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### **HOUSE VETERANS AFFAIRS COMMITTEE HEARING ON VETERAN CAPITAL INVESTMENT OPTIONS**

On 27 June 2013 the House Veterans' Affairs Committee (HVAC) held a hearing on the Department of Veterans Affairs Capital Investment Options. HVAC Chairman, Representative Jeff Miller (R-FL-01), opened the hearing stating how the Committee had been considering legislation to authorize the VA's major medical facility projects and leases last year and the Congressional Budget Office (CBO) raised concerns about how to properly account for the VA's lease authorizations. In addition, he stressed that the CBO determined that such leases should be classified as 'Capital Leases' rather than 'Operating Leases' and that this new scoring criteria had resulted in new challenges of Congresses ability to authorize VA leases. He went on to express his concern that under the CBO's new scoring criteria, they now constitute significant direct spending costs that must be offset under statutory 'pay-go' requirements with House and Senate budget rules. In addition to Chairman Miller's statement, HVAC Ranking Member, Representative Michael Michaud (D-ME-02) expanded upon the Chairman's remarks and stated that the VA has an ever-increasing backlog of construction requests with many of these facilities being outdated and in need of repair and modernization to better serve our nation's Veterans. Finally, Representative Bill Flores (R-TX-17) offered an opening remark, highlighting how stated he wants a new standard of care for our Veterans through the VA's capital investment programs as a result of better these facilities in need. He went on to state that the VA has already proposed 27 major medical facility leases.

The first key witness, Mr. Robert A. Sunshine, Deputy Director of the CBO, noted that the Veteran's medical centers are important to our nation and to our Veterans and that the CBO is not questioning their value or their importance. He stressed that their job is to address how transactions are treated in the budget, noting CBO's role. The next key witness, the Honorable Dr. Robert A. Petzel, Under Secretary for Health, provided information about the VA's Major Medical Facility and Lease Program that supports VA's mission to provide quality and accessible health care to America's Veterans. He went on to describe how the VA's capital asset and leasing programs is to ensure that there are safe, secure, state-of-the-art facilities to provide benefits and services to our nation's Veterans. Finally, he ensured that Veterans and other eligible beneficiaries would receive timely, accessible, Veteran-centric, high quality medical care and that while they have a portfolio of health care delivery options, one key option is leasing and that the VA was committed to providing the high quality care that our Veterans have earned and deserved.

There were a few notable questions and answer discussions between Members of the House Veterans' Affairs Committee and the witnesses including when Representative Flores asked Mr. Sunshine if the CBO's current scoring impacted these existing privatized Community Based Outpatient Clinic's (CBOC) or the VA's ability to use service arrangements for future privatized facilities. Mr. Sunshine responded that if the government has the authority to do this without legislation, there is no roll for them to play. Representative Ann Kirkpatrick (D-AZ-01) asked Mr. Sunshine if he could describe any other governmental entity that does that acts as the loan guarantee for the development of such projects related to the VA capital investment program, whereby Mr. Sunshine responded that he was unsure if one existed, but said he didn't have enough information on other existing Federal agencies. Finally, Representative Flores asked Dr. Petzel about fee-based care for rural areas. Dr. Petzel responded that he would argue that there isn't necessarily a downside issue in rural areas for fee-basis care and that these facilities are showing signs of improvement.

## **JOINT ECONOMIC COMMITTEE HEARING ON JOB OPPORTUNITIES FOR VETERANS**

On 10 July 2013, the Joint Economic Committee (JEC) held a hearing regarding job opportunities for Veterans. JEC Vice Chair, Senator Amy Klobuchar (D-MN) opened the hearing stating that Veteran unemployment rates have been under the national average recently and have been continuing to fall. Senator Klobuchar stated that the GI Bill and Vow to Hire Heroes Act have helped but more must be done to combat these continued unemployment numbers amongst our Veteran population. She hopes to see more programs to assist servicemembers in developing their skills, earning credit and certifications for their military experience. Representative Erik Paulsen (R-MN-03) also agreed that unemployment levels have drop, but the economy is still affecting Veterans tremendously when attempting to obtain jobs. He states that Congress has pledge to help servicemembers to transition to civilian jobs and should follow the example of Minnesota in taking care of Veterans.

