

STATEMENT
BEFORE THE
SUBCOMMITTEE ON PERSONNEL
COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

BY

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PAY AND COMPENSATION ISSUES

DISCLOSURE

Neither the National Military Veterans Alliance, the Non-Commissioned Officers Association, nor the Naval Reserve Association have received a grant from (and/or subgrant) or a contract (and/or subcontract) with the federal government for the past three fiscal years.

INTRODUCTION

Mr. Chairman and distinguished members of the Subcommittee, the National Military Veterans Alliance (NMVA/the Alliance) appreciates the opportunity to appear today and thanks you for holding these important hearings. This testimony represents the collective views of the Alliance's member organizations and NMVA trusts that the thoughts and recommendations provided will be helpful to the important deliberations the Subcommittee has undertaken.

NMVA is a group of 21 military and veteran associations with a combined membership of 3.5 million members, worldwide. Collectively, NMVA associations represent all seven uniformed services, all ranks and grades, all components, family members and survivors. The Alliance arrives at consensus positions on legislative matters important to its membership. NMVA's testimony today is based on pay and compensation issues mutually supported by all Alliance associations.

NMVA extends its sincere thanks to the Subcommittee for its long-standing interest and support for adequate pay and compensation, as well as important quality-of-life issues. While the Fiscal Year 2000 National Defense Authorization Act by no means solves all of the personnel and readiness problems facing the uniformed services, it nonetheless represents one of the most significant defense measures in over two decades. Clearly, the guiding hand and seasoned leadership of this Subcommittee was a vital part in the final outcome and the Alliance salutes you for your magnificent work.

Upon reaching agreement on the Conference Report for the FY00 Defense Bill, Chairman John Warner stated: "...our armed forces are faced with a measurable decline in readiness, troublesome recruitment and retention problems...are simply over stretched...beginning to show the strains that come from overuse." NMVA believes the Distinguished Chairman of the Senate Armed Services Committee accurately captured the current state of our military services

As you know Mr. Chairman, in the past ten years, more than one-third of the military force has been cut while deployments and operational requirements have increased more than 300 percent. Candidly speaking, active duty uniformed services personnel are stretched to the limit, if not beyond. Today, we are already maximizing the Reserve components as a force multiplier in smaller-scale contingencies, rotational requirements and peacekeeping missions.

NMVA understands the scope and complexity of the problem confronting this Subcommittee and the Nation. The Alliance certainly is not suggesting that a problem of this nature is reversible solely by increasing pay and compensation. The Alliance does believe however that the pay, personnel and quality of life enhancements achieved last year were an important step to reverse the situation described by Chairman Warner.

Likewise, NMVA believes the FY00 defense measure must be viewed and serve as a building block for additional improvements in Fiscal Year 2001 and beyond. Equally, important in NMVA's view, is the requirement to fulfill the commitments and promises made during military service. Intuitively, all of us know that the value and honor associated with active military service is also measured by the way in which promises made during that service are subsequently honored and valued. NMVA believes there is no amount of pay, compensation and quality of life enhancements sufficient to solve the problems in the active force if the Nation continues to ignore the plight of its career warriors. The time is ripe for this Subcommittee, the Full Committee, the Congress and the Administration to address

all of these issues in a meaningful way. The cost of doing nothing or delaying further steps is simply too great.

PAY

While the Defense Authorization Act for 2000 provided a welcomed and much needed boost in military pay and benefits, this subject nonetheless remains a major concern to Armed Forces members. The pay raises approved for this year and Redux retirement reform were indeed a positive step in the right direction. It sent an encouraging signal to military people that they should be adequately compensated for their service in providing for the Nation's security. The pay raises help but we all know military compensation still lags behind the private sector.

Without basic patriotism on the part of members of the uniformed services, there would be no armed forces. At the same time, patriotism by itself is not a sufficient motivation for military service in peacetime. Now, more so than at any time in recent memory, the uniformed services are in a manpower battle. If recruiting and retention figures are a reflection of the situation, one would have to conclude that the uniformed services are losing the fight.

