



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

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Military Personnel Subcommittee
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The FRA

The Fleet Reserve Association (FRA) will celebrate its 90th anniversary later this year and is the oldest and largest enlisted organization serving active duty, Reserve, retired and veteran members of the Navy, Marine Corps, and Coast Guard. It is congressionally chartered, recognized by the Department of Veterans Affairs (VA) as an accrediting Veteran Service Organization (VSO) for claim representation and entrusted to serve all veterans who seek its help. In 2007, FRA was selected for full membership on the National Veterans' Day Committee.

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

FRA's mission is to act as the premier "watch dog" organization in maintaining and improving the quality of life for Sea Service personnel and their families. FRA is a leading advocate on Capitol Hill for enlisted active duty, Reserve, retired and veterans of the Sea Services. The Association also sponsors a National Americanism Essay Program and other recognition and relief programs. In addition, the FRA Education Foundation oversees the Association's scholarship program that presents awards totaling nearly \$125,000 to deserving students each year.

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

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

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

Certification of Non-Receipt OF FEDERAL FUNDS

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

Introduction

Chairman Wilson and Ranking Member Davis, FRA salutes you, other members of the Subcommittee, and your staff for the strong and unwavering support of programs essential to active duty, Reserve Component, and retired members of the armed services, their families, and survivors. This support is critical in maintaining readiness and is invaluable to military personnel engaged in operational commitments throughout the world and in fulfilling commitments to those who've served in the past.

The current All Volunteer Force (AVF) has been through a dozen years of wartime sacrifices never envisioned by those who designed a voluntary military force. The U.S. military is a stressed force with many serving in multiple deployments in Iraq and Afghanistan. The current benefit package is the glue that holds the AVF together, and any budget-driven cuts in pay and benefits could have an adverse impact on recruitment and retention and ultimately threaten the very foundation of the AVF. Military service is unlike any other occupation. Roughly one percent of the population has volunteered to shoulder 100 percent of the responsibility for our national security. The retirement benefits gained by this service have been earned through 20 or more years of arduous military service.

The whole purpose of a unique military retirement pay and health care benefit is to offset the extraordinary demands and sacrifices expected in a military career. FRA advocates that to sustain a first-class, career military force requires a strong bond of mutual commitment between the service member and his/her employer.

Synopsis

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

DoD Budget and Sequestration

FRA notes with deep concern the decrease in the Defense Department (DoD) personnel programs from \$144 billion in the current FY 2014 budget to \$135 billion proposed in the Administration's FY 2015 request. Secretary of Defense (SecDef) Chuck Hagel stated that this is the first budget to reflect the end of American involvement in Afghanistan, and will significantly reduce end strength for all branches of the military, including the Reserve Component. Hagel warned that future sequestration budget cuts mandated by the 2011 Budget Control Act (BCA)

will create a “hollow force.” FRA shares the SecDef’s concerns and supports adequate end strengths for our military’s operational commitments. The Association believes that Defense should be excluded from future sequestration cuts mandated by the BCA. FRA opposes new TRICARE fee increases, cuts to commissary benefits and cuts to Basic Allowance for Housing (BAH). FRA also believes that active-duty pay increases should *at least* keep pace with comparable civilian pay increases as measured by the Employment Cost Index (ECI).

Pentagon officials have repeatedly expressed concern that personnel cost are “eating us alive.” The facts do not support that assertion. Other data indicates that personnel costs have remained at approximately one-third of the Defense budget for many years.

The Budget Control Act (BCA) of 2011 established automatic budget cuts (known as sequestration) that mandates that 50 percent of the cuts come from Defense, even though Defense only makes up 17 percent of the budget. These cuts put America’s national defense capabilities at greater risk. Unless current law is changed, DoD will have to cut an additional \$54 billion in FY 2016 and some \$269 billion over the following five fiscal years.