The witnesses included a wide variety of individuals, who all expressed concerns and ideas similar to JEC Vice Chair Klobuchar. Mr. Ryan M. Gallucci, Deputy Director of National Legislative Service for the Veterans of Foreign Wars (VFW) noted the downward trend that unemployment is experiencing, while stressing that military transition assistance, post service licensing, and educational opportunities are all keys to allowing this pattern to continue. He pointed out certain flaws in the system such as the strain that statutory limitations put on Veterans and believes that specific areas of the system need to be corrected to achieve even greater improvements. Mr. Kyle Mitchell, Executive Director of the Texas Veterans Commission believed that the key to success in helping Veterans lies with a centralized agency with an emphasis on performance. He stated that these agencies have launched several programs in Texas and have helped to expand resources for them. Mr. Shawn Deabay, Director of Veterans Employment Services for the Texas Veterans Commission pointed out the effectiveness of certain job coaches for when Veterans start looking for employment opportunities. He believed that these job coaches assist servicemembers in any way possible and allow for personalized feedback on ways to improve their prospects. Mr. Deabay stressed that dedicated personnel are needed to place individuals in jobs, but the challenges associated with their services have been in getting the word out and communication amongst stakeholders and states. Mr. Benjamin G. S. Fowke III, Chairman of the Board and President/CEO of Xcel Energy in Minneapolis, MN stated that he wanted to do much more for Veterans with his company and that Xcel Energy has developed translators to help apply skills to jobs to assist with the placement of Veterans to help better the linkage between military experience and civilian jobs. Mr. Fowke believed that their efforts were paying off and looked forward to doing more.

Several notable questions were raised in regards to placing Veterans into jobs. Vice Chair Klobuchar asked Mr. Deabay how the challenges in placing post 9-11 Veterans into jobs can be resolved. Mr. Deabay answered that the earlier individuals can be reached, the better. Mr. Fowke also agreed with Mr. Deabay in stating that getting servicemembers qualified before they leave the service would be vital to placing them in jobs as soon as they separate. Representative Paulsen raised the question of, "What else can the military do to help civilian employers target Veterans?" Mr. Fowke responded that he believed that a quicker certification process and access to Veterans earlier would tremendously help employers in the hiring process. JEC Ranking Member, Representative Carolyn Maloney (D-NY-12), inquired about the higher unemployment rate of female Veterans versus male Veterans. Mr. Deabay stated that they stress to employees that females are just as qualified and have been through the same training as males looking for work. He also stated that women do have more issues to deal with such as financial burdens of getting paid less than males and possible child care. Senator Klobuchar concluded the set of questions by stating that the problem and solution is tied to the overall economy, and that the number of unemployed servicemembers is still way too high.

## **JOINT HASC AND HVAC HEARING ON DOD AND VA SERVICEMEMBER TRANSITION ASSISTANCE**

On 10 July 2013, a rare joint House Armed Services Committee (HASC) and House Veterans' Affairs Committee (HVAC) hearing was held in regards to Department of Defense (DOD) and Department of Veterans Affairs (VA) collaborative efforts to assist servicemembers returning to civilian life. The hearing also focused on efforts of the DOD and the VA to address the claims backlog through streamlining documents and continued collaboration between the two agencies. The notable witnesses for the hearing included the Honorable Frank Kendall, Under Secretary of Defense for Acquisition, Technology and Logistics; the Honorable Jessica L. Wright, Acting Under Secretary of Defense for Personnel and Readiness; the Honorable Jonathan Woodson, Assistant Secretary of Defense for Health Affairs and Director, TRICARE Management Activity (TMA); Mr. Stephen W. Warren, Acting Assistant Secretary for Information and Technology for the VA; Dr. Robert A. Petzel, Under Secretary for Health at the VA; and Mr. Danny Pummill, the Deputy Undersecretary for Benefits at the VA.

