

OCA FILE

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NOTE FOR: Opal Andrews
Office of Assistant Secretary of
Defense for Intelligence
Department of Defense

FROM: [redacted], Legislation Division
Office of Congressional Affairs

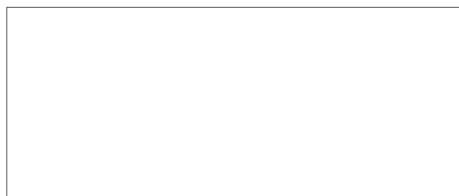
STAT

SUBJECT: FY90 Intelligence Authorization Bill

1. I have received from Bill Allard additional justification for a DIA proposal to ensure comparability in pay and other benefits between DIA and the State Department. The proposal had not been included in the last draft of the Intelligence Authorization bill because we had not received an adequate justification for the proposal.

2. I am attaching for your review and comment the DIA proposal, along with the justification for it. I appreciate receiving the views of your Office on whether DoD will support this proposal. I assume that you will have FM&P review the proposal in formulating a DoD position.

3. It is important that we have views on this matter no later than close of business on 12 December.



STAT

Attachment as
stated

OCA/LEG [redacted] 7 Dec 88

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DIA Overseas Personnel Benefits Comparability

SEC. [3]. (a) Section 1605 of title 10, United States Code, is amended by striking from the first sentence of paragraph (a) everything following "employees of the Foreign Service".

(b) Section 432 of title 37, United States Code, is amended by striking from the first sentence of paragraph (a) everything following "employees of the Foreign Service".



THE NEED FOR COMPARABILITY IN OVERSEAS BENEFITS FOR THE DEFENSE ATTACHE SYSTEM

Most military members of the DAS believe they are treated as second class citizens because their package of benefits and allowances does not compare favorably with that available to Foreign Service Officers and other U.S. government civilian employees at the same Embassy. Glaring discrepancies have caused serious morale problems within Defense Attache Offices (DAOs) and have caused a significant problem in attracting well-qualified individuals and retaining experienced intelligence collectors within the DAS. Largely because of such inequities, only one third of DAS personnel opt to serve a repeat tour in the DAS. Experienced personnel are the most valuable asset in the system. A fifty percent repeat tour rate would optimize professional DAS experience while still allowing sufficient new blood to enter the system so as maintain close links between attaches and the Services they represent. Surveys of DAS personnel show that inequitably distributed benefits have the greatest negative impact on DAS morale and retention and that roughly 11 percent of military personnel would opt for repeat tours in the DAS if benefits for DAS members were roughly comparable to those received by their Foreign Service and Civil Service colleagues.

DAS morale and retention problems, founded on feelings of relative deprivation, have actually increased over the years as the size of the DAS has shrunk. The DAS is asked to perform more tasks with fewer people, and these people increasingly associate

with other U.S. government employees who receive substantially greater benefits for service at the same post.

Civilian education allowances for dependent boarding schools, paid home leave benefits, substantial foreign language proficiency pay, substantial danger pay, and post hardship differential pay are the overseas benefits most desired by military members of the U.S. mission. DAS members quite understandably would like to have these benefits, which flow automatically to State Department and CIA personnel serving overseas. Discriminatory treatment has caused DAS family morale problems which have repeatedly come to the attention of Ambassadors, Community Liaison Officers, and Embassy medical specialists.

It is, of course, very difficult to substantiate the degree to which morale and retention problems in the DAS negatively affect DAO mission performance. It is clear, however, that it takes new members of the DAS six to twelve months on the job to become fully proficient. Most members of the DAS have lengthy and expensive foreign language training and intelligence or administration training prior to posting. In many cases attaches have also been fully funded for area studies degrees in preparation for attache duty. The investment in attache training is so great that we need to get more than one or two years of productive payback. We need to have at least 50 percent repeat tours for DAS personnel. This is not only the conclusion of DIA; it is also the conclusion of the Senate Select Committee on Intelligence, which has repeatedly pressed DIA to insure a

greater percentage of experienced professionals in the DAS.

Fortunately, benefits and allowances for DIA civilians working in the DAS are virtually identical to State Department benefits. With the exception of schooling issues, DoD civilians are covered by the "Standardized Regulations (Government Civilians, Foreign Areas)." Though dependent schooling for DoD civilians is tied to DoD dependent schools (DoDDs), DIA has already received congressional authorization to separately fund schooling for DAS dependents as may be made necessary by particular posting hardships.

The real problem is in providing comparable benefits and allowances for military personnel and their dependents in the DAS. Existing legislation authorizes DoD to provide military members of the DAS with some of the benefits and allowances now provided to State Department personnel serving overseas. However, there is a need to obtain a more general authorization for DoD to provide to DAS personnel in appropriate cases benefits and allowances comparable to those received by their State Department colleagues.

