

TRANSCRIPT

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THIS IS A RUSH TRANSCRIPT AND MAY CONTAIN ERRORS. USERS ARE ADVISED TO CONSULT THEIR OWN TAPES OR NOTES OF THE SESSION IF ABSOLUTE VERIFICATION OF WORDING IS NEEDED.

Q: Welcome to Arnold Punaro, Major General Retired, United States Marine Corps. I'm sure that most of you know him from various incarnations, but he was top staffer with Senator Nunn for about 25 years and staff director of the Armed Services Committee, what, 14 years?

A: Uh huh.

Q: He served on active duty in Vietnam and has been mobilized several times since then so he's been around the block. Good to have you. I think you've also got a journalism degree in there somewhere.

A: I did. When I came off active duty in the Marine Corps after the Vietnam War, I went and got a master's degree in journalism because the University of Georgia had a great football team that year--[Laughter] -- that was my home state and that was all I could afford.

Q: Well, glad to have you, welcome.

A: Thanks.

Q: Your commission is supposed to present an interim report on, if you have any preliminary findings you're supposed to report that by June 1st or thereabouts. Can you preview that for us and then we'll drop into other questions in more detail.

A: Yeah, thanks. I appreciate having the opportunity to visit with all of you this morning. The 90

day report, we are a congressional commission established by the Congress to take a long term look at all the issues surrounding the Guard and Reserve. We have a very firm statutory charter, the Congress has been very clear in what they want us to do.

We have met with congressional members as we got cranked up. We had 11 members of Congress testify before the commission in our first hearing. They've been very clear in what they'd like us to do and that is take on some of these very difficult issues surrounding the Guard and Reserve and take the long term view, not be focused on the tyranny of the in-box.

One of the things that they asked us to do, that Congress is wanting to do, and had I been up there working I probably would have drafted this piece of legislation about the same way they did. We don't want to hear from you in just a year, come back in 90 days and tell us how you're going to do the job so we can look at it and make sure you are doing it the way we want you to do it. We'll let you know if you aren't.

In essence, that's what we're getting ready to do here in a couple of weeks. Our 90 day report is due to the Congress June 5th. In that we're going to talk about how we're organized, how we're going to go about assessing the issues, what our criteria are, what our methodology is, talk about some of the principles that we think ought to guide our work as we work as we look at some of these difficult issues. We'll talk about some preliminary findings and then we'll talk about the way ahead and then get the reaction from the Congress.

We're also, although not required by statute, we're going to also submit the 90 day report to the Secretary of Defense because we feel it's very important for a commission like ours to have a good, close, working relationship with the Department of Defense. That's where all of the forces come from that basically are involved.

That's kind of the process and where we are. Your question though was more what's in it. I would say that just being up front with you all, after only being in business for a couple of months, dealing with the kind of tough, difficult issues we have, it's pretty hard to have come to any conclusions about it. So we aren't going to have anything in the 90 day report that the Guard and Reserve is worn out and they can't do it anymore, or they're being overused, or they're broke, or things like that because frankly after only three or four months of looking at the problem, I don't think it would be appropriate to come to those kind of conclusions.

We call them preliminary findings, but I would put them more in the nature of observations and certainly there is some that we can make there. These are in no particular order. I'm just trying to remember them.

One thing that is very clear to us, we've had two formal hearings. The first hearing, we heard from members of Congress including the Chairman and ranking members of the authorizing committees as well as the Guard and Reserve caucus leadership as well as other interested

members. We heard from the leadership in the department, from the vice chiefs of the services.

Our second hearing, we heard from the Homeland Security leaders, Paul McHale, Tim Keating, the Commander of Northern Command; George Forseman, the number three at DHS, who is a real emergency preparedness expert. We heard from General Blum, the head of the Guard Bureau; Jim Limke, the head of the Adjutant General Association, the Coast Guard, and then the next day we had Jack Marsh, former secretary of the Army and a guardsman and a congressman and some other outside experts.

One thing that is very, very clear in all of this, no matter where you come out, no matter where the commission might come out, in the long term in answering some of the questions about the future roles and missions of the Guard and Reserve, and how best to organize, train, and equip them is, some of the issues that are current today. The Department of Defense can certainly improve the way they operate with the state governments and the local governments. Certainly there is room for improvement in the Department of Defense's relationship with other federal entities and with the state leadership. That could, as people sort out in DHS; the department has not yet, to the best of my knowledge, formally commented on the White House Katrina Report. We asked about that at our hearing a couple of weeks ago and my impression is, they consider some of that a work in progress.

I think that the witnesses will tell you that they are considered to be better prepared for this upcoming hurricane season, but both McHale, Keating, and George Forseman all testified on the record, and my recommendation there if you're interested in this, I'd get the transcript and look at it rather than have me paraphrase it. They're not as prepared as they'd like to be.

Gordon, you were at the hearing, so you may remember that part of it.

In any event, that's one of the areas in our preliminary findings.

The second thing that's very clear to us is there has been a profound shift in the nature of the Guard and Reserve since the end of the Cold War. That is, a Guard and Reserve that was organized, trained, and equipped, and a Guard and Reserve that is supported by laws, rules, regulations, processes, et cetera, to be a strategic reserve. That is a reserve that would be primarily utilized if the balloon went up for WW III, mainly the threat that we face when the Guard and Reserve and all these rules, regulations, and laws were put into effect was the Soviet Union and the Warsaw Pact where the United States had a commitment to NATO with D-Day plus ten to have ten divisions in ten days and the active military was not sufficient so the Guard and Reserve would go over in large scale mobilization as a strategic reserve.

Another interesting thing that people don't remember is you never are going to be able to fight the Soviet Union and the Warsaw Pact with a volunteer force. You'd have to bring the draft back in right away. That's why selective service was reinstated by President Carter in the late æ70s.

People forget that.

So you have a force that was designed, trained, equipped, and supported for a strategic reserve that now is clearly an operational reserve. An operational reserve means that they are being called on every day to do the same thing the active component forces are being called on who are on active duty 365 days a year, who have elected to be on active duty, who have chosen that as their profession; whereas the Guard and Reserve people have come in with certain expectations of what that means. That is a profound shift.

