



CHAIRMAN

OFFICE OF THE SECRETARY OF DEFENSE
RESERVE FORCES POLICY BOARD

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MAY 6 2013

FOR: SECRETARY OF DEFENSE

FROM: MajGen Arnold L. Punaro, USMCR (Ret), Chairman, Reserve Forces Policy Board

Arnold L. Punaro
SUBJECT: Strategic Choices and the Reserve Components

- The Reserve Forces Policy Board (RFPB) is a federal advisory committee established in law to provide you with independent advice and recommendations on strategies, policies and practices designed to improve and enhance the capabilities, efficiency, and effectiveness of the Reserve Components.
 - On September 5, 2012, Secretary Panetta asked the Board to provide advice and recommendations on the best way to use Reserve forces in support of the President's Defense Strategy and determine the right balance of Active and Reserve Component forces.
 - The RFPB met on April 3, 2013 to discuss an interim report of observations concerning these topics. As you lead the Department with the Strategic Choices and Management Review and the Quadrennial Defense Review and the FY15 POM, the Board felt it urgent that it convey some key observations for your consideration as part of these reviews. Our final report will be completed shortly after our Board meeting on September 5, 2013 and will include recommendations on making the Guard and Reserve even more cost-efficient.
1. Continue Operational Use of the Reserves – The Reserve Components can, have, and should continue to be employed operationally to help meet the needs of the Nation, both at home and abroad. Continued operational use of the Reserve Components offers a number of benefits. It helps to maintain the experience, skills, and readiness gained through twelve years of war for both military personnel leaving active duty and the 850,000 Guard and Reserve personnel who have been mobilized. It frees up Active Component Forces to ensure their availability to source no-notice contingency warfighting requirements. It acts to reduce Active Component deployment tempo and aids in the preservation of the All-Volunteer Force. To that end, the Department should regularly plan, program and budget for Reserve Component operational use under your new 12304b authority. In the RFPB's view, recent decisions to "off-ramp" Reserve Component units from assigned missions in the Balkans and Sinai are troubling, and will not result in long-term cost savings. The Reserve Components were essential to the successful conduct of the campaigns in Iraq and Afghanistan. They have also been effective at supporting the aforementioned enduring missions for over a decade as well as operations in the homeland. They can be counted on to perform their assigned missions effectively and professionally. The Board strongly urges the inclusion of specific

guidance directing continued use of the Reserve Components in appropriate departmental planning documents.

2. Ensure an Affordable and Balanced Force Mix – The steadily increasing fully-burdened and life-cycle costs of active duty military manpower and the “all-in” support costs of the volunteer force will either drive further reductions in active component structure or result in unwise trade-off among personnel, training and modernization. The Department must make smart decisions about military end strength and force mix. The Reserve Components offer an affordable option, retaining capability and capacity that can be used when needed. Making arbitrary cuts, for the sake of component equity, does not make sense. The Board strongly recommends the preservation of Reserve Component capabilities and that the Department should actively consider the Reserve Components to mitigate the increased risk associated with further Active Component end strength reductions either intentional or unavoidable as a result of declining resources. These are urgent issues worthy of consideration in your Strategic Choices and Management Review.
 3. Include Consideration in Strategic Reviews – Reserve Component matters have been frequently afterthoughts in major departmental reviews. The 2010 Quadrennial Defense Review is but one example. The law requires the report include “the anticipated roles and missions of the reserve components in the national defense strategy and the strength, capabilities, and equipment necessary to assure that the reserve components can capably discharge those roles and missions.” Yet, the 2010 QDR omitted this required section and instead directed the Assistant Secretary of Defense for Reserve Affairs to produce a separate Comprehensive Review of the Future Role of the Reserve Component. The resultant Comprehensive Review was largely ignored by most of the Department’s staff and the Military Departments and it was unable to address issues associated with cost. This error should not be repeated. As you have said, the challenges facing the Department of Defense are significant and require a review with everything on the table. To that end, serious consideration must be given, up front, to Total Force use, force structure, and mix in both the Strategic Choices and Management Review and in the Quadrennial Defense Review. To assure effective dialogue on these topics, the Board urges you to include these considerations in the guidance you provide to the on-going and future reviews. Specifically, the governance structures should include key defense officials with responsibility for Reserve Component oversight, including the Under Secretary of Defense (Personnel and Readiness), the Assistant Secretary of Defense (Reserve Affairs), as well as senior Guard and Reserve Component leaders.
- As required by the Federal Advisory Committee Act, the observations were deliberated upon in an open, public session (TAB A). In that spirit, a copy of this letter will be posted to the RFPB web site. Background information about the RFPB is at TAB B.

