to close unneeded military facilities where a lot
24 of civilians work, and to downsize or close some military
25 treatment facilities.

1 Finally, in my view, we employ too many sticks and not
2 enough carrots in dealing with our career civilians. In
3 recent years, we've furloughed civilians twice, we've frozen
4 their pay three times. Some in Congress criticize career
5 civilians, seemingly treating them not as valued employees,
6 but, rather, as symbols of a government that they believe is
7 too large.

8 DOD and Congress need to provide more rewards for good
9 performance -- a few more carrots, if you will. Let me
10 suggest a couple of actions:

11 Today, many career civil servants who are selected as
12 members of the Senior Executive Service receive little or no
13 increase in salary, even though their responsibilities grow
14 sharply. And I might add, in my experience, it discourages
15 good people from considering taking SES roles.

16 Press support or reports suggest the administration is
17 considering trying to increase SES pay, at least to the
18 minimum level of GS-15. That would be an incremental step,
19 but one I like better as an incremental step would be for
20 DOD and Congress to expand the proportion of SES performers
21 who are eligible for presidential rank awards, perhaps
22 focusing on the awards at the meritorious level. These rank
23 awards are made competitively through board selections.
24 They offer both prestige and some substantial financial
25 rewards. And what I like about them is that they direct the

1 rewards to the SES members who are performing exceptionally
2 well.

3 Finally, DOD and Congress need to harness the power of
4 praise as a way to recognize the importance of DOD's career
5 civilian employees. We're very good at recognizing the
6 accomplishments of the military. And that should continue.

7 While I served as Comptroller, I always tried to thank
8 the men and women in uniform and the civilians who support
9 them. I hope more senior leaders will do that regularly.
10 And DOD, along with this committee and others in Congress,
11 could help by seeking opportunities to recognize the
12 successes of civilian employees. Greater recognition would
13 acknowledge the important role that DOD civilians play in
14 maintaining our Nation's security, and it would help
15 civilians feel that they are, indeed, valued employees.

16 Throughout my government career, I have been privileged
17 to serve with many highly capable DOD personnel, civilian
18 and military. I hope the thoughts I've offered today can
19 play a small role in helping these men and women who do so
20 much to support our national security.

21 With that, I'll stop, Mr. Chairman, and join in
22 questions at the right time.

23 [The prepared statement of Mr. Hale follows:]

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1 Chairman McCain: Thank you.

2 Admiral Roughead.

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1 STATEMENT OF ADMIRAL GARY ROUGHEAD, USN [RET.],
2 ANNENBERG DISTINGUISHED VISITING FELLOW, HOOVER INSTITUTION

3 Admiral Roughead: Mr. Chairman, Senator Reed, members
4 of the committee, thank you for the opportunity to share my
5 thoughts on what I consider to be the most important issue
6 that needs to be confronted going into the future, and
7 that's designing the total force and putting in place the
8 policies that enable us to attract, recruit, and retain the
9 talent that's going to be so important.

10 My perspectives are based on command at sea, commanding
11 both the Atlantic and the Pacific Fleets, serving as a
12 Service Chief and a member of the Joint Chiefs of Staff,
13 serving on combatant commander staffs and on service staffs,
14 commanding a NATO striking force in the Atlantic, which is a
15 multinational joint task force, and commanding a joint task
16 force in the Pacific.

17 Nothing that I say should be construed as criticism of
18 the great young men and women who serve in our Nation's
19 defense in uniform and in civilian clothes. But, I think
20 that we're at a different time, when many of the policies
21 and rules that we administer of this force, they were
22 derived at a different time, and the times have changed, and
23 it's time to relook at what those changes should be, because
24 I believe that we're rapidly approaching the point of an
25 unsustainable mix of cost, force balance, and lethality.

1 And that will only get worse as we continue to feed the
2 personnel costs that have been described by my colleagues
3 here.

4 I think it's safe to assume that significant top-line
5 relief is not going to bail this out. And so, we have to
6 look at what are the ways what we can adjust that. And
7 because many of these policies have been implemented over
8 time and they have interwoven with one another, layered on
9 top of one another, it has to be looked at in its totality.
10 Pull one lever, and you might get second- and third-order
11 effects that are unintended.

12 I think the real issues that I see is that, as we try
13 to adjust the size of those who serve in the broad
14 Department of Defense, the solution is always to go to the
15 Active Force and reduce that. We, as has been mentioned,
16 have a compensation system for the All-Volunteer Force that
17 is really not tuned to that force. And I thank the
18 committee for the work that they've done, particularly this
19 year, to crack the door and begin the reform process there.

20 We have a uniform promotion paradigm that tends to
21 bleed expertise away from the force to fill a hierarchical
22 promotion model that has been in place for decades. We are
23 bound to a well-intentioned Goldwater-Nichols legislation
24 that achieved the joint imperative, but has caused a
25 bloating of our joint headquarters staffs in Washington and

1 around the world. We have a government employee and
2 civilian contractor ratio that is significantly out of
3 balance with the fighting force that we field today. And
4 our civilian personnel system values longevity over merit.
5 And we have become extraordinarily disposed to filling our
6 service headquarters with contractors without a means of
7 really determining the number of contractors that we have
8 working at any given time in these headquarters facilities,
9 and whether or not that's the optimum solution.

10 So, I think, as I look at it, some of the things, as we
11 debate the size of the force, I believe the going-in
12 position should be to hold constant the number of Active-
13 Duty personnel, and work the other variables first of
14 civilian employees, Guard, Reserve, and contractors.

15 We should reform DOPMA and tune it in a way that we can
16 adjust the time-and-service requirements and the time-and-
17 grade-promotion requirements for the force, but I think it
18 has to be tuned in such a way that give the services, and
19 even specialties within each service, the latitude to be
20 able to make the decisions to best incentivize the people
21 that we want to keep. And clearly, we have to change the
22 "up or out" policy, particularly in some of the technical
23 areas that are going to only increase in competitiveness in
24 future years. And the one that has been mentioned and most
25 frequently comes to mind is cyber. But, if we do that, I

1 think we'll have to put in place some longevity pay raises
2 so that we can keep that talent, and they'll still be able
3 to take care of their personal obligations that they have.

4 With respect to Goldwater-Nichols, I really do believe
5 that we have to maintain a legislative hammer on the
6 Department of Defense with that joint forcing function,
7 because if we don't, the services will likely retreat back
8 into more tribal behavior. But, clearly, we have to adjust
9 Goldwater-Nichols so that we cannot use it as a personnel
10 management system, but really what it was intended for, and
11 that's to improve the jointness of the force.

12 And I do think, when we get to the general and flag
13 officer ranks, we should maintain the current requirements,
14 but I do believe that we can lift some of the mandated
15 requirements on some of the more junior ranks within the
16 services.

17 I also believe, and jumping more to the organizational
18 construct, that as we look at the role of joint commanders
19 and command -- and I know it's been discussed before the
20 committee, the idea of the Chairman being moved from an
21 advisory to a more command position -- I really do believe
22 that civilian control of the military is fundamental to who
23 we are, and I maintain that the best approach to that is to
24 maintain the advisory role of the Chairman. Nor do I
25 believe that we should move to a general staff, because it

1 is important that we have current operational, technical,
2 and geopolitical experience moving in and out of the
3 headquarters so that we can make better decisions.

4 With regard to DOD civilian personnel management,
5 returning to a scheme similar to the NSPS, or National
6 Security Personnel System, I think is very important. I had
7 the opportunity, when it was in effect, when NSPS was in
8 effect, to implement it in several commands, and, within
9 months, you could see the change: young people enthused,
10 eager; where merit mattered, and not longevity; where they
11 didn't have the concern about, "If I'm the last one to be
12 hired, I'm going to be the first one to leave, should there
13 be any force cutbacks." I think that we really need to look
14 at putting that back in place.

15 And we have to get our arms around the contractor
16 numbers within our headquarters. Right now, we can't do
17 that. If we do get a number, it's normally time late. And
18 it's a very amorphous thing to work with. Similar to what
19 we have with headquarters authorizations for uniformed
20 personnel, for old-time equivalent for government civilians,
21 I think we should set numbers of contractors for the
22 headquarters, and not let that float, because if we go after
23 headquarters numbers, and we drop uniformed government
24 civilians, the headquarters, in my view, will not change in
25 size; we'll just add more contractors into the mix. And the

1 problem with that is, when a headquarters gets big, it makes
2 more work for other people and for themselves, and it
3 justifies its existence that way.

4 So, those are some thoughts, and I look forward to your
5 questions.

6 [The prepared statement of Admiral Roughead follows:]

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1 Chairman McCain: Well, thank you, Admiral.

2 And, Admiral, I was just -- not long ago, read a
3 wonderful book called "The Admirals" about five-star
4 admirals in the Navy in World War II. And I noticed with
5 some interest that Admiral Nimitz, at one point in command,
6 ran a ship aground. Do you think that's possible today?

7 Admiral Roughead: Senator, I think we have some recent
8 cases where we've done that, but I will tell you that the
9 fitness report that was written on Admiral Nimitz after he
10 ran a ship aground was on the door of my office as I walked
11 out every night. And to me, I think it's important that we
12 still give people the latitude to make mistakes and move on.

13 Chairman McCain: Do you think that's the case?

14 Admiral Roughead: I know that we have, in recent
15 years, allowed some people who have made some significant
16 mistakes or errors in judgment to move on.