Two comments on that in our preliminary findings: number one, whether or not that profound shift is feasible is an open question. It's something that we're going to look at on the commission and if it is feasible, whether or not it's sustainable. So those are two big questions that I think the commission will look at. There is evidence on both sides of the issue.

If you talk to people in the Pentagon, they'll say no sweat; they can do it in a cake walk in their sleep. They don't certainly say it like that, but they certainly wouldn't suggest that they haven't been capable of performing the mission.

You look at the results of the units that have gone over to Iraq and Afghanistan who served at home, they certainly have done exceedingly well. But on the other hand, is that the right policy? Should it be an operational reserve? If it is an operational reserve, is it sustainable? So the commission certainly will be looking to answer those questions.

But we know for a fact in that area, we know that the laws, rules, regulations, processes, procedures, how you organize, train, equip, fund, and support the National Guard and Reserve has not been changed from that that was designed for a strategic reserve. It has absolutely not been changed on the operational concept. So that's another area the commission will focus on.

Another preliminary finding that I think is well documented on the record by military and civilian leaders, and by our state and local leaders is the equipment issue. We met with one of the governors. We've got a very extensive outreach program going with all of the people that have a stake in these issues, which is not just the Department of Defense. The majority of stakeholders in these issues are probably not in the Department of Defense. They're probably in hometown America--businesses, employers, family members, the congressional members, the first responder community, the governors all have a right and a very decided opinion that bear on some of these issues.

One of our governors told us that his Guard brigade just got back and they're telling him that he will not have any equipment for four years. He said, Arnold, what am I supposed to do if we have a fire or we have a flood, what am I supposed to do? We have no equipment.

Having been on the Hill many years and having heard the siren cry of the active Guard and

Reserve about please add more money for equipment; I was a little bit skeptical because they would always like new equipment. That's an annual issue in the Congress, what do we do to add money for the Guard and Reserve because the active military a lot of times doesn't program it because they know that Congress is going to add it anyway.

I have frankly been surprised at the depth of the equipment issue in terms of the unavailability of important pieces of equipment for the Guard and Reserve, and frankly, for the active military as well.

The vice chiefs of the services, particularly the Army and the Marine Corps, came on very strong in our hearing about the equipment concerns. So the equipment shortfall is a very significant issue.

If you look at the new defense readiness system, which kind of evolved from the old defense readiness system, and as a former commander that had to submit readiness ratings, you know that there are three or four key things that determine whether a unit is ready to do its mission.

One is people. You have to have the right number of people and they have got to be trained in the right skill. That's called personnel readiness.

Two, you have to have the equipment and the equipment, not only do you have to have it but it has to be maintained and ready to use. You can have all the greatest people in the world and the greatest leaders. If you don't have the equipment, it doesn't work. So that's the Achilles' heel that the department is going to have to work very closely with Congress and with the units on in terms of this equipment.

I can identify the seriousness of the problem. I don't have any answers in terms of how you solve it, certainly here today, but with the commission, we have a sub-committee that is looking just at that on the equipping and training issue and what you do about it.

Those, I think, would be some of the preliminary findings and I didn't mean to give such a long first answer. I promise to be a little bit shorter on the rest of them, if you have other more detailed questions, I'd be happy to answer them.

Q: Let me follow up a bit on that. Your first bullet may have covered this, but if not, I'd like you to address it. It's the issue of the potential conflict between Title 10 and Title 32 responsibilities. I've been impressed over the past year or so watching the Air Force deal with the Air National Guard, and the governors, and the TAGs. There seemed to be times when you didn't know which organization was actually in control of the Air National Guard. The governors frequently said you can't close this base. You can't lay up this unit, because it's a state function. The Air Force said yes, we can, because it's a Title 10 issue.

Do you foresee a need for some fairly radical rewriting of legislation in order to clarify these kinds of command relationships or institutional control issues?

A: The command and control issue is one of the most difficult issues the commission would deal with. I'm not sure I would use the word radical, but it's absolutely, without question, the issues that you just raised, state status, Title 32 status, Title 10 status, who is in charge? Who owns them in peace time? Who owns them in war time? They absolutely have got to be clarified. The statutes have to be streamlined. Whether it's an operational reserve or a strategic reserve, or both, one of the statutory requirements is to look at the future roles and missions of the Guard and Reserve and Congress said, particularly as it relates to homeland defense. What is the appropriate role for the Guard and Reserve in homeland defense?

Common sense tells you it's going to be increased. Common sense tells you it's going to be enhanced. Common sense tells you that the Guard and Reserve is forward deployed in thousands and thousands of communities all across this nation. They are there on the scene. They know the people. They trained with the people. A lot of them were first responders. They know the territory. They know which roads flood when there is a hurricane. They know the territory and so they have an inherent advantage.

People that are experts in the emergency response business, whether it's natural or man made, tell you the first 72 hours are key. The 82nd Airborne is a great outfit. They are a great combat outfit. They can go anywhere in the world. They can't get to Mobile, Alabama when the Amtrak train goes off the trestle into Mobile Bay. But 3rd Force Recon, United States Marine Corps Reserve, right down the street with their scuba gear and their rubber raiding crafts got there within minutes and saved a lot of lives.

Intuitively you know that the Guard and Reserve is going to play an increasing role and the Northern Command and is a very important element of that command and control. So you know that intuitively. You know that the current system of who is in charge needs clarity and you owe it to the people that are going to be there to basically provide that clarity.

If you talk to a governor, they understand the word commander in chief. They will tell you they are the commander in chief of their state. I think it's pretty clear from the Katrina After Action Report that not one governor on the border states or the southern states that were affected, whether they were Democrat or Republican, expressed any interest in having the federal government come in and run their state. They did not want the situation to be federalized.

Having been around this a long time and having dealt with the governors over the years and the Congress, I think that's a pretty clarion cry and pretty consistent. It's not something that is new to Katrina. It's not something new in the last ten years. It's been that way. As far as I know, as a commander of Reserve Forces that get used in states, it was always very clear to us who was in charge in the state.