The DoD budget was already scheduled to be cut by \$487 Billion over a ten year period BEFORE the enactment of sequestration, that if fully implemented will *cut an additional* \$500 billion in the defense spending. The Bipartisan Budget Act of 2013 mitigated the spending cuts for FY 2014 and 2015. However, the original sequestration cuts FY 2016 thru 2021 remain in effect continuing to place national security at risk.

Sequestration has already forced the Services to cancel deployment of ships, slash flying hours, renegotiate critical procurement contracts, temporarily furlough civilian employees, and begin the process of drastically reducing force structure. If sequestration relief is not ended, additional force reductions will likely go deeper and training and modernization will be further impacted.

The FY 2015 budget submission proposes several compensation measures to free monies for force structure and modernization by capping the FY 2015 pay raise at one percent, a figure below the mandated ECI, slowing the growth in housing allowances and increasing out-of-pocket expenses for personnel, reducing commissary savings and increasing TRICARE fees for both retirees and active duty personnel.

While debt reduction is a national priority, such a disproportional share of this burden must not be imposed on military personnel and their families who already have sacrificed for their country.

COLA Cuts

FRA welcomed the repeal of the one-percent cost-of-living-adjustment (COLA) cut for those joining the military before January 1, 2014, but was disappointed the COLA cut applies to future retirees that joined the military on or after January 1, 2014. FRA remains concerned, however,

that the one-percent COLA cut provision for those enlisting after January 1, 2014, could have a negative impact on recruitment and long term retention. Further, these changes should go through the “regular order” of subcommittee and committee hearings in the House and Senate to thoroughly review the impact on the future of the AVF. Additionally, FRA argues that any changes to retirement benefits and military compensation should be put on hold until the MCRMC makes its final report in February 2015. FRA will continue to advocate for repealing COLA cuts for all future retirees.

Retirement Reform and the Commission

SecDef Hagel clarified at his February press conference that he will await the final report from the Military Compensation and Retirement Modernization Commission (MCRMC) before proposing any changes to military retirement benefits. FRA is thankful for the Secretary’s restraint, but is curious why DoD has proposed other changes in TRICARE, and military compensation that are also being reviewed by the Commission. The nine-member MCRMC, created by the FY 2013 NDAA, has held a series of hearings and has continued to seek input from various interested parties. The commission has been charged to review “the full breadth of the systems,” including healthcare, military family support, and any federal programs that could influence the decision of current or future service members to stay in uniform or leave the service. Before making their final recommendations to Congress and the President, the commission must examine the impacts of proposed recommendations on currently serving members, retirees, spouses, children and survivors.

TRICARE Benefits and Fee Increases

FRA’s membership appreciates the following Sense of Congress provisions in the FY 2013 National Defense Authorization Act (NDAA): (1) DoD and the Nation have a committed health benefit obligation to retired military personnel that exceeds the obligation of corporate employers to civilian employees; (2) DoD has many additional options to constrain the growth of health care spending in ways that do not disadvantage beneficiaries, and (3) DoD should first pursue all options rather than seeking large fee increases or marginalizing the benefit for beneficiaries.

FRA advocates that the Defense Department (DoD) must sufficiently investigate and implement other options to make TRICARE more cost-efficient as alternatives to shifting costs to TRICARE beneficiaries, and the Association opposes any indexing of future TRICARE fee increases beyond CPI- indexed COLA increases.

The Administration’s FY 2015 budget request includes a complex plan to merge TRICARE Prime, Standard and Extra into one program for all retirees under age 65; raising annual fees for retirees under age 65; implementing new fees for active duty family members; dramatically increasing pharmacy co-pays for retirees under age 65; and establishing annual fee for new

TRICARE-for-Life (TFL) beneficiaries. FRA opposes the new proposed fees and increases included in the FY 2015 Administration's budget and opposes the merger of programs that will result in TRICARE Standard and Extra beneficiaries paying a new annual "participation" fee, and TRICARE Prime beneficiaries paying higher co-pays and deductibles.