17 Chairman McCain: Dr. Rostker, you bring up a really
18 fascinating -- there's many aspects of this issue. I mean,
19 it's really a -- this is a aspect where there are many
20 different facets of it, but you're advocating a -- changing
21 the current 30-year retirement in -- to 40 years, which, I
22 think, given longevity and capabilities and experience and
23 knowledge, is something that ought to be considered. But,
24 what about the fact that there are specialties that put a
25 premium on physical strength and fitness? How does this

1 work? And I'd be interested in the other witnesses' view of
2 this. This would be a huge change.

3 Dr. Rostker: And I -- I agree with you, and I think
4 that we have to address the needs for each. In my state --
5 in my oral statement, I made the point about not taking on
6 the issue of youth and vigor in the combat arms, but I would
7 also point out that all of the storied admirals of World War
8 II would not have been around, they would all have been
9 retired under our current personnel system.

10 The issue becomes how we manage the specialty force.
11 And we've heard here about Goldwater-Nichols. Goldwater-
12 Nichols has, basically, added 5 years of career content to
13 an already jammed career. And it has deprived the services
14 of the talents of many officers who are being jointed at the
15 time in previous years they would have learned how to manage
16 the corporate entity. We send people to school. The
17 Secretary is out, talking about new initiatives for time
18 with industry. And yet, we're going to send people home
19 when they're 52 years old in the acquisition corps and
20 planning and things that don't require youth and vigor? Can
21 you imagine being a corporation and saying to the majority
22 of your acquisition executives, "You've reached 52. Go
23 home"? That's when they've learned their craft. We do that
24 with FAOS, we do that with the intelligence community. The
25 hardest fill jobs in cyber are not the hackers, but the

1 people who are managing hackers. But, we'll send them home
2 when they reach 52 -- 52, of course, being 30 years from the
3 time of commission.

4 So, I think we have to break the one-size-fits-all
5 paradigm, and address your concern for youth and vigor, and
6 address my concern for the specialty corps as we build
7 career structures that make sense for the individual skills
8 that are needed for the future.

9 Chairman McCain: Sometimes that could be as short --
10 early age as 48 --

11 Dr. Rostker: It could be.

12 Chairman McCain: -- in some cases.

13 Dr. Chu.

14 Dr. Chu: I couldn't agree more with the notion that we
15 ought to look at variable career lengths. And I think the
16 retirement reform you enacted this last -- in this current
17 authorization act opens the door for the Department to begin
18 moving that direction.

19 DOPMA's current 30-year ceiling is an issue. There is
20 some latitude in the statute to extend in order to recall
21 people from retired status. But, that's not really a
22 panacea as an option. Congress, in the last decade, moved
23 to loosen some of the age restrictions, which is another
24 problem. Some people join the military late, and so they
25 might be the 60-year-old acquisition executive, and we'd

1 still like to keep them. And I think those -- that greater
2 latitude is very helpful.

3 But, I think, fundamentally, it -- it's not about a
4 particular constraint, it's about -- the paradigm the
5 Department follows, that everybody should look -- as you
6 said -- more or less the same. And I think that Admiral
7 Roughead touched on this in his remarks, that we're grooming
8 all officers to be Chief of Staff. That's not true. Most
9 officers are not going to be Chief of Staff, as is obvious
10 from an arithmetic perspective. Many are wanting a
11 fulfilling career, where they move to a middle management or
12 a middle level of expertise, and they continue to serve in
13 that level for a longer period of time.

14 And so, my play would be to encourage variability.
15 First, the Department needs to be focused on what experience
16 mix it wants, by skill area, both officer and enlisted, as a
17 guide to what that variability should look like. So, in
18 some areas, where youth and vigor is essential, you might
19 actually want somewhat shorter careers. You already have a
20 problem with some people hanging on, so to speak, as we all
21 know, as they get to 15, 16, 17 years' service. Congress
22 honors that with a sanctuary. Eighteen years of service,
23 you get there, you have to really commit a crime not to get
24 to 20 years. That's a mistake. The new retirement system
25 allows you to say, "It's time to leave." And you can take a

1 significant prize home with you. But, some other people
2 ought to stay for much longer periods of time, as Dr.
3 Rostker argued. It -- senior command, senior experience in
4 various specialized fields -- medicine is an example of that
5 career track, as well. And we ought to retain people for
6 longer periods of time. So, I think it's the issue of
7 variability in career length that ought to receive
8 attention, not necessarily just extending everyone.

9 Chairman McCain: Mr. Hale, your view.

10 Dr. Hale: I think it's a good idea to look carefully
11 at this. I mean, it would be a far-reaching change, and it
12 could have significant effects on costs and other things.
13 But, the longevity trends, and, as Dr. Rostker pointed out,
14 the idea of sending home experienced acquisition or
15 financial professionals or others, at that matter, at ages
16 52 doesn't make much sense. And so, I think it is
17 definitely worth looking at.

18 Chairman McCain: Senator Reed.

19 Senator Reed: Well, thank you very much, Mr. Chairman.

20 And, gentlemen, thank you for your testimony.

21 It strikes me -- and it is a point Dr. Rostker made,
22 but I think everyone echoed it -- is that anything we do
23 will have an effect about 20 years from now, when you work
24 through the system, which begs the question, What will the
25 military look like 20 years from now? -- which leads another

1 question, Who's going to tell us what it should look like?
2 And how do we get that information from the Department of
3 Defense.

4 Then, to go Dr. Chu's point, this is right now very
5 much fragmented and culturally distinct. You know, the Army
6 employed copious numbers of warrant officers to fly
7 helicopters in Vietnam because they needed them. Today, we
8 have drone operations, but they have to be Air Force
9 culture, qualified pilots and in the career path to move up
10 in command squadrons of F-16s, et cetera. So, I think this
11 just -- I want -- we'll start with Dr. Chu and go down --
12 comments about, How do we, the Congress, get the Department
13 to focus on the force 20 years from now in a coherent way
14 across all the different services and components of the
15 services?

16 And, Dr. Chu?

17 Dr. Chu: My suggestion would be to ask the Department,
18 in its annual presentation of the President's budget
19 request, to speak to why they chose the personnel mix and
20 their cultural norms that are embodied in that document.
21 So, I would start the conversation with, Where are you
22 today? And why did you make those choices? And do you
23 think those -- and, to the Department, the challenge would
24 be, Why do you think those choices are good for the -- what
25 the force is going to mature to look like in 5 years, 10

1 years, 15 years, 20 years, et cetera? I would acknowledge,
2 no one can foresee exactly what the force characteristics
3 are going to be 20 years from now. And, in fact, I think
4 where that conversation leads is encouragement, particularly
5 under current circumstances. So, it's not like the Cold
6 War, where you had known opponent and a view of how a
7 conflict might unfold. We don't know. And therefore, I
8 think the real issue in looking forward is, Have -- Has the
9 Department offered for the Congress' consideration, a
10 reasonably rich set of hedging choices so that if we're
11 wrong, as we're likely to be, as Secretary Gates has
12 testified repeatedly, we have some backup plan, some
13 foundation, particularly from a personnel perspective, which
14 we can build?

15 But, I'd start by challenging the Department to
16 explain, How did you get this Active Duty figure? How did
17 you decide the Reserve-component number? Is it something
18 other than just history of what you did last year? What
19 about Federal civilians? All right? That will set up a
20 scramble in the Department, because civilian manning is
21 largely a decentralized decision. There'll be some
22 preparation time needed for people to give you a reasonable
23 answer. And what about the contractor force, which I think,
24 as my colleagues this morning have testified, is largely a
25 safety valve for the Department. So, you constrain Active

1 Duty, you constrain Reserve numbers, you constrain Federal
2 civilians. What pops out, as long as people have money, is
3 they hire contractors instead.

4 Senator Reed: Dr. Rostker, please.

5 Dr. Rostker: Well, I'd like to invoke the great
6 American philosopher Yogi Berra. Yogi said, "The future
7 ain't what it used to be." And I think that's right.

8 First, we need to put the "p" of planning back into
9 PPPS. We're not doing that. We're just programming.

10 We have a good idea of what our capabilities will be,
11 to a fair amount of the force, the majority of the force,
12 because it's tied up in our capital stock. So, the first
13 thing we need to be able to do is man our squadrons and our
14 aircraft carriers and our bomber force that we're building.
15 We know the mechanic needs, the pilot needs. Those
16 projections are fairly straightforward. And when I talk
17 about the experience profile, I'm talking about that.

18 The unknown is the flexibility for dealing with ISIS,
19 the growth in Special Ops, and their flexibility is the most
20 important thing. I once did a paper for the Guggenheim
21 Institute about thinking about the last -- the next war.
22 And I -- and everybody else who did papers had very specific
23 notions about the next war. And I used the Yogi Berra
24 quote.

25 The thing that distinguishes the Defense Department is

1 that we bet on a lot of horses. We didn't close down the
2 cavalry until we knew that tanks were -- we have a long
3 history in the Navy of battleships and aircraft carriers
4 fighting it out until we knew what was going on. And that
5 redundancy in our services and within our service has proven
6 to give us the flexibility to be able to adjust to the
7 future. And flexibility is the key.

