



THE DEPUTY SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

OCT 19 2001

The Honorable Bob Stump
Chairman, Committee on
Armed Services
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The enclosed report responds to section 507(h) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, Public Law 106-398, which was enacted October 30, 2000. This section required the Secretary of Defense to conduct a study of the advisability of changing the grade authorized for the Vice Chief of the National Guard Bureau from major general to lieutenant general. As part of that study, the Chief of the National Guard Bureau was required to submit an analysis of the functions and responsibilities of the Vice Chief of the National Guard Bureau and the Chief's recommendation as to whether the grade for Vice Chief should be changed from major general to lieutenant general.

In accordance with section 507(h), the enclosed report includes: The recommendation of the Chief of the National Guard Bureau and other information provided by the Chief to the Secretary of Defense pursuant to whether the grade of the Vice Chief should be changed; the conclusions resulting from the study; and the recommendation of the Secretary of Defense that no action be taken regarding the grade authorized for the Vice Chief. The enclosed report and attachments have also been sent to the Senate Committee on Armed Services.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paul Wolfowitz".

Enclosure:
As stated

cc:
The Honorable Ike Skelton
Ranking Member

U17490 /01

Study of Increase In Grade for Vice Chief of National Guard Bureau

This report responds to section 507(h) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, Public Law 106-398, which was enacted October 30, 2000. This section requires the Secretary of Defense to conduct a study of the advisability of changing the grade authorized for the Vice Chief of the National Guard Bureau from major general to lieutenant general. As part of the study, the Chief of the National Guard Bureau is required to submit to the Secretary an analysis of the functions and responsibilities of the Vice Chief of the National Guard Bureau and the Chief's recommendation as to whether the grade for the Vice Chief should be changed from major general to lieutenant general.

The Chief of the National Guard Bureau sponsored and forwarded to the Office of the Secretary of Defense a contract study and analysis of the position, functions and responsibilities of the Vice Chief of the National Guard Bureau. The study includes a review of the history behind establishing the position of Vice Chief, and research and analysis of pertinent legislation and official Department correspondence. The study, dated February 2001, is at Attachment 1. Review of and comments on the National Guard Bureau study were requested from other DoD offices, including the Chairman of the Joint Chiefs of Staff and the Departments of the Army and the Air Force.

As required under section 507(h), this report includes: the recommendation of the Chief of the National Guard Bureau and other information provided by the Chief to the Secretary of Defense regarding whether the grade of the Vice Chief should be changed; the conclusions resulting from the study; and the Secretary's recommendations regarding whether the grade authorized for the Vice Chief should be changed to lieutenant general.

Recommendation of the Chief of the National Guard Bureau

The study forwarded by the Chief of the National Guard Bureau to the Assistant Secretary of Defense for Reserve Affairs, in accordance with section 507(h), makes two recommendations. First, that section 10505(c) of title 10, United States Code, be changed to authorize the grade of lieutenant general for the position of Vice Chief of the National Guard Bureau. (That provision currently states that the Vice Chief of the National Guard Bureau shall be appointed to serve in the grade of major general.) Second, that a general/flag officer while serving as Vice Chief of the National Guard Bureau be treated the same as the Chief of the National Guard Bureau with respect to the limitations on general/flag officers on active duty in a grade above major general, under section 525 of title 10, United States Code. This would require a change to title 10, United States Code. (Section 525(b)(6) currently states that an officer while serving as Chief of the National Guard Bureau is in addition to the number that would otherwise be permitted for that officer's armed force for officers serving on active duty in grades above major general.)

In a separate memorandum for the Secretary, the Chief, National Guard Bureau emphasized "the grade inversion that may result when the Vice Chief serves in the grade of major general." The Director of the Army National Guard and the Director of the Air National Guard are organizationally subordinate to the Vice Chief and the Chief, National Guard Bureau, which means that two lieutenant generals would be required to serve as assistants or subordinates to a major general in the event the Vice Chief is required to act as Chief. The Chief also emphasized the nature of the National Guard Bureau as "a joint bureau of the Department of the Army and the Department of the Air Force." The significance of this unique status amplifies the responsibilities and duties of the Vice Chief, which are augmented by the organizational structure of the National Guard, its dual Federal/State nature and the continuous contact with 54 State adjutants general.