TRICARE Prime enrollment fees for military retirees increased by 13-percent in 2012 with future increases tied to the annual COLA increase. In addition Congress increased pharmacy co-pays and mandated future increases tied to the annual percentage increase in the retiree COLA (Cost-of-Living-Adjustment) starting in 2014 through 2022. A five-year pilot program also requires TRICARE for Life (TFL) beneficiaries to obtain refills of maintenance drugs through the TRICARE home-delivery program for at least one-year.

FRA will vigorously oppose Pentagon efforts to shift the cost of health care to beneficiaries. FRA believes the proposed merge TRICARE Prime, Standard, and Extra into one program will force retirees under age 65 to accept TRICARE Standard benefits while paying TRICARE Prime enrollment fees and additional fees. The Association believes that DoD should fix inefficiencies first before shifting health care costs to retirees. Further FRA is puzzled why DoD would offer a major re-organization before the MCRMC report is released next year.

Active Duty Pay

FRA strongly supports a full Employment Cost Index (ECI) military pay increase for FY 2015. Pay and allowances remain the top retention choice for active duty military personnel since the beginning of the All-Volunteer Force. This is reflected in FRA's recent online survey (February/March 2014) indicating that 93 percent of active duty see base pay as "Very Important"- the highest rating. The active duty community is disappointed that Congress capped the 2014 active duty pay raise at one percent, which is 0.8 percent less than the growth of private sector pay (ECI), and the smallest pay increase in recent memory.

In the 1970s several annual pay caps contributed to a serious retention problem that was fixed by large salary increases in 1981 and 1982. Throughout the 1980s and 1990s budget limitations lead to several salary caps providing salary increases below the annual ECI. In 1999 it was determined that there was a 13.5-percent gap between military and private sector pay, and Congress made a commitment then to gradually close that gap. FRA believes that Congress should hold fast to that commitment. The gap was reduced to 2.4 percent but now is headed in the other direction with the one percent increase in 2014, the smallest increase in many years. Adequate pay increases are needed to, at least in part, offset the extraordinary demands and sacrifices expected in a military career.

BAH Cuts

Basic Allowance for Housing (BAH) is an allowance paid to active duty service members based on pay grade, dependency status, and geographic location within the United States. The FY 2015 budget eliminates compensation for renter's insurance and cuts the average payment by five percent. The FY 2015 budget eliminates compensation for renter's insurance and cuts the average payment by five percent. BAH is the third highest priority for active duty respondents in FRA's online survey, with 83 percent rating BAH as "Very Important." In 2000 BAH payments provided 80 percent of housing cost. Congress at that time made a commitment to increase the benefit to 100 percent as part of an overall effort to enhance pay and other benefits to improve retention and recruitment.

Reserve Component Issues

FRA stands foursquare in support of the Nation's Reservists and an improved compensation and benefits packages to attract recruits and retain currently serving personnel. These changes should include eliminating the fiscal year early-retirement limitation which is addressed in the "Reserve Retirement Deployment Credit Correction Act" (S. 240), sponsored by Sen. Jon Tester (Mont.), and its House companion bill (H.R.690), sponsored by Rep. Tom Latham (Iowa). The Association also wants to make the early retirement credit retroactive to September 11, 2001, after which the Reserve Component changed from a strategic Reserve to an operational Reserve.

The Association supports the "Healthcare for Early Retirement Eligible Reservists Act" (H.R. 738), sponsored by HASC Personnel Subcommittee Chairman Rep. Joe Wilson (S.C.), that would allow retirees of the Reserve Component to receive medical and dental care at military treatment facilities (MTF) or VA facilities prior to reaching age 60. The FY 2009 NDAA granted qualifying Reservists early retirement, but did not authorize healthcare benefits. In addition Reservists in the Individual Ready Reserve (IRR) have no access to health care.