8 Senator Reed: I have very little, if no, time, Dr. --
9 Mr. Hale and Admiral Roughead. Any comments?

10 Dr. Hale: No, I don't have anything.

11 Chairman McCain: Admiral?

12 Admiral Roughead: I would take a little different
13 tack. I think that the ability for the Department to reform
14 itself -- I question that. The most significant change
15 that's taken place in the U.S. military in the last 50-60
16 years was the creation of the All-Volunteer Force. It's not
17 the technology or anything. It's All-Volunteer Force. That
18 was produced by the Gates Commission. Thomas Gates was an
19 opponent of the All-Volunteer Force. He was the chairman of
20 it. But, yet, it created the military we have today, which
21 I submit is one heck of a military. And so, I think what we
22 really need to do is to bring the same flavor of people
23 together to really look at this in its totality. And
24 there's going to have to be some china broken, and that
25 normally does not happen within a bureaucracy.

1 Senator Reed: Thank you very much, Admiral.

2 Thank you, gentlemen.

3 Chairman McCain: Senator Fischer.

4 Senator Fischer: Thank you, Mr. Chairman.

5 As we're looking ahead 10, 15, 20 years, and trying to
6 do this planning, and comparing it to where we were when
7 Goldwater-Nichols reforms were put into place, how can we --
8 carry on with this conversation -- how can we achieve the
9 flexibility without throwing out a lot of the reforms that
10 were made under Goldwater-Nichols? If we look at joint
11 duty, for example, and if that is needed in the future, if
12 it's appropriate in the future, or does it just add on to
13 more headquarters staff? How -- do we form the commission,
14 Admiral, to get into the weeds on every reform that's in
15 there, and then figure out a way to be flexible?

16 You had mentioned we need to change that "up and out"
17 policy. And, Dr. Rostker, you had mentioned that the force
18 must not be allowed to stagnate in place. But, yet, I think
19 we're going to need people to remain in place longer to
20 achieve the skills that they need to give them the
21 flexibility for the challenges that we face in the future.
22 You know, you can look at cyber. A few of you mentioned
23 that. That's going to take experts, it's going to take
24 people who can respond quickly to change as that environment
25 changes.

1 So, I would just ask your opinions on that, if we could
2 start with you, Admiral.

3 Admiral Roughead: Yes, ma'am. And I would say that,
4 one, I don't think a commission similar to the Gates
5 Commission gets into the aegis. I think that they can
6 generate the design of the total force that will be required
7 going into the future. I -- but, I also believe that --
8 particularly in Goldwater-Nichols, that we've constrained
9 ourselves with some of the requirements that are there. By
10 forcing the joint requirement down onto the major,
11 lieutenant, commander level, what we have done is, we have
12 basically said -- sent the signal that staff duty is more
13 important than honing your warfighting craft.

14 We have also, by putting in the requirement that the
15 service staffs can't promote at a rate higher than the joint
16 staff, we've disincentivized people from serving on service
17 staffs, where we man, train, and equip, and where most of
18 the money of the Department is spent. And so, we've lost
19 that talent pool and experience and expertise.

20 So, I think that, in Goldwater-Nichols, we can float
21 that requirement higher. But, it also, as I said, has to be
22 done in conjunction with some of the other policies. The
23 fact that we have may have a good cyberwarrior who is not a
24 qualified joint officer, and allow that person to stay in
25 the Navy longer, or in the military longer, that's okay.

1 So, I think we have to look at how all of these things work
2 together. But, I think that we've forced the joint
3 requirement down too low, and we have disincentivized some
4 of other priorities that I think are going to be important
5 for a fighting force of the future.

6 Senator Fischer: Thank you.

7 Mr. Hale?

8 Dr. Hale: So, I'd like to ask that you broaden your
9 thoughts on Goldwater-Nichols and think about whether we
10 need something analogous to that for our civilian workforce.
11 We are at the other extreme with regard to the civilians.
12 That is, there's not a lot of, often, moving around,
13 especially at the senior levels. And I wonder if, as we
14 think about Goldwater-Nichols, and fixing it for the
15 military, we want to think about how we engender some more
16 rotational experience among those who will ultimately be our
17 civilian leaders. Maybe, as I say, we need some version of
18 Goldwater-Nichols for civilians.

19 Senator Fischer: Thank you.

20 Dr. --

21 Dr. Rostker: The first would be to extend the career,
22 so we can accommodate requirements like Goldwater-Nichols
23 within the career structure. But, the notion of stagnation
24 in place is not to imply that everyone needs to -- that
25 people need to advance. And in certain technical areas,

1 that might be fine to stay in relatively the same job, but
2 it tends to be in a particular technical area. We are often
3 told of the young officer who says, "I'm a great captain,
4 and leave me to be a captain." Well, he may be a great
5 captain when he's 30. I'm not sure he'll be a great captain
6 when he's 40. Again, youth and vigor comes. So, he needs
7 to either advance in his profession or leave. It's very
8 hard to say to somebody who's doing well, "You have to go
9 home, because we're worried about the next generation." We
10 can't do that in the civilian world. We don't do that in
11 the private sector. We must do that in the military.

12 Senator Fischer: Dr. Chu.

13 Dr. Chu: I'd urge we think about how we get the same
14 outcomes that we like of our Goldwater-Nichols, but at a
15 lower price, in terms of career content. The current --
16 because I -- as your question, I think, implied, there are
17 some good points to what has been produced from Goldwater-
18 Nichols. More joint orientation by the senior officer
19 corps, specifically. But, our mechanism, as we all know, is
20 an input-oriented one, "You will take this course, you will
21 have this assignment for a certain length of time, and such
22 is the way to get there," which, of course, adds to the
23 career content issue Dr. Rostker has raised.

24 And so, just as a personal example, in my judgment, one
25 of the most joint-oriented Army officers I encountered in my

1 career in the Department was Jack Keane. General Keane
2 would not qualify, under the rules. Until he was Deputy
3 Commander of Joint Forces Command, he had never had a joint
4 assignment. Of course, the issue is, you can't look inside
5 the person's mind easily. But, I do think, if I may be
6 presumptuous, that the confirmation power of the Senate is
7 one tool to use. In other words, part of the examination
8 really ought to be, what is the outlook of this officer on
9 joint matters, and how has he or she achieved that outlook?
10 As opposed to prescribing so much how the person gets there.
11 I recognize there's the risk of confirmation conversion, as
12 people have unkindly labeled some people's stance over the
13 years, but I do think that might be one small step to try to
14 move away from the prescriptive approach we use now, that
15 you will take certain courses, you will have certain
16 experiences in order to achieve this orientation, and to
17 ask, in some fashion, that both the Department and the
18 Congress look at people more holistically.

19 Senator Fischer: Thank you.

20 Thank you, Mr. Chairman.

21 Chairman McCain: Senator Manchin.

22 Senator Manchin: Thank you, Mr. Chairman.

23 And thank all of you. I appreciate very being here.

24 It's -- someone coming from the civilian ranks and not
25 being blessed enough to be in the military service, but now

1 sitting back and watching this and trying to make sense of
2 it, how we run the operations, is unbelievable. And it
3 doesn't make any sense that we talk about -- now we've got
4 sequestration, we've had budget caps, all the different
5 things. And you would think that the system, the Department
6 of Defense being our largest Department in Federal
7 Government, would be able to make adjustments and changes.
8 But, it doesn't seem to come unless there's congressional
9 mandates for that to happen.

10 I can't get a handle on the contractors. I've tried.
11 I've been here for 5 years, and I'm trying to get a handle
12 on the strength of contract. The contracting forces, which
13 we should look at, because I know the reduction of force.
14 And every time we run into budget problems, it's always a
15 reduction of the people that we depend to defend the
16 country. And I know the size of the staff doesn't seem to
17 change proportionally, when we should be changing. Staff
18 seems to be constant, if not growing. But, contractors is
19 just an absolutely misnomer, here. We've had as high -- I
20 mean, our report -- I know this is not accurate, but in 2014
21 it was showing 641,000 full-time-equivalent contractors at a
22 cost of \$131 billion. I can never get -- I can't get that
23 answer. I don't know why it's so hard for the Department of
24 Defense to be able to tell us how many contractors we're
25 paying and kind of filling slots and substituting and

1 playing a kind of a movement game, here.

2 And maybe -- Admiral Roughead, I know you've been on
3 the front line of this thing, but give me some insight on
4 this.

5 Admiral Roughead: Well, thank you, Senator. And my
6 observations are exactly the same as yours, because there's
7 no structure that defines the particular work, position,
8 person that applies to a contractor. We have that with our
9 uniformed and our government civilians. And I think that,
10 as we look at our headquarters structures, that there should
11 be an apportionment by billet, if you will, to use military
12 speak, for those contractor positions that get done.
13 Otherwise, what you find is that the money buys as many
14 contractors as it can afford. And so, I think we need to do
15 that.

16 I would also say that all contractors are not created
17 equal. I mean, we have some --

18 Senator Manchin: Sure.

19 Admiral Roughead: -- contractors that are maintaining
20 airplanes, and we've made the decision that that approach is
21 best.

22 Senator Manchin: Why can't that scenario be
23 accomplished? Does it have to be a direction from Congress,
24 legislated? Or can Department of Defense do that? The
25 accountability of contractors.