COORDINATION: NONE

Prepared by: Maj Gen James N. Stewart, 703-681-0600

TAB A



Office of the Secretary of Defense
Reserve Forces Policy Board
Quarterly Meeting Minutes
Wednesday, 3 April, 2013
RFPB Skyline Conference Room



Members Present

1. MajGen Arnold Punaro, USMCR (Retired) - Chairman
2. MG Marcia Anderson, Deputy Chief Army Reserve (IMA), Office of the Chief, Army Reserve
3. VADM John Cotton, USN (Retired)
4. Maj Gen Michael Edwards, Air National Guard, The Adjutant General of Colorado
5. Gen John W. Handy, USAF (Retired)
6. The Honorable Grier Martin, Former Member North Carolina House of Representatives
7. SGM Gary Martz, USAR - Enlisted Military Advisor to the Reserve Forces Policy Board (Non-voting)
8. MajGen Darrell Moore - Mobilization Assistant to the Commander, US PACOM
9. Mr. Sergio Pecori - President & Chief Executive Officer of Hanson Professional Services Inc.
10. RADM Russell Penniman, USN, Reserve Deputy Commander & Chief of Staff, U.S. Pacific Fleet
11. Lt Gen James E. Sherrard III, USAFR (Retired)
12. Maj Gen James Stewart, USAFR - Military Executive of the Board (Non-voting)
13. Ms. Maria Vorel, Retired FEMA Disaster Operations Coordinator
14. RADM John Welch, US Coast Guard Reserve
15. MajGen Leo Williams III, USMCR (Retired)

Invited Guests

1. Mr. Paul Patrick, DASD (Readiness, Training and Mobilization)
2. Mr. Robert Smiley, Principal Deputy, ODASD (Readiness, Training and Mobilization)
3. MG R. Martin Umbarger, ARNG, The Adjutant General of Indiana
4. MG Bert Mizusawa, Assistant to CJCS for Reserve Matters
5. Lt Gen Joe Lengyel, Vice Chief of the National Guard Bureau
6. MG Scott Gorske, Assistant to CJCS for National Guard Matters
7. SGM Michael E. Biere, Nominated Enlisted Military Advisor to the Chair of the RFPB

RFPB Staff

1. Col Mary Salcido, ANG
2. COL Timothy Lynch, USAR
3. CAPT Steve Knight, USN (DFO)
4. Mr. Alexander Sabol, DoD Civilian
5. Mr. Paul Briggs, DoD Contractor
6. LT Alisa Harkins, USCGR

Public Observers

1. Mr. Bobby Green
2. Maj Doug Dickson
3. Mr. Jerome Howard
4. Mr. Brent Feick
5. Mr. Richard Robichaud
6. COL Virginia Zoller
7. Mr. Daniel Ernst

8. Mr. Leopold Medina
9. Mr. Terry O'Connell, Former RFPB Chairman

0845 - Chairman Punaro called the Reserve Forces Policy Board to order and provided 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.
- The Chairman welcomed members and guests.
- The Chairman noted that while the Board was conducting a telephonic meeting, it was open to the public in accordance with the Meeting Notice posted in the Federal Register.
- The Chairman noted the presence of a Quorum with DFO confirmation.
- The Chairman asked MG Umbarger, The Adjutant General for the State of Indiana, to describe recent decisions by the Army to “off-ramp” Indiana National Guard units from planned deployments. As background, the Chairman reminded members of the comments made by MG David Baldwin, The Adjutant General of California, during the Board’s September 2012 meeting that suggested the Active Army would be taking over missions previously performed by the Army National Guard.
- MG Umbarger described repeated mobilization and “off-ramping” of units from the 76th Brigade Combat Team and the associated impacts including: employment turbulence, missed educational opportunities, and the termination of TRICARE benefits for families.
- Mr. Patrick described DoD fiscal and policy perspectives regarding the Army’s decision. He added that the Army is preparing an order to address the mitigation of negative impacts associated with the off-ramping of National Guard and Reserve units from assigned missions.
- Mr. Robert Smiley added that about 30 other units could be off-ramped, and reinforced Mr. Patrick’s comments about the positive effort put forth by the Army to mitigate negative impacts.
- The Chairman asked the Operational Reserve Subcommittee to monitor future “off-ramping” of National Guard and Reserve units, looking specifically for potential changes to policy.
- The Chairman asked the RFPB SEA to monitor the status of TRICARE benefits for off-ramped units.

