REVIEW PREVIOUS FISCAL YEAR AND LOOK AHEAD TO THE UPCOMING YEAR — HEARING I

HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS

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REVIEW PREVIOUS FISCAL YEAR AND LOOK AHEAD TO THE UPCOMING YEAR — HEARING I

WEDNESDAY, SEPTEMBER 20, 2006

U.S. House of Representatives,
Committee on Veterans' Affairs,
Washington, D.C.

The Committee met, pursuant to notice, at 10:30 a.m., in Room 334, Cannon House Office Building, Hon. Steve Buyer [Chairman of the Committee] presiding.

Present: Representatives Buyer, Brown of South Carolina, Miller, Bradley, Brown-Waite, Filner, Snyder, Michaud, Herseth, Berkley, Salazar.

The Chairman. Good morning. I would like to welcome everyone here this morning. Get the doors for me, thank you.

By way of housekeeping, between 10:45 a.m. and 11:00 a.m., there will be a question of consideration, so it looks like we will have one 15-minute vote. After this vote, we will then move to approximately one hour of debate on the rule, the Federal Election Integrity Act of 2006. That will occur approximately between 12:15 and 12:45, and would be the second series of votes. Just to let everyone know.

I would like to welcome the new commanders here. You are beginning a year of well-earned opportunity after many years of faithfully serving veterans within your organization. I look forward to a constructive and positive year ahead.

Last November, after meeting with your organizations at Carlisle Barracks, just north of the Gettysburg Battlefield, I announced a decision to enhance the way the Committee develops its budget views and estimates.

This decision was to reform the way we gather the views of veterans' service organizations and military service organizations. Your members have a great store of invaluable insights that deserve even greater consideration.

As a Subcommittee Chairman, I saw myself how the process of

hearings held after we had submitted our views and estimates for the VA to the Budget Committee had effectively, for years, silenced your voice by positioning the testimony of VSOs and MSOs after the fact. The status quo I didn't believe was working for veterans, because it made you a critic after the fact, so we changed that process.

Last February, before we developed the fiscal year 2007 views and estimates, the Committee heard from 19 VSOs and MSOs, some of whom we had not heard from before. And it was powerful. It represented a significant increase in access to this Committee at a key point in the budget cycle.

When I discussed accelerating these budget and legislative hearings into February, I also said that we wanted to meet again in September to review the fiscal year just ending and to look forward to the next year. The timing of a September hearing is auspicious because the administration is now beginning to develop its next year budget request. I compliment the former American Legion National Commander, Tom Bock, because he championed to me the Legion's approach—that the American Legion felt that they had separated themselves from other veterans groups by presenting their information to the Committee in the fall, as the administration was developing its request. That approach made a lot of sense, and we have adapted and augmented it.

The Armed Services Committee receives the testimony from the Chairman and the Joint Chiefs in the spring, prior to budget views and estimates, and then they bring back the Chairman and the Joint Chiefs in the fall, for a look-back/look-ahead. And I think adapting that same process will be very important.

As we look at the budget cycle, you can see that we have opened up this access to the congressional and the administration's budget process at uniquely responsive points in the cycle. So, what we have today is the opening of the Fiscal Year 2008 budget process.

This is a war budget. The country is at war and faces severe demands on its fiscal resources. Yet this is also a budget cycle that reflects a decade of unprecedented growth and support for veterans. The VA budget has nearly doubled in ten years. Reflecting that support, VA has earned a reputation for high-quality health care.

I can also recall, when I first arrived here in Congress, in 1993 and 1994, there were flat-line budgets in the VA, and I can also recall some horrific cases where appropriators took money out of the VA to fund other domestic programs. We have not seen that in the last 12 years. A nearly doubled budget, and quality product do not, however, mean there are not significant challenges.

The VA Secretary before this Committee took ownership of the budgetary process that we exposed had flaws in the inputs within the modeling. It was reflected in his strong fiscal year 2007 funding. Yet, a perennial challenge to us is the ghost population that moves

in and out of the VA health care system. Sometimes using the VA, sometimes opting for TRICARE, sometimes using their HMO, they move in and out of the systems.

Simply plugging a few numbers into a capitation spreadsheet does not address this type of complexity. Discretionary funding gives us the responsiveness to do correctly that which is hard; that which is difficult, but which must be done right.

Comparatively, a quote, "assured," or mandatory health care funding model, according to the Congressional Budget Office, would cost nearly a half a trillion dollars over ten years—half a trillion. That would be a costly experiment. In contrast, the strong discretionary budgets of the past decade, have proven responsive to change. With strong funding, we should expect good programs.

Yet, the seamless transition of servicemembers entering the VA system is still not where it should he. Last month, Secretary Nicholson, Chairman Boozman, Mr. Salazar and I went to Kuwait, Iraq and Germany to assess the continuum of health care from the medic, or a Navy corpsman, all the way to level 4 medical facility. We were impressed by the quality of care and the total integration and teamwork within the armed services.

Yet, between DoD and VA we still have a gap. Wounded GIs arriving at Landstuhl Medical Center minutes after we arrived had paper medical records on their chests. Largely because of the Pentagon's foot-dragging, the VA and DoD still do not have a truly interoperable system of electronic medical records. That is not seamless, and we can do better.

The recent theft of personal data belonging to millions of veterans has shown the utter necessity that VA and every government agency with sensitive data must have centralized management over information technology, information policy, and information security. IT is the organization's central nervous system.

I appreciate the work of Mr. Filner, and all members of this Committee in the many hearings that we held, exposing part of the problems. But we have also moved toward a solution, and I want to thank the bipartisan work this Committee had done.

I appreciate those of you who worked also with us on this issue, and I am also disappointed with those who said that it was too hard, and it was outside of their lane. Because we all have to accept, in this one.

And with regard to the organizations, if you are outraged by the lapses in security and unnecessary risks to your members and our veterans, then join with me in dislodging the status quo and doing the right thing for our veterans.

Many of you also cited the disability claims backlog in your written testimony. This issue is the elephant in the room. The total backlog exceeds 800,000 and is climbing. I compliment the Task Force

on Accountability that I formed. I will be meeting with them here within the next 10 days. Some of your organizations are members of this task force. I formed this task force to examine issues across the VA—not just VBA—that can improve the claims process. Timely and accurate claims decisions are as important to America's veterans as the delivery of high-quality care.

Some, though, think that if we bring lawyers into the process that it will solve the problem. I am apprehensive, but I want to be a good listener, and I want to hear from all of you on that issue, because the Senate has passed the measure, and have given it a top priority for us as we negotiate these bills here. And so Mr. Filner and I, and members of the Committee, need to hear your views.

So ladies and gentlemen, these issues are not going away. They are at the heart, and my top three priorities as Chairman right now, are number one, caring for veterans who have the service-connected disabilities, those with special needs, and the indigent; two, ensuring a seamless transition from military service to the VA. It is a very encompassing issue. And I agree with the VFW's testimony. It is a lot more than just computer systems. And third, providing veterans every opportunity to live full and healthy lives.

These are my top priorities, and I look forward to hearing yours.

Before we begin, on behalf of the Committee's members and staff, I extend appreciation for the enduring contributions made by your membership, your auxiliaries and your families. You make a great difference in the tone and tenor of our own country. We are at war in two theaters and still have responsibilities globally. Our men and women in uniform are performing their duty magnificently. They are coming home with the simple expectation that we will be there for them. It is up to all of us to help these returning servicemembers transition back into civilian life.

The VA has its structure, but personal contact, which is your strength, plays a tremendous role. When you put your arm around the young lance corporal just back from—you name the province, name the country—you are also at the tip of the spear, and you can help them in many ways. The intangible is also equally as important as the tangible. So I want to thank you.

[The statement of Mr. Buyer appears on p. 69]

THE CHAIRMAN. I now recognize Mr. Evans. If he has an opening statement, it will be submitted into the record. I now recognize the acting Ranking Member, Mr. Filner, for his statement.

MR. FILNER. Thank you Mr. Chairman, and I ask to put my full statement in the record.

THE CHAIRMAN. No objection. So ordered.

MR. FILNER. And I do associate myself with your comments on this Committee's work, and hopefully the Congress's work on cyber secu-

rity in the VA. We had millions of veterans worried and scared, about what would happen, and I think we came out with a better policy at the end. I hope the House and the Senate will act on it.

However, I cannot associate myself with remarks on the role of the VSOs in that process. I am glad you are here today. Better late than never. The Chairman said the timing is "auspicious" that you are here. Well, it is auspicious because all your members are not here with you, which, during the joint hearings that we have had for many, many years, people felt a part of the process, and your membership is now not part of the process.

We are also at a very inauspicious time. We haven't passed this year's budget, the coming fiscal year's budget yet for the Nation. So, to hear your views on next year, when nobody here is thinking about the budget process next year, is not at all timely. The enhancement that you would bring is by being involved at the beginning, middle, and end of the process; not at some strange time when Members are not thinking of next year's budget.

You ought to have a chance for your membership to see this Committee in action. That is what democracy is all about. We should work with you to make the scheduling changes, so you have a larger impact, and have your members here with you.

What troubles me right now about our process, aside from the way you were excluded from it, is that you have to trudge up here at any time of the year, hat in hand, begging for money. I am sure I am not the only one who finds this is not just ironic but shameful. It is long past time to place all veterans' funding where it belongs, in the mandatory category, so that each year the Department of Veterans Affairs knows how much it will have and can forecast and plan better.

More importantly, veterans of all generations can have greater assurance that their health care will be there when they need it. The Chairman called it, the "war budget." Yes, we are at war, and taking care of our veterans is part of the cost of war, and should be included in any war budget.

A bill written by Lane Evans, of which many of us are proud cosponsors, would provide funding to meet increased medical inflation and responsive to enrollment numbers. And those numbers should include all eligible veterans. We must bring back into the VA health care fold those veterans whom this administration is now barring. It is more than a quarter million, so far, many of whom are combat decorated, who have health problems deemed unrelated to their service, and who might be unable to afford private health care. They too deserve to use the system established for veterans and shouldn't be excluded simply because they make a modest or even higher income. When they took the oath, we didn't ask how much money they made. Their good health shouldn't be incumbent upon some arbitrary income level now.

Congress intended that the authority to deny enrollment to certain veterans be used as a temporary management tool for the Secretary, for a single budget cycle, not to be perpetual as this administration seems to intend.

The assurances that come with mandatory funding would be in stark contrast to the embarrassing charade we call the budget process today, and to the current system of care, under which this administration is not dropping its effort to make veterans pay more for their care, rather than asking for needed resources. It makes thousands wait longer than they should for clinical appointments. It is failing to appropriately address the mental health requirements of servicemembers returning from Iraq and Afghanistan, as well as past generations of veterans, thumbing its nose at the statutory requirements of long-term care and the needs of our older veterans.

The administration has also sought cuts in traumatic brain injury care at the height of a war that is producing more brain-injured veterans than ever before. And we are failing to commit adequate staff and resources to the counseling programs.

All this, as I said previously, as the VA has turned away a quarter million veterans who wanted to enroll.

The supplemental request last year illustrated just how flawed the process is. VA had to request around $3 billion more to cover expenses not in the 2005 and 2006 budgets that we passed. The Secretary told us, in this hearing room, that the reason that they messed up is because their formulas did not take into account that we had a war going on.

The Independent Budget, which many of you are involved in, knew exactly what the figure ought to be, knew what the administration should have given, and what the Congress failed to make up for. And today, we have the VA rightfully touted in many ways for the exceptional quality of its clinical care and use of technology. It has come a long way from some of the stereotypical images of the '60s or '70s, of many patients waiting and dirty wards, receiving substandard care from uncaring providers.

It is now on the cutting edge of health care in this country and in the world, and that is very commendable. But that system should not have delayed care, rationing of care, or any problems with access or quality. We do have the resources as a Nation to adequately fund health care for those who have borne the battle and have given us our freedom.

I am pleased that virtually all the organizations here today support the passage of mandatory funding for veterans' health care, and I can assure you that we will continue to press for this in the next Congress.

Let me just say one word on the so-called "core veteran issue." I don't know if that is the same "ghost population" that Mr. Buyer re-

ferred to, but some have claimed that there are two classes of veterans: those that are core veterans and others. Sure, there are veterans that have a greater need for VA services and should have a higher priority. We will always keep that in mind and fight for that. But all veterans should have access to VA health care. A veteran who scaled the cliffs of Normandy, or who walked point in the jungles of Vietnam, or who endured the frozen reservoirs of Korea, or served in the Persian Gulf and was fortunate enough not to be wounded or disabled is just as much a veteran as any other veteran, even if his health care needs are not as a result of that service, and no matter what their income is. That veteran deserves access to our health care system, and we—certainly on this side—will fight for that.

There are a lot of other issues that you are going to talk about today. I have referred to them in my longer statement that is part of the record. Let me make just one last comment.

We have an administration that says "support our troops," "support our troops," and we all do. Supporting of troops means to support them when they come home, also. Right now, in my medical center in San Diego, we have almost a thousand veterans on a waiting list. If you come home from Iraq and Afghanistan, you may wait a year for a dentist or some other specialty treatment. If you have PTSD, you may have not recognized it, DoD may not have recognized it, VA hasn't recognized it, the family hasn't recognized it, and we are going through the same process of having veterans with mental scars that are not treated, as we did with Vietnam.

We have veterans coming back with PTSD, their families not understanding it, family violence, domestic quarrels, drinking, drug abuse, loss of jobs, homelessness, suicides. Hundreds of suicides of those coming back from Iraq and Afghanistan. That is a tragedy. We should never have allowed the Vietnam vets not to be properly cared for, and we still have a chance to rectify that mistake, no matter how long ago it was, but we are repeating the same error today.

Our budget is $80 billion for the VA. Our national budget is $3 trillion. Our debt is $8 trillion. We have enough money in this country to care for all of those who have returned from battle, whether it is from Iraq, Afghanistan, or World War II. Let us do the job right.

Thank you, Mr. Chairman.

[The statement of Mr. Filner appears on p. 73]

THE CHAIRMAN. Thank you. All members who have an opening statement may submit it for the record.

Today, we will hear from several commanders, presidents, and representatives of veterans' service organizations. First, representing the Veterans of Foreign Wars of the United States is the Commander-in-chief, Gary Kurpius. Did I get it right, Commander?

MR. KURPIUS. Yes, thank you.

THE CHAIRMAN. Commander Kurpius was elected in August 31, 2006, at the VFW's 107th National convention. He is the first member to be elected to this office from the state of Alaska. Commander Kurpius served the United States Army from 1967 to 1969. In Vietnam, he served with the 541st Transportation Company, providing convoy security throughout the central highlands. He was awarded the National Defense service medal, the Vietnam service medal with four bronze stars, and the Republic of Vietnam service medal.

In 1970, Commander Kurpius joined VFW Post 1539 in Babbit, Minnesota, where he became a life member in 1976. He earned the title of All-American Post Commander in 1977, and in 1983 was named All-American District Commander.

Commander Kurpius transferred to VFW Post 9785 in Eagle River, Alaska in 1985, and is currently a life member of the VFW Post 9365.

Congratulations on this appointment.

MR. KURPIUS. Thank you.

THE CHAIRMAN. Representing AMVETS, the National Commander, Tom McGriff. Commander McGriff was elected National Commander of AMVETS on August 20, 2006, at the organization's 62nd National convention in Reno, Nevada. He joined the United States Navy in 1959, and was assigned to the USS—I am not going to get this right—

MR. MCGRIFF. Tiru.

THE CHAIRMAN. Say it again?

MR. MCGRIFF. Tiru.

THE CHAIRMAN. Tiru. What is Tiru?

MR. MCGRIFF. Tiru is an extinct fish that swam the ocean.

THE CHAIRMAN. Is a what?

MR. MCGRIFF. It is an extinct fish.

THE CHAIRMAN. An extinct fish? But it tastes really good? All right. Dr. Snyder—all right, I will go with the doctor's opinion. Wow, and this was a submarine?

MR. MCGRIFF. Yes, sir.

THE CHAIRMAN. It didn't bother any of you that you were on an extinct fish?

MR. MCGRIFF. All submarines at that period of time were named after fish.

MR. FILNER. Yes, but not after extinct fish.

THE CHAIRMAN. Yeah, but what about extinct ones? Were you the only one that had that distinction?

MR. MCGRIFF. No, there were several. There were several.

THE CHAIRMAN. Wow. Well, this was a World War II diesel-electronic submarine based in Pearl Harbor.

MR. FILNER. Also extinct.

THE CHAIRMAN. Yeah, we don't have those diesels anymore.

He patrolled the coast of the Philippines, Hong Kong, and Japan, receiving the Armed Forces Expeditionary Medal for his role in skirmishes in the disputed islands in the Taiwan Strait. Commander McGriff was subsequently assigned to the USS Ethan Allen, the Nation's first-in-class Polaris submarine, which was armed with 16 nuclear missiles.

He is a life member of Post 76. He has held many leadership positions at National, state, and local levels of AMVETS. He joined AMVETS in 1991, after spending more than 30 years in the United States Navy. Congratulations.

MR. MCGRIFF. Thank you.

THE CHAIRMAN. Speaking for the Disabled American Veterans is the new National Commander, Bradley S. Barton. Commander Barton, a native of Indiana, enlisted in the United States Marine Corps in 1966. In 1968, while serving as a member of the third Battalion 26th Army regiment, the Battle of Keh Sanh during the Vietnam War, he was severely wounded when shrapnel from an enemy mortar severed his spinal cord.

As results of his wounds, he was medically separated from the Marine Corps in August, 1968. Following his retirement, Commander Barton earned his BS degree from Indiana University in 1973, and his law degree from Indiana University in 1982. Commander Barton has also been very active in the DAV since joining the Indianapolis chapter three in 1975. He is a recipient of the DAV's Department of Indiana Meritorious Occupation Achievement Award in 1979, and was named by Indiana governor's Handicapped Hoosier of the Year for 1979.

He is also a member of several other veterans' organizations. Commander Barton is currently membership Chairman of the DAV Chapter one in Portland, Oregon, where he and his wife live.

Testifying on behalf of National Commander of the Blind Veterans of America, Larry Belote, is Dr. Thomas Zampieri. Doctor served active duty as a medic in the United States Army in 1972 to 1975. Upon completing physician assistant training, he served from September 1978 to August 2000 as an Army National Guard physician assistant, retiring as major.

During this time, he was involved in several military training programs and schools, and is currently employed as the National director of government relations at BVA. He was awarded his Ph.D. in political science from Lacrosse University earlier this year. So congratulations.

Representing the Noncommissioned Officers Association of United States of America is Sergeant Gene Overstreet, NCOA's President. Sgt. Maj. Overstreet entered the Marine Corps in June 1966. He served with the third Marine division in Vietnam. Sgt. Maj. Overstreet also served as the Marine Corps recruit Depot in San Diego as

a junior drill instructor, senior drill instructor, series gunnery Sergeant, and chief instructor.

Reassigned to drill instructor school, he was an instructor, drill master, and chief instructor. He was later selected as the twelfth Sergeant Major in the Marine Corps in April 1991, and assumed the post on June 28, 1991. Sgt. Maj. Overstreet retired from the Marine Corps June 1995. He joined NCOA as vice president, membership recruiting, on May 1st, 2001, and accepted the position as president August 22 of 2003.

Welcome to all of you. Before we begin, we would like to— do all of you have written testimony?

[All nod their head in the affirmative.]

Do you submit that written testimony into the record?

All acknowledge in the affirmative. Without objection, it will be received in the record. So ordered.

On procedural rules, each of you will have 10 minutes to present your testimony. I will give you great latitude to get that in. And in fairness, recognize others also are seeking to testify here today. So when you see the light go off, just you will know what to do, and try to wrap up your statement. And then membership will serve under the five- minute rule.

The VFW Commander, welcome, and you are recognized.

STATEMENTS OF GARY KURPIUS, COMMANDER-IN-CHIEF, VETERANS OF FOREIGN WARS OF THE UNITED STATES; TOM MCGRIFF, NATIONAL COMMANDER, AMVETS; BRADLEY S. BARTON, NATIONAL COMMANDER, DISABLED AMERICAN VETERANS; TOM ZAMPIERI, PH.D., DIRECTOR OF GOVERNMENT RELATIONS, BLINDED VETERANS ASSOCIATION; SGT. MAJ. H. GENE OVERSTREET, USMC (RET.), PRESIDENT AND CHIEF EXECUTIVE OFFICER, NON COMMISSIONED OFFICERS ASSOCIATION OF THE UNTIED STATES OF AMERICA

STATEMENT OF GARY KURPIUS

MR. KURPIUS. Thank you, Mr. Chairman Buyer, Ranking Member Filner, distinct members of this Committee.

As this Nation's largest organization of combat veterans, the Veterans of Foreign Wars of the U.S. is dedicated to helping one another, working as a team, and doing what is right for all who have worn the uniform in the past, as well as for all who proudly wear it today.

I have charged the VFW with a mission of putting veterans first. It is a mission you well understand. This Veterans Affairs Committee is the only Congressional Committee with a distinct constituency. You serve not the government or private business, but actual men and

women, men and women who bravely served this country, protecting everything that America stands for. It is an important mission. It is a sacred mission. It is one that must be taken seriously.

Looking back over the last year, I see many good things, but there have also been some huge bumps in the road. First, let us look at the good. After the funding problems of the previous fiscal year, in which VA ran out of money due to poor budgetary modeling, the administration stepped forward and recommended a sufficient amount of money for veterans' programs.

Also, as your Committee formulated the budget recommendations, we were pleased that you listened to what we had to say. You used our funding levels from the Independent Budget as part of your baseline. We didn't get everything that we wanted, but it was a very good step, and we appreciate the serious consideration you gave to our views and your demonstrated commitment in moving them forward.

Despite the Committee's and Administration's attention, VA still does not have its budget for a fiscal year that begins in a few days. This unfortunately is nothing out of the ordinary. It has been the better part of a decade since VA has had a budget on time. This is a major and continuous failure of Congress.

Mr. Chairman, you rightly want VA to operate more like a business, using best practices to efficiently care for veterans in a cost-effective way. Yet, how is VA to operate that way when the managers can't properly plan for the coming year? No business, let alone one as large as the VA, can function without knowing their budget. Yet year after year, Congress asks VA to do that. That is directly at odds with how all of us want the VA to operate.

We have in the past called for changes to VA funding mechanism. The discretionary process as currently implemented does not work the way it should. How can we accept that? If this Congress is going to fail to live up to its obligation to provide VA sufficient money on time, then we need to modify the current funding process. One of the highest priorities of the VFW is the health care and well-being of those men and women returning from conflicts overseas. While the battles are ongoing, the actual individuals fighting are constantly changing, and each day sees the creation of hundreds of new veterans. We have long argued that their care is part of the ongoing cost of war. That fulfillment of that cost—a National obligation—is what this Committee is charged with overseeing.

One of the VFW's greatest concerns is the mental health of these returning servicemembers, and the effects it can have on their families. VA claims that they are making substantial progress in this area, but it is something that needs to be continuously monitored. Making sure that these men and women get the counseling and services they need to transition back into society and to lead productive lives has a big up-front cost, but it is something that, if left unchecked, will

create many more problems down the road. Many of these problems, such as homelessness or mental illness, are things that no veteran should suffer from, especially because we can tackle it today.

Another important area that deserves increased attention is care related to blast injuries. We must redouble our efforts in prosthetic research and servicing, and also on VA polytrauma centers.

We also strongly believe that more research and time must be spent on traumatic brain injuries. We must learn more about these injuries and be mindful that some of these symptoms might not appear immediately. We must be attuned to any long-term physical or mental impairments that these blasts create. We must give these servicemen and women every tool they need to heal and become whole.

That the VFW can come before this Committee year after year after year, emphasizing the need for a seamless transition is a disappointment. I am not sure that we can even point to signs of progress. What is being done? Where are the roadblocks? Mr. Chairman, We need you, using the oversight powers of this Committee, to give us answers to these questions. We know that you share our frustration, and we urge you to make this a priority for the coming year.

What we are asking for, though, isn't just the mere ability of VA computers being able to speak to DoD's computers. That is certainly an essential part, but it is more about giving these men and women a hand, and a seamless transition back into a productive society, with the skills and training they need to be the leaders of tomorrow. That is going to require emphasis on education and training for real-world jobs.

At a hearing earlier this year, I am told that you offered to look into improving the benefits provided under the Montgomery GI Bill, but as of today, nothing has been passed into law. As we look ahead, it is important that we focus on the benefits being provided to our reservists, especially as they continue to carry a large share of the burden of fighting in Iraq and Afghanistan. These men and women are fighting as Active Duty troops. We need to give them a benefit that recognizes their contributions by allowing them to take their MGIB benefits with them when they separate. In this regard, we applaud your introduction of H.R. 6096, the Disabled War Families Education Act of 2006.

Another important area that is integral to a seamless transition is an effective vocational rehabilitation office. The influx in service-disabled veterans creates new challenges, especially when it comes to vocational rehabilitation and employment. A truly effective program will be focused on a goal of avoiding disability-related unemployability later in life, and that will allow the disabled veteran to build a career to provide for him or her as well as the veteran's family. We envision a program that will create skills that will help these heroes who have sacrificed body and mind, to overcome these obstacles over

a lifetime of employment, not just to launch them with a few years of jobs.

Unfortunately, I must turn to an issue which has taken up much of this Committee's time, and which is of utmost concern for our 2.4 million members. The recent failure of VA to adequately secure veterans' sensitive financial and medical data is disgraceful. To say that we are disappointed with the leadership of VA is an understatement. It is especially distressing for our servicemembers fighting overseas to know that they and their families may be financially harmed because of mishandling of sensitive personal data. The last thing they need to be worrying about on the battlefield is if their families are going to be okay, and if their credit is going to be ruined by a bunch of thieves. This is why we are very disturbed by the withdrawal of the Administration's offer to provide one year of credit monitoring services. It is outrageous that the government would not err on the side of caution with potentially 27 million veterans and family members at risk, and a litany of data breaches coming to light. We of the VFW are most gratified with how seriously this Committee has taken the problem, and that your series of hearings have focused on getting to the root of the problem and providing permanent solutions. We would urge that you not relent in this most important effort. Looking forward, VA needs flexibility, the ability to adapt and change as technology transforms. This Committee clearly needs to exercise rigorous oversight of VA to ensure that these sorts of disgraceful problems do not occur in the future, but oversight does not automatically mean micromanagement.

As we look forward, another major challenge confronting VA for the coming year, as has been the case for a number of years now, is the ineffective operation of the Veterans Benefits Administration. The claims backlog is a persistent problem, something my predecessors have highlighted every time they come before this Committee. That I can still sit here, citing an ever-growing number of cases highlights VA's inability to develop and implement a proper plan to tackle this problem.

VFW witnesses have always stressed that VBA's problem is, at its core, a problem with the quality of their decisions. By their own measurement, VBA commits serious errors on over 100,000 cases every year. These are not minor errors; they can affect the quality of the future lives of veterans and their families. VBA has no plan to address this problem, and we urge you to make it a focus of your oversight this year. Despite best efforts and intent, VA has been unable to manage its case load, and the backlog swells daily. As the number of pending claims increases, the difficulties of managing the backlog and implementing solutions increases.

VA tells us that it takes several years for a new employee to get up to speed with the adjudication process. There are many complexities

and technicalities, which make immediate mastery difficult. Speed and accuracy come with practice. Yet, there is little continuity of funding within VBA.

What is the goal to make VA better? What are the plans? It isn't just enough to throw money at these issues, a sentiment I am sure you on this Committee share. But, the problems VA faces do, by and large, relate to funding. We're not asking you to throw money into a pit. Instead, we ask for VA to be run efficiently with proper oversight. That is not too much to ask. Above all, veterans must come first.

Before I conclude, I would like to discuss one related issue that is before your Committee, the Veterans Choice of Representation Act. This bill would allow veterans to hire lawyers when first filing a disability compensation claim, something that they're prevented from doing now. At first blush this sounds like a great idea, but it is something that the VFW is greatly concerned with. In fact, at our recent National Convention, our membership voted in strong opposition to this proposal. Before embarking on the path which has brought me to this office, I served as a service officer in Alaska for over twenty years. It is a profoundly rewarding job, and one that I look back on with great fondness. There's a lot of satisfaction in helping a disabled comrade get treatment and compensation for his or her injuries. I fear that passage of this bill would dramatically change the non-adversarial relationship for the worse. The system, while not perfect, is intended to serve veterans sympathetically and efficiently at this initial level. This law, we fear, would result in less timely service of claims, and would provide program administrators with justification to ratchet back the service and assistance they provide, harming veterans who choose not to or cannot afford to spend money on a lawyer.

The problem with the current system and the backlog is not because of the lack of legal representation, but because a lack of funding. The numbers we toss around for funding or case load aren't just numbers. They are real people, people who have worn the uniform of this great Nation, their survivors and their dependents. It is sometimes hard to keep this fact in mind. That is exactly why I've charged my organization with putting "Veterans First." Everything the VFW does, and everything that this Committee undertakes must be done with this in mind.

I challenged the great men and women of the VFW to put "Veterans First," and I charge you with the same, for they are who we truly serve, and who we must put first in our hearts and priorities.

Thank you for the opportunity to testify here today, and I will be happy to respond to any questions you may have.

[The statement of Gary Kurpius appears on p. 93]

THE CHAIRMAN. Thank you very much for your testimony. That was

our second bell. I will recess the Committee and we will return after this one vote to take up testimony. The Committee stand in recess for about 15 minutes.

[Recess.]

Mr. Miller. [Presiding] I call this hearing back to order, taking over the chair in the absence of the Chairman, who had to go to Energy and Commerce to make a vote. He will be back sometime a little later. We appreciate your indulgence, as we all had to go to a vote.

Next up, AMVETS' National Commander, Mr. Tom McGriff, the man who spent many a day aboard a submarine named after an extinct fish. You are recognized, sir.

STATEMENT OF TOM MCGRIFF

Mr. McGriff. Thank you, Mr. Chairman, members of the Committee.

Earlier this month, we paused to remember those who lost their lives on September 11th. The attacks against the World Trade Center, the Pentagon, and the failed attempt in Pennsylvania began a new era in American history. Since that horrible day, this Nation has been engaged in a different kind of war. When our troops return home with physical, psychological wounds, we have a great moral obligation to care for them.

I sincerely believe that an elected official has no greater duty than to provide for those who have bravely defended our Nation, and our freedoms. Mr. Chairman, the focus of today's hearing is to look at what the Committee has accomplished this year, and look ahead to next year. We certainly thank the Committee for its work in passing measures aimed to restrict protest at military funerals, enhance servicemen's life, provide veterans with a COLA, improve veterans' housing, and strengthen the VA's information technology, and other matters.

But I think it is more important to look at where we are today and examine the areas that need to be improved. I will focus my remarks on four issues: assured funding, veterans' mental health, the claims backlog, and the veterans' attorney legislation.

First with assured funding. Every time we send our young men and women into combat, we are asking them to make a huge sacrifice. Their lives and their health care are the real follow-up cost to any war. The VA budget for fiscal year 2007 was a step in the right direction, but it does not go far enough to meet the needs of all veterans. Members of Congress touted that this is the first year the Independent budget has been used to tabulate the VA's budget.

I ask why? The Independent budget has been in existence for over 20 years, and has proven time and time again to be the most accurate estimate of VA's funding requirements. If you are to be serious about

meeting the needs of veterans, use the Independent budget figures in fiscal year 2008.

Veterans' health care is an ongoing cost of war, and should be treated as such. Access to quality health care has been compromised by budget shortfalls, rising medical costs and a sharp increase in demand for services. The current discretionary funding formula pits VA against other agencies and billions in pork barrel projects. We believe the system needs to be fixed through assured funding.

Contrary to some beliefs, Congress would not lose oversight if assured funding was put in place. Congress would retain its supervision of VA programs and additionally, VA would still be held accountable for how its funds are being spent and how well its programs are managed. In fact, most Federal health care programs are funded through mandatory funding. Isn't it only fair to put our Nation's sick and disabled veterans on the same level as these other entitlements?

Second, our veterans' mental health services. Operation Enduring Freedom and Operation Iraqi Freedom have resulted in the deployment of hundreds of thousands of troops since 2002. Approximately one third of returning military personnel will need mental health treatment. For those who served in Iraq, 35 percent requested mental health services one year after deployment. We have learned from past conflicts that war has long-lasting psychological effects. But getting a handle on PTSD and other disorders is tremendously difficult. The effects vary for each person. Some never show symptoms, others show them immediately.

Unfortunately, VA has had an uneven record of service to veterans with mental health needs. VHA must invest resources in programs that aid patients' recovery rather than managing and treating symptoms. VA should develop a continuum of care that includes case management, rehabilitation, peer support, work therapy, and other support services with an over arching goal of recovery. Additionally, VA must work hand-in-hand with DoD to help returning servicemembers get their mental health treatment.

We applaud Congress for putting into place special safeguards to ensure VA gives priority to veterans with idle illnesses. But more needs to be done. I encourage this Committee to continue its efforts to help VA assist veterans on the long road to recovery.

Third, our claims backlogs. The VA continues to experience challenges processing veterans' disability compensation and pension claims. The backlog is at a critical stage, with significant errors numbering 100,000 per year. The average claim takes more than six months to complete, and appeals of denied claims can take as long as three years.

Also, many experienced claims processors are reaching retirement age. According to VBA, it takes two to three years of experience for claims processors to achieve a fully productive level of expertise. Cur-

rently, about half of VBA's staff has 3 years or less of decision-making experience. VBA needs to tackle this problem now, and AMVETS believes VBA is capable of reducing backlogs and improving error rates, but only if and when new technology, better training, more staff, and real accountability is implemented. That takes time and money. Not budget cuts and staff reductions, which have been proposed in recent budgets.

In fact, AMVETS is so passionate about looking at claims and other VBA challenges, we are hosting a National Symposium for the Needs of Young Veterans in mid-October. The Symposium's goals are to reach a consensus on the key problems facing veterans, offer solutions that will modify the system, and suggest how to enhance benefits for the National Guard and Reservists. In November 2006, the Symposium will publish an action plan that will prioritize the steps needed to provide a modern benefits program and an effective delivery system. If you are concerned about the future of veterans' benefits in America, I encourage you to support us in this endeavor and study our action plan. I am confident the symposium will provide Congress and VA with a report that will improve the system now and into the 21st century.

Lastly, the Veterans Choice of Representation Legislation. AMVETS has serious concerns about the House and senate bills. As you know, the Senate passed their version with a number of veterans benefits enhancements attached to it. We support the added language now contained in the Senate bill, except the attorney provision.

VSOs provide, free of charge, excellent representation to any veteran, member or not, within the community. AMVETS has specially trained representatives stationed around the country to assist veterans wanting to file a claim. We have access to the VA system, know exactly who to contact, and are acquainted with the people who make the decisions. We feel we provide a greater and more efficient service than any lawyer could.

If attorneys are allowed into the system, it would overturn veterans' protections that have been in place since the Civil War. It will not improve the procedure, or make it more efficient; just the opposite would be true. The benefits system was designed to be an open, informal process. Adding lawyers to the mix will create a potentially hostile situation between the veteran and the VA. Furthermore, the VA can't handle lawyers. Most lawyers do not have an understanding of veterans law, the vast VA bureaucracy, or even know what is rightfully due to the veteran. VA will no doubt be bombarded with calls from legal aids wanting to know exactly how the VA works and how to navigate the system. VBA is financially strapped as it is, and claims backlogs continue to grow without this added burden.

I suggest the Committee explore ways to reduce pending cases by fixing staff shortfalls, improving training programs, and holding

claims processors accountable for the quality of their work. This is what is going to reduce the backlog, not attorneys.

One last point I will mention, Mr. Chairman, is the yearly VSO testimony. As you know, the VSOs traditionally presented our agenda before a joint meeting of Veterans Affairs in the springtime. Last year, joint hearing were dissolved in favor of a full Committee hearing, but it was held just days after the President released his budget proposal. This is clearly not enough time to review a budget as complex as the VA's. While funding for VA is one of AMVETS' top priorities, our annual testimony addresses issues that go above and beyond the matters of just the budget.

I am certain the Committee wants complete and accurate views from the veterans community when it looks at the agenda items for a new Congress, which is why we ask these important hearings continue next year. But please schedule them in March, so we can provide you with a thorough assessment from our organization.

In closing, Mr. Chairman, AMVETS looks forward to working with you and the Committee to ensure the earned benefits of America's veterans are strengthened and improved. This concludes my testimony. Thank you again for the opportunity to appear here before you today, and I will be happy to answer any questions that you may have.

MR. MILLER. Thank you, Mr. McGriff. We appreciate your testimony.

[The statement of Tom McGriff appears on p. 101]

STATEMENT OF BRADLEY S. BARTON

MR. MILLER. We will move to Bradley Barton, National Commander, Disabled American Veterans. Commander, you are up.

MR. BARTON. Mr. Chairman, members of the Veterans Affairs Committee, on behalf of the more than 1.3 million members of the Disabled American Veterans, I am honored to appear before you today to discuss the state of Veterans Affairs for the current fiscal year and upcoming year.

For more than 30 years, I have been active in supporting DAV's mission of building better lives for our Nation's disabled veterans and their families. And since my retirement from the legal profession, fulfilling that mission has been a full-time job for me. My fellow disabled veterans have placed their confidence in me as the National Commander, to carry their message to Congress and to the American people, and I will not let them down.

As the current fiscal year draws to a close, we hear from VA officials around the country that health care funding shortfalls continue to hamper their ability to care for sick and disabled veteran. They are unable or unwilling to hire the needed medical staff in large part

because of problems with their current budget process. But just days before the new fiscal year, the VA still does not have an appropriations bill. For years, the DAV has voiced our concerns that the current budget process is a failure. It fails to serve veterans, it fails to serve the VA, and it fails the American taxpayer.

It is impossible for the VA to plan for the coming fiscal year, when it does not know what its budget will be, or when it will get its allocation. And that is no way to run the second largest Federal agency, with the country's largest integrated health care system.

The VA simply cannot function properly under those conditions. Although the proposed VA budget for fiscal year 2007 comes close to the levels recommended by the DAV and other co-authors of the Independent Budget, an additional $2 billion in discretionary funding is needed. We are also very concerned about another tightfisted budget for fiscal year 2008, and its impact on the needs of our Nation's veterans.

For years, the DAV has been fighting to make sure that veterans' health care is adequately funded, and that those funds are available on the first day of the new fiscal year. Chairman, I call upon you to join the DAV and the entire veterans community in an open and frank discussion of the current VA appropriations process, and how that process might be improved to better serve our Nation's sick and disabled veterans.

I will now turn my attention to an issue of great importance to the DAV, and those veterans seeking benefits from the VA. Recently, the Senate passed S. 2694, which would permit attorneys to charge veterans for services rendered in the preparation, presentation, and prosecution of their VA claims. There are also two bills in the House that would allow attorneys to charge veterans a fee to represent them. H.R. 4914, introduced by Congressman Lane Evans, and H.R. 5549, introduced by Congressman Jeff Miller.

The DAV firmly believes that allowing attorneys to charge a fee to represent veterans would not be in the best interests of the veterans, and would be detrimental to the VA as well. As an attorney and a veteran, who has considerable experience with the VA claims process, it is difficult to see how allowing attorneys to charge for their services will improve the situation.

What ails the VA claims system has nothing to do with who veterans choose to represent them. The real issues are the timeliness and accuracy of the decisions handed down by VA claims workers. I can understand why some attorneys advocate changing the system, and some veterans honestly believe that they would receive better representation by attorneys. But empirical data from the Board of Veterans' Appeals tells that attorneys have a lower average allowance rate than veterans' service organizations.

Veterans who fought for our country should never have to fight

their government to get the benefits a grateful Nation has provided for their sacrifices and service. Congress itself intended that these benefits be provided with a minimum of difficulty. It is important to understand the differences between the VA process and litigation. In the VA process, its employees counsel veterans on their eligibility for benefits. The VA will assist the veteran in completing and filing the relatively informal application for benefits. The VA also takes the initiative to advance the claim through the process, and Congress placed the duty on the VA to ensure that all laws and regulations pertinent to the case are faithfully applied.

Admittedly, the VA has often fallen short. The VA sometimes denies veterans claim erroneously, even arbitrarily. Veterans sometimes do have to fight the bureaucracy to obtain what they are clearly due. However, regular involvement of lawyers in the claims system would turn the informal pro-veteran process into a formal, legalistic, and more adversarial one.

The VA would have to devote a whole legion of employees just to review attorney fee agreements, for example. And the overall increase in administrative costs might have to be paid for by reducing veterans services elsewhere. A far better use of the VA's already limited resources would be to hire more claims workers, and provide intensive training to improve the quality, as well as the timeliness, of decisions.

The VA also must enforce uniform quality standards through more effective management, and exercise real accountability at all levels. More timely medical examinations and better information sharing between the Veterans Benefits Administration and the VA health care facilities, are also needed.

Only when the VA has taken these steps, and Congress provides the necessary resources, will veterans receive the level of service they deserve. The VA's objective and its duty is to provide timely, accurate decisions on veterans' claims. As you know, Congress deliberately designed the VA administrative claims process to be non-adversarial, and veteran-friendly. Disability compensation and other benefits for veterans and their families should go to the intended beneficiaries, not lawyers.

By passing a measure allowing lawyers to charge for claims assistance, this Congress would be admitting that it is unable to perform its oversight role to ensure that the VA claims system works as intended. The argument that veterans should have a choice to be represented by a lawyer ignores the intent of Congress that the VA provide all entitled claimants with all benefits affordable under the law.

As an attorney, I know firsthand how lawyers are trained, and how they think and react in the legal arena. Believe me, this is not what you want for the VA claims process. Enactment of these bills would

profoundly change the claims process to the detriment of the veteran. We believe there is a potential for wide-ranging, unintended consequences, that will benefit neither veterans, nor the government.

DAV delegates to our National convention in Chicago, August 12 through 15, unanimously passed the resolution opposing passage of this legislation. The DAV does not stand alone in its opposition to these bills. This legislation is also opposed by the veterans of foreign wars of the United States and AMVETS, and several other military and veterans organization. And I remind you, the VA itself is opposed to this ill-advised change in the law.

We therefore call upon the members of this Committee to oppose the legislation that would remove the restriction on lawyers charging a fee to prepare, present, and prosecute claims for veterans' benefits.

And on another very important matter, Chairman, I hope that you will give serious consideration to the DAV's request to present our National legislative agenda to a joint session of the House and Senate Veterans Affairs Committees on February 27, 2007.

Mr. Chairman, this completes my testimony. Thank you for allowing me this opportunity to appear before you on behalf of the Disabled American Veterans to share our views on the state of Veterans Affairs. Thank you also for all that your Committee has done, and all that you will do for veterans in the future.

[The statement of Bradley S. Barton appears on p. 108]

STATEMENT OF THOMAS ZAMPIERI

MR. MILLER. Thank you, Mr. Barton. We appreciate your testimony today. And continuing to move along, because we have a pretty healthy list, we would like to ask the director of government relations for the Blinded Veterans Association, BVA, Dr. Thomas Zampieri, if you would please proceed.

DR. ZAMPIERI. Yes, sir. Mr. Chairman and members of the House Veterans Affairs Committee, on behalf of the Blinded Veterans Association, we appreciate this opportunity to present our views today, and a look-back at 2006, and the priorities for 2007.

This year, BVA has become increasingly frustrated by the lack of significant changes in the VA's ability to provide a full continuum of blind outpatient rehabilitative services. Before getting into that, though, I want to bring up a couple cases that have caused us a great deal of alarm.

Recently, we found out that we are starting to find individuals in different medical hold companies in different locations around the country. OIF and OEF servicemembers who have had severe eye injuries, or have in some cases been blinded in combat have been put in medical hold companies, and the VA has never been notified of their existence.

We recently found a 22-year Navy corpsmen who had been in the Navy reserves, who was down at Camp Lejeune, and he was down there in medical hold for four months. He was discharged September 8 back to his hometown in Ohio, and his instructions were, "When you get home, find the closest VA hospital and try to get an eye clinic appointment."

We also found an active-duty Army Sergeant Major at Fort Bragg, North Carolina, who had traumatic brain injury, and was legally blind. And much to our surprise, we found him on ABC evening news when they were doing the story about the reduction in funding for the traumatic brain injuries Center at Walter Reed. Well, surprise, we found that he has also never been referred to the VA, even though he is about to be discharged in October.

And then yesterday, I find an individual, an Air Force servicemember out in Colorado who was blinded in July, was discharged recently home to California. Again, the VA was never notified.

These cases should begin to demonstrate our complete lack of confidence in the seamless transition, and makes me wonder what kind of complete disconnect there is between DoD and VA. We hear here frequently about how we have placed case managers at DOD facilities from the VA, and the VA comes in and testifies about how they are able to track these individuals, and these are just three examples, and I could give you about eight more, of cases that we recently have found that have fallen through the cracks.

In regards to traumatic brain injury, which I mentioned, this is a serious problem that is going to be confronting everyone. As of January 14, 2006, DOD reported over 11,852 of the returning wounded servicemembers had been exposed to IED blasts, or other types of explosion. With this came the report that over 1800 servicemembers are now diagnosed with traumatic brain injury from Walter Reed. They admit that this is the signature injury of this war. And the complications from blast-related injuries can be anywhere from mild, to moderate, to severe.

In our case, we are extremely worried because epidemiological research studies have shown that about 24 percent of all TBI patients have visual disorders. Some of these are extremely subtle, but they can have a major impact on the individual. Blurred vision, double vision, problems with distance, being able to read and interpret print; all these things can affect them long-term.

We are concerned about the lack of screening of those at risk of TBI, and would urge this Committee to ensure that both DoD and VA medical staff have training on identification, diagnosis, and appropriate management of TBI.

We also supported fully the Senate defense appropriations of $19 million, the amendment that was approved recently, and hope that the House will also approve this.

Recently, Harvard and Columbia Universities took a look at where we are headed at, and the estimated cost of medical treatment for TBI servicemembers. In the next 20 years, the VA could face $14 billion in estimated expenses associated with traumatic brain injuries.

We also are concerned we found recently, between March of 2003 and April of 2006, that Walter Reed Army medical center has now publicly admitted that 16 percent of all servicemembers evacuated from Iraq had eye injuries; that they had treated over 670 soldiers with either blindness or moderate to severe visual injuries, and that the naval National Medical Center had operated on over 360 Navy or Marine Corps personnel who had eye injuries.

Much our surprise though, they refused to provide this information to the Department of Veterans Affairs, even though we had a meeting out there a couple of weeks ago, because they said, "We have concerns over HIPAA, so we don't want to release these individuals' names, Social Security numbers, and information to the VA."

It is just astounding to us, not only from a standpoint of that statement, but also that the VA's computer system won't be able to access their inpatient medical records, because the computer systems currently, at this stage, can only access four things, which are outpatient type of items such as pharmaceuticals, outpatient labs, and some other information.

We wonder where this is going. For the full continuum of care, Blinded Veterans Association has constantly worked with this Committee, and with the VA, on trying to get improved resources for blinded veterans, and especially those older veterans who have age-related visual impairments.

The GAO testified in front of this Committee in July 22, 2004, saying that the VA needed more additional outpatient resources, for the full continuum of care. The VA visual impairment advisory board has examined and looked at this issue internally since then. They have made recommendations. The VA did an internal GAAP analysis, which looked at what current services were available, and they found in the middle of all this, with the large numbers of returning casualties with eye injuries, that 80 VA medical centers currently, according to the VA's own internal GAAP analysis, have no basic outpatient blind services for veterans.

Only 14 medical centers in the entire system can provide the full scope of advanced blind rehabilitative services. The VA visual impairment advisory board also looked at the financial projections for expansion of low vision services, and issued a report in November of 2005, that the total costs to implement a cost effective outpatient blind rehabilitative services would be less than $14 million. To this date, though, only one new outpatient program has been established since July 22, 2004, when GAO testified before this Committee.

We would strongly like to urge that this Committee pass H.R. 3579,

the blind rehabilitative outpatient specialist, that this bill would provide would make a substantial step towards the right direction in providing more outpatient services at VA medical centers.

Currently, three out of the four VA polytrauma centers didn't have a blind specialist on their staff, even though they are supposed to have full multidisciplinary staff at those centers. Until just recently, this spring, did they hire any of these individuals.

There are two programs that help not only would with the traumatic brain injuries screening, but also with the older, aging population with visual impairments. One is a VISOR program, which is a Visual Impairment Services Outpatient Rehabilitative program. And the other one is a low-vision optometry program; Visual Impairment Centers To Optimize Remaining Sight, called VICTORS. Both of these programs are outpatient programs. They are operated with the intent of being able to not only provide the full scope of services for outpatients, but also to be able to provide follow-up care for those veterans who need further care.

Most of these programs are extremely cost effective, and yet we have been unable to get the funding to establish 18 of these programs, which would be $9.5 million. We wonder, then, when we hear about the robust budget, where the money is?

Mr. Chairman, we appreciate the opportunity to testify here today on these critical issues, and will be happy to answer any questions that you have.

[The statement of Tom Zampieri appears on p. 115]

STATEMENT OF SGT. MAJ. GENE OVERSTREET

MR. MILLER. Thank you very much, Doctor. We'll move along to the Non-Commissioned Officers Association of America. Sergeant Major Gene Overstreet. Sergeant Major.

SGT. MAJ. OVERSTREET. Thank you, Mr. Chairman and distinguished members of the Committee. We are pleased to be here before you today, before this Committee, and to share some of our perspectives on the VA, as we look forward and look back. Thank you for implementing our written record into the testimony, sir.

The association is grateful for you holding this hearing. We think it evidences the genuine concern, as you look at the programs and resources provided by the VA. We also think that it weighs the future financially for the years in the future accordingly. This must be done to ensure that the resources and priorities are in place to honor this Nation's institutional commitment to those who have served in the military.

