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THE FULL TIME FUTURE OF THE AIR RESERVE

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THE FULL TIME FUTURE OF THE AIR RESERVE

AIM

1. The aim of this service paper is to discuss the Reserve Force (ResF) employment models of the Air Reserve and to propose that a rebalancing of ex-Regular Force (RegF) and ab-initio enrollees be achieved by resuming the previous practice of allowing retired RegF members to receive their annuities while serving full time in the ResF specifically for specialist trades and occupations. This could also involve the creation of a separate employment model including options for DND civilian positions which carry with them formerly military-only aircrew and maintenance qualifications.

INTRODUCTION

2. The future of the Air Reserve's contribution in the operator and technical support realms rests squarely in the recruiting and employment of already trained ex-Regular Force (RegF) personnel. The recent change in practice requiring members' annuities to cease and that they begin re-contributing to the Canadian Forces Pension Plan (CFPP) not only removes the incentive to continue working for the Canadian Armed Forces (CAF), but actually makes staying with the CAF in any capacity beyond A Class and short periods of ad-hoc full time work come at a relative financial loss. This was done as a deliberate measure to reduce the size of the ResF and return it to the part-time force it was intended to be prior to the war in Afghanistan.¹ However, denying retired specialist members of the RegF the incentive or ability to work full time in the ResF while receiving their annuity wastes invaluable experience of increasing scarcity. Moreover, there is no structural impediment to returning to this model as this denial is a result not of a change in policy, but merely a reinterpretation of unchanged, existing policy that

¹ Standing Committee on National Security and Defence, *Answering the Call: The Future Role of Canada's Primary Reserve* (Ottawa: The Senate Committees Directorate, 2011), 28

itself can be modified by exception to allow full-time employment of annuitants already.² By enrolling retired RegF members who are already fully trained and experienced as full time Reservists, the CAF reaps a quantitative and qualitative bonus on the investments made in these members.

3. Significant effort has been invested in designing a sustainable and effective Air Reserve and as a means of achieving this end, an active attempt is being made to make ab-initio, part time enrollees its bedrock. This paper proposes that the days of recruiting Air Reservists off the street and training them to be pure-reserve pilots are over. Similarly, that the future for doing the same with aircraft technicians is actually looking increasingly bleak despite recent creative efforts to do so.³ What is in fact needed most is the continued retention of selected, fully trained RegF members past their retirement as full time employees, either in uniform or as DND civilians. This will likely mean a smaller Air Reserve made up of more full time members.

DISCUSSION – ISSUES

4. Force generation (FG) of RegF technical trades and certain low-density specialist MOCs is increasing in cost. Pilot training, meanwhile, remains amongst the most expensive occupations to generate, so much so that it comes with a period of seven years Compulsory Service following qualification. Finally, these trades and MOCs embody an internal hierarchy of qualifications and experience such as Maintenance Release authorities, Flight Instructor Pilot or Instrument Check Pilot; all of which only come from years of professional experience following years worth of maintenance days or thousands of flight hours, the acceleration of which has proven extremely unreliable.

² A. Smith, RAdm. *CANFORGEN 070/12 Changes to the Administration Under CFSA Part 1 of Employment of Annuitants in Continuous Reserve Service*, CMP 033/12 101602Z Apr 12 FAQ Answer 3.

³ “Air Reserve Recruiting Strategy 2015/16 () Annex A” Internal Air Reserve Document, 10 Mar 15.

5. For many long term CAF members with 25 or more years of service, it becomes difficult to justify continued burdens on their families of continued postings across Canada, especially given the impact on their children who are by now teenagers in high-school. The temptation to find a new line of work is exacerbated once these members calculate the marginal take-home pay premium offered by continuing to serve in the RegF while paying normal payroll deductions and find that the cost of leaving the CAF may be affordable and often quite lucrative when their annuity is combined with full time work elsewhere. Indeed, the average level of experience in the RCAF is indeed set to worsen due to the well understood bubble left over from the Force Reduction Policy (FRP) of the 1990s where recruiting was largely curtailed.⁴ Concurrent to this loss is an effort to grow the RCAF in several new avenues including 450 Tactical Helicopter Squadron, the JUSTAS Program, and 2 Wing with the Air Force Expeditionary Concept (AFEC).⁵ All told these will necessitate filling nearly a thousand positions further diluting the available experience. Finally, a trend of increased technical dependency and force generation costs, especially for specialist personnel, continues unabated.⁶