It is becoming increasingly difficult for the military services to compete with the civilian sector, when the pay and compensation offered is more lucrative, frequently many times over. When military income is compared to income in the private sector for like skills and responsibilities, it's not difficult for military members to do the math. The high quality young men and women we want to recruit can do the math. The high quality mid-career officers and enlisted people we want to retain can do the math also. As many are doing, they easily realize they can do better financially for themselves and their families in another line of work.

NMVA is thankful that future pay raises in the next few years will be equal to the Economic Cost Index (ECI) plus one-half percent. This plan recognizes the seriousness of the pay situation but NMVA is concerned that it may not be enough, quick enough. When the current plan is completed, military pay will still lag considerably behind the private sector. The Alliance believes a more aggressive plan will be needed, a plan that will more rapidly eliminate the differential with civilian sector pay.

As with the January 1, 2000, pay raise, NMVA applauds the targeted pay increases scheduled for July of this year. The Alliance certainly does not want to sound unappreciative, but the mid-career noncommissioned and petty officer force is being "short-changed" once again. The Alliance believes a great opportunity was missed to address pay inequities in the mid-career enlisted forces, inequities that have existed since the early days of the all-volunteer force. When one looks at the pay reform tables set to go into effect in less than four months, the conclusion is clear and dramatic: basic pay rates for grades E-5, E-6, and E-7 are undervalued when compared to other grades. With increased deployments and training requirements, the cumulative experience of the mid-grade enlisted force has been even more critical to operational readiness. In 1998, the Honorable John Hamre, Deputy Secretary of Defense, stated: "When you get to be an E-5, E-6, or E-7, the gap between military and civilian pay starts to widen." NMVA finds it extremely regrettable that the rates scheduled to go into effect in July failed to address this problem.

With a surging economy and low unemployment, retaining key mid-career enlisted personnel must be a priority. Today's mid-grade noncommissioned and petty officers are shouldering more responsibility

than at anytime in our history. They are better educated. They are the keys to the doorway for bringing people into the enlisted ranks. They are integral to training both enlisted and officers. They provide the day-to-day, face-to-face leadership. They are the mentors. With increasing frequency, they are called upon to assume responsibility and authority that at one time was reserved solely for commissioned officers. Congress must continue to be as equally concerned with retaining experienced mid-grade and senior enlisted personnel as we are with recruiting high-quality candidates for military service.

In the strongest possible terms, NMVA urges Congress to reform the pay for mid-career petty officers and noncommissioned officers. People will leave if they don't believe they are appreciated and there wasn't much appreciation for mid-career enlisted personnel expressed in the targeted pay raise this year for this group. It will take a strong statement from Congress and NMVA believes that statement must be made now, in Fiscal Year 2001.

Although nothing official is in the works, the Alliance is aware that the Center for Naval Analysis is taking a look at the way the Department of Defense pays its military members. NMVA believes the Subcommittee should seriously consider a bi-weekly pay system for military members. Bi-weekly pay would help military families, especially junior enlisted, manage their finances more easily by eliminating the current erratic intervals (ranging from 11 days to 19 days). Currently, federal civilians are paid every 14-days as are Coast Guard personnel.

CONCURRENT RECEIPT

The Alliance is sincerely grateful for the special compensation provisions, for severely disabled military retirees, included in the FY00 Defense Authorization Act. NMVA views these provisions that are yet to be implemented as an interim first step. Very likely, additional interim steps will have to be taken before The Alliance's ultimate goal – that of full concurrent military longevity retired pay and full VA disability compensation without offset from either – is achieved.

It is particularly disturbing to NMVA that many Members of Congress believe this entire issue was solved by the "special compensation" when in fact we have yet to attack the root of this problem. The situation that has prevented a change in law for more than a quarter of a decade remains ever present. For more than two decades, the Veterans Affairs Committees and Armed Services Committees have been passing the buck on this issue. Armed Services says it belong to Veterans. Veterans' says it belong to Armed Services. Mr. Chairman, the charade must stop. These committees in both the House and Senate must work together to approve the change in Title 38 that would eliminate the offset. A corrective measure – or at least a plan and timetable for a corrective measure – must be considered and enacted this year. The concurrent receipt issue is a long-standing example of why so much trust has been lost. Another opportunity exists and this opportunity should not be allowed to pass without correction of this egregious discrimination.

