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“As Delivered Remarks”

The Guard and Reserve-A Battle-hardened Bargain for the Warfighters and Taxpayers

Generals Grass, Vavala, Hargett, former chiefs, Adjutant Generals, other distinguished guests, members of the national guard, it is a privilege to be back at your annual convention 21 years after I spoke to you in Hawaii in 1991 about efforts at the end of the Cold War to drastically reduce the capability of the National Guard and reserve.

Those proposals were pushed by then Secretary of Defense Dick Cheney and then Chairman of the Joint Chiefs General Colin Powell as part of a significant drawdown of our forces.

I was the Staff Director of the Senate Armed Services Committee working for its Chairman Senator Sam Nunn — there was no ducking this issue.

Those proposals were wrong then. They would be wrong now.

We didn't let it happen then. We shouldn't let it happen now.

I did get into it a bit at the Governor's reception last night. First I was taking grief from a specialist about whether Army basic combat training or Marine Boot camp was harder. I gave up when my wife Jan said — get over it — he was the BCT class honor man this past August at Ft. Jackson and he's also our son. Specialist Daniel Punaro is now a proud member of the California National Guard as he completes his MBA. I also had the opportunity at Ft. Jackson to meet some of the other soldiers going into the Guard. One was in his third year at University of Virginia law school. Another — a CEO of a

growing IT company in Arizona and there were a number of high school valedictorians. The Guard does have the cream of the crop that will be rising to the top over the next 20 years.

As a retired Marine Corps General, I'm used to friendly competition with army and air force generals. And last night at the bar there got to be a little inter-service rivalry. We were all trying to impress each other. So the Army Guard General ordered an M-T. The bartender says — Mai Tai coming up. The Air Force General ordered a W-W. The bartender said — white wine coming up. I puffed out my chest with my Marine lapel pin shining and ordered a 15." They all looked puzzled. So I told them — "that's a seven and seven".

If you think Marines don't count very well, Sec. Cheney and Gen. Powell didn't count well either. Congress rejected their proposals to cut the Guard and Reserve.

Those farsighted decisions Congress made in 1991 helped determine the equipment, the training and the personnel that provided our nation with the superior forces that responded to 9/11 and the initial battles in Afghanistan and Iraq.

As the Director of the Marine Corps Reserve, I was in the Pentagon on 9/11 for an early morning Reserve Forces Policy Board meeting with the Guard chief present. When the plane hit the Pentagon, our first calls were to Andrews Air Force Base to the Marine Corps Reserve F-18 squadron and the Guard F-16s to get airborne immediately.

Earlier, members of the guard and reserve who were New York police and firemen had already made the ultimate sacrifice while other reservists rushed to the scene. By the end of the day, over 8,500 guardsmen were on duty in New York City.

If Congress had approved the deep cuts recommended by the Pentagon a decade before, these immediate response flying units would not have existed and many of the trained personnel who went to the sounds of the guns that day would not have been there.

To the American people, protecting their lives and property at home is just as important as projecting power overseas.

The Guard and Reserve have performed magnificently in combat since 9/11 with over 856,000 mobilized. In the two and one-half years I served as Chairman of the Commission on the National Guard and Reserves we did not run into any serious negative comments on the performance of the reserve components from any senior military leaders. Today, we have the most battle hardened and experienced reserve component in history. We must all work to insure we don't lose this advantage or overlook these contributions without which the wars overseas and emergency responses at home would have failed.

In just the past year, the Guard has responded to over 193 domestic incidents from fires, to floods, to tornadoes, to hurricanes, to political conventions with over 1.5 million man-days. This is routine life in the Guard. In truly exceptional circumstances like Katrina, Gen. Steve Blum, the Governors and the TAGS moved 55,000 members of the Guard to the Gulf Coast before the federal government could mobilize resources of any consequence.

And how did the Guard get there — Guard C-130s. The Guard is amazing but it can't walk on water nor can it "beam" itself from place to place. Retaining C-130s in the Air National Guard is essential.

The Guard and Reserve are in over 5,000 communities nationwide. When it comes to Homeland defense, the Guard and Reserve are the ones who meet General Nathan Bedford Forrest's requirement to "get there firstest with the mostest."