0918 - Military Executive provided additional administrative announcements to the Board.

- Noted requirements for member participation in the telephonic Board meeting.
- Noted requirements for the annual member renewal process.
- Noted Board efforts to reduce the cost of operations under sequestration.
- Reminded members of the offer by the RFPB Fellows Society to provide expertise to subcommittees.
- Updated members on the status of the RFPB Annual Report for Fiscal Year 2012, which has been transmitted by the Secretary of Defense to the President of the United States and to the Congress as required by law.
- Reported the transfer of RFPB records dating from 1947 to 2000 to the National Archives.
- Updated members on the Board’s Annual Meeting scheduled for September 5, 2013.

0922 - Maj Gen James N. Stewart provided an update on the RFPB Cost Methodology Project.

- Noted that the RFPB Cost Methodology Report was delivered to the SECDEF on 11 January, and that it was simultaneously made available to the public on the RFPB website.

- Noted that the report was assigned by the SECDEF's office to the DoD Director of Cost Assessment and Program Evaluation (CAPE) for official Department comment.
- Noted that the report has generated a great deal of discussion both inside and outside the DoD community to include the news media and public policy forums.

0924 - Board commenced business in Open Session.

0925 – Hon. Greer Martin, Task Group Chair, provided an update from **the SECDEF Strategic Question Task Group.**

- The Chairman reminded members of the four questions that Secretary Panetta asked the RFPB to address during his meeting with the Board at the September 2012 meeting. He further reminded members of the establishment of an RFPB Task Group to address the questions and noted that the Task Group would offer its initial set of interim observations related to the Future Use of the Reserves and on the topic of Force Mix.
- The Chairman recommended transmitting hard-hitting observations, quickly, to Secretary Hagel to inform on-going dialogue on the strategic direction of the Department.
- Mr. Martin offered background and context that informed the development of Task Group observations.
- Mr. Martin offered members the following observations:

Observations on the Future Use of the Reserve Components

Observation #1

- The role the Reserve Components should play in our national defense is twofold – as an operational reserve and as a part of the nation's strategic reserve. The Reserve Components can, have, and should continue to perform both roles simultaneously.
- As an operational reserve, the Reserve Components should continue to provide forces to help meet both steady state peacetime engagement and contingency requirements of the Combatant Commanders – both at home and abroad.
- As a part of the strategic reserve, the Reserve Components should maintain capability and capacity to help reduce the national military risk associated with support to major theater war, long-term stability operations, or other combinations of significant or protracted force requirements.
- VADM Cotton expressed concern that the description of the “Twofold” roles is unnecessarily limiting. He offered that it should express the ability of the Reserve Components to perform multiple roles, some of which are currently undefined.
- Ms. Vorel suggested the need for additional discussion of the use of the National Guard and Reserve in the Homeland.
- The Chairman reinforced the need to expand on the use of the National Guard and Reserve in the Homeland.
- Maj Gen Edwards expressed that, in the Homeland, the National Guard sees itself as always being postured for operational employment.

Observation #2

- As DoD leadership conducts its analysis of the "the anticipated roles and missions of the Reserve Components in the national defense strategy" during the 2014 Quadrennial Defense Review and

preparation of its Report in accordance with Title 10, Section 118, the twofold role of Reserve Components should be considered.

- The Chairman suggested that, in its observations to the SECDEF, the Board should convey the need to ensure that senior defense officials with Reserve Component oversight responsibilities be included in the QDR governance structure.

Observation #3

- When writing the FY15-19 Defense Planning Guidance, key DoD agencies need to ensure they require the Military Departments to Plan, Program, and Budget for the recurring use of Reserve Component forces to meet both civil support and Combatant Command operational needs using the recent 12304a and 12304b authorities provided by Congress.

Observation #4

- Adapt the Global Force Management process to annually identify those operational requirements suitable for Reserve Component use to facilitate Service planning, programming, and budgeting for the activation and employment of Reserve Component forces under the 12304b authority.

Observations on Force Mix

Observation #1

- During the conduct of the 2014 Quadrennial Defense Review, establish a Force Structure Issue Team to “define the force structure necessary to execute the strategy” to include determining the optimal Active and Reserve Component force mix to meet projected demands.

Observation #2

- Examine the feasibility (including fully-burdened cost) of increasing the capability and capacity of the Reserve Components to help mitigate risk associated with additional Active Component force structure reductions.

