



Statement of
The Fleet Reserve Association
on
Military Personnel Policy, Benefits, and Compensation

Presented to:
Senate Armed Services Committee
Personnel Subcommittee

By

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March 10, 2010

THE FRA

The Fleet Reserve Association (FRA) is the oldest and largest enlisted organization serving active duty, Reserves, retired and veterans of the Navy, Marine Corps, and Coast Guard. It is Congressionally Chartered, recognized by the Department of Veterans Affairs (VA) as an accrediting Veteran Service Organization (VSO) for claim representation and entrusted to serve all veterans who seek its help. In 2007, FRA was selected for full membership on the National Veterans' Day Committee.

FRA was established in 1924 and its name is derived from the Navy's program for personnel transferring to the Fleet Reserve or Fleet Marine Corps Reserve after 20 or more years of active duty, but less than 30 years for retirement purposes. During the required period of service in the Fleet Reserve, assigned personnel earn retainer pay and are subject to recall by the Secretary of the Navy.

FRA's mission is to act as the premier "watch dog" organization in maintaining and improving the quality of life for Sea Service personnel and their families. FRA is a leading advocate on Capitol Hill for enlisted active duty, Reserve, retired and veterans of the Sea Services. The Association also sponsors a National Americanism Essay Program and other recognition and relief programs. In addition, the newly established FRA Education Foundation oversees the Association's scholarship program that presents awards totaling nearly \$100,000 to deserving students each year.

The Association is also a founding member of The Military Coalition (TMC), a 34-member consortium of military and veteran's organizations. FRA hosts most TMC meetings and members of its staff serve in a number of TMC leadership roles.

FRA celebrated 85 years of service in November 2009. For over eight decades, dedication to its members has resulted in legislation enhancing quality of life programs for Sea Services personnel, other members of the uniformed services plus their families and survivors, while protecting their rights and privileges. CHAMPUS, now TRICARE, was an initiative of FRA, as was the Uniformed Services Survivor Benefit Plan (USSBP). More recently, FRA led the way in reforming the REDUX Retirement Plan, obtaining targeted pay increases for mid-level enlisted personnel, and sea pay for junior enlisted sailors. FRA also played a leading role in advocating recently enacted predatory lending protections and absentee voting reform for service members and their dependents.

FRA's motto is: "Loyalty, Protection, and Service."

CERTIFICATION OF NON-RECEIPT OF FEDERAL FUNDS

Pursuant to the requirements of House Rule XI, the Fleet Reserve Association has not received any federal grant or contract during the current fiscal year or either of the two previous fiscal years.

SYNOPSIS

The Fleet Reserve Association (FRA) is an active participant and leading organization in The Military Coalition (TMC) and strongly supports the recommendations addressed in the more extensive TMC testimony prepared for this hearing. The intent of this statement is to address other issues of particular importance to FRA's membership and the Sea Services enlisted communities.

INTRODUCTION

Mr. Chairman, the Fleet Reserve Association salutes you, members of the Subcommittee, and your staff for the strong and unwavering support of programs essential to active duty, Reserve Component, and retired members of the uniformed services, their families, and survivors. The Subcommittee's work has greatly enhanced care and support for our wounded warriors and significantly improved military pay, and other benefits and enhanced other personnel, retirement and survivor programs. This support is critical in maintaining readiness and is invaluable to our uniformed services engaged throughout the world fighting the global War on Terror, sustaining other operational commitments and fulfilling commitments to those who've served in the past.

HEALTH CARE

Health care is exceptionally significant to all FRA Shipmates regardless of their status and protecting and/or enhancing this benefit is the Association's top legislative priority. A recently released FRA survey indicates that nearly 90 percent of all active duty, Reserve, retired, and veteran respondents cited health care access as a critically important quality-of-life benefit associated with their military service. From 2006-2008 retirees under age 65 were targeted by DoD to pay significantly higher health care fees. Many of these retirees served before the recent pay and benefit enhancements were enacted and receive significantly less retired pay than those serving and retiring in the same pay grade with the same years of service today. Promises were made to them about health care for life in return for a career in the military with low pay and challenging duty assignments and many believe they are entitled to free health care for life.