FRA also supports restoring the Reserve Montgomery GI Bill (MGIB) benefits to at least 47 percent of active duty MGIB benefits. Further FRA recommends funding of a tailored Transition Assistance Program (TAP) to meet the unique needs of Reservists, including academic protections for mobilized Reservists students, such as refund guarantees, exemption from repayment of federal student loans during activation, and maintaining academic standing.

Concurrent Receipt

FRA continues its advocacy for legislation authorizing the immediate payment of concurrent receipt of full military retired pay and veterans' disability compensation for all disabled retirees. The Association appreciates the progress that has been made on this issue that includes a recently

enacted provision fixing the Combat Related Special Compensation (CRSC) glitch that caused some beneficiaries to lose compensation when their disability rating was increased. There still remain Chapter 61 retirees receiving Concurrent Retirement and Disability Pay (CRDP) and CRDP retirees with 20 or more years of service with less than 50 percent disability rating that should receive full military retired pay and VA disability compensation without any offset.

The Association strongly supports pending legislation to authorize additional improvements that include Senate Majority Leader Harry Reid's legislation (S.234), Rep. Sanford Bishop's "Disabled Veterans Tax Termination Act" (H.R. 333) and Rep. Gus Bilirakis' "Retired Pay Restoration Act" (H.R. 303).

SBP/DIC Offset Repeal

FRA supports the "Military Surviving Equity Act" (H.R. 32), sponsored by Rep. Joe Wilson (S.C.), and its Senate companion bill (S. 734), sponsored by Sen. Bill Nelson (Fla.), to eliminate the Survivor Benefit Plan (SBP)/Dependency and Indemnity Compensation (DIC) offset for widows and widowers of service members. These bills would eliminate the offset, also known as the "widow's tax," on approximately 60,000 widows and widowers of our Armed Forces.

SBP and DIC payments are paid for different reasons. SBP is essentially an insurance policy purchased by the retiree and is intended to provide a portion of retired pay to the survivor. DIC is a special indemnity compensation paid to the survivor when a member's service causes his or her premature death. In such cases, the VA indemnity compensation should be added to the SBP the retiree paid for, not substituted for it. It should be noted as a matter of equity that surviving spouses of federal civilian retirees who are disabled veterans and die of military-service-connected causes can receive DIC without losing any of their federal civilian SBP benefits. Further FRA believes Congress should reduce the age for paid-up SBP to age 67 for those who joined the military at age 17, 18 or 19. Congress should also authorize SBP annuities to be placed into a Special Needs Trust for permanently disabled survivors who otherwise lose eligibility for state programs when they begin receiving SBP annuities because of means testing.

Military Predatory Lending Law

The FY 2013 Defense Authorization bill provides an explicit private right of action and civil penalties for predatory lenders, and expands oversight and enforcement authority to the Consumer Financial Protection Bureau (CFPB) and the Federal Trade Commission (FTC). Unfortunately, other related amendments to close loopholes in the definitions of payday and car-title loans in the Senate version of the NDAA were not included in the final bill.

The Consumer Financial Protection Bureau (CFPB) in January 2013 took its first enforcement action against a payday lender by ordering Cash America International, Inc. to refund consumers for robo-signing court documents in debt collection lawsuits. The CFPB also found that Cash America—one of the largest short-term, small-dollar lenders in the country—violated the Military Lending Act (MLA) by illegally overcharging service members and their families. Cash America will pay up to \$14 million in refunds to consumers and it will pay a \$5 million fine for these violations and for destroying records in advance of the Bureau’s examination.

After a routine CFPB examination of Cash America’s operations, the CFPB found multiple violations of consumer financial protection laws. This is the Bureau’s first public enforcement action against a payday lender, its first public action under the Military Lending Act (MLA) and the first public action for a company’s failure to comply fully with the CFPB’s supervisory examination authority.