Congress has authorized several important benefits for State Department and DoD civilians that it has not authorized for military members of the DAS. The first of these is "Post Hardship Differential Pay," an amount equal to 10, 15, 20, or 25 percent of base pay. This additional pay is explicitly designed as a recruitment and retention incentive for posts characterized by extraordinarily difficult living conditions, excessive physical hardship, or notably unhealthful living conditions (see

5 USC 5925). There are now 62 capital cities where U.S. government civilian employees receive post hardship differential pay but their military colleagues serving in the DAO office do not, though the military personnel and their dependents clearly suffer identical hardships. As a result the DAS suffers recruitment and retention problems at the 62 posts listed in Enclosure 1. In the 1940s Congress authorized Special Foreign Duty Pay for military personnel (10 percent of base pay for officers and 20 percent of base pay for enlisted personnel) as a morale factor and in recognition of greater-than-normal rigors of service in particular locations. Now, however, such pay is only available to enlisted personnel and it never amounts to more than \$22.50 per month.

A second major discrepancy in benefits exists in foreign language proficiency pay. Uniformed military personnel may receive only \$100 per month (37 USC 316), while State Department personnel may receive a bonus of up to 15 percent of base pay for the identical language skill used in the same way at the same post (22 USC 4024). In fact, 27 languages qualify for a State Department 15 percent bonus at the S4/R4 proficiency level and for a 10 percent bonus at the S3/R3 level.

A third major inequity relates to danger pay. For military members hostile fire pay or imminent danger pay cannot exceed the lowest level of hazardous duty incentive pay, currently \$110 per month (37 USC 310), while State Department personnel can receive up to 25 percent of base pay for service in the same location (5 USC 5928).

A fourth major inequity in legislative authority relates to dental care. State Department personnel and their dependents may receive one round trip per year, plus one day per diem, for dental care not available at a remote location (22 USC 4081). Uniformed members of the DAS have no comparable benefit unless the dental problem results in a medical emergency.

There are a host of small, but cumulatively significant, discrepancies that can be ticked off:

- State Department personnel serving unaccompanied tours in danger areas are permitted two paid round trips per year to visit their families. Members of the DAS can only accomplish such visits while on environmental and morale leave and could have only a portion of their expenses reimbursed (22 USC 4081 (8)).

- All State Department employees have an 18,000 lb. shipping allowance. Senior officers in the military will qualify for this only in mid-1989, and lower ranking personnel receive considerably less (5 USC 5724 and 5726, 22 USC 4081 (11) and (12) versus public law 100-565 of 31 Oct 88). The shipping allowance is particularly important to DAS personnel in light of the substantial representational requirements of their mission.

- State Department personnel can qualify for special Sunday pay, no similar benefits (22 USC 3972 and 5 USC 5545/5546).

- State Department personnel can be reimbursed for converting household appliances, obtaining new auto registration and drivers' licenses (5 USC 5924). Military personnel have no

similar authorizations.

<u>COUNTRY</u>	<u>STATE DEPARTMENT HARDSHIP POST DIFFERENTIAL RATE (%)</u>	<u>NUMBER OF MILITARY MEMBERS IN THE DAO</u>
Algeria	15	3
Bangladesh	25	2
Belize	20	2
Bolivia	25	5
Brazil	10	11
Bulgaria	15	4
Burma	25	5
Cameroon	15	3
Chad	25	3
Chile	10	8
China	20	14
Colombia	15	9
Congo	25	2
Cyprus	10	3
Czechoslovakia	10	4
Dominican Republic	20	4
Ecuador	15	7
Egypt	20	8
El Salvador	20	9
Fiji	15	2
Ghana	25	3
Guatamala	15	5
Haiti	25	3
Honduras	20	9
India	15	11
Indonesia	15	10
Iraq	25	2
Ivory Coast	15	6
Jamaica	15	3
Jordan	10	5
Lebanon	25	3
Liberia	25	6
Madagascar	25	2
Malawi	10	2
Malaysia	10	6
Mexico	10	13
Mozambique	25	2
Nepal	15	2
Nicaragua	25	5
Nigeria	25	4
Oman	20	5
Pakistan	20	9
Panama	10	5
Paraguay	10	2
Peru	10	9
Philippines	15	11
Poland	15	4
Romania	15	4

ENCLOSURE 1

Saudi Arabia	20	9
Senegal	15	3
Somalia	25	6
Sri Lanka	25	3
Sudan	25	3
Surinam	20	3
Syria	25	3
Thailand	10	12
Tunisia	10	5
Turkey	10	12
USSR	25	15
Yemen	25	3
Zaire	20	8
Zimbabwe	10	2

TOTAL 346