Efforts to enact a national health care reform coupled with inaccurate and widespread information on the associated impact on retiree health care benefits has created unease and a sense of uncertainty for our members. FRA opposes any effort to integrate TRICARE and VA health care into any national health care program and appreciates the exclusion of TRICARE and VA health care in the House version of the national health care proposal. Military and VA health care services are fundamental to military readiness and serve the unique needs of current and former service members, their families and survivors. Merging these programs into a colossal bureaucracy designed to provide health care to all Americans would broaden their focus and reduce their effectiveness. That said, the Association is concerned about proposed Medicare spending cuts associated with reform initiatives which may negatively impact physician reimbursement rates and access to care for Medicare and TRICARE beneficiaries.

FRA strongly supports Representatives Chet Edwards (Tex.) and Walter Jones (NC) legislation, "The Military Retirees' Health Care Protection Act" (H.R. 816) that would prohibit DoD from

increasing TRICARE fees, specifying that the authority to increase TRICARE fees exists only in Congress.

FRA thanks this Subcommittee for resisting past efforts to shift increasing health care cost to beneficiaries and ensuring adequate funding for the Defense Health Program (DHP) in order to meet readiness needs, fully fund TRICARE, and improve access for all beneficiaries regardless of age, status or location. Adequately funding health care benefits for all beneficiaries is part of the cost of defending our Nation.

CONCURRENT RECEIPT

The Association appreciates President Obama's support for authorizing Chapter 61 retirees to receive their full military retired pay and veterans disability compensation and continues to seek timely and comprehensive implementation of legislation that authorizes the full concurrent receipt for all disabled retirees. The above referenced FRA survey indicates that more than 70 percent of military retirees cite concurrent receipt among their top priorities. The Association strongly supports the FY 2011 budget request of \$408 million to cover the first phase of the five-year cost for concurrent receipt for Chapter 61 beneficiaries that are 90 percent or more disabled.

WOUNDED WARRIORS

FRA appreciates the substantial Wounded Warriors legislation in the FY 2008 National Defense Authorization Act (NDAA). Despite jurisdictional challenges, considerable progress has been made in this area. However, the enactment of legislation is only the first step in helping wounded warriors. Effective oversight and sustained funding are also critical for successful implementation and FRA supports the following substantive changes:

- Establish a permanent and independent office for the DoD/VA Interagency program and expand it's authority to include oversight of all components of achieving a true seamless transition;
- Authorizing full active duty TRICARE benefits, regardless of accessibility of VA care, for three years after medical retirement to help ease transition from DoD to VA;
- Extend and make permanent the charter of the "Special Oversight Committee" to ensure improved coordination with DoD and VA initiatives to help wounded warriors;
- Exempt severely wounded medically retired Medicare part B premiums until age 65;
- Providing up to one year of continuous habitation in on-base housing facilities for medically retired, severely wounded and their families;
- Eliminate the service member's premium for the Traumatic Service Member Group life Insurance (TSGLI);

- Ensure the creation and full implementation of a joint electronic health record that will help ensure a seamless transition from DoD to VA for wounded warriors; and
- Establishment of the Wounded Warriors Resource Center as a single point of contact for service members, their family members, and primary care givers.

Achieving an effective delivery system between DoD and VA to guarantee seamless transition and quality services for wounded personnel, particularly those suffering from Post Traumatic Stress Disorder (PTSD) and Traumatic Brain Injuries (TBI) is very important to our membership. DoD should also make every effort to de-stigmatize mental health conditions that should include outreach, counseling, and mental health assessment for all service members returning from the combat zone. Family support is also critical for success, and should include compensation, training, and certification, and respite care for family members functioning as full-time caregivers for wounded warriors. FRA supports “The Caregivers and Veterans Omnibus Health Services Act”(S. 1963), and parallel legislation to improve compensation, training and assistance for caregivers of severely disabled active-duty service members.