FRA applauds CFPB efforts to regulate predatory lenders through enforcement of the Military Lenders Act (MLA). The Association was in the forefront of supporting the enactment of the MLA in 2006 and supported the creation of the Office of Military Liaison within the CFPB when the Bureau’s enabling legislation was enacted in 2010. FRA continues its work to ensure active duty personnel are protected from predatory lenders, and urges this subcommittee to ensure that the MLA is effectively administered.

The NDAA also called on DoD to conduct a study to identify harmful credit products and practices and recommend protections to close loopholes. DoD is also required to promulgate a regulation to implement changes in the law. FRA, CFPB, and consumer groups have asked DoD to include payday and car title loan definitions in the regulation and also clarify that nonresident military borrowers are protected by all state credit laws. FRA urges continued oversight by this Subcommittee to ensure that the report is timely and accurate.

Protect the Commissary and Exchange Systems

FRA opposes the proposal to reduce funding for military commissaries. Military commissaries and exchanges are essential parts of the military benefit package and FRA’s on-line survey (completed in February/March 2014) indicates that 61 percent of active duty respondents and more than 63 percent of retirees rated Commissary/Exchange privileges as “very important.”

A 2013 study by the Resale and MWR Center for Research entitled “Costs and Benefits of the DoD Resale System” indicates that these programs provide military members, retirees and their families with shopping discounts worth \$4.5 billion annually. These stores are the biggest employers of military family members with 50,000 spouses, dependent children, retirees and veterans on the payrolls, adding \$884 million a year to military household incomes. Exchange

profits also fund important base morale, welfare and recreation programs (MWR) that contribute to an enhanced quality of life for military beneficiaries.

Retention of Final Full Month's Retired Pay

FRA urges the Subcommittee to authorize the retention of the full final month's retired pay by the surviving spouse (or other designated survivor) of a military retiree for the month in which the member was alive for at least 24 hours. FRA strongly supports "The Military Retiree Survivor Comfort Act" (HR 1360), introduced by Rep. Walter Jones (N.C.), that achieves this goal.

Current regulations require survivors of deceased military retirees to return any retirement payment received in the month the retiree passes away or any subsequent month thereafter. Upon the demise of a retired service member in receipt of military retired pay, the surviving spouse is to notify DoD of the death. The Department's financial arm (DFAS) then stops payment on the retirement account, recalculates the final payment to cover only the days in the month the retiree was alive, forwards a check for those days to the surviving spouse (beneficiary) and, if not reported in a timely manner, recoups any over payment(s) made for periods subsequent to the retiree's death. The recouping is made without consideration of the survivor's financial status.

The measure is related to a similar pay policy enacted by the VA. Congress passed a law in 1996 that allows a surviving spouse to retain the veteran's disability and VA pension payments issued for the month of the veteran's death. FRA believes military retired pay should be no different.

Dislocation Allowance

Moving households on government orders can be costly. Throughout a military career, service members endure a number of permanent changes of station (PCS). Often each move requires additional out-of-pocket expense for relocating to a new area far away from the service member's current residence. To help service members defray these additional expenses, Congress in 1955 authorized the payment of a special allowance referred to as "dislocation allowance." Unfortunately service members preparing to retire from the military are not eligible for this allowance, yet are subject to the same additional expenses they experience during a PCS. In either case, moving on orders to another duty station or retiring are both reflective of a management decision. Therefore FRA supports authorizing payment of a dislocation allowances to service members retiring or transferring to an inactive status such as the Fleet Reserve or Fleet Marine Reserve who execute a "final change of station" move.

Wounded Warriors & Seamless Transition

FRA strongly supports the Administration's efforts to create an integrated Electronic Health Record (iEHR) for every service member. This would be a major step towards the Association's long-standing goal of a truly seamless transition from military to veteran status for all service members and permit DoD, the Department of Veterans Affairs (VA), and private health care providers immediate access to health data.

