



RESERVE AFFAIRS

ASSISTANT SECRETARY OF DEFENSE
1500 DEFENSE PENTAGON
WASHINGTON, DC 20301-1500

OCT 25 2005

The Honorable Patty Murray
United States Senate
Washington, DC 20510

Dear Senator Murray:

Thank you for your letter of October 13, 2005, concerning reenlistment bonuses for Reserve component members who serve full-time in the Active Guard and Reserve (AGR) program. The reports you have received regarding our actions and intentions are erroneous. I want to provide you an accurate account of how we are proceeding with respect to bonuses for our outstanding members who serve as full-time in the Active Guard and Reserve (AGR) programs.

We did not, as reported, issue a directive ordering the Army National Guard to cease payments of bonuses to the AGR personnel. What we did was point out to the Army National Guard that these bonuses were being paid under the wrong authority (section 308b of Title 37), which is for Selected (drilling) Reservists. Using this authority (if it were authorized) for AGRs disadvantages them, since it authorizes a maximum bonus of \$15,000.00 for a six-year service commitment or \$7,500 for a three-year commitment. Use of the active duty bonus for AGRs (section 308, Title 37) gives AGRs a substantial advantage by authorizing bonuses up to \$60,000 with more flexibility of service commitments. We always look to provide benefits that provide the best flexibility for our dedicated and outstanding guardsmen/reservists.

We are working with Army National Guard officials to ensure that they honor the bonus contracts and avoid adversely affecting their AGR soldiers. Bonus authorities are among our most effective tools in attracting and retaining talented personnel with high-demand skills. The Army National Guard reports that a much larger number of soldiers reenlisted in 2005 than in the previous year due to the higher bonus amount recently authorized by Congress. Your support of improvements in our bonus authorities and our superb members of the Guard/Reserve is greatly appreciated.

Sincerely,

T. F. Hall