Yet some have commented that the active military wants to assume some of these missions despite a new authority that also permits Title 10 reservists to be used immediately in the Homeland. Using active forces ahead of both the guard and reserve does not make any sense. The Guard and Reserve are "forward deployed" in the homeland and the active forces should fall in on your formations and your leaders, not the reverse.

No more than it makes sense to shift from the Guard back to the active Army some of the overseas missions you have been

performing such as the Sinai or Kosovo. This is a leading edge indicator some may be examining downgrading the operational reserve that has performed so magnificently in the last 10 years. Today on the anniversary of 9/11, over 81,076 Guard and Reserve personnel are on active duty on the forward edge of freedom at home and abroad.

We need to direct by policy that the Guard and Reserve are not the force of last resort and that the services should include them in their predictable force generation models. This would take advantage of both your considerable battlefield experience and lower costs as well as give the active forces more time at home which they have earned.

One of the things I have learned after 24 years on the Senate Armed Services Committee, 35 years in uniform, and service on numerous boards and commissions is the Pentagon is not always right.

Congress agrees with this. That is why — on a totally bipartisan basis this year — they rejected the proposed cuts in the Guard and Reserve. All four of the defense committees said — No — just like we did 21 years ago.

In the national security field, it is imperative that we put the nation's long-term interests ahead of service parochial interests.

Fortunately for our country, we have people in the Guard leadership, in the Congress and in the Pentagon that believe in this approach.

Those of you who have served in harms way stand on the shoulders of people who worked day in and day out to insure you are well trained, well equipped and well led. Men like General Craig McKinley and now Frank Grass; or a long line of Guard leaders and NGAUS executives from General Fran Greenlief, Vern Weber, Mickey Walker, and the great CNGB former leaders here today. Member of Congress of yore as Sonny Montgomery, Sam Nunn, Strom Thurmond, and today Senators Leahy and Graham and Congressman Duncan Hunter and Tim Walz.

These leaders fought to move the Guard and Reserve out of second class citizenship and to insure you became an essential and

irreplaceable element of our national security as is the case today and with your leadership and that in the Pentagon will remain so in the future.

As we look to this future, there is a very receptive and supportive audience in the senior leaders in the Pentagon from Secretary Panetta to the Vice Chairman of the Joint Chiefs Sandy Winnefeld and the Northcom Commander Gen. Jacoby along with the Assistant Secretary for Homeland Paul Stockton and Major General Jessica Wright, the Assistant Secretary of Defense for Reserve Affairs and former TAG of Pennsylvania.

We also need to acknowledge the leadership of the new Chief of Staff of the Air Force General Mark Welsh who has said – he will take a fresh look in terms of the plans to reduce the Guard and Reserve. So I am optimistic that the new leadership in the Air Force, the Pentagon, the Governors and the Guard will restore the time-tested approach that always had the Air Force as a model of the active-reserve relationship to be emulated by others. I am reinforced in that view based on General Welsh's powerful speech this morning. He gets it.

All of us need to understand, however, that the backdrop for these difficult decisions is a world of increasing threats and decreasing resources.

I would now like to outline several of the tough fiscal and budgetary challenges in the national security area.

U.S. FISCAL SITUATION

First, is the alarming state of our country's finances where one of our greatest challenges is strengthening the U.S. military in a weak economy whose foundation rests on the quicksand of deficit spending.

As my Dad used to say, "When your outgo exceeds your income, your upkeep will be your downfall." The current projection of outgoing exceeding incoming is \$2 trillion over the next decade, adding to a total national debt of \$16 trillion.

Former Joint Chiefs Chairman, Admiral Mike Mullen has spoken out forcefully that the national debt is a national security threat. This topic is at the forefront and in the mainstream of the political dialogue. One of the toughest challenges DOD faces is how to preserve the right amount of combat structure with quality personnel that are ready with the technological edge in an era of persistent fiscal constraint.

The national debt and deficit spending must be corrected because you can't have a strong defense on a weak economy.

THE DEFENSE BUDGET

Secondly, the current defense budget is quite substantial. In FY12 constant dollars, it is larger than the peak of the Vietnam War or Reagan buildup.