Conclusions Resulting From the Study and Comments Received from the Army, the Air Force and the Chairman of the Joint Chiefs of Staff and other Offices In DoD

While the National Guard Bureau is a unique organization and there are some similarities between the duties of the Vice Chief, National Guard Bureau and those of the Vice Chiefs of the Services, the Bureau is also a staff agency, similar in many respects to other elements of the Army and Air Staffs. Service Staff principals are generally appointed as lieutenant generals, and their deputies are major generals.

The June 1992 Evaluation of Reserve General and Flag Officer Positions required by the National Defense Authorization Act for Fiscal Years 1990 and 1991, and conducted by the Hay Group, validated the requirement for the position of Vice Chief of the National Guard Bureau at the grade of major general. The positions of the Chief, National Guard Bureau and the Directors of the Army and Air National Guard were validated for the grade of lieutenant general.

Since the establishment of the position of the Vice Chief of the National Guard Bureau, the authorized grade for the Directors of the Army and Air National Guard has been increased to lieutenant general. This increase in grade, along with an increase in the grades of the chiefs of the other Reserve components from major general/rear admiral to lieutenant general/vice admiral is currently being implemented. Without increasing the grade of the Vice Chief to lieutenant general, a grade inversion will occur, which could affect the Vice Chief's performance of his statutory duties and cause degradation in organizational cohesiveness. However, neither the Army nor the Air Force consider grade inversion to be a major concern, since there are other instances today in both the active and reserve forces where "grade inversion" exists without adverse impacts on the officers affected. The overall implications of the recent grade increases and other recent changes affecting the Reserve components and their impact on internal management and procedures have not been fully assessed.

If the grade of the position of Vice Chief, National Guard Bureau were increased to lieutenant general, there would be a total of 8 authorized lieutenant general/vice admiral positions in the Reserve components, two each in the Army National Guard and Air National Guard and one in each of the other four reserve components. Three lieutenant generals would be subordinate to the Chief, National Guard Bureau, also a lieutenant general.

Allocating one of the limited lieutenant general authorizations within the Army (36) and the Air Force (33) to the Vice Chief, National Guard Bureau creates management challenges for the Army and the Air Force, whenever the position changes from one service to the other. The net effect is that each service will have to maintain a "floating" general officer authorization that is not applied against a permanent requirement, unless the Vice Chief's position would be in addition to the authorizations of the parent service, like the Chief's position.

Recommendations of the Secretary of Defense

The Army, the Air Force and the Chairman of the Joint Chiefs of Staff have expressed concerns with upgrading the Vice Chief of the National Guard Bureau. The Secretary of Defense agrees with the Services that the Vice Chief position is not equivalent to the Service's Vice Chief positions. The duties and responsibilities of the Vice Chief of the National Guard Bureau are similar in scope to those of the Service Assistant Deputies who are major generals.

The Department has traditionally placed great weight on the score that general officer positions were given by the Hay Group study. To do otherwise at this time would be inconsistent with this Administration's priority to reduce overstructure and grade creep in the Department.

The Vice Chief of the National Guard Bureau does not require a higher rank than the Directors of the Army National Guard and the Air National Guard to effectively carry out his duties or to exercise authority vested in him by law or by the Chief of the National Guard Bureau.

There have been several changes in Reserve component general officer positions and grades in recent years including the upgrade of the Reserve component chiefs, establishing the "Chairman's 10" assigned in support of combatant CINCs, establishing two Reserve component advisors to the Chairman of the Joint Chiefs of Staff, and other initiatives. The overall impact of these changes has not yet been realized. In light of this fact, and after carefully considering the views of the Chairman, the Secretary does not believe that other changes in general officer positions would be prudent. Therefore, the Secretary recommends that no action be taken concerning an increase in grade for the Vice Chief of the National Guard Bureau.

However, if the Congress, after reviewing the recommendations of the Secretary, changes the grade of the Vice Chief of the National Guard Bureau from major general to lieutenant general, the Secretary strongly recommends that that officer, while serving as Vice Chief, be in addition to the number of authorizations otherwise permitted for that officer's armed force for officers serving on active duty in a grade above major general under section 525 of title 10, United States Code.

Attachment: Analysis and Recommendations of the Chief, National Guard Bureau