Just like when we deploy overseas, we're trained as military guys, that in a country the ambassador represents the President in his plenipotentiary capacity, not just as ambassador to that country. He's a senior rep. The military commanders always pay careful attention. I think our military back home has got to pay careful attention to the state governors. They will tell you they are the commander in chief of those Guard forces. They feel an obligation to the Reserve forces in their state as well.

If you look at a situation when the Guard and Reserve are mobilized, they are mobilized in their home states. When they are demobilized, they come back to their home states. They don't come back to Camp Lejeune, Camp Pendleton, Fort Bragg. Most of the places where they demobilize to, there are no large military installations. There is no infrastructure to take care of them. The communities in the state feel an obligation to take care of them. They don't have Walter Reed Army Hospital to basically deal with soldiers in a small town that has post traumatic stress disorder.

So the governors feel a real keen responsibility in what I call the organize, train, and equip function that we've always assumed was a Title 10 function, that a service chief feels. He feels like, the Chief of Staff of the Army says, hey I have a responsibility to make sure those Guard forces and those Reserve forces are organized, trained, and equipped to do their mission, the governors feel that same obligation.

So when the federal commander in chief talks about commander in chief, he's dealing with 50 other people that can see themselves to be a commander in chief as well. We are at loggerheads on that issue and it is certainly going to have to be clarified. There is ample evidence in the lessons learned that that needs clarity.

I think these statuses are very confusing. A lot of times the Guard is not as protected as they should be when they are called up in a state status. There are some disadvantages to the individual Guardsmen for being in a state status. There are advantages. If you are in a Title 10 status, you can't do law enforcement. If you are in a Title 32 status, you can do law enforcement. However, in a Title 32 status, if you're an Idaho National Guardsman and you are going to be sent on this mission to patrol the border, to back up the border patrol on the southern states, you have to follow the laws of the State of Texas in terms of the inherent right of self defense, not the inherent laws of the State of Idaho.

We owe it to our soldiers to basically not put them in situations like that. So again, another long winded -- this is an area that needs a tremendous amount of work, a tremendous amount of clarity, and one the commission is going to spend a lot of time on. But it's also one that should be done in a very thoughtful and deliberative way.

We've asked the American Bar Association to actually help us think through some of these

things. Jack Marsh, who testified a couple of weeks ago, has been working on this with George Mason University for about two years. This is not something that you change on the spur of the moment. This is something that you have to work through in a very serious, thoughtful, and methodical way.

But the bottom line is, if the Guard and Reserve were going to be as effective as we need them to be for homeland defense in the future, we've got to make some changes in the various categories and titles under which these forces are employed.

Q: This may be a roles and missions question but the UAVs going to the Air National Guard units seem like a clever idea to me as a layman, but there are all sorts of issues that have appeared. One is FAA hasn't cleared them for use of national air space. I guess some of the units don't want to give up their manned aircraft. Is this an example of how things are working or not working? Is this way to look at how to do it or is this a sign of failure?

A: That's not an issue I'm familiar with. But I would say to you if there is a unit that has Apache helicopters or they have fixed wing aircraft, whatever they are, whatever that mission is and somebody is coming in, I don't care whether they're Guard, Reserve, or active duty and saying we want you to be a UAV unit, typically they don't want to do that. So this is not something I think is probably unique to the Guard.

If somebody came in to me when I was an infantry battalion commander and said we want to turn you guys into MPs, I'd say over my dead body. MPs, that's not a glamorous mission. There is no glory in being a military policeman. I'm an infantry. I'm a Marine rifleman. So I would say if there is an issue of what is the proper mission of that particular unit and the people are pushing back, I suspect it has a lot more to do with just the nature of being in the military and typically the resistance any unit has to changing a mission they've had for a long period of time.

UAVs are the wave of the future in our military. They are extremely important. I would think that the Guard and Reserve, they would be very useful in situations they're going to find themselves in, whether they deploy overseas or they deploy back here at home.

I think that's just more of a unit mission issue. The eight Guard heavy combat divisions, the Guard struggled for years and years and years with not wanting to give up those eight heavy divisions that were not in any war plan and finally realized, why do we have units that the nation is never going to send to war? We like having tanks and things like that, but we ought to have missions.

I think that is one of the things we're going to look at, what are the appropriate roles and missions for the future for the Guard and Reserve? Then it takes time. It takes about five years for a unit to change its mission, to get the right equipment, the right training, the right skill sets.

That's another thing, when you look at the military, you just don't change them overnight. If you've been in an F-18 unit, well let's take for example the Marine helicopter units that are transitioning to the V-22, it takes about three years for them to retrain, retool, re-equip. So it's a long term situation but not something that relates to anything that's controversial. It's just the typical military mindset. I like doing what I'm doing now, don't give me a new mission.

Q: One of the issues I want to deal with, there is kind of a three way conflict in roles and missions in the Guard. One of them is the governors, what they want, the other one is the active services think that they need support, and then you've got the Guard associations and the lobby groups who say oh no, World War I, World War II, we were there. The other issue is the political appointment of the Adjutant General. That's been a rub for years. The Army is sometimes concerned that the troops are not commanded by a real professional. Have you guys [inaudible]?

A: We've certainly confronted those three conflicting forces already. It's obviously something we're going to have to sort through as we look at our recommendations. What you typically find in situations like that is, everybody has a valid point of view, but everybody can't win and so there's got to be give and take. That's why I think the department needs to reach out and do a better job of working with the governors and the state and local people.

As they take on the increasing mission of homeland defense, perhaps when the Department of Defense was totally oriented towards NATO and the Fulda Gap and the Soviet Union and the Warsaw Pact, it wasn't as important and civil defense was a function that the predecessor to FEMA was responsible for. But when you now know that our military forces, particularly the Guard and Reserve are going to be increasingly involved in missions that have been deemed in a national military strategy and everything else is just as equally important if not more important. The department is going to have to come up with mechanisms for working with the back home combatant commanders, the governors.

They certainly work with General Jones in EUCOM and they certainly work with General Abizaid in CENTCOM who are the combatant commanders that command and control our forces overseas. Well the governors are the combatant commanders here at home. They have the resources, so the department is going to have to work closely with them.