SURVIVOR BENEFIT PLAN

The Survivor Benefit Plan (SBP) continues to be a valuable program to insure that the surviving dependents of military personnel who die in retirement or after becoming eligible for retirement will continue to have a reasonable level of income. As Congress seeks to enact further improvements to this valuable program, NMVA recommends:

- Accelerating the paid up provisions by changing the effective date from 2008 to 2003 (to coincide with the 30th anniversary of enactment of SBP) for participants who are 70 years of age and who have paid premiums for 30 years. The Alliance supports H.R. 601 and urges the Subcommittee to consider identical companion legislation in the Senate.
- Increasing the annuity paid to survivors at age 62 from 35 percent to 55 percent The Alliance supports S.763, The SBP Benefits Improvement Act of 1999.
- Allowing Retired Servicemen's Family Protection Plan (RSFPP) participants to convert to SBP without penalty at any time.

HOUSING

Housing remains a top quality-of-life concern among members of the uniformed services and impacts both married and single members. The FY00 Defense Authorization Act provided some much needed relief in accelerating the initial Basic Allowance for Housing (BAH) program from what was to be a five-year implementation rate adjustment program. As a result of the BAH rate adjustments that have been implemented this year, many personnel did benefit from a much needed increase in their housing allowances in some parts of the country. As this Subcommittee is keenly aware, other areas of the country realized significant reductions in the housing allowance that imposed an unacceptable inequity on service members moving or transferring on or after January 1st. NMVA is tremendously pleased that on March 1st DOD began paying BAH at the 1999 rate to service members moving into areas where the 2000 housing allowance rates were set lower than the 1999 rates.

The new BAH rates however still are not fully comparable to housing costs in some areas of the country. NMVA is concerned that the survey used to arrive at the new rates did not capture the locations where service members are actually living. It appears to NMVA that the survey focused on areas immediately surrounding bases and installations, areas that are oftentimes the least desirable and which service members try to avoid because of safety and security concerns for their families. Consequently, the new BAH rates do not, in many cases, reflect the costs that service members are incurring to obtain adequate, safe quarters in desirable neighborhoods.

NMVA remains concerned about the inequity of the requirement to include an additional out-of-pocket expense averaging nearly 19 percent, which is presently incorporated with the BAH rates as being a "fair housing cost." This additional expense is perceived as unfair because those who reside in government assigned housing are not, nor should they be, required to pay any out-of-pocket expenses.

As you are aware, Secretary Cohen proposed a multi-year plan, as part of the DOD Budget proposal for FY01, to eliminate out-of-pocket housing expenses and which seeks to repeal the current law that requires service members to pay at least 15 percent of their housing costs. NMVA salutes this initiative and urges the Subcommittee to support DOD's request. NMVA believes enactment of this initiative will provide equity for those who must live on the economy to be on par with those in government housing who do not incur such additional expenses. Also, DOD has stated they will ask Congress to authorize a retroactive hike to January 1st for those who received a lower BAH rate for the months of January and February 2000. NMVA urges the Subcommittee to support this initiative also.

MONTGOMERY GI BILL

When Congress considers education policy, the starting point for that discussion should be the Montgomery GI Bill (MGIB) but that has not been the case for far too long. As a consequence, the MGIB has lost its recruiting power along with its higher education purchasing power. In the process of providing a GI bill for everyone but the GI, Congress has devalued military service and we are witnessing the consequences today. If post-secondary education is the goal of a young man or woman today, services in the Armed Forces is NOT the way to go and some simple comparisons are revealing.

Americorps pays its 'volunteers' \$4725 per academic year of service in education benefits, plus health care and a child care benefit, thereby increasing dramatically its overall value. The MGIB now pays \$4828 per academic year with no ancillary benefits, with the overall benefit totaling \$19,296. In actuality, the total net educational benefit is \$18,096 when the \$1200 enrollment "tax" is considered. Yet last year, the Congress said it believes \$50,000 is the amount needed to go to college and provided that amount in non-repayable grants for DC high school graduates in the District of Columbia College Access Act. In academic year 1999-2000, the average undergraduate cost of attending a typical four-year public college or university is in excess of \$8800. Americorps, DC college access grants, Pell grants and other educational assistance have noble societal goals, however none demand anything close to the commitment, dedication and sacrifice required to qualify for the MGIB. Yet, where has Congress placed the greater comparative education value?

