

**NOT FOR PUBLICATION
UNTIL RELEASED BY THE
SENATE ARMED SERVICES COMMITTEE**

**STATEMENT OF
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CHIEF OF NAVY RESERVE

BEFORE THE

SENATE ARMED SERVICES COMMITTEE

SUBCOMMITTEE ON PERSONNEL

ON

FISCAL YEAR 2007 NATIONAL GUARD AND RESERVE COMPONENT

PROGRAMS

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I. Introduction

Chairman Graham, Senator Nelson, distinguished members of the subcommittee, thank you for the opportunity to speak today about the Navy and its Navy Reserve.

Our Navy Reserve continues its transformation to better support combat and combat service support missions throughout the world. Navy Reservists are no longer solely a strategic force waiting for the call to mobilize in a war between nation-states. They are operational and forward, fighting the Global War on Terror (GWOT) as Seabees in Iraq, civil affairs Sailors in Afghanistan, customs inspectors in Kuwait, logistical aircrew and Joint Task Force staff in the Horn of Africa, and as relief workers in disaster recovery operations in the United States and around the world.

Your support in this transformation from a strategic reserve to an operational reserve is greatly appreciated. Congress passed legislation in the 2006 National Defense Authorization Act that provided force-shaping tools allowing the Navy to best distribute Sailors within the Total Force. You authorized the flexibility to transfer funds from Reserve Annual Training (AT) accounts to Reserve Active Duty (AD) accounts. These changes enable our Sailors to spend more time at their supported operational commands and more time fighting the war on terror.

Reserve Component (RC) Sailors are serving selflessly and are fully integrated throughout the Department of Defense, with our coalition partners and with every civil support agency. Our Sailors and their families continue to earn our respect and gratitude for their service and their many sacrifices. As part of the All Volunteer Force, they REserve again and again, freely giving of their skills and capabilities to enhance the Total Force team. On behalf of these brave men and women and their families, thank you for your continued support through legislation that improves benefits for their health and welfare.

Single Manpower Resource Sponsor. Navy is taking a Total Force approach to delivering the workforce of the 21st century. The Total Force consists of active and reserve military, civil service, and contractors. The Total Force will deliver a more responsive workforce with new skills, improved integrated training and will be better prepared to meet the challenges of the Long War. As the Chief of Naval Personnel testified, the Navy is concentrating this effort in a single resource sponsor: the Manpower, Personnel, Training and Education (MPT&E) enterprise. Our Navy Reserve is an integral part of the MPT&E and is working closely with the Chief of Naval Personnel to best leverage all Navy resources to produce the greatest warfighting capabilities possible.

Our “One Navy” goal is to be better aligned to determine the future force (capabilities, number, size and mix) based on Department of Defense and Department of Navy strategic guidance and operational needs. Specifically, the new MPT&E domain will deliver:

- *A Workforce Responsive to The Joint Mission:* Derived from the needs of Joint Warfighters.
- *A Total Force:* Providing a flexible mix of manpower options to meet warfighting needs while managing risk.
- *Cost Effectiveness:* Delivering the best Navy workforce value within fiscal constraints and realities.

Strategy for Our People. To accomplish the optimal distribution of trained Sailors throughout the Total Force, the MPT&E is developing a “Strategy for Our People.” This strategy will provide the guidance and tools to assess, train, distribute and develop our manpower to become a mission-focused Total Force that meets the warfighting requirements of the Navy.

Each Navy Reservist fills a crucial role in the Total Force, providing skill sets and capabilities gained in both military service and civilian life. For example, a Sailor who learned to operate heavy equipment on active duty, and who is currently employed as a foreman in the construction industry, brings both military and civilian skill sets to his unit or individual augmentee assignment.

Additionally, RC Sailors can perform the same mission while training at home as they do when deployed. For instance, harbor patrol Sailors use the same core skill sets training in Portland, Boston, Charleston and Jacksonville harbors as they use in Ash Shuaybah, Kuwait. Sailors also use these skill sets when acting

as first responders within the United States. While Hurricane Katrina was still crossing Louisiana and Mississippi, Navy Reserve Seabees were driving their personal vehicles in the eye of the hurricane to provide search and rescue capabilities followed by their traditional “can do” reconstruction efforts. After a tornado hit Evansville, Indiana, at night, the local Navy Operational Support Center served as a communications and emergency triage headquarters, and Sailors immediately responded with search and rescue teams, saving lives.