In terms of the Guard and the Guard Association, they have a long wish list, but so does everybody else. So what we're going to try to do in the commission is kind of move away from the constituencies and the parochial interest, I'm not suggesting they have parochial interest, but they have a vested interest in certain issues. Take the long term view. What are the future threats? What are the future requirements? How best then do you meet those requirements? What are the gaps? What are the roles and mission of the Guard and Reserve? What should be in the active component? What should be in the Guard and reserve?

One of the bridges that I think we're going to have to seriously look at is, and one of the reasons we have struggled with some of the issues we have today is the active duty military and the Department of Defense has a very, very difficult time allowing someone in the Guard and Reserve to be in charge of anything. It is just something that they're brought up with and they're just going to have to get over it and recognize that we have extremely capable leaders in the Guard and Reserve.

In my judgment, a Guard and Reserve flag or general officer, if they're the best qualified should not be precluded from being the commander of the US Northern Command, should the Secretary of Defense recommend that person to the President, should the President elect to nominate that person to the Senate and should the Senate elect to confirm that person, and should the President then elect to appoint that person. There is no reason that somebody with that kind of background and training, particularly given the kind of combat experience and extensive active duty experience our senior Guard and Reserve leaders have today, they certainly should not be precluded from serving in that position.

Q: You've dealt [inaudible] political issue of the Adjutant Generals. Some of them had Vietnam experience and a lot of them had come up in the peace time and never heard a shot fired in anger.

A: My impression there is the vast majority of TAGs have come up through the system. They have come up through the normal promotion system. Some states have an elected TAG, so they run for office and so that is state law. Let's face it; it's the prerogative of the governor.

I'm sure if you were to ask Secretary Rumsfeld whose prerogative it is to pick military leaders, he would say the civilian leader. The President would certainly tell you it's his prerogative to nominate his cabinet officials. Well the Governor would say to you, it's my prerogative to basically pick the leaders of my forces in my state. So you get back to this issue of who is in charge and I think that the Guard leadership has been extremely professionalized over the years and the vast bulk of them are federally recognized, meaning TAGs that have all the requisite background qualifications, they've been through the schools, the promotion systems, to be recognized as a two star Adjutant General. That, in my view, is a preferable way for the system to work.

On the other hand, we respect the governors and we respect the governors' right to pick their people. Most states, they also serve as the director of emergency preparedness. So they kind of are a dual hatted. But that also gets you back to this command and control issue in that who is going to be in charge?

If you go to a state where you've got a TAG or director of emergency preparedness that is not as well qualified as another state, that's another reason why the Department of Defense is sometimes reluctant to put Title 10 forces under state forces. So I think that's another one we're going to have to spend some time looking at and sorting through. There is no ready answer to

that.

Q: The capabilities and missions for homeland defense are different than what a Guard unit would be asked to do when they're deployed overseas in Iraq or Afghanistan. Given the limited training time, can the Guard be expected to do both or should they be reorganized to prioritize homeland defense?

A: Yes and no. I mean some are different some are not different. The military typically argues that if you're trained for the bigger mission you're also trained for the lesser included mission. Infantry battalions can do back home missions equally as well as they can do overseas missions.

I think what we have to focus on for the Guard and Reserve is what we would call dual capable forces. In other words, units that basically by their nature of their training and equipping are useful in overseas type missions, perhaps in phase four stabilization operations not so much in kick down the door 82nd Airborne missions. Those same forces then would be equally as adept at dealing with back home either natural or man made disasters.

It seems to me that the military is going to have to sort through the prioritization of training. That's another key issue for the Northern Command and for the Department of Defense. Military units live or die on what is called METLS, M-E-T-L-S, mission essential task lists. Those are the tasks that that infantry battalion is told they need to be ready to do.

So if you give my infantry battalion a METL for Afghanistan and I'm trained for the mission essential task list that I'm going to have to perform in Afghanistan, I'm not training for Katrina METLS. If you tell me that my mission essential task lists are the following set of tasks that will help in Afghanistan but also will help back home, that's what I'm training, organizing, and equipping towards.

It's an organizational training issue and a prioritization of the mission. You've hit the nail on the head. The military likes to argue that every unit can do everything. That's baloney. We know that's not true. I think they're going to have to bite some bullets and make some tough choices and prioritize certain units for homeland defense and certain units for overseas.

That's why I say this novel theory that we've heard espoused in certain quarters, well what the heck we've got the 82nd Airborne and the First Marine Expeditionary Force. We'll just send them to fight fires in Idaho and I'll scratch my head and say, well why would you want to take the world's premiere knock down the door shoot the bad guys outfits and also say, but yeah we'll use that at home too. That's just not the way the system works.

Those kinds of adjustments, the commission is going to look very hard at. How do we make a cultural change? How do we change, that's why I say, we haven't changed the organization, training, equipping, laws, rules, regulations, personnel management, to take into account that

we've got this operational reserve that's going to have a priority mission for homeland defense.

Q: Before we get to Will, I neglected to say that Arnold is the Executive Vice President of SAIC in the great city of McLean.

Q: I'm wondering if you could point out what you see as the most significant symptoms of problems that are emerging in the National Guard and the Reserve, recruiting or mobilizations, the way they've occurred. You've mentioned equipment. You know family complaints about deployments.

A: There is anecdotal information on both sides of the story. We do not have enough information and have not got into that issue enough in depth. We have a subcommittee headed by Patty Lewis who is one of the most knowledgeable people we have on the commission on all the issues--recruiting, retention, and family issues. She has extensive experience on Capitol Hill on our committee and also in the Pentagon. We need to kind of dig into that.

I would suggest to you that, my own personal instinct is, particularly having been a commander of large military units, that it's not as rosy as people would suggest. Those people that say, oh we're not having any recruiting and retention problems, I have my Capitol Hill skepticism in that area, because over the years in the late æ70's, as Pat Tao will remember, the Army and Marine Corps came up and said, oh the force is great. We've got the best quality we've ever had. The Army and the Marine Corps were in a death spiral at that point. They're saying now retention is great.

If you look at, for example, the percentage of young officers that are getting selected for promotion, it's almost 100 percent. That tells me--There are some leading edge indicators that I would look at if I was a healthy skeptic, if I was still wearing my Capitol Hill hat. As a commissioner, we're objective and we don't have enough information. But I have a healthy skepticism of rosy scenarios. I also have a healthy skepticism of the sky is falling scenarios as well.