The importance of fully-implemented interoperability of electronic medical records cannot be overstated. The Association was grateful that the FY 2014 National Defense Authorization Act (NDAA) has a provision that requires DoD and VA to implement a seamless electronic sharing of medical health care data by October 1, 2016. This provision was in response to the VA and DoD shelving plans to jointly develop an integrated Electronic Health Record (iHER) system due to cost and schedule challenges, and instead the two agencies decided to pursue separate efforts to modernize or replace their existing systems. However, according to a new Government Accountability Office (GAO) report (GAO-14-302), the VA and DOD "have not substantiated their claims that the current approach will be less expensive and more timely than the single-system approach." The GAO report also notes that neither department has provided a joint strategic plan that explains lines of responsibility, time schedule, how to eliminate management barriers, and how much the project will cost. FRA has long supported efforts to ensure adequate funding for DoD and VA health care resource sharing in delivering seamless, cost effective, quality services to personnel wounded in combat and other veterans, and their families.

There is some sharing now between DoD, VA and the private sector, but more needs to be done. Wider expansion of data sharing and exchange agreements between VA, DoD and the private sector is needed. VA's "Blue Button" initiative permits veterans' online access to some medical history, appointments, wellness reminders and military service information, but most is accessible only after in-person authentication. VA is also moving forward on its paperless disability processes that is Health Insurance Portability and Protection Act (HIPPA) compliant.

Jurisdictional challenges notwithstanding, this Subcommittee must remain vigilant regarding its oversight responsibilities associated with ensuring a "seamless transition" for our Nation's wounded warriors.

Mental Health/Suicide

FRA believes post-traumatic stress (PTS) should not be referred to as a "disorder." This terminology adds to the stigma of this condition, and the Association believes it is critical that the military and VA work to reduce the stigma associated with PTS and TBI. Access to quality mental health service is a vital priority, along with a better understanding of these conditions and improved care. "Roughly 20 percent of the 2.5 million men and women who served in

Afghanistan and Iraq have PTSD or other mental illness. There are about 200,000 incarcerated veterans in the U.S., about 14 percent of the nation's prisoners. Contrary to public perception, Afghanistan and Iraq vets are only half as likely to be incarcerated as those who fought in earlier wars, but... suffer from PTSD at three times the rate of older veterans.”¹ PTS diagnosis and treatment remain a major challenge for the VA. “The number of veterans who received VA treatment for PTSD and other mental health issues reached 1.3 million last year, up 400,000 since 2006.”²

An average of 22 veterans a day commits suicide and, because of that fact, suicide prevention is a priority issue for FRA. More specifically the Association is deeply concerned that “suicides among young veterans climbed sharply in a recent three-year period, according to a new government analysis focused on Veterans Health Administration clients. The number of suicides among 18- to 29-year-old men increased from 88 in 2009 to 152 in 2011. That translates into a 44 percent rise in the suicide rate, which jumped to 57.9 suicides per 100,000 veterans.”³ In 2005 the VA's 13,000 mental health professionals were providing care for veterans. Today there are more than 20,000 mental health professionals at the VA and that number should continue to increase. The VA/DoD crisis hot line has assisted more than 640,000 people and rescued over 23,000 from potential suicide, and there must be readily available counseling support and expanded awareness of help that's available to veterans in crisis.

A member posted this on FRA facebook page January 14, 2014: “Suicide prevention and the FAILURE of the VA. 22 Veterans committed suicide every day in 2010. This past Sunday (12Jan2014) at 2008 hours I chose to call the VA's suicide/crisis hotline on behalf of a Veteran I felt was in distress and prone to taking his life. My call was answered by a machine, was immediately placed on hold with elevator music and my call was DROPPED after 4:15 min/sec... having never spoken to a human. Suicide/crisis line... never answered after 4+ minutes... REALLY?!?!?!” FRA passed on this information to VA staff.