SUICIDE RATES

FRA is deeply concerned that more service members have taken their own lives by November 2009 than have been killed in either the Afghanistan or Iraq wars. Congressional Quarterly reports that as of November 24, 334 service members have committed suicide in 2009, compared with 297 killed in Afghanistan and 144 who died in Iraq. In response to this, Congress has significantly increased funding for mental health in the DoD and VA budgets that established a suicide hotline. DoD and VA also sponsor annual conferences on this issue. Jurisdictional challenges notwithstanding, it is critically important that Congress further respond and enhanced coordination between the Veterans Affairs and Armed Services Committees is key to addressing this. As of the above date the Army has had 211 of the 334 suicides, while the Navy had 47, the Air Force had 34 and the Marine Corps (active duty only) had 42. Increases in the number of suicides are not limited to active duty members only, the Department of Veterans Affairs (VA) has indicated that veterans suicides have also been increasing at an alarming rate.

USFSPA REFORM

The Association believes that the increasing divorce rates among active duty personnel and Reservists is related to stress caused by repeated deployments in conjunction with eight years of fighting a two-front war. According to the *Los Angeles Times*, “The 3.6% rate is a full percentage point above the 2.6% reported in late 2001, when the U.S. began sending troops to Afghanistan in response to the terrorist attacks. As in previous years, women in uniform suffered much higher divorce rates than their male counterparts □ 7.7% in 2009. An Army 2009 battlefield survey indicated that 22 percent of married soldiers were considering divorce, compared to 12.4 percent in 2003¹” The divorce rate for women in uniform is especially troubling, and these numbers do not take into account divorce rates for veterans. The FRA has long advocated introduction of legislation addressing the inequities of the Uniform Services Former Spouses Protection

¹ Associated Press, November 28, 2009, *Divorce Rate Rises in Military*, Los Angeles Times

Act (USFSPA) and associated hearings on this issue. The Association believes that this law should be more balanced in its protection for both the service member and the former spouse.

The recommendations in the Department of Defense's September 2001 report, which assessed USFSPA inequities and offered recommendations for improvement is a good starting point for considering badly needed reform of this onerous law.

Few provisions of the USFSPA protect the rights of the service member and none are enforceable by the Department of Justice or DoD. If a state court violates the right of the service member under the provisions of USFSPA, the Solicitor General will make no move to reverse the error. Why? Because the Act fails to have the enforceable language required for Justice or the Defense Department to react. The only recourse is for the service member to appeal to the court, which in many cases gives that court jurisdiction over the member. Another infraction is committed by some state courts awarding a percentage of veterans' compensation to ex-spouses, a clear violation of U. S. law; yet, the federal government does nothing to stop this transgression.

FRA believes Congress needs to take a hard look at the USFSPA with the intent to amend it so that the federal government is required to protect its service members against state courts that ignore provisions of the Act. Other provisions also weigh heavily in favor of former spouses. For example, when a divorce is granted and the former spouse is awarded a percentage of the service member's retired pay, this should be based on the member's pay grade at the time of the divorce and not at a higher grade that may be held upon retirement. The former spouse has done nothing to assist or enhance the member's advancements subsequent to the divorce; therefore, the former spouse should not be entitled to a percentage of the retirement pay earned as a result of service after the decree is awarded. Additionally, Congress should review other provisions considered inequitable or inconsistent.

ADEQUATE PERSONNEL END STRENGTH

Insufficient end strength levels and the rigors of supporting Operations Iraqi Freedom and Enduring Freedom are having a negative impact on the quality of life of service members which will ultimately lead to retention and recruitment challenges. FRA urges this distinguished Subcommittee to ensure funding for adequate end strengths and people programs consistent with the Association's DoD funding goal of at least five percent of the GDP for FY 2011.