“Continuum of Service” and “Sailor for Life.” Our Active Component (AC) and RC Sailors receive valuable experience and training throughout their careers, and our vision for the future is to create a “Continuum of Service” system that enables an easy transition between statuses. We are building a personnel system in which Sailors can move between AC and RC based on the needs of the service and availability of the member to support existing requirements. To make these transitions seamless, the Navy will develop smooth “on ramp” and “off ramp” opportunities. Sailors will serve on active duty for a period of time, then train and work in the Reserve Force and, with minimal administrative effort, return to active duty. The Navy will offer experienced Sailors the ability to transition between statuses when convenient, while incentivizing rate changes and service assignments at the right time and place, all in a “Continuum of Service” throughout their careers. All Reservists, Full Time Support (FTS), Selected Reserve (SELRES) and even our important Individual

Ready Reserve (IRR) members, will benefit from increased opportunities to serve and REserve.

II. Changing Demand Signals – New and Non-Traditional Missions

Navy Sailors continue to support the GWOT in Southwest Asia, around the world and at home. Over 5,000 RC Sailors are currently mobilized and serving in various capability areas such as Navy Coastal Warfare, Seabees, Intelligence, cargo airlift, cargo handlers, customs inspectors, civil affairs, port security, medical (including doctors, nurses and hospital corpsmen), and on the staff of every Combatant Commander (COCOM).

Operational Support. Mobilization alone does not reflect the total contribution of the Navy's Reserve. On any given day, an additional 15,000 RC Sailors are providing support to the Fleet, serving in a variety of capabilities, from flight instructor duties to counter narcotics operations, from standing watch with the Chief of Naval Operations staff to relief support for Hurricane's Katrina, Rita and Wilma. Sailors have provided over 15,000 man-years of support to the Fleet during the past year. This support is the equivalent of 18 Naval Construction Battalions or two Carrier Strike Groups.

To define the Total Force requirements and maximize operational support, Commander, Fleet Forces Command (CFFC) commenced a continuous Reserve

Zero-Based Review (RZBR) process in 2004. Navy and joint mission requirements were prioritized, followed by a thorough analysis of RC manpower available to meet those requirements. The ZBR continues to facilitate Active Reserve Integration (ARI), placing RC billets in various AC units where the requirement for surge capabilities and operational support is predictable and periodic. This capabilities-based review also enabled the Fleet to develop mission requirements that were inclusive and dependent upon skill sets and capabilities resident within its aligned RC.

The Navy supports 21 joint capability areas, built on the foundations of Sea Strike, Sea Shield, Sea Basing and FORCEnet, and the Navy RC is fully integrated in all enterprises. Excellent examples of ARI are highlighted in CENTCOM, where 50 percent of the Navy individual augmentee (IA) requirement is being met by RC Sailors. Operational Health Support Unit (OHSU) Dallas deployed with 460 medical and dental specialists for 11 months, during which the unit maintained health clinics in Iraq and hospitals in Kuwait. These Sailors relieved an Army unit, set up their medical capabilities in the Army Camp, and provided integrated joint health care to all services.

Navy's newly established Navy Expeditionary Combat Command (NECC) integrates the RC expeditionary and combat service support capabilities into one Total Force command. The Naval Construction Force has 139 units comprised

of AC and RC Sailors, and Naval Coastal Warfare continues to rebalance active and reserve personnel to meet COCOM requirements.

Fleet Response Units (FRU) are directly integrated with AC aviation units. FRU Sailors maintain and operate the same equipment as Fleet personnel, supporting the Fleet Response Plan (FRP) by providing experienced personnel who are qualified and ready to rapidly surge to deployed Fleet units. This ARI initiative reduces training costs by having all Sailors maintain and operate the same equipment. No longer are the Active and Reserve Components using different configurations for different missions.

Another ARI initiative is the Squadron Augmentation Unit (SAU), which provides experienced maintenance personnel and qualified flight instructors to Fleet Replacement Squadrons (FRS) and Training Commands. Experienced RC technicians and aviators instruct both AC and RC Sailors to maintain and fly current Fleet aircraft at every FRS.

The Reserve Order Process. One constraint to these initiatives is the reserve order processes. The current system has multiple types of Reserve orders: Inactive Duty for Training (IDT), Inactive Duty for Training-Travel (IDTT), Annual Training (AT), Active Duty for Training (ADT), and Active Duty for Special Work (ADSW).

In addition to multiple types of orders, the funding process for these various types of orders can be equally complex. Navy is currently evaluating process options that will streamline the system and make support to the fleet more seamless. In fact, efforts such as the August 2005 conversion of Navy Reserve Order Writing System to ADSW order writing have already improved the situation for Sailors and the fleet by allowing the same order writing system to be used for both ADT/AT and ADSW. Additionally, the Navy Reserve is also addressing these issues by emphasizing and increasing ADSW usage, which is simply “work” funding for operational support to the Fleet, rather than the previous way of doing business with training orders for work. The baseline data call of required work was initiated in 2005 with an implementation goal of accurately funded ADSW accounting lines in FY08. COCOMs continue to review operational support requirements and the appropriate level of funding for the GWOT and surge operations. Emphasizing ADSW will be a significant evolution in the Navy's effort to integrate its Reserve Force capabilities by aligning funding sources and accurately resourcing the accounts responsible for Navy Reserve operational support.