Observation #3

- Examine those capabilities where there has been a persistent operational shortfall and determine if it is appropriate to establish or increase those capabilities in the Reserve Components.

Observation #4

- Direct the Department of the Army to conduct a test to assess the effectiveness of replacing, within its redesigned Brigade Combat Team structure, one of the three Active Component maneuver battalions with a National Guard maneuver battalion of the same type.
- Provide a report that captures the cost and accesses the effectiveness of this integrated Brigade Combat Team.
- The Chairman commented on the Army’s previous roundup-roundout program. He offered that such a program would allow the Army to maintain a greater number of Brigade Combat Teams at a lower cost.

Observation #5

- Examine those mission capabilities where the Reserve Components have a distinct advantage, due to their exposure to new technologies in the workplace (i.e. cyber, UAVs, etc.).
- MajGen Williams noted the challenges associated with establishing new Reserve Component units.
- MG Anderson suggested that the Department look at a new personnel model for emerging requirements, like cyber, that might look more like the career model for doctors and lawyers than more traditional Army branches.
- MG Mizusawa cautioned that while cyber was once a good fit for the Reserve Components, the requirements have evolved and might not be as good a fit as they once were.
- RADM Penniman initiated discussion on Slide 7 (Primary Missions of the US Armed Forces), which concluded in member consensus that the Reserve Components do, in fact, contribute to each of the missions described.
- The Chairman made a motion to express the intent of the Board, in the form of a letter report from the Chairman to the SECDEF, outlining key observations with the intent of influencing the Secretary's Strategic Choices and Management Review. The motion was seconded and approved without objection.

The Chairman announced - each Subcommittee will now update the Board on the status of their efforts. If there are recommendations to be considered by the Board for possible delivery to the Secretary of Defense, we will deliberate on those proposed recommendations as they come up.

1035 - VADM (Ret) John Cotton, Subcommittee Chair, provided an update from the Ensuring a Ready, Capable, Available and Sustainable Operational Reserve Subcommittee.

- VADM Cotton provided an update on the subcommittee's previous Base Realignment and Closure (BRAC) related recommendations from the December 2012 Board Meeting. He noted that, if approved, the Under Secretary of Defense (Personnel and Readiness) and the Assistant Secretary of Defense (Reserve Affairs) would be added to Key BRAC governance bodies.
- Maj Gen Edwards asked about the role of the Chief and Vice Chief of the National Guard Bureau in future BRAC rounds.
- The Chairman suggested that they might appear as advisors, to the committees, on National Guard basing and operations in a non-federal status.
- MG Gorske reinforced the importance of having the National Guard represented, so the ability of the National Guard to conduct missions in support of the Governors isn't jeopardized.
- COL Lynch provided an update on the subcommittee's review of BRAC 2005, including the organization, process, and selection criteria used to inform DoD leadership judgments regarding the realignment and closure of DoD facilities.
- COL Lynch noted that the selection criteria used in BRAC does not specifically consider use of DoD bases, facilities, and airspace for the conduct of Defense Support of Civil Authorities.
- COL Lynch also noted the absence of a Joint Cross Service Work Group for the consideration of consolidation of Service Reserve Component bases and facilities into Joint bases and facilities.
- VADM Cotton provided an update on the Subcommittee's previous recommendation on defining the phrase "Operational Reserve."
- Members discussed the phrases "Operational Reserve" and "Strategic Reserve." Mr. Patrick offered "differential service" as a bridge that can span the broad range of requirements for active duty in formations associated with the "Operational Reserve" and "Strategic Reserve."

1115 – Maj Gen James Stewart, Subcommittee Member, provided an update from the Supporting Service Members, Families and Employers Subcommittee.

- Maj Gen Stewart presented background on disparities in the distribution of survivor benefits resulting from the death of Reserve Component members in different duty statuses.
- He noted that duty statuses affect the distribution of benefits to surviving family members under other programs as well.
- Maj Gen Stewart noted the recent Quadrennial Review of Military Compensation and its recommendation to reduce the number of Reserve Component duty statuses from 32 to 6.
- Maj Gen Stewart noted that a recommendation similar to that proposed by the subcommittee was proposed in the DoD 2012 Unified Legislative Budget (ULB) cycle, but that it was not forwarded to the Congress for consideration.
- He noted broad support for efforts to resolve the inequity in survivor benefits.