In his opening statement, HVAC Committee Chairman, Representative Jeff Miller (R-FL-01), expressed his frustration in what he viewed as the two systems not making a significant effort to combine their processes in order to create a more efficient and organized database. Chairman Miller addressed the recent amendment in the Fiscal Year 2014 (FY14) National Defense Authorization Act (NDAA) that passed the House for an integrated health record by 1 October 2016 and stressed the importance that excuses need to stop and the goal needs to be followed through. HVAC Ranking Member, Representative Michael Michaud (D-ME-02), noted with frustration that neither the Secretary from DOD nor the VA had decided to sit on the panel for the hearing, unlike the previous year, and cited that as an example of a lack of commitment, responsibility, and leadership. HVAC Ranking Member Michaud stated that he did not believe that the two departments had made measurable progress in integration as of yet. In his opening statement, HASC Committee Chairman, Representative Howard "Buck" McKeon (R-CA-25), reminded the Committee and the panel that behind every claim is a Veteran and that a commitment on the part of the departments was owed to those individuals. HASC Ranking Member,

Representative Adam Smith (D-WA-09), provided some support for the panel, noting that the huge increase in injured Veterans over the past 12 years had put a strain on the already damaged system and that sequestration has not aided in the completion of the goals set before the departments.

In the opening statement from Under Secretary Frank Kendall, he stressed the commitment of DOD to achieve fully seamless electronic health care records by choosing health care software based on choosing the best from the marketplace of competitors, instead of simply staying with VISTA, the system choice of the VA. Mr. Kendall expressed his desire for fewer restrictions and ensured that the Committee would remain informed about the actions and progress of the DOD. By removing the barrier between the DOD and the VA, Mr. Kendall hoped that the eventual result would be a modern, faster, transparent, standardized and seamless system that would achieve all of the goals that have been set forth. Assistant Under Secretary Stephen Warren, began his statement by reiterating the goals of increased access to care for Veterans, a decrease in claims backlog and a decrease in Veterans homelessness.

Throughout the hearing, HVAC Chairman Miller expressed his concern that the departments would simply go back to their poor operation because of the current management. Mr. Pummill assured the Chairman that this would not happen because of the push for a fully automated system that would greatly aid the speed and accuracy of reports for Veterans. HVAC Ranking Member Michaud asked when the integrated system would be completed to which Mr. Kendall assured that records with common standards and integrated would be implemented by at least 2014. In addition, Representative Michael Conaway (R-TX-11) addressed the issue of accountability to deadlines in the VA and DOD and asked what the consequences were for individuals if those goals were not achieved. Mr. Kendall and Mr. Warren both assured Representative Conaway there would be consequences if performance goals were not met. Mr. Warren also noted additional consequences, such as decreasing outstanding ratings among individuals processing claims as well as decreases in bonuses. Finally, Representative Derek Kilmer (D-MI-05) asked about the views of the panel on the issue of discrimination in housing and employment for individuals with military status. Mr. Pummill assured Representative Kilmer that they were advocates of Veterans and expressed his support for any anti-discrimination bill in Congress.

#### **AUSN ANALYZES SECRETARY OF DEFENSE LETTER TO SENATE ARMED SERVICES COMMITTEE**

On 10 July 2013 Secretary of Defense (SECDEF) Chuck Hagel issued a statement to the Chairman of the Senate Armed Services Committee (SASC), Senator Carl Levin (D-MI), and SASC Ranking Member, Senator James Inhofe (R-OK), regarding the Fiscal Year 2014 (FY14) defense budget and the potential cut of **\$52 billion** from the Department of Defense's (DOD). SECDEF Hagel's letter comes as a response to SASC's recent markup of the FY14 National Defense Authorization Act (NDAA), completed on 14 June 2013.