Sixty-five percent of high school graduates pursue higher education and these young men and women, across the Nation, are making the comparisons on the grants, loans and programs available to them. A \$50,000 non-repayable grant or four years of military service with a \$1200 tax to obtain \$18,096 in net educational benefits? Which of these options would the members of this Subcommittee take? Which of these options would the distinguished members of this Subcommittee recommend to their sons, daughters and friends?

Non only has the MGIB lost its recruiting power and higher education purchasing power, it has also lost its value as a readjustment benefit. The MGIB is no longer facilitating and easing the transition to civilian life following military service. Today, fewer than 40% of program participants use the benefit even though more than 96% of new recruits enroll in the program.

There should be no question whatsoever in the minds of the Distinguished Members of this Subcommittee that dramatic action is needed now. The Alliance recognizes however that what should be done must be balanced against what can be done. In the strongest possible terms, NMVA believes a minimum step is needed now, this year. The Alliance believes if Congress does nothing else this year on the MGIB, the basic monthly stipend must be raised to a level that will afford military members and veterans a reasonable opportunity to pursue higher education. Bench marking and indexing the monthly stipend to the average cost of a typical four-year public institution would be an important step in the right direction.

It is one thing to debate and consider further a completely new veteran education benefit as recommended by the Congressional Commission on Service Members and Veterans Transition Assistance. It is an entirely different thing to delay any action altogether. While the cost of enacting any improvements must be dutifully considered, NMVA suggests that you must also consider the cost of further inaction. The Alliance is convinced that the cost of doing nothing is much higher, and certainly of greater significance, than the money it would require to enact meaningful improvements.

RESERVE AND GUARD ISSUES

Changing threats and utilization of the Guard and Reserves has created an environment, where our Reservists are being called upon more frequently than any time in the past other than war.

Reservists are, more often, being called into service by the CINC's for longer periods of time per year to defer a "hollowing out" process that could draw down the strength, readiness and flexibility of our combat units. Our Commanders in the field realize that they can no longer get the mission done in the long term without the Guard and Reserve. The Department of Defense's plan for the Total Force has emphasized the integration of regular and reserve components of each service.

In context of the Total Force, the Guardsman and Reservist need to be given the same benefits as the Active Component. Not creating parity with the total force risks creating a second string on our national defense team. Because of OPTEMPO and aging equipment, retention and recruiting are problems in the Guard and Reserve today. If you treat people differently, retaining individuals will become even that much harder.

The issues that follow are equity issues that have been highlighted by members of the Guard and Reserve over the last year.

RESTORE TO RESERVISTS FULL TAX DEDUCTIBILITY FOR NON-REIMBURSED EXPENSE

Reservists are being asked to train more to enhance their readiness and capabilities to support contingency missions. As mission training is the focus during the 16 hour a month drill weekend, administrative duties, communicating with gaining commands, and Physical Training are being done on the individuals personal time. Off base expenses are normally born by the Reservist.

With the reduction in end strength, more individuals are drilling without pay. They also accept no cost orders in order to do annual training, which increases their readiness and makes them more viable for promotion. Personal items such as uniforms and devices are still required to be maintained in "class a" condition, despite lack of salary.

With defense budget reductions, Reservists and Guardsmen are paying a greater share of their own costs.

The NMVA supports the restoration of full tax deductibility of non-reimbursed expenses. Full deductibility for training related items such as travel, overnight lodging, meals and uniform will only partially reimburse those expenses required of Reservist who subsidize their own training.

AVAILABILITY OF BACHELOR QUARTERS

Less time is being spent in Reserve Centers and National Guard Armories. Efforts are being made by the Reserve Service Chiefs to get Guardsmen and Reservists to their mobilization sites or gaining commands. More often, these citizen soldiers, sailors, marines and airmen are spending more training at active bases. In many cases, drilling sites have been relocated to active forts or bases.

Members who drill are given a room only if space is available. A drilling member can check in only after five in the evening, if rooms aren't filled, and then must check out in the morning, repeating the cycle the next night. Active duty members on assignment are given a room at time of arrival for the duration of their stay. Most members pay for their own room off base rather than gamble on a room on base.