1 Admiral Roughead: I would leave whether Department of
2 Defense can do that to some of my colleagues who have been
3 in the Department, but --

4 Senator Manchin: Okay.

5 Admiral Roughead: -- but, I really do think that that
6 would be one way to get our arms around that.

7 Senator Manchin: Dr. Rostker, if you could comment on
8 that. And, Mr. Hale, I'll come right back to you.

9 Dr. Rostker: The reason we have the contractors is
10 because we don't account for them. We buy service. It's in
11 the O&M budget. It's just dollars. And it purely comes
12 back to the Comptroller's shop, in terms of controlling
13 those contracts that are used to purchase the services of
14 people.

15 The Congress, it -- has said we want to have a limit on
16 the size of headquarters. We want to have a limit on the
17 number of civilians.

18 Senator Manchin: Yeah.

19 Dr. Rostker: And then, the headquarters go out and
20 hire contractors, and they sit behind the same desk that a
21 civilian sat behind. I would suggest they have loyalties
22 that are not necessarily in line with those of the
23 government, like maintaining the contract. And so, we can
24 go to the American people -- you can go to the American
25 people and say, "We're controlling government. We've

1 limited the number of civilians."

2 Senator Manchin: Yeah.

3 Dr. Rostker: But --

4 Senator Manchin: Mr. Hale.

5 Dr. Rostker: -- we haven't.

6 Dr. Hale: So, it's harder than it -- than you'll think
7 to count contractors. If you do a firm fixed-price contract
8 -- many of them are now -- there is no responsibility on the
9 part of the contractor to tell you how many people are doing
10 it. They just have a job, they get the job done.

11 In response to congressional requirements, DOD is
12 inserting clauses in many of its contracts, directing the
13 contractor to estimate the number of full-time-equivalent
14 people. But, it takes time, and that's why you're not
15 seeing this data.

16 The way to control it, in my view, is, you control
17 military and Federal civilians by billets or by FTEs. You
18 control the contractors by limits on the operation-and-
19 maintenance funding. And that allows the Department the
20 flexibility to use firm fixed-price contracts, when they
21 make sense and we want to have that.

22 Senator Manchin: The hardest thing that I had -- and
23 I'll finish up with this -- the hardest that I had is that,
24 basically, we had contractors of -- fighting, basically, on
25 the front lines. I know that people said that didn't

1 happen, but we -- I know that happens. And I know that
2 they're hired, and they go in to force. They seem like --
3 at 10 years, they come out of the military, they retire from
4 the military and take a pay three to four times higher.
5 That didn't make any sense to me. You can't justify that.
6 You can't sell it back home. And we keep talking about
7 reduction of forces, and we're coming back, paying three to
8 four times more for the same person that we reduced -- or
9 reduced, and put them back into the private sector and on a
10 contract. How do we stop -- is there any way to stop that
11 from happening?

12 Dr. Chu?

13 Dr. Chu: I think, ultimately, as my colleagues have
14 implied, the contracts are a safety valve. And the real
15 issue is what you're asking the Department to do. So, let's
16 take the headquarters issue. Without in any way being
17 cheeky here, the office I formerly held, a major activity
18 was answering congressional correspondence. Many of these
19 letters were -- required a significant research project.
20 Someone had to do that work. If you place a limit on how
21 many Federal civilians can be employed, the solution, as Dr.
22 Rostker says, is the office uses the funds at its disposal
23 to hire contractors to help with that task.

24 So, I think the ultimate break on excessive contractor
25 employment, to the extent it is, indeed, excessive, is the

1 issue of what the Department's being asked to -- what
2 function it's being asked to perform and perhaps the too-
3 tight limits on the resource inputs it might more usefully
4 employ for that purpose -- Active Duty personnel, I think,
5 in the case in point that you were citing. You're -- you
6 are going to get situations where people who leave the
7 military will have a skill set that's very valuable in the
8 private sector, perhaps serving the Department of Defense.
9 But, to me, that's -- that's just a signal that there's an
10 excess demand for that skill and that we've suppressed
11 meeting that demand with Federal civilians and Active Duty
12 or Reserve-com personnel, and it pops out in a contract.
13 The contractor, eager to -- service, as Mr. Hale said,
14 offers a very significant salary to the -- so, it's the
15 safety-valve issue and the question of the burdens of the
16 Department and its business practice, I think, that is
17 ultimately the break on the situation that you are -- that
18 -- with which you are concerned.

19 Senator Manchin: Thank you very much.

20 I'm sorry.

21 Dr. Hale: Can I just add, very briefly, one of the
22 wartime problems that you raised occurs because we place
23 limits on the number of troops that can be in -- and that
24 causes the Department to turn to contractors.

25 Senator Manchin: That doesn't make any sense all, but

1 I appreciate your answers.

2 Chairman McCain: Senator Ernst.

3 Senator Ernst: Thank you, Mr. Chair.

4 And thank you, gentlemen, for being here today.

5 Mr. -- or, Dr. Rostker, if we could start with you, I
6 know that you are well aware of the heavy deployment
7 schedule that we have had over the past 14 years or so.
8 Many members have mobilized, they have deployed, time after
9 time after time, and we still continue to do that with a
10 number of our SOCOM units, as well. What can we do for
11 those that are in more of the -- well, I've met a lot of
12 Active Duty soldiers. Many of them have deployed over and
13 over again. But, then we also have that group that seems to
14 be in the type of unit that is maybe a training environment.
15 They have spent a career in those types of positions where
16 they haven't deployed. How can we make sure that we are
17 offering the same opportunities for everyone across the
18 board? Because, of course, when you look at promotions and
19 advancements, we want to make sure that everybody has
20 opportunity for that, even broadening and strategic-type
21 assignments. What can we do about that to even the playing
22 field?

23 Dr. Rostker: Well, there is a -- deployments are by
24 units, obviously, but also by skill sets. And so, there are
25 certain skill sets that will not deploy. Generally, it has

1 been to the advantage of servicemembers to deploy, because
2 those considerations come into promotion boards and through
3 the so-called "up or out" system. There are rewards. But,
4 it will not necessarily fall evenly, depending upon the
5 particular occupations that people have.

6 I think the broad question is also, what do we do for
7 the servicemembers and their families for those who are
8 deploying quite often? And this is really a unique and new
9 problem for the Department of Defense.

10 Senator Ernst: Yes.

11 Dr. Rostker: We've never fought a war with this kind
12 of rotation. And, as you say, the 14 years is the longest
13 in our history. And we really do need to come to grips with
14 what our services are, not only to the servicemember, but
15 particularly to the family.

16 Senator Ernst: We have such a heavy rotation of
17 deployments with certain types of MOSs or occupational
18 skills, and maybe not others, but we need to make sure that
19 there is plenty of opportunity for everyone to take
20 advantage of those types of positions.

21 Admiral, of course, as we look at opportunities, there
22 are a lot of different thoughts in this area, but I am a
23 little bit concerned that the Department is really trying to
24 mold our officers and even some of our senior NCOs to aspire
25 to be an intern at Facebook or Google. And those are great

1 organizations, but with these types of assignments, they're
2 lucrative, but we would rather see them being a platoon
3 leader or a company commander or a first sergeant. And what
4 impact will the Department's efforts to place a greater
5 emphasis or priority on these nontraditional broadening
6 assignments -- what impact will that have, then, to our
7 force readiness, to actually win that next war?

8 Admiral Roughead: Yes, ma'am. Thank you for the
9 question.

10 Before I get to it, I'd like to just comment on the
11 deployment piece. As --

12 Senator Ernst: Thank you. Please.

13 Admiral Roughead: As you know, the Navy has been
14 deploying for centuries. And I think it's important that,
15 as we look to the future employment of the force, that the
16 model that's used take into account the types of
17 deployments. And not everyone will be going, because -- as
18 Dr. Rostker said, because of specialties and other
19 considerations. But, I think that the -- that, you know, it
20 took the Navy awhile to define the deployment and readiness
21 models. And I think we have to look at that in that
22 particular service.

23 With regard to some of the fellowship opportunities
24 that have been announced recently, my sense is that those
25 are in very small numbers. And I do think that there may be

1 some value in certain areas where people can go off, see how
2 things are done differently than within the Department of
3 Defense, and then come back in. But, again, I -- you know,
4 is this something that will stack on top of the joint
5 requirement, the operational requirement, the educational
6 requirement? And so, my sense would be, you know, would
7 that be something that you would consider as a joint credit
8 and then someone who would come back in?

9 Senator Ernst: And definitely something that we should
10 keep an eye on. So --

11 Admiral Roughead: In limited numbers.

12 Senator Ernst: In limited numbers, that's absolutely
13 correct. Thank you, Admiral.

14 Thank you, Mr. Chair.

15 Chairman McCain: Senator McCaskill.

16 Senator McCaskill: Thank you, Mr. Chairman.

17 Just to underline some of the concerns of my
18 colleagues. Senator Manchin, on contractors. I have
19 obviously spent a lot of time, as Mr. Hale knows, on this
20 subject in the time I've been here. And one of the most
21 surreal experiences was when I discovered, one day, that the
22 person testifying in front of me about contracting had hired
23 a contractor to prepare them for the hearing. And that's
24 when I realized, okay, this has gotten a little out of
25 control.