I've been pleasantly surprised at how well they're doing in some of these areas, given the extensive nature of the deployments and things of that nature. So that's one where it ought to be based not on anecdotes. It ought not to be based on emotion. It ought to be based on cold, hard facts.

I do not believe we have enough information from the business community. There are those that believe that this one in six is not sustainable in the employer family community for the Guard and Reserve. In fact, there are senior Department of Defense officials that have told us privately, it is not sustainable. So I think this is something that we're going to spend a tremendous amount of time on. I think this is one of the most critical questions.

You can say all you want about having an operational Guard and Reserve. You can say all you want about they're going to have to be used more. The question is, can you sustain it? If you can't recruit and retain and you can't maintain family support, and if you can't maintain employer support--Look if these people wanted to be on active duty 365 days out of the year for ten years straight, they'd stay in the active duty military. They didn't elect to do that. They elected to go out, serve their time on active duty and go out in the Guard and Reserve and have other professions.

Q: If I can just jump in. You seem to be heading towards a conclusion that maybe the answer here is more active duty force structure, end strength.

A: No, if I've given you that hint, that is certainly not something the Commission or I would be prepared to talk about today. I would counter by saying, when people tell me we don't have enough people on active duty, I said okay; we have 1.3 million people in the active duty military. On any given day, generously maybe a couple hundred thousand are deployed. So I always ask myself, what are the other one million doing?

We have 800,000 drilling Reservists. We have 100,000 called up right now. We have 400,000 or 500,000 in the individual ready reserve. I'm not sure it's a question of the availability of the total manpower. If you look at the infrastructure in the Department of Defense, where the amount we spend on infrastructure in the Department of Defense is right around the 35th largest gross domestic product in the world.

The amount of money our Department of Defense spends on overhead is larger than most of the world's economies. We have a lot of people. We have battalions of veterinarians. We have divisions worth of administrators. We have a lot of non-trigger pullers. We have 287,000 military people serving in inherently non-governmental jobs in the Department of Defense.

Until somebody proves to me and the Commission will look at this writ large, but I'm kind of talking from my personal background and experience here, that we've squeezed every ounce of combat out of the force we're paying for right now. I would be a skeptical observer of those that suggest that, well the real answer is, all we need to do is increase the size of the military.

The Air Force and the Navy certainly don't believe that because they're cutting the size of their active duty military. The second part of that is, of course the cost of the all volunteer force and the cost of the active duty military.

If you look at what's happened in the last five years, and I'm just saying those are the statistics I remember. This has been happening since the advent of the volunteer force, the average cost of active duty military manpower, the way they budget in the Department of Defense, they call it a full time equivalent, in other words if you're going to have 100,000 people on active duty, you need to have a budget figure to plan and put it in there, is about \$64,000. It's now closer to

\$160,000 depending on what you add in because of the cost of the fringe. They're paying the accrual cost of the TriCare for life. They're paying the accrual cost of military retirement. They have all these other fringe benefits.

If you really want to look at this, get David Walker's JAO report that he put out a couple of months ago. It is eye watering when you look at what the real costs of the active duty military is. So I do not believe from an economic standpoint that that's going to be something that is the default position when you talk about, well maybe we can't use the Guard and Reserve as much. I think we have to take a hard look at the balance.

I would say to you, the other side of that too is, if you look at the burden for the taxpayers, I think we should always be mindful of the taxpayers; the Guard and Reserve are a bargain for the taxpayer. When you look at what you pay to get the same capability in the Guard and Reserve, a Marine infantry battalion in the Reserve is 70 percent cheaper than a Marine infantry battalion in the active component. It depends on what kind of unit it is. But the Guard and Reserve typically are a pretty big bargain for the taxpayer.

Q: You alluded earlier to President Bush's announcement yesterday on using the Guard to support the border patrol. I'm wondering if you can give your professional assessment or personal opinion about whether that creates any heartburn from your point of view. Is it appropriate use and is it an excessive use of the Guard at this point?

A: I think from a commission standpoint, our immigration policies are not something the commission is looking at, not something that we're going to be involved in, not something we have any real expertise in. So I would not want to comment on it from a commission perspective.

My general observation would be the President's decision underscores this issue that the Guard and Reserve are now operational. It really underscores the operational nature of how people are viewing that capability. They are not thinking about it as a strategic reserve because it's obviously not being called up in emergency. It's being looked at and being called up to handle day to day kind of responsibilities.

Again, I think it just underscores the profound shift that we've seen in how our Guard and Reserve is being used. So the lesson for us on the Commission is to look at this situation. It's replicated time and time again here at home and overseas, and understand whether or not that's a feasible position, meaning the change from strategic to operational and is it sustainable? So I think that's where our focus will be, rather than looking at whether it makes sense as it relates to our immigration policies and things of that nature.

Q: Could you give your personal opinion on whether this might represent sort of a slippery slope scenario where the Guard would be used on other border missions and other non-traditional?

A: I would point you back to an amendment from a young Congressman from San Diego, Duncan Hunter. I'm trying to remember when he had that amendment. Pete Wilson was a Senator from California. There was an amendment in the House and Senate to seal the borders of the United States of America using the U.S. Military. It didn't pass in the Senate, but it actually passed in the House. I think we faced it in conference.

As I recall, the Department of Defense was adamantly opposed to it because of the amount of manpower it was going to take. I can't remember if it was 80,000 or 800,000 troops it was going to take to seal the borders. So one might just go back and look at the legislative history of this issue. On the other hand, I would say our Guard and Reserve has been used quite effectively and we intentionally in the Congress--Bottom line, this is a policy issue for the Executive Branch and the Congress to make a decision on.

The Executive Branch was opposed when the Congress was interested in using the Guard and Reserve in counter-narcotics and using the military in counter-narcotics. The department said, terrible thing. We're here to put a bayonet in the heart of a North Korean. We're not here to stop illegal drugs from coming into the United States of America.