Please note that I emphasize for the VA to honor all our Nation's commitment to those who have served. All those who have served. We cannot forget the service and sacrifices of our earlier generations,

as well as that are serving today.

The honoring of the commitment to the military members and their families, and our survivors, with appropriate benefit health care, all the way from when they separate or when they go on active duty, all the way to the grave site.

As you can see today, I am joined by a lot of veterans here. I had the opportunity to introduce the President of the United States a couple of years ago at Arlington Cemetery. And I said to him and all those great veterans that were watching that preceding, that "You know, I have a friend in San Diego. He is a retired Marine. He is a Sergeant Major. And every time he introduces himself, he will tell you that he is a Marine. He will tell you that he is retired. But the very next word out of his mouth, he will tell you that he is still serving." Sir, ma'am, if you look around this room, all these veterans are still serving. We have a lot of veterans across this great country that are still serving, and that is why I say let us honor all those who have served in the past.

As we enter the second session of the 109th Congress, the Nation's military force has more servicewomen and men deployed in the war on global terror, and more military forces from the Reserve and Guard members on active duty, for longer periods of time, of any time since World War II. Most of them have deployed more than once. As a matter of fact, if the Chairman was here, he would suggest, after he went over there, most of them have served three, and even on their fourth tour, as they go. And every one of them, every enlisted member, who will hold their right hand and swear to affirm the words of the military oath of enlistment—simple words, but very profound—to provide the very essence of service for every military man and woman, other ultimate declaration; these 12 words: "to support and defend the Constitution of the United States."

I would submit to you, sir, that nowhere in there—and I've said this before and I will say this again—that there are any qualifying remarks in there about "if resources are available," or "if we had the money to take care of you."

I would also suggest to you, sir, every time, from the newest recruit, to that Sergeant Major, or colonel, or general, that retires at the other end, I would suggest to you that they think, when they raised their hand and say those words, that they are going to get the best equipment, and the best training that this Nation can offer. I would also say to you, sir, if one of them should fall in the line of duty, that this institution will support those veterans, from a grateful Nation, for them and their survivors, regardless of what that is. Like you and every veteran in this room today knows the freedom enjoyed by all Americans has a price, this Nation's commitment to care for them who have borne the battle, their widow and their orphans; I would suggest to you, sir, that is the payment.

Today, we focus on a look-back and a look-forward, to meet the needs of America's veterans as we move forward in time. First of all, sir, I would suggest to you that productivity enhancements of information technology and artificial integration are still not online to work benefit claims. The claims backlog will further extend the claim time line for processing. Sir, we need to hire a full-time employee to fill our perceived void. Those time lines continue to get longer and longer for claims processing all the time.

The IT, we want to put a Band-Aid on this. It is not going to take a Band-Aid. We fully recognize that it is going to take two to three years to properly implement that. We think that that is going to happen.

The bottom line is taking care of real live veterans. That is the bottom line. We suggest that you need to do this. Obviously, there is no great need or a super-duper IT program that manages efficiencies and productivity. The issue right now is a process of the high-volume of claims that we receive. As you know, we got more guard, more reserve, more whatever. The war is still going on. We recognize that the board remands and blue water navy OA claims, anticipated blue water navy DIC claims, and other veterans appeal actions. Let us stop penalizing the veterans for the untimely final claim processing, because of management SNAFUs associated with the department's IT program.

Training of all involved in the VBA claim process, to include initial development of claims, reviewing the claims, submitting the process, reviewing telephone representatives and service; Make sure that they are accurate in giving good information. Train to me to qualifyable standards. We must do this to reduce the backlog. NCOA does not believe that the VA is adequately funded to complete its mission. Veterans sick in VA health care and services for the first time are well above projections. The war is not ended. More veterans are expected. NCOA recognizes the fragmentation as it occurs in health care. Scheduling delays, past attempts to disenfranchise veterans from user fees, higher co-pay, locking out veterans. Systems are signal of an underfunded discretionary health system. NCOA believes that it is time to make the VA health care system mandatory funding.

Clearly, pressing issues for the VA today is their budget, and their staff. We all understand that and know that. We need to establish long-overdue Medicare plus choice programs. NCOA has not forgotten the 2002 vision of the Department of Veterans Affairs to bring subvention funding. Nor have we forgotten the envisioned income stream from TRICARE for medical reimbursement of non-service-connected health care by medical retirees, and possible dependants where feasible.

It is time to review these efforts and enhance the funding capabil-

ity of the VHA. Secure maximum reimbursement from insurance programs for those served by the VA health care system. Health care appointments, quality standards, for those returning from OIF and OEF, have not really been a hard difficult to secure appointments for entering the health care system. However, there is a severe shortage of mental health care staff managing existing patients. Far less returning from OIF OEF veterans, who are required specifically as it is related to PTSD or other mental health, shortage of mental health bed spaces for PTSD, substance abuse, alcohol abuse, drugs, suicide; there is a severe shortage of those.

Homeless veterans are a raising number of veterans being identified as homeless in America. Recent numbers project as much as 190,000. Whereas, we are going to have a shortfall not to be able to take care of that many veterans.

You know, only a couple of years ago, we were arguing that it was less than 150,000. Within a year and a half, now, we are over 190,000. What a shame. Growing numbers from OEF are part of those numbers, as well, and that is really pushing the numbers up. That is evidence by the report from the GAO.

As we conclude today, sir, recently in—certainly not our last recommendation—Mr. Chairman, and members of the House Veterans, we place before you two concerns for your support as the VA moves forward. First, VA needs to secure its role in the medical research and development for programs designed for seriously war-injured—I say again, seriously war-injured. These programs would include research into the evolving new medical intervention and treatment of traumatic brain injuries, and rehabilitation models for brain injuries.

You may not want to hear this, but NCOA strongly is convinced that the administration in the VA should be an advocate for those medical research to pursue stem cell research for amputees, spinal cord injury, and nerve cell functional integration.

We suggest unless you do that, some veterans are going to be left behind. Second, Mr. Chairman, members of the Committee, NCOA believes that your efforts are needed to convince the Armed Forces Service Committee to revisit the health care record problem. VA has developed a nationally acclaimed computerized patient records system. It is a great system. The VA model could be tweaked for additional military data to include toxic exposures to meet DoD requirements, and all of the other requirements that they have. We have a good model on the ground right now that we know that works. Rather than someone creating their own paradigm that don't link up to the VA, and we can't even transfer the records from one to the other, and that is, you know, we're leaving a lot of people out of the system like that.

We think, let us take a system that is a proven system, and develop

it for both, because we think it will work for both. They have an effective medical record that can be communicated around the block or around the world at the same time. What does this do for seamless transition? This makes a seamless transition much easier and much more seamless than it has ever been before.

Mr. Chairman, distinguished members of the Committee, NCOA thank you for this time, and appreciates the invitation to appear before you.

[The statement of Sgt. Maj. Overstreet appears on p. 124]

THE CHAIRMAN. [Presiding] Thank you very much.

The members were going to be in session until probably very late on the 29th, which is next Friday, which means a lot of the Committees are doing markups on a lot of different bills and trying to gain access to the floor prior to the 29th, so I just want to let you know why members are not here, and coming and going. We are having a markup on NIH, in the Commerce Committee, which I am also a member, so I apologize for my absence.

I had, last night, the opportunity to read your testimonies. And let me compliment you on the substantive nature of your testimony, and also the oral presentations. We, in our negotiations at the moment with the Senate on pending bills, I have to go deep and into a narrow lane, quickly.

So as I understand, let me make sure I can get this correct. With regard to the issue on attorney representation in the claims process, VFW opposes? Is that correct?

MR. KURPIUS. Correct.

THE CHAIRMAN. AMVETS opposes?

MR. MCGRIFF. Correct.

THE CHAIRMAN. DAV opposes?

MR. BARTON. Wholeheartedly.

THE CHAIRMAN. All right, that is not an undecided. Wholeheartedly opposes?

MR. BARTON. Opposes, yes.

THE CHAIRMAN. Okay. And Mr. Barton, your organization? I am sorry, Mr. Barton opposes. Dr. Zampieri?

DR. ZAMPIERI. We oppose it.

THE CHAIRMAN. Blind Veterans opposes. NCOA?

SGT. MAJ. OVERSTREET. We do not oppose it, sir.

THE CHAIRMAN. "We do not oppose," that is a double negative, Sergeant Major. Do you support Larry Craig's position, the Senate position?

SGT. MAJ. OVERSTREET. We support the legislative position.

THE CHAIRMAN. Okay, you support the legislative position.

All right, now let me go to the testimony of the four that oppose. With regard to a bill, Mr. Evans' bill that would—let me get the accu-

rate language. Mr. Evans' approach would be an attorney could enter the process after a notice of disagreement has been issued. Would that change the position of the VFW at all? Would you still oppose?

MR. KURPIUS. Still opposed.

THE CHAIRMAN. AMVETS?

MR. MCGRIFF. AMVETS is still opposed, sir.

THE CHAIRMAN. DAV?

MR. BARTON. We are still opposed, sir.

THE CHAIRMAN. Wholeheartedly?

MR. BARTON. Wholeheartedly. Emphatically. Definitely, we are opposed.

THE CHAIRMAN. All right, that is a lot of adjectives. I got it. Blinded veterans?

DR. ZAMPIERI. We would probably support that part of it.

THE CHAIRMAN. Okay, so if you went with the Evans approach, then you would support? All right, that is important for us to know.

Sergeant Major, that didn't change your position at all, I know. If you are hard over on that one, then you would also support the Evans approach; would that be correct?

SGT. MAJ. OVERSTREET. Correct.

THE CHAIRMAN. All right. With the witnesses on the second panel, I have to go down the same questions, so please prepare for that.

There was a question at the Subcommittee on Disability Assistance and Memorial Affairs when they held an oversight hearing, on the operations at the Board of Veterans Appeals. The past president of the National Organization of Veterans Advocates stated, and I quote, "As unsophisticated persons, claimants almost invariably lack the skills to determine what evidence they need to produce. What they need is a set of skills that experienced lawyers acquire."

Now, from this statement, I believe the assertion here is that veterans and survivors are unsophisticated, and require an attorney in order to receive the benefits from the VA, and that the system today has become too complex and adversarial. So I would like to know about your comments with regard to this quote. VFW?

MR. KURPIUS. No, I take exception to that quote completely, if that is in reference to the veteran or the veteran's family seeking the entitlement, or towards the representation that we provide. That is not a true statement. We spend hundreds of thousands of dollars, all the organizations, on training our personnel for representation. And it is in a non-adversarial position. The attorneys would only clog up the system so much more.

And I would like to make a statement. We just had our legislative conference here. And we charged the hill, let us say, with them, and they made visits to many of the offices. And the lack of knowledge, let us say, on the individuals who will be deciding this; they weren't really up to speed on the issue. So if this does come forward, I would

certainly like to see this go to hearings first, if this ever is going to be acted upon. We have some real concerns with this because the people were not even aware of it, a lot of the Congressional people.

THE CHAIRMAN. AMVETS?

MR. MCGRIFF. Mr. Chairman, AMVETS is very proud of its Veterans Service Officer organization. Across this country, we have men that, that is their life. Their life is veterans serving veterans. They are fully aware of the ins and outs, and the ways to go through the bureaucracy of the VA. And their only goal is to get that veteran what may be due to him. And this is at no charge to the veteran or the veteran's family. And we spend eight hours a day, five days a week, 52 weeks a year, serving that veteran.

I don't think you can take a brand-new Jones & Jones Law firm and have him equally represent a veteran as well as a veterans service Officer can do it.

THE CHAIRMAN. If a requirement was added that an attorney would have some form of certification with regard to the veterans, with the practice, would it matter?

MR. MCGRIFF. I don't think so—yes, it would matter. Let me re-answer that. Yes, it would matter if they had a certification. And there again, we get into the problem of getting the VA to certify them, and then there is going to be a cost, a delay, and a time of staff that is not necessary. Let us take that money to certify them, and hire more VSOs.

THE CHAIRMAN. DAV?

MR. BARTON. I would suggest that perhaps lawyers don't really have the skills to maneuver the VA claims process. I am an attorney and I speak with some experience in the area. I knew a lot more about the VA and the claims process as a disabled veteran than I ever knew as an attorney. Perhaps attorneys would aid them in presenting their evidence, but I think the empirical data from the Board of Veterans' Appeals demonstrates that attorneys do not possess any special skills to make them any more successful than our outstanding group of national service officers with the DAV. And I think it would be a disservice to the veteran community to have to pay for representation to obtain benefits he has already paid the price for in his service and sacrifice for our country.

THE CHAIRMAN. Blinded Veterans Association?

DR. ZAMPIERI. Yeah, we are concerned with, as my distinguished colleagues here said, in that, you know, I don't come to this with a legal background, but I do come at it from the standpoint of a medical background, where specialists are better at taking care of things than a generalist, depending on the particular problem. And when you get individuals who are going to be quote, "vying for business," then you know, the free-market system works very well in individuals being able to target an audience, so to speak, and get people to sign up for

services without fully realizing that their legal representative is well-qualified in that area.

And our claims benefits officers do a tremendous job of assisting veterans with their initial claims, and are very successful in helping them through the process. And we would have strong reservations about ensuring that there is strong oversight and safeguards in regards to who is exactly going to be allowed to do this.

You know, the analogy I use is the plastic surgeon doing one thing, and a dermatologist trying to do the same procedure, they are just not trained the same way. And there is a lot of risk out there, and I have followed what has happened with the asbestos situation, and I think anyone who has looked at the horror stories out there, where individuals have cherry-picked large numbers of claims that they figured would have the best payout, and have manufactured things in order to try to get large class-action suits settled, makes us very worried and suspicious of what might happen with this situation.

THE CHAIRMAN. Given your prior testimony that you would support the Evans approach, if Congress were to adopt that approach, would you advocate that the court require some particular types of certification, or hours of training by a lawyer, in order to practice in that process?

DR. ZAMPIERI. Yes, I think so. Because it would be at least a safeguard in making sure that the individual has met certain standards before trying to accept cases.

THE CHAIRMAN. Okay. NCOA?

DR. ZAMPIERI. Before being able to try and take cases, the individual have to have met certain standards.

SGT. MAJ. OVERSTREET. Sir, I think our concern is with the veterans themselves. They are to have the option. It is kind of like being—going to article 15; do you have opportunity for counsel? Who are you going to get that counsel from? Chances are you are going to get it from the first sergeant, you are going to get it from the gunny, you are going to get it from the sergeant major. You are going to get it from someone in the pipeline, that is raised in the pipeline, that understand that.

However, before you go before the Commander, you have the opportunity to go seek counsel, legal counsel, either military or other. That is their option. We kind of see us sort of as the same way. Okay, you can go to the VSO. We have VSOs, we think they do a great job. We are not suggesting that in the least. However, if the veteran is not satisfied with the VSO that he has, or with any VSO he talks to, we believe that he ought to have that option to go seek counsel otherwise.

Now, as far as their training goes, and as far as what they will be able to do, maybe we need to hold that up to the light and see just how far they can represent this veteran in his claim or whatever, to get it

through the process.

However, when it comes down to that veteran, we think they ought to have that option, though.

THE CHAIRMAN. Did all of you present your views and opinions to the Senate before they voted on this measure?

SGT. MAJ. OVERSTREET. We did not, sir.

THE CHAIRMAN. You didn't?

SGT. MAJ. OVERSTREET. No, sir.

THE CHAIRMAN. Blind Association did? DAV did? AMVETS? VFW?

MR. BARTON. Yes, sir.

MR. MCGRIFF. I don't believe so.

MR. KURPIUS. They knew that we opposed them, but we did not have an opportunity to present it to them at the time. They know now that we do oppose it, now.

THE CHAIRMAN. Well, all right.

Last comment I have, Sergeant Major, when we were in the theater with the secretary and Mr. Salazar, and Dr. Boozman, the Marine Corps is still doing something right. You can spot a gunny from a distance. Every time I would meet one and walk up to him—there is a cookie-cutter going on out there. I mean, whatever you are doing to these guys, they are built right, they sound right, they are leaders, and they are very impressive in the field. So I extend my compliments.

SGT. MAJ. OVERSTREET. Thank you.

THE CHAIRMAN. Whatever the basis that you laid continues.

Mr. Filner?

MR. FILNER. Thank you, Mr. Chairman. Thank you for your introduction of these gentlemen. As you read their biographies, it shows us why we are here. And you could have done the same thing for every man and woman in the audience, and I appreciate knowing a little bit about their background. Even the extinct fish one. So thank you for that.

The Chairman gave me a good model, so I will just proceed the same way with another issue, that is, however you want to define "assured," or "mandatory funding." And as I heard all of you, again, you were all for it. VFW? Yes?

MR. MCGRIFF. Absolutely.

MR. FILNER. DAV?

MR. BARTON. Yes, we are.

MR. FILNER. Wholeheartedly?

MR. BARTON. Wholeheartedly.

MR. FILNER. Okay.

DR. ZAMPIERI. Yes.

SGT. MAJ. OVERSTREET. Yes, sir.

MR. FILNER. Thank you. So all of these organizations are for man-

datory funding. And I think you have all been through the so called "budget process." Whoever said it is like watching sausage made had it right. It is not a very pleasant process. It puts the veterans' organizations in a sort of a begging situation, which should never be. We should beg you to allow us to help. But I think we have to get out at it. You know, we have these arguments about numbers; $2 billion, $4 billion, $1 billion—if we had a formula that everybody accepted, and it was applied, we would be far better off.

Chairman Buyer suggested it would cost a lot of money. I am not sure there is agreement on those figures, but I would not let that dissuade me right now. As I said earlier, when you have a $3 trillion budget and an $8 trillion deficit, several billions or even tens of billions more for veterans is not out of our ability, and we should do that.

I thank all of you for talking about mental health. It is an incredibly important area. We seem to have knowledge of how to deal with the physical trauma, but I think the mental trauma is still one that we don't, as a society, or even as a VA, I think want to admit. We know that is as debilitating as any physical injury. We have to have not only mandatory counseling, but outreach to the families, and a culture change which says, "Hey, it is all right to admit that. You have to confront it, and deal with it."

Out in San Diego, which I represent, the Vietnam vets had started a process which has now culminated in something called the Veterans Village, which basically institutionalizes the standdowns. It brings everybody into a secure environment—they started off with just 30 beds. They will be up to 200 soon, and then 400. Of course, that doesn't begin to deal with the problem, but they give many veterans security and safety in terms of housing and comfort, medical, legal, mental health, job counseling, dental, is all brought into one unit, and we have a chance to make sure that these brave young men and women can make a recovery.

It doesn't matter what we thought about the Vietnam War, it doesn't matter what we feel about the Iraq war. When veterans come home, we have to make sure they are served. We know how to do it! As moving as the Vietnam vets' program is out in San Diego—it serves 400—we may have 200,000 homeless veterans. We should never have to say "homeless," and "veteran" in the same sentence. This Nation has failed, I think, in that area.

Lastly—I want to give a chance for Mr. Michaud for questions—everybody said, "accountability." That is our job. And you may have used different words for it, such as "quantifiable standards," to deal with the claims, for example. This Committee should be working far more in an oversight capacity. As I said to the Chairman many times, the process of oversight during the data theft was a model of how the Committee should work. We worked bipartisanly, we worked strenu-

ously. We became knowledgeable, and we held people accountable. I think that is what we have to do in all areas. Thank you, Mr. Chairman.

THE CHAIRMAN. Mr. Michaud?

MR. MICHAUD. Thank you very much Mr. Chairman. I want to thank all the panelists, as well.

Because mild traumatic brain injury is not often diagnosed, many veterans with that condition do not receive treatment. What do you see as the urgent need to deal with this issue? And the long-term need that we must do to address TBI? Any one of the panelists?

DR. ZAMPIERI. Let me take a shot at that. I think that talking to the providers at Walter Reed and over at that Bethesda Naval Medical Center, you know, the proposal is four things. One is that, you know, you need to start educating VA and DoD providers, and being able to, in the history, being able to find those individuals who have been at high risk for explosions or blast injuries. And then in the screening process, educate the providers who are front-line people, and looking for the subtle types of problems that can manifest themselves. And especially in regards to—there is a new syndrome out there, Post Trauma Visual Syndrome, PTVS. And these subtle findings wouldn't be routinely picked up.

And so the second part of this is having screening centers with individuals who have had the appropriate training and experience, and be able to start to track those individuals, and screen them, and then provide not only care—for example, with a low-vision VA optometrist—but then provide follow-up.

And then the fourth part of this is the research part, which is looking at what types of treatments work best. And you know, collecting that information, and then working towards future better results and improvements, and therapies.

MR. MICHAUD. My second question, quickly, is since we haven't passed the budget, have any of the VSOs heard from VA staff, regarding the effect that is having right now; i.e., that they are delaying hiring a vacant position, or they are not providing services in a timely manner because they don't know what their budget is going to be? Have you heard any feedback from the field?

MR. MCGRIFF. Very little feedback, Congressman. I think what you do is when they don't have a budget in hand, as in everything gets put on hold, new hires and things like that get it on hold. But if you really think about it, though, the pay raises that have been authorized, they go ahead and go through. So therefore, you have immediately started in a negative situation. And so then you have to be very careful of your spending on a continuum-type budget. And so yeah, it does put a strain on the system. It puts one that is felt all the way down the line.

MR. KURPIUS. Yes, we have heard that matter of fact, the FTE may

even be cut on the BVA side, so there is a real negative there on that aspect.

DR. ZAMPIERI. That has been our experience, as well. We are getting reports from VA facilities across the country that they are having difficulty in meeting their staff needs because of resources available to them, which translates to slower service for veteran population.

MR. MICHAUD. Thank you. I yield back, Mr. Chairman.

THE CHAIRMAN. Ms. Herseth?

MS. HERSETH. Thank you, Mr. Chairman. Thank you for having this oversight hearing. I appreciate the written testimony that all of you have provided, and I know that in many of these written statements, and perhaps in your earlier testimony, you reiterated your various organizations' support for modernizing the Montgomery G.I. Bill, and as the Ranking Member of the Economic Opportunity Subcommittee, we think has started to lay some very important groundwork, reaching out to all of you, some of the field hearings that Mr. Boozman and I have held, including one in Arkansas earlier this spring; Dr. Snyder's involvement as a member of the Armed Services Committee as well, in undertaking that challenging task, but one that I think is very important, particularly for improving those educational benefits for our active duty military, as well as the National Guard and reservists who have been deployed at much higher rates, as you know.

I just have a couple of quick questions. And the first is on transportation reimbursement for your members. I am hearing even more not only representing many veterans who are in rural areas, but the significant costs associated with traveling for specialized care. And so if you could address that issue, as well as the VR&E program, we have had a number of hearings, as you know, about recommendations to improve that program, specifically, move from, you know, refocusing the program on employment rather than on education. And so has your membership noticed a difference in the VR&E program, and can you provide us with any additional recommendations to improve that program?

If you could start with the transportation reimbursement issue, and then if we don't have time because of votes, if maybe you could just submit any comments you would like to share in writing to the Committee with regard to VR&E, in addition to what may have been in your written statements?

SGT. MAJ. OVERSTREET. Ma'am, I am from San Antonio Texas. We have a great VA hospital in the San Antonio area. However, that is the furthest one south that we have. All of those veterans that are south of San Antonio, all the way into the valley area, what we call the valley, has to pay their own way to get up to San Antonio to do their appointments. We have a couple of buses that try to run there. All the organizations provide transportation. We provide volunteers, we provide all of those. However, if it is on the day, your point is on

the day where we have no transportation, the bus is broke, or we don't have a volunteer to drive it, obviously that appointment gets set to ask. You probably know already the scheduling problem with the VA to get into the hospital, as far as that.

So, here is a veteran that can't get there. Whereas, if we did have some kind of reimbursement for transportation and stuff like that, it would make it a lot easier for that veteran to schedule his appointment, schedule his transportation, and be there in a timely manner. So there is some problems with that. I suggest if there is a way that we could reimburse their transportation, we would support that.

DR. ZAMPIERI. Yeah, we would support an increase in the travel allowance for those veterans that had to travel, you know, long distances for the outpatient services. You know, the $.11 a mile reimbursement rate doesn't cover much when the price of gas is $2.90 a gallon.

MR. MCGRIFF. And you also had a great differential, also, in what the IRS or Federal rate is for mileage, plus what the VA is for mileage. It is a vast difference—it is that big. And a lot of this is caused by the fluctuating gas prices and transportation costs that everybody encounters. But the big difference between the 46 and a half cents and the $.11, it grabs you. And that is what a lot of veterans have to depend on, is the VA reimbursement rate, and it is too low.

MR. BARTON. The DAV recognizes, back in the 1980s when there was a dramatic change in the transportation for veterans to go to the hospital for care, and that is when we came up with our program of the van transportation network. We have transported nine and a half million veterans since we began our program in 1987. But yeah, anything you could do to improve that situation would greatly be appreciated by everyone.

MR. KURPIUS. The veterans of foreign wars would certainly support an increase in the transportation costs for our veterans, to get back and forth for the medical exams and treatment.

THE CHAIRMAN. Ma'am?

MS. HERSETH. I think in light of the time—well, I did put that other question on the VR&E program, but I think that has been addressed to a degree in the written statements, and anything else you would like to add would be helpful. Thank you.

THE CHAIRMAN. Thank you very much.

Two things to cover. Every war, we find something that is out of the norm that we then have to address. And TBI is the big one in front of us with the present conflict. To let you know, on the forefront, trying to get ahead of this one, I have been working with the services on protective issues, and that is the helmet issue, and inserts.

The Commandant of the Marine Corps, in working with the Commandant, he made the executive decision that to give the Marines the choice. We, as a society, even though some had financed some

studies, we really don't know. But some of these inserts—to give you an idea, if you take that insert and you cut it in half, and you look at the inside, it almost looks like a human cell, and it is built to absorb energy.

So, as we put all that body armor, you know, the front and side plate, shoulder plate, neck plate, groin plate, you put on that brand-new helmet that we've got them, and they strap it on with that football strap; and that blast comes in and we have got them sitting in a vault on wheels. There is nothing to absorb that energy, and that energy goes to where it can be absorbed, and part of it goes up the face, and you get those maxillofacial injuries, and the eye injuries that we talked about. And the ear injuries. Then, part of it is absorbed by the brain, so we end up with these traumatic brain injuries.

So our research with regard to the brain injuries and that care, but also on the protective side. We are a smart people, and that helmet out there is the best in the world on ballistics, and it helps them in a crash. But can we build a helmet that doesn't compromise ballistic protection, and can give them the blast protection? I don't know. But it is worth a try. And so I want all of you to know, that is where I am going, as we look at the other question.

So I will speak with the VA. I want to work with you. I appreciate your testimony and focus on that issue, and the work that we're doing at the polytrauma centers. I know you join me in the kudos to the men and women out there who are caring for those patients.

I agree with Mr. Filner in his comments—I am really proud of the Committee. We did eight hearings in a six-month time frame. Pretty hard on VA, on the IT issues, and we have got a product. That product goes to the House floor next week. So I would ask for all of your support and advocacy of our product as we then take that up with the Senate. As you know, last year, we had passed an IT Bill, and there are no questions on this Committee; it is a bipartisan issue. The Senate didn't necessarily agree with us, and we ended up in a bad spot. So please, as we go into this, and you formulate your Independent Budget, please address a focus on those IT issues. And we want to work with you. Okay?

Ms. Herseth?

Ms. Herseth. Well, I know we are running close on a vote, but I would just want to comment for the record, we have to be very clear on the costs we save in what we do to enhance the quality of care, the rehabilitative care, beyond 90 days, for these young and men and women suffering traumatic brain injuries, because improvements are necessary. I have a constituent who is now getting care in a private facility, and there were worries that because he hadn't made so much progress after 90 days, even though he wasn't getting his physical therapy every day, even that he wasn't getting any occupational therapy, no speech therapy, he has made more progress in 45 days at a

different facility, a non-VA facility. And the cost savings that we can realize, not only the quality of care that he deserves, but the cost savings of not having a long-term care situation for these young men and women is very important as we look at the next budget.

Thank you, Mr. Chairman.

THE CHAIRMAN. Thank you very much. This panel is now excused. The Committee will stand in recess. We will reconvene at a quarter after one.

[Recess]

THE CHAIRMAN. The Veterans Affairs Committee of the House will come to order.

Now I introduce panel two. Here representing the Military Order of the Purple Heart of the United States is Tom Poulter, their National Commander. Commander Poulter enlisted in the United States Army in February 1967 and was commissioned as a second lieutenant of armor in 1968. He served in Vietnam as a tank platoon leader with the first Battalion 69th armor, and was assigned to the fourth infantry division in the Central Highlands of Vietnam. In November 17, 1969, after battle with a company-sized enemy force of the 24th North Vietnamese Army regiment near the Cambodian border, Commander Poulter was wounded in action by an AK-47 round by the enemy during an NVA counter attack, while he was dismounted and consolidating his platoon's objective.

Commander Poulter is an active member of the Sonoma County Chapter 78 of the Military Order of the Purple Heart located in Santa Rosa, California, where he became a member in 1994. He is a past Commander of his local chapter, the Department of California, and the Commander of region six, that includes Guam, Hawaii, California, Arizona, Nevada, and Utah. Thank you for being here, and congratulations.

Speaking on behalf of The Paralyzed Veterans of America is Mr. Randy Pleva. Speaking for him is Louis Irvin. Is it Pleva, is that how he pronounces it, though?

MR. IRVIN. It is Pleva.

THE CHAIRMAN. Mr. Irvin is PVA's Executive Director. Mr. Irvin served the United States Navy as a fire control technician, and received a combat action ribbon during operation Desert Storm. He suffered a spinal cord injury that ended his military career in 1992, became a member of PVA in 1994, and began to serve PVA as the National Service Officer the same year. Four years later, he was appointed to PVA's National Board of Directors, and in 1999, was accepted to the position of executive director of PVA's San Diego chapter in California.

Representing the Gold Star Wives is Ms. Rose Elizabeth Lee. Rose is the widow of Colonel Lee of the United States Army, who served in Korea and Vietnam. Colonel Lee died on active duty overseas in

1972. In 1978, Rose was appointed Gold Star Wives' Washington representative, and has been active through most of that time. Rose is Gold Star wives' National President from 1991 to 1993, and chaired the Board of Directors from 1998 to 2002. She just served as Potomac area chapter president from June, 2004 to 2006. All her work with Gold Star Wives is voluntary, and her mission is to train the new young widows to become involved with legislative work. Rose has appeared representing the Gold Star Wives before this Committee for a number of years.

And I understand that your National President, Ms. Joanne Young, is here in the audience today?

Ms. Lee. Yes.

The Chairman. Thank you very much for your attendance, and I thank you, and I welcome you both. I also understand that it is your charter that does not permit Ms. Young to testify, and that is why Rose Lee is testifying on your behalf. Would that be accurate, ma'am? That is accurate? All right, thank you.

Here representing the Fleet Reserve Association, representing their National President is Edgar Zerr, is Mr. John Davis, director of legislative programs. Mr. Davis this, a former Marine, served in the artillery unit in the early 1980s, and later received a direct commission to serve in the Army National Guard. He joined the Fleet Reserve Association team as director in February 2006.

You know, I am looking for your vast bio for the Vietnam Veterans of America, and I just cannot find it. Mr. President, you have testified before this Committee, and we have enjoyed working with you. I just hate to be redundant, it is so vast. So I will not bore everyone. You are such a humble man that you have restrained me from reading your bio.

Next, our final witness will be the new National Commander of the American Legion, Paul Morin of Massachusetts, was elected National Commander on August 31, 2006. The Commander is a Vietnam veteran of the United States Army, and an active member of post 337 in Massachusetts. He has served as department Commander, and as member of the national commissions, including Children and Youth, Foreign Relations, Public Relations, and Convention. He has chaired the Veterans Affairs and Rehabilitation commission, as well as the Legislative Employment commissions, and served on the Legislative Council and commission.

He was honored in 2001 by the Secretary of Veterans Affairs, Tony Principi, with the Secretary's Award for his service to our Nation's veterans while President of the National Associative State Veterans Homes. In 2002, he was awarded Outstanding Citizen of the Year by the Samson World War II Navy veterans, and in 2004, received the outside award from Massachusetts Veterans Service Officers' Association. On March 31, 2005 he received the distinguished citizens

award from the Grand Lodge Order of the Elks.

So congratulations to all of you, and thank you for being here. Do all of you have written testimony you seek to submit before the Committee?

All acknowledge in the affirmative. Do you offer such testimony?

All acknowledge in the affirmative, so testimony will be received without objection. So ordered.

Each of you will be recognized for 10 minutes, and we will give latitude, and we will start with you, sir. Mr. Poulter, of the Purple Heart Association.

STATEMENTS OF TOM POULTER, NATIONAL COMMANDER, MILITARY ORDER OF THE PURPLE HEART OF THE U.S.A., INC.; LOUIS IRVIN, EXECUTIVE DIRECTOR, PARALYZED VETERANS OF AMERICA; ROSE ELIZABETH LEE, CHAIR, GOVERNMENT RELATIONS COMMITTEE, GOLD STAR WIVES OF AMERICA, INC.; JOHN R. DAVIS, DIRECTOR, LEGISLATIVE PROGRAMS, FLEET RESERVE ASSOCIATION; JOHN ROWAN, NATIONAL PRESIDENT, VIETNAM VETERANS OF AMERICA; AND PAUL A. MORIN, NATIONAL COMMANDER, AMERICAN LEGION

STATEMENT OF TOM POULTER

MR. POULTER. Chairman Buyer, Acting Ranking Member Filner, members of the Committee, ladies and gentlemen, I am Tom Poulter, National Commander of the Military Order of the Purple Heart. It is an honor to appear before this distinguished body on behalf of the members of the Military Order of the Purple Heart. As you are aware, our order is very unique in that among service organizations, the only one, because our membership is comprised entirely of combat-wounded veterans who shed their blood on the battlefields of the world while serving in the armed forces of our country.

I am accompanied today by National Adjutant Bill Bacon, National Service Director Jack Leonard, and National Legislative Director Herschel Gober.

I have turned in a written testimony, and I will make my comments very brief, Mr. Chairman, but this Committee is extremely important to the Military Order of the Purple Heart and our members. We look to you to represent the veterans of our country and to ensure that all members of Congress understand that America must keep its promises to those men and women who have served and are now serving in uniform, if we are to maintain a viable military and continue to enjoy the freedoms that we have. Veterans have earned their entitlements and benefits, often as part and parcel of the contract that each had with this government.

Veterans benefits are not a gift. They are not a welfare program. They are earned from service to country. They must not be diminished in any way.

The first point I would like to make is—and it has been covered several times—is the adequate funding for the VA health administration. The Military Order of the Purple Heart is on record as supporting the Independent Budget, which is developed and submitted to Congress by the Veterans of Foreign Wars, Disabled American Veterans, Paralyzed Veterans of America, and the AMVETS, American Veterans.

I am the fourth National Commander of the Military Order of the Purple Heart in a row to again stress that our number one priority must remain the adequate, or assured funding for the VA health administration. The Military Order of the Purple Heart joins our fellow veterans' service organizations in urging Congress to find a long-term solution for once and for all to the annual funding crisis at the VA. VA deserves a budget system that will deliver funds to them on time, to allow for long-term planning. While the ongoing war on terror, and our servicemembers returning home from war with medical conditions requiring treatment at our VA hospitals, the VA must have the capability to meet their medical and emotional needs. The funding problem was demonstrated, of course, last year when the need to provide a supplemental appropriation for fiscal year 2005 surfaced, along with the need to amend the fiscal year 2006 budget. So it is really important, and I think it has been mentioned by every other veterans' service organization that we get a fix on this.

And the number two item is that the award of the Purple Heart medal to those POWs who died in captivity. While the award of the Purple Heart medal to those POWs who died in captivity is not under the purview of this Committee, the Military Order of the Purple Heart believes that those military personnel who suffered hardships, wounds, or illnesses, including starvation, brutality, slave labor, and a lack of medical care, while held in POW camps, and then they died in those camps as a result of this internment, should be considered as combat casualties, and eligible for the award of the Purple Heart medal. Our order has supported legislation that was introduced to both Houses of Congress, that would authorize the posthumous awarding of the Purple Heart medal to these veterans.

Language in the House version of the 2007 National Defense authorization is currently in conference committee, and the Military Order of the Purple Heart request that members of this Committee urge the conferees to retain this provision in the final act.

Next point is retired pay restoration. The Military Order of the Purple Heart is very pleased that Congress enacted legislation that authorizes some military retirees with 20 or more years of service to concurrently receive, without penalty or offset, both their full of

military retired pay, and any VA compensation to which they are entitled. Our position is that all those eligible for concurrent receipt should receive it.

And going along with that, the Combat-Related Special Compensation, known as CRSC, our order supports the legislation to provide for the additional payment of CRSC to former members of the military who were retired medically, serving less than 20 years of active military service because they had to be retired on a medical basis, and they are awarded the Purple Heart medal. A lot of the veterans' organizations ask why we push those. A lot of our members are in that category. And so CRSC is very, very important to the members of our order.

Fifth point is the Survivor Benefit Plan, SBP, and the Dependency and Indemnity Compensation, DIC. SBP was an investment by the member with their own money. The Military Order of the Purple Heart supports language in Senate bill 2766, and the 2007 Defense Authorization Act, which, if enacted, will repeal the reduction of survivor benefit plan annuities by the amount of the dependency and indemnity compensation, and will change the effective date of the paid- up coverage for SBP, bringing it forward from October 1 of 2008 to October 1 of this year, 2006. Survivors of retirees who died but elected to pay into SBP, and survivors of members who died on active duty, should receive both SBP and DIC, without the current dollar-for-dollar offset.

This bill is now in the conference Committee. We request that you urge your colleagues who are serving on the Committee to adopt the Senate language of S. 2766.

Another point that I wanted to make was on the Stolen Valor Act. The Military Order of the Purple Heart supported House Bill 3352, and S. 1998, addressing stolen valor. It is unfortunate, especially with our country engaged in ongoing conflicts, that we have these imposters out there who fully and knowingly misrepresent their service. Not a matter of inflating your resume, it is a matter of lying, and misrepresenting your total service, and any of the military awards that they have received. This is not just an occurrence now and then, but is regrettably becoming a huge problem.

This legislation would provide fines and imprisonment for those wannabees who dishonor the medals for valor and Purple Heart medal, and those brave men and women who have legitimately received these metals. The Senate passed Senate Bill 1998 two weeks ago on September 7, and we would urge the House to do the same. These phonies are taking benefits away from those who have earned them. Some received VA disability for no service that they ever had. They get license plates, including the Purple Heart license plate from the DMV, where they don't have the people that are trained to look at a DD 214, or a certificate, and it is a big problem. Now, that particu-

lar bill in the House of course was introduced by Congressman John Salazar, and it has been in the House Judiciary Committee since July of 2005, last year.

The Military Order of the Purple Heart will continue to seek legislation that would authorize military exchange and commissary privileges for all recipients of the Purple Heart medal. This would recognize the sacrifices of those servicemembers who have given so much for our country.

The National Purple Heart Recognition Day. As most of you are aware, the Badge of Military Merit, which is the predecessor of the Purple Heart medal, was established by General George Washington on August 7, 1782. This is the oldest decoration in the United States. It is the oldest decoration in the world given to the common soldier. Next year on August 7, 2007, the Military Order of the Purple Heart is celebrating its 225th anniversary of this decoration at our 75th National convention in New Windsor, New York, which is a historic entombment center, and the last encampment of George Washington's army.

We will be seeking sponsors, cosponsors, in support of legislation to establish a National Purple Heart Recognition Day, which will honor this anniversary and those members, past and present, who have been awarded a Purple Heart medal.

Mr. Chairman, will you sponsor this legislation, and seek cosponsors? We would be very honored if you would do that.

In conclusion, I would like the members of the Committee to recall the quotes of two very famous Americans. First of all, General Douglas MacArthur once said, and I quote, "The soldier, above all other prayers, for peace. For it is the soldier who must suffer and bear the deepest wounds and scars of war."

And then, President John F. Kennedy said, and I quote, "Let every Nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe, in order to assure survival and success of liberty."

The Military Order of the Purple Heart supports all of our brave warriors, both male and female, who serve and fight to protect our freedoms in the global war on terrorism.

Mr. Chairman, this concludes my testimony, and I will be pleased to answer any questions from the members of the Committee.

[The statement of Tom Poulter appears on p. 133]

STATEMENT OF LOUIS IRVIN

THE CHAIRMAN. Thank you very much for your testimony. Mr. Irvin?

MR. IRVIN. Thank you, Mr. Chairman, members of the Committee. On behalf of the Paralyzed Veterans of America, as the new Execu-

tive Director I would like to thank you for the opportunity to testify today. In my statements today, I will highlight some issues that have been submitted in our written testimony.

In May, the House of Representatives approved the fiscal year 2007 appropriations bill that will fund $25.4 billion for VA medical services. Although this does not quite meet the recommendation levels of the Independent Budget, we are glad to see that Congress and the Administration have made a reasonable effort this year to meet the needs of the VA health care system. We protected appreciate this Committee and Congress rejecting the proposed enrollment fee and increased prescription drug copayments recommended by the Administration.

Congress also approved legislation in previous years to establish eight priority enrollment groups for VA health care. We believe veterans in category eight should be allowed access to the VA health care system. Also, veterans with catastrophic disabilities were allowed to enroll in category four, even though their disabilities were non-service-connected, and regardless of their incomes. However, they would still be required to pay all fees and copayments.

PVA believes because of the nature of their disabilities, they require a lot of care and lifetime of services. Many times, VA is not only the best resource; it is the only resource for a veteran with a spinal cord injury. These veterans should not have to pay the fees and copayments necessary to receive these specialized services.

PVA was pleased that the Committee recommended a significant increase in funding for medical and prosthetics research in its budget views and estimates. Unfortunately, the appropriations bill only provided an increase of 13 million, for a total of 412 million. Research is an essential mission for our Nation's health care system. VA research is still grossly underfunded in comparison with the growth rate of the Federal research efforts.

One area we remain concerned about is funding for construction projects. The appropriations bill provides nearly 1.15 billion less than the Independent Budget recommendations for major construction. The bill also provides no funding for the new spinal cord injury center in Milwaukee, Wisconsin, or funding for the replacement medical center in the Denver, Colorado area.

We would also identify the Committee that in the Denver area, there is a new spinal cord injury Center to be identified with that medical center.

The appropriations bill also provides 295 million less than the recommendations for minor construction. Many VA facilities require significant upgrades and overhauls. The VA appropriations Subcommittees in the House and Senate insert language in their VA funding reports for fiscal year 2001 requiring VA to establish centers of excellence to conduct research in the field of neurodegenerative diseases

prevalent in the veterans population. VA identified two fields of inquiry for these centers: Parkinson's disease and multiple sclerosis. The VA then established the Parkinson's disease research and education clinical Center, and the multiple sclerosis centers of excellence.

In 2001, these centers represent a successful strategy to focus the Veterans Health Administration on systemwide service and research expertise to address the critical care segments of the veteran population.

Earlier this year, the Senate approved S. 2694, that would make permanent the authorization of these centers. We urge the Committee to adopt legislation which would codify these centers in Title 38.

PVA is also concerned that the VA continues to experience a serious shortage of qualified board-certified spinal cord injury positions. In some VA hospitals, the recruitment of a new chief of service has been prolonged, with acting chiefs assigned for indefinite periods of time. We are even more concerned about the continuing shortages of nurses, particularly in the spinal cord injury units.

PVA believes that basic salary for nurses who provide bedside care to these spinal cord injured veterans is too low to be competitive with the community hospitals in the area. This leads to high attrition rates as these nurses seek better pay in the community. Recruitment and retention bonuses have been an effective tool for several SCI centers. Unfortunately, these are localized efforts by individual VA medical facilities. We believe the veterans health administration should authorize substantial recruitment incentives and bonuses to retain these highly professional and qualified nurses.

PVA calls on Congress to conduct more oversight on the VA health care administration in meeting its nurse staffing requirements for the SCI units, as outlined in VHA directive 2005-001.

PVA is also concerned with recent trends to reduce the ability of the VA to provide long-term care to the aging veterans population. The Veterans Millennium Health Care Act benefit, public Law 106-117, required VA to maintain its 1998 VA nursing home average daily census mandate of 13,391 beds. VA's average daily census for VA nursing homes is projected to decrease to a new low of 9795 beds, in fiscal year 2006. The VA is ignoring the law, serving fewer and fewer veterans in its nursing home care program. PVA strongly feels that any repeal of the capacity mandate will adversely affect veterans, and a step towards allowing VA to reduce its current nursing home capacity. This is not a time for reducing VA nursing home capacity, with the increased number of veterans looming on the horizon for long-term care.

Furthermore, we urge the Committee to conduct an aggressive oversight to ensure the VA is fully funding statutory obligations to provide long-term care. PVA would like to offer a view improvements to benefits provided by VA. PVA members are the number one ben-

eficiary for the special adaptive housing grant, and the automobile adaptive grant. For both the special adaptive housing grant and the automobile grant, we believe an automatic annual adjustment indexed to the rising cost of living should be applied. Furthermore, the Independent Budget recommendations recommends the adaptive automobile grant should increase to 80 percent of the average cost of a new vehicle, to meet the original intent of Congress, in creating that legislation. The House of Veterans Affairs Subcommittee on economic opportunity considered H.R. 4791 earlier this year. We hope this Committee will move this legislation forward.

We have also identified some critical issues for fiscal year 2008, as requested by you, Mr. Chairman. The Independent Budget for veterans' service organizations recently began planning for fiscal year 2008 by developing some critical issues.

First, we believe the adequate funding for veterans health care is essential, as mentioned by my associates. We continue to stress the need for budget process reform, removing VA health care funding from the discretionary process, and making it mandatory.

Second critical issue is mental health care. It has become more apparent that many servicemembers returning from Iraq and Afghanistan are experiencing psychological disorders. It is imperative that we do not allow these men and women to slip through the cracks.

Third, as previously mentioned, we have serious concerns about the construction and infrastructure. VA construction projects have suffered in recent years as a result of a moratorium on new construction resulting from the Capital Assessment Realignment Enhancement Services, the CARES process. This has also left a significant backlog of critical maintenance and infrastructure upgrades. We hope that this Committee and Congress will devote serious attention to the infrastructure needs of VA in the upcoming year.

Once again, this year the claims backlog is one of our critical issues. We have appreciated this Committee's efforts in recommending an increase in 200 full-time employees for direct compensation to improve the claims process. Unfortunately, the military quality of life and Veterans Affairs appropriations bill does not include additional funding to allow the VA to hire these staff.

Another continuing issue for the Independent Budget is the seamless transition of servicemembers. The seamless transition includes not only health care services, but benefits as well. We are advocating for a single electronic health record for all transitioning servicemembers, to ensure that VA and the military can best provide their health care needs when necessary. We believe the VA electronic health record is the standard that should be set for all Federal health care records.

Finally, Congress should continue to invest much needed resources in the National Cemetery Administration. With new National cem-

eteries opening this year and next, we must ensure that the National Cemetery Administration can properly maintain these National shrines. In the end, all veterans and their family members should be provided a dignified setting in their National or State veteran's cemeteries.

PVA appreciates the opportunity to present our views today, and I will be more than happy to take any questions. Thank you.

[The statement of Louis Irvin appears on p. 137]

STATEMENT OF MS. ROSE LEE

THE CHAIRMAN. Thank you very much for your testimony.

Ms. Lee, you are now recognized.

MS. LEE. Good afternoon, Mr. Chairman, Representative Filner, and members of the House Veterans Affairs Committee. I would like to thank you for the opportunity to submit testimony to you on behalf of all Gold Star Wives to review last year and look forward to this coming year. My name is Rose Lee. I am a widow, and the chair of the Gold Star Wives Committee on Government Relations.

I wish to thank many Gold Star Wives for attending this hearing today who are in the audience. You have already acknowledged Joan Young, our National President. We also have Martha Didamo, our Chairman of the Board. And then we have some members of the Government Relations Committee, which included three of the newer widows of the Iraq war. And then of course, our members of the Potomac Chapter, our local chapter. They are all back here, and I just want to let them know that we appreciate them being here.

The Gold Star Wives of America Inc. was founded in 1945, and is a congressionally-chartered service organization comprised of surviving spouses of military servicemembers who died while on active duty, or as a result of a service- connected disability. We could begin with no better advocate than Mrs. Eleanor Roosevelt, newly-widowed, who helped make Gold Star Wives a truly national organization. Mrs. Roosevelt was an original signer of our certificate of incorporation as a member of the Board of Directors.

Thank you for this opportunity, and for your continued support of programs that directly support the well-being of our servicemembers, widows, and their families. Gold Star Wives applaud the efforts of this Committee, knowing that together we can continue to make a difference in the lives of this group, a group that no one would choose to voluntarily to be a part of. It is imperative that the difficulty of the sacrifice of our husbands' lives be mitigated to the degree possible by providing support for the survivors.

There are many issues still pending before the Congress that mean a great deal to the membership of Gold Star Wives. As we are moving forward, now is the time to close out some of these legislative issues.

Gold Star Wives has no greater priority than to eliminate the offset to the Survivors Benefit Plan, SBP, dollar for dollar by the amount of the Dependency and Indemnity Compensation, DIC, stipend.

You are well familiar with this topic. We have been addressing this issue for several years, and I want to thank Representative Henry Brown for introducing H.R. 808 on this issue.