ACTIVE DUTY PAY IMPROVEMENTS

Our Nation is at war and there is no more critical morale issue for active duty warriors than adequate pay. This is reflected in the more than 96 percent of active duty respondents to FRA's recent survey indicating that pay is "very important." The Employment Cost Index for FY 2011 is 1.4 percent and based on statistics from 15 months before the effective date of the proposed active duty pay increase. The Association appreciates the strong support from this distinguished Subcommittee in reducing the 13.5% pay gap to the current level during the past decade. In addition, FRA notes that even with a FY 2011 pay increase that is 0.5 percent above the ECI, the result will be the smallest pay hike since 1958. FRA urges the Subcommittee to continue the increases at least 0.5 percent above the ECI until the remaining 2.4 percent pay gap is eliminated.

RESERVE EARLY RETIREMENT

The effective date of a key provision in the FY 2008 NDAA, the Reserve retirement age provision that reduces the age requirement by three months for each cumulative 90-days ordered to active duty is effective upon the enactment of the legislation and NOT retroactive to October 7, 2001. Accordingly the Association supports “The National Guardsmen and Reservists Parity for Patriots Act” (H.R. 208) sponsored by the Subcommittee’s Ranking Member Representative Joe Wilson (SC), to authorize Reservists mobilized since October 7, 2001, to receive credit in determining eligibility for receipt of early retired pay. Since 9/11/2001 the Reserve Component has changed from a strategic Reserve to an operational Reserve that now plays a vital role in prosecuting the war efforts and other operational commitments. This has resulted in more frequent and longer deployments impacting individual Reservist’s careers. Changing the effective date of the Reserve early retirement would help partially offset lost salary increases, lost promotions, lost 401K and other benefit contributions. The Association urges the Subcommittee to support this important legislation.

PAID-UP SBP

Under current law, retirees are no longer required to pay SBP premiums after they have paid for 30 years and reach age 70. This is an inequity for those who may have entered the service at age 17 or 18 and will be required to pay for 33 or 32 years respectively until attaining paid-up SBP status. Therefore, FRA supports changing the minimum age for paid-up SBP from age 70 to age 67 to ensure that those who joined the military at age 17, 18 or 19 and serve 20 years will only have to pay SBP premiums for 30 years.

RETENTION OF FINAL FULL MONTH’S RETIRED PAY

FRA urges the Subcommittee to authorize the retention of the full final month’s retired pay by the surviving spouse (or other designated survivor) of a military retiree for the month in which the member was alive for at least 24 hours. FRA strongly supports “The Military Retiree Survivor Comfort Act” (H.R. 613), introduced by Rep. Walter Jones (NC) which addresses this issue.

Current regulations require survivors of deceased military retirees to return any retirement payment received in the month the retiree passes away or any subsequent month thereafter if there is a processing delay. Upon the demise of a retiree, the surviving spouse is required to notify the Defense Finance and Accounting Service (DFAS) of the death. DFAS then stops payment on the retirement account, recalculates the final payment to cover only the days in the month the retiree was alive, forwards a check for those days to the surviving spouse or beneficiary. If not reported in a timely manner, DFAS recoups any payment(s) made covering periods subsequent to the retiree’s death.

The measure is related to a similar Department of Veterans Affairs policy. Congress passed a law in 1996 that allows a surviving spouse to retain the veteran’s disability and VA pension payments issued for the month of the veteran’s death. FRA believes military retired pay should be no different. This proposal is also in response to complaints from surviving spouses who were

unaware of the notification requirement and those with joint bank accounts, in which retirement payments were made electronically, who gave little if any thought that DFAS could access the joint account and recoup overpayments of retirement pay. This action could easily clear the account of any funds remaining whether they were retirement payments or money from other sources.

To offset some of the costs, if the spouse is entitled to survivor benefit annuities (SBP) on the retiree's death, there will be no payment of the annuity for the month the retirement payment is provided the surviving spouse.

MANDATE TRAVEL COST RE-IMBURSEMENT

FRA appreciates the FY 2008 NDAA provision (Section 631) that permits travel reimbursement for Reservist's weekend drills, not to exceed \$300, if the commute is outside the normal commuting distance. The Association urges the Subcommittee to make this a mandatory provision. This is a priority issue with many enlisted Reservists who are forced to travel lengthy distances to participate in weekend drills without reimbursement for travel costs. Providing this travel reimbursement would assist with retention and recruitment for the Reserves – something particularly important to increased reliance on these personnel in order to sustain our war and other operational commitments.