6. In recent years, the RegF has suffered a relative experiential drain.⁷ The 2014/2015 RCAF business plan noted that roughly 49% of its RegF component has less than ten years of service highlighting an exodus of highly experienced personnel.⁸ The RCAF Directorate of Flight Safety has noted a marked decline in experience and efficacy and states the only

⁴ David Pugliese, "Retirements leave RCAF young but inexperienced," Ottawa Citizen, 05 January 2015. <http://ottawacitizen.com/news/national/retirements-leave-rcaf-young-but-inexperienced>

⁵ Ibid.

⁶ LCol Derek Lay Telephone call with author, 5 February 2016.

⁷ Pugliese, "Retirements leave..."

⁸ Ibid.

mitigation can be increased supervision by the remaining experienced technicians.⁹ These are dwindling, however, as explained here:

Amongst many key FS issues included in the 2013 DFS annual briefing, supervision and experience of personnel were first and foremost. For aircrew, the absorption of newly winged pilots and the ability of all pilots to maintain currencies were a cause for concern, more so with the planned YFR cuts projected to affect several fleets in 2014. The issue centered on qualifications versus currencies and the many pressures from the chain of command to preserve a high level of readiness throughout the RCAF. The challenge of the Wing Commanders and Commanding Officers is to find the right balance of force readiness, force generation, force employment that fit the current fiscal envelop while maintaining an acceptable level of safety.

For maintenance personnel, the ongoing restructure of the air maintenance trades caused gaps in experience that can only be mitigated by increased supervision. However, with the rapid movement through the ranks due to high technician attrition rates, the supervisory experience level continues to decrease and, as such, is increasing risk. Supervisors at all levels must remain vigilant to identify hazards early and to mitigate risk.¹⁰

These facts continue to be a worrying factor in the stewardship of the CAF at large as constrained budgets limit training opportunities and legacy equipment becomes not only more difficult to maintain by increasingly inexperienced personnel but is also therefore less available to support dwindling training events, further tightening the spiral. Previously, a mitigating measure to these growing challenges has been employing recently retired personnel on a mix of A and B class ResF employment contracts.¹¹ Given the costs of providing experience through deployments and expensive training opportunities afforded throughout one's career, creative

⁹Royal Canadian Air Force Directorate of Flight Safety, "2013 Annual Report – Airworthiness Investigative Authority and Flight Safety Program's Activities." Last modified 18 August 2014, <http://www.rcaf-arc.forces.gc.ca/en/flight-safety/article-template-statistical-report.page?doc=2013-annual-report-airworthiness-investigative-authority-and-flight-safety-program-s-activities/hyyl14ow>

¹⁰ Ibid.

¹¹ Smith, A. RAdm. *CANFORGEN 070/12 Changes to the Administration Under CFSA Part 1 of Employment of Annuitants in Continuous Reserve Service*, CMP 033/12 101602Z Apr 12 - FAQs A2

means of retaining experienced personnel for additional time at the high-water mark of their careers must be reconsidered.

7. Despite the obvious need to retain these difficult to generate occupations for as long as they remain fit, the CANFORGEN 070/12 changes to the full time employment of annuitants, by design, de-incentivises the highest trained pool of potential Air Reservists from joining the ResF. Explained more fully, with the post-Afghanistan drawdown of the ResF as part of the Strategic Review (SR) and the Deficit Reduction Action Plan (DRAP), the Canadian Forces Superannuation Act (CFSA) was re-interpreted such that members receiving an annuity could no longer work longer than 330 consecutive days of B Class service in any rolling 360 day period without being automatically re-enrolled in the Canadian Forces Pension Plan (CFPP).¹² Additionally, once the member one day resumes their status as an annuitant, they will have their annuity cease immediately on resumption of ResF service regardless of Reserve Class contract, including A Class, effectively ending any further work affiliation with the CAF.¹³

8. It is important to note that the current “new practice” is not a result of new policy, and remains one that can be modified by exception, as described in the FAQ document which accompanied CANFORGEN 070/12, indicating some remaining flexibility continues to exist.¹⁴ Moreover, the official policy acknowledges that CAF annuitants are able to work full time as DND employees as their salary comes directly from the Treasury Board and not from the CAF. This despite the fact that the CAF obviously receives its funding from the Treasury Board.

