



TESTIMONY OF

THE
NAVAL RESERVE ASSOCIATION

BEFORE THE
U.S. SENATE COMMITTEE ON ARMED SERVICES
PERSONNEL SUBCOMMITTEE

ON
APRIL 13, 2005

The Navy Reserve Association

The Naval Reserve Association traces its roots back to 1919, and is devoted solely to service to the Nation, Navy, the Naval Reserve and Naval Reserve officers and enlisted, and members of all Reserve Components. It is the premier national education and professional organization for Naval Reserve personnel, and the Association Voice of the Naval Reserve.

Full membership is offered to all members of the services and Naval Reserve Association members come from all ranks and components.

The Association has just under 22,000 members from all fifty states. Forty-five percent of the Naval Reserve Association membership is drilling and active reservists and the remaining fifty-five percent are made up of reserve retirees, veterans, and involved civilians. The National Headquarters is located at 1619 King Street Alexandria, VA. 703-548-5800.

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Naval Reserve Association does not currently receive, has not received during the current fiscal year, or either of two previous years, any federal money for grants. The Association has accepted federal money solely for Naval Reserve Recruiting advertisement in our monthly magazine. All other activities and services of the Association's are accomplished free of any direct federal funding.

Chairman Graham, Senator Nelson and distinguished members of the subcommittee:

On behalf of our 22,000 members, and in advocacy for the 80,000 active Naval Reservists and the mirrored interest of Guard and Reserve personnel, we are grateful for the opportunity to submit testimony, and for your efforts in this hearing.

We very much appreciate the efforts of this subcommittee, the full committee on Armed Services and like committees in the House of Representatives to support our deployed personnel and their families. Your willingness to address and correct issues facing Guardsmen and Reservists affirms their value to the defense of our great nation. Your recognition of these men and women as equal partners in time of war stands you well in the eyes of many. Your willingness to look at issues related to the use of the Guard and Reserve on the basis of fairness sets the Legislative Branch well above the Executive Branch which seemingly develops its positions on the basis of cost.

We had hoped that many of these issues would have been addressed by the Commission on the Guard and Reserve. We had great hopes that the Commission would give Congress and the Administration a holistic view of the myriad issues facing today's Guard and Reserve. It is a great disappointment that the Commissioners have not been named and the work not yet begun.

That said, there are issues that need to be addressed by this Committee and this Congress. Recruiting and retention issues are moving to center stage for all services and their reserve components. In all likelihood the Navy will not meet its target for 13,000 new Naval Reservists and the Naval Reserve will be challenged to appreciably slow the departure of 17,000 experienced personnel this fiscal year. Other services and their Reserve Components likely face these same challenges.

We believe that Congress should give the services the following tools targeted to mid-career personnel in the Guard and Reserve: (1) authorize critical skills bonuses for Guardsmen and Reservists (G & R) that would provide \$100,000 over an entire career (no authorization exists for G&R personnel while one with a \$200,000 limit exists for active duty personnel); (2) increase affiliation bonuses to \$15,000 to attract veterans; (3) restore the Reserve MGIB to 50 percent of the active duty entitlement (presently at 28 percent) and make it available throughout a career; and, (4) an earlier than age 60 retirement.

As you know, DoD is dead set against an earlier than age 60 retirement. We've heard that Reserve Chiefs are in agreement expressing concern that senior personnel will leave in droves. Hopefully this is more than conscript thinking. A compromise solution to this earlier than age 60 retirement issue is something modeled after Social Security – if you take reserve retirement as early as age 55 you do so with a greatly reduced annuity for life. This NRA conceived proposal would significantly reduce the estimated costs to the government over other plans being proposed. The money has been accrued; the costs

then would be those associated with administering monthly payments earlier than expected and any lost interest on the accrued amount. The greatly reduced annuity for life may very well serve as a disincentive to early retirement for the senior leaders who truly have upwardly mobile careers.

The first three recommendations are relevant to the needs of the services today. The fourth (early retirement) is on the minds of many Guardsmen and Reservists. We urge you to put these issues to the Reserve Component Chiefs during this hearing for their opinions.

There is one Navy-related issue that will be considered by the committee - the distribution of U.S. Naval Reserve flag officer billets. The FY-05 NDAA contained the following: "The conferees expect the Navy to provide the Committee on Armed Services of the Senate and the House of Representative with additional information justifying modification to existing allocations in section 12004 (c) based on the results of its zero-based review." In appreciation of the outcomes of the Navy's zero-based review and concomitant manpower reduction in most of the programs resident in the Navy's reserve, the Naval Reserve Intelligence community will become the largest single program. With over 4,000 Naval Reservists, who on average give 80 days each year, it is the most integrated Naval Reserve program in the joint arena. The sole Naval Reserve Intelligence Flag Officer serves as Commander, Naval Reserve Intelligence Command, on the CNO's staff as N2R and reports to Commander Fleet Forces Command as additional duty.

Unlike other Reserve Components, the Navy's Reserve does not fill any joint intelligence billets. We think that it should, and recommend to the committee that any reallocation of flag billets come with the stipulation to the Navy that they fill at least two, possibly three, of their URL allocation with Reserve Intelligence Officers.

In summary, we believe the Committee needs to address the following issues for our Guardsman and Reservists in the best interest of our National Security:

- Name the members for the Commission on the Guard and Reserve as soon as possible
- Address and authorize recruitment and retention issues:
 - Authorize critical skills bonuses for Guardsmen and Reservists - \$100,000 over an entire career
 - Increase affiliation bonuses to \$15,000 to attract veterans
 - Restore Reserve MGIB to 50 percent of the active duty entitlement
 - Reduce annuity for reserve retirement before age 60
- Authorize increased allocation of Naval Reserve Intelligence Flay Officer billets to coincide with their utilization and size.

We thank the committee for consideration of these tools to assist the Guard and Reserve in an age of increased sacrifice and utilization of these forces.