Bachelor Quarter Managers are concerned that the influx of Reservists on a weekend may overwhelm the availability of quarters for everyone.

The NMVA suggests that if a Guardsman or Reservist drives over 50 miles (one way) to get to drill, then his or her orders to drill should be treated with the same priority as an Active Duty member.

INCREASE MAXIMUM CREDIT FOR NON-PAY DRILL

A number of reserve commissioned units were reduced from 60 to 48 paid drills a year. Training and administrative requirements still remain the same and the units continue to drill on a sixty-drill structure. Additionally, demand for contributory support goes up and equipment still needs to be routinely maintained. Individuals are putting in between the equivalent of 84 to 120 drill periods a year to meet unit requirements. Drills are considered "inactive training."

In 1996, the number of inactive training points was increased by law from 60 to 75 points. Fifteen points of this total are credited for affiliation in the Reserves. At the new ceiling, a Reservist gets credit for 60 drill periods. Anything above is personal time.

NMVA feels that too many Reservists are donating personal time to get the mission done. We urge Congress to increase the drill point ceiling to 90 inactive points a year.

SINGLE RATE BASIC ALLOWANCE FOR HOUSING (BAH)

Currently, Reservists performing active duty tours, for other than declared contingency operations, when billeted in government quarters and who have no dependents, are not entitled to BAH. These individuals still have mortgages or rental obligations. Conversely, Reservists performing comparable active duty tours, with similar billeting, and whose dependents are prevented from occupying those quarters are entitled to BAH.

NMVA believes that Reservists performing any type of active duty, who are billeted in government quarters and who have mortgage or rental obligations, should be entitled to BAH.

THRIFT SAVINGS PLAN

The House of Representatives and Senate passed legislation signed into law by the President, authorizing a Thrift Saving Plan that would include Guardsmen and Reservists of all services.

The director of the board administering this plan does not favor Reservists opening any accounts of this Thrift Savings Plan because of low dollar contributions. Suggested service charges for this plan are .6% for federal employees, 1.5% for active duty, and 8.4% for reservists.

The NMVA urges Congress to continue its support for Guard and Reserves by directing that the service charge is no more than what the Active Duty participants pay. Further the small dollar contributions can be counteracted by allowing reservists to donate up to 5% of an active duty salary, but not to exceed their amount of drill pay.

AVAILABILITY OF LEGAL SERVICES TO RESERVISTS

Many individuals, who return to civilian/drilling status following a call-up, find legal complications with mortgage or rental obligations, or other contractual agreements. Protection from these lawsuits should be provided by the Soldiers, Sailors, Airmen and Marines Act. Unfortunately, while protected by the letter of the law, our Guardsmen and Reservists are not protected from the cost of the law. Personal funds need to be expended to correct these lawsuits. Often times it's cheaper to settle than fight. An active duty member would have access to the Legal Service Office.

While Reservists have access to Legal Service Offices for a short duration, these problems often take longer than this period to manifest.

The NMVA supports the concept of extending a returned Reservist's access time to legal services. We support the concept of providing a period of coverage that matches the period that the Guardsman or Reservist was on recall.

HEROISM PAY FOR GUARD AND RESERVE

Section 3991 (Computation of Retired Pay)(a)(2), Title 10, United States Code, authorized an additional 10% for certain enlisted members credited with extraordinary heroism.

Two cases have been noted where this pay may be lost: A) an active person, qualifying for heroism retirement pay, loses it if they transfer to a branch of the Guard or Reserves. B) A Reservist while recalled to active duty performs with valor and extraordinary heroics and qualifies for heroism retirement pay, but with their return to reserve status, they lose the 10% bonus.

NMVA feels that the bonus of 10% should be paid to any retiree, active or reservist, who qualifies through extraordinary heroism.

MILITARY FUNERAL HONORS

All Veterans, Active Duty, Guard and Reserve personnel are now entitled to military funeral honors. With the aging veteran population, 146,000 military funerals are anticipated in FY 2000, rising to over 600,000 military funerals by FY 2004.