In his letter to Chairman Levin and Ranking Member Inhofe, SECDEF Hagel affirms his commitment to the President's overall budget plan which offered a solution to budgetary caps established in the Budget Control Act (BCA) of 2011, also known as "Sequestration." Identifying negative effects that the proposed Congressional defense budget would establish, SECDEF Hagel vehemently opposed further budgetary cuts stating, "I strongly oppose cuts of that magnitude because, if they remain in place for FY14 and beyond, the size, readiness, and technological superiority of our military will be reduced, placing at much greater risk the country's ability to meet our current national security commitments." Following these remarks, SECDEF Hagel proposed a Contingency Plan for 2014 should Congress enact a second year of cuts under the BCA.

Most critical among the difficulties identified in SECDEF Hagel's letter are the diminishing flexibility and readiness of the Armed Forces with the **\$52 billion** to be taken from DOD's FY14 budget. By enacting such measures SECDEF Hagel argues that the DOD will be substantially hindered without utilizing "draconian actions." For the second year in a row, the military would be forced to cut everyday operating costs reducing training for personnel, maintenance and upkeep of facilities and equipment, and overall manning. In a best case scenario, SECDEF Hagel argues the military would be able to maintain the already low levels of force readiness while in many cases DOD would see a second year of decline in readiness and capability. In order for DOD to effectively operate under such conditions it would be forced to severely cut research and development (R&D) by 15 to 20 percent, resulting in decreased modernization and harming long-term capabilities well beyond FY14.

Details can be found at [AUSN's Capitol Hill Blog on SECDEF Letter](#).

#### **AUSN ON THE HILL**

In addition to monitoring this week's hearings, AUSN had a few Capitol Hill meetings to discuss pending Veteran items of interest as well as to discuss the progress of the annual Authorization and Appropriation Bills. Earlier in the week, AUSN met with staff from the office of Senator Jon Tester (D-MT) and Senator Jeanne Shaheen (D-NH) to discuss such concerns with the progress of these annual bills and pending Veteran items of interest. AUSN also had a teleconference call with a few Member offices, including staff of Representative Tim Walz (D-MN-01), to discuss moving forward on recent developments with the Veteran Status legislation for members of the Reserve Component. Over the past weeks, AUSN has been meeting with staff of the offices of Senator Dean Heller (R-NV) and Senator Bob Casey (D-PA) on development of a working group, [announced with AUSN Executive Director's quote in this Senate Press Release](#), to address the Department of Veterans Affairs (VA) claims backlog. In addition, AUSN met with industry representatives developing the future H-60 platforms for the Navy to get a brief on the development of this program and get an update on modernization and continued procurement of legacy models. AUSN also met with NAVSEA staff at the Pentagon to discuss

developments with the Littoral Combat Ship (LCS) and mission modules for the platform. Finally, AUSN held its regular meetings with The Military Coalition (TMC) this week to recap moving forward on provisions of interest in the National Defense Authorization Act (NDAA).

#### **PRIORITY BILLS INTRODUCED THIS WEEK**

**S. 1281, Veterans and Servicemembers Employment Rights and Housing Act of 2013.** Introduced by Senator Richard Blumenthal (D-CT), the bill would prohibit discrimination against Veterans and servicemembers seeking employment or housing opportunities.

**S. 1255, Veterans Travel Tax Relief Act of 2013.** Introduced by Senator Dean Heller (R-NV), the bill would amend the Internal Revenue Code of 1986 to provide for a deduction for travel expenses to medical centers of the Department of Veterans Affairs in connection with examinations or treatments relating to service-connected disabilities.

**S. 1216, Job Opportunities for Veterans Act of 2013.** Introduced by Senator Michael F. Bennett (D-CO), the bill would improve and increase the availability of on-job training and apprenticeship programs carried out by the Secretary of Veterans Affairs.

**H.R. 2661, Veterans Access to Timely Medical Appointments Act.** Introduced by Representative Kevin McCarthy (R-CA-23), the bill would direct the Secretary of Veterans Affairs to establish a standardized scheduling policy for Veterans enrolled in the health care system of the Department of Veterans Affairs.