9. The result has been that annuitant members who hold the highest degree of qualifications and experiential skill-sets are no longer inclined to apply for full time ResF employment opportunities. The mandatory change in employment condition forces Reservists’ annuity to

¹² Ibid.

¹³ Ibid., FAQ A23.

¹⁴ Ibid., FAQ A1.

stop and new pension deductions to start all while being paid only 80% of the equivalent RegF salary, creating a net financial disparity compared to their counterparts. Additionally, when compared to their annuity alone, full time reservists would virtually be working full time for only a very slight take-home premium if not a comparative loss, depending on occupational pay-scale. Indeed, the enrolment of ex-RegF into the Air Reserve is also forecast to suffer as a result of the FRP “Bathtub”.¹⁵ What seems to be now occurring is that instead of members extending their service to the CAF into partial retirement, but without facing repeated postings or deployments, members are choosing to carry their experience forward into the commercial market to the detriment of the CAF.

10. While some of these members seem to continue to be attracted to A Class employment as a supplement to their new civilian careers, due to the currency requirements of some occupations, particularly Air Crew, and the necessity to attend training in conflict with their civilian schedules, the CAF tends to either lose these members outright or worse, find them being a liability in terms of administration and FG costs versus benefits instead of the value-added experience pool they are intended to be.¹⁶ The net sum of the collision of these issues and the “new practices” currently in force is the squandering of a highly skilled and experienced workforce that remains willing and able to fill key functions enabling the force generation of new RegF generations.

11. As the current application of CFPP and ResF employment practices does not allow full time reservists to receive their annuities, the B Class positions that remain have become difficult to fill.¹⁷ However, one group which seems to be showing interest is non-annuitant RegF

¹⁵ Chaloux, Lynne LCol. D Air Res 3 “Air Reserve – Ab Initio Concept and Joint Modularized BMQ Option.” PowerPoint Presentation, Canadian Forces, 2015.

¹⁶ LCol Roderick MacDonnell, telephone and email correspondence with author, 6 Feb 2016.

¹⁷ Collins, H. P. LCol. A1 Res “Air Reserve Update.” PowerPoint Presentation, Canadian Forces, 2015.

members. Mid-level pers are becoming enticed to release early and enter the ResF at 80% pay while paying into the ResF Pension IOT not have to move, knowing they can likely transfer immediately into the RegF on request, possibly by-passing an undesirable posting and waiting out the career manager/CO in the process. Ironically, the current Air Reserve recruiting plans target this exact scenario, surrendering the flexibility of the organization to meet the needs of the service to members with fewer qualifications and experience than their recently retired mentors.¹⁸

DISCUSSION – OPTIONS

12. The CAF uses differing pay-scales and retention practices for their members depending on the nature of work, cost of generation, and scarcity such as the pilot pay scale and Specialist Pay, acknowledging some classifications of work are worth more than others and are administered differently. While some of these elements remain in place for ResF personnel, in terms of policy, the ResF is treated as one large employment block-category as opposed to a diverse spectrum of personnel and capability blocks. This service paper proposes three equally valid options to better leverage the currently under-accessed pools of trained personnel. Specifically, this paper encourages the splitting of the ResF into employment models based on specialty blocks that can span all services allowing some specialist personnel to accept long-term B Class contract employment while still receiving their full annuities. As a secondary option, this paper advocates the splitting of the small and specialist-heavy Air Reserve away from the general CAF ResF with respect to role and policy. This would overtly acknowledge the difference between the Air Reserve and the much larger Army militia. Finally, the creation of a category of DND civilians or contract positions through a group like Discovery Air or CALIAN

¹⁸ Johns, G. Maj. A1 Res Plans “2015 CARTS Recruiting Strategy.” PowerPoint Presentation, Canadian Forces, 2015.

and using the now increasingly unused Air Reserve funding to pay for the hiring of these same specialists.