Expanding VA counseling to veteran's family members, strengthening oversight of the Integrated Disability Evaluation System (IDES), and requiring VA to establish accurate measures for mental health were included in the FY 2013 NDAA are also important in addressing this issue. “The number of military suicides declined significantly in 2013, a relief to the services after record and near-record levels in 2012.”⁴

¹ *Time Magazine*, Feb. 10, 2014, “A Troubled Marine's Final Fight” page38-39, Mark Thompson

² *The Washington Post*, Nov. 11, 2013 “VA Shinseki is determined to Leave no Vet Behind” Steve Vogel

³ *Los Angeles Times*, Jan. 12, 2014, “More Young Veterans Committing Suicide, Data Show” Alan Zarembo

⁴ *Marine Corps Times*, Feb. 17, 2014, “Military Suicides Decline but Data Incomplete,” Patricia Kime

Adequate End Strengths

Adequate military end strength is vital in sustaining our national security, and FRA is concerned about budget-driven calls for reducing end strength. DoD plans to reduced overall end strength of active duty and Reserve Component by 124,000 over five years and now is proposing another 78,000 active duty and Reserve personnel in the Army, Army Reserves, Army National Guard and the Marines Corps (6,000) will give America the smallest military force since before World War II. The strain and inadequate dwell time of repeated deployments are significant and related to end strength levels. This is reflected in troubling stress-related statistics that include alarming suicide rates, prescription drug abuse, alcohol use and military divorce rates. For the last 13 years, service members and their families have endured unprecedented sacrifices often having less than a year at home before returning for another year in combat.

Now with these even greater end strength reductions, many service members worry if they will be able to continue serving their nation.

FRA believes that the nation needs to maintain an adequate force to respond to unexpected contingencies and retain combat experience by encouraging departing veterans to join the Guard and Reserve. Cutting Guard/Reserve forces, as well as active forces will make these goals even more difficult to obtain.

Uniformed Services Former Spouses Protection Act (USFSPA)

FRA urges Congress to review the Uniformed Services Former Spouses Protection Act (USFSPA) with the intent to amend the language so that the Federal government is required to protect its service members against State courts that ignore the Act. The USFSPA was enacted 30 years ago; the result of Congressional maneuvering that denied the opposition an opportunity to express its position in open public hearings. The last hearing, in 1999, was conducted by the House Veterans' Affairs Committee rather than the House Armed Services Committee, which has oversight authority for USFSPA.

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

There are other provisions that weigh heavily in favor of former spouses. For example, when a divorce is granted and the former spouse is awarded a percentage of the service member's retired pay, the amount should be based on the member's pay grade at the time of the divorce and not at

a higher grade that may be held upon retirement. FRA believes that the Pentagon's USFSPA study recommendations are a good starting point for reform. This study includes improvements for both former spouse and the service member.

Conclusion

FRA is grateful for the opportunity to provide these recommendations to this distinguished Subcommittee.

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Fleet Reserve Association

John Davis joined the FRA team as Director, Legislative Programs in February 2006. In addition to his FRA duties, Davis was elected (November 7, 2013) Co-Chairman of the Military Coalition (TMC) and co-chairs the TMC Retired Affairs Policy Committee.

John worked for almost 13 years with the National Federation of Independent Business (NFIB), including 9 years as Director of the Illinois chapter and 3 ½ years in the federal lobbying office in Washington DC. John has lobbied on a variety of issues including healthcare, tort reform, education, insurance, taxation, and labor law.

In 2005 John received a Masters of Public Policy (MPP) degree from Regent University, Alexandria VA. John has a Bachelor of Science degree from Illinois State University in Political Science and History. John served in the United States Marine Corps Reserve in an artillery unit (155 self-propelled howitzers) and as a Second Lieutenant in the Illinois Army National Guard in the 1980s. He is a proud father of two children: Anne age 32 and Michael age 29 who deployed to Iraq and later Afghanistan with his Marine Corps Reserve unit from Quantico Va. (4th LAR).