**H.R. 2654, Veterans and Servicemembers Employment Rights and Housing Act of 2013.** Introduced by Representative Derek Kilmer (D-WA-06), the bill would prohibit discrimination against Veterans and servicemembers seeking employment or housing opportunities.

**H.R. 2590, 21<sup>st</sup> Century Health Care for Heroes Act.** Introduced by Representative Chris Gibson (R-NY-19), the bill would amend the Wounded Warrior Act to establish a specific timeline for the Secretary of Defense and the Secretary of Veterans Affairs to achieve integrated electronic health records.

**H.R. 2528, Claims Processing Improvement Act of 2013.** Introduced by Representative Dina Titus (D-NV-01), the bill would establish a task force in the Department of Veterans Affairs to assess the retention and training of claims processors.

**H.R. 2519, Victims of Agent Orange Relief Act of 2013.** Introduced by Representative Barbara Lee (D-CA-13), the bill would direct the Secretary of State, the Secretary of Health and Human Services, and the Secretary of Veterans Affairs to provide assistance for individuals affected by exposure to Agent Orange.

**H.R. 2510, Helping Veterans Exposed to Toxic Chemicals Act.** Introduced by Representative Tim Bishop (D-NY-01), the bill would direct the Secretary of Defense to establish within the Department of Defense centers of excellence in the prevention, diagnosis, mitigation, treatment, and rehabilitation of health conditions relating to exposure to open burn pits.

**H.R. 2485, Helping Homeless Veterans Act.** Introduced by Representative Julia Brownley (D-CA-26), the bill would amend title 38, United States Code, to extend programs assisting homeless Veterans and other Veterans with special needs.

**H.R. 2481, (Official title yet to be released).** Introduced by Representative Bill Flores (R-TX-17), the bill would amend title 38, United States Code, to codify and improve the election requirements for the receipt of educational assistance under the Post 9/11 Educational Assistance program of the Department of Veterans Affairs.

In the advocacy section of the website, you can click on [Bills of Interest](#) to get daily revisions on Congressional action for all AUSN priority bills. We STRONGLY encourage you all to visit our [Advocacy](#) page, especially the [Capitol Hill Blog](#) which receives almost daily submissions when Congress is in session to see what AUSN is doing for you on Capitol Hill.

We also encourage you and your friends and family to visit the [AUSN FACEBOOK PAGE](#). If you have an account, please Login and "Like" us, which will allow you to see our [TWITTER](#) feeds and other updates from AUSN that shows us monitoring Capitol Hill on your behalf!

#### **NEW LEGISLATIVE ALERTS**

There were no new legislative alerts this week. Again, when these alerts are sent to your email, please click on the **TAKE ACTION** link that is at the top of the alert email to send a letter response to your Members of Congress (a few of you have written in that you wish to send letters, but don't know how). Please continue to go to the [Legislative Alerts](#) section on the AUSN webpage and/or check your e-mail and submit ones you haven't seen yet to your Congressional delegation.

#### **NEXT WEEK OUTLOOK**

Next week, both the House and the Senate will be in session, beginning to tackle regular Authorization and Appropriation business. The House is looking to possibly bring up its version of the Fiscal Year 2014 (FY14) Defense Appropriations Bill, in the form of H.R. 2397, for a floor vote, but limiting amendments offered on the floor under a structured rule. The House will also be having a few hearings next week, including a hearing by the House Veterans' Affairs Committee (HVAC) on Military Sexual Trauma (MST) and Mental Health concerns. On the Senate side, rumors are building that the Senate Appropriations Committee (SAC) may start forming in the Defense Subcommittee a draft FY14 Defense Appropriations bill as well as building a strong consensus amongst Senate Leadership to put the recently Senate Armed Services Committee (SASC) passed FY14 National Defense Authorization Act (NDAA) for a floor vote before the August recess. This would buck tradition where the FY14 NDAA has, for the past few years, never been considered any earlier than October.