13. The Primary Reserve is already divided into elemental branches as well as several sub-components, specifically: Navy, Army, Air Force, Health Services, Judge Advocate General, Special Forces, Canadian Rangers and Cadet Organizations Administration and Training Services, and the Supplemental Reserve. By creating another sub-component of selected low-density and/or high FG cost MOCs and Trades of predominantly Class B positions in RegF units, targeting the working Sgt-WO and Capt rank levels with 25 years or more of experience, the CAF would create a specific path to leverage its previous investments without the need for a career progression model resident in the current reserve structures.¹⁹ B Class positions should be centrally controlled but agile enough to quickly migrate geographically in order to leverage the hiring of annuitants where they are as creating rigid positions where the person does not exist has already proven to be fruitless. Lastly, by creating this general category of reservist, all services could reinforce their shortfalls of high-value trades with a view to rectifying the RegF establishment problem in the longer term.

14. A Secondary option accomplishing a similar effect but narrower in scope would be the splitting of the Air Reserve from the general Reserve. Often discussed as a cause of the current Air Reserve policy frictions issues is that its demographic and employment is dramatically opposed to that of the Army reserve but are almost 90% smaller. As a result, it is sometimes felt that the Air Reserve is unable to influence PRes policy despite the vast difference in its demographics, role, and employment paradigm. Creating a formal split between Air Reserve policy and that of the general PRes in recognition of the necessity of hiring Ex-RegF versus

¹⁹ This option would include a small cadre of LCol positions for the NCR to entice double-dippers with experience in the functioning of the HQ in procurement, policy, careers, etc.

young students in the militia and the fact that part-time participation in RegF aviation activities has shown itself to be problematic at best, could also be a means of meeting the Air Reserves' mandate.

15. Finally, the creation of DND civilian positions or contracted services with specific prerequisites only obtainable within the CAF could function with similar results. The "United States Department of the Army Civilian" program, which employs over 330,000 members in such roles as civilian medical, technical personnel and as helicopter instructor pilots and maintenance test pilots, sometimes with caveats requiring enrolment in the Reserve or National Guard on the side, has had great success with this model.²⁰ As civil service employees, these high-value members would have financial incentive to continue working with the CAF as they could obviously receive their annuities. A detractor to this plan is that these members would not necessarily be able to be mobilized for operations. As with the US Army model, however, these positions could include a requirement to serve in the A Class Air Reserve and maintain universality of service requirements as part of their employment contract. Should the creation of a DND civilian technical/instructor cadre not be deemed feasible, a contracted version could be examined. The RCAF has experience already with contracting technical, medical and training services through Calian Corporation and even in flying training through groups such as Bombardier Aerospace and with Discovery Air for surrogate fighter support using ex-RCAF pilot-flown Dornier Alpha Jets. Given the Air Reserves' challenges to fill ResF positions and spend its allocation of reserve funding as attested to in its own 2015 Air Reserve Update,

²⁰ US Army, "Army Civilian Service – Real Opportunities, Important Work," Last Accessed 06 February 2016, <https://armycivilianservice.usajobs.gov/>

attention should perhaps be given to redeploying these resources towards a contracted solution to augment the traditional Air Reserve.²¹

CONCLUSION

16. At its most simplistic level, this paper suggests retaining current members only in their 40s who are about to leave the employ of the CAF and take with them millions of dollars of training by immediately giving them a 20% pay cut but letting them receive their annuity which they will be receiving anyways. Put in greater relief, the CAF is willing to pay someone, likely with less experience, 80% of RegF salary to occupy a B Class position. The CAF is also willing to pay a retired RegF member their annuity as long as they do not attempt to offer the CAF their highly skilled services full time. It defies logic that the CAF should care whether these two individuals are the same person except for the fact that if they were the same person, the CAF would be better off. By enforcing the current annuitant practice which is by admission not actual policy, the CAF has deliberately sidelined its most effective pool of experience mitigation personnel who will effectively work at 20% less salary from the CAF than they do today. Given the ongoing Defence Review by the new government targeting a “Leaner and more capable military,” these recommendations may, in fact, find favour as they do both. While the enrolment of RegF members into the ResF is not the panacea for the dearth of experience in the RegF, this demographic remains the largest and best trained mitigation force to bridge the current experience gap.

²¹ Collins, “Air Reserve Update...”

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