1 It's not that contractors are bad. It's not that
2 contractors aren't needed. As you indicated, Admiral
3 Roughead, there are many places that we're using contractors
4 that it's saving us money. They're performing functions
5 well at a lower cost. But, the problem is, there's so
6 little transparency that oversight is nearly impossible
7 unless you have the tenacity of a bulldog that's very, very
8 rabid. And -- because you can't find them. You can't --
9 it's amorphous. You can't figure out whether the
10 contracting activity is justified or whether it's a safety
11 valve. I mean, I think Dr. Chu just admitted they hired
12 contractors to answer congressional letters. You know, I'm
13 not sure that -- we need to know this. We need to
14 understand when contractors are being utilized. So, I think
15 your idea for an authorization level on contractors is a
16 valid one, and I would like to see any response that any of
17 you have for the record on that, going forward.

18 [The information referred to follows:]

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1 Senator McCaskill: I want to talk a little bit about
2 what we have come to refer in this committee in the last
3 several hearings as the deputy deputy dog syndrome. That
4 is, in the civilian force, the springing up like mushrooms
5 at a certain time of year of a new deputy to the deputy to
6 the deputy. And where is that coming from? Why is there
7 this seem-to-be growth of people with titles? Is it just
8 the need for titles, in terms of, you know, how you're
9 viewed within the civilian force -- the civilian workforce
10 at the Pentagon? Is there really a need for all these many,
11 many layers of personnel that seemingly have some kind of
12 authority over someone else? Has this thing gotten too
13 layered? I mean, it appears to me it's gotten too layered,
14 but I would love your take on that.

15 Dr. Rostker?

16 Dr. Rostker: We have a whole layer in the Defense
17 Department that never existed when I came to town. We had
18 Assistant Secretaries reporting to the Secretary of Defense.
19 Today, we have Assistant Secretaries reporting to Deputy
20 Secretaries to Under Secretaries who report to the Secretary
21 of Defense. So, the whole Department has grown at least one
22 layer.

23 Senator McCaskill: And why?

24 Dr. Rostker: The desire to do coordination. So, in
25 the area of personnel, we have an Under Secretary and then

1 we have a series of Assistant Secretaries. At one point in
2 time, those Assistant Secretaries were all Deputy Assistant
3 Secretaries, and the Assistant Secretary have -- we've just
4 mushroomed the whole -- my judgment, the whole Department up
5 one layer. And it just grew out of hand.

6 Senator McCaskill: How can you -- how can we crank
7 that back?

8 Do you have any ideas, Mr. Hale? How could we, from --
9 as overseers, as -- in an oversight capacity, trying to get
10 a handle on the way we're using resources, how do we stop
11 that?

12 Dr. Hale: Well, let me just start by saying, for the
13 record, that the organization I ran, I think, was, by
14 Pentagon standards, relatively flat. There were no
15 Assistant Secretaries in that Comptroller's shop. But, I
16 understand your concern. I mean, you've tried to put limits
17 on headquarters. That makes sense to me. I think, in the
18 end, you're going to have to let the Department decide how
19 to organize that more limited numbers, that what I would
20 appeal to you when you're trying to do this, too, is to try
21 to reduce the workload, the sunseting of reports, is an
22 excellent idea. We --

23 Senator McCaskill: Right.

24 Dr. Rostker: -- spent a lot of time preparing reports.
25 But, if we're going to reduce the size of the headquarters,

1 at least in my experience, people over there were working
2 hard, for the most part. There were a few slackers, but,
3 for the most part. We've got to reduce the demand on them.
4 Some of that's Congress, but some of it is internal, as
5 well.

6 In the end, Senator McCaskill, I think you've got to
7 let the Department figure out how to organize itself within
8 those more limited numbers. Hopefully, the more limited
9 numbers will engender some reduction in the concerns that
10 you're expressing --

11 Senator McCaskill: Okay.

12 Dr. Rostker: -- about hierarchy.

13 Senator McCaskill: Okay.

14 I'm out of time. I would, at some point, like to have
15 some input from this expertise that's presented here today
16 on acquisition force, the notion that the folks that rotate
17 out of there every year and a half are really -- were being
18 outgunned by the people who are buying -- who are selling
19 stuff to us. Big time, we're being outgunned, because
20 there's not the buildup of expertise in acquisitions that
21 you're going to have to have at the leadership level. And
22 it's like the special corps you talked about, Dr. Rostker.
23 There are certain functions within the military that we need
24 not put one-size-fits-all. Because I think acquisitions is
25 a great example of where we've wasted a lot of money because

1 we didn't have the expertise there we needed.

2 Thank you, Mr. Chairman.

3 Chairman McCain: Isn't it also true that every time
4 there is a crisis or a problem, we create another
5 bureaucracy and, in some cases, an entire command that -- as
6 a solution? And I don't think that's necessarily the long-
7 term solution.

8 Senator Lee.

9 Senator Lee: Thank you, Mr. Chairman.

10 And thanks, to all of you, for the insightful testimony
11 that you've offered this morning.

12 As we've already discussed, there are a lot of benefits
13 to our country that come from having an All-Volunteer Force.
14 We also know that it's not a perfect system. And I'd like
15 to take a few minutes to address some of the criticisms and
16 some of -- what some have characterized as the unintended
17 consequences of having an All-Volunteer Force, and perhaps
18 ask some of our witnesses about possible drawbacks to the
19 All-Volunteer Force and what can be done to address those.

20 Now, some have argued that the All-Volunteer Force
21 creates a circumstance in which the burdens -- the risks and
22 the real-world consequences of war disproportionately affect
23 members of the military and their families, while the vast
24 majority of the public is largely shielded from the really
25 awful effects of war. General Stanley McChrystal has made

1 this point with respect to the wars in Iraq and Afghanistan.

2 Now, some critics take the argument even a step further
3 than this and say that if these burdens were extended more
4 evenly across the population, the United States would be far
5 more cautious in determining when, whether, and how to
6 engage in any type of armed conflict overseas.

7 So, Secretary Chu and Secretary Rostker, let's start
8 with you. Can you comment on these criticisms and on the
9 long-term conflicts, or consequences, rather, of an All-
10 Volunteer Force? And then, Admiral Roughead, can you
11 comment on the potential negative impacts of having our
12 military actions being initiated and executed by roughly 1
13 percent of the United States population, a population that
14 consists of decisionmakers in Washington, D.C., and
15 servicemembers, who tend to be stationed at our Nation's
16 military bases?

17 Dr. Chu: Senator, thank you. It's an important issue.

18 I do think that we should keep in mind that the 1
19 percent, the small fraction of the country that serves, is
20 really a function of two key elements. First, what's the
21 size of the military, Active Duty especially, that we
22 maintain? Much smaller now, relative to our population
23 base, than was true 20, 40, 60, 80 years ago. Second,
24 what's the size of the population cohort that would
25 ordinarily be looked at for military service?

1 One reason the draft was needed, I would argue, in the
2 '50s, is, in fact, the United States, given it was an all --
3 essentially an all-male force, needed almost every able-
4 bodied young male to serve. It's just a function of the
5 small birth cohorts in the 1930s during the Great
6 Depression. So, I would observe that it's -- for the size
7 military maintained today, given the size of our population,
8 it's always going to be true that only a small fraction see
9 military service.

10 To the question you raise about "Should the country be
11 more involved with that serve as an important element in the
12 national discussion of whether we should or should not
13 commit forces?" -- I'd observe that we did involve the
14 country, in the last 15 years, in a significant way, because
15 we mobilized the Reserves. The Reserves really are a cross-
16 section of the United States, and touch every community in
17 the country, every State in the Union. And so, while it's
18 not quite the same as the old draft model that some put up,
19 it does involve the country in that. And I think it's a
20 great tribute to the people who volunteered for the service,
21 that they answered that call. The Reserves served with
22 extraordinary performance levels in this last long conflict,
23 which continues to this day.

24 Senator Lee: And so, for that reason, in the future,
25 continuing to rely, or perhaps expanding our reliance, upon

1 Guard and Reserve units could have that effect, that -- the
2 effect of distributing more broadly the people who were
3 involved.

4 Dr. Chu: In my judgment, yes, sir.

5 Senator Lee: Okay.

6 Dr. Rostker: I don't know whether you know, Senator,
7 but I'm a former Director of the Selective Service System,
8 and have dealt with the questions you've asked, literally
9 for decades.

10 The fundamental question that led to the reform of
11 Selective Service in 1970 is, "Who serves when not all
12 serve?" And that deals with the issues that Dr. Chu talked
13 about, the size of the military and the cohorts that support
14 it. The notion that a sizable portion of the country will
15 be involved in the military, given the size of the military
16 and the technology of the military, is just not realistic.

17 The second is the nature of today's military. It's not
18 a matter of giving a soldier a rifle and 6 weeks of
19 training, and shipping him over -- or her -- now her --
20 overseas, but a very technical force that requires a great
21 deal of schooling and skill and knowledge. And we've talked
22 about preserving and managing that talent. Are we to turn
23 that talent off and throw that talent away just to create
24 the opportunity to bring more unskilled people into sharing
25 in the experience of the military? I think the use of the

1 Reserves talks to the involvement of the community. But,
2 the fundamental issue is the size of the population and the
3 size of the military that we have today.

4 Senator Lee: Admiral?

5 Admiral Roughead: Yes, sir. I echo some of what's
6 been said here. And I think that what we'll find as we go
7 into the future, particularly with the force levels that are
8 deployed now, especially on our ground forces, the -- that
9 number of Guard and Reserve will come down significantly, so
10 we're going to lose that connectivity into society.