In addition to monitoring these developments and hearings, AUSN will be on the hill meeting with staff from the offices of Senator

Mark Pryor (D-AR), Senator John Boozman (R-AR), Representative Tim Walz (D-MN-01), Representative Susan Davis (D-CA-53), Representative J. Randy Forbes (R-VA-04), Delegate Madeleine Bordallo (D-GU) as well as professional staff of the Senate Armed Services Committee (SASC). These meetings will focus on topics such as pending Veteran bills of interest, support for the Navy Sea Cadet Corp program, Navy equipment funding and concerns with discrepancies between the House passed FY14 NDAA and the SASC passed FY14 NDAA. Finally, AUSN will be attending additional regular National Military Veterans Alliance (NMVA) and The Military Coalition (TMC) meetings.

#### **AUSN LEGISLATIVE DEPARTMENT ACCEPTING LEGISLATIVE INTERN APPLICANTS FOR FALL 2013**

The Association of the United States Navy (AUSN) is looking for a full or part time unpaid Legislative Intern for their offices in Old Town, Alexandria.

Candidates should have, or be pursuing, an undergraduate degree in Political Science/Government Affairs/ Communications. Strong writing and personal skills a must! An interest and passion for the United States Navy and Navy Reserve is highly desirable. In addition to administrative tasks, i.e. answering phones and helping to schedule appointments, interns will monitor and write After Action Reports on Congressional Hearings of interest such as House and Senate Armed Services, Appropriations and Veterans' Affairs Committee hearings. Interns will also have the opportunity to attend meetings with Congressional Staff along with the Legislative Director as well as other meetings off of Capitol Hill.

The Legislative Director is also willing to oversee a research project of the intern's interest if they are pursuing class credit for the internship. Candidates can submit a cover letter, resume and 1-2 page writing sample to the Director of Legislation, Mr. Anthony A. Wallis at [Anthony.Wallis@ausn.org](mailto:Anthony.Wallis@ausn.org) or fax it to 703-683-3647. Schedules are flexible/ negotiable for the summer and Metrorail travel reimbursement is available to interns as well as free parking at our headquarters off of King Street in Alexandria. Please apply by **10 AUGUST 2013**. More information can be found on [AUSN's Legislative Department Intern webpage](#).

#### **CALL FOR AUSN NATIONAL RESOLUTIONS**

In preparation for AUSN's Annual Business Meeting, [Annual Meeting Registration Now Open Here](#), (formerly Annual Conference) in Alexandria, VA on 26- 27 September 2013, proposals for 2013 National Resolutions are currently being accepted. Any AUSN member may propose a Resolution or Resolution change which should address a legislative or policy issue related to the missions and goals of our organization. Resolutions are received, reviewed, and processed by the Resolutions Committee at the Annual Business Meeting.

Resolutions must be timely, concise, and include sufficient background information. Resolutions must be submitted 30 days in advance of the 25 September 2013 meeting in order for proper staffing, review and formatting as needed.

A listing of current Resolutions, adopted by the Resolutions Committee at the 2012 meeting, can be found and reviewed at the [AUSN National Resolutions webpage](#). For new submissions, changes and edits, as well as instructions on formatting, changing or adding new Resolutions, please visit our "[How To/ Resolutions Format](#)" which also includes a downloadable form for submission at the top right of the page as well. Please follow instructions on the form carefully.

Proposed Resolutions and Resolution changes can be sent by mail to AUSN Headquarters, ATTN: AUSN National VP of Government Relations and Resolutions Committee Chair, RDML Robin Graf, USN (Ret.), 1619 King Street, Alexandria, VA 22314. They can also be sent by email to [anthony.wallis@ausn.org](mailto:anthony.wallis@ausn.org) at least 30 days before the Annual Business Meeting, no later than **25 AUGUST 2013**.

#### **QUESTIONS/COMMENTS/CONCERNS**

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