THE SECRETARY OF DEFENSE
1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

APR 29 2008

The Honorable John McCain
Ranking Member
Committee on Armed Services
United States Senate
Washington, DC 20510

Dear Senator McCain:

You earlier asked for my views on S.22. Since your request, two other bills have been introduced (H.R. 5684 and, in the Senate, the *Enhancement of Recruitment, Retention, and Readjustment Through Education Act of 2008*). I welcome the opportunity to outline the criteria the Department has established to evaluate specific proposals, with the ultimate objective of strengthening the All-Volunteer Force, as well as properly recognizing our veterans' service.

Our first objective is to strengthen the All-Volunteer force. Accordingly, it is essential to permit transferability of unused education benefits from service members to family. This is the highest priority set by the Service Chiefs and the Chairman of the Joint Chiefs of Staff, reflecting the strong interest from the field and fleet. Transferability supports military families, thereby enhancing retention. Second, any enhancement of the education benefit, whether used in service or after retirement, must serve to enhance recruiting and not undercut retention.

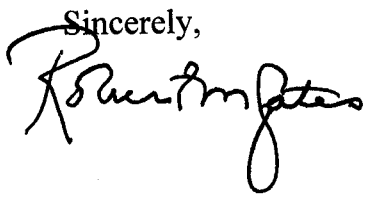
Third, significant benefit increases need to be focused on those willing to commit to longer periods of service -- hence the Department's interest in at least six years of service to be eligible for transferability. Re-enlistments (and longer service) are critical to the success of the All-Volunteer Force. Fourth, the program should provide participants with benefits tailored to their unique situation, thereby broadening the population from which we retain and recruit. This includes those whose past educational achievements have resulted in education debt through student loans, and those seeking advanced degrees and who may have earned undergraduate degrees with Department of Defense support.

As you may well appreciate, a key issue is the determination of the benefit level for the basic GI bill program. The Department estimates that serious retention issues could arise if the benefit were expanded beyond the level sufficient to offset average monthly costs for a public four-year institution (tuition, room, board, and fees). These costs are presently estimated at about $1,500 according to the National Center for

Education Statistics. This would still entail a substantial increase to the present benefit value of $1,100.

An important corollary to the GI Bill is the recognition that today, remaining in the military is entirely consistent with the attainment of education goals. Unlike the past, our nation now encourages the fulfillment of college aspirations while serving, thus dealing with readjustment through upfront programs, rather than only after discharge. DoD invests about $700 million annually to offer funded, education tuition assistance for our servicemen and women while serving. More than 400,000 members of the armed forces took advantage of such tuition assistance last year.

In conclusion, for all these reasons, the Department does not support S.22. This legislation does not meet, and, in some respects, is in direct variance to the Department's above-stated objectives and supporting criteria.

Thank you for the opportunity to comment. We look forward to working closely with the Congress to strengthen the All-Volunteer force through a balanced program of recruiting, retention and education benefits, and to recognize the service of our veterans.

Sincerely,