Recommendation #1

The Secretary of Defense should direct the DOD staff to provide a Unified Legislative Budget (ULB) proposal supporting on-going legislative efforts by Congress to remove the distinctions between “Active Duty” and “Inactive Duty” as they apply to the Survivor Benefit Plan and Reserve Component Survivor Benefit Plan. The ULB should include provisions that address:

- Removal of the word “active” from “active service” to enable equitable treatment under provisions in Title 10, USC, Chapter 73, Subchapter II, Survivor Benefit Plan, section 1451(c)(1)(A)(iii).
 - The calculation of annuity payments awarded to qualifying survivors.
 - Eligibility of the surviving spouse or children of the reserve component member.
 - Eligibility of surviving spouse for the Special Survivor Indemnity Allowance.
 - Benefit calculations based on a disability rating of “total”.
- A motion was made to forward the recommendation to the Secretary of Defense. The motion was seconded and approved by the Board without objection.

1125 – Maj Gen Mike Edwards, Acting Subcommittee Chair, provided an update from the Enhancing DoD’s Role in the Homeland Subcommittee.

- Maj Gen Edwards provided an update on the status of the subcommittee’s recommendations from its April 2012 report on “New Policies and Clearer Funding Flows.”
- Maj Gen Edwards also provided an update on subcommittee progress on its review of “Funding for NG Support to Presidential Nominating Conventions.”
- He discussed expanding the scope of the review to funding for National Guard support to National Security Special Events (NSSE).

1135 - MG Marcia Anderson, Subcommittee Chair, provided an update from the Creating a Continuum of Service Subcommittee.

- MG Anderson provided an update on the status of the subcommittee’s recommendations from its April 2012 report on “Avoiding Past Drawdown Mistakes to Enhance Future Total Force Capabilities.”
- She provided an update on the subcommittee’s review of Department efforts to adapt the DD214.

- MG Anderson also provided an update on Reserve Component Duty Status Reform.
- MG Anderson described challenges to reducing the number of duty statuses and identified the Integrated Pay and Personnel System (IPPS) as an enabler to future progress.
- SGM Martz recommended the Board closely monitor the development and fielding of IPPS.

1145 - RFPB concluded business in "Open Session".

1148 - Meeting of the Reserve Forces Policy Board adjourned.

A handwritten signature in dark ink, appearing to read "Arnold L. Punaro", with a long, sweeping flourish extending to the right.

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

The Reserve Forces Policy Board – Basic Overview

The Reserve Forces Policy Board (RFPB) is a federal advisory committee mandated by law in the Office of the Secretary of Defense to "serve as an independent adviser to the Secretary of Defense to provide advice and recommendations to the Secretary on strategies, policies, and practices designed to improve and enhance the capabilities, efficiency, and effectiveness of the reserve components." As required by statute, the board also produces an annual report which the Secretary of Defense transmits to the President and Congress on reserve component matters the board considers appropriate to include in the report.

The board consists of 20 members; a civilian chairman, a general/flag officer from each of the seven reserve components, a two-star military executive, a senior enlisted advisor, plus ten other U.S. citizens, who may or may not be government employees, with significant knowledge of and experience in policy matters relevant to national security and reserve component matters.

The board is supported by a staff consisting of a Colonel or Navy Captain from each of the six DoD reserve components. There is also a Coast Guard staff officer. These officers also serve as liaisons between their respective components and the board. The law requires them "to perform their staff and liaison duties under the supervision of the military executive officer of the board in an independent manner reflecting the independent nature of the board."

Established in 1951, the board is one of the oldest advisory committees in the Department of Defense.

In the National Defense Authorization Act of 2011, Congress significantly revised the operating framework and membership of the RFPB. Previously, other than the chairman, the board included only DoD officials and made recommendations through the Assistant Secretary of Defense for Reserve Affairs. In 2008, the Commission on the National Guard and Reserves recommended that the RFPB's governing statute (10 USC 10301) be amended because the board was not structured to obtain and provide directly to the Secretary of Defense a wide range of independent advice on National Guard and Reserve matters due to the nature of its membership and its subordination to other offices within DoD. The revised law was effective 1 July 2011.

On 12 September 2011, retired Marine Corps Major General Arnold Punaro was sworn in as the first chairman of the board under the revised structure. Other new members were sworn in at an organizational meeting on 13 October.

The board is organized into four subcommittees: Sustainment, Readiness & Availability of the Operational Reserve; Continuum of Service / Personnel Policies; Homeland Operations; and Support for Service Members, Families & Employers. Subcommittees meet as required. The full board meets quarterly. The RFPB website is at <http://ra.defense.gov/rfpb/>.