In essence, a servicemember's disability results in voiding or reducing the benefits that a servicemember purchased from the SBP. While this is an issue being addressed in conference of the fiscal year 2007 National Defense Authorization Act, we urge you as individuals, and as the Committee together, to encourage your colleagues to make this right. DIC is within your jurisdiction. All we are seeking is to assure that survivor benefit plan annuities for those eligible will not be reduced by the amount of dependency and indemnity compensation, to which they are separately entitled.

This is an issue from last year. It is a current issue. We would urge your help that this not become an issue for next year, but be resolved in this session of Congress.

We have been pleased with the interest in the House, and by Representative Bilirakis in particular, in providing for decreasing the remarriage age for retention of survivors benefits to age 55. You will recall that the current public law permits surviving spouses who remarry after reaching age 57 to retain their VA survivor benefits. It also provided for a one-year period to apply for reinstatement for those who remarried before the law was signed, but that period expired in December, 2004.

Because the retroactive period was limited to one year, and outreach was limited, many eligible survivors may not have been aware of their eligibility to be reinstated. Mr. Bilirakis' H.R. 1462 is a bill that we need to focus on now to address these issues. It is time to get it done.

We have testified before this Committee previously, and before the Veterans Disability Benefits Commission, for a review of the DIC program, to ensure that all veterans' survivors are covered adequately, and have equity with other Federal and military survivor benefits. There are some widows dependent only on their monthly DIC check, living below the poverty level. Current DIC is set at $1033 monthly, which is only 41 percent of the disabled veterans compensation paid by the VA. Survivors of Federal workers have their monthly annuities set at 55 percent of the disabled retirees' compensation. We seek to raise DIC payments to 55 percent of the current VA disability compensation. That would improve the DIC payments to $1316 monthly.

As you can see, we are not seeking exorbitant amounts. We are simply seeking fairness across the government, to modestly help deserving survivors. Therefore, we again ask the Committee for a re-

view of the DIC program.

Recently I received this letter, and it reads, quote, "Thank you for the requested DIC review. Since my benefits began in 1957, which was before the SBP was in effect, it seems that the increases in DIC have not progressed as have other survivor programs. The cost of living has increased so much, it is extremely difficult to keep up with it. At age 79, I am still working, trying to pay debts, and wondering how to pay the undertaker. If there is any way we, who are dependent upon DIC survivors benefits can be of assistance in the execution of this review, please inform us. Sincerely," unquote.

There are inequities among payments for the child survivors that need attention. The additional monthly $250 Child DAC payment per family only applies to survivors of deaths after January 1, 2005. This should be linked to October 7, 2001. We thank Representative Michael Michaud for introducing H.R. 1573, which provided for this additional payment to families. It makes no sense that the survivors of those who died first should be prohibited from accessing a benefit given to survivors of those who died later in the same war. Thanks to representative Shelley Berkley for introducing the amendment, which was approved by the House, to include a COLA for the $250 DIC allowance per family. The lack of COLA has dropped the value of the allowance to about $240 this year. We would request the Committee to assure that these inequities be corrected.

We also seek to provide a dental plan to beneficiaries of the civilian health and medical program of the Department of Veterans Affairs, CHAMP VA. With no coverage now, Gold Star Wives seeks for widows and all CHAMP VA beneficiaries the ability to purchase a voluntary dental insurance plan. There are a few other issues that need attending that have been brought to your attention previously. There are widows whose husbands died in a VA hospital due to wrongful VA hospital care, who receive only DIC, without any other VA benefits under title 38 U.S. Code 1151. We urge the Committee to support the measures necessary to allow these widows to be entitled to the CHAMP VA benefit.

We are seeking legislation to remove the disabled under age 65 part B penalties and interest for late enrollment to CHAMP VA, and promote a feasibility study to convert VA facilities to long-term care facilities, which would welcome widows and widowers.

THE CHAIRMAN. Mrs. Lee, if you could summarize just a little.

MS. LEE. Yes. I have just a very little, Mr. Buyer, thank you.

Surviving spouses who are on active duty should be able to use the educational benefit derived from her deceased husband while still serving on active duty. Currently, the active-duty widow must resign from the military in order to use the derived educational benefit under chapter 35.

Not in my written testimony is something about mental health. It

is an issue affecting widows and children. It has become more prevalent recently. I have heard from new widows about this more and more. VA's vet centers provide counseling, which is wonderful, but it is not always nearby. TRICARE does not provide grief counseling, either.

Finally, Gold Star Wives supports the creation of an office for survivors with the Department of Veterans Affairs, and the Department of Defense, to ensure improved delivery of benefits, information, and benefits to survivors.

In conclusion, we want neither our widows nor their children to be forgotten. We can understand and encourage your intention to the needed services of the servicemembers served our country, who may return wounded, who may gave his life. When the latter occurs, we want you never to forget the family he leaves behind. They have made their own personal lifelong sacrifice. We ask again to show the spirit of this Nation by not forgetting these widows, unfortunately whose numbers grew daily, and their children.

I thank this Committee for opening this opportunity to hear us again, and allow for further awareness of issues facing survivors daily. We will be happy to continue to work with the Committee and give our time and resources on all issues impacting survivors.

Thank you, sir.

[The statement of Rose Lee appears on p. 145]

STATEMENT OF JOHN R. DAVIS

THE CHAIRMAN. Thank you, MS. LEE. Mr. Davis, you are recognized.

MR. DAVIS. Thank you, Mr. Chairman.

Mr. Chairman and distinguished members of the Committee, the members of the Fleet Reserve Association appreciates this opportunity to review the past fiscal year and look ahead to the next year. The FRA extends sincere gratitude for the concern, and progress to date generated by the Committee in protecting, improving, and enhancing benefits that are truly deserved by our Nation's veterans.

FRA appreciates Chairman Steve Buyer and the House Majority Leader meeting with FRA National President, Ed Zerr, in June, to discuss the data security problem at the Department of Veterans Affairs. One of the more worrying aspects of the case is that the data theft was not reported to the Secretary for two weeks. It was originally reported that less than 50,000 names were stolen when in fact, a theft of personal information from the home of a VA employee included more than 26 million veterans, and more than 2 million active duty personnel.

Even though the data was recovered and apparently not accessed, the VA and congressional oversight Committee should continue to

pursue improvements in the data security at VA. We hope that data theft security is not like a shooting star in the legislative arena that is very bright in the beginning, and then quickly burns out and everyone forgets about it. Even more recent theft apparently indicates that data security at the VA is going to be an ongoing concern with veterans, with the news that a computer containing information on up to 38,000 veterans treated over the last four years at two VA medical centers in Pennsylvania is missing from the Virginia office of a VA contractor.

If there is any silver lining in this episode, is that upon learning the computer was missing, the VA took immediate steps to notify the appropriate senior VA leadership, congressional offices, Committees, VA's office of Inspector General, and other law enforcement authorities, including the FBI and Department of Homeland Security.

FRA appreciates the efforts of the House of Veterans Affairs Committee and its Senate counterpart for their tireless efforts to improve data security at the Department of Veterans Affairs.

FRA fully supports the legislative effort of this Committee that culminated in Chairman Buyer's introducing and the full Committee approving H.R. 5835. The bill aims to create more accountability at the VA for data security. It would create an Office of Undersecretary of Information Security, and would require the VA to report to Congress any data theft, and would provide credit monitoring and fraud remuneration for affected individuals.

Additionally, the bill would require a study on using personal identification numbers, rather than Social Security numbers for veterans benefits. The full House should expedite passage of this important legislation as soon as possible to give the Senate an opportunity to pass this legislation for the President's signature before the end of the 109th Congress.

FRA is mindful that legislation alone cannot fully remedy an internal bureaucratic culture that gives data security a low priority. But FRA believes the public expects, and the veterans community demands, that it is now time for Congress to do their part to help correct this problem.

FRA strongly supports adequate funding for DoD and VA health care resource sharing in delivering seamless, cost effective, quality services to personnel wounded while participating in Operation Enduring Freedom and Operation Iraqi Freedom, other veterans, servicemembers, reservists, military retirees, and their families. That is why FRA supports the recent executive order to require Federal agencies who channel health care to work together to implement a standardized electronic health record.

The agencies, including the VA, will coordinate with the Department of Defense so that the clinical information can be interchanged efficiently. A standardized electronic health record will make shar-

ing information between health care providers more cost effective for everyone, and will eliminate the cost of record duplication.

FRA also supports H.R. 4992, sponsored by Representative Kelly of New York. This Bill changes the law to allow the VA to bill Medicare, which will enable veterans to use Medicare coverage to help them pay their bills at a VA hospital. It is puzzling to our members why this program has not been given serious consideration and enacted long ago.

With regard to the VA medical and prosthetic research, the VA is widely recognized for its effective research program, and FRA continues to strongly support adequate funding for medical research, and for the need of the disabled veterans. The value of both programs within the veterans community cannot be overstated. Noteworthy is the fact that the fiscal year 2007 proposed a budget for medical and prosthetic research shows only a slight one percent increase in the most successful aspect of all VA medical programs. FRA is concerned about relying on other government agencies to help support and fund important research related to disabled veterans.

FRA endorses recommendations from the Committee on the budget to convert veterans health care count from discretionary spending to mandatory spending. FRA understands the jurisdictional and other challenges associated with this issue, and believes that veterans' health care is as important as other Federal benefits funded in this manner. Regardless of the methods used, the association supports any efforts to help assure full funding for VA health care, to ensure care for all beneficiaries.

I would like to talk a little bit about claims processing. Claims processing delays are a continuing concern. VA can promptly deliver benefits to entitled veterans only if it can process and adjudicate claims in a timely and accurate fashion. Given the critical importance of disability benefits, VA has a paramount responsibility to maintain an effective delivery system, taking decisive and appropriate action to correct any deficiencies, as soon as they are evident. As stated in our February testimony, VA has neither maintained the necessary capacity to match and meet its claims workload, nor correct its systematic deficiencies that compound the problem of inadequate capacity.

Rather than making headway and overcoming the chronic claims backlog and consequent protracted delays in claims disposition, VA has actually lost ground on the problem. The backlog of pending claims is growing substantially larger. And now even the Court of Appeals of the veterans claims is experiencing a growing backlog of cases.

FRA commends the Chairman for his statement at the December 8, 2005 year in on VBA claims processing, and agrees that, "the increase in disability claims can be directly related to the increase in U.S. military operations abroad. Doing more with less is not a strat-

egy for success."

An increase in staffing levels within the VBA claims processing system is essential to moving forward to reduce this backlog.

FRA appreciates Chairman Buyer's and the Committee's interest in the MGIB reform, and it supports provisions in the Senate version of the NDAA that allows reservists to draw benefits up to 10 years after leaving the reserves. Currently, only active-duty members can draw benefits after service.

The Montgomery G.I. Bill is important, and aids in the recruitment and retention of high-quality individuals for service in the active and reserve forces, assists in the readjustment of servicemen and women to civilian life after they have completed military service, extends the benefits of higher education to servicemen and women who are not able to afford higher education, and enhances the Nation by providing a better-educated and productive workforce.

Double-digit education inflation is dramatically diminishing the value of MGIB. Despite recent increases, benefits fall well short of the actual costs of education at a four-year public college or university. In addition, thousands of career servicemembers who entered service during the VEEP era, but declined to enroll in that program—in many cases because of government advice, from government officials—have been denied an MGIB enrollment opportunity.

In addition, the Nation's active duty guard and reserve forces are effectively being integrated under the total force concept, and education benefits under the Montgomery G.I. Bill should be restructured accordingly.

FRA supports the total force Montgomery G.I. Bill for the 21st century. The FRA supports integration of active and reserve forces program. The MGIB program under the title 38 is very, very important, and will provide an inequity of benefits for services performed, enable improved administration, and facilitate accomplishments of statutory purposes intended by the Congress for the MGIB. Currently, mobilized reservists must leave behind MGIB benefits upon separation unless the separation is for disability.

I would like to talk a little bit about the cemetery, National Cemetery Administration. FRA is grateful for the Committee for recommending an additional 14 million in NCA operations and maintenance, and an additional 16 million in NCA construction for 2007. As part of the veterans education benefits act of 2001, the government is to provide grave markers to veterans whenever requested, even if there is another marker on the grave. However, as written, the law only applies to burials after December 27, 2001. FRA supports H.R. 3082, which would repeal this expiration, and expand application options for veterans buried in private cemeteries.

FRA is thankful to this Committee, Congress, and the President of the United States, for approving H.R. 5037, the Respect for America's

Fallen Heroes Act.

We appreciate that, and with that I will end my testimony, and wait for any questions of stop thank you.

[The statement of John R. Davis appears on p. 153]

THE CHAIRMAN. Thank you very much.

Representing the Vietnam Veterans of America is National President John Rowan, who was elected at VVA's 12th National convention in Reno, Nevada. He enlisted in the United States Air Force in 1965, two years after graduating from high school in Queens, New York, went to language school, where he learned Indonesian and Vietnamese. He served with the Air Force 6990 security squadron in Vietnam and Okinawa, in helping direct bombing missions. After his honorable discharge, he began college in 1969, receiving a BA in political science from Queens College, and a Masters degree in urban affairs at Hunter College.

He recently retired from his job as the investigator for New York City's Comptrollers Office. Prior to his election as VVA's National President, he served as VVA's veterans service representative in New York City, and he was a founding member and the first resident of VVA's chapter 32 in Queens.

National President Rowan, you are recognized.

STATEMENT OF JOHN ROWAN

MR. ROWAN. Thank you. Good afternoon, Mr. Chairman, Chairman Buyer and Ranking Member Filner, and distinguished members of the Committee. On behalf of the members and families of the Vietnam Veterans of America is my privilege today to offer our comments concerning what has been accomplished in the arena of Veterans Affairs during fiscal year 2006, what remains to be done in waning days of this fiscal year, and what needs to be addressed by this Committee in fiscal year 2007.

First, let me review the simple and straightforward legislative agenda of VVA. First, to secure adequate resources to properly administer the network of services that our Nation's veterans have earned. This includes a more adequate sum for operation of VA medical centers and other vital health care functions. It also included increasing the number of adjudicators in the compensation and pensions system, and counselors and vocational rehabilitation and education.

Second, we ask that you and your colleagues take action to greatly enhance the accountability of all employees in the VA, but especially managers and political appointees. This would include being held accountable for accurate adjudication decisions as opposed to just moving files forward in the C&P services that appears to be the case now. It is also ensuring that contracts are drawn in such a manner

as to systematize the reporting of contracts and unit cost, with an eye towards getting the most goods and services for the least expenditure of each taxpayer dollar. It would also include greater accountability in regard to access to medical and other services, as well as clinical outcomes.

Third, we ask that you take steps to greatly enhance outreach by the VA to inform veterans of the earned benefits at the VA and elsewhere in the Federal government.

We have had some movement in the first two, and unfortunately, nothing in the third.

As to what did happen this year, VVA commends you on your activism in tackling some of the issues of critical importance to veterans, particularly our newest veterans. You have sought to give real meaning to the term, "seamless transition," have forced the active cooperation between the VA and the Department of Defense in providing assistance to newly-minted veterans transitioning from active duty. You have also pushed the VA to greatly improve the way it conducts its business in regard to information technology, and you have rejected the office of management and budget notion that the co-pay for prescription drugs be increased, and a user fee be imposed on certain veterans who avail themselves of the VA health care system.

We don't need to belabor the whole laptop computer theft problem; just to know the VVA supports and applauds your legislative initiative to resolve these deficiencies within the VA, and we hope that that becomes successful, and we will work to push the Senate on this legislation.

However, numerous initiatives that have been started have yet to be completed. These include cutting the enormous backlog of cases awaiting adjudication by personnel of the Veterans Benefits Administration. We know the undersecretary of Veterans Affairs for Benefits Cooper is focusing on this problem. We hope his fate will not be the same as that of the former Secretary Principi, whose goal to significantly cut this backlog was defeated by the backlog.

It is interesting to note, too, that IOM report on PTSD talked about the fact that the VA needed to totally utilize its own methods for adjudication of C&P exams in PTSD, which unfortunately would lengthen some of the process, and would also require more assistance on the VHA side.

VVA maintains that if the VBA is to make a permanent dent here, it needs more adjudicators who are well-trained, can pass a rigorous competency-based examination, and are properly supervised. And these adjudicators must endeavor to get it right the first time. Quality control is of essence, here. We think that you will find that most veterans are okay with the DNC process itself. What they are upset about is how long it takes before a decision is rendered and-or lack of sharing the reasons for rejection in a clear manner if the claim is

denied.

VVA thanks you and your colleagues on both sides of the aisle for taking action that led appropriators in the House to add onto the amount slated for the veterans' medical care system, for research, and especially, for adding additional adjudicators and VRE&E specialists. We really want to thank you, Congressman. We know you took a big initiative on getting the additional FTE on the VBA side.

About the only thing that could be said good about the VBA is that their computer systems are so bad that nobody can probably steal information from them. And it is pretty unbelievable how different it is between VHA and VBA. One is getting awards, and the other is totally useless, and unfortunately, a significant amount of hunting needs to be put on that level. And with the IT programs, hopefully, it is nice to have somebody in charge, but if they don't have the funding, they are going to be in trouble.

Assured funding is still an issue with us, and we urge and hope that a bipartisan effort will be made to rectify the situation the next Congress. We hope that like minds from both sides of the aisle can come together to grapple with this issue with input from the veterans' service organizations, propose a legislative solution. Any solution of course must contain provisions for accountability. This is likely an initiative for the 110th Congress, unfortunately.

We hope that the current Congress will address and pass appropriate legislation to permit veterans to secure legal representation when filing claims for disability and compensation before the Veterans Benefits Administration, as was passed in the Senate. We know that some have expressed views that such a bill will only make adversarial a process that should be cooperative. We believe the process is already adversarial. I have served as a service rep for three years, and I believe that to be the case.

Others worry the passage of this bill will herald the demise of veterans' service organizations. I really don't think it is going to happen.

We have no complaints with the people who are doing the veterans service rep work out there, service officers. They are doing yeoman work. I have never seen an under-worked service officer, ever. In fact, what the problem is, we don't have anywhere near enough of them. Especially if we really try to reach out to the veterans to explain to them what their rights are, and unfortunately, many of them do not know what their rights are.

I know there are some concerns, and I think we can deal with those, about what kind of attorneys we are going to have in here. Having gone through the Social Security process with my son who had to file for disability, we had to incur an attorney on that process, because otherwise we would never have made it through it. And I think that those kinds are the same kinds of attorneys that are going to do the

same kind of work for veterans that they do on the side of Social Security, which is where you can look to see how that system will or will not work.

We also applaud Mr. Thompson of California and Mr. Rehberg of Montana, who long have been in favor of H.R. 4259, the Veterans Right to Know Act. This bill would create and empower commission to look into the testing of chemical and biological weapons, to determine if health issues suffered by veterans who participated in these tests might have been caused by toxic exposures to these tests. We know that jurisdiction of this bill is in the armed services Committee, but you, Chairman Buyer, and ranking Democratic Member Filner have significant weight with that Committee.

We also ask that you hold a hearing, or just take action to extend the authority of the VA to provide a full physical with national protocol for all veterans who participated in any chemical or biological weapons research, such as Project 112, Project SHAD, or any other activities by any branch of the Federal government.

Similarly, we urge you to take steps to extend such authority for such examinations for those exposed to Agent Orange and other toxins in the Vietnam theater of war.

Regarding PTSD—and I am running out of time—in regard to Congressman Filner's remarks earlier, we know how to treat it. We believe we do. The problem is we don't have the funding for it. And it is not just the new folks coming home. And certainly, they are a big part of this problem. The real problem is still Vietnam veterans. Many veterans we are finding as they retire out, and come home and don't have to be workaholics anymore, a lot of things that they were able to hide in a box for the last 40 years come back to haunt them.

Secondly, they sit at home and what do they see on TV? A war very similar to the one they saw where people are blowing them up on every given day, and we see death all around us, and it just brings back all kinds of things.

The other thing, too, is that many people did not file claims of PTSD because they were afraid of the stigma, which is an issue we even have with the new veterans. And that may have been inhibiting them for all these years. Now, when they are retired, they don't have to worry about losing their jobs if people think they are crazy. And it is a real issue, and I think it is going to be a real issue of getting the newer veterans to come in and get treated. At least they know what it is. We didn't.

The other thing is secondary PTSD for the children and families of veteran. In Australia, they treat the children of Vietnam veterans up to the age of 35 now for secondary PTSD, because one of the studies they did found that an extraordinary suicide rate amongst the children of Vietnam veterans over there.

There are many other issues that we would push for, including the

Montgomery G.I. Bill, as many of the others had put forward. We also believe that we are concerned about—I really listened, being coming after, listening to the blinded vets really intrigued me. Many Vietnam veterans, because of their agent orange-related diabetes disabilities, are going to have vision problems, and they are already having vision problem, and it really disturbs me to listen to my colleague from Blinded Vets telling me how poorly the VA is handling vision issues. And I can tell you as a service rep, I have had a lot of retinopathy cases, you know, watching veterans in their 50s and 60s go blind.

Thank you, Mr. Chairman, and thank you members of the Committee.

[The statement of John Rowan appears on p. 164]

STATEMENT OF PAUL MORIN

THE CHAIRMAN. Thank you MR. ROWAN. Commander?

MR. MORIN. Thank you, Mr. Chairman, members of the Committee, for this opportunity to be here representing the American Legion and its 2.7 million members. I would like to take this opportunity to introduce the National President of the American Legion Auxiliary, JoAnn Cronin, and the National Commander of the Sons of the American Legion, Earl Ruttkofsky, with five National vice commanders who represent the Crossroads of America—

THE CHAIRMAN. Could I have you and the gentleman change seats?

MR. ROWAN. Sure.

MR. MORIN. Thank you for them much.

MR. ROWAN. You are welcome.

MR. MORIN. With young American servicemembers continuing to answer the Nation's call to arms in every corner of the globe, you must now more than ever work together to honor their sacrifices. As veterans of global war on terrorism return home, they are turning to the VA not only for health care, but also for assistance in transitioning back to civilian world. In order for that to occur, veterans' service organizations must be afforded the opportunity to present testimony before the Committees that oversee the operations of the Department of Veterans Affairs. Mr. Chairman, while I am thankful for the activity to address this esteemed body, the American Legion is extremely disappointed in your decision to cancel the joint hearings with the Senate Veterans Affairs Committee. Historically, the Veterans Affairs Committee in both the House—in both Houses has been an example of bipartisan progress. However, that seems to be quickly fading norm. Legionnaires from all over the country have traditionally traveled to Washington DC to attend the Commanders' Joint Hearing, and to visit with their congressional delegation to express their concerns for veterans' issues.

We owe it to the brave men and women who have served, and who are now serving, to work together to ensure VA is funded at levels that will allow all enrolled, eligible veterans to receive quality health care in a timely manner. As National Commander of this great organization, I stand ready to work with you to accomplish these goals.

In an effort to provide a stable and adequate funding process, the American Legion fully supports assured funding for veterans' medical care. Under the current discretionary funding method, VA health care funding has failed to keep pace with medical inflation and the changing needs of veterans population. VA has been forced to ration care by denying service to eligible veterans. VA has had to forgo the modernization of many of its facilities, and purchase of necessary state-of-the-art medical equipment.

VA is subject to an annual funding battle for limited discretionary resources, and Congress has had to provide emergency funding to cover budgetary shortfalls. Additionally, the current discretionary funding process leaves the VA facilities' administrators without a clear plan for the future.

The American Legion urges this Committee to support legislation that would establish a system of capitation-based funding for VHA. The Veterans' Health Administration is now struggling to maintain its National dominance in the 21st century. Health care, with funding methods that were developed in the 19th-century. No other modern health care organization could be expected to survive under such a system. The American Legion believes that the health care rationing for veterans must end.

It is time to guarantee health care funding for all veterans. The American Legion believes that Congress should allow the VA to bill, collect, and retain third-party reimbursement from Medicare, on behalf of Medicare-eligible veterans. Nearly all veterans pay into Medicare for their entire working lives. However, when they are most likely to need medical services from the hospital system designed specifically for them, they must turn elsewhere because VA cannot bill Medicare. This is wrong, and I urge you to join in the fight to correct this injustice.

Additionally, all third-party reimbursements, copayments, and deductibles, should be added to the budget, not counted as an offset against it. The American Legion firmly believes that making the VA Medicare provider, and designating the VA medical care, as mandatory funding items within the Federal budget, will enable the VA to fulfill its mission to care for those who have borne the battle.

The American Legion is disappointed in the slow progress in the local advisory panel—better known as LAPS—process, and the CARES initiative overall. Both stage one and stage two of the process included two scheduled LAP meetings at each of the sites to be studied, with a whole process scheduled to conclude on or about February

2006. It wasn't till April 2006, after nearly a seven-month hiatus that Secretary Nicholson announced a continuation of the service at the Big Spring, Texas. And like all other sites, it had only been through stage one. Seven months of silence is no way to reassure veterans community that the process is alive and well. The American Legion continues to express concerns over the apparent short-circuiting of LAPS, and the silence of its stakeholders.

The American Legion urges Congress to hold the VA accountable, and to ensure that those locations that are still waiting final decisions, and address as soon as possible. Veterans in Las Vegas, Orlando, New Orleans, Denver, and Biloxi, deserve to know the future of their health care delivery system.

Upon conclusion of the initial CARES process, then-Secretary Principi called for $1 billion a year for the next seven years to implement CARES. The American Legion continues to support that recommendation, and encourages the VA and Congress to move forth with focused intent. The American Legion recommends a separate $1 billion for the implementation of CARES in fiscal year 2008.

Mr. Chairman, the American Legion appreciates the strong relationship we have developed with this Committee. With increasing military commitments worldwide, it is important that we work together to ensure that the services and programs offered through the VA are available to the new generation of American servicemembers who are now returning home. You have the power to ensure that their sacrifices are indeed honored with the thanks of a grateful Nation. The American Legion is fully committed to working with each of you to ensure that the American veterans receive the entitlements they have earned. Whether it is improved accessibility to health care, timely adjudication of disability claims, improved educational benefits or employment services, each and every aspect of these programs touches veterans from every generation. Together, we can ensure that these programs remain productive, viable options for the men and women who have chosen to answer the Nation's call to arms; a very honorable profession.

The brave men and women who are serving in our armed forces in Iraq and Afghanistan and throughout the world deserve no less. I look forward to working with each of you through the next year to improve the lives of all American veterans. Thank you for this opportunity.

Mr. Chairman, I know of interest to you from your kind meeting with me yesterday, Resolution 149 of the Salt Lake convention we just concluded, I will read you the "resolved" clause. The American Legion's National convention assembled in Salt Lake City, Utah, August 29 through 31, '2006.

"That although the American Legion does not oppose the concept of attorney representation or the lifting of the current restriction on

attorney representation in the VA system, the American Legion is opposed to any such measure as that does not include adequate safeguards, including but not limited to fee limits, training requirements, and-or competency performance certification requirements, and strict agency oversight to ensure the protection of the client."

Thank you very much, Mr. Chairman.

[The statement of Paul Morin appears on p. 169]

THE CHAIRMAN. Commander, how many resolutions did you pass at your convention?

MR. MORIN. Two hundred and twenty-two.

THE CHAIRMAN. Could you get those to me?

MR. ROWAN. Sure, we would be more than happy to.

THE CHAIRMAN. All right. I would ask that you provide them to me, but not make them part of the record. I mean, that is a lot of print. But if you could please get those to me, I would appreciate that.

MR. MORIN. I will be more than happy to.

THE CHAIRMAN. All right, then let us go ahead and start right there, now that I know the Legion's resolution. Let us go down the line here with a question that I had asked about attorney representation, faced with the language I have that came out of the Senate.

Purple Heart?

MR. POULTER. Mr. Chairman, as an organization, we have not taken an official position up to this point. However, as National Commander I think I can speak for our members, and I think that this process could really tie the Veterans Administration appeals process in a lot of knots. And I have got my own personal feelings that I think it is more about lining the pockets of the attorneys, as opposed to taking care of our veterans.

THE CHAIRMAN. All right. I am going to go down the line so everybody will get to cover this. If we were to go with Mr. Evans's approach about a lawyer is not permitted until after notice of disagreement, would it change your opinion?

MR. POULTER. We have National service officers, and they go through very extensive training to get their accreditation, through the VA. I cannot imagine the amount of training that the attorneys would have to go to get online with this whole thing. They would have to go through the same training, and it takes a long time to get that accomplished.

THE CHAIRMAN. All right, the question before us is, though, at what point would an attorney representation access the system; at the very beginning, or at the notice of disagreement? That has no impact upon your opinion?

MR. POULTER. I don't think at the beginning. I think that, you know, if later on, if somebody asked, "You need an attorney?" then that would be all right.

THE CHAIRMAN. All right. Mr. Irvin?

MR. IRVIN. Yeah, Paralyzed Veterans supported the Lane Evans Bill. But at the same time we provided comment with regards to attorney fees and safeguards, similar to what the American Legion just mentioned, with regards to representation. The Senate bill we do not support, just because it brings the attorney in, in the first part of the claims process. We feel the VA still needs to have a system that provides a duty to assist, does a proper outreach to veterans, and assists them with filing their claims.

THE CHAIRMAN. Ms. Lee? Does your organization have an opinion on this?

MS. LEE. Goldstar wives has not discussed it among our members, so I am going to pass on this. Thank you.

THE CHAIRMAN. Thank you, ma'am. Mr. Davis?

MR. DAVIS. We do not have a position either, but we do believe that there is a causal relationship between the processing delays, the claim delays, and the call for legal representation. And instead of addressing the issue directly, of legal representation, we think the focus ought to be on fixing up the system so there are less delays, less complexity in the system, and that will, we think, reduce the—

THE CHAIRMAN. You got my agreement on that. Mr. Rowan?

MR. ROWAN. Well, as I pointed out, we are in favor of it, and we have been in favor of it. We think a lot of the same arguments were made when we talked about instituting the Court of Veterans Appeals.

THE CHAIRMAN. Okay, let me narrow you here. You favor the Senate's view on this, or Mr. Evans's position on this?

MR. ROWAN. Mr. Evans' opinion is just a version of it. We support it all. We have no problem with the lawyers involved, period.

THE CHAIRMAN. Either of them.

MR. ROWAN. We just think that it opens up a whole access to getting somebody to help the veteran go through what is an onerous process.

THE CHAIRMAN. Commander Morin, I know you are under restrictions with regard to your testimony. Can you go beyond what this resolution has said? Can I ask you whether or not you would support the Senate approach or the Evans approach?

MR. MORIN. No. We do not support any bill. We support use of attorneys within the VA. But what we want to see is restrictions in the Bill, that says there shall be a limit on attorney fees, there shall be a limit—

THE CHAIRMAN. Okay, you don't have to read that to me again.

MR. MORIN. Okay.

THE CHAIRMAN. What about when they would access the system?

MR. MORIN. Whenever they wish. If they want to wish from the beginning to hire a lawyer, and there are these safeguards in place, let them go ahead and do it. I mean, to me, as a veteran's advocate,

and as any veteran service organization, all right, we have an ending service office in all our organizations that is available for free of charge. And we would hope that would be the first avenue every vet would use.

But there is also some mistrust to us by our fellow own veterans. And if they feel that comfortability of going to a lawyer versus coming to us, so be it. As long as if there are safeguards in the law. And I stress that because we don't want to see in the law saying that the VA will regulate what the fees are, or what the educational training requirements are.

THE CHAIRMAN. Not often, and I look back to the 14 years I have been here, do we have a situation whereby you are in such complete counter, back-azimuth of DAV, VFW, and AMVETS. Why do you think that is? Why do you find yourself in a complete opposition to them?

MR. MORIN. The wishes of our members at our national convention, through a resolution, adopted this. And this is as I have said, I speak from a resolution—

THE CHAIRMAN. All right. In your personal opinion?

Mr. Morin. Yes?

THE CHAIRMAN. Why do you think legionnaires are in such complete opposition of AMVETS, VFW, and DAV?

MR. MORIN. I think they feel it only opens a process, it opens another door if veterans wish to use it. And our own concern is that there are stipulations that the veteran would not be hurt by it.

THE CHAIRMAN. All right. Mr. Filner?

MR. FILNER. Thank you, Mr. Chairman. I want to thank both panels here today. Your testimony was very helpful. I admire your expertise that comes from both your active duty status and your longtime service to your members. You know the system, inside and out, we learn from that, and I appreciate everything you said. Maybe with one exception, Mr. Buyer, there is a real unanimity on almost every issue. I suspect that we can have a list of 20 or 50 items and all of you would agree to it. You have given us the agenda for next year. I pledge to Mr. Buyer, whatever position I am in, to work with you to try to realize as much of that agenda as we can. There is remarkable unanimity on things.

I want to say to Mr. Poulter: When the Chairman introduces the bill to recognize National Purple Heart Day, I want to cosponsor it. Congratulations on the 225th anniversary. We look forward to that celebration.

Several of you mentioned the conference of the Defense Authorization bill. I am told that it has concluded, although even as a Congressman, they won't tell me what the results are until the report is published. But I have the sense, in regard to the Purple Heart for the POWs who died under non-combat but obviously—in our view—com-

bat situations, that they acceded to the Senate position, which set up a commission to study it. We will try to get that next year, if that is the case. I don't know that, but that is the impression I got.

And I don't know what they did, Ms. Lee, to the SPP-DIC offset in that conference, but we will find out, I guess, in a day or so. But thank you for being so persisent in following that.

Mr. Irvin, you know, San Diego's loss is Washington's gain. Congratulations on your new position. He didn't mention in his bio that he has also recently married a very beautiful woman, so we congratulate you on that.

And I want to thank you for your position on the sense of who gets services at the veterans' hospitals, and benefits. By definition, all your members are in a high category. But you want the VA to serve all veterans, and I appreciate that very much, and thank you for that position.

And the PVA just recently had a 60th anniversary gala, and I was at the dinner, and I saw you give awards to Secretary Principi, Secretary Mineta, that were so well deserved. Of course the King, Richard Petty, also got an award. But thank you for allowing myself and my wife to be a part of that gala. It was a very moving evening. And I know each of you have those kinds of evenings, and they are all very moving, to talk to your members, and to meet them on a more personal basis, and see their dedication to improving the lot of everybody around us.

So thank you all. I look forward to working on it. This was set up by the Chairman as a preview for next year. I think we have our agenda in front of us, and I look forward to working with you. Ms. Lee, go ahead. I am sorry.

Ms. Lee. Yes, regarding the attorney issue that you talked about earlier; are survivors included in the bills that are mentioned? Lane Evans' Bill, I hadn't seen that at all. It is? Okay, thank you. I guess we need to get a copy of that. Thank you.

Mr. Filner. I apologize, I just thought you were asking the Chairman. Okay, thank you.

The Chairman. Mr. Brown?

Mr. Brown of South Carolina. Thank you, Mr. Chairman, and certainly thank the members of the panel for being so patient. They can understand our schedule, where we get unscheduled votes, and we will have one coming up pretty shortly again. But I just wanted to just address a couple issues I guess that we brought up, and we appreciate the testimony. And I think Mr. Filner is right. I think that you all have given us some criteria for next year's appropriations if we can't get them done this year.

But next week, we are going to have a hearing next Thursday at 10:00 o'clock on PTSD and TBI, and we have got, you know, some professionals coming in to give us some insight on that. And then on

the construction bill, this is the first construction bill that we actually passed in about 15 years, and I know we have some problems sometimes with partisanship, but it was really great, the way the bill was addressed in the Committee, and then went on the floor. And normally we have, like, 20 minutes for the proponents, and 20 minutes for the opponents. And both sides talked on the bill, and so it passed unanimous, which is kind of unusual for anything to happen in the body today.

But I know we addressed some of those issues that was mentioned earlier. The construction at Biloxi at $310 million; in New Orleans, 100 million; Charleston, 70 million; in Denver, 98 million. And so I am hoping that the Senate will be able to soon reconcile with them, so we can go ahead and get this signed by the President.

And in that initiative, we are going to need some support from you all to help with this. I know there has been a lot of misinformation about how we are trying to combine some services between the VA and local hospitals. And I know in Charleston, we are looking to try and combine some services with the VA and the Medical University there. Already, there is a lot of sharing of resources. Some 95 percent of the doctors that actually treat the patients at the VA hospital come from the Medical University.

And you know the cost of equipment is becoming, you know, exorbitant really to try to have everybody to own one piece. I know we have got one imaging piece of equipment now we are trying to coordinate between the VA and Medical university, a piece of imaging equipment that actually can go in and identify a cancer cell, and they can go in and actually treat just, you know, the damaged cell, and not impact the good cells. But that is a $6 million purchase, and everybody in town can't have one of those.

We went to New Orleans and actually saw, you know, the VA hospital—went down with Secretary Nicholson, and went to—the VA was actually flooded in the basement, but just down the street was, you know, of course, LSU Medical Center, Charity Hospital, you know, two or three other hospitals all in one row, and probably duplicating the same piece of equipment. So we believe that this is going to be a system that is going to be able to deliver high quality service by having specialized services available to all the veterans, at one location, and be a savings to the taxpayers, too.

But anyway, every time that we talk about it, even when we passed the bill in the House, we made sure that the VA had top priority on any of the services being provided.

So with that, Mr. Chairman, I yield back the balance of my time. But I just wanted to bring that to your attention, and certainly solicit your cooperation and understanding as we work through this process.

THE CHAIRMAN. Thank you, Chairman Brown.

I would like to make a couple of comments, and I have a question. This deals with the issues on seamless voc rehab and TAP. The Subcommittee on Economic Opportunity held several hearings. They have also had site visits on these topics. Overall, as with an examination of any system, you find some shortcomings. But measured on the whole, what we have learned, the TAP has been a reasonably successful program. The student reviews that we have seen so far have been very favorable.

The seamless transition, I know that VFW had made some comments earlier, they had questioned as to whether or not they could actually point to anything that was successful. This one is going to be a maintenance issue, for as long as we are involved in these issues. It really is. And I spoke with over 230 cardiac care physicians yesterday, and I deal with these issues on the Health Subcommittee of Commerce, of course, as we try to bring IT, and try to figure out a standard in order to perfect these electronic medical records for our country. And trying to do that in a competitive marketplace, not easy, I just want you to know. And I tried to share with them the challenges of just trying to get DoD and VA to be able to cooperatively work together. It was a great disappointment that the Department of Defense—in particular, Dr. Winkenwerder—would not turn to the VA and use our standard. That was very disappointing to me. I have had my challenges with Dr. Winkenwerder. I respect him. He is a smart man. We have got to be able to work through this. But if we can't even get it right, how are we going to expect, as a society, for us to get it right?

And I assure you that I do not want the Federal government to select a standard out there. If you want us to get it wrong, government can choose a standard. I mean, we are right now in what I would call the Beta-VHS war. And I assure you, if you had asked the government to solve that one, we would have had Beta. So I just want you to know, there are some big issues that are going on out there.

I also am very pleased—some of you know, I have worked with the Olympic Committee for the last six years; not only in the reorganization of the Olympic Committee. That gave me a lot of great insights, and a lot of great contacts. Not only with these great athletes, but also the leadership. And to extend that into the Paralympic movement, and bring those veterans into cooperation with the Olympic Committee, there are a lot of great success stories. And I really get goose bumps by what is happening out there. We have over 320 of our disabled veterans have participated in four of the Paralympic summits. Ten of these athletes have been identified as superior athletes at the highest level. So I just wanted to give you an update on that. I am really pleased about that progress.

I do need your help. And it is not just me. It is Mr. Filner, myself, Chairman Brown; this Committee needs your help. We can't

even hope to perfect seamless transition if we can't even get the VA to centralize its information technology architecture. And this is a huge challenge. It is very easy to be critical of them, but please, I am asking you to engage with us in a constructive dialogue whereby we can move from the decentralized model to centralized. We can preserve incubators of initiative. But we have got to do that, and at some point, we have to be able to bring in the software development into the centralization, and empower our CIO and CISO. Very, very important. And I need your help and assistance to do that.

So when this Committee moved out last year and wanted to do that, we weren't crazy after all. And the rest of the government is looking. And hopefully, we can do this. Mr. Filner and I, next week, will go to the floor and we will pass our product that we worked, after our six months of effort and oversight, and I am most hopeful that—we were stonewalled by the Senate in the last year—they will recognize that we have a great investment in this issue, and knowledge, and respect that. And I want to work with them.

They work on issues that we don't work on. We can't cover the entire waterfront. As you know, it is a vast enterprise in front of us. So there has to be some give-and- take back-and-forth here and between the Senate.

So as we move into the spring, I just ask all of you to help us with the IT issues. They are not sexy. They don't get all the attention. You know, they are not feel-good issues. But they are so vital, and they are so important. So I am asking for your help and assistance in that.

With regard to adaptive housing, I want to continue to work with you. We recognize that we took on those issues to liberalize those standards. I know Ms. Herseth has some issues out there. But my commitment is, as we go into next year's bill, is take another look at that.

One of the really good by-products of these hearings that we are doing here over the next two days is we take this, we assimilate the information, and we create a marker. And with that marker, then as I work with OMB and the VA. This is a new process that has not been done before.

And like anything anew, some people don't like to change. So I embrace what you said, Commander. You don't like it. But you know, what I have done is I embraced exactly what I shared with you yesterday when I had that phone conversation with Commander Bock, and he said, "You know, we separated ourselves from the rest, and we wanted to put them ahead of time." I embrace that. And I also like that look-back/look-ahead. And that is what we have done here, to lay a marker.

And so I want to thank you for your testimony. We will receive the testimony of 21 VSOs and MSOs. And it will be that thick. And I

assure you, I will share it with Mr. Portman.

There was one other—Mr. Filner, if you have anything left I will let you go, because I know I have one that is just—

MR. FILNER. Mr. Rowan, I just want to make sure that if he is Mr. Buyer, I am Mr. Filner, okay? I want to point out for the record that it is the first time in his career—he said it about third sentence to the end, the transcript will say it—he wanted to "liberalize the restrictions." So he is moving in our direction. Thank you so much.

THE CHAIRMAN. You are not going to make it as a comedian, okay?

You know, I am drawing a blank. Oh, this is the question I wanted to ask, to the American Legion: of your 220 resolutions, did any of them address the issue on information management?

MR. MORIN. Yes.

THE CHAIRMAN. Okay. Well, I will get them all. I just want to make sure there were—

MR. MORIN. There were several, and we will have that package to you. Yes, there was.

THE CHAIRMAN. Okay. All right, very good.

Well, the last thing I would like to say is, is I want to thank you for this program. It is really something all of us can do. And that is, we do it in many different capacities, and that is embracing our fellow veterans and loved ones when they come home. And it is a huge challenge. We all have to do it. I adopted a couple of them when they had come home. And so we all do that. Very important.

So I want to thank you. And so to those individuals that we also recognize, whereby the certain concerns that aren't readily identified come up later, we pick that up through our fellowship. And we can then circulate them back into the system. So congratulations, Commander. This will be a wonderful program.

MR. MORIN. Thank you.

THE CHAIRMAN. With that, I want to thank you for your testimony, and I appreciate your being here. We will continue our vigilance.

All members have five legislative days to submit any statements for the record. The hearing is now adjourned.

[Whereupon, at 3:06 p.m. the hearing was adjourned.]

APPENDIX

Opening Statement of Chairman Steve Buyer
Committee on Veterans' Affairs
Look Back, Look Ahead Hearing Presentations
of
Veterans Service Organizations
and Military Service Organizations

September 20, 2006

Good morning. Welcome to everyone.

I especially welcome the new commanders here today, who are beginning a year of well-earned opportunity after many years of faithfully serving veterans within your organizations. I look forward to a constructive and positive year ahead.

Last November, after meeting with many of you in Carlisle Barracks, just north of the Gettysburg battlefield, I announced a decision to enhance the way this committee develops its budget views and estimates.

My decision was to reform the way we gather the views of veterans' service organizations and military service organizations. Your members have a great store of invaluable insights that deserve consideration.

As a subcommittee chairman, I saw for myself how the process of hearings held after we had submitted our views and estimates for the VA to the Budget Committee had effectively silenced your voice by positioning the testimony of VSOs and MSOs after the fact.

The status quo was not working for veterans, so we have changed the process.

Last February, before we developed the FY 2007 views and estimates, the committee heard from 19 VSOs and MSOs, some of whom we had not heard from before. That was powerful. It represented a significant increase in access to this committee at a key point in the budget cycle.

When I discussed accelerating these budget and legislative hearings into February, I also said that we wanted to meet again in September to review the fiscal year just ending and look forward into the next year.

The timing of a September hearing is auspicious because the administration is now also beginning to develop its next-year budget request.

I compliment former American Legion National Commander Tom Bock, because he championed to me the Legion's approach. The Legion separated themselves from other veterans' groups by presenting their information to the committees in the fall as the administration is developing its request.

That approach makes sense, and we have adapted it and augmented it.

As you look at the budget cycle, you can see that we have opened up access to the congressional and the administration's budget process at uniquely responsive points in those cycles.

So, what we have today is the opening of the Fiscal Year 2008 VA budget process.

This is a war budget. The country is at war and faces severe demands on its fiscal resources. Yet this is also a budget that reflects a decade of unprecedented growth and support for veterans. The VA budget has nearly doubled in ten years.

Reflecting that support, VA has earned a reputation for high-quality health care.

I can recall flat-line budgets in the 1990s — as can many of you who will testify today. We saw horrific cases where appropriators were taking money from VA to fund other domestic programs. We have not seen that since.

A doubled budget and a quality product do not, however, mean there are no challenges.

The VA Secretary has taken ownership of his budget and changed a flawed model, which was reflected in VA's strong FY07 funding. Yet, a perennial challenge to us is the ghost population that moves in and out of VA health care, sometimes using the VA, sometimes opting for TRICARE, sometimes using their HMO.

Simply plugging a few numbers into a capitation spreadsheet does not address this type of complexity. Discretionary funding gives us the responsiveness to do correctly that which is hard, but which must be done right.

Comparatively, an "assured" or mandatory health care funding model, according to the Congressional Budget Office, would cost nearly half-a-trillion dollars over ten years — Yes, I said *half-a-trillion dollars.*

That would be a costly experiment. In contrast, the strong discretionary budgets of the past decade, which have also proven responsive to change, are anything but theoretical.

With strong funding, we should expect good programs. Yet, the seamless transition of servicemembers entering the VA system is still not where it should be.

Last month, Secretary Nicholson, Chairman Boozman, Mr. Salazar and I went to Kuwait, Iraq and Germany to assess the continuum of health care from medical corpsman to level-4 medical facility. We were impressed by the quality of care and the total integration and teamwork within the armed services.

Yet, between DoD and VA we still have a yawning gap. Wounded GIs arriving at Landstuhl Regional Medical Center minutes after we arrived had paper medical records in files on their chests.

Largely because of the Pentagon's foot-dragging, VA and DoD still do not have a truly interoperable system of electronic medical records.

That is not seamlessness and we must do better.

The recent theft of personal data belonging to 26 million veterans has shown the utter necessity that VA —and every government agency with sensitive data— must have centralized management over information technology, information policy, and information security. IT is the organization's central nervous system.

I appreciate those of you who worked with us on this issue; I am disappointed with those who said it is too hard or it is "out of our" lane.

With regard to your organizations, if you are outraged by lapses in security and unnecessary risks to your members, join with me dislodging the status quo and doing the right thing for veterans.

Many of you cited the disability claims backlog in your written testimony. This issue is the elephant in the room. The total backlog exceeds 800,000 and is climbing. I compliment the committee's Task Force on Accountability, of which some of you are members. I formed the task force to examine issues across VA — not just in VBA — which could improve claims development.

Timely and accurate claims decisions are as important to America's veterans as the delivery of high-quality health care.

Some think that if we bring lawyers into the process, that will help solve the problem. I am apprehensive at the prospect of more lawyers. But I will be a good listener and want to hear from all of you.

Ladies and gentlemen, these issues are not going to go away. They are at the heart of my top three priorities as Chairman, which remain:

- Caring for veterans who have service-connected disabilities, those with special needs, and the indigent.
- Ensuring a seamless transition from military service to the VA.
- And providing veterans every opportunity to live full, healthy lives.

These, then, are my priorities, and I look forward to hearing yours.
Before we begin, on behalf of the Committee's members and staff, I extend appreciation for the enduring contributions made by your membership, including your auxiliaries and families.

You make a great difference in the tone and tenor of our country. We are at war in two theaters and still have responsibilities globally. Our men and women in uniform are performing their duty magnificently. They are coming home with the simple expectation that we will be there for them.

It is up to all of us to help these returning servicemembers transition into civilian life. VA has its structure, but personal contact, which is your strength, plays an irreplaceable role. When you put your arm around a young lance corporal just back from Al Anbar, you help honor our promise. Thank you.

STATEMENT OF CONGRESSMAN BOB FILNER

before the

HOUSE COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

Hearings to receive the Legislative Views of VSOs
September 20, 2006

I appreciate the opportunity we have today to hear from our veterans' organizations. While I would have preferred to hear this testimony in the more-desired traditional setting -- before the joint House and Senate Committees just subsequent to the Administration's budget submission when I believe it carries more budgetary impact -- we still can put your views to good use during the remainder of this session of Congress and into the next.

What troubles me most is that our veterans have to trudge up here at any time year after year, hats in hand, begging for money. I'm sure I'm not the only one who finds that not just ironic, but shameful. It is long past time to place all veterans' funding where it belongs, in the mandatory category, so that each year the Department of Veterans Affairs knows how much it will have and can better forecast and plan. More important, veterans of all generations can have greater assurance that their health care will be there when they need it.

