



Office of the Secretary of Defense
Reserve Forces Policy Board
Quarterly Meeting Minutes
Wednesday, June 13, 2012 (0800-1500)
Secretary of Defense Conference Room, 3E863



Members Present

1. MajGen Arnold Punaro, USMCR, Retired - Chairman
2. VADM John Cotton, USNR, Retired
3. Maj Gen Anita Gallentine, USAFR, Deputy Chief of Staff for Installations and Logistics HQ USAF
4. SGM Gary Martz, USAR, Senior Enlisted Advisor to the Reserve Forces Policy Board (Non-voting)
5. Ms. Paulette Mason – Delaware Chair, Employer Support of the Guard and Reserve
6. MajGen Darrell Moore, USMCR, Director - Reserve Affairs
7. Dr. John Nagl, President, Center for New American Security & Minerva Fellow, US Naval Academy
8. Mr. Sergio Pecori – President & Chief Executive Officer of Hanson Professional Services Inc.
9. RADM Russell Penniman, USNR, Reserve Deputy Commander & Chief of Staff, U.S. Pacific Fleet
10. Maj Gen James Stewart, USAFR - Military Executive of the Board (Non-voting)
11. The Honorable Gary (Gene) Taylor - Former Congressman from Mississippi
12. MG R. Martin Umbarger, ARNG, The Adjutant General of Indiana
13. MajGen Leo Williams III, USMCR, Retired

Invited Guests

1. MG Marcia Anderson, Deputy Chief Army Reserve (IMA), Office of the Chief, Army Reserve
2. RADM Steven Day, USCGR, Deputy Commander for Mobilization and Reserve Affairs
3. BGen James M. Lariviere, USMCR, Former RFPB Board Member
4. Major General Kenneth A. Bouldin, USAR (Ret), RFPB Fellows Society
5. Mr. Jerome Howard, Army Photographer
6. LTC Bernd Zoller, OASD (RA) Photographer

Briefers

1. Mr. Michael Murphy, Chief, Security Operations, Enterprise IT Services Directorate
2. The Honorable Jessica L. Wright, Assistant Secretary of Defense for Reserve Affairs
3. The Honorable Ashton B. Carter, Deputy Secretary of Defense
4. The Honorable Erin C. Conaton, Under Secretary of Defense (Personnel & Readiness)
5. General Charles H. Jacoby, Jr., USA, Commander, U.S. Northern Command

RFPB Staff

1. Col Michelle Obata, USAFR
2. COL Robert Preiss, ARNG
3. Col Mary Salcido, ANG
4. COL Timothy Lynch, USAR
5. Col Reidar Larsen, USMCR
6. CDR Steve Knight, USNR (DFO)
7. LTJG Stephen Cheng, USCGR
8. CWO4 George Rubesha, USCGR

9. SMSgt Joyce Voyles, USAFR
10. Mr. Paul Briggs, DoD Contractor
11. Mr. Paul Kellerman, OSD Intern
12. MSgt Kristen Lattimer, USAFR
13. Maj Darryl McLean, USAFR
14. LT Alisa Harkins, USCGR

Public Observers

1. Mr. Richard Wightman, OASD (RA)
2. Mr. Paul Patrick, OASD (RA)
3. Ms. Liz Wilson, OASD (RA)
4. Mr. Jon Hastings, OASD (RA)
5. Mr. Ron Young, OASD (RA)
6. Maj Gen James Rubeor, USNORTHCOM
7. Mr. William Eckert, USNORTHCOM
8. LTC John Paul Cook, USAR
9. LtCol Andrew Ryan, USMCR, OASN (M&RA)
10. Mr. Brent Glover, WHS IPM Team
11. Mr. Brian Barn, OASD (RA)
12. Mr. Mark Waterson, WHS IPM Team
13. CDR Kyle Gatzmeyer, OASN (M&RA)
14. LtCol Mike Nichols, OASN (M&RA)
15. Mr. John Newman, OASA (M&RA)

Chairman Punaro called the Reserve Forces Policy Board to order at 0800 hours.

Chairman Punaro offered the following Administrative Announcements to the Board.