FAMILY READINESS

Military deployments create unique stresses on families due to separation, uncertainties of each assignment and associated dangers of injury or death for the deployed service member. Further, adapting to new living arrangements and routines adds to the stress, particularly for children.

Fortunately men and women in uniform continue to answer the calls to support repeated deployments – but only at a cost of ever-greater sacrifices for them and their families. Now more than ever before the support of their families is essential to enduring the mounting stresses of the war effort and other operational commitments. This stress has resulted in doubling the number of outpatient mental health visits (1 million in 2003 to 2 million in 2008) for children with an active duty parent.² It's most important that DoD and the military services concentrate on providing programs for the families of our service members. DoD should improve programs to assist military families with deployment readiness, responsiveness, and reintegration. There are a number of existing spousal and family programs that have been fine tuned and are successfully contributing to the well-being of this community. The Navy's Fleet and Family Centers and the Marines' Marine Corps Community Services (MCCS) and Family Services programs are providing comprehensive, 24/7 information and referral services to the service member and family through its One Source links. One Source is particularly beneficial to mobilized Reservists and families who are unfamiliar with varied benefits and services available to them.

It's true that "the service member enlists in the military service – but it's the family that reenlists." To ensure the family opts for a uniformed career, the family must be satisfied with life in the military.

² Military.Com [More Troops' Kids Seeking Counseling](#) Associated Press, July 8, 2009

CONCLUSION

FRA is grateful for the opportunity to present these recommendations to this distinguished Subcommittee. The Association reiterates its profound gratitude for the extraordinary progress this Subcommittee has made in advancing a wide range of military personnel and retiree benefits and quality-of-life programs for all uniformed services personnel and their families and survivors. Thank you again for the opportunity to present the FRA's views on these critically important topics.

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MASTER CHIEF JOSEPH L. BARNES, USN (RETIRED)
NATIONAL EXECUTIVE DIRECTOR, FLEET RESERVE ASSOCIATION AND
CO-CHAIRMAN, THE MILITARY COALITION

Joseph L. (Joe) Barnes is a retired Navy Master Chief and serves as the Fleet Reserve Association's (FRA's) National Executive Director. He is a member of FRA's National Board of Directors, chairs the Association's National Committee on Legislative Service, and is responsible for managing the organization's National Headquarters in Alexandria, VA. In addition, he is president of the newly established FRA Education Foundation which oversees the Association's scholarship program that presents awards totaling nearly \$100,000 to deserving students each year.

Barnes joined FRA's National Headquarters team in 1993 and prior to assuming his current position in 2002, he served as FRA's Director of Legislative Programs. During his tenure, the Association realized significant legislative gains, and was recognized with a certificate award for excellence in government relations from the American Society of Association Executives (ASAE).

In addition to his FRA duties, Barnes is Co-Chairman of the Military Coalition (TMC) and co-chairs TMC's Personnel, Compensation and Commissaries Committee. He is also a member of the Defense Commissary Agency's Patron Council and an ex-officio member of the U.S. Navy Memorial Foundation's Board of Directors.

He received the U.S. Coast Guard's Meritorious Public Service Award and was appointed an Honorary Member of the U.S. Coast Guard by then Commandant of the Coast Guard Adm. James Loy, and former Master Chief Petty Officer of the Coast Guard Vince Patton.

While on active duty, he was the public affairs director for the U.S. Navy Band in Washington, DC, and directed marketing and promotional efforts for national tours, network radio and television appearances, and major special events in the nation's capital. His awards include the Defense Meritorious Service and Navy Commendation Medals.

Barnes holds a bachelor's degree in education and a master's degree in public relations management from The American University, Washington, DC. He earned the Certified Association Executive (CAE) designation from ASAE in 2003 and is an accredited member of the International Association of Business Communicators (IABC).