Under H.R. 515, Lane Evans' bill of which I and others on this panel are proud cosponsors, the budget would increase to meet inflation and respond to the enrollment numbers. And those numbers should include ALL eligible veterans. We must bring back into the VA health care fold those veterans who the Administration is now barring -- more than a quarter million so far -- many of whom are combat-decorated, who have health problems deemed unrelated to their service and who might be unable to afford private health insurance. They too deserve to use the system established for veterans and shouldn't be excluded simply because they make a modest or even higher income. When they took the oath, we didn't ask how much they made; their good health shouldn't be incumbent upon some arbitrary income level now. Congress intended this to be a temporary management tool for the Secretary for a single budget cycle, not to be perpetual, as this Administration clearly intends.

The assurances that come with mandatory funding would be in stark contrast to this embarrassing charade we call a budget process and to the current system of care under which the Administration: 1) is not dropping its efforts to make veterans pay more for their care rather than asking for needed resources; 2) makes thousands wait longer than they should have to for clinical appointments; 3) is failing to appropriately address the mental health requirements of service members returning from Iraq and Afghanistan, as well as past generations of veterans; 4) is thumbing its nose at the statutory requirements of long-term care and the needs of our older veterans; 5) sought cuts in traumatic brain injury care at the height of a war that is producing more brain-injured veterans; 6) and is failing to commit adequate staff and resources to its counseling programs. All this while, as I noted previously, it has turned away a quarter of a million veterans who wished to enroll.

The supplemental request last year illustrated just how flawed the current process is. VA had to request around $3 billion more to cover expenses not in the 2005 and 2006 budgets passed by Congress. That was the amount called for in the Independent Budget, so the *VSOs* knew what the *Administration* tried to avoid and what the Congress failed to make up for until confronted with dangerous shortfalls.

VA is rightfully touted these days for the exceptional quality of its clinical care and its use of technology. It has come a long way from the stereotypical image of the '60s and '70s of multiple patients in dirty wards receiving substandard care from uncaring health providers. It is now on the cutting edge of health care in this country and, in fact, the world, and that is commendable. But DELAYED CARE, RATIONING OF CARE and ACCESS TO CARE are QUALITY issues as well, and for scores of veterans, access is either "iffy" or non-existent.

I am pleased that the veterans' and military organizations support the passage of mandatory funding for veterans' health care. I can assure you that I and many of my colleagues will continue to press in the next Congress for mandatory funding legislation.

This brings me to the "core veteran" issue. Some have stated that there are two classes of veterans, those deemed "core veterans" and all others.

I totally agree that some veterans have a greater need for VA services and are a higher priority. I support and will fight for that. But <u>all</u> veterans should have access to VA health care. A veteran who scaled the cliffs of Normandy, who walked point in the jungles of Vietnam, who endured the frozen reservoirs of

Korea or who served in the Persian Gulf and was fortunate enough not to be wounded or disabled is just as much a veteran as any other veteran, even if his health care needs are not based on that service and no matter his income. That veteran deserves access to the system.

I -- and I know many of my colleagues share this view -- disagree vehemently with those who strive to create a caste system for veterans and in the process, slight the needs of all veterans. We all see that for what it is – nothing more than an attempt to cut the VA budget and downsize its health care system.

Congress, in 1996, promised enrollment for all veterans. Congress must appropriate funds to keep that promise.

On the information technology front, we were outraged at how VA handled the theft of the personal information of 26.5 million veterans and active duty personnel. It was a travesty. But this Committee did its job. We first held a roundtable discussion with representatives of six major U.S. corporations to learn how these top companies handle information security. We held six full committee hearings, two subcommittee hearings and one markup to address it. We expect the legislation that came from these hearings, introduced by the Chairman and by me, -- the "Veterans Identity and Credit Security Act," H.R. 5835 -- will be voted on in the House next week. Hopefully we can negotiate an agreement with the Senate on it. We must continue to monitor VA's progress in cyber-security and keeping veterans' information safe.

This Committee worked quickly, efficiently and effectively to address a bad situation in a bipartisan manner. I know we can continue in that productive spirit.

The nature of the wars in Iraq and Afghanistan will require us to take a more focused and serious look at the medical treatment and assistance we provide to veterans who have suffered traumatic brain injury or who have lost limbs. A recent VA Inspector General report shows that VA care for TBI is inconsistent and fails to provide TBI veterans with the lifelong care they need.

VA and DoD also need to do a better job of helping veterans' families adjust and cope with a veteran's disabilities. Supporting the troops means helping families stay strong when a veteran has physical AND psychological wounds. According to an Army report, suicide rates among soldiers last year was the highest since the 1990s. Veterans with PTSD are three times more likely to commit suicide than their cohorts in the general population.

There are bills in the House and Senate that would require the VA to develop and implement a comprehensive program to reduce suicides, including mandatory training for staff who interact with veterans; screening, tracking, and counseling for veterans; and reports to Congress. We should pass this legislation.

One-third of veterans of the Iraq and Afghanistan wars are returning home with mental health concerns. GAO reports most servicemembers who screen positive for PTSD are not referred for a follow-up mental heath evaluation. DoD is doing next to nothing to help get at-risk veterans to VA care. This must change.

Veterans continue to suffer due to their exposures during the first Gulf War. The continued incidence of fibromyalgia, chronic fatigue syndrome, and multiple chemical sensitivity among deployed Gulf War veterans is of great concern to me. Studies show that deployed Gulf War veterans have higher rates of brain cancer, ALS and some birth defects among their children. We must continue to monitor and treat these veterans. We must also take steps to screen and protect those serving in the current war in Iraq. We must be more vigilant in monitoring exposure on the battlefield so we can better assess later health effects.

We need more timely ratings for the claims of all medically-discharged servicemembers, more timely medical care for all who need it, and better information about benefits and services placed in the hands of separating servicemembers and veterans. That will require VA and DoD to do a much better job of sharing information and working together toward a true seamless transition.

We need a more robust program to help disabled veterans acquire quality work opportunities. A comprehensive report from a panel established by former Secretary Principi contained 102 recommendations to improve this program, including an additional 200 full-time VA staff for vocational rehabilitation. We need to make sure those recommendations don't just sit on a shelf, forgotten.

We must improve funding and programs to reduce homelessness among veterans. In fact, the words "homeless" and "veteran" should never have to be used in the same sentence. Veterans who struggle to return to society, including those who are chronically and severely mentally ill, need a safe place to live. VA has already seen nearly 600 veterans from Iraq and Afghanistan in its Health Care for Homeless Veterans program. They deserve our help.

We must recognize that the number of aging veterans is growing. More than 6.5 million veterans are over age 65. We must provide funding to care for them. VA is required by law to maintain approximately 13,000 VA nursing home care beds, yet the Administration scoffs at this law and refuses to ask for the funds to meet this demand. It's long past time for them to be called on it.

We must improve the Montgomery GI Bill, which has fallen woefully behind in its ability to fund an education at a four-year public college or university. This should be a priority for this committee in the 110th Congress. Any changes to the GI Bill must also reflect our "total force" defense policy. Clearly, we all recognize that our Reserve and National Guard forces are an integral component of our current military force. The time is right to match veterans' education and training benefits with our 21st Century military.

We must honor our nation's promise to Filipino World War II Veterans who were drafted into service by President Roosevelt, when the Philippines was a territory of the U.S. The 1946 Congress rescinded the promised benefits. While we in Congress have recently passed laws to restore some benefits to some veterans, we need to finish the job. These brave men, now in their 80s, deserve to be recognized as veterans and given the health care and pensions they deserve.

So I look forward to the testimony of our witnesses today on these and other issues. And I call upon the organizations represented here today, and all others, to remain vigilant, vocal and involved. Even though you have good friends in these halls, change and improvements and progress will not happen at any appreciable pace, perhaps not at all, if you fail to do YOUR job. Congress needs to continually hear from you.

Thank you, Mr. Chairman.

Rep. Corrine Brown
Statement for the Record
HOUSE COMMITTEE ON VETERANS' AFFAIRS
Oversight Hearing to Review Previous Fiscal Year & Look Ahead to the Upcoming Year
Wednesday, September 20, 2006, 10:30 a.m.
334 Cannon HOB

I want to thank the Chairman for holding this hearing to discuss the important legislation we have accomplished this past year and hear from the many veterans service organizations that work with the veterans and know what is needed out in the field, away from Washington.

I hope this hearing will not be only chance for these groups to express their views to us in a formal hearing. The way the spring joint hearings were unilaterally eliminated so the veteran groups were easier to control was wrong.

These are the people we are here to serve.

I did not join the military. When I was elected to Congress, I chose to join this committee to show my gratitude to those who have served this nation in war and peace. I continue to serve because veterans are still not getting the compensation they deserve.

Next spring the President will submit his budget to Congress the first week of February. I encourage the Chairman to schedule hearings to listen to these groups after they have had a chance to view what the submission includes and bring their recommendations to us.

The last two years have not seen a joint submission from this committee. In fact, there has not been a vote on what the budget submission should be. The Democrats put together a proposal and the Chairman has his proposal. For years the bipartisan nature of this committee set us apart from most other committees. I hope the future brings back the comity and bipartisanship we have known.

One especially bipartisan issue we all worked together on is trying to make sure the data loss that occurred at the VA does not happen again. Trying to pin the blame on one career employee does not solve the problem. When the question was asked "who else has this information?" no one had an answer.

Hopefully, now we will have an answer when an 80 year old veteran asks if we are being a trustworthy custodian of his personal data.

We can say your personal information is safe, we know who has it.

Honorable Henry Brown
Opening Statement
Committee on Veterans' Affairs
September 20, 2006

Mr. Chairman, thank you for calling this very important hearing and thank you to all of our witnesses as we take an important opportunity to look back at an eventful year for this committee. Additionally, we want to take this opportunity to look ahead to next year and hear from the leadership of our nation's Veterans' Service Organizations about their priorities for the upcoming budget season.

As chairman of the Health Subcommittee, it has been an honor to work with your organizations over the past year. This year the subcommittee and the full committee have both held hearings on a number of important veterans' health care topics, including the VA's annual budget request, the challenges faced by rural veterans, the VA's collaboration with affiliated medical institutions, and many other important issues. Regretfully, we have also had to hold a number of hearings on the information security needs of the Department. I know that all of these issues will remain a priority for the Chairman and myself as we finish out the year and anticipate a newly-constituted 110th Congress.

This year has also seen significant progress on an issue that is close to my heart, the efforts to enhance collaboration between the VA and the Medical University of South Carolina at the Johnson VAMC in my district. My goal as the Chair of the Subcommittee on Health is to improve the health care delivery for our veterans and keep it in step with the 21st Century, and I am confident that collaborative efforts like those being undertaken in Charleston can develop into new and innovative models for delivering the highest quality health care to our veterans and set the standard for other areas to follow. I understand your collective interests' in maintaining the all-important VA identity when considering co-location, and I agree. That said, I look forward to a continuing dialogue on this increasingly important option for veterans, not just in Charleston, but in any area where physical proximity of VA medical centers and medical universities may suggest increased health care economies and improved access to quality care.

Again, thank you Mr. Chairman for calling this important hearing to examine the past year and to look ahead to the next. I am sure that the

testimony we hear over the next two days will be very important as the committee looks towards next year's budget cycle. And a special thank you to our witnesses not only for being here today but also for the important work they do on behalf of our nation's veterans. I look forward to hearing your testimony.

U.S. Congresswoman
Ginny Brown-Waite

Representing Citrus, Hernando, Lake, Levy, Marion, Pasco, Polk, and Sumter Counties

Statement of Congresswoman Ginny Brown-Waite
Committee on Veterans' Affairs Legislative Oversight Hearing
to Review Pervious Fiscal Year
9/20/2006
10:30 AM

Thank you Mr. Chairman.

I would also like to thank all of the Veterans Service Organizations for appearing before the committee today. A strong partnership between Congress and the VSOs is in the best interests of our nation's veterans. Your views and opinions are instrumental in shaping the policies of the Department of Veterans' Affairs.

As all of you know, the House passed a historic budget for the VA this past year. This budget included a 10 percent increase for the VA, in addition to an 11 percent increase for veterans' medical services. In no small part were the contributions of VSOs responsible for these increases.

These efforts are only a start. It is essential that we continue to direct funds and resources to areas in need while bringing greater efficiency and transparency to the Department of Veterans' Affairs. Congress has an obligation to ensure that our nation's veterans receive the care and support they deserve.

I look forward to hearing from all of today's witnesses. Thank you.

Statement of Congressman Michaud
HVAC FULL COMMITTEE - Oversight Hearing to Review the Previous Fiscal Year
September 20, 2006

Thank you Chairman Buyer for holding this hearing.

It is always a good idea to look at where we have been to help determine where we should be going.

Last week the House passed legislation to authorize major veterans' medical facility projects and leases for fiscal year 2006 and 2007.

I am proud that our committee did our job of authorizing VA construction -- it was a job that was long over due.

I am glad that we are working toward an agreement with the Senate on veterans' health care legislation.

There is much that needs to be done to improve VA programs to help veterans and their families.

We need to authorize the two soon-to-expire authorities to help homeless veterans.

We need to fortify our efforts to prevent homelessness among veterans.

VA has already seen some 600 veterans from Iraq and Afghanistan through its Health Care for Homeless Veterans program.

We need to rebuild and sustain VA's capacity to meet the mental health needs of veterans.

Nearly 25,000 veterans from Iraq and Afghanistan have received inpatient or outpatient care at the VA hospitals and clinics primarily for treatment of Post-traumatic Stress Disorder.

We also need to reach out to previous generations of veterans to help them overcome obstacles in seeking mental health care.

We need new initiatives to meet the lifelong needs of veterans with traumatic brain injuries and to assist their families as they care for them.

We need to expand VA's efforts to address the ongoing needs of rural veterans.

We need to address the need for additional blind outpatient rehabilitation specialists.

I hope that we will do our part to tackle these issues in this Congress.

Meeting these many challenges demands a responsible budget and appropriate funding.

I want to thank the leaders of veterans' service organizations that are with us today.

Thank you for your service to our nation.

Your testimony and your advocacy throughout the year help keep us focused on the ongoing and emerging needs of veterans and their families.

I look forward to hearing from you and I look forward to working with you to address the issues you raise.

The Honorable Jeff Miller

Opening Statement

U.S. House Committee on Veterans' Affairs

September 20th, 006

Thank you, Mr. Chairman.

This year has been an eventful one for our committee, the VA, and the groups testifying before us. We have made some great strides, but along the way problems have been uncovered and many remain to be addressed.

Much alarm arose in regards to information security for obvious reasons. I commend this committee for working with the VA, VSOs, and MSOs, to adopt a comprehensive bill that revamps how personal information is treated at VA. However, we have yet to see if a cultural change will take place within VA as to the level

of attention given information entrusted to them by our nation's veterans. Millions of veterans felt betrayed when it was revealed that the laptop containing information had been stolen, and rightfully so. VA will have a long road ahead to regain that trust, and I look forward to the Department's sincere efforts in that area.

My subcommittee on Disability Assistance and Memorial Affairs often receives testimony from and about the Veterans' Benefits Administration, and much of the testimony the full committee receives today I am sure will bring attention to the growing claims backlog that already is at an unacceptable level. Our committee works to get VA the necessary funding to not only hire additional personnel but also train them so that they may best serve veterans who deserve the best attention possible. I look forward to

feedback from VA and veterans themselves on how they feel this task is being carried out. It is a lengthy process, but every day we work at reducing the claims backlog is a day well-spent.

Our committee, however, is not here to simply throw money at problems arising within VA. We owe a degree of oversight to taxpayers and veterans alike as to how different facets of the VA are funded, whether it be personnel within VBA or construction dollars within the Veterans' Health Administration. We must ensure that current veterans and future veterans all receive timely access to the best healthcare in the nation, and this goal is achieved both through the types of facilities provided as well as where the facilities are located. A veteran who has to drive over three hours for a hospital visit is, in effect, being burdened by the nation he once

served. Prudent spending of money is necessary; few people think there ever is enough funding, but spending the money available in the most necessary areas can go a long way toward giving veterans the service they deserve.

I also look forward to testimony today on allowing veterans a basic choice when filing a claim for benefits- the choice to hire an attorney. For nearly 150 years, veterans filing a claim with VA have been denied this right. When this prohibition came into effect, it was at a time when attorneys did not even have to attend law school. Now, I hear from many veterans and several VSOs who feel if a veteran wishes to spend money on an attorney, then he or she should be allowed to. My bill, H.R. 5549, includes provisions for standards of conduct to ensure that if a veteran chooses to exercise this

basic option of hiring legal representation, the process would remain non-adversarial. It is not a complicated issue; it is simply one of increasing veterans' choices.

I would like to thank those appearing before us today and look forward to hearing how this committee can better work with them and the VA in the future to repay the tremendous debt of gratitude we owe to those who fought for freedom.

SILVESTRE REYES
16TH DISTRICT, TEXAS

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RANKING MEMBER
SUBCOMMITTEE ON STRATEGIC FORCES
SUBCOMMITTEE ON READINESS

COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON
OVERSIGHT AND INVESTIGATIONS

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STATEMENT OF CONGRESSMAN SILVESTRE REYES (TX-16)
OVERSIGHT HEARING TO REVIEW THE PREVIOUS FISCAL YEAR AND LOOK AHEAD TO THE UPCOMING YEAR

September 20, 2006

Mr. Chairman, I would like to thank you and Acting Ranking Member Bob Filner for allowing the various Veterans Service Organizations (VSO) to be here with us today. Their knowledge of the needs of their membership is vital to the budget process as we review legislation within our Committee's jurisdiction and focus on the unmet needs of our veterans.

During the August district work period, I had the opportunity to welcome Congressman Filner to my district of El Paso, Texas. I would like to take this time to thank him for his visit and willingness to meet with local VSO representatives as some of them are unable to be here with us today. Having worked with Representative Filner in this Committee for almost 10 years, I know of his strong commitment to improving the quality of life of our veterans.

Again, I would like to thank the representatives of the VSOs for being here with us today. Their dedication to our nation's veterans is commendable and I look forward to working with my colleagues to honor America's promise to care for our veterans.

PRINTED ON RECYCLED PAPER

Rep. Tom Udall (NM-3)
House Veterans Affairs Committee
Oversight Hearing on FY07 and FY08 VA Budget
September 20, 2006

Mr. Chairman,

Thank you for holding today's hearing. Before I began, many veterans, both in my district and from National VSOs, have asked that I convey to you their great desire to return to the previous format and venue of these hearings. They are concerned that they will not have the opportunity to give their input on the budget and how it affects them. I am certain you have spoken with many of these groups and I simply was asked to convey those concerns.

Mr. Chairman, I would like to echo the comments of many of to day's witnesses the funding disasters of FY06 were averted and FY07 saw more stability in the VA budget, mostly, I believe, because our committee looked at the matter practically and utilized the advice provided by the *Independent Budget,* there still remain problems. I believe a revised manner for how funding is distributed, increased attentiveness by this Congress to authorize and appropriate these funds, and, perhaps most important, the change to mandatory funding for the VA are much needed and much desired changes which would further improve the Department's ability to provide the best services to our Nation's veterans.

One of the most vital areas of focus in the upcoming year will be those soldiers returning from Afghanistan, Iraq and elsewhere. We must ensure that the structure and the capacity exists within the VA to give these new veterans the health care, both physical and mental, that they will need to heal and transition. Addressing the instances of posttraumatic stress disorder (PTSD) in our veterans is an enormous concern I share with many of my colleagues, and I believe that we are remiss if we do not make this a large part of our discussion during budget considerations for FY08.

Mr. Chairman, I believe that the VA has made some progress from year's past, but I also believe that we have a very long way to go. I hope to see a renewed interest from the VA to creating a sound fiscal plan, not only for FY08, but for the future. We cannot simply plan each individual year without planning for what may come. With thousands of new veterans expected from OEF/OIF, this committee should burden itself with these concerns, that way the veterans are not burdened.

Thank you, Mr. Chairman.

VETERANS OF FOREIGN WARS OF THE UNITED STATES

THE COMMANDER-IN-CHIEF

STATEMENT OF

GARY KURPIUS
COMMANDER-IN-CHIEF
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WASHINGTON, D.C. SEPTEMBER 20, 2006

Chairman Buyer, Ranking Member Filner, Distinguished Members of this Committee:

About a month ago, I stood before the delegates of the Veterans of Foreign Wars National Convention having been elected Commander-in-Chief. Now as then, it is a tremendous honor to be here representing my great organization and our 2.4 million members from around this wonderful nation. As this nation's largest organization of combat veterans, we are dedicated to helping one another, working as a team, and doing what is right for all who have worn the uniform in the past, as well as for all who proudly wear it today.

I have charged the VFW with a mission of putting "Veterans First". It's a mission you well understand. This Veterans' Affairs Committee is the only Congressional Committee with a distinct constituency. You serve not the government or private business, but actual men and women, men and women who bravely served this country, protecting everything that America stands for. It's an important mission. It's a sacred mission. It's one that we must all take seriously. For what you do, the votes you take and the bills you write, affects over 25 million special individuals and their families.

It's hard to truly fathom how many people that is. So I ask you to look around this room. Think about loved ones who are serving. Think about the military units in your district. Or even imagine the proud face of a flag-waving veteran at your state's Memorial Day ceremonies. Think of the soldiers and marines in combat even as we speak here today. We all know many of those 25 million. That is who you serve.

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Looking back over the last year, I see many good things, but there have also been some huge bumps in the road.

First, let's look at the good. After the funding problems of the previous fiscal year, in which VA ran out of money due to poor budgetary modeling, the Administration stepped forward and recommended a sufficient amount of money for veterans programs.

Also, as your Committee formulated its budget recommendations, we were pleased that you listened to what we had to say. You used our funding levels from the *Independent Budget* as part of your baseline. We didn't get everything that we wanted, but it was a very good step, and we appreciate the serious consideration you gave to our views and your demonstrated commitment in moving them forward. I should mention, however, that we look forward to a change of heart with this Committee's decision to curtail the decades-long tradition of joint hearing with the Senate Veterans' Affairs Committee.

Despite the Committee's and Administration's attention, VA still does not have its budget for a fiscal year that begins in a few days. This unfortunately is nothing out of the ordinary. It has been the better part of a decade since VA has had a budget on time. This is a major and continuous failure of Congress.

Mr. Chairman, you rightly want VA to operate more like a business, using best practices to efficiently care for veterans in a cost effective way. Yet, how is VA to operate that way when the managers can't properly plan for the coming year? No business, let alone one as large as VA, can function without knowing their budget. Yet year after year, Congress asks VA to do that. That's directly at odds with how all of us want VA to operate.

We have in the past called for changes to VA's funding mechanism. The discretionary process as currently implemented does not work the way it should. How can we accept that? If this Congress is going to fail to live up to its obligation to provide VA sufficient money on time, then we need to modify the current funding process. It's clearly broken, and we expect it to be fixed so that veterans may truly be put first.

One of the highest priorities of the VFW is the health care and well-being of those men and women returning from conflicts overseas. While the battles are ongoing, the actual individuals fighting are constantly changing, and each day sees the creation of hundreds of new veterans. We have long argued that their care is part of the ongoing cost of war. That fulfillment of that cost – a national obligation – is what this Committee is charged with overseeing.

One of the VFW's greatest concerns is the mental health of these returning service members, and the effects it can have on their families. VA claims that they are making substantial progress in this area, but it's something that needs to be continuously monitored. Many recent surveys have indicated that this problem could be a ticking time bomb, and we need to disarm it now. Making sure that these men and women get the counseling and services they need to transition back into society and to lead productive

lives has a big up-front cost, but it's something that, if left unchecked, will create many more problems down the road. Many of these problems, such as homelessness or mental illness, are things that no veteran should suffer from, especially because we can tackle it today. We need a VA that adapts with a smart business plan to deal with the thousands of returning veterans returning with even slight problems. The scars of war may be hidden away, so we must tackle these issues head-on.

Another important area that deserves increased attention is care related to blast injuries. Improvements in technology have proven to be a mixed blessing. Thanks to improvements in armor, men and women are surviving injuries that would've killed them ten years ago. This survival, though, is coming at the price of an arm, a leg, or even severe burns. In the bigger picture, that's a price worth paying, but it means that we must redouble our efforts in prosthetic research and servicing, and also on VA's polytrauma centers.

We also strongly believe that more research and time must be spent on traumatic brain injuries. The force of these blasts sometimes circumvents helmets causing concussions and other types of brain trauma. VA must pay special attention to these unique injuries. We must learn more about these injuries and be mindful that some of these symptoms might not appear immediately. We must be attuned to any long-term physical or mental impairments that these blasts create. We must give these servicemen and women every tool they need to heal and become whole.

Recent reports that the Defense and Veterans Brain Injury Center is subject to budget cuts in the Appropriations bill before you is an example of the problems we face. How can these cuts, for a joint program that studies the types of injuries that are dramatically on the rise with current servicemembers, be reconciled with everyone's stated goal of giving the troops everything they need? It cannot. This fails to put "Veterans First," and to recognize that the cost to help these brave men and women is as much a cost of national defense as guns and tanks. America's fighting men and women need for you to restore funding, and to even give them an appropriate funding increase for the essential work this program does. This is not an earmark, Mr. Chairman, as some have cynically described it. It is a necessary expense for keeping us free and fighting America's battles.

This past September 11, I had the distinct honor of meeting with some true heroes, the men and women at Walter Reed Medical Center. The spirit and dedication that these servicemen and women show is an inspiration to us all. It highlights everything that makes our Armed Forces so effective. While there, I talked to a great number of patients, not just about their experiences overseas, but about their experiences with the health care system. I heard a great number of wonderful stories, but also some distressing ones that emphasize another one of the VFW's greatest concerns: that our men and women in uniform have a truly seamless transition to veteran status.

Some spoke of how medical treatments were scaled back prior to their medical review boards, where they would almost certainly be retired from active status. If true, this does

not bode well for the state of the system, especially if those with the most severe wounds are not being properly taken care of, and transitioned properly.

That the VFW can come before this Committee year after year after year, emphasizing the need for a seamless transition is a disappointment. I'm not sure that we can even point to signs of progress. What's being done? Where are the roadblocks? We need you, using the oversight powers of this Committee, to give us answers to these questions. We know that you share our frustration, and we urge you to make this a priority for the coming year.

What we're asking for, though, isn't just the mere ability of VA's computers being able to speak to DOD's computers – that's certainly an essential part – but it's more about giving these men and women a hand, and a seamless transition back into productive society -- back into their proper roles as providers for their family, and with the skills and training they need to be the leaders of tomorrow. That's going to require emphasis on education and training for real-world jobs.

At a hearing earlier this year, I am told that you offered to look into improving the benefits provided under the Montgomery GI Bill (MGIB), but as of today, nothing has been passed into law. As we look ahead, it's important that we focus on the benefit being provided to our Reservists, especially as they continue to carry a large share of the burden of fighting in Iraq and Afghanistan. Under current law, these service members are not allowed to use their education benefits after separating from the reserves, and this prohibition even extends to the enhanced educational benefits the Congress passed a few years back. These men and women are fighting as Active Duty troops, and there's certainly no time for study on the battlefield. We need to give them a benefit that recognizes their contributions by allowing them to take their MGIB benefits with them when they separate. Their contributions transcend previous wartime commitments. Their GI Bill should reflect this.

Another important area that's integral to a seamless transition is an effective Vocational Rehabilitation office. Advances in technology are creating a generation of wounded warriors who, in previous eras, would have died from their wounds. While we are thankful that they were spared, the influx in service-disabled veterans creates new challenges, especially when it comes to vocational rehabilitation and employment.

We applaud the efforts to focus this program on its end goal of employment for these veterans, but we need a program that looks to the future. We need to train these men and women, and help them receive the education and care they need to overcome and lessen the effects of disability, so that they will be employable for employment beyond the entry level. These skills and tools must look for the future and not just for the quick fix today.

A truly effective program will be focused on a goal of avoiding disability-related unemployability later in life, and that will allow the disabled veteran to build a career to provide for him or her as well as the veterans' family. We envision a comprehensive program that truly meets our disabled veterans' needs, and we welcome the opportunity

to work with you to make this a program that truly works. We envision a program that will create skills that will help these heroes, who have sacrificed body and mind, to overcome these obstacles over a lifetime of employment, not just to launch them with a few years of jobs.

Unfortunately, I must turn to an issue which has taken up much of this Committee's time, and which is of utmost concern for our 2.4 million members. The recent failure of VA to adequately secure veterans' sensitive financial and medical data is disgraceful. To say that we are disappointed with the leadership of VA is an understatement. This has been a major institutional failing from the top on down, and not something that can solely be pinned on one employee -- a fact that even the VA's own Inspector General noted.

Business schools across the country, I am sad to say, could use VA's response to this incident as a case study in how not to handle a crisis. It all boils down to a lack of strong leadership and management within the Department. For a Department that serves a clear constituency, and which relies on the trust of those it serves, the delays and excuses in revealing what information was stolen, and what veterans needed to do to protect themselves and their families was inexcusable. It has been several months, and we are still waiting for a full explanation of what was going on at VA.

Instead of putting "Veterans First," they let personal squabbles, partisan politics, and their own job security get in the way. They lost focus of what their true mission is, a damning indictment of VA's leadership.

With additional reports that a VA contractor has lost yet another computer, this one with health care information on it, what are this nation's veterans supposed to think? It's especially distressing for our service members fighting overseas to know that they and their families may be in financial harm because of this mishandling of sensitive personal data. The last thing they need to be worrying about on the battlefield is if their families are going to be ok, and if their credit is going to be ruined by thieves.

This is why we are very disturbed by the withdrawal of the Administration's offer to provide one year of credit monitoring services. It is outrageous that the government would not err on the side of caution with potentially 27 million veterans and family members at risk, and a litany of data breaches coming to light. The Administration contends that the FBI says that the files were not accessed, but computer security experts, in great numbers, were quick to point out that they could not rule it out with 100% confidence. No veteran or service member should have to spend one minute or one dollar worrying about or taking care of their credit because of a mess they didn't create. This is VA's fault. It is the government's responsibility to fix the problem, and to hold those responsible accountable for their actions.

We've heard the excuse that Congress isn't going to correct the situation because the Administration is no longer requesting the funding. This is a dereliction of duty. If Congress doesn't think that veterans need credit monitoring services, then tell us, and tell

us why. But if it is something you think those in uniform need -- a position we hold firm to -- then stand up to the Administration and put "Veterans First."

Assuring our veterans that their credit records are safe is just the first part of this. It's a band-aid on the wound. We of the VFW are most gratified with how seriously this committee has taken the problem, and that your series of hearings have focused on getting to the root of the problem and providing permanent solutions. We would urge that you not relent in this most important effort.

Looking forward, VA needs flexibility, the ability to adapt and change as technology transforms. This does not mean that you should be hands off; the Department itself needs to lead the way in this effort. This Committee clearly needs to exercise rigorous oversight of VA to ensure that these sorts of disgraceful problems do not occur in the future, but oversight does not automatically mean micromanagement. If you are confident with the leaders in place -- that they understand VA's needs, industry-wide best practices, and have the ability to navigate through the institutional bureaucracy of VA -- then let them do their job.

We do not want to be an adversary in this endeavor. We want to work with the Committee and VA to ensure that the situation is made better for veterans and military personnel. If things are on the right track, we are right there applauding. What it boils down to is that no one should go to war and have to worry about the safety and security of their family or personal information. Unfortunately, VA has failed in this. Together, I hope we can ensure that that does not repeat in the future.

As we look forward, another major challenge confronting VA for the coming year, as has been the case for a number of years now, is the effective operation of the Veterans Benefits Administration (VBA). How many of you have toured a VBA facility? How many of you have seen the room where they store the cases? It's a massive room with thousands upon thousands of files, each one representing a veteran with a serious problem that needs VA attention. Each file is a person. It's likely that you know someone who has one of those files, someone who has been waiting months or longer for a decision. This could be someone whose access to health care could be curtailed by VA's inability to manage this problem.

The claims backlog is a persistent problem, something my predecessors have highlighted every time they come before this committee. That I can still sit here, citing an ever-growing number of cases highlights VA's inability to develop and implement a proper plan to tackle this problem.

We frequently focus on VBA's backlog, but that is just part of the problem. VFW witnesses have always stressed that VBA's problem is, at its core, a problem with the quality of their decisions. By their own measurement, VBA commits serious errors on over 100,000 cases every year. These are not minor errors; they can affect the quality of the future lives of veterans and their families. VBA has no plan to address this problem,

and we urge you to make it a focus of your oversight this year. Do not permit VBA to claim that their only issue is the backlog, as significant as that might be.

Nearly 750,000 of these cases are for disability compensation. Compensation is intended to improve the quality of life for disabled veterans and their families. These delays in adjudication affect real people, real veterans, and their families.

Despite best efforts and intent, VA has been unable to manage this caseload, and the backlog swells daily. As the number of pending claims increases, the difficulties of managing the backlog and implementing solutions increases. VA asserts that the complexity of these claims is the chief reason why there has been an increase in the backlog. We would certainly agree that claims are complex, but that's just a symptom of a larger problem. VA does not have adequate resources and the current discretionary process creates problems with proper planning. It is inadequate for VA to complain that veterans present complex claims. VA must learn to budget for them, and how to deal with them. General Omar Bradley said it best: "We are dealing with veterans, not procedures – with their problems, not ours."

VA tells us that it takes several years for a new employee to get up to speed with the adjudication process. There are many complexities and technicalities, which make immediate mastery difficult. Speed and accuracy come with practice. Yet, there is little continuity of funding within VBA. The threat that today's employees might be cut in next year's budget keeps VA from hiring enough people. While VBA can bring people on board, there is no guarantee that they will be able to keep them next year, creating a nightmare for those in charge of how to best allocate manpower resources.

In the past few years, we've seen cuts and increases in VBA staffing levels bandied about in an attempt to balance budgetary accounts in other areas.

It is no wonder the backlog grows. Would your offices function as efficiently if there weren't some assurance that you'd have money for a scheduler or a committee counsel next year? It's unlikely. So why do we ask VBA, the agency in charge of making veterans whole, to do that? It's unfair, it's dysfunctional, and until this Congress and this Administration are willing to make a true commitment to VBA, the problem is unlikely to be fixed.

The failure to address the long-term even precludes VBA from using all the resources you make available, threatening VBA with the inability to maintain new staff in the face of proposed future year budget cuts.

What's the goal to make VA better? What are the plans? It isn't just enough to throw money at these issues, a sentiment I'm sure you on this Committee share. But, the problems VA faces do, by and large, relate to funding. We're not asking you to throw money into a pit. Instead, we ask for VA to be run efficiently with proper oversight. That's not too much to ask. Above all, veterans must come first.

Before I conclude, I'd like to discuss one related issue that's before your committee, the *Veterans Choice of Representation Act*. This bill would allow veterans to hire lawyers when first filing a disability compensation claim, something that they're prevented from doing now. At first blush this sounds like a great idea, but it is something that the VFW is greatly concerned with. In fact, at our recent National Convention, our membership voted in strong opposition to this proposal. Some suggest that this is just a veterans organization protecting its turf. That's preposterous. What we are concerned with is not "turf", but with doing what is best for America's veterans. And the consequences of this bill are that the backlog and complexity of the cases pending before VBA is going to precipitously grow.

Before embarking on the path which has brought me to this office, I served as a service officer in Alaska for over twenty years. It's a profoundly rewarding job, and one that I look back on with great fondness. There's a lot of satisfaction in helping a disabled comrade get treatment and compensation for his or her injuries. I fear that passage of this bill would dramatically change the non-adversarial relationship for the worse. The system, while not perfect, is intended to serve veterans sympathetically and efficiently at this initial level. This law, we fear, would result in less timely service of claims, and would provide program administrators with justification to ratchet back the service and assistance they provide, harming veterans who choose not to or cannot afford to spend money on a lawyer.

The problem with the current system and the backlog is not because of the lack of legal representation, but because a lack of funding. The numbers we toss around for funding or caseload aren't just numbers. They're real people, people who have worn the uniform of this great nation, their survivors and their dependents. It's sometimes hard to keep this fact in mind.

That's exactly why I've charged my organization with putting "Veterans First." Everything the VFW does, and everything that this Committee undertakes must be done with this in mind. It's going to be a challenging year, but we want to be there working with you, keeping our hearts and minds on that goal.

I challenged the great men and women of the VFW to put "Veterans First," and I charge you with the same, for that is who we truly serve, and who we must put first in our hearts and priorities.

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STATEMENT OF

MR. TOM MCGRIFF
AMVETS NATIONAL COMMANDER

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

CONCERNING

THE HOUSE VETERANS' AFFAIRS COMMITTEE ACCOMPLISHMENTS IN FISCAL YEAR 2007 AND LOOK AHEAD TO FISCAL YEAR 2008

WEDNESDAY, SEPTEMBER 20, 2006

Chairman Buyer, members of the Committee:

Earlier this month, we paused to remember the men and women who lost their lives on September 11, 2001. We watched in horror as American Airlines Flight 11 crashed into the north tower of the World Trade Center. Later, many of our worst fears were realized when three more planes were hijacked. The attacks against the World Trade Center, the Pentagon and the failed attempt in rural Pennsylvania began a new era in American history. This era is marked by a new kind of patriotism our nation has never known. Instead of the fear and hopelessness the terrorists of 9/11 hoped to plant, courage and valor have grown. We rebuilt and regained our strength, and we will never let the images of the crashed planes, falling buildings and burning countryside fade from our memories.

Today, this nation is engaged in a different kind of war. We have a new generation of brave American's once again deployed around the world, answering the call to arms. When they return home with physical and psychological wounds – most of which will never heal – we have a great moral obligation to care for them. I sincerely believe that an elected official has no greater duty than to provide for and be attentive to those who have bravely defended our nation and our freedoms.

Mr. Chairman, the focus of today's hearing is to look at what the Committee has accomplished this year, and look ahead to next year. We certainly thank you and the Committee for its work in passing measures aimed to restrict protests at military funerals, enhance the Servicemembers' Life Insurance program, provide veterans with a COLA, improve veterans housing, strengthen VA's information technology, and other matters. But I think it is more important to look at where we are today, and examine the areas that need to be improved so VA can care for *all* veterans seeking care. I will focus my remarks on four issues: assured funding, veterans mental health, the claims backlog, and the veteran's attorney legislation.

Assured Funding

First, assured funding. Every time we send our young men and women into combat, we are asking them to make a huge sacrifice for the rest of us. Their lives and their healthcare are the real follow-up cost to any war. The VA budget for fiscal year 2007 was a step in the right direction, but sadly, it does not go far enough to meet the needs of all veterans. Members of Congress touted that this is the first year The Independent Budget has been used to tabulate VA's budget. I ask why? The Independent Budget has been in existence for over twenty years, and has been proven time and time again to be the most accurate estimate of VA's funding requirements. If you are really serious about meeting the needs of veterans, use The Independent Budget's figures in fiscal year 2008.

Veterans' healthcare is an ongoing cost of war, and should be treated as such. No veteran should have to fight for the care he or she has earned by virtue of military service. But that is exactly what many veterans are forced to do. Access to quality health care has been compromised by budget shortfalls, rising medical costs and a sharp and steady increase in demand for services. The current discretionary funding formula pits VA against other agencies and billions in pork barrel projects. Over the years, this process has proven its weakness in providing for the needs of enrolled veterans. Frankly, the system needs to be fixed. The only way VA can fulfill its mission is for Congress to guarantee the funding it needs to operate.

Contrary to some belief, Congress would not lose oversight if assured funding in instituted. As with other direct funding entitlements, Congress would retain its current supervision of VA programs and healthcare services. Additionally, VA would still be held accountable for how its funds are being spent and how well its healthcare programs are managed. In fact, most federal healthcare programs are funded through mandatory funding. Isn't it only fair to put our nation's sick and disabled veterans on the same level as these other entitlements? The cost of freedom does not come cheap. Caring for veterans is an American responsibility, and one that should not be subject to an arbitrary and time-consuming process.

Mental Health

Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) have resulted in the deployment of hundreds of thousands of troops since 2002. It is estimated that approximately a third of military personnel will need mental health treatment upon returning from these operations. For those who served in Iraq, 35 percent requested mental health services one year after deployment or leaving the service. We've learned from past conflicts that war has long-lasting psychological effects. Mental and emotional problems can be just as devastating as physical wounds. But getting a handle on PTSD and other disorders is tremendously difficult. The effects vary for each person. Some never show symptoms, others show them immediately.

Unfortunately, VA has had an uneven record of service to veterans with mental health needs. We applaud Congress for having codified into law special safeguards to ensure VA gives priority to the needs if veterans with mental illness. But more needs to be done. VHA must invest resources in programs that aid patients' recovery rather than managing and treating symptoms. VA should develop a continuum of care that includes case management, rehabilitation, peer support, work therapy, and other support services with an overarching goal of recovery. Additionally, VA must work hand-in-hand with DoD to help returning service members obtain treatment for war-related mental health problems. We are learning more everyday about the effects of war and the toll PTSD has on soldiers' lives, and I encourage this Committee to continue its efforts to help VA assist veterans on the long road to recovery.

Claims Backlog

VA continues to experience challenges processing veterans' disability compensation and pension claims. The backlog is at a critical stage, with significant errors numbering about 100,000 per year. The average initial claim takes more than six months to complete, and appeals of denied claims can take as long as three years.

VBA is also faced with many experienced claims processors reaching retirement age. According to VBA, it takes 2 to 3 years of experience for claims decision-makers to achieve a fully productive level of expertise. Currently, about half of VBA's staff has 3 years or less of decision-making experience. VBA needs to tackle this problem now so they are not faced with even more inexperienced staff when the Baby-Boom generation retires. That means hiring and training new employees immediately. AMVETS believes VBA is capable of reducing backlogs and improving error rates, but only if and when new technology, better training, more staff, and real accountability is implemented. That takes time and money, not budget cuts and staff reductions, which have been proposed in recent budgets.

In fact, AMVETS is so passionate about looking at claims and other VBA challenges, we are hosting a National Symposium for the Needs of Young Veterans in mid-October. The Symposium's goals are to reach a consensus on the key problems facing veterans, offer solutions that will modernize the system, and suggest how to enhance benefits for the National Guard and Reservists. In November 2006, the Symposium will publish an action plan that will define, describe and prioritize the steps needed to provide a modern benefits program and an effective delivery system.

Our goal is quite clear – to raise public discussion about veterans benefits to a whole new level. One of the greatest and largely unrecognized challenges facing America is how we will provide for the needs of young veterans, namely those who are currently serving in Iraq, Afghanistan and other parts of the world today. If you are concerned about the future of veterans' benefits in America, then I encourage you to support us in this endeavor and seriously study our action plan. I am confident the Symposium will provide Congress and VA will a realistic report that will improve the system now and into the 21st century.

Veterans Choice in Representation Legislation

AMVETS has many serious concerns with the House and Senate veteran's choice of representation bills. As you know, the Senate passed their version, S. 2694, with a number of other non-controversial veterans benefits enhancements attached to it. We support the added language now contained in the Senate bill and urge its passage, but only without the attorney provisions.

Veterans service organization provide, free of charge, excellent representation and a broad range of services to any veteran - member or not - within the community. AMVETS has specialty-trained representatives stationed around the country to assist veterans wanting to file a claim. We have access to the VA system, know exactly who to contact, and are acquainted with the people who make the decisions. We feel we provide a greater and more efficient service than any lawyer could.

If lawyers are allowed into the system, it would overturn veterans protections that have been in place since the Civil War. It will not improve the procedure or make it more efficient. Just the opposite would be true. A good lawyer will do what they can to lengthen the process, potentially exploiting the system in order to maximize the result. The benefits system was designed be a non-adversarial, open, informal process to ensure veterans received the benefits promised to them. Adding lawyers to the mix will create a potentially hostile situation between the veteran and VA.

Furthermore, VA cannot handle lawyers. The VA benefits system is a labyrinth of laws and regulations that takes years of experience and training to understand and navigate. Most lawyers do not have an understanding of the complexity of veteran's law, the vast VA bureaucracy, or even know what is rightfully due to a veteran. VA will no doubt be inundated with calls from legal aides wanting to know exactly how VA works and how to navigate through the department. VBA is financially strapped as it is, and claims backlogs continue to grow without this added burden.

Mr. Chairman, before you consider this provision, I would ask the Committee to explore ways to reduce pending cases by fixing staffing shortfalls, improving training programs, and holding claims processors accountable for the quality of their work. That is what is going to solve VA's internal problems and claims backlogs, not attorneys.

We have many challenges ahead. Record deficits are setting the stage for future budget cuts and many program efficiencies. While I certainly agree the federal government needs to get its fiscal house in order, I do not agree this should come at the expense of veterans and their families. I encourage this Committee to put aside political differences and political pressures and work together to create a budget that guarantees the care of all those who defend this nation. Veterans deserve a government that is committed to the same values they fought to preserve.

In closing Mr. Chairman, AMVETS looks forward to working with you and the Committee to ensure the earned benefits of all of America's veterans are strengthened and improved. We must remain vigilant in our fight against those who would take away the freedoms for which so many veterans have fought. We must remain firm in our support of American troops at home and abroad and never forget their daily sacrifices.

I would like to say a special "thank you" to these members of the Army, Navy, Marines, Air Force, Coast Guard, National Guard and Reserves who continue to defend our nation. America is truly the land of the free and the home of the brave because of what you do.

This concludes my testimony. Thank you again for the opportunity to present our views, and I would be happy to answer any question you might have.

STATEMENT OF
BRADLEY S. BARTON
NATIONAL COMMANDER
OF THE
DISABLED AMERICAN VETERANS
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
WASHINGTON, D.C.
SEPTEMBER 20, 2006

Mr. Chairman and Members of the Veterans' Affairs Committee:

On behalf of the more than 1.3 million members of the Disabled American Veterans (DAV), I am honored to appear before you today to discuss the state of veterans' affairs for the current fiscal year and the upcoming fiscal year.

Chairman Buyer, as you know, DAV was troubled by your decision last year to end the opportunity for the veterans and military service organizations to present testimony before joint hearings of the House and Senate Veterans' Affairs Committees. These hearings have been a long-standing tradition enabling the DAV and others the occasion to provide the authorizers of veterans' programs with our legislative agenda and concerns. These hearings provided DAV members with the opportunity to observe first hand their elected officials respond to issues critical to them and other disabled veterans. Hundreds of DAV members made the annual pilgrimage to our nation's capital to witness this event. Additionally, these hearings provided members of this Committee and the Senate Veterans' Affairs Committee with the chance to address the numerous constituents who were present from their states. It also provided each National Commander the opportunity to present the organization's agenda in front of his or her peers.

Earlier this year, DAV requested the opportunity to present our national agenda to a joint session of the House and Senate Veterans' Affairs Committees. It is our sincere desire that you will reconsider your decision to discontinue this important event. Personally, I would be honored and privileged to appear before a joint hearing of the House and Senate Veterans' Affairs Committees and my peers, my fellow members of the DAV, to present DAV's legislative agenda in February 2007.

Mr. Chairman, as you can see from my attached biographical information, I am a native of Indiana. After my medical retirement from the Marine Corps in August 1968 due to severe wounds received during a combat tour of duty in the Republic of Vietnam, I received both my undergraduate and doctor of jurisprudence degrees from Indiana University in 1973 and 1982, respectively.

Since joining the DAV in 1975, I have been active in supporting the DAV's mission of building better lives for our nation's disabled veterans and their families. Since my retirement from the legal profession, the achievement of the DAV's mission has been a full-time job for me.

My fellow disabled veterans have placed their confidence in me, as their National Commander, to carry their message to these hallowed halls and to the American public, and I will not let them down.

From one Hoosier to another, I thank you again for this opportunity to testify before you and your Committee, and again request the opportunity to appear before a joint hearing in February 2007.

As the current fiscal year quickly draws to a close, we continue to hear from VA officials around the country that they are experiencing health care funding shortfalls in fiscal year 2006. They are unable, or unwilling, to hire needed medical staff or fill current vacancies. Much of their unwillingness stems from the uncertainty involved in the current budget process. VA, just days away from the beginning of the new fiscal year, still does not have an appropriations bill.

For years, DAV has argued that the current budget process fails to serve veterans, the VA, or American taxpayers. It is impossible for VA to properly plan for an upcoming fiscal year, when so much uncertainty surrounds the passage of their appropriations bill and the level of funding VA will receive. For years, DAV has fought to remove the uncertainty surrounding the current budget process and to ensure, not only a proper level of funding, but that increased funding be available to VA on the first day of each fiscal year.

Chairman Buyer, while we are aware of your lack of support for changing VA's health care funding stream from a discretionary to a mandatory program, on behalf of the DAV, I call upon you to join the veterans' community in an open and frank discussion of the current VA health care appropriations process and how that process might be improved to better serve our nation's sick and disabled veterans.

Although the proposed FY 2007 appropriations for VA come closer to meeting the needs of VA than prior budget proposals, we are still concerned that additional funding is needed in both the veterans' health care administration and veterans' benefits administration. *The Independent Budget* (*IB*) recommends the following levels of funding for VA programs:

- Veterans Medical Service $26.0 billion
- Medical Care Total $32.4 billion
- Medical and Prosthetic Research $460 million
- General Operating Expenses (GOE) $1.8 billion
- National Cemetery Administration (NCA) $214 million
- Major Construction $1.4 billion
- Minor Construction $505 million
- Total Discretionary Funding $38.5 billion

These figures do not increase collections. The *IB* also opposed increased co-payments and annual enrollment fees for certain veterans. We appreciate the fact that this Committee also did not support the increased fees.

Currently, Congress is looking at funding VA at the following levels:

• Veterans Medical Services	$25.4 billion
• Medical Care Total	$32.3 billion
• Medical and Prosthetic Research	$412 million
• GOE	$1.47-1.48 billion
• NCA	$160.7 million
• Major Construction	$284-399 million
• Minor Construction	$198-210 million
• Total Discretionary Funding	$36.5 billion

Again, although the funding levels for fiscal year 2007 come close to meeting the funding levels recommended by DAV and the other coauthors of the *IB*—about $2 billion less—we are concerned that the combination of the FY 2006 shortfalls and the reports we are hearing that the FY 2008 budget will again be miserly, will adversely impact the ability of VA to meet the health care and benefit needs of our nation's veterans over the next several years.