But we need to do more than focus on total amounts. As defense supporters we have to ask ourselves: What are we getting for what we spend?

One answer is that we are getting the best military in the world by any measure. And that's thanks to the people in DOD, in industry, in Congress, and in this room who have served and continue to serve and who work to improve the system.

But the real question is: "Are we getting the bang for the buck our war fighters and taxpayers deserve for the dollars we spend."

In my view, the answer to that question is no.

One of the reasons is the "all in" or "fully burdened" costs of the all volunteer force which includes retirement, healthcare, fringe benefits, and deferred compensation.

There is no doubt that the fastest growing costs in DOD's budget are those to support personnel, current and retired and they are consuming an ever-increasing percentage of the DOD Budget.

In the last 10 years, the cost of active personnel has doubled for the same size force. Secretaries of Defense Robert Gates and as well as

Leon Panetta have indicated these personnel cost growths are unsustainable. General Ron Fogelman, the former Chief of Staff of the Air Force and one of the strongest proponents of the militia concept, has also said the All-Volunteer Force is on an unsustainable course.

When all these costs are added up, they are consuming over 50% of the entire DOD budget.

In contrast, the Guard and Reserve provides significant capability at 70% less cost than your active counterparts. Even when mobilized when your pay and benefits should be the same, you don't require the massive overhead structure of the active component.

If we are to insure a strong national defense in the decades ahead, the watchword should be "think smarter, not richer."

No outfit is in a better position to do this than the Guard and Reserve.

We are also addressing this in the Reserve Forces Policy Board.

One of our major initiatives is an analysis of the fully burdened costs and life cycle costs of personnel — active, guard and reserve. Senior DOD leaders don't know what these costs are. I thought we had put this issue to bed in the Commission on the National Guard and Reserves in 2008 when we documented it multiple ways and showed that the reserve components were 70 to 75% less expensive than comparable active components. Even when mobilized when the reserve component is paid the same, they are still less expensive as they don't require the full accrual costs for retirement and health care, as does the active component.

It would seem that common sense would be all that would be required to validate this fact. I have had serious senior leaders in the Pentagon — civilian and military — ask me why the Guard and Reserve are more expensive than the active component when they are mobilized. When I hear this wrongheaded notion, I ask them: how many barracks, or family housing units, or child care centers, or DOD dependent schools, or commissaries, or military hospitals have been built to support the 856,000 Guard and Reserve personnel who have

been mobilized since 9/11 and how many have been torn down since 791,535 were demobilized. We all know that answer — none.

The point is the Guard does not have the huge infrastructure costs required to support the active duty military and their families.

So we hope we can fill this void to help insure our leaders know the fully-burdened costs. This is not about cost being the deciding factor on where you decide to place capabilities but decisions should NOT be made thinking the Guard and Reserve are more expensive.

In closing, I am reminded of a young Marine Corporal who 42 years ago in a jungle stream in the Que Son Mountains of Vietnam dashed from a totally safe position to help a seriously wounded 2nd Lt. Cpl. Roy Hammonds had been in Vietnam over 12 months and would rotate back to the States in just one week.

In the tough battles ahead we need to insure our leaders do not stand alone — that men and women like Cpl. Hammonds answer the call to protect those in the fight. Someone will have to fill for Cpl. Hammonds — you will find his name chiseled in the hallowed walls of the Vietnam memorial as he died in that jungle stream 42 years ago helping the wounded 2nd Lt.

I was that second Lt who Cpl. Hammonds shielded from additional harm. So I know that anything any of us do is made possible by the Cpl. Hammonds who do not hesitate in the fight.

As we debate the ways to reduce our deficit, how to provide for a strong national defense with more bang for the buck, the size of our reserve components or who should have the primary role for first response or what is the best use of the guard in the operational reserve, I urge each of you to be a lion in these fights.

Semper Fidelis Cpl. Hammonds, God bless each and every one of you and our nation — thank you and “fix bayonets.”

Disclaimer: Arnold Punaro's comments are strictly as a private citizen and former Chairman of the Commission on the Guard and

Reserve. They are not associated with any industry organization or the Department of Defense.