- As required by the Federal Advisory Committee Act (FACA), the Designated Federal Officer is present and has pre-approved the opening of this meeting and its agenda.
- There will be a closed portion of the meeting allowing for the potential discussion of classified information. The NORTHCOM Commander, DEPSECDEF, USD (P&R), and ASD (RA) will present comments to the board which could get into classified topics. COL Timothy Lynch is the Board's Security Manager and will provide guidance as necessary as we proceed through these closed portions of the meeting.

Chairman Punaro introduced MG Marcia Anderson as the USA nomination to the Board.

- Chairman welcomed MG Anderson to the Board.
- Chairman offered a description of MG Anderson's current military duties and civilian employment to Board members.
- MG Anderson is the Deputy Chief Army Reserve (IMA) at the Office of the Chief, Army Reserve. She is currently serving on full-time orders supporting the Army G-1 staff. Her previous assignment was the Deputy Commanding General, United States Army Human Resources Command, Fort Knox, Kentucky. In her civilian capacity, she is a Clerk of the Court, United States Bankruptcy Court, Madison, Wisconsin.

Chairman Punaro announced the USAF nomination of Lt Gen Jimmy Sherrard (USAFR) (Retired).

- Chairman discussed the status of Lt Gen Sherrard's appointment package, including support from USAF leadership including GEN Breedlove (VCSAF) and SEC Donnelly (SECAF).
- Maj Gen Stewart confirmed that the appointment package for Lt Gen Sherrard was with the USD (P&R).

Chairman Punaro asked Maj Gen Stewart to verify administrative announcements comply with FACA requirements.

Military Executive verified compliance with FACA requirements.

Military Executive provided additional administrative announcements to the Board.

- Computer Training for Members to Access DoD system - Newly appointed Special Government Employees (SGE) do not have access to material available to Regular Government Employee (RGE) board members. OSD has allowed a pilot program for RFPB Board SGE members to have access. Maj Gen Stewart highlighted the importance of system access and training for SGEs to enable access to current information. Chairman asked about access to other shared sites – Maj Gen Stewart answered that capabilities and access would develop over time.
- Reappointments – Maj Gen Stewart reminded members that their appointments to the board are for three years, but require annual certification by SECDEF. He asked members to submit required documents in accordance with timelines requested by the staff to facilitate administrative processing. Chairman Punaro highlighted the importance of recertification by relating an experience he encountered while a member of the Defense Business Board (DBB) where appointment of the DBB Chairman lapsed. He emphasized the importance of timely submission to allow for administrative processing.
- Association - Informed members of the creation of the Reserve Forces Policy Association as a means for members and staff to pool funds for shared expenses such as meals, greeting cards, coins and similar recognition gifts. The organization complies with Section 501(C) 7 of IRS rules for social clubs and is supported by member dues and assessments. The Chairman reinforced the voluntary nature of any member contributions.
- RFPB Fellows Society – Introduced the creation of the RFPB Fellows Society, a non-profit organization of former RFPB members and staff (briefed later by MG Bouldin), that will take over responsibility for running the Citizen Patriot award program.
- Annual Meeting – Maj Gen Stewart reminded members that the next board meeting is scheduled for 5 September at the Fort Myer Officers Club. The meeting will include a business session open to the public, followed by an evening dinner in the ballroom. Chairman Punaro confirmed that current planning is for a meeting followed by dinner and that members could travel the day prior to the meeting.
- New members and Sub-committee assignments – The Board will have to consider new subcommittee assignments. The Board is anticipating that MG Anderson will replace Maj Gen Gallentine on the Continuum of Service subcommittee. Maj Gen Gallentine's appointment expires in August and the Board will bid her farewell at its September meeting.
- The Chief of the Army Reserve requested Board Members attend his retirement at Comny Hall, Fort Myer at 1000 hours, 2 July 2012. Staff will send a reminder to members via weekly e-mail. Chairman asks staff to disseminate a card for board members to sign thanking LTG Stultz for his service, in the event they are unable to attend the ceremony.