I will now turn my attention to an issue of great importance to the DAV and those veterans and other claimants who will be pursuing compensation benefits from the VA.

Recently, the Senate passed S. 2694, which would amend existing law to permit attorneys and agents to charge claimants for services rendered in the preparation, presentation, and prosecution of claims. It would authorize the Secretary of Veterans Affairs to collect registration fees, set limitations for fees charged to claimants, prescribe standards of conduct, and expand grounds for suspension or expulsion from further practice for attorneys and agents providing such services. There are also two bills introduced in the House that would allow attorneys to charge a veteran a fee to represent them in proceedings before the agency of original jurisdiction: H.R. 4914, introduced by Congressman Lane Evans, and H.R. 5549, introduced by Congressman Jeff Miller.

The change sought by these measures—allowing attorneys to charge a fee to represent a veteran or other claimant before the agency of original jurisdiction—would not be in the best interests of veterans for several reasons, and would be detrimental to the administrative process at the VA. The principal reason for DAV's opposition is based in the public policy underlying the prohibition against charging veterans for claims assistance. Veterans and their dependents or survivors should not have to resort to hiring and paying lawyers to obtain benefits to which they are rightfully entitled. Veterans and other beneficiaries should be able to file claims for benefits and receive fair decisions from the VA without the necessity to hire and pay a large portion of their benefits to attorneys. Congress designed the current administrative claims process to be non-adversarial and veteran-friendly. Unlike litigation in our court system, where the parties must discover and produce their own evidence and affirmatively demonstrate, by a preponderance of the evidence, that they are entitled to the relief sought, Congress obligated VA to assist the claimant in obtaining potential evidence and placed the duty upon VA to consider all relevant law and avenues of entitlement.

Veterans' benefits are more than a matter of mere relief provided out of generosity by a grateful nation. Because veterans have made special sacrifices, have subjected themselves to extraordinary risks, and have borne unusual burdens for the benefit of the nation as a whole, they have earned special rights and special treatment. Veterans, who have served and fought for our country and our cherished freedoms, should never have to fight our government to get the benefits a grateful nation has provided as a reward for their sacrifices and service. It is intended that these benefits be provided with a minimum of difficulty for the veteran claiming them. Veterans are accorded a privileged status and are due more personal assistance from VA than claimants receive when seeking benefits from other federal forces. Again, it is important to remain mindful that veterans obtain their benefits through an informal, non-adversarial, and benevolent claims process, not a litigation process. The paramount distinction between the VA process and litigation reflects a calculated congressional intent and design to permit veterans to receive all the benefits they are rightfully due without any necessity to hire and pay a lawyer.

Disability compensation and other benefits for veterans and their families should go to the intended beneficiaries for the purpose of the necessities of life and to meet other needs, not to lawyers. That is the very reason the system was designed to work without lawyers and the wisdom behind the law that has so long prohibited lawyers from charging veterans for filing and prosecuting claims. By passing one of these measures to allow lawyers to charge veterans for claims assistance, this Congress would abandon the commitment to a system that delivers benefits to veterans without necessity to pay lawyers. This Congress would be admitting that it is unable to perform its oversight role to ensure that the VA's claims processing system works as intended.

This Congress, more specifically, the House and Senate Veterans' Affairs Committees, will be sending the wrong message to our brave young men and women serving in harm's way in our War on Terror. The message you would send to these men and women if you pass this legislation, is that it may be necessary to hire and pay a lawyer to obtain your rightful benefits from the government you served to protect.

Under the Senate bill, S. 2694, and H.R. 5549, a veteran, missing a limb due to combat in Iraq, might mistakenly believe that he or she needs to hire an attorney to obtain disability compensation for their loss. Most individuals are unaware of the fact that the VA was designed to be an informal, non-adversarial, and pro-veteran claims process, not a litigation process. Most of those individuals would, therefore, believe that an attorney would be better qualified to represent them in the litigation process. However, empirical data from the Board of Veterans' Appeals demonstrates that attorneys, who handpick their cases, have a slightly lower average allowance rate than veterans service organizations. Unlike lawyers, most VSOs handle all request for appellate representation.

DAV believes that it is bad public policy to allow veterans to pay a fee to obtain their earned benefits. Furthermore, it demeans the service of our brave young men and women who defend our cherished freedoms to convince them that it is necessary to pay a lawyer to represent them to obtain the benefits to which they are rightfully entitled.

The argument that veterans should be afforded a choice to be represented by a lawyer in claims for veterans' benefits ignores the intent of Congress that the VA's mission is to provide all entitled veterans claimants with all benefits allowable under the law, and that the VA claims process should remain open, helpful, informal, and pro-veteran.

To allege that this legislation is simply about affording a choice to a veteran erroneously implies that the VA system should operate like the civil litigation and criminal justice systems, where two parties must convince an impartial third party that one of them should prevail. Again, I cannot emphasize enough, that the VA claims process is not, I repeat, *is not*, a litigation process. As an attorney, I know first hand how lawyers are trained and how they think and react in the legal arena. Believe me when I say this is not what we want for the VA claims process.

The DAV believes enactment of these bills will have far reaching detrimental effects that will far outweigh the emotional gratification of having the right to choose representation by a lawyer. The Court recognized the probable adverse effects in *Walters v. National Ass'n of Radiation Survivors*, 473 U.S. 305 (1985):

> There can be little doubt that invalidation of the fee limitation would seriously frustrate the oft-repeated congressional purpose for enacting it. Attorneys would be freely employable by claimants to veterans' benefits, and the claimant would as a result end up paying part of the award, or its equivalent, to an attorney. But this would not be the only consequence of striking down the fee limitation that would be deleterious to the congressional plan.
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> A necessary concomitant of Congress' desire that a veteran not need a representative to assist him in making his claim was that the system should be as informal and nonadversarial as possible. . . . The regular introduction of lawyers into the proceedings would be quite unlikely to further this goal. Describing the prospective impact of lawyers in probation revocation proceedings, we said in *Gagnon v. Scarpelli*, 411 U.S. 778, 787-788, 93 S.Ct. 1756, 1762, 36 L.E.d.2d 656 (1973):
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>> "The introduction of counsel into a revocation proceeding will alter significantly the nature of the proceeding. If counsel is provided for the probationer or parolee, the State in turn will normally provide its own counsel; lawyers, by training and disposition, are advocates and bound by professional duty to present all available evidence and arguments in support of their clients' positions and to contest with vigor all adverse evidence and views. The role of the hearing body itself . . . may become more akin to that of a judge at a trial, and less attuned to the rehabilitative needs of the individual. . . . Certainly, the decisionmaking process will be prolonged, and the financial cost to the State--for appointed counsel, . . . a longer record, and the possibility of judicial review—will not be insubstantial."

We similarly noted in *Wolff v. McDonnell*, 418 U.S. 539, 570, 94 S.Ct. 2963, 2981, 41 L.Ed.2d 935 (1974), that the use of counsel in prison disciplinary proceedings would "inevitably give the proceedings a more adversary cast. . . ." Knowledgeable and thoughtful observers have made the same point in other language:

> "To be sure, counsel can often perform useful functions even in welfare cases or other instances of mass justice; they may bring out facts ignored by or unknown to the authorities, or help to work out satisfactory compromises. But this is only one side of the coin. Under our adversary system the role of counsel is not to make sure the truth is ascertained but to advance his client's cause by any ethical means. Within the limits of professional propriety, causing delay and sowing confusion not only are his right but may be his duty. The appearance of counsel for the citizen is likely to lead the government to provide one—or at least to cause the government's representative to act like one. The result may be to turn what might have been a short conference leading to an amicable result into a protracted controversy.
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> . . . .
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> "These problems concerning counsel and confrontation inevitably bring up the question whether we would not do better to abandon the adversary system in certain areas of mass justice. . . . While such an experiment would be a sharp break with our tradition of adversary process, that tradition, which has come under serious general challenge from a thoughtful and distinguished judge, was not formulated for a situation in which many thousands of hearings must be provided each month." Friendly, "Some Kind of Hearing," 123 U.Pa.L.Rev. 1267, 1287-1290 (1975).

Thus, even apart from the frustration of Congress' principal goal of wanting the veteran to get the entirety of the award, the destruction of the fee limitation would bid fair to complicate a proceeding which Congress wished to keep as simple as possible. It is scarcely open to doubt that if claimants were permitted to retain compensated attorneys the day might come when it could be said that an attorney might indeed be necessary to present a claim properly in a system rendered more adversary and more complex by the very presence of lawyer representation. It is only a small step beyond that to the situation in which the claimant who has a factually simple and obviously deserving claim may nonetheless feel impelled to retain an attorney simply because so many other claimants retain attorneys. And this additional complexity will undoubtedly engender greater administrative costs, with the end result being that less Government money reaches its intended beneficiaries. 473 U.S. at 323-26.

For these reasons, DAV believes enactment of these bills will profoundly change the administrative claims process to the detriment of veterans and other claimants. We believe there is a potential for wide-ranging unintended consequences that will be beneficial for neither claimants nor the Government. Beyond the cost to veterans, added administrative costs for VA are likely to be substantial, without commensurate added advantages or benefits for either.

The DAV does not stand alone in its opposition to these bills. This legislation is also opposed by the VA, Veterans of Foreign Wars of the United States, and AMVETS.

We call upon the members of this Committee to oppose the enactment of legislation that would remove the restriction on lawyers charging veterans a fee to prepare, present, and prosecute claims for veterans' benefits.

Before I close, I would like to recommend that this Committee consider improvement to certain VA programs designed to benefit our nation's disabled veterans. The members of the DAV approved long-standing resolutions at our most recent National Convention, held in Chicago, Illinois, August 12-15, 2006, and we call upon you to:

- Support additional increases in grants for automobiles or other conveyances available to certain disabled veterans and provide for automatic annual adjustments based on the increase in the cost of living. When this program was originally created in 1946, the law set the allowance at an amount sufficient to pay the full cost of a lower-priced new automobile. With subsequent cost-of-living increases, Congress sought to provide 85 percent of the average cost of a new automobile, and later 80 percent. Because of a lack of regular adjustments to keep pace with increased costs, the value of the automobile allowance has substantially eroded through the years. Currently, the $11,000 automobile allowance represents only about a third of the average cost of automobiles in the year 2005.
- Increase the face value of Service Disabled Veterans' Insurance (SDVI). The current $10,000 maximum for life insurance for veterans was first established in 1917, when most annual salaries were considerably less than $10,000. The maximum protection available under SDVI should be increased to at least $50,000 to provide adequately for the needs of our survivors.
- Authorize VA to revise its premium schedule for SDVI to reflect current mortality tables. Premium rates are still based on mortality tables from 1941, thereby costing disabled veterans more for government life insurance than is available on the commercial market.
- Provide an additional increase in the specially adapted housing grant and automatic annual adjustments based on increases in the cost of living.

Mr. Chairman, this completes my testimony. Thank you for allowing me the opportunity to appear before you today on behalf of the Disabled American Veterans to share our views on the state of veterans' affairs.

BLINDED VETERANS ASSOCIATION

TESTIMONY
PRESENTED BY

THOMAS ZAMPIERI, Ph.D.

DIRECTOR OF GOVERNMENT RELATIONS

BEFORE
HOUSE VETERANS AFFAIRS COMMITTEE

September 20, 2006

INTRODUCTION

Mr. Chairman and members of the House Veterans Affairs Committee, on behalf of the Blinded Veterans Association (BVA), the only Congressionally chartered Veterans Service Organization exclusively dedicated to serving the needs of our Nation's blinded veterans and their families, thank you for this opportunity to present BVA's legislative priorities for 2007 and to take a look back at 2006.

This past year BVA has become increasingly frustrated by the lack of significant change in the Veterans Health Administration's (VHA's) ability to provide the full continuum of blind outpatient rehabilitation programs. Our organization has also been discouraged by the limited attention paid to a major crisis facing the Department of Defense (DoD) and the VA health care system, that of Traumatic Brain Injury (TBI). We do, however, appreciate Congressman Michaud's recent letter to GAO requesting an investigation into TBI as an initial first step to future hearings. Although these two issues are of greatest concern to BVA at present, I will summarize the other areas to which we are devoting our attention.

SEAMLESS TRANSITION

Let me begin in greater detail by describing just two major examples of the complete disconnect between DoD and VHA with respect to the ideal of seamless transition. Within the past month alone, BVA discovered a 22-year-old Navy Reservist Corpsman at Camp Lajeune, North Carolina, in a Medical Hold Company. The corpsman had been hit by mortar attack in Iraq several months before, leaving him totally blind in his left eye and with vision of 20/200 in his right eye. He had spent more than four months in medical hold pending his disposition and, while his level of severe eye injury should have resulted in immediate consultation with VA Blind Rehabilitation Services for admission to a Blind Rehabilitation Center (BRC), no one contacted VA. There was no seamless transition. This brave American instead was out-processed on September 8 and his instructions were as follows: "Whenever you get a chance back home in Ohio, contact the local VA and try and get an eye clinic appointment."

In a second case, an Army Sergeant First Class on active duty at Fort Bragg, North Carolina, with Traumatic Brain Injury from being shot in the head in Iraq, was returned to Fort Bragg. His diagnosis was TBI with legal blindness (vision 20/200 in both eyes). He is still on active duty with no consultation with VHA for the past four months. BVA found out about his case when he was highlighted in an ABC news story that explored the complications of TBI and the proposed cuts in funding.

BVA recently discovered from DoD that more than 2,200 service members are in Medical Hold Companies. How many more, beyond the aforementioned, are blind and in need of VHA services? These cases should begin to demonstrate our complete lack of confidence in this system as one examines the current disconnect between DoD and VHA. It is apparent that computer information systems are not being able to exchange any surgical records or other critical parts of the inpatient treatment records of these service members. Mr. Chairman, these service members deserve better than this in view of their service to our country.

As of January 14, 2006, DoD reported that 11,852 returning wounded had TBI, which is an astounding number when one considers that the total number of traumatic injuries is 19,859. TBI has become the "signature injury" of Operation Iraq Freedom (OIF) and Operation Enduring Freedom (OEF) operations. Blast-related injury is now the most common cause of trauma in Iraq.

A recent study, for example, found that 88 percent of the military troops treated at an Echelon II medical unit in Iraq were from Improvised Explosive Devices (IEDs) and that 47 percent of that group suffered TBI injuries.

More than 1,750 of the total TBI-injured have sustained moderate enough TBI to have neurosensory complications. Epidemiological TBI studies found that about 24 percent have associated visual disorders of diploma, convergence disorder, photophobia, ocular-motor dysfunction, and inability to interpret print, and other manifestations known as Post-Trauma Vision Syndrome (PTVS). BVA believes that Congress should ensure high-quality, ongoing screening of those at risk of TBI by examining their exposure history and through educating DOD and VA medical staff on the identification, diagnosis, and appropriate management of the condition. Congress should also support vital research and enforce mandatory tracking for service members who have sustained a TBI diagnosis. BVA fully endorsed the recent Senate Defense Senate amendment that funded $19 million to continue this effort through the Defense and Veterans Brain Injury Center (DVBIC) for FY 2007. According to a recent study by researchers at Harvard and Columbia, the estimated cost of medical treatment for those service members with TBI will be at least $14 billion over the next 20 years.

BVA emphasizes to this Committee that in addition to the above, data compiled between March 2003 and April 2005 found that 16 percent of those evacuated from Iraq had experienced eye injuries. Walter Reed Army Medical Center has surgically treated approximately 670 soldiers with either blindness or moderate to severely significant visual injuries. The National Naval Medical Center has a list of more than 350 eye injuries requiring surgery. Several of these service members have attended one of the ten BRCs while others are in the process of being referred for admission. Nevertheless, we fear that many are unaccounted for and lost in the DoD system. Some 22 percent of the wounded are National Guard or Reserves. There is no documentation as to how many have been lost to VA follow-up and to the appropriate VA blind service consultations since so many of them are sent for Tricare services. In the month of July, the Severely Injured Service Center admitted to VHA representatives that there is no central tracking system for all of these eye injuries. We had requested that the Government Accountability Office (GAO) investigate and report to this Committee what is being done to insure a seamless transition for those who have suffered eye injuries.

The brave service members who have suffered catastrophic, life-altering injuries deserve the full continuum of care within VA blind services. They deserve the available benefits to assist them with their recovery. These numbers should highlight and make it very obvious to members of this Committee that a new generation of visually impaired, low vision, or totally blinded OIF and OEF veterans are returning home with unique TBI-related visual PTVS, neurological injuries, and direct eye trauma. This Committee should find this data extraordinarily important, sufficient to hold future hearings on TBI-associated PTVS. We must ensure that VHA has the full continuum of blind rehabilitation resources necessary for these active-duty service members in their seamless transition. The lack of proper diagnosis and treatment of these TBIs and associated visual conditions will prohibit these veterans from performing basic activities of daily living, resulting in increased unemployment, failure in future educational programs, dependence on government assistance programs, depression, and other psycho-social complications.

FULL CONTINUUM OF CARE

Due to both OIF and OEF injuries, and the increasing age of our veteran population with the known prevalence of age-related visual impairment, the VA Visual Impairment Advisory Board (VIAB) has identified and stressed, for well over two years, the need for a uniform national standard for the full continuum of blind services. VIAB is an interdisciplinary board that includes health care providers, the Blinded Veterans Association, research, and VA network representatives.

VIAB has continued to evaluate VA's progress in implementing the recommendations of GAO. VHA completed a "*Gap Analysis of Continuum of Care for Visually Impaired Veterans,*" which was released in April 2005. The analysis found that only 14 medical centers were able to provide advanced low vision care. Only 26 could provide intermediate low vision care. Some 78 reported that they could provide only basic or no outpatient services for blindness or low vision care!

For more than 30 percent of the veterans who attend a comprehensive BRC, there is usually no full continuum of blind service care when they return home and need further assistance. BVA recommends that by encompassing the full spectrum of visual impairment services—this includes Blind Rehabilitation Outpatient Specialists (BROS), Visual Impairment Centers to Optimize Remaining Sight (VICTORS), and the Visual Impairment Services Outpatient Rehabilitation Program (VISOR)—service members with high risk or history of TBI and resulting neurological visual complications will be appropriately diagnosed.

VIAB presented a proposal to the Health System Committee of the National Leadership Board (NLB) late last year that recommended that all Veteran Integrated Service Networks (VISNs) implement the full continuum of care for visually impaired and blind veterans. The Committee received the proposal very positively and issued a report in November 2005 on the *Financial Projections for the Expansion of Low Vision Services in the VA's Continuum of Care.* The Committee strongly recommended that the Deputy Under Secretary for Health fully endorse all Blind Rehabilitation Service outpatient programs. Despite this recommendation, only one new VICTORS program has been established since that time.

This Committee heard the GAO testimony provided on July 22, 2004 in which strong recommendations about the status of VA Blind Services were made. The testimony advised that more outpatient programs were required to meet the needs of an aging population of veterans with blindness. When doing this review, early in the war in Iraq, GAO could not have known the extent to which future OIF and OEF eye trauma cases, or TBI visual injuries, would now confront VHA.

BVA has closely monitored VA's capacity to deliver high-quality rehabilitation services in a timely manner to our most recently injured, but we are also concerned about the approximately 44,700 blinded veterans already enrolled in VHA blind services. By the year 2010, there will be almost 53,000 enrolled in VA who are blind or who have significant low vision impairments. These numbers, however, do not represent the total number of blinded veterans, most of whom do not know what services are available to them. Census and VA research nevertheless reveals that there are now some 167,000 blinded veterans in the United States. An aging population will cause this number to rise even further over the next decade.

BLIND REHABILTATION OUTPATIENT SPECIALISTS (BROS)

BVA has pointed out in previous testimony that GAO and VA have reviewed the waiting list of 1,500 veterans pending admission to BRCs. We stress once again that research has revealed that 21 percent of those on the list could be served by Blind Rehabilitation Outpatient Specialists (BROS). The shift of some 240 blinded veterans to care by a BROS would create an internal inpatient cost savings of approximately $7.9 million per year. The delivery of outpatient rehabilitation service is the most cost efficient method for veterans who have rehabilitation needs but who are either unable to attend the residential program and/or would achieve improved functional independence with VA outpatient blind services. Surveys in the gap analysis found that some medical centers were paying $90 per hour ($450 daily) for private blind rehabilitation training when such services were available. Centers were spending an average of more than $70,000 annually for contracted private blind rehabilitation services for only a few veterans.

BVA highlighted recommendations from GAO, along with our proposals, as we testified before this Committee on February 15. We attempted to reinforce the need for timely implementation of the full continuum of outpatient services for all visually impaired veterans. However, with 38 bipartisan members of this Congress as co-sponsors supporting "The Blinded Veterans Continuum of Care Act of 2005" (H.R. 3579), introduced by Congressman Michaud, the bill has not yet been marked up despite all of the previously cited evidence in favor of its passage. This cost effective legislation, if voted on as it reads in S. 1182 passed last September in the Senate, would provide for BROS in 35 VA Medical Center facilities in which none currently exist.

BVA also reported in February that three of the four VA Poly Trauma Centers did not have a BROS on staff the entire previous year. This failure made it impossible for OIF and OEF soldiers to receive the vital initial training needed when they are transferred to such centers. Only recently, after persistent questioning of VHA late this spring, were two of these centers able to acquire a BROS. One center is just now in the recruiting phase. For some of the soldiers who attend a BRC and eventually return to their homes, there are 17 newly designated VA Secondary Poly Trauma Centers that have, at most, a part-time BROS to provide for the full continuum of care that is vital to the blinded veteran. Such care allows him/her to continue utilizing the skills learned and to adapt to new changes in prosthetics or adaptive equipment that are constantly evolving.

Much like the situation now, VA BRS did not possess the workforce to carry out effective follow-up to assess how effectively the veteran had transferred the newly learned skills to his/her home environment back in 1994. Congress directed $5 million for BRS in the FY 1995 VA Appropriations, and BRS was able to establish 14 new BROS positions. Currently there are only 26 of these vital positions while the system struggles to meet the growing demands on it. The creation of these initial BROS positions provided VHA with an excellent opportunity to provide accessible, cost effective, quality outpatient blind rehabilitation services and passage of H.R. 3579 would substantially improve services. These BROS may also provide some initial training before admission to a residential blind center, thus potentially reducing the total length of the inpatient stay in the BRC. VA BRS has collected functional outcome data, through the outcomes project, for this new program. The data indicate 90 percent satisfaction rates by veterans. They also reveal higher levels (some 20 percent higher) of performance-measured outcomes when compared with private sector blind services.

RISK OF FALLS AND MEDICATION ERROR

Research on blind and low vision Americans show they are at a high risk both of falling down and making major medication mistakes (taking the wrong medication or an incorrect quantity), resulting in costly hospital admissions and loss of independence since many of them can no longer live at home on their own once the accident has occurred. Falls are the sixth leading cause of death in senior citizens and a contributing factor to 40 percent of all nursing home admissions. Annual federal costs for nursing home admissions are at more than $45,000 for each bed. According to the Framingham Eye Study, 18 percent of all hip fractures among senior citizens--about 63,000--are attributable to vision impairment. The cost of medical-surgical treatment for every hip fracture is more than $39,000. If outpatient rehabilitation services prevented even 20 percent of these fractures, the annual federal savings in health care costs would be more than $441 million. Essential, cost-effective outpatient services that would allow blinded veterans to safely live independently are not being authorized. The purpose of this denial is to save a few dollars up front in the short run, resulting in much larger federal nursing home costs later. To BVA, this health care policy simply does not make any sense.

PAIRED ORGAN LEGISLATION

BVA is very disappointed that this committee would not vote on and approve "The Dr. James Allen Disabled Veterans Equity Act" (H.R. 2963). This legislation currently has 80 bi-partisan co-sponsors. Since August 1964, when Congress passed and the President signed the *Paired Organ* law, there has been a technical problem in the lack of a definition of legal blindness. Currently, a veteran who is service connected for loss of vision in one eye due to injury or illness incurred on active duty is denied additional disability compensation if they become legally blind in the remaining eye. Because the Paired Organ section on vision did not address the legally accepted definition of blindness (visual acuity 20/200, or loss of field of vision to 20 degrees), each year a few veterans are denied an increase in compensation if they become legally blinded in both eyes. This change in the law would only affect a small number, estimated at less than five percent of the 13,109 veterans who are service connected for loss of vision in one eye. In addition, more than 155 OIF service personnel at Walter Reed Army Medical Center, 78 of which have already been found to be service connected, have been totally blinded in one eye.

BVA believes that the veteran blinded in one eye who subsequently experiences blindness in the remaining eye should not be denied the benefits that other paired organ veterans have acquired. It is projected that less than five percent of the current service connected veterans for loss of vision in one eye would eventually lose their vision in the remaining eye. The Congressional Budget Office estimated that for FY 2007 this legislation would have cost $500,000. Over three years it would have cost less than $2 million. It is therefore surprising that this bill was blocked because of its costs. For the 155 OIF service members blinded in one eye, this sends a very disturbing and sad message about the relative value and cost of their loss.

BLIND REHABILITATION CENTERS

BRCs provide the most ideal environment to maximize a blinded veteran's ability to acquire the essential adaptive skills to overcome the many social and physical challenges of

blindness, especially for OIF and OEF service members. During FY 2006, however, we found that these vitally important BRCs had staffing shortages of more than 34 full-time positions, leaving beds empty while waiting lists remained unacceptably high.

The BRC becomes even more important for many of the recently blinded service members when they suffer from multiple traumas including TBI, amputations, and other sensory loss. The BRC can bring the entire array of specialty care to bear on these severely wounded service members, optimizing their rehabilitation outcomes and allowing for successful reintegration with their families and communities. Mr. Chairman, there is no better environment to facilitate the emotional adjustment to the severe trauma associated with the traumatic loss of vision and to provide comprehensive initial blind rehabilitation than the VA BRC.

VISUAL IMPAIRMENT SERVICES OUTPATIENT REHABILITATION

In 2000, VA Stars and Stripes Healthcare Network 4 initiated a revolutionary program to deliver services: pre-admission home assessments complimented by post-completion home follow up. An outpatient nine-day rehabilitation program called Visual Impairment Services Outpatient Rehabilitation Program (VISOR) offers skills training, orientation and mobility, and low vision therapy. This new approach combines the features of a residential program with those of outpatient service delivery. A VIST Coordinator with low vision credentials manages the program. Staff consists of certified BROS Orientation and Mobility Specialists, Rehabilitation Teachers and Low Vision Therapists.

VISOR is currently located at the VA Medical Center in Lebanon, Pennsylvania, and treats patients within Network 4. Patient satisfaction with the program is nearly 100 percent as reported by VA Outcomes Project research. Two current documents: *Gap Analysis: Vision Rehabilitation Services for Veterans Final Report* (Atlanta: VA Rehabilitation R&D Center of Excellence for Veterans with Vision Loss), and the Low Vision Services in the VA's Continuum of Care for Veterans with Visual Impairment (VIAB Final Report) recommend that this delivery model should be considered for replication within each VISN Network without a BRC. The number of networks presently affected is 11.

The program uses hoptel beds to house veterans and beds do not require 24-hour nursing coverage, similar to a hotel arrangement. Medical care is utilized within the medical center if needed for these outpatients. The costs associated with instituting the 11 new programs would be $5,474,733 for the initial year, but annual recurring costs to maintain them would be $4,700,883. This recurring cost works out to $427,353 per VISOR facility for all staffing, equipment office supplies, and training. VISOR's annual projected caseload of 550 veterans (50 per VISOR facility) would make the cost $8,545 per veteran, which is one-third the $28,900 for one month's admission at one of the BRCs.

VISUAL IMPAIRMENT CENTER TO OPTIMIZE REMAINING SIGHT

Another important model of service delivery that does not fall under VA Blind Rehabilitation Service is the Visual Impairment Center to Optimize Remaining Sight, or VICTORS. This program is an innovative one operated by VA Optometry Service, designed to provide low vision services to veterans, who, though not legally blind, suffer from severe visual impairments. Generally, veterans must have a visual acuity of 20 over 70, or less, to be considered

for this service. The program is, typically, a very short (five-day) inpatient program in which the veteran undergoes a comprehensive low vision evaluation. Appropriate low vision devices are then prescribed, accompanied by necessary training with the devices. It should be noted that one of the VICTORS programs has recently become a two and one-half day outpatient program and utilizes hoptel beds for veterans who live too far away to commute daily.

The Low Vision Optometrists found in the VICTORS programs are ideal for the specialized skills necessary for assessment, diagnosis, treatment, and management of service members/veterans with TBI or other low vision injuries referenced earlier. The Palo Alto VA Poly Trauma Center and Eye Clinic already initiated the screening of TBI veterans. Additional VICTORS are urgently needed and should be implemented to meet the growing demands from the current conflicts. With aging veterans, this program has achieved the same outcomes and objectives as its inpatient counterpart in low vision rehabilitation services. The program is therefore vital to both populations of veterans. Those in most need of the programs are those who may be employed but, because of failing vision, feel they cannot continue working. VICTORS enables such individuals to maintain their employment and retain full independence over their lives.

Unfortunately, Mr. Chairman, only four such programs currently exist within VA although VIAB recommended a total of eight new VICTORS outpatient programs for FY 2007. The cost analysis was $211,050 per program annually with a projected workload of approximately 1,600 veterans, a cost per veteran of $1,206 for this outpatient service. We submit that there is a critical need for these cost effective outpatient programs to assist visually impaired veterans remaining in the workforce. In fact, expansion of VICTORS could further assist severely visually impaired (legally blind) veterans who have already attended a residential BRC, received low vision aids, and who later require minor modifications to such aids. The effectiveness of new technology aids could be reviewed, researched, and new prescriptions written when appropriate.

Programs such as VISOR and VICTORS are cost effective for veterans with high residual vision (usually macular degeneration) and few, if any, co-morbidities. BVA recommends that these services initially be fully funded by VHA. Our concerns are especially relevant now that younger OIF and OEF veterans will require referral for low vision services. These individuals will clearly need these additional outpatient diagnostic and treatment programs. As of right now, however, there are no local VISOR or VICTORS services at 78 VA medical centers located in several VISNs.

OVERSIGHT

Mr. Chairman, as stated above, the last oversight hearing by the House Committee was held on July 22, 2004. The purpose of the hearing was to receive GAO's report on VA blind Rehabilitation Services. The priority now should be to ensure that VHA has the ability to provide the full scope of preventative and acute care services. The expansion of blind and low vision specialized services provided by VHA is now critical to meet the demands of OIF and OEF injuries. We also need the full array of health care services for the aging veteran population so that independence can be maximized and costly nursing home admissions minimized. Congress has failed to provide appropriations to sufficiently fund the VHA health care system, which means that the system today is unable to fund these critical low vision and blind outpatient programs. We hear VA representatives tell Congress that there is plenty of funding for FY 2007, but internally they won't fund the $9.4 million for these new vital and critical programs. The Senate MILCOM/VA

appropriations included an amendment from Senator DeWine on July 22, 2006. The amendment, which had bipartisan sponsors, directed the Secretary to review the VIAB recommendations and begin full implementation of these new, cost effective outpatient blind rehabilitation programs. It also mandated reporting back within 120 days after enactment of the MILCOM/VA appropriations. We ask this Committee to take responsibility for oversight and ensure the funding of the $9.4 million necessary to solve this problem within the VA health care system.

What is most alarming, Mr. Chairman, is the TBI injury situation and the associated impact of visual complications and blinded veterans being lost in the seamless transition process. Again, the BRC, BROS, VISOR, and VICTORS programs are now even more essential in the screening, diagnosis, treatment, and follow-up for OIF and OEF service members. They are returning with a wide variety of visual injuries and neurological complications associated with TBI suffered in the war in Iraq. These veterans greatly need such services.

CONCLUSION

Thank you again, Mr. Chairman, for this opportunity to present BVA's legislative priorities for 2007. BVA is extremely concerned that blinded veterans and service members from OIF and OEF are not able to have the full continuum of services discussed here today. The future strength of our Nation depends on the willingness of young men and women to serve in our military, and that willingness depends in large part on the willingness of our government to meet its obligation to them as veterans. Waiting will only increase the problems and expenses associated with this crisis. I will gladly answer any questions you or other members of this Committee may have concerning this testimony.

RECOMMENDATIONS

1. Authorize the $9.4 million in additional funding for the expansion of the VISOR and VICTORS programs as outlined in this testimony and, based on VHA documents, support the MILCOM/VA Senate appropriations amendment with appropriations for FY 2008.
2. Support the $19 million for the Defense and Veterans Brain Injury Center (DVBIC) for FY 2007 as adopted in the Senate Defense Authorization Amendment.
3. Direct VHA to identify strategies to develop screening, diagnosis, education, and research of TBI service members and veterans from OIF and OEF. Authorize $4 million for Post-Trauma Vision Syndrome (PTVS) VHA research with the VA/DoD Traumatic Brain Injury Optometric Rehabilitation Program for Walter Reed Army Medical Center and selected VA facilities.
4. Direct DoD Military Treatment Facilities to begin to collect and exchange immediately all information on every eye injury case evacuated from OIF and OEF operations that reveal any significant loss of visual acuity, blindness, or loss of visual fields.
5. Hold hearings on the issue of TBI research and PTVS early in the next session of Congress.
6. Pass H.R. 3579 and H.R. 2963, which are essential to providing the health care and promised benefits for blinded veterans.

NCOA

Non Commissioned Officers Association of the United States of America

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STATEMENT

OF

H. GENE OVERSTREET
12TH SERGEANT MAJOR OF THE UNITED STATES MARINE CORPS (Retired)

PRESIDENT & CHIEF EXECUTIVE OFFICER
Non Commissioned Officers Association

Before the

HOUSE COMMITTEE ON VETERANS AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

A Look Back and Look Ahead
Department of Veterans Affairs
Fiscal Budget Realities

September 20, 2006

Chairman Buyer and members of the House Committee on Veterans Affairs, the Non Commissioned Officers Association of the USA (NCOA) is appreciative for the opportunity to be able to come before the House Committee on Veterans Affairs to share its a "Look Back – Look Forward" perception of the Department of Veterans Affairs. We're mindful Mr. Chairman that you proposed this Hearing at an off-site with representatives of Veteran Services Organizations back in 2005. The purpose was for this Committee to hear VA program issues of the VSOs before considering its own agenda for inclusion in the next Fiscal Year Budget for the Department of Veterans Affairs.

I am Gene Overstreet, 12th Sergeant Major of the United States Marine Corps (Retired), President and Chief Executive Officer of the Non Commissioned Officers Association. In the hearing room with me today are CMSgt Richard C. Schneider, USAF (Retired), NCOA Executive Director of Government Affairs; and Matthew H. Dailey, MSG, USA (Retired), Military Affairs Associate of the Association's National Capital Office.

Introduction:

NCOA is privileged to represent active duty enlisted service members of all military services, the United States Coast Guard, related Guard and Reserve Forces as well as veterans of all components. These enlisted members by sheer numbers alone represent most of the casualties of the war and bear the scars of warriors associated with their military duty. They have experienced war, sacrificed blood, and many have emotional scars having witnessed, felt, and evacuated those wounded in their shared profession-of-arms.

Like all of you, Mr. Chairman and Members of the Committee, NCOA members have mourned the loss of military personnel, comforted families, and sought to facilitate those who lives have been forever changed by America's War on Terrorism. We strongly believe we must work together to break down the barriers that they confront in securing their benefits, health care and opportunities for successful lives.

What we seek for this generation of military personnel and their families is no different than what we have sought and seek to ensure for every generation of military personnel who have stood for America. America has an obligation to take care of all of these very special people. The needs of every veteran, young or old, must be served concurrently today and tomorrow. The newly wounded service member does not displace warriors of earlier conflicts. The cost of war does not stop when hostilities end but rather continues for the life time of every veteran with needs.

I have risen before you and raised my right hand and reflected on those 12 meaningful words of the Oath of Military Enlistment.

"...to support and defend the Constitution of the United States of America."

Those words are simple but powerful. They are the very essence of the selfless service of putting country before self by every military man and woman and demonstrated by their ultimate commitment to America.

This Nation, you, nor I have the right to place a value on their military service and personal sacrifice by limiting the benefits and health care they receive. There has never been qualifying

conditions in the enlistment oath such as funds and resources permitting. There is the conviction by those who serve that they will have the finest war fighting equipment, support services, health care, and all necessary institutional support while on active duty. They also believe that should they fall in the line of duty that the institutional promises of a grateful Nation will be kept and that they will have both the benefits and health care promised them and their survivors.

The Non Commissioned Officers Association works independently and as a member of The Military Coalition, a forum of nationally prominent uniformed services and veterans' organizations to share collective views on active duty, Reserve, Guard and veteran issues. The Association is also a recognized veteran organizational endorser of the Independent Budget.

FY 2007 Appropriation

NCOA testified in February of this year that the Administration's DVA Budget for FY2007 was considered inadequate at $24.7 billion even though it was a significant increase over FY 2006 budget of $22.5. This Association was grateful that this Committee had reached the same conclusion and proposed a $1.9 billion increase above the administration's request (which was even higher than the proposed Independent Budget), and concurrently submitted the Minority's recommendation of an increase of $4.4 billion. These numbers loudly suggest from all quarters that there would be a significant shortfall in the Administration's FY 2007 budget.

The Association also called attention earlier this year to GAO-06-359R issued on February 1, 2006, Subject: *Limited Support for VA's Efficiency Savings* which brought into serious question budget assumptions used by the VA in formulating its Appropriated Budget for the past three fiscal years. It appears that creative accounting of "Management Efficiencies" totaling millions of dollars were used to offset and directly lower the VA budget requirement in support of veteran health care in the current operating year and obviously projected into FY2007.

Let's look at the Question proposed for this hearing:

A Look Back and Look Ahead
Department of Veterans Affairs

The Look Back – FY 2006

The Department of Veterans Affairs did many things right for America's veterans and their survivors. It is no easy task to manage and execute a program whose world-wide dimensions ensures services for people in diverse locations from metropolitan cities to remote locations. This Association applauds the integrity of the Departments leadership and their steady focus forward in the care and tendering of people who are served through compensation and pension, enrolled for VA health care, or who seek burial in National and State cemeteries.

VA as we all know had a number of significant distractions in the past year that focused critical national attention on the potential loss of veteran data. Two instances of data loss had to be a distraction to VA leadership from other issues and concerns. The Association notes that VA learned from the experiences, established new information security positions, and has moved on aggressively.

The Association was pleased with VA program emphasis designed to secure an infrastructure *to care for those who have borne the battle* of the past, present in the War on Terrorism, and in future conflicts yet to happen. Regrettably, that infrastructure to provide all the services necessary from compensation and pension, health care to final honors can more easily be envisioned than set in stone. The ever evolving technology systems required to support the infrastructure and provide management efficiencies were still not functional in 2006. Examples include:

Veterans Benefits Processing

Benefit processing through technology and use of artificial intelligence remains in development despite years of effort and remains questionable for its full integration in the near term.

The training of compensation and pension representatives remains inadequate. Recent reports of open book competency testing revealed over half of those tested achieved marginal or unsatisfactory results. These are the same type of front line employees who in the past provided telephone counseling to veterans and survivors that was erroneous, misleading or just less than adequate in accurate responses.

New Claims and the processing of appeals continue to grow.

Recent proposed legislation to allow veteran representation by attorney's elicited comments from former Chief Judge Frank Q. Nebeker, Court of Appeals of Veterans Claims stated that cases received at the Court could be determined to be inadequately prepared and reviewed in the veteran claim process prior to being sent to the Board of Veterans Appeals. Remands for lacking documentation and disability evaluations that should have been part of the claim file sent to the BVA have significantly added years to the time line for processing individual claims.

Also, NCOA would question why all veteran medical test results done as a part of a VBA directed physical examination are not routinely made a part of the veteran's health record. It appears logical and cost effective to provide any medical test results arising from VBA examinations to be transferred to the Veterans Health Administration for use by the primary care clinic who manages the veterans health care.

The recent Haas v. Nicholson decision of the Court of Appeals of Veteran Claims on Agent Orange Presumptive Findings opens the claim process to all personnel who were recipients of the Vietnam Service Medal and includes personnel aboard ships and vessels who were off the coast and did not "set foot" in Vietnam as required by the Department of veterans Affairs. It is expected that VA will appeal the Haas decision. VA has determined that should this action stand VBA would require 230 full time employees to review approximately 500,000 claims, anticipate another 86,000 new applications, and 14,000 DIC applications. Additionally, the National Veteran Legal Service Program which represented Cmdr Haas has advised veteran advocates that even veterans who received the Vietnam Campaign Service Medal for service at other locations (such as Thailand) should file claims if the veteran has physical conditions associated with exposure to Agent Orange. This could also significantly increase the claim workload. VBA has stated that it will accept and acknowledge claims based on the Haas decision with return letters to claimants stating they are awaiting further instructions from VA headquarters before processing. It appears the Department is

actively pursuing an Appeal to Haas v. Nicholson. These claims are being a provided a discreet control number for future action.

Veterans Health Administration:

VHA has developed and implemented a highly successful computerized veteran medical record that has been widely acclaimed for its innovation in 2006 and greatly facilitates patient care. Accessible electronically for files and review and can be instantaneously provided for distant medical expert consultation. The issue here is not the VBA computerized record. The issue is the Department of Defense development of its own version of a computerized military health care record with its own electronic protocols that cannot be readily integrated into the VA record. The shear cost to develop a computerized record system for a military person that is not transferable to the VA for the same individual after separation from the military is in this association's judgment slightly absurd and a costly expense that borders on waste. NCOA would recommend that this Committee weigh in on this matter.

Medical tests for which formal results are obtained by VBA for disability evaluation, as noted above, should be transferred as part of "One VA" into the veteran's primary care medical record. At issue here are any test results that might contribute to the veteran's health care treatment plan. Productivity and use of VBA medical test results could also save significant dollars in the unnecessary duplication of expensive test procedures. The issue appears that VBA may be concerned with appeals based on another medical review of the record. NCOA shares the belief that if the interpretation of test results is the issue that VBA ought to be looking for better physician education training programs or securing better qualified doctors to render decisions.

NCOA is not aware of any efforts or advances in 2006 to secure a Medicare +Choice reimbursement for health care rendered by VA to Medicare eligible Veterans. This was an expressed commitment years back to preclude enrollment fees for Category 8 Veterans.

TRICARE reimbursements seem also to elude agreement between DoD and VA for health care services that could be provided to TRICARE Beneficiaries.

Other 2006 VA Issues

The authority for Veterans Health Care provided to returning veterans from the war on terrorism for two years after their return. The entitlement allows one use of VHA health care services for any reason makes them eligible for continued enrollment for VA Health Care. NCOA supports that program but at the same time recognizes that veterans from earlier conflicts (WWII, Korea, Vietnam, etc.) are denied enrollment. These groups include non-service connected veterans who may never be enrolled unless VA succeeds in mandating an enrollment fee or a Medicare + Choice Program for eligible veterans. This Association would oppose either of these proposals. At issue is a different enrollment policy for OIF/OEF veterans that allows one time use of VA healthcare as access to enrollment for a lifetime of care even if their health issues during or after the two years are not service connected.

Wounded Warriors from OIF/OEF have correctly been integrated into the VA Health Care System especially from major Military Hospital facilities where VA assigned staff members work to ensure their near flawless transition. While many facilities quickly provide other veterans with

timely appointments, a number of other veterans using the two year access rule for VA health care have not equally fared as well. It may be that not all fully understood their rights and were hesitant to pursue the matter further without encouragement. NCOA has counseled a number of these veterans who did not understand their right to VA healthcare.

NCOA through its National Defense Foundation has sponsored an OUTREACH pilot program for OIF/OEF veterans with Swords to Plowshares, Inc. The program uses an OIF veteran to reach out to other War on Terrorism veterans to advocate their rights and resolve questions through referral and support groups. We believe the need for this type of pilot program in the environs of San Francisco was valid to make it a reality. Early identification of individuals in this particular group of veterans along with effective assessment and referral into the VA system may undoubtedly help them in their transition from the military to civilian life. The message is we're not waiting for them to someday find VA, DOL or other programs but are actively seeking them and through them finding countless others and making a difference.

Likewise, the NCOA National Defense Foundation in partnership with Disabled Sports USA, Inc. has for the past three years sponsored events for active duty service members recovering from significant wounds at Walter Reed AMC and Bethesda Naval Hospital. These special sporting programs have included the Active Duty Member and their spouse/guest to participate in a number of overnight activities including a special Outrigger Canoe Program at Kent Island, Maryland; Golf Tournaments at Camp Lejeune, NC; salt water fishing in the Cheasapeake Bay and fresh water fishing in Colorado, and the Hartford Ski Spectacular in Breckenridge, CO. These special sports programs are life changing events and convey the Motto of Disabled Sports USA – "If I can Do This – I can Do Anything." NCOA knows first hand that these programs make a difference and through the interface reinforce information that have acquired from VA representatives.

VA had also adjusted its FY 2006 envisioned unique patients expected to use the healthcare system from 5.3 million to 5.4 million. The increase projection of over 1 percent was not sustained in the FY2007 program which was based again on 5.3 million. It's conceivable that the Administration envisioned a dramatic decrease in military numbers involved in OIF/OEF. The reality is there has been no dramatic decrease.

Mental Health Services have never been fully integrated in the transformation of VHA. NCOA has voiced this concern over the past three years. In 2006, the question was raised by former Deputy VHA Under Secretary Dr. Francis Murphy that VHA did not have the mental health resources to meet the needs of returning service members from OIF/OEF. This past year, staggering percentages of well over 10 % of returning troops were projected to have issues emotional issues related to their combat experience - PTSD. This requirement in tandem with existing PTSD cases, mental health issues in the identified homeless veteran population, and the recognition of dual diagnosed (substance or alcohol or both) in tandem with PTSD or homelessness was stretching the resource beyond adequacy to care for the Nation's veterans.

NCOA is convinced that Dr. Murphy is correct in her professional opinion:

- that more mental health care professionals are urgently needed throughout the veterans healthcare system
- That more inpatient mental health care beds are needed

- That VA substance abuse beds need to be increased

The current operating year has seen the number of homeless veterans significantly increase from approximately 150,000 to depending on whose figures you select is somewhere between 190,000 and 200,000 homeless veterans. Tragically, this past year has seen a number of OIF and OEF veterans enter the homeless population. Bed spaces are essential for these new young veterans to be taken off the streets and entered into programs to facilitate them in adjustment, health care and employment. NCOA suggests we must get them in a program before they become hardened homeless and continue a street lifestyle.

A recent GAO report suggest that the number of Grant and Per Diem bed spaces are well short of the needs to address the homeless veteran issue. VA is looking to provide an additional 2,000 Grant and Per Diem beds. NCOA believes that's a good start but would suggest that 4,000 beds and all necessary associated support services would be more realistic. Beds and support services are critical to the rehabilitation program for these veterans to move on with their lives.

NCOA has not seen any increased movement to secure additional Section 8 HUD/VASH Vouchers for Homeless Veterans.

Looking Forward to FY 2007

It is apparent that VA program requirements in FY 2007 will start where the current program year has ended. Today is tomorrow in the Look Ahead.

NCOA is convinced that even an enhanced Budget for the Department of Veterans Affairs in FY 2007 will not provide the immediate program needs that are readily apparent within VA today. VBA technology program needs to move forward and be put on track in support of the Claim Process. Develop self-service computerized access to benefit and entitlement processes via the Internet and email where centralized work centers could process the inquiries, respond to questions, or secure information for continuation of the claim process.

Veterans Benefits needs an infusion of FTEE personnel in compensation and pension to reduce the backlog of new original claims and appealed decisions.

- At issue today is Haas v. Nicholson and the estimated 500,000 claims in the system for which people are appealing denials, the anticipation of new claims from military personnel who received the Vietnam Campaign Medal while assigned to locations outside Vietnam, and DIC claims from survivors of veterans who succumbed to Agent Orange related medical conditions. While VA appears to be actively seeking to overturn the Haas Decision, there is never-the-less a work load that will impact and further delay the timely processing of claims.

- Also at issue going into the 2007 Program Year is the question of the adequacy of training of VA claim processing personnel, the qualitative review process, as well as effectively managing REMANDS from the Board of Veterans Appeals.

- This Association is convinced that absent good technology information systems including artificial intelligence to support the claim process that the numbers of

employees must be increased drastically or VBA will lose ground to the claim backlog. It will cost money and take time to educate new FTEE to ensure qualitative performance and management efficiencies. It is doubtful in NCOA's view that the technology and artificial intelligence programs will be fully integrated and effectively available within VBA in the next two years. The FTEE requirement should be considered a requirement for next three years to allow development, implementation, and testing of the new information processing systems.

- Further suggest that VBA assess the current VA retirement rolls and determine the feasibility to bring qualified retired employees back to the work place to meet claim demands.

There is no doubt in this Association's perspective that Members of this Committee will be asked for their interpretation of veteran benefits for those previously excluded from benefits (blue water Navy) related to presumptive findings of Agent Orange relative the current Haas v. Nicholson Decision. At the appropriate time, NCOA will ask that question.

VA health care performance standards will be sorely put to the test to provide timely appointments for a projected higher utilization rate by OIF and OEF personnel while sustaining the current population enrolled for health care.