11 I think the other thing that's happening is that we're,
12 in a way, moving from an All-Volunteer Force to what I would
13 call an All-Professional Force, that the number of people
14 serving in the military today who have relatives who have
15 been in the military is going up. And so, are we going to
16 end up with a military that is more removed from society?

17 I -- on the broader issue of voluntarism, I'm a
18 proponent of a national service, but how do you devise a
19 plan that's equitable and that some people get to go in the
20 military and go in harm's way, and other people go off and
21 do things in the homeland that are perhaps a little more
22 benign? And I don't know how you get to that. But, I do
23 think that there's a need for a commitment to national
24 service.

25 Senator Lee: Thank you very much.

1 Thank you, Mr. Chairman.

2 Chairman McCain: Senator Hirono.

3 Senator Hirono: Thank you, Mr. Chairman.

4 I'd like to paraphrase something you said, Admiral, the
5 -- when you acknowledged that the All-Voluntary --
6 -Volunteer Army was, I think, the single biggest change to
7 the military. Can you think of another change that could
8 have this kind of a profound impact on the military? Could
9 it be the number of women who are serving in the military,
10 or some other example of something coming down the pike that
11 would result in a profound change to the military?

12 Admiral Roughead: I think that the example that you
13 cited, women serving in the military, will transform the
14 military, but it will not be the change in the total model
15 that we're using. I really do think that there may be an
16 opportunity, however, as was mentioned here -- How do you
17 fuse and how do you design the government civilian force and
18 the military force that can better share in
19 responsibilities, particularly in the headquarters areas?
20 And I think a redesign in the aggregate may approach the
21 monumental change that occurred with the All-Volunteer
22 Force. And I think it's time to take a look at that.

23 Senator Hirono: Mr. Rostker, you noted that
24 flexibility was of -- I think you used the words "the most
25 critical" or a key component to what we ought to be

1 instilling in the military. Can you give an example,
2 perhaps, of where you see flexibility not existing? And how
3 would we ensure flexibility in a system, a department that
4 is massive and is still operating under old paradigms in
5 many, if not in most, cases?

6 Dr. Rostker: I think the most important issue in
7 flexibility is to manage the individual skill sets, the
8 careers, in ways that make sense for that career. And I
9 would do that by removing the statutory limit of 30 years of
10 commissioned service and let that be determined by the needs
11 of the individual service. We heard about the acquisition
12 corps. And we have the same issues in the intelligence
13 area. We have the same issues in the chaplains corps and
14 the like. And that would give us the flexibility to use
15 people to the maximum extent.

16 Senator Hirono: I think this panel has made a really
17 strong case for looking at DOPMA and the fact that it really
18 doesn't make sense to use a one-size-fits-all and everybody
19 leaves at age 52, where -- but, actually, people make
20 decisions to leave much sooner than at age 52. Don't they
21 make decisions earlier and -- when they see that, if they're
22 going to have to leave at 52, they're going to decide at a
23 much earlier age to leave.

24 Dr. Rostker: Absolutely. I can remember a young JAG
25 officer who was -- came to me at 20 years of service. He

1 had a wonderful career. He was looking forward. Was in the
2 congressional legislation -- legislative office and said he
3 was given the opportunity to lead one of the military
4 service organizations, but he really wanted to stay in the
5 Navy. And I said, "You can't stay in the Navy. The -- we
6 cannot offer you more than the possibility of 10 more years
7 of service, and then you will not be in your early 40s,
8 you'll be in your 50s." Chances of making admiral -- there
9 are two admirals -- were not -- you couldn't take that to
10 the bank. And so, I had to counsel him to leave. He would
11 not have left if he saw the full career that he could have
12 aspired to, even if he did not make flag.

13 Senator Hirono: So, the changes to DOPMA should be
14 made at the congressional level? Is that --

15 Dr. Rostker: That provision would have to be made at
16 the congressional level. There is a provision today that
17 the Secretaries in military departments could institute
18 special boards and the like. But, I think we need to tell
19 the managers of the Department that each of the competitive
20 categories, each of these occupational groups, should have a
21 career structure that makes sense for that group. We allow
22 them to compete against each other in the competitive
23 category, but within the limits of the DOPMA career
24 structure. We should open up that career structure.

25 Senator Hirono: As I said, I think you all have made

1 such a strong case for making those kinds of appropriate
2 changes to DOPMA that I certainly hope that this committee
3 will follow through.

4 Thank you very much. I yield back.

5 Chairman McCain: Senator Rounds.

6 Senator Rounds: Thank you, Mr. Chairman.

7 Gentlemen, thank you for your service, and thank you
8 for being here with us today.

9 Just a real quick down-the-line response, please, on
10 this. Do you see Goldwater-Nichols jointness requirements
11 as an aid or an obstacle to the system itself right now?
12 And if it's an obstacle, how would you make it better?

13 Dr. Chu?

14 Dr. Chu: I think it is both, unfortunately, so it has
15 a very good feature, which is to encourage a joint
16 experience, especially for those who aspire to more senior
17 positions. It has improved the quality of headquarters
18 staffs. I saw that when I served in the Department in the
19 late 1980s and it was first instituted. At the same time,
20 as I suggested, it's a bit too mechanistic and too much
21 oriented through the inputs that we think will provide a
22 joint orientation, and not concerned enough with whether the
23 outcomes are the ones that we want.

24 And I think I would move to more flexibility about how
25 you can decide that someone has achieved the experience

1 level that you'd like to see that produces the kind of joint
2 orientation we'd like to have.

3 Senator Rounds: Dr. Rostker?

4 Dr. Rostker: I think Dr. Chu is probably right, but I
5 saw the negative sides of Goldwater-Nichols. I spent most
6 of the '90s on -- in service secretariat as the Assistant
7 Secretary of the Navy for 6 years and then as Under
8 Secretary of the Army. And I saw officers coming into
9 senior ranks who had never served on the service staffs.
10 And the model before that was to, in fact, serve on the
11 service staff so that great admirals, like Carl Trost or
12 Mike Boorda had served to learn their craft of managing the
13 enterprise. And managing the business of the Navy is not
14 going to be done in the joint arena, it's going to be done
15 in the Navy. And the -- that next generation spent their
16 time being jointed. And then, when it came back to serve on
17 the service staffs, they largely did not have that
18 experience.

19 I could adjust that, if you give me that 5 more years
20 of career content, so they could do both. But, the impact
21 of Goldwater-Nichols, because of its statutory requirements,
22 was to force out this very valuable time that was spent on
23 the service staffs. They still did their sea time, but they
24 did not do their service management time, which was so
25 critical for the future.

1 Senator Rounds: Mr. Hale?

2 Dr. Hale: So, I would not get rid of Goldwater-Nichols
3 or the joint requirement. I fear, as Admiral Roughead said,
4 a return to the tribal approach. But, more flexibility does
5 sound like it is appropriate.

6 I'll reiterate what I said earlier. I think the
7 civilian system worries me more, and we may need some analog
8 to the Goldwater-Nichols approach to demand some more
9 rotational experience for those who will be our civilian
10 leaders. Perhaps we can learn from the experience of the
11 military and avoid the adverse consequences. But, it did
12 change behavior, and I think some kind of effort on the
13 civilian side would change behavior, also, and it needs to
14 happen.

15 Senator Rounds: Admiral?

16 Admiral Roughead: Yes, sir. As I've mentioned, I
17 really do believe that we have to keep the joint imperative
18 on the force. It needs to be reinforced at a more senior
19 level. And by lifting some of the mandated requirements in
20 the junior ranks, I think that we can rebalance the
21 competencies in the service staffs.

22 You know, we talk a lot about acquisition reform, but a
23 lot of how we enter into the acquisition process deals with
24 setting requirements and budget decisions and things like
25 that. And by forcing in more people earlier into the joint

1 structure, we're not building those repetitive tours that
2 give the people the experience and the knowledge to really
3 take on some of the hard things of acquisition and man
4 training and equipping.

5 And so, I think there are some levers that can be
6 pulled to adjust the Goldwater-Nichols requirements, but
7 then it also needs to be done in conjunction with DOPMA.
8 Because if you don't adjust some of these other constraints
9 that you have in DOPMA, then I think you're going to impose
10 some new problems that you have.

11 So, as this is looked at, my recommendation is: look
12 at Goldwater-Nichols, look at DOPMA, look at the civilian
13 force, and how do you blend them together to get the design
14 that will be good for the next couple of decades. And I
15 would submit, after 20 or 30 years, it's probably going to
16 be time to take a relook again, because times will change.

17 Senator Rounds: Thank you, Mr. Chairman.

18 Chairman McCain: Senator King.

19 Senator King: Thank you, Mr. Chair.

20 I'd like to follow up on that exact point, Admiral,
21 thank you. That was a very succinct statement.

22 Tour lengths. A mundane question. I had the
23 opportunity to interview or to chat with General Dunford as
24 he was leaving Afghanistan a couple of years ago, and I was
25 overwhelmed by his level of expertise and knowledge. He

1 knew everything about Afghanistan, and yet he was leaving
2 after 18 months. And I thought, nowhere in the public
3 sector would you do something like this, take this amount of
4 expertise and knowledge and say, "Okay, time's up, you've
5 got to go up to Sheboygan."