Computer Training – Mr. Michael Murphy, Chief, Security Operations, Enterprise IT Services Directorate

- Mr. Murphy discussed details on how to remotely access DoD e-mail, provided essential training, and issued CAC-like Alternate Token cards to Special Governmental Employees so they can receive materials needed to conduct RFPB business.
- Equipment provided by Mr. Murphy provides access to OSD e-mail accounts, Board e-mail distribution lists, and Early Bird news distributions.
- To provide access, the following items were distributed: CD-ROM with “how to” presentation; a Card Reader; and a special Alternate Token Card similar to the CAC card issued to RGE members. The current remote access does not work with Apple Macintosh products, but another vendor is working a solution for that platform. The items distributed work with most Windows platforms to include: Windows 7, Windows XP, and Windows Vista.
- Mr. Murphy concluded with a briefing on log-on procedures.

Chairman directed preparation of the room for transition to closed session.

Chairman announced - “As publicly announced in the Federal Register, the Reserve Forces Policy Board now moves into CLOSED SESSION. I ask that any members of the General Public now leave the room and that the Designated Federal Officer assure me that only authorized persons with appropriate security clearances are in the room. Once I have that assurance, we will proceed.”

DFO confirms that only authorized persons with appropriate security clearances were in the room.

RFPB commences business in closed session.

Closed Session Summary

- Assistant Secretary of Defense for Reserve Affairs (ASD RA) - The Honorable Jessica Wright
Ms. Wright provided comments and observations related to her recent appointment as the Assistant Secretary of Defense (Reserve Affairs). Ms. Wright introduced her senior staff and stated they are committed to maintaining a close working relationship with the RFPB.
- Commander, Northern Command - General Charles H. Jacoby
General Jacoby provided comments and observations on current and future Homeland Defense and support to civil authorities from his perspective as the Commander, United States Northern Command/North American Aerospace Defense Command. He observed that the United States has a Total Force which needs to be preserved as the Department works its way through the current budgeting challenges. He highlighted the need for “Total Force Sourcing” for missions inside the homeland and the importance of overcoming existing funding obstacles. Finally, he emphasized that training and exercise funds are critically important for homeland readiness.
- Deputy Secretary of Defense - The Honorable Ashton B. Carter
Dr. Carter provided comments and observations on a broad array of policy and programmatic issues facing the Department of Defense. Dr. Carter noted that costing policies should include the reserve components.
- Under Secretary of Defense for Personnel & Readiness - The Honorable Erin C. Conaton
Ms. Conaton provided comments and observations related to her recent appointment as the Under Secretary of Defense (Personnel & Readiness). Ms. Conaton indicated that she had cleared her calendar to attend the September meeting of the RFPB.

RFPB concludes business in closed session.

Lunch is served and Chairman Punaro introduces MG (Ret) Kenneth Bouldin of the RFPB Fellows Society

- MG (Ret) Ken Bouldin recounted his former service on the Reserve Forces Policy Board.
- Informed the Board of the formation of the RFPB Fellows Society – a non-profit and independent organization continuing the tradition of the informal RFPB alumni group, but revised to comply with FACA requirements.
- MG (Ret) Bouldin took on the task of reestablishing the organization so that prior members and staff may stay informed and connected to the RFPB. It is neither an official advisory nor lobbying body. The Fellows Society membership does, however, possess a significant amount of experience that can be shared with current RFPB Board members.
- Identified Mr. George Rubesha as the current Secretary/Treasurer of the Society.
- Discussed the transition of responsibility for oversight of the Citizen Patriot Award from the RFPB to the Fellows Society. He also discussed the importance of the independent nature of the RFPB and potential conflict of interest as the impetus behind transitioning the award program to the Fellows Society.
- The Chairman reinforced the importance of FACA compliance. SGM Martz discussed unit award solicitation; he is already working with RC Chiefs. Maj Gen Gallentine reminded members, that they too can engage their RC Chiefs to ensure appropriate nominations. Ms. Wright also offered to highlight the request with the RC Chiefs at her next meeting with them.
- RFPB Fellows Society Website will be available sometime in June 2012.
- Chairman offered thanks to the Fellows Society and assistance in accordance with FACA and other rules and regulations that may apply; discussed 501C4 IRS status of the Society.
- Maj Gen Stewart thanked MG (Ret) Kenneth Bouldin for taking the lead in standing up the society.