VA as the 2006 program year ended has become highly involved in the rehabilitation of active duty personnel who have suffered traumatic brain injuries in OIF and OEF. New Medical Centers of Excellence for Traumatic Brain Injured personnel are moving forward into this highly specialized medical and rehabilitative field. NCOA just supported the Traumatic Brain Injury Center at the Washington VAMC providing through its National Defense Foundation special computer programs to assist veterans in the restoration of their cognitive functions. This special group of veterans should have every program resource available to help them in their rehabilitation.

NCOA is convinced that there are shortages of personnel and resources within the system.

- Paramount is the lack of mental health professionals throughout the VA system.
- Shortage of mental health bed spaces for both PTSD and Substance Abuse
- Shortage of at least 2000 beds in the Homeless Grant and Per Diem Program which NCOA believes the rising numbers of homeless veterans would warrant at least 4,000 beds and support services

NCOA believes as we have formerly stated that the VA Appropriated Budget requires mandatory, vice discretionary, funding for veterans health care programs. This would ensure adequate funds to care for America's veterans on a timely basis.

The Association recommends that this Committee work to drive VA toward:

Implementation of VA + Choice Medicare health program for Priority 7 and 8 veterans for non-service connected VA health care.

Implementation of its long-standing initiative to become a TRICARE provider eligible for reimbursement for services provided.

The Goals of Seamless transition from Military Service to VA

- Secure DoD utilization of the VA Computerized Health Care Record as the model for all military personnel.
- VA Benefit determination before discharge
- Secure from DoD military occupational exposures as part of the individual's health care record

The Association remains convinced that VA in 2007 should increase its Research Program to meet new state of the art prosthetics, programs for traumatic brain injuries, and potential stem cell research that may be vital to those who have suffered amputations and spinal chord, and nerve cell injuries. VA should be a leader and National Advocate to develop these types of research programs specifically for wounded military personnel that will have similar potential for all citizens.

CONCLUSION

The Non Commissioned Officers Association has appreciated this opportunity to provide the Committee its Look Back and Look Ahead Perspective of the Department of Veterans Affairs.

We have intentionally not provided a legislative agenda for this special hearing as we felt the discussion presented today more directly related to your call for perspective.

The Association is respectful to you, Mr. Chairman, and all members of the Committee for your collective concern and advocacy on behalf of all military members who have served America. This Nation must honor its institutional commitment to them and their survivors. If we fail in that moral obligation, we may very well have potential recruits in the future deciding it might be better to stay home.

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MILITARY ORDER OF THE PURPLE HEART

TOM POULTER, NATIONAL COMMANDER

BEFORE THE HOUSE COMMITTEE ON VETERANS AFFAIRS

SEPTEMBER 20, 2006

Chairman Buyer, members of the Committee, ladies and gentlemen:

I am Tom Poulter, National Commander of the Military Order of the Purple Heart (MOPH). It is an honor to appear before this distinguished body on behalf of the members of MOPH. As you are aware, MOPH is unique among veteran service organizations because our membership is comprised entirely of combat-wounded veterans who shed their blood on the battlefields of the world while serving in the armed forces of our country.

I am accompanied by Senior Vice Commander Henry Cook, National Adjutant Bill Bacon, National Service Director Jack Leonard and National Legislative Director Hershel Gober.

Mr. Chairman, I will make my comments brief, but request that the written testimony be entered into the record.

This committee is extremely important to MOPH and our members. We look to you to represent the veterans of our country and to ensure that all members of Congress understand that America must keep its promises to those men and women who have served and are now serving in uniform if we are to maintain a viable military and continue to enjoy the freedoms that we have. Veterans have earned their entitlements and benefits, often as part and parcel of the contract that each had with this government.

ADEQUATE FUNDING FOR THE VA HEALTH ADMINISTRATION

MOPH is on record as supporting the Independent Budget, which is developed and submitted to Congress by the Veterans of Foreign Wars (VFW), Disabled American Veterans (DAV), Paralyzed Veterans of America (PVA) and American Veterans (AMVETS).

I am the fourth MOPH National Commander in a row to again stress that our number one priority remains the adequate or assured funding for the VA Health Administration. MOPH joins our fellow VSOs in urging Congress to find a long-term solution to the annual funding crisis at the VA. VA deserves a budget system that delivers funds on time to allow for long-term planning. With the on-going War on Terror and our service members returning home from war with medical conditions requiring treatment at VA hospitals, the VA must have the capability to meet their medical and emotional needs. The funding problem was demonstrated last year when the need to provide a supplemental appropriation for FY 2005 surfaced along with the need to amend the FY 2006 budget.

THE AWARD OF THE PURPLE HEART MEDAL TO THOSE POWS WHO DIED IN CAPTIVITY

While the award of the Purple Heart medal to those POWs who died in captivity is not under the purview of this committee, MOPH believes that those military personnel who suffered hardships, wounds or illnesses while held in POW camps and then died in those camps as a result of their interment should be considered as combat casualties and eligible for the award of the Purple Heart Medal. MOPH supported legislation that was introduced in both houses of Congress that would authorize the posthumous awarding of the Purple Heart Medal. Language in the House version of the 2007 National Defense Authorization Act is currently in the Conference Committee. MOPH requests that members of this committee urge the conferees to retain this provision in the final Act.

RETIRED PAY RESTORATION

MOPH is pleased that Congress enacted legislation that authorizes some military retirees with 20 or more years of military service to concurrently

receive, without penalty or off-set, both full military retired pay and any VA compensation to which they are entitled. Our position is that all those eligible for concurrent receipt should receive it.

COMBAT-RELATED SPECIAL COMPENSATION (CRSC)

MOPH supports legislation to provide for the additional payment of CRSC to former members of the military who were retired for medical disability with less than 20 years of active military service and who were awarded the Purple Heart Medal.

SURVIVOR BENEFIT PLAN (SBP) AND DEPENDENCY AND INDEMNITY COMPENSATION (DIC)

MOPH supports language in Senate Bill 2766, the 2007 Defense Authorization Act, which if enacted will repeal the reduction of Survivor Benefit Plan annuities by the amount of Dependency and Indemnity Compensation and change the effective date of paid-up coverage for SBP from October 1, 2008 to October 1, 2006. Survivors of retirees who died but elected to pay into SBP and survivors of members who died on active duty should receive both SBP and DIC without the current dollar for dollar offset. This Bill is now in the Conference Committee. We request that you urge your colleagues who are serving on the Committee to adopt the Senate language of S. 2766.

STOLEN VALOR ACT

MOPH supported HR 3352 and S 1998 addressing stolen valor. It is unfortunate, especially with our country engaged in on-going conflicts, that there are "pretenders" who fully and knowingly misrepresent their service experience, if any, and the military awards they received. This is not just an occurrence now and then but regrettably is a huge problem. This legislation would provide for fines and imprisonment for those "wannabees" who dishonor the medals for valor and the Purple Heart Medal and those brave men and women who have legitimately received these medals. The Senate passed S. 1998 on September 7th, 2006. We urge the House to do the same.

MILITARY EXCHANGE AND COMMISSARY PRIVILEGES FOR RECIPIENTS OF THE PURPLE HEART MEDAL

MOPH will continue to seek legislation that would authorize the military exchange and commissary privileges for all recipients of the Purple Heart Medal. This would recognize the sacrifices of those service members who have given so much for our country.

NATIONAL PURPLE HEART RECOGNITION DAY

As most of you are aware, the Badge of Military Merit, the predecessor of the Purple Heart Medal, was established by General George Washington on August 7, 1782. On August 7, 2007 MOPH will celebrate the 225th Anniversary of the establishment at our 75th National Convention in New Windsor, NY. We will be seeking sponsors, co-sponsors and support of legislation to establish a National Purple Heart Recognition Day which will honor this anniversary and those members, past and present, who have been awarded the Purple Heart Medal.

Mr. Chairman, this concludes my testimony. I will be pleased to answer any questions members of the Committee might have.

DISCLOSURE STATEMENT

The Military Order of the Purple Heart does not receive and has not received any Federal Grants nor has any Federal Contract.

LEGISLATIVE PRESENTATION

PARALYZED VETERANS OF AMERICA

LOUIS IRVIN
EXECUTIVE DIRECTOR

BEFORE THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS

SEPTEMBER 20, 2006

Chartered by the Congress of the United States
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Mr. Chairman and members of the committee, Paralyzed Veterans of America (PVA) would like to thank you for the opportunity to testify today. We appreciate the Committee giving us the opportunity to comment on accomplishments this fiscal year. However, we believe that there is more to be done both before the end of this legislative session and in the 110th Congress.

I will focus my statement first on the current status of the FY 2007 Department of Veterans Affairs (VA) appropriations legislation. I will then address current legislative issues pending before this Committee and Congress and initiatives that we believe need to be addressed this year or in the 110th Congress. Finally, I will offer some insight into the critical issues that will dictate the direction that *The Independent Budget* will go as we begin to formulate our recommendations for FY 2008.

FY 2007 VA HEALTH CARE BUDGET

As you are aware, PVA is a co-author, along with AMVETS, Disabled American Veterans, and Veterans of Foreign Wars, of *The Independent Budget*. This year, PVA and our fellow veterans' service organizations have been proud to mark the 20th Anniversary of this joint effort presenting budget and policy direction to the Congress and the Administration for all benefits and services provided to the veterans of this nation.

In May, the House of Representatives approved the FY 2007 appropriations bill that will fund the Department of Veterans Affairs (VA). The bill provides $25.4 billion for Medical Services. This is approximately $600 million less than the recommendations of *The Independent Budget* and $100 million less than what the President recommended earlier this year. The House Appropriations Subcommittee on Military Quality of Life and Veterans' Affairs stated that it shifted the $100 million from Medical Services to the Medical Administration account. Although, this does not quite meet the recommended levels of *The Independent Budget*, we are glad to see that Congress and the Administration made a reasonable effort this year to meet the needs of the VA health care system.

We particularly appreciate this Committee and the entire House rejecting the proposed enrollment fee and increase in prescription drug co-payments recommended by the Administration. The President's Budget Request projected that these proposals would generate $795 million and force as many as 200,000 veterans to leave the system.

I would like to take a moment to explain why PVA has continuously objected to this proposal. I would also like to clarify the serious impact these proposals would have on many veterans with catastrophic disabilities whose only main health care resource is the VA health care system.

VA has cared for veterans with non-service connected disabilities for a long time. This is not a new phenomenon authorized by eligibility reform in 1996. Veterans health facilities admitted non-service connected veterans in large numbers following World War I. The Congress and the VA admitted the non-service connected, not just the poor and indigent, in large numbers as the VA health care system grew in size and scope through the middle of the 20th Century and beyond. VA used the rationale that its facilities were there to serve veterans who, because of non-availability of comparable services, access, or cost, found VA a reasonable or unique resource for health care services they could not find elsewhere.

Prior to 1986, all veterans, service-connected and non-service connected, over the age of 65 were eligible for VA health care. In 1986, Congress approved legislation which divided the

veteran population into three eligibility categories. In 1996, Congress again revised that legislation with a system of seven priority ratings for enrollment. Within that context, PVA worked hard to ensure that those veterans with catastrophic disabilities, no matter if those disabilities were service-connected or non-service connected would have a higher enrollment category. If the three implied missions of the VA health care system were to provide for the service disabled, the indigent and those with special needs, the catastrophically disabled certainly fit in the latter priority ranking. The VA had an obligation to provide care for these veterans. The specialized services, such as spinal cord injury care, unique to VA, should be there to serve them.

To protect their enrollment status, veterans with catastrophic disabilities were allowed to enroll in Category Four even though their disabilities were non-service connected and regardless of their incomes. However, unlike other Category Four veterans, if they would otherwise have been in Category Seven or Eight, they would still be required to pay all fees and co-payments, just as others in those categories do now for every service they receive from VA.

PVA believes this is unjust. VA recognizes their unique specialized status on one hand by providing specialized service for them in accordance with its mission to provide for special needs. The system then makes them pay for those services.

These veterans are not casual users of VA health care services. Because of the nature of their disabilities they require a lot of care and a lifetime of services. Private insurers do not offer the kind of sustaining care for spinal cord injury found at VA even if the veteran is employed and has access to those services. Other federal or state health programs fall far short of VA. In most instances, VA is the only and the best resource for a veteran with a spinal cord injury and yet, these veterans, supposedly placed in a priority enrollment category, have to pay fees and co-payments for every service they receive as though they had no priority at all.

PVA was pleased that this Committee recommended a significant increase in funding for Medical and Prosthetic Research in its budget views and estimates earlier this year. Unfortunately, the appropriations bill only provided an increase of $13 million for a total of $412 million over the Administration's request. This amount is approximately $48 million less than *The Independent Budget* recommendation. Research is a vital part of veterans' health care, and an essential mission for our national health care system. VA research has been grossly underfunded in comparison to the growth rate of other federal research initiatives.

One area that we remain concerned about is funding for construction projects. The appropriations bill provides nearly $1.15 billion less than *The Independent Budget* recommendation for major construction. The bill also provides no funding for the new spinal cord injury (SCI) center in Milwaukee, Wisconsin or funding for the replacement medical center, which would have included an SCI center, in Denver, Colorado. The appropriations bill also provides $295 million less than *The Independent Budget* recommendations for minor construction. Many VA facilities require significant upgrades and overhaul. Likewise, VA infrastructure continues to age at a rapid rate. Provision of VA health care and benefits should not be placed at risk simply because the facilities where these services are provided are in need of repair.

PVA must also reemphasize our desire to see the VA health care system reopened to all eligible veterans. We opposed the Secretary's decision in 2003 to close enrollment for new Category 8 veterans, and our position has not changed. Unfortunately, despite our clear desire to have the VA health care system open to these veterans, Congress and the Administration have shown

little desire to overturn this policy decision. The VA estimates that a total of over 1,000,000 Category 8 veterans will have been denied enrollment into the VA health care system by FY 2007. We believe that the system should be reopened to these veterans and the necessary money appropriated to provide the services that these veterans have earned and deserve.

Despite a reasonable request this year, the budget and appropriations process over the last number of years demonstrates conclusively how the VA labors under the uncertainty of how much money it is going to get and when it is going to get it. In order to address this problem, PVA, in accordance with the recommendation of *The Independent Budget*, proposes that funding for veterans' health care be removed from the discretionary budget process and be made mandatory.

CURRENT ISSUES PENDING

MULTIPLE SCLEROSIS (MS) AND PARKINSONS CENTERS OF EXCELLENCE

Beginning in 1997, PVA has worked with VA MS clinicians and administrators, as well as with private MS providers and advocates to address the then 'patchwork' service delivery by VHA to veterans with MS. While we identified the scope and range of VA's patchwork of MS services, it became very apparent that vital elements indeed existed; if only they might be brought together in mutual support of VA's mission to serve MS veterans.

As a result of our advocacy, the VA appropriations subcommittees in the House and Senate inserted language in their VA funding reports for FY 2001 requiring VA to establish centers of excellence to conduct research and study in the field of neurodegenerative diseases. With that instruction, VA identified two fields of inquiry for the centers with particular bearing on medical conditions prevalent in the veteran population, Parkinson's disease and Multiple Sclerosis.

The VA then established Parkinson's disease Research Education and Clinical Centers (PADRECC) and Multiple Sclerosis (MS) Centers of Excellence. These centers represent a successful strategy to focus the Veterans Health Administration's (VHA) system-wide service and research expertise to address two critical care segments of the veteran population. They integrate direct health care services, education, and research to the benefit of veterans in the system.

The designation by VA of two MS Centers of Excellence located in Baltimore and Seattle/Portland represents "centers without walls" engaged in marshaling VA expertise in diagnosis, service delivery, research and education and making the same available across the country through a 'hub and spokes' approach. The mid-term evaluation of these two centers very positively acknowledges the success of VA's strategy.

However, PVA has expressed concern that the centers, established only through VA good faith and resources available in any one budget cycle could eventually be in jeopardy. Earlier this year, the Senate approved S. 2694 that would make permanent the authorization of these centers. We urge the Committee to adopt legislation which would codify these centers in Title 38 U.S.C. because they represent the true value of VHA as a national health care system success story.

PHYSICIAN AND NURSE SHORTAGE

PVA is concerned that the VA continues to experience a serious shortage of qualified, board certified spinal cord injury (SCI) physicians, making it difficult to fill the roles of chiefs of SCI/D centers. Several major SCI/D programs are under "acting" management with resultant delays in policy development and a loss of continuity of care. In some VA hospitals the recruitment for a new chief of service has been inordinately prolonged with acting chiefs assigned for indefinite time periods.

We are even more concerned about the continuing shortage of nurses, particularly in the spinal cord injury units. PVA believes that the basic salary for nurses who provide bedside care to SCI veterans is too low to be competitive with community hospitals. This leads to high attrition rates as these nurses seek better pay in the community.

Recruitment and retention bonuses have been effective at several SCI centers, resulting in an improvement in the quality of care for veterans as well as the overall morale of the nursing staff. Unfortunately, these are localized efforts by individual VA medical facilities. We believe that the Veterans Health Administration (VHA) should authorize substantial recruitment incentives and bonuses.

PVA calls on Congress to conduct more oversight of the VHA in meeting its nurse staffing requirements for SCI units as outlined in VHA Directive 2005-001. Currently nurse staffing numbers do not reflect an accurate picture of bedside nursing care provided because administrative nurses, non-bedside specialty nurses, and light-duty staff are counted as part of the total number of nurses providing bedside care. Furthermore, not all SCI centers are in full compliance with the regulation for the staffing ratio of professional nurses to other nursing personnel. With proper congressional oversight, these situations can be corrected.

LONG-TERM CARE AND ASSISTED LIVING

PVA is concerned with recent trends to reduce the ability of the VA to provide long-term care to a rapidly aging veteran population. We strongly oppose any proposal that would repeal the statute that requires the VA maintain bed and staffing levels at the same level established by P.L. 106-117, the "Veterans Millennium Health Care and Benefits Act." Despite an aging veteran population and passage of P.L. 106-117, the VA has continuously failed to maintain its 1998 VA nursing home required average daily census (ADC) mandate of 13,391. VA's average daily census (ADC) for VA nursing homes has continued to decline since 1998 and is projected to decrease to a new low of 9,795 in FY 2006. The VA is ignoring the law by serving fewer and fewer veterans in its nursing home care program.

PVA is deeply troubled by efforts in Congress last year to eliminate the mandatory ADC requirement contained in the Millennium Health Care bill. This proposed change is not driven by current or future veteran nursing home care demand. In fact, the General Accounting Office (GAO) reported "the numbers of aging veterans is increasing rapidly, and those who are 85 years old and older, who have increased need for nursing home care, are expected to increase from approximately 870,000 to 1.3 million over the next decade."

PVA strongly feels that the repeal of the capacity mandate will adversely affect veterans and is a step toward allowing VA to reduce its current nursing home capacity. This is not the time for reducing VA nursing home capacity with increased veteran demand looming on the near

horizon. We hope that this Committee will reject any such legislation. Furthermore, we urge the Committee to conduct aggressive oversight to ensure that the VA is fulfilling its statutory obligation to provide long-term care.

We believe that assisted living can be a viable alternative to nursing home care for many of America's aging veterans who require assistance with the activities of daily living (ADL) or the instrumental activities of daily living (IADL). Assisted living offers a combination of individualized services, which may include meals, personal assistance, and recreation provided in a home like setting. Congress should consider providing an assisted living benefit to veterans as an alternative to nursing home care. Likewise, Congress should authorize the VA to expand its Assisted Living Pilot Program (ALPP) to include an initiative in each VA Veterans Integrated Service Network (VISN). This expanded effort will allow VA to gather important regional program cost and quality information.

Congress should call upon VA to conduct a cost and quality comparison study that compares the ALPP experience to cost and quality information it has compiled for VA nursing home care, community contract nursing home care, and state veterans nursing home care. When completed, this long-term care program cost comparison study should be made available to Congress and veterans service organizations.

BENEFITS RECOMMENDATIONS

PVA would like to offer a few improvements to benefits provided by the VA. PVA members are the number one beneficiary of the Special Adaptive Housing (SAH) grant and the adaptive automobile grant. Unfortunately, periodic increases in these grants have not kept pace with inflation. For both the SAH grant and the adaptive automobile grant, we believe that an automatic annual adjustment indexed to the rising cost-of-living should be applied. Furthermore, in accordance with the recommendation of *The Independent Budget*, the adaptive automobile grant should be increased to 80 percent of the average cost of a new vehicle to meet the original intent of Congress.

The House Veterans' Affairs Subcommittee on Economic Opportunity considered H.R. 4791, the "Disabled Veterans Adaptive Housing Improvement Act," earlier this year. We hope that this Committee will move this legislation forward as it will allow veterans with severe service-connected disabilities to realize the dream of owning their own home when they otherwise may not have had the opportunity.

CRITICAL ISSUES FOR FY 2008

The Independent Budget veterans' service organizations recently began planning for FY 2008 by developing our critical issues. Many of our concerns mirror the issues that we identified in past years.

First and foremost, we believe that adequate funding for veterans health care is essential. Despite the prospect of a positive step forward this year, a step that has not been set in stone with enactment of the appropriations bill, Congress and the Administration cannot withdraw from the ground we have gained next year. If the VA is going to be able to continue to meet the demand on the health care system, adequate funding must be provided. *The Independent Budget* will likely have preliminary budget projections by January. We will also continue to

stress the need for budget process reform removing VA health care funding from the discretionary process and making it mandatory.

A second critical issue is mental health care and long term care. It has become more apparent that many service members returning from Iraq and Afghanistan are experiencing psychological disorders. Most of this can be attributed to the constant stress of combat or to side effects as a result of traumatic brain injury. It is imperative that we do not allow these men and women to slip through the cracks.

Third, as I previously mentioned, we have serious concerns about construction and infrastructure. VA construction projects have suffered in recent years as a result of the moratorium on new construction as a result of the Capital Asset Realignment for Enhance Services (CARES) process. This also led to a significant backlog in critical maintenance and infrastructure upgrades. We hope that this Committee and Congress will devote serious attention to the infrastructure needs of the VA next year.

Once again this year, the claims backlog is one of our critical issues. *The Independent Budget* recognized this growing crisis this year and made recommendations to significantly increase the number of claims adjudicators and other Veterans Benefits Administration (VBA) staff. We appreciated this Committee recommending an increase of 200 full-time equivalent employees (FTEE) for direct compensation this year. Unfortunately, the Military Quality of Life and Veterans Affairs appropriations bill does not include additional funding to allow the VA to hire these staff.

We also remain concerned about efforts to allow attorney representation into the claims process. Today there are a number of VSO service officers to assist veterans in accessing the full range of benefits and services available to them. Veterans' Service Organizations provide such services free-of-charge, and veterans are free to choose which VSO they would like to assist them. Service officers also help veterans access the many health care services available through the VA. Likewise, they help veterans gain access to assistive technology and other equipment to meet their accessibility needs. The service officer and the veteran develop a unique relationship through this interaction and will, we believe, continue to serve in this important role even if veterans are given the choice to hire a lawyer to represent them before the VA.

PVA believes that the most appropriate time for veterans to hire and pay a lawyer to represent them is after a Notice of Disagreement is filed and their initial application for benefits has been denied. This is the time at which a lawyer's skills would be particularly helpful. This is the position provided by H.R. 4914, the "Veterans' Choice of Representation Act" that has been introduced in the House of Representatives by Representative Evans. PVA believes that this aspect of the Evans bill perpetuates the valuable role played by VSOs and their service officers.

As in previous years, another critical issue for *The Independent Budget* is seamless transition of service members from military to civilian life. This seamless transition includes not only health care services but benefits as well. We have continuously advocated for a single separation physical for all transitioning service members to ensure that the VA can best provide for their health care needs when necessary. The Department of Labor (DOL) must also continue to improve its Transition Assistance Program (TAP) and Disabled Transition Assistance Program (DTAP) managed by the Veterans Employment and Training Service (VETS). PVA believes that the DTAP has not had the same level of success as the TAP. Service members with severe disabilities who may already be receiving health care and rehabilitation from a VA

facility, despite still being on active duty, often are forgotten in the transition assistance process because they are no longer located on or near a military installation.

We also believe that homeland security and emergency preparedness as a part of VA's fourth mission is a critical issue. The terrorist attacks of September 11, 2001 and the disastrous results of Hurricane Katrina and Hurricane Rita last summer in the Gulf Coast region validates the importance of providing VA with the resources it needs to meet its fourth mission responsibilities. The VA was fully prepared to care for veterans affected by the hurricanes, and it received much deserved credit for its outstanding performance. Unfortunately, the VA was not approached for assistance by other federal, state, and local agencies that struggled to react to these events.

Furthermore, the VA has not received dedicated funding to support the fourth mission. It has invested considerable resources to ensure that it can support other government agencies when a disaster occurs. However, this funding is simply drawn from the medical care account. It is imperative that Congress begin to address the fourth mission funding needs and do so in a separate line item in the Medical Care account.

Finally, Congress must continue to invest much needed resources in the National Cemetery Administration (NCA). With new national cemeteries opening this year and next year, we must ensure that NCA can properly maintain these national shrines. In the end, all veterans and their family members should be provided a dignified setting in a national or state veterans' cemetery to honor their service and sacrifice.

PVA appreciates the opportunity to present our views and concerns on issues that have come before this Committee this year and will be dealing with next year. We look forward to working with the Committee to ensure that adequate resources are provided to the VA health care system so that eligible veterans can receive the care that they have earned and deserve. We also hope that this Committee will move quickly to address meaningful improvements to the benefits that veterans rely on.

Mr. Chairman, I would like to thank you again for the opportunity to testify. I would be happy to answer any questions that you might have.

Gold Star Wives of America, Inc.

Statement of
Gold Star Wives of America, Inc.

for the

Committee on Veterans' Affairs
United States House of Representatives

For its hearing on

September 20, 2006

Presented by

Mrs. Rose Elizabeth Lee
Gold Star Wives of America, Inc.
Chair, Government Relations Committee

"With malice toward none; with charity for all; with firmness in the right, as God gives us to see right, let us strive to finish the work we are in; to bind up the nation's wounds, to care for him who has borne the battle, his widow and his orphan."
...President Abraham Lincoln, Second Inaugural Address, March 4, 1865

Not for publication
Until Released
By the Committee

Mr. Chairman, Representative Evans, and Members of the House Veterans' Affairs Committee, I would like to thank you for the opportunity to submit testimony to you on behalf of all Gold Star Wives (GSW) to review last year and look forward to this coming year.

My name is Rose Lee. I am a widow and the Chair of the Gold Star Wives Committee on Government Relations. I have just served as President of the Potomac Area Chapter. In the past, I have held the volunteer positions of National President and Chair, Board of Directors for GSW. Off and on, for thirty years now I have been working to achieve the overall goals of the Gold Star Wives, and to assist our young, new widows adapt to their futures and for some to become the advocates for those in similar positions.

The Gold Star Wives of America, Inc. was founded in 1945 and is a Congressionally-chartered service organization comprised of surviving spouses of military service members who died while on active duty or as a result of a service-connected disability. We could begin with no better advocate than Mrs. Eleanor Roosevelt, newly widowed, who helped make Gold Star Wives a truly national organization. Mrs. Roosevelt was an original signer of our Certificate of Incorporation as a member of the Board of Directors. Many of our current membership of over 10,000 are the widows of service members who were killed in combat during World War II, the Korean War, the Vietnam War and the more recent wars including the one we are currently in, the Global War On Terrorism.

Thank you for this opportunity and for your continued support of programs that directly support the well-being of our service members' widows and their families. Gold Star Wives applaud the efforts of this Committee, knowing that together we can continue to make a difference in the lives of this group, a group that no one would choose voluntarily to be a part of. It is imperative that the difficulty of the sacrifice of our husbands' lives be mitigated to the degree possible by providing support for the survivors.

There are many issues still pending before the Congress that mean a great deal to the membership of the Gold Star Wives. We recognize these processes as arduous and one that must balance the needs of all groups and the dollars available to cover them. We are grateful for the amount of your time and effort that has gone on in the stages that we must inevitably go through to get to an enactment into law. As we are moving forward, now is the time to close out some of these legislative issues.

GSW has no greater priority than to eliminate the offset to the Survivors Benefit Plan (SBP) dollar for dollar by the amount of the Dependency and Indemnity Compensation (DIC) stipend. You are well familiar with this topic. We have been addressing this issue for several years now. In essence a servicemember's disability results in voiding, or reducing, the benefit that the servicemember purchased—the SBP. While this is an issue being addressed in conference of the fiscal year 2007 National Defense Authorization Act, we urge you as individuals and as the Committee together to encourage your

colleagues to make this right. DIC is within your jurisdiction. All we are seeking is to assure that Survivor Benefit Plan annuities for survivors of 100% disabled military retirees and those killed on active duty following September 11 will NOT be reduced by the amount of Dependency and Indemnity Compensation to which they are separately entitled. This is an issue from last year; it is a current issue; we would urge your help that this not become an issue for next year, but be resolved in this session of Congress.

We have been pleased with the interest in the House and by Rep. Bilirakis in particular in providing for decreasing the remarriage age for retention of survivors' benefits to age 55. You will recall that the current public law permits surviving spouses who remarry after reaching age 57 to retain their VA survivor benefits. It also provided for a one-year period to apply for reinstatement for those who remarried before the law was signed but that period expired in December, 2004. Because the retroactive period was limited to one year and outreach was limited, many eligible survivors may not have been aware of their eligibility to be reinstated. Mr. Bilirakis' H.R. 1462 is a bill that we need to focus on now to address these issues. Mr. Bilirakis has had legislation to help for almost 20 years now. It is time to get it done.

We have testified before this Committee previously and before the Veterans Disability Benefits Commission for a review of the DIC program to assure that all veterans' survivors are covered adequately and have equity with other federal and military survivor benefits. There are some widows dependent only on their monthly DIC check and living below the poverty level. Current DIC is set at $1033 monthly which is only 41% of the

Disabled Retirees Compensation paid by the VA. Survivors of Federal workers have their monthly annuity set at 55% of the Disabled Retirees Compensation. We seek to raise DIC payments to 55% of the current VA Disability Compensation. That would improve the DIC payment to $1316 monthly. As you can see, we are not seeking exorbitant amounts; we are simply seeking fairness across the government to modestly help deserving survivors. Therefore, we again ask the Committee for a review of the DIC program. Less than two weeks ago, I received a letter from a Gold Star wife who wrote: "Thank you for the requested DIC review. Since my benefits began in 1957 which was before the SBP was in effect, it seems that the increases in DIC have not progressed as have other survivor programs. The cost of living has increased so much it is extremely difficult to keep up with it. At age 79, I am still working trying to pay debts and wondering how to pay the undertaker. If there is any way we who are dependent upon DIC survivor benefits can be of assistance in the execution of this review, please inform us. Sincerely,...."

There are inequities among payments for the child survivor that need attention. The additional monthly $250 child DIC payment per family only applies to survivors of deaths after January 1, 2005. This should be linked to October 7, 2001. We thank Rep. Michael Michaud for introducing H.R. 1573 which provided for this additional payment to families. It makes no sense that the survivors of those who died 'first' should be prohibited from accessing a benefit given to survivors of those who died later in the same war. Thanks to Rep. Shelly Berkley for introducing the amendment which was approved by the House to include a COLA for the $250 DIC allowance per family. The lack of a

COLA has dropped the value of the allowance to about $240 this year. We request the Committee to assure that these inequities be corrected.

We also seek to provide a dental plan to beneficiaries of the Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA). With no coverage now, GSW seeks for widows and all CHAMPVA beneficiaries the ability to purchase a voluntary dental insurance plan. We believe the TRICARE dental program for military retirees does provide a good model.

There are other issues that need attending that have been brought to your attention previously.

There are widows whose husband died in VA hospitals due to wrongful VA hospital care who receive only DIC without any other VA benefits (Title 38 USC 1151). We urge the Committee to support the measures necessary to allow these widows to be entitled to the CHAMPVA benefit. Also we recommend that the Committee ensure that medical benefits be provided fairly and equitably to include surviving spouses and eligible children.

We seek legislation to remove the disabled under age 65 Part B penalties and interest for late enrollment to CHAMPVA and promote a feasibility study to convert VA facilities to Long Term Care facilities which would welcome widows/widowers.

Surviving spouses who are on active duty should be able to use the education benefit derived from her deceased husband while still serving on active duty. Currently, the active duty widow must resign from the military in order to use the derived educational benefit under Chapter 35. GSW would prefer that the survivor's educational benefits be retained in Chapter 35 rather than Chapter 30 to match the longer eligibility time (45 months vs. 30 months) in order that the survivor not be forced too quickly during the grieving process to pursue the educational benefit.

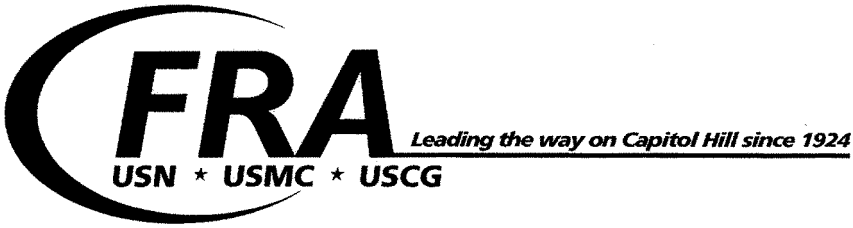
Finally, GSW supports the creation of an Office for Survivors with the Department of Veterans' Affairs and the Department of Defense to assure improved delivery of benefit information and benefits to survivors.

In conclusion, we want neither our widows nor their children to be forgotten. Our widows often talk about this being a sorority no one rushes to join. We can understand, and encourage, your attention to the needed services of the servicemember who serves our country, who may return wounded, who may give his life. When the latter occurs, we want you never to forget the family he leaves behind. They have made their own personal, life-long sacrifice. We ask again to show the spirit of this nation by not forgetting these widows, unfortunately whose numbers grow daily, and their children.

I thank this Committee for opening up this opportunity to hear us again and allow for further awareness of issues facing survivors daily. We will be happy to continue to work

with the Committee and devote our time and resources on all issues impacting survivors.

Thank you.



Statement of the Fleet Reserve Association

Presented to the
Veterans Affairs Committee
U.S. House of Representatives

By

John R. Davis
Director, Legislative Programs
Fleet Reserve Association

September 20, 2006

THE FRA

The Fleet Reserve Association (FRA) is the oldest and largest organization serving personnel and veterans of the Navy, Marine Corps, and Coast Guard. It is Congressionally Chartered, recognized by the Department of Veterans Affairs (VA) as an accrediting Veteran Service Organization (VSO) for claim representation and entrusted to serve all veterans who seek its help.

FRA was established in 1924 and its name is derived from the Navy's program for personnel transferring to the Fleet Reserve or Fleet Marine Corps Reserve after 20 or more years of active duty, but less than 30 years for retirement purposes. During the required period of service in the Fleet Reserve, assigned personnel earn retainer pay and are subject to recall by the Secretary of the Navy.

As a congressionally chartered association, FRA's mission is to act as the premier "watch dog" organization in maintaining and improving the quality of life for Sea Service personnel and their families. FRA is a leading advocate on Capitol Hill for enlisted Active Duty, Reserve, retired and veterans of the United States Navy, Marine Corps, and Coast Guard.

FRA is actively involved in the Veterans Affairs Voluntary Services (VAVS) program, and has a seat as a national representative on the VAVS National Advisory Committee (NAC). The NAC was established in 1946 and advises the Under Secretary for Health on matters pertaining to the participation of volunteers in VA medical facilities. The NAC also assists in recruitment and orientation of volunteers, and keeps the officers and members informed of volunteer needs and accomplishments.

In 2005, FRA shipmates volunteered in more than 30 VA facilities throughout the country, enabling FRA to achieve "Service Member" status. Members of the Ladies Auxiliary of the Fleet Reserve Association are also actively involved in the VAVS program and hold an Associate Membership on the committee (which requires involvement at 15 or more VA facilities).

FRA also is a major participant in The Military Coalition (TMC) a 36-member consortium of military and veterans organizations. FRA hosts most TMC meetings and members of its staff serve in a number of TMC leadership roles, including co-chairing several committees.

FRA celebrated 80 years of service in November 2004. For over eight decades, its dedication to its members has resulted in legislation enhancing quality of life programs for Sea Services personnel and other members of the Uniformed Services while protecting their rights and privileges. CHAMPUS, now TRICARE, was an initiative of FRA, as was the Uniformed Services Survivor Benefit Plan (USSBP). FRA led the way in reforming REDUX, obtaining targeted pay increases for mid-level enlisted personnel, and sea pay for junior enlisted sailors. Currently, FRA strongly opposes the plan to impose a $250 enrollment fee for veterans in Priority Groups 7 and 8, and the Administration's request to nearly double prescription drug co-payments from $8 to $15, for a 30 day supply.

FRA's motto is: "Loyalty, Protection, and Service."

CERTIFICATION OF NON-RECEIPT OF FEDERAL FUNDS

Pursuant to the requirements of House Rule XI, the Fleet Reserve Association has not received any federal grant or contract during the current fiscal year or either of the two previous fiscal years.

INTRODUCTION

Mr. Chairman, and distinguished Members of the Committees, the membership of the Fleet Reserve Association (FRA) appreciates this opportunity to review the past fiscal year and look ahead to next year.

I am representing National President Edgar M. Zerr who is presiding at FRA's 79th National Convention in Oconomowoc, Wisconsin. Our membership appreciates the concern, active interest and progress to date generated by the Committee in protecting, improving, and enhancing benefits that are truly deserved by our Nation's veterans. We look forward to working with you to further enhance the quality of life for over 25 million of our Nation's veterans, their families and survivors.

VA DATA THEFT AND DATA SECURITY

FRA appreciates Chairman Steve Buyer and House Majority Leader Boehner meeting with FRA National President Ed Zerr and other VSO leaders on 8 June to discuss various issues including the data security problem at the Department of Veterans Affairs (VA). FRA believes that VA needs more than just personnel changes at the top to address this serious breach of security. The Association appreciates the series of hearings this distinguished committee scheduled on the situation and supports a thorough and independent audit of the department's security procedures to ensure improved data security. One of the more worrying aspects of the case is that the data theft was not reported to the Secretary for two weeks. It was also originally reported that less than 50,000 names were stolen, when in fact the theft of personnel information (including Social Security numbers) from the home of a VA employee included more than 26 million veterans and more than two million active-duty personnel. Even though the data was recovered and apparently not accessed, the VA and Congressional oversight committees should continue to monitor the situation closely and pursue improvements in VA data security.

The Department's efforts to contract with a company that will provide free data breach analysis services to the VA will ensure that information contained on computer equipment stolen in May was not compromised. The Association understands that ID Analytics, a California-based company, will conduct the analysis across multiple industries to detect patterns of misuse and determine whether or not there is any suspicious activity specifically related to this computer equipment theft. The company will provide VA with an initial analysis, and will then continue to offer its assessments on a quarterly basis. Protecting veterans from fraud and abuse should be a top priority for the VA. Although the FBI has indicated that the stolen data was not accessed, the data breach analysis will reassure worried veterans that their personal information remains uncompromised. FRA supports the abundance of caution deployed by the VA and supports the VA announcement of 9 August that it will provide veterans with some form of credit protection against identity theft.

A more recent theft indicates that data security at VA is going to be an ongoing concern of veterans with the news that a computer containing information on up to 38,000 veterans treated over the last four years at two VA medical centers in Pennsylvania is missing from the Virginia office of a VA contractor. If there is any "silver lining" in this episode, it is that upon learning the computer was missing, the VA took immediate steps to notify the appropriate senior VA leadership, congressional offices and committees, VA's Office of the Inspector General and other law enforcement authorities, including the FBI and the Department of Homeland Security.

FRA appreciates the efforts of the House Veterans Affairs Committee and its Senate counterpart for their tireless efforts to improve data security at the Department of Veterans Affairs. FRA fully supports the legislative efforts of this committee that culminated in Chairman Buyer introducing, and the full committee

approving HR 5835. The bill aims to create more accountability at the VA for data security. It would create an Office of the Under Secretary for Information Security and would require the VA to report to Congress any data theft and provide credit monitoring and fraud remediation for affected individuals. Additionally, the bill would require a study on using personal identification numbers rather than Social Security numbers for veterans' benefits. The full House should expedite passage of this important legislation as soon as possible to give the Senate an opportunity to pass this legislation for the President's signature before the end of the 109th Congress. FRA is mindful that legislation alone can not fully remedy an internal bureaucratic culture that gives data security a low priority, but FRA believes that the public expects and the veteran community demands that it is now time for Congress to do its part to help correct this problem.

VA FY 2007 BUDGET

FRA appreciates the efforts of this distinguished Committee and House Appropriations Committee in rejecting the Administration's call for shifting the cost of veteran's healthcare to beneficiaries. While working on the FY2007 Budget Resolution, the House Budget Committee approved an amendment that restored $795 million to the VA's health care budget. The Administration assumed revenue from a $250 enrollment fee for Priority Group 7 and 8 beneficiaries receiving VA care.

As noted in our statement in February, according to VA estimates, 200,000 veterans would be discouraged from seeking VA health care, and more than a million veterans currently enrolled in Priority Groups 7 and 8 would drop out of the system if this fee structure were implemented. Beneficiaries in these Priority Groups are veterans, and FRA adamantly opposes shifting costs to them.

In March, the Senate voted 100-0 on an FRA supported amendment that would eliminate the need to enact a $250 annual enrollment fee and higher prescription co-pays for Priority Group 7 and 8 veterans seeking medical treatment at a VA facility. The amendment adds $823 million to the approximately $80 billion FY 2007 VA proposed budget. Healthcare is extremely important to all FRA members regardless of their status, and protecting and/or enhancing benefits is the Association's top legislative priority. This includes sustaining access, ensuring quality care, and adequate funding for the DoD and VA healthcare systems.

VHA

VA/DoD Collaboration

FRA strongly supports the recent executive order to require Federal Agencies which handle health care to work together to implement a standardized electronic health record. The agencies, including VA, will coordinate with the Department of Defense so that clinical information can be interchanged efficiently. A standardized electronic health record will enhance the sharing of information between healthcare providers and make this more cost effective for everyone. The executive order will be phased in by 1 January 2007, and will eliminate the cost of record duplication.

The Association supports adequate funding for DoD and VA health care resource sharing in delivering seamless, cost effective, quality services to personnel wounded while participating in Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF), other veterans, service members, reservists, military retirees and their families. FRA continues to believe that more needs to be done to ensure returning OIF/OEF combat veterans, as well as all other service men and women who complete their term or retire from military service, receive timely access to VA benefits and services.

The Government Accounting Office (GAO) Seamless Transition report released in July 2006 indicates that the VA has taken steps to provide timely information to OEF and OIF service members and families. The GAO report also noted the positive steps taken to increase training and sensitivity of staff and medical providers on the needs of OEF and OIF veterans. The report noted that VA continues to have problems accessing real time information from DoD treatment facilities. To help returning combat veterans and veterans of future conflicts, the Association has recommended accelerated efforts to realize the goal of "seamless transition" of plans and programs.

VA Medical Facilities

FRA notes and appreciates House approval of H.R. 5815 which, if enacted, would authorize $2.4 billion for VA medical facilities including the construction of two VA medical facilities in Biloxi, Mississippi, and New Orleans, Louisiana, damaged by Hurricane Katrina. The bill also authorizes $406 million for the new facilities at Las Vegas and $378 million for Orlando.

In addition the bill authorizes $70 million for a joint-use medical facility with the University of South Carolina in Charleston, S.C.

Waiting Times

FRA is encouraged by the goal of VA to schedule 93.7 percent of all appointments within 30 days of a patient's desired date. The Association welcomes a detailed clarification on waiting times for appointments for veterans rated less than 50% service connected either on their first visit or those veterans who are already in the Veterans Healthcare Administration (VHA) system. FRA believes that a 30-day maximum wait is reasonable for routine care and will require that VA Medical Center directors monitor all appointments and make any necessary changes in a timelier manner.

VA Medicare Subvention

FRA supports HR 4992, sponsored by Representative Sue Kelly (NY) and introduced on 16 March 2006. This bill changes the law to allow the VA to bill Medicare, which would enable veterans to use Medicare coverage to help them pay their bills at a VA hospital. It is puzzling to our members why this program has not been given serious consideration and enacted long ago.

In 2003, then VA Secretary Principi suspended enrollment in Priority Group 8. According to Congressional estimates, more than 260,000 veterans who do not have illnesses or injuries incurred during military service and earn more than the average wage in their community have been prevented from enrolling. Although termed "temporary" at the time, it appears that this suspension will continue with no end in sight. FRA urges sufficient funding be authorized and appropriated to allow resumption of the enrollment process for all veterans.

As previously stated, FRA opposes the imposition of a "user's fee" and an increase in co-payments for prescriptions and believes a much better alternative would be the full and immediate implementation of VA Medicare Subvention. The funds recovered from the Department of Health and Human Services (HHS) and specifically the Centers for Medicare and Medicaid Services (CMS), for health care provided to those eligible veterans, would go a long way in ensuring adequate health care for more veterans. However, it would be incumbent that Congress mandates any funds recovered from CMS be provided to the VA and not put in the General Fund.

VA+Choice

In 2003, VA announced that a VA+Choice program would be established for veterans unable to enroll in the VA Health Care System. Subsequently, VA's Health Services Research and Development Service conducted a study in 2005 to investigate the potential of developing a program now known as "VA Advantage" and how it would impact veterans' care to VA beneficiaries.

FRA urges Congress to closely examine the report from this study before "VA Advantage" is fully implemented. There are numerous problems with Medicare+Choice programs in the country and it is becoming more difficult for Medicare-eligible beneficiaries to locate plans and doctors willing to accept new Medicare insured patients.

Nursing Homes, Long Term Care, and other Health Care Programs

FRA appreciates the restoration of requested funding of $19 million for the Brain Injury Center which is located at Walter Reed Army Medical Center as part of the Senate's FY 2007 Defense Appropriations Bill. Unfortunately, the House approved a reduction of $7 million as part of the larger 2007 National Defense Authorization Bill earlier this year. Their current 2006 budget is $14 million.

The Veterans Millennium Health Care Act, Public Law 106-117, Section 101, made great strides in providing long-term care for our veterans. However, this program is only authorized for a four-year period, and only for veterans who need care for a service-connected disability, and/or those with service-connected disability ratings of 70% or more. This program should be extended, and expanded to include veterans with service-connected disability ratings of 50% or more.

Congress and the Administration must ensure sufficient funding for the construction of new facilities and renovation of existing hospitals outlined by the CARES plan. Funding intended for implementation of CARES initiatives should not be diverted to other projects and CARES-based construction should be allowed to proceed as planned. In implementing the CARES plan, Mental health services and long-term care must be made part of the full continuum of care for veterans. FRA commends VA for moving forward on implementing the national strategic plan for mental health services, and progress on this plan should be incorporated into VA's reporting to Congress on its capacities to care for veterans.

Medical and Prosthetic Research

VA is widely recognized for its effective research program and FRA continues to strongly support adequate funding for medical research and for the needs of the disabled veteran. The value of both programs within the veterans' community cannot be overstated. Noteworthy is the fact that the FY 2007 proposed VA Budget for Medical and Prosthetic Research shows a slight one percent increase ($17.3 million) in one of the most successful aspects of all VA Medical Programs. The DVA CARES Commission also recommends the improvement and expansion of VA Medical Research Facilities. FRA is concerned about relying on other government agencies to help support and fund important research related to disabled veterans.

Discretionary versus Mandatory Funding

FRA concurs with, and endorses recommendations that the Committee on the Budget convert the veterans' health care account from discretionary to mandatory spending. FRA understands the jurisdictional and other challenges associated with this issue and believes that veterans' health care is as important as other federal benefits funded in this manner. Regardless of the method used, the Association supports any efforts to help ensure full funding for VA Healthcare to ensure care for all beneficiaries.

GAO STUDY OF IU BENEFITS

FRA appreciates the Veterans Disability Benefits Commission review of a recently released GAO study on Individual Unemployable (IU) benefits. This refers to a total disability evaluation assigned to an individual because of any service-connected impairment (or combination of impairments) of mind or body that fails to meet the criteria for a total disability rating under the Schedule for Rating Disabilities but nonetheless renders it impossible for that person to follow substantial gainful employment. The report states that the VA needs to improve criteria, guidance, and procedures concerning award and verification of Individual Unemployable (IU) determinations. Specifically, the report takes issue with the VA's:

- Inconsistent awarding of IU benefits on the basis of information the GAO considers not well supported;
- Inefficient and ineffective process to ensure the continuing eligibility for IU status;
- Outdated compensation programs that don't reflect the current state of science, technology, medicine, and the labor market;
- Management practices that lag behind those of other disability programs such as those for Social Security Disability Insurance; and
- Awards to older veterans - the GAO reported that 79 percent of new IU beneficiaries were awarded IU benefits at the age of 60 or older, and 19 percent were 75 or older.

GAO recommended putting an "age cap" on IU similar to SSDI where it converts to Social Security at age 65.

FRA cautions about overreacting to such reports and using them as justification to taint the entire IU system and block appropriate benefit fixes – such as the need to provide consistent treatment of IU ratings for purposes of concurrent receipt and combat-related special compensation. With CRDP and CRSC the GAO acknowledges that the numbers are relatively small - about eight percent of the IU-eligible population. FRA believes the process should be validated rather than simply assume that all IU ratings are suspect.

VHA

Older veterans often use both the Veterans Health Administration (VHA) and Medicare to obtain health care services. Medicare reimbursement rates directly impact TRICARE reimbursements to healthcare providers and affects beneficiaries access to care. Despite this, the Administration recently proposed 5.1 percent across the board cuts in Medicare payments for services provided by doctors to elderly and disabled patients in 2007. It said the cut was required because spending on doctors' services was increasing faster than expected, and faster than the annual goals set by a statutory formula. The increase directly affects beneficiaries because their premiums are set each year to cover about 25 percent of projected spending under Part B of Medicare, which pays for doctors' services and other outpatient care. the premium for this coverage would probably rise to $98.40 next year, up $9.90 or 11 percent over this year's premium. The figures do not include separate premiums paid by many beneficiaries for prescription drug coverage.