III. Size and Shape of the Force

The total number of Navy Reservists, both SELRES and FTS, is requested to be 71,300 for Fiscal year 2007. The ongoing ZBR and effective ARI continue to optimally integrate the capabilities of the Total Force, which optimizes the force

mix of AC and RC Sailors needed to support the Fleet while still providing effective surge operational support.

Common AC/RC Pay System. A common pay and personnel system that provides for a seamless transition from AC to RC is essential to the success of our “Continuum of Service” and “Sailor for Life” programs. Ideally, manpower transactions will someday be accomplished on a laptop with a mouse click, and data will be shared through a common data repository with all DoD enterprises. Navy fully supports the vision of an integrated set of processes and tools to manage all pay and personnel needs for the individual, and provide necessary levels of personnel visibility to support joint warfighter requirements. The processes and tools should provide the ability for a clean financial audit of personnel costs and support accurate, agile decision makings at all levels of the Department of Defense through a common system and standardized data structure.

The Defense Integrated Manpower and Human Resource System (DIMHRS) is expected to be that system. A Deputy Secretary of Defense assessment is currently underway to determine the best course of action for the Department. The assessment will conclude in early summer.

IV. Recruiting

Accessions. Navy Reserve accessions are drawn from multiple sources, but we are increasingly focused on the trained and experienced Navy veteran. Our leadership is constantly emphasizing a “Continuum of Service” and “Sailor for Life” themes that enable Sailors to more easily transition between components. The entire Total Force chain of command is committed to changing the culture of service and REservice by continually educating AC Sailors about the benefits of continued service as members of any of the Reserve Components.

National Call to Service. A relatively new accession source is the National Call to Service (NCS), with contracts that include both AC and RC service as part of a recruit’s initial military obligation. Congress first authorized this program in the NDAA 2003. The NCS program is enjoying considerable success, and is helping to mitigate some of the prior-service shortages in ratings that are critical to the prosecution of the GWOT. Under this program, a recruit enlists for an active duty commitment of 15 months after training. At the end of the commitment, the individual can either extend on active duty or commit to two years of drilling in the Selected Reserve. Navy has been particularly aggressive in recruiting Masters at Arms and Hospital Corpsmen for this program, and the first recruits are completing their AC service and will begin drilling in the Navy Reserve this year. Navy’s success in attracting recruits for this program is steadily growing. We assessed 998 recruits in 13 ratings in FY04, and 1,866 recruits in 23 ratings in

FY05. Navy has a goal of 2,340 NCS recruits in 45 different ratings this year, and will continue this successful program in FY07.

Attrition. Attrition and recruiting are a crucial part of maintaining the Total Force. Fortunately, the GWOT is not having an appreciable affect on attrition. Navy Reserve attrition is currently 27 percent and has remained at approximately the same level for the past five years.

Enlisted Recruiting. FY06 Navy Reserve enlisted recruiting continues to be challenging, with 3,415 recruits attained out of a goal of 11,180 as of February 28, 2006. Although the Navy Recruiting Command has focused every Active and Reserve recruiter on the RC mission, it only accessed 85% of the FY05 RC enlisted goal, recruiting 9,788 against a target of 11,491. Navy attributes the recruiting shortfalls to several causes, primarily the continued strong retention of AC Sailors. The GWOT has caused an increase in the number of recruits needed by the Army and Marine Corps, with competitive bonuses offered by all services. Civilian unemployment rates remain low, and public opinion influencers, such as friends and family, are less likely to recommend military service as a career.

To address Navy Reserve recruiting challenges and to promote continued success in recruiting the active force, Navy is increasing the amount of enlistment bonuses for both prior service and non-prior service Reserve

accessions. Congress raised that legislative cap to \$20K for the non-prior service program and \$15K for the prior service program. These programs will enhance the attractiveness of service in the Reserve for those currently in our targeted ratings.

Other measures being taken to address the Reserve recruiting shortfall include implementation of expanded authorities provided by Congress in the Fiscal Year 2006 NDAA. These include: authority to pay Reserve Affiliation Bonuses in lump sum, enhanced high-priority unit assignment pay, and increases in the amount of the Reserve Montgomery G.I. Bill. Navy is also applying force-shaping tools to attract non-rated Reserve Sailors to undermanned ratings.