Senator Nunn and Charlie Bennett and others said, well wait a minute, we've got this tremendous command and control capability, surveillance capability, intelligence capability, and put in place a very thoughtful but contained way of the military assisting. The Coast Guard got on ships and of course they have law enforcement responsibilities and this sort. So you now have maybe a 20 year history of our Guard and Reserve being used in Joint Task Force 6 in counter-narcotics. So those are missions if they are done in a thoughtful way, taking into account the restrictions that you need to take into account, they can make a meaningful contribution.

I think again, the key for us is, having been burdened by history and knowing something about some of these things, things that seem very controversial at the moment, over time prove to be not that controversial. We're going to be taking kind of a long-term view, getting away from the day to day in-box and hoping not to get caught up in some of the day to day conflicts. That's going to be sort of how we look at it.

Q: I was going to ask you about counter-drugs, but since you kind of talked about it, I won't. I used to be represented by Congressman Hunter when I was in San Diego. In fact one of your Commission members --

A: Kay McKinnon, yeah.

Q: Well, no.

A: And Wade Rally.

Q: Yeah, Rally actually help build the fence.

A: He's an expert on borders. So we've got a lot of help on our commission on the border issue.

Q: What about healthcare, the TriCare and all that, the family support aspect? You kind of touched on it as part of one of the legs upon which the Guard and Reserve stand upon. How in-depth is the commission going to be looking at those issues?

A: Patty Lewis is going to look at that in incredible depth. The key to the active and Guard and Reserve is looking at these fringe benefits and fringe packages. If the Commission was to basically agree with those that are suggesting it's an operational reserve and we've already said that if that's the case, everything that is in existence now is antiquated, so to speak.

One of the things you've got to have is a seamless ability to bring people on and off active duty. In other words, healthcare portability is an essential element of that. When they go from status to status, it's a nightmare for the military member and their families when it comes to healthcare. It's just an absolute nightmare.

People are very reluctant to make changes in status because of the way it affects their family's healthcare. So if the Department of Defense is going to insist that they go to an operational concept for our Guard and Reserve, they're going to have to make the adjustments to make the transition more seamless.

The same thing, I go back to what we talked about, state status, Title 32, Title 10 status, there are a gazillion pay categories. They are just mind boggling, the number of statuses that Guard and Reserve people can be brought up. It would drive even the General Accounting Office nuts and they're people that love looking at the arcanity of accounting rules. It just makes no sense in the modern world that we're in right now. So there has got to be a lot of streamlining in all these areas.

That's something that our subcommittee headed by Patty Lewis is already spending a tremendous amount of time looking at. We know ROPMA is outdated, Reserve Officer Personnel Management Act. DOPMA is outdated. All these provisions were put in place before even the peak of the Cold War.

If you're going to have a Guard and Reserve that is organized, trained, and equipped to deal with the future threats and roles and missions that are appropriate for them, we know it's not going to be in the same context of the way that they are currently governed by statute, since all of those statutes were put in place in the æ50s, æ60s, and 70's for the most part.

Q: Do you foresee a time when the model of the two weeks a year, one weekend a month, will go out the window in terms of training? I understand you have to walk the fine balance. I'll speak to

the idea of elevating the Guard Bureau to Joint Chiefs.

A: Two points on that, one I would say that if there is a model of two weeks and 39 days, I'm not sure that's the model now. My last 10 years in the Reserves, I don't ever recall that being the model of any organization I was associated with. I think since Desert Shield/Desert Storm, there are a lot of Reserve component activities that have gradually moved away from the two weeks and the drill every weekend model.

But your point is well taken. That is a fundamental organizing principle we have for our Guard and Reserve today. David Chu and others have talked about a continuum of service model and a seamless integration model. That's something we're going to look at very, very carefully.

It's clear that we've got to move away from the old model. Even though in practice that that has been occurring just because of the nature of what the Guard and Reserve has been doing, again the policies, rules, regulations have not been adjusted to take that into account.

On the issue of making the head of the National Guard Bureau, a four star general and a member of the Joint Chiefs of Staff, that's an issue that came up in the Congress from time to time in years past and we dealt with. The commission is required by an amendment to the House Armed Services Committee bill to look at that on an expedited basis and make a report back by March 1st, 2007. We will take an objective look at that. We will examine that in the overall context and put it in perspective as part of our overall comprehensive look at the future of the Guard and Reserve, their roles and missions.

I think people do not appreciate however, the profound nature of the change that that legislation, if enacted, would have. It is a fundamental altering of the Goldwater/Nichols relationships established in 1986 as it relates to the Secretary of Defense, the Secretaries of the Army and Air Force and the Chairman of the Joint Chiefs, and the Combatant Commanders.

We haven't taken a position on it. We are open minded on every subject. Goldwater/Nichols took four years to basically develop and pass. This is not legislation that you kind of pass on the spur of the moment. It deserves a thoughtful comprehensive look by both our commission as well as the Executive Branch and the Legislative Branch. We have committed to the leadership of the two authorizing committees to do that.

Q: A broader, philosophical question. The relationship between the regulars and the militia has been contentious since Washington's time and we've seen it get pretty poisonous, the 40th Brigade I guess was the--

A: Right.

Q: It always struck me when I was watching this unfold when we were together on the Hill. One

of the problems was when you looked at Guard units certainly above battalion, maybe even above company, in the minds of the regulars, you were dealing with guys and you never saw them perform. It was all, can they handle--

A: Yep.

Q: Once every ten years a Guard brigade went out to Fort Irwin, but other than that it was all paper play. Now, if you count from Bosnia, we're now ten years downstream of using the Guard in this much more operational role. I wonder whether, as you watch this relationship, not just in the context of the commission, do you see a sense that now that we're actually dealing with ground truth in terms of what Guard units can do and can't do, on both sides of the relationship, do you see any change? Now that we've seen the 29th Division, for heaven's sake, go over and run things in Bosnia.

A: I think there is a grudging appreciation and admiration of what the Guard and Reserve has been able to do in combat. I think if I was somebody that had been on active duty for 30 years it would be a difficult thing to admit that people that allegedly only train 39 days a year and drill on the weekends could come over and perform well in combat because, wait a minute, I do this 365 days a year. How could they possibly know as much as I know?