VETERANS BENEFITS ADMINISTRATION

Disability Compensation Claims Processing

Claims processing delays are a continuing concern. VA can promptly deliver benefits to entitled veterans only if it can process and adjudicate claims in a timely and accurate fashion. Given the critical importance of disability benefits, VA has a paramount responsibility to maintain an effective delivery system, taking decisive and appropriate action to correct any deficiencies as soon as they are evident. As stated in February, VA has neither maintained the necessary capacity to match and meet its claims workload, nor corrected systemic deficiencies that compound the problem of inadequate capacity.

Rather than making headway and overcoming the chronic claims backlog and consequent protracted delays in claims disposition, VA has lost ground on the problem, with the backlog of pending claims growing substantially larger. **And now, even the Court of Appeals for Veterans Claims is experiencing a growing backlog of cases.**

FRA commends the Chairman for his statements at the December 8, 2005 hearing on VBA claim processing, and agrees that "the increase in disability claims can be directly related to the increase in U.S. military operations abroad. Doing more with less is not a strategy of success." An increase in staffing levels within the VBA claims processing system is essential to moving forward to reduce this backlog.

Total Force Montgomery GI Bill

FRA appreciates Chairman Buyer's and the Committee's interest in MGIB reform and supports provisions in the Senate version of the NDAA (S. 2766) that allows Reservists to draw benefits up to 10 years after leaving the Reserves. Currently only active duty members can draw benefits after service. Unfortunately, reform initiatives discussed earlier this year appear to have been overshadowed by the theft of personal data from a VA employee and urgent and extensive attention to the Department's data management and security measures.

The Montgomery GI Bill is important and aids in the recruitment and retention of high-quality individuals for service in the active and Reserve forces; assists in the readjustment of service men and women to civilian life after they complete military service; extends the benefits of higher education (and training) to service men and women who may not be able to afford higher education; and enhances the Nation by providing a better educated and productive workforce.

Double-digit education inflation is dramatically diminishing the value of MGIB. Despite recent increases, benefits fall well short of the actual cost of education at a four-year public college or university. In addition, thousands of career service members who entered service during the Veterans Education Assistance Program (VEAP) era, but declined to enroll in that program (in many cases, on the advice of government education officials) have been denied a MGIB enrollment opportunity. In addition, the Nation's active duty, Guard and Reserve forces are effectively being integrated under the Total Force concept, and educational benefits under the Montgomery GI Bill should be re-structured accordingly.

FRA, along with its partners in The Military Coalition, the American Legion, the Veterans Independent Budget for FY2007, and major higher education associations support enactment of a "Total Force Montgomery GI Bill" for the 21st century. The integration of active and Reserve force MGIB programs under Title 38 is very important and will provide equity of benefits for service performed, enable improved administration, and facilitate accomplishment of statutory purposes intended by Congress for the MGIB. Mo-

bilized Reservists lack of a readjustment benefit. They must leave behind remaining MGIB benefits upon separation unless the separation is for disability.

National Cemetery Administration

Cemetery Systems

The National Cemetery Administration (NCA) has undergone many changes since its inception in 1862. Currently, the administration maintains almost 2.5 million gravesites at 124 national cemeteries in 39 states, the District of Columbia, and Puerto Rico.

VA estimates that about 24.4 million veterans are alive today. They include veterans from World War I, World War II, the Korean War, the Vietnam War, the Gulf War, and the global war on terrorism, as well as peacetime veterans. Nearly 688,000 veteran deaths are estimated to occur in 2006 and it is expected that one in every six of these veterans will request burial in a national cemetery.

FRA is grateful to the Committee for recommending an additional $14 million in NCA operations and maintenance and additional $16 million in NCA construction in FY 2007. FRA urges increased funding, which is fenced for the purchase of land, preparation, construction and operation of new cemeteries, the maintenance of existing cemeteries, and the expansion of grants to States to construct and operate their own cemeteries.

As part of the Veterans Education and Benefits Act of 2001, the government is to provide grave markers for veterans whenever requested, even if there is another marker on the grave. However, as written, the law only applies to burials after December 27, 2001. FRA supports H.R. 3082 which would repeal this expiration and expand application options for veterans buried in private cemeteries.

Respect for America's Fallen Heroes Act

FRA is thankful that this committee, Congress and the President approved HR 5037, the "Respect for America's Fallen Heroes Act" that would ban protests before, during and after service members funeral services and requires protestors to stay at least 500 feet from a funeral site under the control of the NCA and at Arlington Cemetery. The new law expresses a "Sense of Congress" that all states should enact similar bans for state and private cemeteries, as well as funeral homes.

"Respect for America's Fallen Heroes Act" allows grieving families the right to bury family members who died defending our Nation with dignity, and without anti-war protest. More than 2,300 service members have been buried across the country in the last three years as a result of their service in Operation Enduring Freedom and Operation Iraqi Freedom. Unfortunately more than 100 of those funerals have been interrupted by anti-war protestors. Everyone respects the rights of individuals to protest public policy, but the rights of the grieving family should surpass the rights of the protestors at the cemetery during the burial ceremony in recognition of these Service Members' ultimate sacrifice to ensure our security and protect our freedoms.

OTHER RECOMMENDATIONS FOR CONSIDERATION

Concurrent Receipt

FRA continues its advocacy for full concurrent receipt of military retired pay and veterans' service-connected disability payments. An amendment (Sec. 649) to the Senate version of the National Defense Authorization Act (NDAA) authorizes an end to the benefit offset on military retirees deemed 100% "unemployable" by the VA retroactively to Jan. 1, 2005.

The FY2006 Defense Authorization Act reduced the phase in period for disabled military retirees deemed "individual unemployable" (IU) from 2014 to 2009, and FRA appreciates this progress. However, our members are extremely disappointed and perplexed that such undeserved discrimination will be allowed to continue for three more years.

FRA urges the Congress to end the disability offset to retired pay immediately for otherwise-qualifying members rated as "individual unemployable" by the VA.

Progress has been made in recent years to expand Combat-Related Special Compensation (CRSC) to all retirees with combat-related disabilities and authorize concurrent receipt of retired pay and veterans' disability compensation for retirees with disabilities of at least 50 percent.

While the concurrent receipt provisions enacted by Congress benefit tens of thousands disabled retirees, an equal number are still excluded from the same principle that eliminates the disability offset for those with 50 percent or higher disabilities. The fiscal challenge notwithstanding, eliminating the disability offset for those with disabilities of 50 percent is just as valid for those with 40 percent and below, and FRA urges the Congress to be sensitive to the thousands of disabled retirees who are excluded from current provisions.

FRA also asks the Committee to consider those who had their careers cut short solely because they became disabled by combat or combat-related events, and were forced into medical retirement before they could complete their careers.

Veterans Disability Benefits Commission

FRA understands that many in Congress are looking to the Veterans Disability Benefits Commission (VDBC) for recommendations on this and other issues, however the Association is concerned that the extension of the Commission's work can only delay an equitable outcome further.

Uniformed Former Spouses Protection Act (USFSPA)

FRA is concerned that provisions (Sec. 644, 645 and 646) in the Senate FY 2007 Defense Authorization bill only eliminate the ten-year rule, allow for DFAS cost-of-living adjustments if ordered by court and allow targeted member to waive DFAS notification requirements. The Association questions why other recommendations in the long delayed Department of Defense's Report of September 2001 are not addressed – particularly the need to prohibit awarding retired pay division before retirement. The Federal government should do significantly more to protect service members from State courts that ignore provisions of the USFSPA.

The USFSPA was enacted over 20 years ago; the result of Congressional maneuvering that denied the opposition an opportunity to express its position in open public hearings. With one exception, only private

and public entities favoring the proposal were permitted to testify before the Senate Manpower and Personnel Subcommittee. Since then, Congress has made 23 amendments to the Act: eighteen benefiting former spouses. All but two of the amendments were adopted without public hearings, discussions, or debate. Since adoption, opponents of the USFSPA or many of its existing inequitable provisions have had opportunities to voice their concern to a Congressional panel. The last hearing, in 1999, was conducted by the House Veterans Affairs Committee and not the Armed Services Committee that has the oversight authority for amending the USFSPA.

One of the major problems with the USFSPA, of its few provisions protecting the rights of the service member, none are enforceable by the Department of Justice or DoD. If a State court violates the right of the service member under the provisions of USFSPA, the Solicitor General will make no move to reverse the error. Why? Because the Act fails to have the enforceable language required for Justice or the Defense Department to react. The only recourse is for the service member to appeal to the court, which in many cases gives that court jurisdiction over the member. Another infraction is committed by some State courts awarding a percentage of veterans' compensation to ex-spouses, a clear violation of U. S. law, yet, the Federal government does nothing to stop this transgression.

Survivor Benefit Plan (SBP)

FRA strongly supports the Senate amendment to S. 2766 (Senate version of the NDAA) to accelerate from 2008 to 2006 the time the military retiree will be a paid-up participant after paying premiums for 30 years and is at least 70 years of age. This is an equity issue for participants who've paid premiums since the program was established in 1972. The repeal of the SBP/DIC offset is also addressed in this provision.

CONCLUSION

Mr. Chairman. In closing, allow me to again express the sincere appreciation of the Association's membership for the opportunity to present these recommendations.

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Statement of

VIETNAM VETERANS OF AMERICA

Presented By

John Rowan
National President

Before the

House Committee on Veterans' Affairs

Concerning

Accomplishments and Goals
In Veterans' Affairs

September 20, 2006

Vietnam Veterans of America

House Veterans Affairs Committee
September 20, 2006

Good morning, Mr. Chairman and distinguished members of this committee. On behalf of the members and families of Vietnam Veterans of America (VVA), it is my privilege today to offer our comments concerning what has been accomplished in the arena of veterans' affairs during FY 2006, what remains to be done in the waning days of this fiscal year, and what needs to be addressed by this committee in FY 2007.

First, let me review the simple and straightforward legislative agenda of VVA. First, to secure adequate resources to properly administer the network of services that our Nation's veterans have earned. This includes a more adequate sum for operation of VA Medical Centers and other vital health care functions. It also included increasing the number of adjudicators in the Compensation & Pension (C & P) system, counselors in Vocational Rehabilitation & Education (VR & E).

Second, we asked that you and your colleagues take action to greatly enhance the accountability of all employees in the VA, but especially managers and political appointees. This would include being held accountable for accurate adjudication decisions as opposed to just the volume of files moved forward in the C & P service, as it has appeared to be the case in the past. It include ensuring that contracts are drawn in such a manner as to systematize the reporting of contracts and unit costs, with an eye toward getting the most goods and services for the least expenditure of each taxpayer dollar. It would also include greater accountability in regard to access to medical and other services, as well as clinical outcomes.

Third, we asked that you take steps to greatly enhance outreach by the VA to inform veterans of their earned benefits at the VA and elsewhere in the Federal government.

As to what did happen this year, VVA commends you on your activism in tackling some of the issues of critical importance to veterans, particularly our newest veterans. You have sought to give real meaning to the term "seamless transition," to foster active cooperation between the VA and the Department of Defense in providing assistance to newly minted veterans transitioning from active duty. You have pushed the VA to greatly improve the way it conducts its business in regard to Information Technology (IT). And you have *rejected* the Office of Management and Budget notion that the co-pay for prescription drugs be increased and a user fee be imposed on certain veterans who avail themselves of the VA health care system.

Perhaps the most important piece of progress concerning veterans during the current fiscal year has resulted from the unfortunate theft of a laptop computer and external hard drive from the home of a long-time VA employee. The information contained on this hard drive – we're still not quite sure if it was the name, birth date, and Social Security number of 17.6 million or 26.5 million veterans – piqued the attention of the media and the public on the very fragile cyber-security of VA computers.

This committee – and your counterparts on the other side of the Capitol – held more hearings on this one topic than on any other single subject in the past five years. Because of your swift action the VA moved quickly to set up a telephone hotline and to send

"don't-panic" letters to all living veterans (although we know of several who never received this letter). And Secretary Nicholson has promised that henceforth the VA will set the "gold standard" in cyber-security for the rest of the agencies of government.

However, numerous initiatives that have been started have yet to be completed. These include cutting the enormous backlog of cases awaiting adjudication by personnel of the Veterans Benefits Administration (VBA). We know that Undersecretary of Veterans Affairs for Benefits Cooper is focusing on this problem; we hope his will not be the same fate as that of former Secretary Principi, whose goal to significantly cut this backlog was defeated by . . . the backlog.

VVA maintains that if the VBA is to make a permanent dent here it needs more adjudicators who are well trained, can pass rigorous competency based examinations, and are properly supervised. And these adjudicators must endeavor to get it right the first time. Quality control is of the essence here. We think that you'll find that most veterans are okay with the D&C process itself; what they are upset about is how long it takes before a decision is rendered and/or lack of sharing the reason(s) for rejection in a clear manner if their claim is denied. VVA thanks you and your colleagues on both sides of the aisle for taking action that led appropriators in the House to add on to the amount slated for the veterans' medical care system, for research, and especially for adding additional adjudicators and VR & E specialists.

The bottom line, of course, is funding – funding for adjudicators and, indeed, funding for the entire VA health care system. Every year, it seems, funding for the VA is accomplished via continuing resolution until Congress can come to an agreement on a budget as well as the actual appropriations. VVA believes that the method by which VA health care is funded is flawed and must be rethought, to ensure a predictable, consistent, sustainable flow of funds based on the per capita use of the system and indexed for medical inflation. While we believe that accountability and means of measuring performance must be greatly enhanced at the same time, more adequate resources must be found.

We urge and hope that a bipartisan effort will be made to rectify this situation in the next Congress. We would hope that a bipartisan effort will be made to rectify this situation. We would hope that like minds from both sides of the aisle can come together to grapple with this issue and, with input from the veterans' service organizations, propose a legislative solution. Any solution, of course, must contain provisions for accountability – the accountability of senior and middle managers for the work they are charged with overseeing. This is likely an initiative for the 110th Congress.

What we hope the current Congress will address, and pass appropriate legislation that will permit veterans to secure legal representation when filing claims for disability and compensation before the Veterans Benefits Administration. With the enthusiastic backing of Senator Larry Craig, the Senate passed S. 2694, the Veterans' Choice of Representation and Benefits Enhancement Act of 2006.

We know that some have expressed fears that such a bill will only make adversarial a process that should be cooperative. Others worry that passage of this bill will herald the demise of veterans service representatives. VVA heard the same arguments before passage of the legislation that accorded veterans at least limited judicial review, and created the United States Court of Appeals for Veterans Claims. We believe that the realities will be just the opposite: that giving veterans the right to legal representation will make the VA more cognizant of its obligation to assist veterans making claims; and that service reps will still have more cases than they can reasonably be expected to handle. It is our belief that many (probably most) veterans will still utilize a veterans' service representative from one of the recognized veterans' service organizations or state or county veterans' counselor where there is a good one available. We hope that the House will pass similar legislation expeditiously, and we commend to you H.R. 4914. Passage of this bill will be a tribute to the Honorable Lane Evans, the retiring Ranking Member of this committee.

We strongly commend to you as well H.R. 808, introduced by Mr. Brown of South Carolina. This bill would repeal the dependency and indemnity compensation (DIC) offset from survivor benefit plan (SBP) surviving spouse annuities. We urge swift action on this bill, which would right a grievous wrong.

Mr. Thompson of California and Mr. Rehberg of Montana have long in favor of H.R. 4259, the Veterans Right to Know Act, introduced VVA. This bill would create and empower a commission to look into the testing of chemical and biological weapons to determine if health issues suffered by veterans who participated in these tests might have been caused by toxic exposures during these tests. We know that jurisdiction over this bill is with the Armed Services Committee, but you, Chairman Buyer, and Ranking Democrat Lane Evans have significant "weight" with that Committee. We also ask that you hold a hearing, or just take action to extend the authority of the VA to provide a full physical, with a national protocol, for all veterans who participated in any chemical or biological weapons research such as Project 112, Project SHAD, or other activities by any branch of the Federal government that may have caused them to be exposed to these biological agent, chemical agents, so-called simulants, or the highly toxic decontamination agents. Similarly, we urge you to take steps to extend such authority for such examinations for those exposed to Agent Orange and other toxins in the Vietnam theater of operations.

Sooner or later, Congress is going to have to come to grips with the availability of long-term care beds for service-connected disabled veterans. Currently there are a pastiche of long-term care services and programs, some run by the VA, others by the states. Demand is dwarfing available bed space. And as more and more veterans are living longer and longer, at some point, soon, Congress and the VA are going to have to address the long-term care needs of these men and women and grapple with how to pay for this care. We urge you to hold hearings on this issue early in the next Congress.

We also trust that you will work to ensure that the mental health needs of returning servicemen and women are met. VVA has had grave concerns that there is too wide a disparity between supply and demand in this arena, depending on where one lives. Some "networks"(VISNs) of the Veterans Health Administration (VHA) have done a good job, and have organizational capacity to meet much of the apparent needs...if there is proper outreach to these younger veterans.

Just as whether or not a veteran can receive proper mental health services should not depend on where one lives, similarly it should not depend on one's gender. While VA has done a very commendable job of ensuring that proper counseling for Post Traumatic Stress Disorder (PTSD) resulting from military sexual trauma, there is virtually no organizational capacity at VA to deal with PTSD in women that results from exposure to combat and other hazardous duty. Frankly, mixing men and women in the same group sessions for combat trauma is not likely to work, given the nature of the condition and its manifestations. Similarly, Congress must ensure that the top civilian and uniformed leaders in the military services take appropriate measures to eliminate the stigma that is too often still attached to mental health issues.

VVA thanks you for passing H.R. 3082 regarding service disabled and other veteran owned businesses selling goods & services to the VA. We strongly support this issue as well as extending the authority for future Federal funding of the Veterans Corporation in exchange for re-structuring of the Veterans Corporation. In the next Congress we urge you to address the Veterans Employment & Training Service and the funds that are contracted out to the states to explore whether there is a way to get more services for the same amount of money, whether more funds are needed, and whether assistance now available to veterans, particularly disabled veterans and recently separated veterans (including those National Guard or Reserves members who are underemployed or unemployed) is adequate to meet the need. VVA continues to believe that the nexus of the readjustment process is helping returning veterans obtain and sustain meaningful employment at a living wage.

Finally, to conclude just about where we started, we ask that you monitor the progress of the VA in ensuring the privacy of veterans' medical and service records. We believe this will mean requiring progress reports from the VA which. History has shown that has been less than resolute in guarding its myriad records against theft or computer hacking.

Mr. Chairman and members of this committee, VVA thanks you for the opportunity to share our thoughts and views with you, and is pleased to work with you to achieve mutually held objectives that are to the benefit of the men and women who don the uniform to preserve and protect the citizens of our land.

Thank you.

Statement of

Paul A. Morin

National Commander

The American Legion

Before

The Veterans' Affairs Committee,

U.S House of Representatives

On The Legislative Priorities

of The American Legion

SEPTEMBER 20, 2006

Mr. Chairman and Members of the Committee:

As The American Legion's newly elected National Commander, I thank you for this opportunity to present the views of its 2.7 million members on issues under the jurisdiction of your committee. At the conclusion of The American Legion's 88th National Convention in Salt Lake City, Utah, over 3,000 delegates adopted 233 organizational resolutions with 222 having legislative intent. These organizational mandates will create the legislative portfolio of The American Legion for the 110th Congress.

As Legionnaires gathered at the National Convention to once again determine the path of the nation's largest veterans' service organization, it was with respect for those who have worn the uniform before us, friendship for those with whom we served, and admiration for those who currently defend the freedoms of this great nation. Each generation of America's veterans has earned the right to quality health care, disability compensation, rehabilitation and transitional programs available through the Department of Veterans Affairs (VA).

The American Legion will continue to work with Congress to ensure that VA is indeed capable of providing the highest quality health care services "*...for him who shall have borne the battle and for his widow and his orphan.*" With young American service members continuing to answer the nation's call to arms in every corner of the globe, we must now, more than ever, work together to honor their service and sacrifices. Those service members who return from battle with career-ending injuries and life changing memories will turn to VA for their health care, health care they have earned through their honorable military service to this country. VA must be funded at levels that will ensure all enrolled, eligible veterans receive quality health care in a timely manner.

ELIGIBILITY

All veterans who are eligible to receive benefits from VA should have timely access to the VA health care system. To disallow any eligible veteran, who was prepared to give their life for this country, is shameful and an unacceptable policy. Honorable military service, whether for a single enlistment or for a 30–year career, is not merely another period of employment in an individual's personal history. It is a defining portion of one's life.

Earlier this year, NBC News reported that "VA hospitals have undergone an amazing transformation, offering what several surveys say is the best medical care in the country." This glowing commentary on VA health care is certainly a reason to be proud. To maintain that quality of care should be a national priority. But that quality care is being denied to a large number of America's eligible veterans. As I testify before you here today, veterans are being denied access to VA facilities for want of adequate federal funding.

As the Global War on Terrorism continues, fiscal resources for VA will continue to be stretched and veterans will continue to go begging to their elected officials for the money to sustain a viable VA. A viable VA is one that cares for all veterans, not just the most severely wounded among us. The VA is often the first experience veterans have with the federal government after leaving the military. This nation's veterans have never let our country down; Congress should do its best to not let them down.

It is vital that VA and the Department of Defense (DoD) work together to ensure that transitioning service members are assisted in every step of their departure from active duty to the ranks of America's veterans. According to the FY 2007 President's budget request, VA expects to treat 199,667 fewer patients in Priority Groups 7 and 8 in 2007 than that estimated for 2006. VA states that the reason for the decline is the legislative policies proposed in the Administration's budget. While every veteran of Operation Enduring Freedom and Operation Iraqi Freedom is guaranteed two years of VA health care at no cost, after those two years, each of these new veterans will be reassigned to a Priority Group. Unfortunately, some believe Priority Group 7 and 8 veterans are not considered the "core" of VA patients. The American Legion believes every service member is a "core" element of the national

security – the total force. There must be a more efficient means of saving money than by locking veterans out of the very health care system created for their unique needs. Whether one served in combat or in a support capacity, he or she has earned the right to be called a veteran and that status should not be denigrated.

With that in mind and on behalf of The American Legion, I offer the following budgetary recommendations for the Department of Veterans Affairs for FY 2008:

BUDGET PROPOSALS FOR SELECTED DISCRETIONARY PROGRAMS

FOR DEPARTMENT OF VETERANS AFFAIRS FOR FISCAL YEAR 2007

Program	Current Funding	President's Budget Request for FY 07	House Passed HR 5385	Senate Approp Committee HR 5385	Legion's FY 2008 Request
Medical Care Including:	$31.4 billion	$30.7 billion	$28.4 billion	$ 30.9 billion	
• *Medical Services*	*$21.6 billion*	*$22.4 billion*	*$23.1 billion*	*$25.5 billion*	
• *Medical Administration*	*$2.9 billion*	*$3.2 billion*	*$3.3 billion*	*$3.2 billion*	$36 billion
• *Medical Facilities*	*$3.3 billion*	*$3.5 billion*	*$3.6 billion*	*$3.6 billion*	
• *Information Technology*	*$1.2 billion*	*$1.2 billion*	*$1.3 billion*	*$1.3 billion*	
Medical Care Collections	($2.2 billion)	($2.3 billion)	($2.3 billion)	($2.3 billion)	$2.1 billion*
Emergency Supplemental	$1.5 billion				
Medical & Prosthetics Research	$412 million	$399 million	$412 billion	$412 million	$472 million
Construction	(Katrina Sup. 586m)				
• Major	$607 million	$399 million	$283 million	$429 million	$348 million
- CARES	$532 million	($253 million)		($293 million)	$1 billion
• Minor	$201 million	$198 million	$210 million	$168 million	$279 million
State Extended Care Facilities	$85 million	$85 million	$105 million	$85 million	$250 million
State Veterans' Cemeteries	$32 million	$32 million	$32 million	$32 million	$42 million
NCA Operations	$157 million	$161 million	$161 million	$161 million	$178 million
General Administration	$1.4 billion	$1.5 billion	$1.5 billion	$1.5 billion	$2.2 billion

* Third-party reimbursements should supplement rather than offset discretionary funding.

VETERANS' HEALTH CARE

A SYSTEM WORTH SAVING

In 2002, The American Legion initiated the "I Am Not A Number" campaign to better understand the quality and timeliness of health care delivery within the Department of Veterans Affairs (VA). This program surveyed veterans on their personal experiences with the VA health care system and provided The American Legion with a clear snapshot of the needs of VA system wide. These first-hand accounts of veterans' experiences highlighted a trend within VA: veterans reported that the quality of care was exceptional, but complained of the difficulty of accessing that care.

During that year, then National Commander Ron Conley visited 60 VA Medical Centers nationwide and compiled a report highlighting the issues affecting VA as a result of years of inadequate funding. This report, titled "A System Worth Saving," covered issues from Medical Care Collection Fund (MCCF) targets, to wait times, to budgetary shortfalls, to staffing levels. This comprehensive report was presented to Congress and shared with VA in an attempt to bring attention to the budgetary needs of the VA health care system.

This year marks the printing of the third "A System Worth Saving" report. The American Legion System Worth Saving Task Force along with Field Service staff has visited 45 facilities in the past year. With the publication of the 2006 report, The American Legion has visited all VA Medical Centers in the continental United States.

Although it has been four years since the initial visits, The American Legion still has concerns about the effects of inadequate budgets on VA's ability to deliver quality care in a timely manner. America's veterans are turning to VA for their health care needs and, as we welcome home newly injured veterans from the War on Terrorism, it is our responsibility as advocates to work together to ensure VA is, indeed, capable of treating all eligible veterans.

MANDATORY FUNDING FOR VETERANS' HEALTH CARE

The American Legion believes the time for mandatory funding for veterans' health care is now. Congress should act now to ensure that we, as a nation, will always provide the funding necessary to ensure the complete care for those who seek timely access to quality health care through the VA health care delivery system.

A new generation of young Americans is once again deployed around the world, answering the nation's call to arms. Like so many brave men and women, who honorably served before them, these new veterans are fighting for the freedom, liberty and security of us all. Also like those who fought before them, today's veterans deserve the respect of a grateful nation when they return home.

Unfortunately, without urgent changes in health care federal funding, new veterans will soon discover their battles are not over. They will be forced to fight for the life of the VA health care system. Just as the veterans of the 20th century, they will be forced to fight for the care they each are eligible to receive, but most will be denied.

The American Legion believes that the solution to the Veterans Health Administration's (VHA) recurring fiscal difficulties will only be achieved when its funding becomes a mandatory spending item. Under mandatory funding, VA health care funding would be guaranteed by law for all eligible enrollees.

The American Legion continues to support legislation that would establish a system of capitation-based funding for VHA. This new funding system would provide all of VHA's funding, except that of the State Extended Care Facilities Construction Grant Program, which would be separately authorized and funded as discretionary appropriations. The Veterans Health Administration is currently struggling to maintain its global preeminence in 21st century health care with funding methods that were developed in the 19th century. No other modern health care organization could be expected to survive under such a system. The American Legion believes that health care rationing for veterans must end. It is time to guarantee health care funding for all veterans seeking VA health care.

MEDICAL CARE COLLECTIONS FUND

The Balanced Budget Act of 1997, Public Law 105-33, established the VA Medical Care Collections Fund (MCCF), requiring that amounts collected or recovered from third-party payers after June 30, 1997, be deposited into this fund. The MCCF is a depository for collections from third-party insurance, outpatient prescription co-payments and other medical charges and user fees. The funds collected may only be used to provide VA medical care and services and for VA expenses for identification, billing, auditing and collection of amounts owed the federal government. The American Legion supported legislation to allow VA to bill, collect, and reinvest third-party reimbursements and co-payments; however, The American Legion adamantly opposes the scoring of MCCF as an offset to the annual discretionary appropriations since the majority of these funds come from the treatment of non-service-connected medical conditions. Historically, these collection goals far exceed VA's ability to collect accounts receivable.

In FY 2004, VHA collected $1.7 billion, a significant increase over the $540 million collected in FY 2001. VA's ability to capture these funds is critical to its ability to provide quality and timely care to veterans. Miscalculations of VA required funding levels results in real budgetary shortfalls. Seeking an annual emergency supplemental is not the most cost-effective means of funding the nation's model health care delivery system.

Government Accountability Office (GAO) reports have described continuing problems in VHA's ability to capture insurance data in a timely and correct manner and has raised concerns about VHA's ability to maximize its third-party collections. At three medical centers visited, GAO found an inability to verify insurance, accepting partial payment as full, inconsistent compliance with collections follow up, insufficient documentation by VA physicians, insufficient automation and a shortage of qualified billing coders were key deficiencies contributing to the shortfalls. VA should implement all available remedies to maximize its collections of accounts receivable.

The American Legion opposes offsetting annual VA discretionary funding by the arbitrarily set MCCF goal, especially since VA is prohibited from collecting any third-party reimbursements from the nation's largest federally mandated, health insurer -- Medicare.

MEDICARE

As do most American workers, veterans pay into the Medicare system without choice throughout their working lives, including while on active duty. A portion of each earned dollar is allocated to the Medicare Trust Fund and, although veterans must pay into the Medicare system, VA is prohibited from collecting any Medicare reimbursements for the treatment of allowable, non-service-connected medical conditions. This prohibition constitutes a multi-billion dollar annual subsidy to the Medicare Trust Fund. The American Legion does not agree with this policy and supports Medicare reimbursement for VHA for the treatment of allowable, non-service-connected medical conditions of allowable enrolled Medicare-eligible veterans.

CAPITAL ASSET REALIGNMENT FOR ENHANCED SERVICES (CARES)

In March 1999, GAO published a report on VA's need to improve capital asset planning and budgeting. GAO estimated that over the next few years, VA could spend one of every four of its health care dollars operating, maintaining, and improving capital assets at its major delivery locations, including 4,700 buildings and 18,000 acres of land nationwide.

Recommendations stemming from the report included the development of asset-restructuring plans for all markets to guide future investment decision making, among other initiatives. VA's answer to GAO and Congress was the initiation and development of the Capital Asset Realignment for Enhanced Services (CARES) program.

The CARES initiative is a blueprint for the future of VHA -- a fluid work in progress, in constant need of reassessment. In May 2004, the long awaited final CARES decision was released. The decision directed VHA to conduct 18 feasibility studies at those health care delivery sites where final decisions could not be made due to

inaccurate and incomplete information. VHA contracted Price Waterhouse Cooper (PWC) to develop a broad range of options and, in turn, develop business plans based on a limited number of selected options. To help develop those options and to ensure stakeholder input, then-VA Secretary Principi constituted the Local Advisory Panels (LAPs), which are made up of local stakeholders. The final decision on which business plan option will be implemented for each site is the responsibility of the Secretary of Veterans Affairs.

The American Legion is dismayed over the slow progress in the LAP process and the CARES initiative overall. Both Stage I and Stage II of the process include two scheduled LAP meetings at each of the sites being studied with the whole process concluding on or about February 2006. It wasn't until April 2006, after nearly a seven-month hiatus, that Secretary Nicholson announced the continuation of the services at Big Spring, Texas, and it, like all the other sites, has only been through Stage I. Seven months of silence is no way to reassure the veterans' community that the process is alive and well. The American Legion continues to express concern over the apparent short circuiting of the LAPs and the silencing of the stakeholders. The American Legion intends to hold accountable those who are entrusted to provide the best health care services to the most deserving population – the nation's veterans.

Upon conclusion of the initial CARES process, then-Secretary Principi called for a "billion dollars a year for the next seven years" to implement CARES. The American Legion continues to support that recommendation and encourages VA and Congress to "move out" with focused intent.

MEDICAL CONSTRUCTION AND INFRASTRUCTURE SUPPORT

Major Construction

Over the past several years, Congress has kept a tight hold on the purse strings that control the funding needs for the construction program within VA. The hold out, presumably, is for the development of a coherent national plan that will define the infrastructure VA will need in the decades to come. VA has developed that plan and it is CARES. The CARES process identified more than 100 major construction projects in 37 states, the District of Columbia, and Puerto Rico. Construction projects are categorized as major if the estimated cost is over $7 million. Now that VA has a plan to deliver health care through 2022, it is up to Congress to provide adequate funds. The CARES plan calls for, among other things, the construction of new hospitals in Orlando and Las Vegas, and replacement facilities in Louisville and Denver for a total cost estimated to be well over $1 billion for these four facilities. VA has not had this type of progressive construction agenda in decades. Major construction money can be significant and proper utilization of funds must be well planned. Recently, funding for a new VAMC in Denver was passed in both the House and Senate Committees. However, if timely completion is truly a national priority, The American Legion is concerned because adequate funding appears to be AWOL.

In addition to the cost of the proposed new facilities are the many construction issues that are virtually "put on hold" for the past several years due to inadequate funding and the moratorium placed on construction spending by the CARES process. One of the most glaring shortfalls is the neglect of the buildings sorely in need of seismic correction. This is an issue of safety. Hurricane Katrina taught a very real lesson on the unacceptable consequences of procrastination. The delivery of health care in unsafe buildings cannot be tolerated and funds must be allocated to not only construct the new facilities, but also to pay for much needed upgrades at existing facilities. Gambling with the lives of veterans, their families and VA employees is absolutely unacceptable.

The American Legion believes that VA has effectively shepherded the CARES process to its current state by developing the blueprint for the future delivery of VA health care – it is now time for Congress to do the same and adequately fund the implementation of this comprehensive and crucial undertaking.

The American Legion recommends $348 million for Major Construction in FY 2008.

Minor Construction

VA's minor construction program has also suffered significant neglect over the past several years. Maintaining the infrastructure of VA's buildings is no small task. Because the buildings are old, renovations, relocations and expansions are quite common. When combined with the added cost of the CARES program recommendations, it is easy to see that a major increase over the previous funding level is crucial and overdue.

The American Legion recommends $279 million for Minor Construction in FY 2008.

SECURITY OF INFORMATION

The data theft that occurred in May serves as a monumental wake up call to the nation. VA can no longer ignore Information Technology Security (IT). The recovery of the laptop is, indeed, cause for optimism; however, we must not discount the possibility that every name on that list could still be subject to possible identity theft. The complete overhaul of VA IT is only in its beginning stages. Meanwhile, there are still unresolved security breaches within VA including the most recent theft of a laptop from a VA contractor. How many computers need to be stolen before veterans get some real assurances from the federal government that their information is not only safe, but that safeguards will be in place to protect them against identity theft? The American Legion once again calls on VA and the Administration to keep its promise to veterans and provide free credit monitoring for one year. The American Legion is hopeful that the steps VA takes to strengthen its IT security will renew the confidence and trust of veterans who depend on VA for the benefits they have earned.

Funding for the IT overhaul should not be paid for with money from other VA programs. This would, in essence, make veterans pay for VA's gross negligence in the matter. The American Legion hopes that Congress will not attempt to fund the solution to this problem with scarce fiscal resources allocated to the VA for health care delivery. With this in mind, The American Legion is encouraged by the fact that IT now is a line item in the budget recommendation.

VA has shown it can be a leader in the areas of care and service. Its accomplishments, from providing high quality medical care to leading the world in the development of electronic records, are indicators that VA can also be the nation's leader in IT security.

The American Legion believes that there should be a complete review of IT security government wide. VA isn't the only agency within the government that needs to overhaul its IT security protocol. I urge Congress to exercise its oversight authority and review each federal agency to ensure that the personal information of all Americans is secure.

The American Legion recommends $1.5 billion for IT.

THE AGING OF AMERICA'S VETERANS

VA'S LONG-TERM CARE MISSION

VA's Long-Term Care (LTC) has been the subject of discussion and legislation for nearly two decades. In a landmark July 1984 study, *Caring for the Older Veteran*, it was predicted that a wave of elderly veterans had the potential to overwhelm VA's long-term care capacity. Further, the recommendations of the Federal Advisory Committee on the Future of Long-Term Care, in its 1998 report *VA Long-Term Care at the Crossroads*, made recommendations that serve as the foundation for VA's national strategy to revitalize and reengineer long-term care services. It is now 2006 and that wave of veterans has arrived.

Additionally, Public Law 106-117, the Millennium Act, enacted in November 1999, required VA to continue to ensure 1998 levels of extended care services (defined as VA nursing home care, VA domiciliary, VA home-based primary care, and VA adult day health care) in its facilities. Yet, VA has failed to maintain the 1998 bed levels mandated by law.

VA's inability to adequately address the long-term care problem facing the agency was most notable during the CARES process. The planning for the long-term care mission, one of the major services VA provides to veterans, was not even addressed in the CARES initiative, which is touted as the most comprehensive analysis of VA's health care infrastructure that has ever been conducted.

Incredibly, despite 20 years of forewarning, the February 2004 CARES Commission Report to the Secretary of VA states that VA has yet to develop a long-term care strategic plan with well-articulated policies that address the issues of access and integrated planning for the long-term care of seriously mentally ill veterans. The commission also reported that VA had not yet developed a consistent rationale for the placement of LTC units. It was not for lack of prior studies that VA has never had a coordinated LTC strategy. The Secretary's CARES Decision agreed with the commission and directed VHA to develop a strategic plan, taking into consideration all the complexities involved in providing such care across the VA system.

The American Legion supports the publishing and implementation of a LTC strategic plan that addresses the rising long-term care needs of America's veterans. We are, however, disappointed that it has now been over two years since the CARES Decision and no plan has been published.

The American Legion believes that VA should take its responsibility to America's aging veterans seriously and take proactive steps to provide the care mandated by Congress. Congress should do its part and provide adequate funding to VA to implement its mandates.

The American Legion supports current legislation that will ensure appropriate payments for the cost of long-term care provided to veterans in State Veterans Homes. Stronger oversight of payments to state veterans homes, full reimbursement for the treatment of veterans 70 percent service-connected or higher and the more efficient delivery of pharmaceuticals.

It is vital that VA meet the long-term care requirements of the Millennium Health Care Bill and we urge this committee to support adequate funding for VA to meet the long-term care needs of America's veterans.

State Extended Care Facility Construction Grants Program

Since 1984, nearly all planning for VA inpatient nursing home care has revolved around State Veterans' Homes (SVHs) and contracts with public and private nursing homes. The reason for this is obvious: for FY 2004, VA paid a per diem of $59.48 for each veteran it placed in SVHs, compared to the $354 VA claims it cost in FY 2002 to maintain a veteran for one day in its own nursing home care units (NHCUs).

Under the provisions of title 38, United States Code, VA is authorized to make payments to states to assist in the construction and maintenance of SVHs. Today, there are 109 SVHs in 47 states with over 23,000 beds providing nursing home, hospital, and domiciliary care. Grants for Construction of State Extended Care Facilities provide funding for 65 percent of the total cost of building new veterans homes. Recognizing the growing long-term health care needs of older veterans, it is essential that the State Veterans Home Program be maintained as an important alternative health care provider to the VA system. The American Legion opposes attempts to place moratoria on new SVH construction grants. State authorizing legislation has been enacted and state funds have been committed. The West Los Angeles State Veterans' Home, alone, is a $125 million project. Delaying this and other projects will result in cost overruns from increasing building materials costs and may result in states deciding to cancel these much needed facilities.

The American Legion supports:

- Increasing the amount of authorized per diem payments to 50 percent for nursing home and domiciliary care provided to veterans in State Veterans' Homes;
- Providing prescription drugs and over-the-counter medications to State Homes Aid and Attendance patients along with the payment of authorized per diem to State Veterans' Homes; and

- Allowing for full reimbursement of nursing home care to 70 percent service-connected veterans or higher, if the veterans reside in a State Veterans Home.

The American Legion fully supports H.R. 5671, the Veterans Long Term Care Security Act, which would amend title 38, United States Code, to ensure appropriate payment for the cost of long-term care provided to veterans in State veterans' homes and for other purposes. The American Legion urges Congress to move quickly on passing this bill and end the financial punishment veterans must endure should they choose to stay in a State Veterans Home.

The American Legion recommends $250 million for the State Extended Care Facility Construction Grants Program in FY 2008.

MEDICAL SCHOOL AFFILIATIONS

VHA and its medical school affiliates have enjoyed a long-standing and exemplary relationship for nearly 60 years that continues to thrive and evolve to the present day. Currently, there are 126 accredited medical schools in the United States. Of these, 107 have formal affiliation agreements with VA Medical Centers (VAMCs). More than 30,000 medical residents and 22,000 medical students receive a portion of their medical training in VA facilities annually. VA estimates that 70 percent of its physician workforce has university appointments.

VHA conducts the largest coordinated education and training program for health care professions in the nation. The medical school affiliations allow VA to train new health professionals to meet the health care needs of veterans and the nation. Medical school affiliations have been a major factor in VA's ability to recruit and retain high quality physicians. It also affords veterans access to the some of the most advanced medical technology and cutting edge research. VHA research continues to make meaningful contributions to improve the quality of life for veterans and the general population.

VHA's recent and numerous recognitions as a leader in providing safe, high-quality health care to the nation's veterans can be directly attributed to the relationship that has been fostered through the affiliates. The American Legion remains committed to this mutually beneficial affiliation between VHA and the medical schools of this nation. We also believe that medical school affiliates should be appropriately represented as a stakeholder on any national task force, commission, or committee established to deliberate on veterans' health care.

The American Legion affirms its strong commitment and support for the mutually beneficial affiliations between VHA and the medical schools of this nation.

MEDICAL AND PROSTHETICS RESEARCH

The American Legion believes that VA's focus in research should remain on understanding and improving treatment for conditions that are unique to veterans. The Global War on Terrorism is predicted to last at least two more decades. Service members are surviving catastrophically disabling blast injuries due to the superior armor they are wearing in the combat theater and the timely access to quality triage. The unique injuries sustained by the new generation of veterans clearly demand particular attention. It has been reported that VA does not have state-of-the-art prostheses like DoD, and that the fitting of the prostheses for women has presented problems due to their smaller stature.

In addition, The American Legion supports adequate funding for other VA research activities, including basic biomedical research as well as bench-to-bedside projects. Congress and the Administration should encourage acceleration in the development and initiation of needed research on conditions that significantly affect veterans - such as prostate cancer, addictive disorders, trauma and wound healing, post-traumatic stress disorder, rehabilitation, and others jointly with DoD, the National Institutes of Health (NIH), other federal agencies, and academic institutions.

The American Legion recommends $472 million for Medical & Prosthetics Research in FY 2008.

ENVIRONMENTAL EXPOSURES

Agent Orange

One of the top priorities of The American Legion has been to ensure that long overdue major epidemiological studies of Vietnam veterans who were exposed to the herbicide Agent Orange are carried out. In the early 1980s, Congress held hearings on the need for such epidemiological studies. The Veterans' Health Programs Extension and Improvement Act of 1979, P.L. 96-151 directed VA to conduct a study of long-term adverse health effects in veterans who served in Vietnam as a result of exposure to herbicides. When VA was unable to do the job, the responsibility was passed to the Centers for Disease Control (CDC). In 1986, CDC also abandoned the project, asserting that a study could not be conducted based on available records.

The American Legion did not give up. Three separate panels of the National Academy of Sciences have agreed with The American Legion and concluded that CDC was wrong and that epidemiological studies based on DoD records are possible.

The Institute of Medicine (IOM) report, *Characterizing Exposure of Veterans to Agent Orange and Other Herbicides Used in Vietnam*, is based on the research conducted by a Columbia University team. Headed by principal investigator Dr. Jeanne Mager Stellman, the team has developed a powerful method for characterizing exposure to herbicides in Vietnam. The American Legion is proud to have collaborated in this research effort. In its final report on the study, the IOM urgently recommends that epidemiological studies be undertaken now that an accepted exposure methodology is available. The American Legion strongly endorses that report.

The American Legion is extremely concerned about the timely disclosure and release of all information by DoD on the use and testing of herbicides in locations other than Vietnam during the war. Over the years, The American Legion has represented veterans who claim to have been exposed to herbicides in places other than Vietnam. Without official acknowledgement by the federal government of the use of herbicides, proving such exposure is virtually impossible. Information has come to light in the last few years leaving no doubt that Agent Orange, and other herbicides contaminated with dioxin, were released in locations other than Vietnam. This information is slowly being disclosed by DoD and provided to VA.

In April 2001, officials from DoD briefed VA on the use of Agent Orange along the Korean demilitarized zone (DMZ) from April 1968 through July 1969. It was applied through hand spraying and by hand distribution of pelletized herbicides to defoliate the fields of fire between the front line defensive positions and the south barrier fence. The size of the treated area was a strip 151 miles long and up to 350 yards from the fence to north of the civilian control line. According to available records, the effects of the spraying were sometimes observed as far as 200 meters downwind. Original estimates projected as many as 80,000 troops were possibly exposed during this period. This number was later reduced to 12,056. DoD identified the units that were stationed along the DMZ during the period in which the spraying took place. This information was given to VA's Compensation and Pension Service, which provided it to all 58 regional offices. Just recently, VA has decided to add several more units to the list of those exposed to herbicides at the Korean DMZ. VA Central Office has instructed its Regional Offices to concede exposure for veterans who served in the identified units during the period the spraying took place.

In January 2003, DoD provided VA with an inventory of documents containing brief descriptions of records of herbicides used at specific times and locations outside of Vietnam. The information, unlike the information on the Korean DMZ, does not contain units involved or individual identifying information. Also, according to VA, this information is incomplete, reflecting only 70 to 85 percent of herbicide use, testing and disposal locations outside of Vietnam. VA requested that DoD provide it with information regarding the units involved with herbicide operations or other information that may be useful to place veterans at sites where herbicide operations or testing was conducted.

Obtaining the most accurate information available concerning possible exposure is extremely important for the adjudication of herbicide-related disability claims of veterans claiming exposure outside of Vietnam. For herbicide-related disability claims, veterans who served in Vietnam during the period of January 9, 1962, to May 7, 1975,

are presumed by law to have been exposed to Agent Orange. Veterans claiming exposure to herbicides outside of Vietnam are required to submit proof of exposure. This is why it is crucial that all information pertaining to herbicide use, testing, and disposal in locations other than Vietnam be released to VA in a timely manner. Congressional oversight is needed to ensure that additional information identifying involved personnel or units for the locations already known by VA is released by DoD, as well as all relevant information pertaining to other locations that have yet to be identified. Locating this information and providing it to VA must be a national priority.

Gulf War Illness

Hallmark legislation was enacted in 1994 to ensure compensation for Gulf War veterans suffering from unexplained illnesses. Although the Veterans' Benefits Improvement Act of 1994, P.L. 103-446, looked good on paper, a 75 percent denial rate was the reality for sick Gulf War veterans seeking VA service connection for Gulf War related undiagnosed illness. As a result, The American Legion supported legislation to amend title 38 to correct this problem.

Despite the enactment of the Veterans Education and Benefits Expansion Act of 2001, P.L. 107-103 -- which clarified and expanded the definition of undiagnosed illness by including medically unexplained chronic multi-symptom illness, such as chronic fatigue syndrome, fibromyalgia, and irritable bowel syndrome -- the denial rate for these claims remains very high. The restrictive nature of VA's final rule, published in the Federal Register on June 10, 2003, implementing P.L. 107-103 will likely reinforce this pattern. We urge Congress to conduct oversight of the Gulf War related provisions of P. L. 107-103.

In January 2003, the Secretary of Veterans Affairs requested that the IOM review medical and scientific literature on the long-term health effects of sarin published since its initial report on sarin in September 2000. In its 2000 report, the IOM concluded that there was insufficient evidence to determine if an association exists between exposure to sarin, at levels too low to cause acute symptoms, and subsequent long-term adverse health effects. The IOM recommended that studies using laboratory animals be conducted to explore long-term health effects of acute short-term sarin exposure at levels that do not cause immediate acute symptoms. Subsequent to the September 2000 report, studies conducted by the U.S. Army Medical Research Institute of Chemical Defense found that low-level sarin exposure causes long-term health effects in animals. On August 20, 2004, IOM completed its review of all available peer-reviewed literature. Once again, IOM was unable to rule-out low level sarin exposure as a possible cause of long-term adverse health effects in Gulf War veterans. As in its 2000 report, IOM concluded that there is still insufficient/inadequate evidence to determine whether an association does or does not exist between sarin at levels too low to cause immediate acute symptoms and subsequent long-term adverse health effects.

Recent revelations involving the number of military personnel potentially exposed to sarin following the demolition of an Iraqi munitions storage complex in Khamisiyah, Iraq, in March 1991, makes this research imperative. On June 1, 2004, the Government Accountability Office (GAO) confirmed its June 2003 preliminary findings in a final report titled: *Gulf War Illnesses: DOD'S Conclusions about U.S. Troops' Exposure Cannot Be Adequately Supported.* Due to the unreliability of DoD plume modeling, GAO determined that DoD's conclusions about the number of troops exposed are highly questionable. DoD models estimated that approximately 100,000 military personnel were potentially exposed to low-levels of nerve agent. According to GAO, as many as 350,000 U.S. military personnel may have been exposed to nerve agents in Iraq. GAO also concluded that given the weak data, further modeling efforts would not be any more accurate or helpful.

In July 2005, IOM released its study on mortality in Khamisiyah veterans, *Mortality in US Army Gulf War Veterans Exposed to 1991 Khamisiyah Chemical Munitions Destruction.* The researchers, comparing the mortality of exposed veterans with unexposed veterans, found no significant difference, with one exception -- exposed veterans exhibited an increased risk of brain cancer deaths. The 2000 plume model was used to identify both groups of veterans. While researchers note that sarin and cyclosarin are not known carcinogens, this finding may be an indication that low-level sarin exposure can produce long-term adverse health effects in Gulf War veterans.