6 Talk to me, Mr. Rostker, about tour lengths. Could we
7 -- and how much money could we save if we just made tours 4
8 years instead of 3 years? I mean, the cost of moving
9 people, is it -- are we -- is this a remnant of a prior
10 manner of thinking? Is there -- are there ways to adjust
11 this, both to save money and also to maintain expertise?

12 Dr. Rostker: If you made that change, you'd get an
13 immediate savings, and it would set back into a steady-
14 state, and you really would not get that much savings,
15 because the force is still built on some notion of rotation.

16 Tour lengths should be handled in the same way that Dr.
17 Chu's talked about, as increasing the opportunity for people
18 to volunteer. We just finished a study for the Defense
19 Department in which we posed the question, Would people be
20 willing to extend their tours overseas? And only about 40
21 percent of the population said they would. And then we
22 asked the next question, If you had a financial incentive,
23 would you be willing? And we varied the financial incentive
24 so we could understand what was going on. And, for very
25 little -- relatively little money, we could get up to 60 to

1 70 percent of the people to extend their tours.

2 So, we can use tools to better manage the Department
3 and have people make voluntary decisions rather than force
4 them to say, "Well, now you're here and we're going to give
5 you another 4 -- another year, even if it's a bad place."
6 Let people have the opportunity to stay, and let's use
7 reasonable financial incentives to encourage them, where
8 that makes sense. And I call your attention to the Navy's
9 outstanding program to allow this, in initial assignments,
10 to fill hard-to-fill areas. We're not making use of those
11 kinds of incentives.

12 Senator King: Dr. Chu, slightly changing the focus:
13 force structure in the 21st century. And we've -- been a
14 lot of talk about contractors and civilians. But, it seems
15 to me that the -- what we ought to be doing is having
16 warfighters be warfighters. And if that's what they're
17 trained for, and it's very expensive to train them, then the
18 other functions, whether it's maintaining the aircraft or
19 serving the meals, should be done by somebody other than
20 uniformed personnel who have that expensive and extensive
21 training.

22 Dr. Chu: Sir, I couldn't agree with you more. And
23 that actually was an initiative of the -- one of the
24 Secretaries I had the privilege of serving was Secretary
25 Rumsfeld -- worked hard on looking at which functions should

1 be carried by military personnel, which are our most
2 expensive asset, pure dollars-and-cents perspective, and
3 which ought to be performed by civilians. And interesting,
4 the Department made -- and, in fact, he succeeded in
5 converting about 50,000 slots. So, the military numbers
6 weren't up because of these in the war, but he did convert
7 about 50,000 billets from military to civilian status, which
8 could be either Federal civilians or contractors, depending
9 upon the nature of the task.

10 Interestingly, the government does -- Department does
11 maintain a database on this matter. This -- inherently a
12 governmental commercial activity database, which can serve
13 as a guide and does argue that there's a number of positions
14 to which we could use civilian personnel, whether those are
15 Federal civilians or contractors. So, I think there's more
16 to be had, there. And I think that's an important -- as I
17 argue in my testimony, it's important source of both
18 performance improvement and cost savings for the Department.
19 Choose the right mix of personnel for the task at hand.

20 Senator King: And as long as the contractors are
21 managed properly, that's one -- one of the long-term bears
22 in the room here long-term personnel costs and the tail
23 costs, in terms of healthcare and pensions. If you manage
24 contractors properly, they bear that risk, and not the
25 taxpayers.

1 Dr. Chu: Yes, sir. And I think that's one of the
2 issues in thinking about Federal civilians versus
3 contractors -- and back to the issue of low performers on
4 the Federal Civil Service. One of the reason entities
5 within DOD and other government agencies find contractors so
6 attractive, in my judgment, is they can turn the contract on
7 and off. If the need diminishes, you can stop the activity.
8 It's much harder to do that under the U.S. Federal Civil
9 Service practices, not necessarily the statutes, but the way
10 they are implemented. And I think that's one of the issues
11 that the committee might usefully address.

12 Senator King: Thank you.

13 Thank you, Mr. Chairman.

14 Chairman McCain: Senator Kaine.

15 Senator Kaine: Thank you, Mr. Chair.

16 And thanks, to the witnesses.

17 I have a -- one question about recruiting and one kind
18 of about structural issues during the tenure of someone's
19 service.

20 On the recruiting side, there was an Economist article
21 in late October, and the title was "Who Will Fight the Next
22 War?" And it was about difficulties in recruiting young
23 people into military careers. You know, even with only 1
24 percent serving, so the number may be small relative to the
25 general population, there's been some challenges recently --

1 I think mostly -- most of the publicity has been around the
2 Army. But, you know, you take the cohort of young people
3 you're trying to recruit, and you put out anybody who is,
4 you know, barred either because of academic misperformance
5 or a felony or poor physical conditioning, then you really
6 whittle down the available core. And then that available
7 core has other opportunities, too.

8 Obviously, better pay is one recruiting mechanism.
9 But, as you think about the recruiting needs, you know, the
10 -- we want to continue to bring in the best and the
11 brightest for the very long term. What advice would you
12 have for us as we think about things to do, separate from
13 the salary side? Because we can figure that out. But, what
14 are things that make the career an attractive one that, from
15 that available component of young people, would get more to
16 say, "I want to make a military career"?

17 Dr. Chu: I'll be delighted to start. I think I'd come
18 back to something that Mr. Hale emphasized, which is how the
19 country values the service of the individual. One of the
20 things I thought was very interesting in the surveys -- the
21 Department does those surveys of young people's attitudes,
22 as you know, the surveys in the early part of the century --
23 is that the reasons cited for being interested in the
24 military changed from what had been true 10-20 years
25 earlier, which had focused, in that earlier period, on

1 learning a skill. And it may sound a little bit old-
2 fashioned, but a good deal of the responses focused on
3 patriotic values of one sort or another. And so, I think
4 the way the country honors the service of the individual and
5 speaks to service as being a calling that is part of your
6 duty as a citizen, as opposed to something that is something
7 somebody else does, which is too much, I think, part of the
8 current American conversation, I think that is of enormous
9 help to the Department's recruiting apparatus.

10 Admiral Roughead: Senator, I --

11 Senator Kaine: Admiral Roughead.

12 Admiral Roughead: -- as I looked at the future, the
13 thing I watched most were the economic predictions, because
14 that's what's really going to drive your recruiting. And
15 compensation is important, but it really is the total
16 compensation. And how do you deal, particularly with the
17 force now that is more married than when I came in -- that's
18 a significant component that has to be taken into account.

19 But, with regard to the positive experience, the one
20 thing that we discount -- and I've been through this cycle
21 in my career -- that when you take away the means for a
22 young professional to properly maintain their equipment, to
23 have the resources to go out and do the things that they
24 enjoy doing, whether it's flying or being out on a
25 submarine, or whatever, that is huge. And, as we struggle

1 with the departmental costs, and as we come down on those
2 operation and maintenance funds that allow for proper
3 maintenance and pride in what they do, the opportunity to do
4 what they love to do, cutting those funds is going to have a
5 significant impact. When those go up, you can see the
6 attitude of the force change, because they're given the
7 tools and the means to do that which they came in the
8 military to do.

9 Senator Kaine: Just to close the circle on that, I
10 want to make sure I understand your point. So, if we're
11 dealing with budget caps or a tough budget environment,
12 we've tended to -- while we can't take it all out of
13 personnel, and if we did, we'd have to grandfather it, and
14 we'd only see the savings way down the road. And we can't
15 cancel weapons acquisitions midstream, so we tend to take it
16 out of readiness and O&M expenses and, you know, decrease
17 the number of flying hours that are available to people who
18 want to be aviators or decreasing the training that's
19 available for people who want to do that, and then that
20 becomes kind of a demoralization factor that either will
21 make people not come in or maybe more likely, when they're
22 in, make them decide to hasten their departure.

23 Admiral Roughead: Yes, sir. And I go back in my
24 earlier days in the Navy when I had young sailors bringing
25 their own tools from home to maintain the equipment that

1 they were responsible for. When that changed, things
2 changed dramatically. And I -- and so, this O&M dimension
3 is more than just how many ships you have deployed or how
4 many airplanes you're flying. It's much, much more
5 substantial than that.

6 Dr. Hale: Senator --

7 Senator Kaine: Please, Mr. Hale.

8 Dr. Hale: -- Kaine, at least in the last 5 years,
9 we've actually cut back primarily in the procurement areas
10 to meet the budget caps, in that services have tended to try
11 to maintain the operation and maintenance funding, I think,
12 because of the readiness concerns. Moreover, as I said in
13 my testimony, I mean, the Congress has made some changes, or
14 allowed changes to be made, in compensation that have freed
15 up funding, and, depending on the recruiting climate, some
16 modest additions to that may be appropriate. Because, as
17 Admiral Roughead said, it's not just the money, it's whether
18 or not you are trained, you feel you can actually operate.
19 That's maybe particularly true with the Reserves.
20 Ironically, I think we used the Reserves heavily -- and I
21 take my hat off to them -- over the last 14 years. I worry
22 that we'll use them a lot less now, and they want to be used
23 in militarily meaningful ways -- not all the time, but
24 occasionally. So, the services, I think, are pushing hard
25 to keep the O&M budgets up, and the Congress needs to help

1 them, where that's appropriate.

2 Senator Kaine: Thank you. I had a second question
3 dealing with the use of kind of a specialist designation,
4 which I know services have used to try to provide non-career
5 -- non-traditional, non-up-or-out career paths, but I think
6 I'll ask that one for the record, since I'm over time.