Chairman transitioned to open session briefings for board consideration, deliberation, and action.

- Announced open session and introduced Maj Gen Stewart and the RFPB Cost Methodology Project.
- Noted that the effort is not a subcommittee report, but a collaborative effort of the staff, Reserve Component experts, Active Duty personnel and members of the ASD RA staff.
- Chairman announced that based on discussion with DEPSECDEF, the Board can consider changing the listed observations to recommendations if the Board is willing.
- Chairman acknowledged advice from DEPSECDEF on packaging and perceptions, and provided guidance to consider how to comply. Project is not intended to be an “us-versus-them” analysis.

[1205] Maj Gen James Stewart, RFPB Military Executive, presented the RFPB’s on-going Costing Methodology Project to the Board

- Goal is to point out to senior decision-makers that there is a distinct difference in the cost of active versus reserve members, which is especially relevant in a fiscally constrained environment.
- Chairman noted the tough and complex nature of the analysis presented.
- Chairman directed task group to review “Fully Burdened” and “Life Cycle” costs of service members.

- He also wanted the group to be “honest brokers” in providing advice to the SECDEF; the project is a work in progress.
- Maj Gen Stewart mentioned that it was a challenge to get agreement on definitions in order to provide informed analysis.
- He described the brief as an update, not yet thoroughly vetted, and must be worked with appropriate stakeholders.
- There is current guidance, in the form of DTM 09-007, but it is temporary in nature and an official DoD Instruction is being worked. Working product does not include all of the data available nor does it include RC costing tables. DTM contains costing guidance for Contractors, Civilians, and Active Military Personnel for programming costs, but not reserve component personnel.
- He insisted that the study was not intended to advocate for a reduction in active component force structure.
- He acknowledged that there are differing views on costing factors and advocated for a common methodology for determining the fully burdened cost of each of the manpower sources. He mentioned that the Department requires contractors to include overhead costs in their costing figures, why shouldn't DoD?
- Challenge is to determine what factors should be included in the fully burdened cost. RFPB will ultimately have to agree to disagree with some of the Services on which costing elements are included.
- There are potential policy issues with the current guidance. Guidance is lacking on component costing for the Services.
- Described the layered cake approach in working with various organizations inside and outside of DoD to build and vet the costing model. He is currently working in Layer's 1, 2, and 3 (Reserve Components, Active Components, and CAPE/Comptroller) for vetting the costing methodology. Maj Gen Stewart reviewed previously conducted studies. CNGR review found RC costs 28% of AC. The OASD RA Comprehensive Review found RC units cost 25-33% of an AC unit. Both did not fully address overhead or life cycle costs. Observations from those studies demonstrate DoD lacking in defining the “Fully Burdened” and “Life Cycle” costs for service members of either AC or RC forces. There is no process in place to develop an annual “Fully Burdened” and “Life Cycle” cost for senior DoD decision makers to use; thus, they do not know what the real costs are for AC and RC service members.
- Described proposed definitions of “Fully Burdened” and “Life Cycle” costs.
- He showed a pie chart showing that for Fiscal Year 2011, RC force constituted 38% of the force structure, but accounted for only 16% of the Military Personnel Account funds.
- He went on to explain that accounting for all costs is a difficult undertaking. The funds provided to Service members by other governmental agencies needs to be included when determining the “Fully Burdened” cost. The Department of Education, the Department of Veterans Affairs and the Treasury Department all budget resources that impact DoD and costing for service members. The RFPB is trying to ensure these costs are captured.
- Maj Gen Stewart and his staff did a “top down” look at the Fiscal Year 2013 Department of Defense budget of \$533B using the Department's “Green Book” and found that the RC cost is about one third of budgeted resources when all DoD overhead costs are distributed to the components. The review did not capture the resources budgeted by the Department of Education, the Department of Veterans Affairs, and the Treasury Department. A further discussion with these organizations is needed before determining a final “Fully Burdened” cost.
- The Board, led by RDML Penniman, engaged in discussion regarding operational usage costs – man, train, equip – associated with using active and reserve forces. This idea was offered as a counter to the current method which includes aggregating additional costs such as procurement, research, development and operational costs.