We know that the Guard and Reserve have some inherent advantages. They're more mature. They're more experienced. A crew one time asked me, because I was sending a rifle company when I was the 4th Division Commander down to Panama to take over for the active duty rifle company and he says, well Arnold have you got a good lieutenant or captain in charge of your platoon that really knows what they're doing? I said no, sir, I don't. He says, oh gees, I can't believe it.

I said, well I have a chief warrant officer five that's been a platoon commander for ten years. That's who is in charge of my platoon. We went down there and we had less incidents, less disciplinary than the active. So there are some inherent advantages there.

I think there is a grudging admiration behind the scenes. Certainly publicly they never badmouth the Guard and Reserve. Our leaders don't badmouth the Guard and Reserve. But there has always been that tension.

I think the Guard and Reserve however need to be realistic. That is, they certainly can perform well at the company level. They certainly can perform well at the battalion level. I don't think that most military analysts and even the Guard and Reserve themselves would expect to see a Guard or Reserve division deployed on the field of combat and operate it as a division. Heck, the active duty military, the Army doesn't even have divisions anymore.

I think you have to be realistic about what level of integration works. Certainly on the air side

they're every bit as good, in fact they're probably more experienced. They win all the competitions all the time. But they're employed at a different level as well. So I think the key there is being realistic about what you're able to attain in terms of training and equipping a unit, and the leadership of that unit.

Certainly we've seen examples, disgraceful examples of poor leadership and poor training like the units that in the Army Reserve that ran Abu Ghraib. There are reasons for that. Some of the reasons are because they don't train them well. They don't select their leaders the same way other reserve components select their leaders. In other words, some units still use the old boy network. That's not a good way to pick leaders. But there have been active units that haven't performed well either.

The general answer to your question is I think we have the most experienced Guard and Reserve we've had in our lifetime. They've got tremendous combat experience and operational experience. We should come up with policies, rules, regulations, and procedures to take advantage of that and not basically let that sort of atrophy and go back because the country is going to need that capability. Whether you're a strategic Reserve, and I know one thing we can say from a commission standpoint, whether we come down on the side of whether it ought to be operational or not, we know we need a strategic Reserve. That goes without saying.

You're going to have to have that and you'd like to have a strategic Reserve that has that kind of operational experience. We don't want to lose that.

Q: I'd like to ask on the type of equipment you mentioned at the top. Are there specific types of equipment that you see where shortfalls are?

A: Yeah.

Q: And is it also an issue of too, just modernization in general? Can you talk about that?

A: I think it's both, but I think it's mainly just wearing it out. Things that should have a ten year lifetime, when you use them in combat for a year, you basically wiped out most of their useful life. It's trucks, it's Humvees, it's helicopters, it's engineer equipment, it's bridging equipment, some of it's the armored personnel carries.

Helicopters are notoriously hard to maintain. When you operate them as hard as they're being operated now, the stuff just flat wears out. So this is not really an issue of gee whiz, we don't have the Joint Strike Fighter or gee whiz, we don't have Future Combat System or gee whiz, we don't have some of the latest gizmos. This is just basic nuts and bolts kind of equipment without which you can't go to war.

You can't go to war at home or abroad without trucks that work. It's just fundamental. And

Humvees and water, and fuel, and fuel transportation, command and control, radios wear out. It's just basic stuff.

Q: Is the commission going to make specific recommendations for providing that equipment or does the Guard sort of develop its own estimates of what they need?

A: We're spending a lot of time trying to find out what is the nature of the problem, what is the bill. This one is a pretty simple one because equipment, either you have it or you don't, and if you don't have it you have to buy it. This isn't one where you can, okay we could really take people that are working in the overhead parts of the Pentagon that are military and put them in the trigger puller parts of the Pentagon. There is no big pool of trucks out there somewhere waiting to be, they have the grease taken off them and crank the engine up and roll them into combat.

Equipment, either you have it or you don't. The question is, what is the process? If you're going to have an operational Guard and Reserve and you're going to have this kind of OpTempo on the active side, what is the department doing in terms of taking and recognizing that the wear and tear on the equipment in the mean time between failure has changed significantly from the peak of the Cold War? And what are your funding mechanisms? What is your process for ensuring that you have that money in the budget?

Again, when it comes to equipment, it's like we found out when we try to up-armor Humvees. You can't just walk out the door and order something and have it delivered next week. In many cases equipment is a four and five year lead time, just like the governor that said, they're telling me I'm not going to have any equipment in my brigade for four years. It is a long lead time item.

The thing that has surprised me on the equipping end is the extent to which the active military is so outspoken on the subject. So that tells me it's a huge, huge problem. They're up there beating the drums. I'm used to the military coming up to Congress and okay, we've got the largest budgets we've ever had but we've got a wish list of \$2 billion over and above that.

The stuff they're talking about now is pretty basic. They're very concerned about it. If you see the Pentagon leaders in the hallway, they're worried about this basic stuff, trucks, com gear, helicopters, and again the Guard and Reserve has that same concern.

Q: Okay, you're next. There are a couple more, Jenn and then Lisa, then we'll finish up.

Q: This is kind of a follow-up on the equipment question first. I guess so it's more of an issue of the stuff wearing out versus Congress or the Administration not providing enough in the first place? Is it more of an issue of it kind of wearing?

A: I think on this one it's mostly wearing out. Congress always adds equipment. Congress had an

account called the National Guard and Reserve equipment list because they knew historically the Pentagon didn't budget for all the equipment the Guard and Reserve needed so some years it was a billion, 1.2 billion, and Congress said, wait a minute this doesn't make any sense. You guys in the Pentagon, you should be budgeting for this and planning for it. So they started doing a better job of getting it into the baseline budget so the NGRA account would go down from year to year, but it's a tradeoff.

Modernization has always been a tradeoff. I think the squeeze on modernization is coming from two points. One is the cost of the personnel and fringe benefit costs, and the escalating cost of healthcare in the Department of Defense is soaking up a lot of money. Two, the cost of operations. When you pay those two bills first, you kind have must pay bills, you don't have as much money left for research and development in modernization as you would like.