Officer Recruiting. Reserve Officer recruiting continues to fall short, and the Navy has failed to meet its Reserve Officer Recruiting Goal since 2002. The primary market for RC officers is Navy veterans and as in enlisted recruiting, high retention of AC officers reduces the pool of available candidates. Reserve Medical Officer Programs are especially hard hit in today's environment, with multiple factors affecting recruiting:

- High competing civilian salaries
- Larger number of non-traditional students with a decreased propensity toward military service
- Long tours of duty overseas, 6-18 months, increase the risk of losing civilian practices while deployed

V. Readiness

In addition to having the right Sailor assigned to the right billet, all Sailors must be ready to answer the call to serve. They must be medically, physically, and administratively ready to deploy.

Medical Readiness. Navy Reserve is a leader in medical readiness. In 2002, the Navy Reserve developed the Medical Readiness Reporting System (MRRS) as a comprehensive tracking system for Individual Medical Readiness (IMR). MRRS, a web-based application with a central aggregating database, links with existing authoritative data systems to reduce data input requirements and improve data accuracy. MRRS gives headquarters staffs and leadership a real-time view of force medical readiness, and received the 2005 DoN CIO IM/IT Excellence Award for Innovation. It is being adopted throughout the Department of the Navy to give Commanders the web-based tool they need to more effectively and efficiently measure and predict IMR.

Navy Reserve continues to be a DoD leader in percent of personnel who are Fully Medically Ready (FMR). In October 2004, Navy Reserve reported 44 percent FMR personnel and, with an ongoing emphasis on MRRS utilization by all commands, showed a dramatic improvement in January 2006 to 73 percent FMR per DoD IMR standards.

Physical Readiness. Navy Reserve is actively participating in Total Force solutions to address physical readiness. The CNO's "Fitness Board of Advisors" is exploring methodologies for changing the culture of fitness in the Navy to ensure a ready, fighting force. The Secretary of the Navy's "Health and Productivity Management" group is addressing the impact of a fit force on work productivity. Many participants are members of both groups in order to facilitate the exchange of good ideas. Further, Navy Reserve is working with BUPERS to revise the Physical Readiness Information Management System (PRIMS) to more accurately capture fitness testing data.

Administrative Readiness. Navy Reserve tracks administrative readiness with the "Type Commander (TYCOM) Readiness Management System – Navy Reserve Readiness Module" (TRMS-NRRM), which provides a scalable view of readiness for the entire Force. This Navy Reserve developed system has served as the prototype for the "Defense Readiness Reporting System" (DRRS), and links to many DoD systems. Navy Reserve leaders have utilized accurate data for all categories and elements since the first data call in 2003, and can quickly determine readiness information for individuals, units, activities, regions, and any other desired capability breakouts.

VI. Transformation

Navy Reserve continues to lead DoD RC transformation. Through the Base Realignment and Closure (BRAC) process, Navy Reserve Centers (NRC) are consolidating into larger, more centralized Navy Operational Support Centers (NOSC) on military bases, while maintaining presence in all 50 states and reducing excess capacity by 99 percent. Consolidation of smaller facilities provides a better return on investment (ROI) of precious RPN and OM&NR funding, with better utilization of administration and staff support for SELRES, while aligning with Navy Regional Commanders instead of separate RC Regions. Whenever possible, our RC Sailors have indicated a strong desire to “flex drill” at their AC supported commands, which achieves a greater level of readiness and operational support, as well as Total Force integration.

VII. Summary

Navy Reserve is evolving from a dispersed strategic force of the Cold War to an adaptive and responsive operational force that will be required to meet the surge requirements for future asymmetric threats. Change of this magnitude is not easy and challenges both AC and RC leadership to rapidly become more integrated while thoroughly communicating the vision to the Total Force. We greatly appreciate the full support of Congress as we implement initiatives that will better align AC and RC personnel and equipment, providing additional resources to recapitalize the Navy of the future.

Our dedicated RC Sailors continue to volunteer to serve and REserve, and we are developing a “Continuum of Service” program to ensure that they can quickly support operational missions, with easy transitions on and off active duty. We are simplifying the order writing and funding processes, while allowing the customers, the Fleet and COCOMs, to control the resources through their Operational Support Officers. These initiatives will greatly reduce the administrative burden on both the ready Sailor and the chain of command, ensuring the right Sailor is in the right place at the right time with the right skill sets. Navy will continue to improve readiness tracking and reporting systems so that the Sailor will be ready to deploy when called, physically, medically and administratively.

The future success of our Navy and the Nation requires dominance of the maritime domain, and will be dependent upon a Reserve Force that is ready, relevant and fully integrated. Our Navy Reserve is busy transforming its processes, becoming more integrated with both Navy and joint forces, and is more ready than ever for any tasking. We are providing global operational support, and our RC Sailors have and will continue to answer the call to “be ready” to support the Combatant Commanders and prevail in the Long War.