7 Thank you, Mr. Chair.

8 Chairman McCain: Go ahead.

9 Senator Kaine: Well, I just -- if I could on that,
10 several of the military services have had a fairly extensive
11 rank structure known as "specialists" that went beyond the
12 current system, not so much "up or out," for the recruiting
13 of specific technical skills. Is that something that's
14 still done? Should it be done more? Does that provide some
15 of the flexibility that a number of you have talked about in
16 your testimony?

17 Dr. Chu: Yes, absolutely. The classic case, in my
18 judgment, is the Army use of warrants for helicopter pilots.
19 So, you can aspire to a long career at the flight controls.
20 It has a small cadre of what we call -- classically have
21 called "commissioned officers" who are prepared for the more
22 senior responsibilities in the enterprise. The Navy has
23 used limited duty officers for some elements of that. We
24 have that in the professions. So, the judge advocate
25 generals corps, although -- except for what Dr. Rostker said

1 about promotion opportunities -- career limits -- but, for
2 doctors, chaplains, health professional service kinds, we
3 have carved out somewhat different paradigms over time. The
4 Navy's supply corps is another example of that approach.

5 So, there are other ways to do this. They may not be
6 used as aggressively and as immediately when a new issue
7 like cyber comes up. So, cyber comes up, we immediately
8 turn to the line structure as our model, not to these other
9 opportunities as a way to proceed, including, I might
10 emphasize, back to Senator King's question, Federal
11 civilians who could hold Reserve appointments if that
12 becomes an important issue from a Law of War perspective.

13 Senator Kaine: Thank you, Mr. Chair.

14 Thanks, to the witnesses.

15 Chairman McCain: Senator Gillibrand.

16 Senator Gillibrand: Thank you, Mr. Chairman.

17 On January 24th, 2013, the Secretary -- then Secretary
18 of Defense Leon Panetta announced the repeal of the Combat
19 Exclusion Policy. The Secretary gave the three services and
20 Special Operations Command until January 1, 2016, to open
21 all positions to women or formally request an exception to
22 keep certain positions closed.

23 Admiral Roughead, can -- what can the other branches
24 learn about the Navy -- or learn from the Navy about
25 integrating women once these positions are open? And we

1 know that women attain advanced degrees at a higher rate
2 than men, suggesting they may well be positioned to offer
3 expertise to the DOD, yet about half the women separate from
4 the service after their first commitment. What are the
5 reasons women do not remain in the military? Why do they
6 make up such a small percentage of the services? And how
7 could the military better recruit and retain women?

8 Admiral Roughead: Thank you very much for the
9 question.

10 I think that what the Navy has done is open certain
11 specialties, early on, which one would classify in a combat
12 category. And only now are we beginning to see women rise
13 to positions of leadership, where young women who are coming
14 in the Navy today can look up and see themselves, and also
15 having in place the types of programs that allow family
16 considerations to be emphasized. And so, now we have young
17 women coming in the Navy that can see themselves, can see
18 having a professional fulfilling career, and also see their
19 personal life fulfilled. And it's going to take a little
20 bit of time, but I think we have to open up those
21 opportunities and look at supporting both professionally and
22 personally as young women progress through the ranks.

23 Senator Gillibrand: So, one of the supports that
24 you've put in place is a very good paid leave policy. Do
25 you think that's relevant for your ability to retain women?

1 Admiral Roughead: I think that that is important. One
2 of the things that we did during the time that I was on
3 Active Duty, with the help of Congress, was to put in a
4 pilot sabbatical program. I think that's helpful. But, it
5 -- I think it's also important to recognize that it's not
6 always the young woman that will take advantage of the
7 sabbatical. It may be that, in a dual-service family, that
8 the male spouse takes over that responsibility.

9 Senator Gillibrand: And we've seen, in the civilian
10 world, that that really makes a difference. When men and
11 women both take paid leave, it enhances people's values to
12 support families overall. And it doesn't marginalize the
13 woman because she's the only one who ever takes time off for
14 the dying mother or the sick child or the new infant. So,
15 it makes a difference that you do encourage it to be gender-
16 neutral, because then you become a family-friendly place,
17 and it's not just the women who are being sidelined.

18 Admiral Roughead: Exactly. And the family will decide
19 what career they want to prioritize over the other. And
20 that's --

21 Senator Gillibrand: At a given time.

22 Admiral Roughead: -- a decision that they have to
23 make, and --

24 Senator Gillibrand: Right.

25 Admiral Roughead: -- not one that should be made by

1 the service.

2 Senator Gillibrand: Yeah. I think that's wonderful.

3 Thank you.

4 Do any of you have anything you want to say on these
5 topics before I move to the next topic?

6 [No response.]

7 Senator Gillibrand: Okay.

8 Traditionally, military training has followed a
9 generalist or a one-size-fits-all approach. However,
10 technology is becoming increasingly complex, requiring a
11 specialized set of skills. We have also seen emerging
12 threats in new areas, such as cyberwarfare. The private
13 sector offers more money and no requirements, like boot
14 camp. All together, these trends suggest that there might
15 be a benefit for the military to consider different models
16 that would allow at least some of our servicemembers to be
17 recruited and retained in a different way. What changes do
18 you think would be needed, in terms of recruiting and
19 training personnel, to better position the military to
20 develop cyberwarriors? How might we better leverage our
21 Reserve components to address recruitment and retention of
22 cyberwarriors? And are there ways the military can
23 collaborate with the private sector to improve cybersecurity
24 specialties and capabilities?

25 Dr. Chu: Senator, I think you raised an important

1 issue, and it does open the door on a conversation about one
2 matter we have not discussed today, and that is the
3 opportunity for lateral entry. We do allow it for the
4 professions -- so, the chaplains, health professionals,
5 lawyers, that's okay. But, we don't for the rest of the
6 structure, as a generalization. The Reserves are better at
7 it, for a variety of reasons. And I think this notion of
8 encouraging people who are mid-career in the civil sector to
9 think about a period of military service under rules that
10 are available to the Department, or could be made available
11 to the Department, would be an important step for the
12 future.

13 Senator Gillibrand: Would you, for the record, give me
14 a letter on that describing what you would envision for
15 lateral service and what type of accommodations you would
16 make. Because I envision someone who's brilliant behind a
17 computer that's never going to be brilliant behind a rifle.
18 So, I can imagine that, when you can designate someone to be
19 a cyberwarrior, to be a cyberdefender, necessarily -- being
20 in the field is not necessary, because they can be behind a
21 computer anywhere in the world at any given time. So, I'd
22 like you to be specific about what that would look like,
23 because I'd like to have that for the record.

24 [The information referred to follows:]

25

1 Dr. Chu: Delighted to do so. Thank you, ma'am.

2 Senator Gillibrand: Thank you, Mr. Chairman.

3 Chairman McCain: Thank you.

4 Just briefly, would the witnesses agree that, although
5 it's a beginning, this change in the retirement system is
6 the right thing to do?

7 Dr. Chu: Yes, sir.

8 Dr. Rostker: Yes.

9 Dr. Hale: Yes.

10 Admiral Roughead: Yes, sir.

11 Chairman McCain: Thank you.

12 On the issue of tours, very briefly, Dr. Rostker,
13 there's a -- different kinds of tours, as you know. There's
14 the overseas tour at a base in Germany, where we have the
15 school and the hospital, et cetera, and then we have the
16 rotational through our joint base in Australia. I mean,
17 there -- when we talk about "tours," it's -- I think we
18 ought to define it a little bit.

19 And, Admiral Roughead, I'm informed that the carriers
20 are now on 10-month deployments. I think that's too long.
21 And I think it's harmful. Do you agree?

22 Admiral Roughead: I agree completely. We've been
23 through this before, and, when we talk about retention, the
24 longer you stretch those deployments out, the -- you'll see
25 the effect in retention. And I would submit that the model

1 of getting to 6-month deployments worked out very well for
2 us. It seemed to strike the right balance between
3 familiarity with the region in which you're operating and
4 retention.

5 Chairman McCain: And time in different ports is
6 drastically reduced, as well. It's too tough on these
7 people and their families, this kind of separation. And
8 maybe I have some bias, but clearly I'd -- I'm even -- I
9 understand that our obligations are expanded, but to keep
10 people at sea for that long a period of time, I'd be
11 interested -- maybe we can get a readout from the Navy on
12 what it does to retention.

13 [The information referred to follows:]

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1 Chairman McCain: Finally, could I say -- I thank the
2 witnesses -- the complexities of these issues, I'm aware of.
3 And I know that Jack and I appreciate it. But, this
4 testimony today, I think, emphasizes to me that we really
5 have scratched the surface, to start with; and, second of
6 all, the -- none of these issues are simple. None of them
7 are -- that there's just a easy solution to them. And I
8 think your testimony today, with the benefit of probably a
9 century of experience on personnel issues, has highlighted
10 the complexities of many of these challenges we face, and
11 the need for us to act. But, we want to remember the old
12 adage about "First, do no harm."

13 So, I appreciate the witnesses here today. I
14 appreciate your long, many years' service to the Nation.
15 And, unfortunately, we will be interrogating you again in
16 the future.

17 Thank you.

18 [Whereupon, at 11:29 a.m., the hearing was adjourned.]

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