GAO's investigation clearly invalidates DoD's modeling efforts as well as the usefulness of any future efforts, and suggests the number of troops exposed to nerve agents is likely much greater than estimated by DoD, and that an increase in brain cancer deaths has been identified as unique among those presumed to be exposed during the demolition at Khamisiyah. The American Legion urges that a presumption of exposure be granted for every service member in the region at the time of the demolition.

In 2003, VA and DoD released a study on amyotrophic lateral sclerosis (ALS or Lou Gehrig's disease) a fatal neurodegenerative disease affecting nerve cells in the brain, brain stem, or the spinal cord. Researchers found that deployed Gulf War veterans are twice as likely as their non-deployed counterparts to develop ALS. The Secretary of VA responded to this finding by offering Gulf War ALS cases expeditious adjudication -- on a direct service connection basis. However, VA determined that it would be premature at this time to create a regulatory presumption for service connection for Gulf War veterans with ALS. A one-year presumptive period is assigned for this disease, regardless of service area.

ALS is characterized by the loss of the ability to speak, swallow, chew and breathe, and muscle weakening to the point of paralysis. Initial onset of the disease varies in time and degree. Symptoms may be mild, or the condition may appear dormant with little or no progression for years. Indicators may be so mild that they may be disregarded or misdiagnosed. Since Gulf War veterans are twice as likely to develop ALS, and symptoms may have delayed manifestation, legislation is needed to protect Gulf War veterans who may suffer from this disease in the future. ALS needs to be added to the presumptive list of illnesses for Gulf War veterans and the general presumptive period for all veterans with ALS needs to be extended to seven years following discharge from active duty.

Fifteen years after the war, thousands of Gulf War veterans continue to suffer from chronic unexplained illnesses that have unknown causes; no effective treatments are available to alleviate their symptoms. The current presumptive period for undiagnosed illnesses will expire December 2006. However, the symptoms experienced by Gulf War veterans are not well understood and may not be for years to come. Therefore, The American Legion believes that legislation should be enacted to extend the presumptive period indefinitely.

Atomic Veterans

Since the 1980s, claims by atomic veterans exposed to ionizing radiation for a radiogenic disease, for conditions not among those listed in title 38, U.S.C. § 1112 (c)(2), have required an assessment to be made by the Defense Threat Reduction Agency (DTRA) as to nature and amount of the veteran's radiation dosing. Under this guideline, when dose estimates provided are reported as a range of doses to which a veteran may have been exposed, exposure at the highest level of the dose range is presumed. From a practical standpoint, VA routinely denied the claims by many atomic veterans on the basis of dose estimates indicating minimal or very low-level radiation exposure.

As a result of the court decision in *National Association of Radiation Survivors v. VA* and studies by GAO and others of the U.S.'s nuclear weapons test program, the accuracy and reliability of the assumptions underlying DTRA's dose estimate procedures have come into question. On May 8, 2003, the National Research Council's Committee to Review the DTRA Dose Reconstruction Program released its report. It confirmed the complaints of thousands of atomic veterans that DTRA's dose estimates have often been based on arbitrary assumptions resulting in underestimation of the actual radiation exposures. Based on a sampling of DTRA cases, it was found that existing documentation of the individual's dose reconstruction, in a large number of cases, was unsatisfactory and evidence of any quality control was absent. The committee concluded their report with a number of recommendations that would improve the dose reconstruction process of DTRA and VA's adjudication of radiation claims.

The American Legion was encouraged by the mandate for a study of the dose reconstruction program; nonetheless, we are concerned that the dose reconstruction program may still not be able to provide the type of information that is needed for atomic veterans to receive fair and proper decisions from VA. Congress should not ignore the National Research Council's findings and other reports that dose estimates furnished VA by DTRA over the past fifty years have been flawed and have prejudiced the adjudication of the claims of tens of thousands of atomic veterans. It remains practically impossible for atomic veterans or their survivors to effectively challenge a DTRA dose estimate.

There are currently 1,417 pending non-presumptive claims, to include new cases and those requiring reassessments. Fifty-three percent of the pending cases are for skin cancer, a disease not currently on the list for presumptive illnesses for ionizing radiation exposure. The average time that a pending skin cancer case has been at DTRA is 708 days, not including time involved with initial processing at VA. The oldest case has been pending at DTRA for 1,266 days. Individual radiation dose assessments (RDA) can cost as much as $27,000, depending on complexity. The 221 dose assessments DTRA produced for skin cancers alone cost approximately $4.1 million or about $18,000 per case; VA medical and compensation costs for skin cancers during the same time frame are estimated at less than $1 million.

The American Legion believes that the dose reconstruction program should not continue. It is not possible to accurately reconstruct the radiation dosages to which these veterans were exposed. The process prolongs claims decisions on ionizing radiation cases, ultimately delaying treatment and compensation for veterans with fatal diseases. We urge the enactment of legislation to eliminate this provision in the claim of a veteran with a recognized radiogenic disease who was exposed to ionizing radiation during military service.

Mustard Gas Exposure

In March 2005, the VA initiated a national outreach effort to locate veterans exposed to mustard gas and Lewisite as participants in chemical warfare testing programs while in the military. The purpose of the testing programs was to evaluate the effectiveness of various types of protective clothing, ointments and equipment that could be used to protect American soldiers on the battlefield. Some participants were exposed during full-body exposure wearing various degrees of protective gear and some were tested by having a droplet of the agent applied to their forearms. For this recent initiative, VA is targeting veterans who have been newly identified by DoD for their participation in the testing, most of which had participated in programs conducted during WWII. DoD estimated 4,500 service members had been exposed.

Since the most recent VA outreach effort was announced, The American Legion has been contacted by veterans who contend that the number of participants identified was understated by tens of thousands, and that participation in these clandestine chemical programs extended decades beyond the World War II era. Investigators did not always maintain thorough records of the events, adverse health effects were not always annotated in the service members' medical records, and participants were warned not to speak of the program. Without adequate documentation of their participation, participants may not be able to prove that their current ailments are related to the testing. It is important that DoD commits to investigating these claims as they arise to see if they have merit. It is also important that VA commits to locating those identified by DoD in a timely manner, as many of them are WWII era veterans. Congressional oversight may be necessary to ensure that these veterans are granted the consideration they deserve.

HOMELESS VETERANS

VA has estimated that there are at least 250,000 homeless veterans in America and approximately 500,000 are homeless in a given year. Most homeless veterans are single men; however, the number of single women with children has drastically increased within the last few years. Homeless female veterans tend to be younger, are more likely to be married, and are less likely to be employed. They are also more likely to suffer from serious psychiatric illness.

Approximately 40 percent of homeless veterans suffer from mental illness and 80 percent have alcohol or other drug abuse problems. It cannot go unnoticed that the increase in homeless veterans coincides with the under funding of VA health care, which resulted in the downsizing of inpatient mental health capabilities in VA hospitals across the country. Since 1996, VA has closed 64 percent of its psychiatric beds and 90 percent of its substance abuse beds. It is no surprise that many of these displaced patients end up in jail or on the streets. The American Legion applauds VA's recent plan to restore a good portion of this capacity. The American Legion believes there should be a focus on the prevention of homelessness, not just measures to respond to it. Preventing it is the most important step to ending it.

The American Legion has a vision to assist in ending homelessness among veterans by ensuring services are available to respond to veterans and their families in need before they become homeless. Toward that objective,

The American Legion in partnership with the National Coalition for Homeless Veterans created a Homeless Veterans Task Force. The mission of the Task Force is to develop and implement solutions to end homelessness among veterans through collaborating with government agencies, homeless providers and other veteran service organizations. In the last two years, 16 homeless veterans workshops were conducted during The American Legion National Leadership Conferences, National Convention and Mid-Winter Conferences. Currently, there are 51 Homeless Veterans Chairpersons within The American Legion who act as liaison to federal, state and community homeless agencies and monitor fundraising, volunteerism, advocacy and homeless prevention activities within participating American Legion Departments.

The current Administration has vowed to end the scourge of homelessness within ten years. The clock is running on this commitment, yet words far exceed deeds. While veterans comprise less than nine percent of the nation's population, 34 percent of the nation's homeless are veterans and 75 percent of those are wartime veterans.

Homelessness in America is a travesty, and veterans' homelessness is disgraceful. Left unattended and forgotten, these men and women, who once proudly wore the uniforms of this nation's armed forces and defended her shores, are now wandering her streets in desperate need of medical and psychiatric attention and financial support. While there have been great strides in ending homelessness among America's veterans, there is much more that needs to be done. We must not forget them. The American Legion supports funding that will lead to ending homelessness within the next ten years.

Homeless Providers Grant and Per Diem Program Reauthorization

In 1992, VA was given authority to establish the Homeless Providers Grant and Per Diem Program under the Homeless Veterans Comprehensive Service Programs Act of 1992, P.L. 102-590. The Grant and Per Diem Program is offered annually (as funding permits) by the VA to fund community agencies providing service to homeless veterans.

The American Legion strongly supports funding the Grant and Per Diem Program for a five-year period instead of annually and supports increasing the funding level to $200 million annually.

BLINDED VETERANS

There are currently over 38,000 blind veterans enrolled in the VA health care system. Additionally, demographic data suggests that in the United States, there are over 135,000 veterans with low-vision problems. Due to staffing shortages, over 1,500 blind veterans will wait months to get into one of the ten blind rehabilitative centers. VA currently employs twenty-six Blind Rehabilitative Outpatient Specialists (BROS) to provide services in twenty medical centers. The training BROS provide is critical to the continuum of care for blind veterans.

DoD medical system is dependent on VA to provide blind rehabilitative services. There is only one BROS for the Washington/Baltimore VAMC, which covers both Walter Reed Army Medical Center and Bethesda Naval Medical Center.

Given the critical skills that a BROS teaches to help blind veterans and their families adjust to such a devastating injury, VA must recruit more of these specialists.

COMPENSATION AND PENSION

VETERANS BENEFITS ADMINISTRATION

Veterans Benefits Administration (VBA)

The VA has a statutory responsibility to ensure the welfare of the nation's veterans, their families, and survivors. Providing quality decisions in a timely manner has been, and will continue to be, one of the VA's most difficult challenges.

Workload and Claims Backlog

There are approximately 2.6 million veterans receiving disability compensation and VA reports that this number is increasing at a rate of 5,000-7,000 per month. VA reported that its 57 Veterans Benefits Administration (VBA) regional offices issued more than 763,000 disability determinations in FY 2005. Three- and four-percent increases are expected in FY 2006 and 2007, amounting to approximately 826,000 claims in FY 2006 and 842,000 in FY 2007. A majority of these claims involve multiple issues that are legally and medically complex and time consuming to adjudicate.

The increasing complexity of VA claims adjudication continues to be a major challenge for VA rating specialists. Since judicial review of veterans' claims was enacted in 1988, the remand rate of those cases appealed to the United States Court of Appeals for Veterans Claims (CAVC) has been about 50 percent. In a series of precedent-setting decisions by the CAVC and the United States Court of Appeals for the Federal Circuit, a number of longstanding VA policies and regulations have been invalidated because they were not consistent with statute. These court decisions immediately added thousands of cases to regional office workloads, since they require the review and reworking of tens of thousands of completed and pending claims.

As of August 19, 2006, there were more than 389,000 rating cases pending in the VBA system. Of these, 92,047 (23.6 percent) have been pending for more than 180 days. According to the VA, the appeals rate has also increased from a historical rate of about 7 percent of all rating decisions being appealed to a current rate that fluctuates from 11 to 14 percent. This equates to more than 152,000 appeals currently pending at VA regional offices, with more than 132,000 requiring some type of further adjudicative action.

Staffing

Whether complex or simple, VA regional offices are expected to consistently develop and adjudicate veterans' and survivors' claims in a fair, legally proper, and timely manner. The adequacy of regional office staffing has as much to do with the actual number of personnel as it does with the level of training and competency of the adjudication staff. VBA has lost much of its institutional knowledge base over the past four years due to the retirement of many of its 30-plus year employees. As a result, staffing at most regional offices is made up largely of trainees with less than five years of experience. Over this same period, as regional office workload demands escalated, these trainees have been put into production units as soon as they completed their initial training.

Concern over adequate staffing in VBA to handle its demanding workload was addressed by VA's Office of the Inspector General (IG) in a report released in May 2005 (Report No. 05-00765-137, dated May 19, 2005). The IG specifically recommended, "...in view of growing demand, the need for quality and timely decisions, and the ongoing training requirements, reevaluate human resources and ensure that the VBA field organization is adequately staffed and equipped to meet mission requirements." The Under Secretary for Benefits has conceded that the number of personnel has decreased over the last few years. And the congressionally mandated Veterans' Disability Benefits Commission is also closely looking at the adequacy of current staffing levels.

It is an extreme disservice to veterans, not to mention unrealistic, to expect VA to continue to process an ever increasing workload, while maintaining quality and timeliness, with less staff. Our current wartime situation provides an excellent opportunity for VA to actively seek out returning veterans from Operations Enduring Freedom and Iraqi

Freedom, especially those with service-connected disabilities, for employment within VBA. To ensure VA and VBA are meeting their responsibilities, The American Legion strongly urges Congress to scrutinize VBA's budget requests more closely. Given current and projected future workload demands, regional offices clearly will need more rather than fewer personnel and The American Legion is ready to support additional staffing. However, VBA must be required to provide better justification for the resources it says are needed to carry out its mission and, in particular, how it intends to improve the level of adjudicator training, job competency, and quality assurance.

Training

Proper mandatory training is a key factor in the quality of regional office rating decisions. The Board of Veterans' Appeals (BVA) combined remand and reversal rate (59.4 percent) of regional office decisions for FY 2005 is a direct reflection of the lack of importance placed on training by regional office. Over the past few years, The American Legion's Quality Review Team has visited nearly 40 VA regional offices for the purpose of assessing overall operation. This includes a review of recently adjudicated claims. Our site visits have found that, frequently, there have been too few supervisors or inexperienced supervisors to provide trainees necessary mentoring, training, and quality assurance. In addition, at many stations, ongoing training for the new hires as well as the more experienced staff was postponed or suspended, so as to focus maximum effort on production.

Although the Under Secretary for Benefits has stated on numerous occasions that training of personnel is a top priority within VBA, the inconsistency in VBA's training approach and in its implementation needs to be thoroughly reviewed and addressed by upper management within the Department as the lack of proper training and oversight adversely impacts all areas of VBA. Each of VBA's 57 regional offices appears to have different approaches to training and they also differ in the importance placed on training. According to a VA Office of the Inspector General (VAOIG) survey of rating veteran service representatives (RVSR) and decision review offices (DRO), conducted in conjunction with its May 2005 report on "State Variances in VA Disability Compensation Payments," the respondents expressed positive opinions regarding the quality of their training, but indicated that training has not received high priority.

- 57 percent reported the quality of training to be good or very good
- 16 percent reported the quality of training to be poor or very poor
- 45 percent reported that they had received 10 hours or less of formal classroom instruction on rating policies and procedures in the last 12 months.
- 24.1 percent reported that they had received 11-20 hours of formal classroom instruction in the last 12 months.
- 18 percent responded that their regional office provides formal classroom instruction on rating policies and procedures once a week.
- 45.6 percent responded that their regional office provides formal classroom instruction on rating policies and procedures once a month.
- 36.4 percent responded that their regional office provides formal classroom instruction on rating policies and procedures once a quarter or less often.

Production Versus Quality

Any rational, informed observer of the VA adjudication system would find that the VA suffers from a quality problem. Despite the fact that VBA's policy of "production first" has resulted in many more veterans getting faster action on their claims, the downside has been that tens of thousands of cases have been prematurely and arbitrarily denied. Approximately 65 percent of VA raters and Decision Review Officers (DRO) surveyed by the IG, in conjunction with its May 2005 report, admitted that they did not have enough time to provide timely and quality decisions. In fact, 57 percent indicated that they had difficulty meeting production standards if they took time to

adequately develop claims and thoroughly review the evidence before making a decision. Inadequate staffing levels and pressure to make quick decisions, resulting in an overall decrease in quality of work, has also been a consistent complaint among Service Center employees interviewed by The American Legion staff during its regional office quality checks. As a consequence, the appeals burden at the regional offices, the Board of Veterans' Appeals (Board or BVA) and the Appeals Management Center (AMC) continues to grow. In FY 2005, the BVA issued more than 34,000 decisions and, of these, the BVA either overturned the regional offices' decisions or remanded for additional development in almost 60 percent of the appeals.

For years, The American Legion and other veterans' service organizations (VSOs) have stated that the driving force behind most VA adjudications is the need for the VA to process as many claims as possible in the fastest possible time. Awards and bonuses are often centered on production and even the IG acknowledged that because the VA often does not take the time to obtain all relevant evidence and information, there is a good chance that these claims are not properly adjudicated. The emphasis on quantity and speed of adjudication results in premature adjudications, improper denials of benefits and, of course, inconsistent decisions. The growing claims backlog and the immense pressure on VA leadership to reduce it and provide timely decisions are often at odds with efforts to maintain or improve the quality of the decisions. Instituting realistic production goals and timelines that take into consideration the number of pending cases and the complexity of the work must be done if VA is to ever reach a much needed balance between production and quality in its adjudication process. In addition to providing rating personnel with enough time to properly develop and rate claims, it is essential for VA management to actively encourage and reward quality work.

Additional Areas of Concern

VBA Communication with Veterans

The Veterans' Claims Assistance Act of 2000 (VCAA), P.L. 106-475, was designed in part to improve the way VBA communicated with claimants and the way in which VA regional offices developed claims. Great pains were taken in the wording of the statute to make clear the exact nature and extent of VA's obligations and responsibilities in notifying and assisting claimants. Essentially, the VCAA required the VA to inform veterans of the evidence and information that was needed in order for the VA to award benefits. This process was a major departure from longstanding adjudication policies and procedures, which did not adequately inform and assist individuals with their claims. This legislation was expected to result in claims that were more fully developed and which could be adjudicated in a more expeditious and accurate manner, thereby improving service to claimants. There was also an expectation that these improvements would increase claimant satisfaction with the decision received and, over time, reduce the appellate workload for the Decision Review Officers and for the Board of Veterans' Appeals.

Unfortunately, many VCAA development letters have not fulfilled the intent of the legislation. It is the experience of The American Legion, based on over 36 quality reviews of VA regional offices that many VCAA letters are poorly written and difficult to understand. We have identified instances where the letter sent to the claimant did not even begin to address relevant issues. Additionally, during our site visits, some VA regional office adjudicators and managers expressed dissatisfaction with the content of the VCAA letters issued by VA Central Office. These regional office employees were upset that they were not permitted to alter or amend the language provided by VA Central Office. In addition, it has been the experience of The American Legion that in some VA regional offices, relatively inexperienced regional office employees are tasked with the job of developing claims. Inadequate early development and notification can lead to many later adjudication problems.

Veterans seeking VA benefits should not have to wait until they receive a statement of case in order to understand what evidence the VA needs in order to properly adjudicate their claims. Properly and promptly informing the claimant of the evidence and information required to win the claim is an essential part of the VA's duty to assist the claimant in the development of his or her claim and it is an integral part of the non adversarial VA claims adjudication process. It is evident from the high appeals rate and remand rate for VCAA deficiencies that in many instances this is not being done.

The American Legion wants to stress that besides inadequate VCAA notifications being a legal issue, the failure to properly communicate with veterans seeking VA benefits is a fairness issue. It makes no sense for the VA to hide from what evidence would support the granting of VA benefits.

Veterans' Disability Benefits Commission
The purpose of the commission mandated by the Defense Authorization Act of 2004, P.L. 108-136, is to carry out a study of the benefits under the laws of the United States that are provided to compensate and assist veterans and their survivors for disabilities and deaths attributable to military service. Although VA will play a supporting role in its work, the commission is an independent body and VA will not have any control over it or its report to Congress.

P.L. 108-136 requires the commission to submit a report on its study to the President and Congress within 15 months after the date of its first meeting. Cognizant of the enormous task ahead, Chairman James T. Scott stated, during the commission's first public meetings May 9-10, 2005, that he would, most likely, request an extension of the 15-month report deadline. The National Defense Authorization Act for FY 2006, signed by the President on January 6, 2006, contained a provision extending the deadline of the report from August 2006 to October 2007.

Concerned about the questionable history surrounding the creation of the commission and the impact its recommendations will undoubtedly have on VA's disability compensation program, The American Legion staff has met with representatives from the other major veterans' service organizations (VSOs) on several occasions to discuss its mutual concerns and strategies for monitoring and responding to the commission. Most recently, The American Legion, Disabled American Veterans (DAV), Veterans of Foreign Wars of the United States (VFW) and the Military Order of the Purple Heart (MOPH), at the commission's May 2006 public meeting, presented a joint statement regarding the commission's desire to collect social security disability insurance (SSDI) data as part of its study. After much debate, commissioners agreed to a compromise that would allow the commission to collect aggregate SSDI data, not data for individual recipients. The American Legion continues to closely monitor the commission's activities.

Attorney Representation

Three bills have been introduced in the Congress this year seeking to lift the current restrictions on attorney representatives before VA. Chairman Craig's bill, S. 2694, passed the Senate on August 3, 2006, and is pending further action. The American Legion does not oppose the concept of attorney representation in the VA system or the lifting of current restrictions on attorney representation. We are concerned that such legislation should contain adequate safeguards to ensure each attorney's competency, training and reasonable fee limits.

Although we do not disagree with the reasoning of these bills -- namely that a veteran should have the right to hire counsel to represent him or her in the VA claims administrative process -- we do not concede that attorneys would necessarily do a better job representing claimants before the VA than experienced veterans' service organization (VSO) representatives who currently provide this service free of charge. Just because a veteran's advocate is an attorney does not mean that he or she is proficient in this very specialized area of administrative law and would be a more effective representative. In fact, the data at the administrative level does not indicate that attorneys are better or more effective representatives than VSO service officers. A review of the Board of Veterans' Appeals (BVA) disposition of appeals for Fiscal Year (FY) 2005 demonstrates that VSOs do as well, if not better, than attorneys in achieving a favorable resolution of an appeal.

Additionally, The American Legion disagrees with the notion that lifting current restrictions so attorneys can enter the administrative process before a final VA administrative decision will fix all the problems that currently exist in the VA claims process. We are concerned that attorneys may make these problems worse by clogging the system with frivolous motions and other paperwork requests, and may change the current non-adversarial nature of the VA administrative process. Moreover, some claimants who begin the process with an attorney may, at some point during the claims process for whatever reason, sever the attorney-client relationship and then seek the services of a VSO representative. This situation may put both the claimant and the VSO representative at a disadvantage.

The American Legion does not believe lifting current restrictions on attorney representation in the VA is a solution

to resolving the major problems that exist in the VA adjudicative process. We urge the Congress to address the major problems that currently exist including, but not limited to, lack of accountability in the adjudicative process, training, inadequate staffing levels, and lack of quality and consistency in rating decisions by the rating officials and veteran law judges.

GI BILL EDUCATION BENEFITS

The American Legion commends the 109th Congress for its actions to improve the current Montgomery GI Bill (MGIB). A stronger MGIB is necessary to provide the nation with the caliber of individuals needed in today's Armed Forces. The American Legion appreciates the efforts that this Congress has made to address the overall recruitment needs of the Armed Forces and to focus on the current and future educational requirements of the All-Volunteer Force.

Over 96 percent of recruits currently sign up for the MGIB and pay $1,200 out of their first year's pay to guarantee eligibility. However, only one-half of these military personnel use any of the current Montgomery GI Bill benefits. We believe this is directly related to the fact that current GI Bill benefits have not kept pace with the increasing cost of education. According to "The College Board", a not-for-profit membership association that includes more than 5,000 schools, colleges, universities, and other educational organizations, the average cost of attending a four year public institution or university is $15,566. Tuition plus room and board alone (this does not include costs for books, supplies, transportation and other expenses) average $12,127. On October 1, 2005, the basic monthly rate of reimbursement under MGIB was raised to $1,034 per month for a successful four-year enlistment and $840 for an individual whose initial active duty obligation was less than three years. The current educational assistance allowance for persons training full-time under the MGIB Selected Reserve is $297 per month.

The Servicemen's Readjustment Act of 1944, P.L. 78–346, the original GI Bill, provided millions of members of the Armed Forces an opportunity to seek higher education. Many of these individuals may not have been afforded this opportunity without the generous provisions of that act. Consequently, these former service members made a substantial contribution not only to their own careers, but also to the economic well being of the country. Of the 15.6 million veterans eligible, 7.8 million took advantage of the educational and training provisions of the original GI Bill. Between 1944 and 1956, when the original GI Bill ended, the total educational cost of the World War II bill was $14.5 billion. The Department of Labor estimates that the government actually made a profit, because veterans who had graduated from college generally earned higher salaries and, therefore, paid more taxes.

Today, a similar concept applies. The educational benefits provided to members of the Armed Forces must be sufficiently generous to have an impact. The individuals who use MGIB educational benefits are not only improving their career potential, but also making a greater contribution to their community, state, and nation.

The American Legion recommends the 110th Congress make the following improvements to the current MGIB:

- **The dollar amount of the entitlement should be indexed to the average cost of a college education including tuition, fees, textbooks, and other supplies at an accredited public university, college, or trade school for which they qualify;**
- **The educational cost index should be reviewed and adjusted annually;**
- **A monthly tax-free subsistence allowance indexed for inflation must be part of the educational assistance package;**
- **Enrollment in the MGIB shall be automatic upon enlistment; however; benefits will not be awarded unless eligibility criteria have been met;**
- **The current military payroll deduction ($1,200) requirement for enrollment in MGIB must be terminated;**

- **If a veteran enrolled in the MGIB acquired educational loans prior to enlisting in the Armed Forces, MGIB benefits may be used to repay those loans;**
- **If a veteran enrolled in MGIB becomes eligible for training and rehabilitation under Chapter 31, of title 38, United States Code, the veteran shall not receive less educational benefits than otherwise eligible to receive under MGIB;**
- **Separating service members and veterans seeking a license, credential, or to start their own business must be able to use MGIB educational benefits to pay for the cost of taking any written or practical test or other measuring device;**
- **Eligible veterans shall have an unlimited number of years after discharge to utilize MGIB educational benefits;**
- **Eligible veterans should have the right to transfer their earned benefits to their spouse and dependents; and**
- **Eligible members of the Select Reserves who qualify for MGIB educational benefits shall receive not more than half of the tuition assistance and subsistence allowance payable under the MGIB and have up to 5 years after their date of separation to use MGIB educational benefits.**

Education and the Total Force GI Bill

Historically, The American Legion has encouraged the development of essential benefits to help attract and retain service members into the Armed Services, as well as to assist them in making the best possible transition back to the civilian community. These historic pieces of legislation, authored by the leadership of The American Legion, enabled veterans to purchase their first homes, attend college, and start businesses. The emergence of the American middle class, the suburbs, civil rights, and a worldwide economic boom can be attributed to this important legislation. The majority of individuals who join the National Guard or Reserves enter the Armed Forces straight out of high school, and many are full or part time students.

With the number of activations since 9/11, these same Reservists who are attending colleges and universities around the country are discovering that their actual graduation date may be extended well past their initial anticipated graduation date due to their military obligations.

One local Reservist who recently completed a 14-month tour in Iraq left school after 9/11 because he was told his unit would soon be deploying. This same Reservist recently graduated from the University of Maryland after eight years and has accumulated $50,000 in debt. The other half of this travesty is that it took 15 months for him to receive his first GI Bill payment; nevertheless, his immediate plans are to leave the service when his contract ends in 2007. It is important that VA provide viable educational programs to the Reserve and Guard forces as their commitment to the Global War on Terrorism increases.

Background of the Reserve Force

In the twenty years since the Montgomery GI Bill went into effect on June 30, 1985, the nation's security has changed radically from a fixed cold war to a dynamic "Global War on Terror." In 1991, the Active Duty Force (AF) of the Military stood at 2.1 million; today it stands at 1.4 million. Between 1915 and 1990 the Reserve Force (RF) was involuntarily mobilized only nine times.

There is now a continuum of service, beginning with those who serve in the reserve only, extending through those in the reserve who are called to active duty for a considerable period of time, and ending with those who enlist in the active Armed Forces and serve for a considerable period of time. Since 9/11 more than 480,000 members of the 860,000-member Selected Reserve (SelRes) have been activated.

Today approximately 40 percent of troops in Iraq are Guardsmen or Reservists. Despite this, the Montgomery GI Bill (MGIB) and the Montgomery GI Bill--Selected Reserve (MGIB-SR) still reflect benefits awarded twenty years ago. The members of the Selected Reserve rarely served on active duty at that time. The idea that any projection of military power would require the activation of at least some Reservists was never considered in creating these programs.

Currently, the GI Bill pays the average reservist $297.00 a month for 36 months compared to his or her active duty counterpart who is paid $1,004.00. With the rising cost of tuition, many Reservists are forced to apply for government and commercial loans, along with other sources, to supplement their GI Bill benefits.

Because most Reservists have both careers and families , these activated citizen soldiers face additional burdens as financial and career obligations mount, while their families, employers, and communities frequently face significant sacrifices and hardships as well. This has led to inequitable situations. First, Selected Reserve members and members of the Individual Ready Reserve (IRR) may be called to active duty for considerable periods, but less than two years. When they return to civilian life, what is available to help them readjust? They either have the same $297 per month benefit as those members of the Selected Reserve who never serve on active duty, or they may have nothing at all if their active duty is at the end of their six-year commitment to the Selected Reserve.

As the distinctions between the service requirements of active and Reserve forces continue to diminish, the difference between the active and Reserve forces of the GI Bill should diminish as well. Benefits should remain commensurate with sacrifice and service. The American Legion agrees with the concept of the Total Force Montgomery GI Bill which is designed to update the GI Bill by incorporating the new security realities of this current open-ended Global War on Terror, and addressing the recruiting and retention issues, which arise from it, to include the expanded role that the Reserve forces play in this modern era. The current members of the Reserve and active duty forces are being asked to perform in a manner literally unprecedented since WWII.

VOCATIONAL REHABILITATION AND EMPLOYMENT SERVICE (VR&E)

The mission of the VR&E program is to help qualified, service-disabled veterans achieve independence in daily living and, to the maximum extent feasible, obtain and maintain suitable employment. The American Legion fully supports these goals. As a nation at war, there continues to be an increasing need for VR&E services to assist Operations Iraqi Freedom and Enduring Freedom veterans in reintegrating into independent living, achieving the highest possible quality of life, and securing meaningful employment. To meet America's obligation to these specific veterans, VA leadership must focus on marked improvements in case management, vocational counseling, and -- most importantly — job placement.

The success of the rehabilitation of our severely disabled veterans is determined by the coordinated efforts of every Federal agency (DoD, VA, DoL, OPM, HUD etc.) involved in the seamless transition from the battlefield to the civilian workplace. Timely access to quality health care services, favorable physical rehabilitation, vocational training, and job placement play a critical role in the "seamless transition" of each veteran, as well as his or her family.

Administration of VR&E and its programs is a responsibility of the Veterans Benefits Administration (VBA). Providing effective employment programs through VR&E must become a priority. Until recently, VR&E's primary focus has been providing veterans with skills training, rather than providing assistance in obtaining meaningful employment. Clearly, any employability plan that doesn't achieve the ultimate objective --a job -- is falling short of actually helping those veterans seeking assistance in transitioning into the civilian workforce.

Vocational counseling also plays a vital role in identifying barriers to employment and matching veterans' transferable job skills with those career opportunities available for fully qualified candidates. Becoming fully qualified becomes the next logical objective toward successful transition.

Veterans Preference in federal hiring plays an important role in guiding veterans to career possibilities within the federal government and must be preserved. There are scores of employment opportunities within the federal government that educated, well-trained, and motivated veterans can fill -- given a fair and equitable chance to

compete. Working together, all federal agencies should identify those vocational fields, especially those with high turnover rates, suitable for VR&E applicants. Career fields like information technology, claims adjudications, debt collection, etc., offer employment opportunities and challenges for career-oriented applicants that also create career opportunities outside the federal government.

Several reports published by GAO have cited VA as lacking in its efforts to find employment for disabled veterans. Employment programs have historically been marketed to veterans as an education program and not an employment program. Many veterans attend universities and colleges with few enrolled in training programs such as apprenticeships and on-the-job training that can lead to direct job placement. However, in FY 04 the VR&E service program instituted a number of recommended changes to re-focus the program to become more employment oriented. A five-track employment pilot project was initiated in October 2004 and completed in September 2005. Four areas of the country participated in this project called the "5-Tracks Employment Model." This model includes a "Job Resource Lab" comprising:

- An Employment Resource Center for:
  - Veterans
  - Employment Coordinators
  - Vocational Rehabilitation Counselors and Counseling Psychologist
- Resource for Labor Market Information
- Resource for Job Readiness Assistance
- Internet-Based Employment Resource
- An on-line employment services system to support;
  - Veterans
  - VR&E staff
  - Working Partners
- Virtual one-stop employment network

The VR&E's Job Resource Labs are to be placed in all VA regional offices by the end of 2006. The American Legion applauds this initiative and will be monitoring the implementation phase of the Job Resource Labs.

GAO has also cited exceptionally high workloads for a limited number of staff members at VR&E offices. This increased workload hinders the staff's ability to effectively assist individual veterans with identifying employment opportunities. In April 2005, the average caseload of a typical VR&E counselor approached 160 veterans. The President's FY 2006 budget request included an additional 21 management Directors and Support FTEs to be redirected from other business lines. Currently, VA representatives report the numbers of FTEs have increased and the average caseload has dropped slightly over the past six months. The American Legion is pleased that an additional number of FTEs will be hired and we applaud the President's request for an increase of $10.5 million and 130 FTEs for FY 07. It is vital that Congress approve this request to adequately address the expected increase of veterans needing assistance.

VETERANS' EMPLOYMENT AND TRAINING SERVICE

The 2004 VA Vocational Rehabilitation and Employment Task Force report cited that VR&E had made no significant improvements since the 1996 GAO report. In FY 05 and earlier, many states did not refer veterans from the VR&E program to the Veterans Employment and Training Service (VETS) for assistance in obtaining employment. Veterans with high-tech skills and advanced education were referred to expensive commercial placement agencies that do not specialize in employment assistance for veterans. VETS representatives in Michigan reported seeing "more referrals then we can handle" due to the shortages of DVOPs and LVERs and the worsening employment situation in the state. In Texas, the VETS program and the VR&E program are still

completely separate. Previously, The American Legion has stated that some VR&E counselors had not effectively communicated with their VETS counterparts. That situation has improved in a number of states. Some VETS representatives have commended their VR&E counterparts for their willingness to improve the communication process in order to increase services to veterans.

REHABILITATION AND EMPLOYMENT OUTCOMES

Numbers of Rehabilitated/Employed Veterans – FY 2007 Budget Submission

Year	Veterans successfully rehabilitated	YEAR	Veterans successfully employed with suitable jobs
FY 03	9,549	FY 03	7,525
FY 04	11,129	FY 04	8,392
FY 05	12,013	FY 05	9,279

The above demonstrates the improved outcomes for the VR&E program.

The American Legion recommends exploring possible training programs geared specifically for VR&E Counselors through the National Veterans Training Institute (NVTI). Contracting for standardized or specialized training for VR&E employees could very well strengthen and improve the overall program performance. NVTI serves as a valuable resource for VETS employment specialists and has contributed to a marked improvement in VETS performance. We are pleased to note that VETS and VR&E representatives report that VR&E counselors began training at the NVTI site in January 06.

PERFORMANCE STANDARDS

The American Legion applauds the efforts of VR&E to create and publish national performance standards for both the VR&E Officer position and the Vocational Rehabilitation Counselor/Counseling Psychologist positions. The progress that management is making will go a long way in ensuring an adequate system for evaluating the effectiveness of the VR&E Service in place.

It seems that the VR&E program has remained in a perpetual state of transition for the past 25 years, according to numerous GAO and VA reports. The 2004 Task Force report stated that the VR&E system must be redesigned for the 21st C entury employment environment. The American Legion continues to support strong leadership and continued verification of the recommendations made in the 2004 task force report. Additional FTE requirements along with an increased workload of veterans expected to use the program services require additional funding.

HOME LOAN GUARANTY PROGRAM

VA's Home Loan Guaranty program has been in effect since 1944 and has afforded approximately 17 million veterans the opportunity to purchase homes. The Home Loan programs offer veterans a centralized, affordable and accessible method of purchasing homes in return for their service to this nation. The program has been so successful over past years that not only has the program paid for itself, but has also shown a profit in recent years. The American Legion believes that it is unfair for veterans to pay high funding fees of 2 to 3 percent, which can add approximately $3,000 to $11,000 for a first time buyer. The VA funding fee was initially enacted to defray the costs of the VA guaranteed home loan program. The current funding fee paid to VA to defray the cost of the home loan has had a negative effect on many veterans who choose not to participate in this highly beneficial program. Therefore, The American Legion strongly recommends that the VA funding fee on home loans be reduced or eliminated for all veterans whether active duty, Reservist, or National Guard.

Specially Adapted Housing
The American Legion believes that with the increasing numbers of disabled veterans returning from Iraq and Afghanistan, the need for specially adapted housing is paramount. Therefore, The American Legion strongly recommends that the current $50,000 grant for specially adapted housing be increased to $55,000 and special home adaptations be increased from $10,000 to $12,300. Specially adapted housing grants are available for the installation of wheelchair ramps, chair lifts, modifications to kitchens and bathrooms and other adaptations to homes for veterans who cannot move about without the use of wheelchairs, canes or braces or who are blind and suffer the loss or loss of use of one lower extremity. Special home adaptation grants are available for veterans who are legally blind or have lost the use of both hands.

ECONOMIC OPPORTUNITY FOR VETERANS

DEPARTMENT OF LABOR

Veterans' Employment And Training Service

The American Legion's position regarding VETS programs is that this is and should remain a national program with federal oversight and accountability. The American Legion is eager to see this program grow and especially would like to see greater expansion of entrepreneurial based, self-employment opportunity training. The mission of VETS is to promote the economic security of America's veterans. This stated mission is executed by assisting veterans in finding meaningful employment. The American Legion believes that by strengthening American veterans, we in turn strengthen America. Annually, DoD discharges approximately 250,000 service members. Recently separated service personnel will seek immediate employment or increasingly have chosen some form of self-employment. In order for the VETS program to assist these veterans to achieve their goals, it needs to:

- Improve by expanding its outreach efforts with creative initiatives designed to improve employment and training services for veterans;
- Provide employers with a labor pool of quality applicants with marketable and transferable job skills;
- Provide information on identifying military occupations that require licenses, certificates or other credentials at the local, state, or national levels;
- Eliminate barriers to recently separated service personnel and assist in the transition from military service to the civilian labor market;
- Strive to be a proactive agent between the business and veterans' communities in order to provide greater employment opportunities for veterans; and
- Increase training opportunities, support and options for veterans who seek self-employment and entrepreneurial careers.

The American Legion believes staffing levels for Disabled Veterans' Outreach Program (DVOP) specialists and Local Veterans' Employment Representatives (LVERs) should match the needs of the veteran community in each state and not be based solely on the fiscal needs of the state government. Such services will continue to be crucial as today's active duty service members, especially those returning from combat in Iraq and Afghanistan, transition into the civilian world. Education, vocational and entrepreneurial training and employment opportunities will enable these veterans to succeed in their future endeavors. Adequate funding will allow the programs to increase staffing to provide comprehensive case management job assistance to disabled and other eligible veterans.

Title 38 U.S.C. § 4103A requires that all DVOP specialists shall be qualified veterans and preference be given to qualified disabled veterans in appointment to DVOP specialist positions. 38 U.S.C. § 4104(a)(4) states:

> *"[I]n the appointment of local veterans' employment representatives on or after July 1, 1988, preference shall be given to qualified eligible veterans or eligible persons. Preference shall be accorded first to qualified service-connected disabled veterans; then, if no such disabled veteran is available, to qualified eligible veterans; and, if no such eligible veteran is available, then to qualified eligible persons."*

The American Legion believes that the military experience is essential to understanding the unique needs of the veteran and that all LVERs, as well as all DVOPs, should be veterans and should be additionally educated to be able to address the needs of veterans who desire entrepreneurial support.

Make Transitional Assistance Program (TAP)/Disabled Transitional Assistance Program (DTAP) a Mandatory Program

DoD estimates that 68 percent of separating service members attend the full TAP seminars and only 35 percent of the Reserve components attend. The American Legion believes this low attendance number is a disservice to all transitioning service members, especially the reserve component. Currently, numerous National Guard and Reserve troops have returned from the war in Iraq and Afghanistan only to encounter difficulties with their federal and civilian employers at home, and the number of destroyed and bankrupt businesses due to military deployment is still being realized. In numerous cases brought to the attention of The American Legion by veterans and other sources, many of these returning service members have lost jobs, promotions, businesses, homes, cars and, in a few cases, become homeless. The American Legion strongly endorses the belief that service members would greatly benefit by having access to the resources and knowledge that the Transitional Assistance Program (TAP) and Disabled Transitional Assistance Program (DTAP) can provide and the TAP/DTAP program needs to update their program to recognize the large number of guard and reserve business owners who now require training, information and assistance while they attempt to salvage or recover from a business which they abandon to serve their country.

Service Members Occupational Conversion and Training Act

The American Legion urges the reinstatement of the Service Members Occupational Conversion and Training Act (SMOCTA). SMOCTA was developed as a transitional tool designed to provide job training and employment to eligible veterans discharged after August 1, 1990. Veterans eligible for assistance under SMOCTA were those with a primary or secondary military occupational specialty that DoD has determined is not readily transferable to the civilian workforce; or those veterans with a service-connected disability rating of 30 percent or greater.

Eligible veterans received valuable job training and employment services through civilian employers that built upon the knowledge and job skills the veterans acquired while serving in the military. This program not only improved employment opportunities for transitioning service members, but also enabled the federal dollars invested in education and training for active duty service members to be reinvested in the national job market by facilitating the transfer of skills from military service to the civilian workforce.

Small Business Administration

The American Legion views small businesses as the backbone of the American economy. It is the driving force behind America's past economic growth and will continue to be the major factor as we move further into the 21st century. Currently, more than nine out of every ten businesses are small firms, which produce almost one-half of the Gross National Product. Veterans' benefits have always included assistance in creating and operating veteran-owned small businesses.

The impact of deployment on self-employed reservists is tragic with a reported 40 percent of all veteran owned businesses suffering financial losses and in some cases bankruptcies. Many small businesses have discovered they are unable to operate and suffer some form of financial loss when key employees are activated. The Congressional Budget Office in a report, *"The Effects of Reserve Call-Ups on Civilian Employers,"* stated that it "expects that as many as 30,000 small businesses and 55,000

self-employed individuals may be more severely affected if their Reservist employee or owner is activated." The American Legion is a strong supporter of the "Hope at Home Act of 2005," which is a bipartisan bill that would not only require the federal government to close the pay gap between their Reserves and National Guard service member's civilian and military pay but it would also provide tax credits up to $30,000 for small businesses with service members who are activated.

Additionally, the Office of Veterans' Business Development within the SBA remains crippled and ineffective due to a token funding of $750,000 per year. This amount, which is less than the office supply budget for the SBA, is expected to support an entire nation of veteran entrepreneurs. The American Legion feels that this pittance is an insult to American veteran business owners, undermines the spirit and intent of P.L. 106-50 and continues to be a source of embarrassment for this country. The American Legion strongly supports S. 1014, "Supporting Our Patriotic Businesses Act of 2005," and recommends that the SBA Office of Veterans Business Development annual budget be immediately increased to a minimum of $2,000,000 and the office of Veterans Contracting Assistance be immediately reinstated.

VETERANS' PREFERENCE

A grateful nation, following each war, has indicated its thanks to those who bore the brunt of the battle by providing certain rights and benefits, one of which has been a small advantage when seeking federal employment because absence from a highly competitive job market creates an unfair and unequal burden on veterans who have been absent from the market while serving their country. The American Legion suggests that the Office of Personnel Management (OPM), which has the task of monitoring compliance of veterans' preference within all federal agencies subject to title 5, United States Code, create an Office of Veterans Affairs within OPM to ensure that all veterans are getting their employment preferences.

VETERANS MEMORIALS

NATIONAL CEMETERY ADMINISTRATION

The mission of the National Cemetery Administration is to honor veterans with final resting places in national shrines and with lasting tributes that commemorate their service to this nation. The National Cemetery Administration's mission is to serve all veterans and their families with the utmost dignity, respect, and compassion. Every national cemetery should be a place that inspires visitors to understand and appreciate the service and sacrifice of our nation's veterans.

National Cemetery Expansion

The American Legion supported P.L. 108-109, the National Cemetery Expansion Act of 2003, authorizing VA to establish new national cemeteries to serve veterans in the areas of: Bakersfield, Calif.; Birmingham, Ala.; Jacksonville, Fla.; Sarasota County, Fla.; southeastern Pennsylvania; and Columbia-Greenville, S.C. All six areas have veteran populations exceeding 170,000, which is the threshold VA has established for new national cemeteries.

The NCA requested $160 million and 1,589 FTEs for Operations and Maintenance in 2007. This will provide a net increase of $11 million in budget authority and 23 FTEs over the 2006 current estimate level. Workloads continue to grow at existing cemeteries, and additional funding for 23 FTEs, contract maintenance, and supplies is essential to maintain existing service levels. The NCA also requested $18.7 million for minor construction costs for FY 2007.

There are approximately 26.6 million veterans alive today. Nearly 676,000 veteran deaths are estimated to occur in 2008, peaking at 690,000 by 2009. The VA expects that at least 12 percent of these veterans will request burial in a national cemetery. Considering the growing cost of burial services and the excellent quality of service the NCA is providing, The American Legion foresees that this percentage will be much greater.

Congress must provide sufficient major construction appropriations to permit NCA to accomplish its stated goal of ensuring that burial in a national or state cemetery is a realistic option by locating cemeteries within 75 miles of 90 percent of eligible veterans.

National Shrine Commitment

Maintaining cemeteries as National Shrines is one of NCA's top priorities. This commitment involves raising, realigning and cleaning headstones and markers to renovate gravesites. The work that has been done so far has been outstanding; however, adequate funding is key to maintaining this very important commitment. The American Legion supports NCA's goal of completing the National Shrine Commitment within five years. This commitment includes the establishment of standards of appearance for national cemeteries that are equal to the standards of the finest cemeteries in the world. Operations, maintenance and renovation funding must be increased to reflect the true requirements of the NCA to fulfill this commitment.

The American Legion recommends $178 million for the National Cemetery Administration in FY 2008.

State Cemetery Construction Grants Program

The FY 2007 budget request recommended $32 million for the State Veterans Cemetery Grant Program. This is "no-year money" and so any monies not spent in the previous fiscal year can be carried over into the next fiscal year. This program is not intended to replace National Cemeteries, but to complement them. Grants for state-owned and operated cemeteries can be used to establish, expand and improve on existing cemeteries. VA has awarded 150 grants totaling more than $260 million to establish, expand or improve 63 veterans cemeteries in 37 states, Guam and Northern Mariana Islands. There are 60 operational cemeteries and two more under construction. Since NCA concentrates its construction resources on large metropolitan areas, it is unlikely that new national cemeteries will be constructed in all states. Therefore, individual states are encouraged to pursue applications for the State Cemetery Grants Program. Fiscal commitment from the state is essential to keep the operation of the cemetery on track. NCA estimates it requires about $300,000 a year to operate a state cemetery.

The American Legion recommends $42 million for the State Cemetery Grants Program in FY 2008.

FILIPINO VETERANS' BENEFITS

The American Legion supports full recognition and benefits to all veterans, American or Filipino, who were part of the defense of the Philippine Islands during World War II. VA, in VETPOP2001 revised, estimated that there were 60,000 surviving Filipino veterans who are classified as Philippine Commonwealth Army, Recognized Guerrilla and New Philippine Scouts veterans, of whom 45,000 reside permanently in the Philippines and 15,000 reside permanently in the U.S.

Of the 45,000 residing in the Philippines, 41,000 do not receive any compensation or pension benefit from VA, and most are sickly, over 70 years old and live below the poverty level. Those veterans living in the Philippines currently receive only 50 cents on the dollar as compensation for their service connected conditions. Veterans of those groups who live in the United States and members of the Regular Commonwealth Army living in the Philippines receive their full entitlement.

The current policy has created a virtual caste system of first and second-class U.S. veterans in the Philippines. These veterans fought, were wounded, became ill, became prisoners of war, were subject to torture, deprivation and starvation and many died in the service of the Armed Forces of the Unites States at the same rates as regular U.S. soldiers, sailors and Marines who were isolated on those islands during the Japanese occupation.

Filipino veterans have recently been somewhat successful in incrementally increasing benefits to parity with other U.S. veterans; however, the exclusion of these veterans from full benefits remains a fundamental unfairness in the law that has stood for too many years. As the numbers of these deserving veterans quickly dwindle, Congress has little time left to redress this injustice.

SUMMARY

Mr. Chairman and Members of the Committee, The American Legion appreciates the strong relationship we have developed with this committee. With increasing military commitments worldwide, it is important that we work together to ensure that the services and programs offered through VA are available to the new generation of American service members who will soon return home. You have the power to ensure that their sacrifices are, indeed, honored with the thanks of a grateful nation.

The American Legion is fully committed to working with each of you to ensure that America's veterans receive the entitlements they have earned. Whether it is improved accessibility to health care, timely adjudication of disability claims, improved educational benefits or employment services, each aspect of these programs touches veterans from every generation. Together we can ensure that these programs remain productive, viable options for the men and women who have chosen to answer the nation's call to arms.

Thank you for allowing me the opportunity to appear before you today.