- Chairman highlighted that the discussion is similar to that heard by the staff, in that it is difficult to gain a real consensus on costing elements across the various Service departments.
- Maj Gen Stewart then discussed “Life Cycle” costs using the examples of retirement and health care. He graphically showed the differences between the average “Life Cycle” costs for Active and Reserve members (using the pay grades O-5 and E-7). The graphs pointed out the dramatic difference between AC and RC members, showing significantly lower costs for the RC; about 33% of the AC costs.
- He expressed his opinion that DoD leadership is not fully aware of the true cost of manpower when making policy and programmatic decisions because accurate data is not provided to them.
- The DoD Comptroller’s Financial Management Regulation (FMR) 7000.14R lacks Composite Rate tables for the Reserve Components and the Cost Assessment and Program Evaluation (CAPE) Directorate’s DTM 09-007 (soon to become DoD Instruction 7041.XX) lacks reserve data as well. Having this data is important when making AC/RC mix decisions.
- Maj Gen Stewart concluded by making recommendations for the Board to consider.

Recommendation 1. The Director of CAPE should establish permanent DoD policy (DoD Instruction) that covers “Fully Burdened” and “Life Cycle” costs for individual military members of both the active and reserve components, and report these costs in an appropriate annual report.

Recommendation 2. The Under Secretary of Defense (Comptroller) should update current DoD FMR 7000.14R, Volume 11A, Chapter 6, Appendix I, to include guidance to develop Military Composite Standard Pay and Reimbursement rate tables for the Reserve Components.

- The Chairman suggested that these recommendations were timely and was open for further deliberation and/or approval.
- A motion was made to approve the recommendations to the Secretary of Defense; they were seconded; voted upon by voice vote; and approved.
- The Chairman observed that the challenge will continue for the team to accurately capture all outside costs in order to properly account for “Fully Burdened” and “Life Cycle” costs.

[1345] VADM (Ret) John Cotton, Subcommittee Chair, provided an update from the Insuring a Ready, Capable, Available and Sustainable Operational Reserve subcommittee.

- Reviewed Chairman’s direction to the subcommittee to review three major focus areas: Operational Reserve, Medical Policy, and Base Realignment.
- Presented findings on Operational Reserve regarding lack of consistent policies governing the “Total Force”. Chairman asked what policy is lacking when considering comprehensive policy on the “Total Force”. VADM Cotton replied that current DoD policies individually and collectively are insufficient and disjointed. Chairman asked if the last “Total Force” policy was signed out by Secretary Cohen. Chairman also suggested it would take time for the Department to work this policy. He offered that the Board should give Ms. Conaton an opportunity to review some of the issues and continue to work for further deliberation in September.
- Chairman suggested the Board look at recommendations for leadership transitions after the election.
- Chairman also asked for background material to facilitate discussions with Ms. Conaton.
- Medical Readiness – VADM Cotton described numbers of RC service members with undetermined medical readiness status. VADM Cotton noted that a significant number of the

personnel with undetermined medical status were Army personnel. VADM Cotton described current DoD/VA Virtual Lifetime Electronic Record and the absence of RC participation in the development and testing. Chairman asked if these are larger departmental recommendations or if they were solely the purview of the USD (P&R); recommendations fall within Ms. Conaton's responsibilities. Chairman suggested that the subcommittee visit with Ms. Conaton to discuss.

- Mr Williams asked if the board, as a matter of procedure, should assess costs associated with the recommendations it makes. Chairman suggested that where possible, the Board should consider the costs of their recommendations.
- Base Realignment – VADM Cotton described political context for BRAC, the existence of excess base capacity in the department, and recent service chief testimony that was not helpful in supporting the department's effort. Chairman observed that given the fact that there will be no BRAC round in Fiscal Year 2013, the RFPB has time; subcommittee efforts soften the battlefield. VADM Cotton noted Gen Handy's concern with the RFPB taking a stand on BRAC. Since the DoD will not formalize the process between now and the election, the Board should work it informally within the Department. The Chairman observed that the Board was not taking a position on BRAC, that it was discussing the process within DoD. Mr. Taylor commented that DoD could not show savings from the last round of BRAC and further suggested that the Board not be seen as advocating for a BRAC round. The Chairman acknowledged the comment, but directed the subcommittee to continue their work.