Active duty personnel cannot handle this increased duty assignment by themselves. National Guardsmen and Reservists will be called upon to help provide military funeral honors. A funeral detail

honor guard needs to be a stable population, of trained professionals, who are dedicated at honoring the veteran and reassuring the veteran's family;

Congress has authorized Guard and Reservists to perform Funeral Honor Duty, but with only a \$50 dollar stipend, an inactive duty point, and travel reimbursement if mileage is over 100 miles roundtrip. Such reimbursement will encourage participation by Guardsmen and Reservists on occasion, but not be a basis for a committed, long-term honor guard detail.

The NMVA feels that current stipend is insufficient. We urge Congress to change the law to provide honor guard reserve members with the same pay and benefits as the active member of the same honor guard duty.

TRAVEL: SPACE "A" EQUITY

To find paid positions, a number of Guard and Reservists voluntarily accept positions that are outside normal commuting distances. Many are willing to cross the country for the opportunity for pay and training. A number of the services do not reimburse for travel to and from drill. Individual reservists pay for their travel out of pocket.

For some, Space "A" travel is an option. But a Reservist, travelling under orders to a drill site is only a Category Five, in a six-category system. The low priority makes Space "A" flight unreliable, as there are four groups ahead of the Reservist.

The NMVA supports that a Guardsman or Reservist traveling under orders to drill or to Annual Training be given the same Category Status as an Active Duty member flying under orders.

RETIRED COLA

Under current law the annual Cost-of Living Adjustment (COLA) applicable to retirement pay for retired military personnel is less 0.5% modified to the annual rate of change in the cost of living as measured by the Consumer Price Index (CPI). This calculated COLA reduction is causing retired military, both active and reserve, to experience a significant reduction in retirement pay in terms of constant dollars, and this in turn is causing hardship to our people. Many of these same people suffered years of under payment in pay raises while defending the United States.

Therefore, NMVA is requesting a change in law that directs calculation of COLA to be based on a one hundred percent (100%) of the annual increase in the cost of living as measured by the Economic Performance Index.

REQUIRED LENGTH OF YEARS OF RESERVE AFFILIATION

Current law requires the eight final years of a Reservist to be in a reserve component before qualifying for reserve retirement pay. Following reduction in force (RIF) of the armed forces, certain members are leaving active duty and joining the Reserves, but are unable to complete eight years before required discharge from service.

Because of this RIF, a waiver has been allowed reducing this eight-year requirement to six. This waiver authority expires in 2001.

The NMVA urges Congress to change the law to reduce reserve component affiliation to the final six years of an individual's career to qualify for reserve retirement pay.

TRAVEL: SPACE "A" EQUITY AMONG RETIREES

Once an Active Duty member retires, SPACE "A" travel becomes a benefit for travel within the United States, and overseas with dependents. A Reserve or Guard retiree gets the same benefit at age 60 years. The definition for this benefit is "a retiree in pay."

Guardsmen or Reservists can retire after 20 years. They don't receive pay until age 60 years. There is a period of between 10 to 20 years that a Reservist can be retired without pay. Currently, these individuals can travel with the Notice of Eligibility (20 year) Letter, but travel is limited to CONUS, Alaska, Hawaii.

The NMVA supports that all retirees, whether paid or unpaid, should be authorized identical space available travel privileges. Legislation is needed to direct DOD to make regulatory change.

DEFER REPAYMENT OF STUDENT LOANS FOR ACTIVATED RESERVISTS

Mobilized Guardsmen and Reservists who have federal Stafford and Perkins education loans are currently required to begin repaying those loans while they are still on active duty.

The NMVA suggests that the period of their involuntary active duty be excluded from the calculation of their loan repayment start date.

LOSING MGIB BENEFITS BECAUSE OF RECALL

Members who are students are at academic risk if they are called up. Currently if a student has to discontinue a course of study for recall, under MGIB, Chapter 1606, those months of study are charged against their 36 months MGIB benefits entitlement period because they failed to receive credit for the course. A provision was passed to protect members serving during the Gulf War only.

The NMVA supports not reducing the benefits entitlement period for students who are called up for a contingency operation during mid academic session.

LENGTH OF MGIB BENEFITS FOR RESERVISTS

A Guardsman or Reservist can qualify for the Montgomery GI Bill from either active duty or six years of reserve drilling time. Demands of family and both a civilian and reserve career often preclude the individual from a timely pursuit of education. GI Bill benefits run out before they can be used.