Q: Do you see it like, with the homeland defense mission kind of bigger, different kinds of equipment having to be drawn in as well, or do you think that most of the war fighting equipment can also be --

A: The M1-A1 common tank is not much use in a hurricane, but it has a lot of uses in certain scenarios. I think what we have to do on the equipment thing, what we're looking at is, and again I don't attribute this to the commission because the Congress actually started doing this in the late æ80s, dual capable equipment. In other words, trying to outfit the Guard and Reserve with equipment that is useful overseas as well as at home and maybe orienting some of the units in those kinds of missions and that way you can get a two for. You buy the equipment and it is useful in scenarios overseas. But to do that people have to make sacrifices.

Some of the units that live to basically invade North Korea with all that heavy combat gear are going to have to basically take a deep breath and understand that protecting the lives and property of their families and their citizens at home is probably just as important of a mission as putting a bayonet in the heart of a North Korean. So it's a cultural thing for the military.

That's something that we will look at as we look at the appropriate roles and the missions, and the prioritization of those roles and missions over the longer term.

Q: Yeah, I picked up on that same thing. You were talking about roles and missions changing. You are talking about the Guard playing a larger role in homeland defense and then President's announcement about border security. You were talking earlier about how the Guard could be sort of, it's not sort of one size fits all. It's hard to train for major combat and then do all kinds of different missions.

What are the future challenges ahead that you see in terms of dividing the Guard and different homeland security missions and keeping them relevant if they need to deploy overseas?

A: I think the country needs to basically sort out and sort through the future threat environment. The administration has basically put forward in the QDR the long war theory. They are organizing the military around that. We also know from a lot of other reports and the 9-11 reports, and we also know just from common sense that we face threats at home that we didn't face before. We also know in catastrophic situations whether it is a pandemic or whether it's a manmade disaster involving weapons of mass destruction that our military and our Department of Defense is going to have a greater role than they have now. They should because it's a military situation. If you would face it overseas, it would be a no brainer for our military to be involved. To me, the corollary is it's logical here at home as well.

You have to make choices when you're organizing, training, equipping your military. You have to make choices between what's the role of the Air Force, the Army, the Navy, Marine Corps, and Coast Guard and make difficult choices in terms of who should do what and what should the priority be. Then you have to make choices between the active component and Reserve component. What makes sense to be in the active component? What makes sense to be in the Reserve component? What are the cost of benefit ratios? Who can best meet that threat?

Then you have to make choices as a component, like the National Guard, in terms of things you have traditionally done that you have enjoyed doing and you have done exceedingly well, like deploy overseas and take over the Sinai mission, take a division to Bosnia, perform well in combat in Iraq and Afghanistan. But in the final analysis, the military does what the nation wants it to do. It does what the American people expect them to do.

The key for us is what are the future requirements? What is it that we expect our military to do and particularly what is it we want our Guard and Reserve to do? If that means they're going to have to change the prioritization of some of the missions they do today then so be it. We don't have the answer for you here today, but that is really one of the fundamental things that we are looking at and looking at it over the long term. It's a very emotional subject for a unit.

Again, you kind of hit on that, If you go into the Marine Corps and you tell the Third Force Reconnaissance Unit that they're going to be no longer a recon unit with grease paint and 14 grenades on their bandoleer and three bayonets, but you're going to be an intelligence battalion because we need for you to learn a lot more about the threats that are facing us in the particular area that you operate in, that's very emotional.

But the point is that we don't organize, train, and equip our military based on what the people in the military like to do. We do it based on what the threats are and the requirements, and what the taxpayers are paying for. I can't tell you what they are, but there is no question that the roles and missions are going to have to change because we largely have in the active and Reserve, roles and missions that we've inherited from the Cold War.

That doesn't mean they haven't changed. Our military and our Pentagon change more rapidly

than just about any institution. They're very quick to adapt. But the fundamentals and we still have pretty much the third, third, third split between the Army, Navy, and Air Force in terms of how the budget is allocated with what little is left after we pay for healthcare and fringe benefits.

[Laughter].

Q: This is sort of relating to Pat's. We hear an awful lot of lip service given to oh it's a seamless thing to go overseas. The Guard and Reserve look exactly the same as the active duty. But I get the sense that the Army is very beleaguered right now and that if push comes to shove that the leadership is going to sacrifice the Army Reserve and Guard in favor of the active Army when it comes to budget in the equipment and everything else. Do you get that feeling?

A: Two points I would make there. Number one it's not seamless. It should be seamless. It's not seamless. But that is not something that is unique to this last year. That's been in place for a long time and people are working very hard to make it seamless.

There again it comes back to the nature of, if you're going to have an operational Guard and Reserve, you've got to change a lot of the laws, rules, regulations, policies, and procedures for people moving back and forth in the various statuses. Number two; I'm not in a position based on the work we've done to date to give you an answer about the Army's motivations in terms of what their tradeoffs are in terms of the budget. The commission will look hard at that, because I think it's important from an organizational standpoint.

This is one of the issues that I think is motivating the legislation. Although the people in the Senate, Kit Bond and Pat Leahy that are sponsoring the legislation, to make the head of the Guard Bureau a four star, they've had that belief for ten years. So they don't come to this lately, this is not a political issue for them; this is a deeply held belief. They have always felt like the Reserve component and the Guard in particular has not had a proper seat at the table. That's why I started with the point that a lot of this, not a lot of it, but some of these problems can be solved when you talk to people. When you sit them down at the table and say, okay here is what we're facing, here is where we are, and here are three or four options that we can do to deal with this issue, please give us your professional military judgment.

Q: But it's the leaders that are saying, but everything is fine. We all get along great. There has never been a better relationship between the active and Reserve components.

A: I don't know whether they're saying that or not, because I haven't heard that. But I would suggest to you that when you have a press conference on Capitol Hill in the last week and the Adjutants General of a number of states showed up in uniform to support a piece of legislation that the Pentagon opposes, I would suggest to you that's probably pretty good evidence that the relationship is not exactly what it needs to be.

But I don't know whether they're saying that it's great. But as I started again, I think that our Pentagon leadership and I believe General Keating in the Northern Command is a very appropriate person to enhance and get a better dialogue going with the commanders in chief of our 50 states.

Q: We're out of time.

A: Okay, great. I sure appreciate it. Thanks a lot.

END TEXT