[1415] Ms. Paulette Mason, Subcommittee Chair, provided an update from the Supporting Service Members, Families and Employers subcommittee.

- Ms. Mason highlighted key issues associated with the DoD form DD214. Policy on use of the DD214 is not consistent with the operational nature of the reserve components. Board is engaged with on-going efforts within the Department and will continue to monitor these efforts. The DD214 form documents RC service of 90 days or longer or a wounded RC member's service. Obtaining the DD214 form requires the use of a manual system. An OSD Working Group is considering automation of the DD214 to facilitate the creation of the document. The Veteran Administration (VA) is not concerned with awards and retirement points for RC members, but with the documentation of service that triggers VA benefits.
- SGM Martz discussed the potential for using forms other than the DD214 to document service for the purpose of obtaining VA benefits. VADM Cotton suggested a DD214-R with selected Reserve Component fields. SGM Martz described the existing National Guard Form 22 as a possible alternative. The Chairman suggested including some of these ideas into the current on-going effort.
- Ms. Mason described other issues the subcommittee will be considering, including Reserve Component Survivor Benefit Program disparities based on RC duty statuses. SGM Martz described on-going collection actions against deceased RC service member's families who were overpaid. The subcommittee will provide an update during the RFPB September Board meeting on this topic. Ms. Mason also discussed the need to evaluate RC augmentation at Soldier and Family Assistance Centers (SFAC), RC augmentation to Wounded Warrior units, and the Department's Disability Evaluation System.

[1435] MG Martin Umbarger, Subcommittee Chair, provided an update from the Enhancing DoD's Role in the Homeland subcommittee.

- MG Umbarger reported on the status and impact of RFPB recommendations contained in their report, "New Policies and Clearer Funding Flows for use of RC Forces in the Homeland," approved at the last board meeting. MG Umbarger described the impact of the product,

including inclusion of articles in the National Guard magazine, Army Reserve Forces Policy Committee endorsement to the Secretary of the Army, posting on the National Governor's Association website, DoD Complex Catastrophes memo including recommendation #1, and on 17 May 2012, Secretary Stockton and Acting Secretary McGinnis signing a memo implementing RFPB recommendation #1 on Title 10, Section 12304a authority.

- Additionally, the DoD Comptroller is updating their regulations to reflect the use of emergency response funds recommended by the Board (Recommendation #4); however, funding will remain a challenge.

[1440] Maj Gen Anita Gallentine, Subcommittee Chair, provided an update from the Creating a Continuum of Service subcommittee.

- Their subcommittee has met three times since the last board meeting. Discussions included focusing on "Transition Points".
- Noted Chairman's signing of their paper, "Avoiding Past Drawdown Mistakes to Enhance Future Total Force Capabilities" that was forwarded to SECDEF. Report is being staffed and the suspense for staff action has been extended to the end of June for review and input. To date, there are no policy objections or negative responses. The subcommittee will continue to monitor progress of the recommendations through the DoD staffing process.
- Maj Gen Gallentine noted inclusion of their subcommittee's recommendations in recent publications, including the Carnegie Council Newsletter, American Forces Press Service, and the National Guard Association Magazine.
- Maj Gen Gallentine stated that the subcommittee, with MG Anderson coming on-board as Subcommittee Chair, will focus on areas dealing with comprehensive human capital management strategies. Specifically, these areas will include: looking at easing movement between AC, RC and civilian life over the duration of a career; exploring pay/personnel systems integration; and adopting inclusive transition centers.
- The Chairman thanked Maj Gen Gallentine for her service as the Subcommittee Chair and stressed the importance of the Continuum of Service effort. He noted that industry spends a tremendous amount of effort in their human capital management, while DoD pays it short shrift.
- The Chairman directed the RFPB staff to include Continuum of Service information in the "transition paper" product they will produce.

Maj Gen Stewart made closing administrative announcements.

Chairman Punaro closed the meeting of the Reserve Forces Policy Board at 1500 hours.



Arnold L. Punaro
Major General, USMCR (Ret)
Chairman, Reserve Forces Policy Board