Often, in this economy, a person needs retraining midway in their civilian career. NMVA seeks an extension of benefits. If the benefit cannot remain available until it is exhausted, then for reservists start the ten-year clock at the termination of their reserve career.

RECRUITING: MGIB

The military services are having difficulty recruiting and retaining members in both active and reserve components. The Montgomery G.I. Bill (MGIB) has been used as a recruiting tool in the past. In the Reserves, to qualify for the Montgomery G.I. Bill, a six-year contract is required.

The MGIB is only authorized to 2003; no recruiter should be using it on enlistment contract terms beyond that year. Therefore, the NMVA urges Congress to extend the MGIB authorization, making it a permanent program.

COMPENSATION FOR EMPLOYERS OF RESERVISTS

Guardsmen & Reservists are more often being called into service by the CINC's for longer periods of time per year to defer a "hollowing out" process that could draw down the strength, readiness and flexibility of our combat units.

Employers are bearing a hardship of added expense to cover the manpower loss when reservists are recalled. Contracts are made for temporary employees, overhead costs are maintained on reservists for certain benefits; each adding unbudgeted expenses. With multiple call-ups of individuals, some employers are voicing frustration and resentment.

NMVA believes that Congress should develop a tax credit to help compensate employers who have employee Guardsmen or Reservists called back on active duty.

CONCLUSION

Individuals who enlist or reenlist recognize they cannot make large sums of money by choosing the profession of arms. Many join for the experience, excitement, or for the promise of certain post-military service benefits. Some view the military as a higher calling in service to their country, patriotism if you will. Whatever the reason or reasons that may persuade one to service or continued service, all expect to be treated fairly.

More importantly, just the perception of fair treatment elicits trust. But the trust that once bound military members with their nation is waning. Among some, particularly career warriors and their spouses, families and survivors, trust no longer exists. Too many promises have been made and subsequently broken. Last year's Defense Bill was a step in the right direction toward placing fair value on military service and restoring trust that has slowly eroded the fighting fabric of our Armed Forces. It will take an equally strong statement this year and in future years. This year the debate must be about more than equipment, weapons systems, research and development and operations. Although important, individually and collectively, they quickly become meaningless unless we attract and retain the high quality people we desperately need.

Larry D. Rhea
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Director of Legislative Affairs

As Director of Legislative Affairs for the Non Commissioned Officers Association, Mr. Rhea is responsible for directing and managing the legislative activities of the Congressionally Chartered, and accredited, military and veterans service organization. He is a registered lobbyist whose responsibilities include a wide range of compensation, benefits and quality-of-life issues pertaining to the active, retired, and national guard and reserve military communities and their families, as well as veterans, their dependents and survivors. A retired Command Master Chief Petty Officer, Mr. Rhea joined the staff of the Non Commissioned Officers Association in March 1992 following thirty years of active military service. He has been on staff of the Association's National Capital Office since June 1994.

Marshall A. Hanson
Assistant Executive Director
Naval Reserve Association

Marshall Hanson is a Captain (O-6) in the Naval Reserve with a military career spanning almost 28 years of active and inactive (drilling) status. He served afloat in Vietnam, and has had additional duty assignments to India, S. Korea, Okinawa, and Japan. He has had command of seven Naval Reserve units. Marshall is a graduate of the Naval War College. He holds an MBA in marketing, from the University of Washington. Following 20 years in manufacturing production planning and material scheduling, Marshall Hanson left Seattle, Washington to accept his position as Director of Legislation for the Naval Reserve Association, where he started in May of 1999.

National Military and Veterans Alliance

Air Force Sergeants Association
American Military Retirees Association
American Military Society
American Retirees Association
Catholic War Veterans
Class Act Group
Gold Star Wives of America
Korean War Veterans Association
Military Order of the Purple Heart
Legion of Valor
National Assn. for Uniformed Services
Naval Enlisted Reserve Association
Naval Reserve Association
Non Commissioned Officers Assn.
Society of Medical Consultants
The Retired Enlisted Association
TREA Senior Citizen League
Tragedy Assistance Program for Survivors
Veterans of Foreign Wars
Vietnam Veterans of America
Women in Search of Equity