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SENATE ARMED SERVICES COMMITTEE HEARING ON SEQUESTRATION & CR IMPACTS ON DEFENSE

On 12 February 2013, the Senate Armed Services Committee (SASC) held a hearing titled, "Impacts of Sequestration and the Continuing Resolution (CR)." Notable witnesses included Deputy Secretary of Defense, Mr. Ashton Carter, the Chairman of the Joint Chiefs of Staff (JCS), General Martin Dempsey, and, filling in for the Chief of Naval Operations (CNO), the Vice Chief of Naval Operations (VCNO), Admiral Mark Ferguson. SASC Chairman, Senator Carl Levin (D-MI), opened the hearing noting the 'idiocy' of the horrible situation being faced by our military, noting that, "The longer Congress postpones progress, the higher the costs will be," and that, "a yearlong CR coupled with sequestration will undermine our national defense." Deputy Secretary Carter began by speaking to the effects of the CR and sequestration in 2 tiers; 1) Sequestration requires the Department of Defense (DOD) to subtract \$46 billion from their current budget, and 2) The CR creates different problems such as operations and maintenance account (O&M) deficits, which includes decreases in training and readiness. He mentioned that even though they are able to protect funding with regards to Afghanistan, "we can't protect much else of what has important value to our country." He also mentioned the larger issue that increased sequestration cuts to the \$487 billion, as required in the Budget Control Act of 2011, that DOD already has begun to plan for would ultimately be too large to sustain and that the current defense strategy would have to be changed. Next, JCS Chairman, General Dempsey spoke about how, "we need budget security, which is the antithesis of sequestration." He highlighted that every option needed to be on the table and that "failing to act is a choice in of itself," urging that if Congress can't come up with a solution, even though it would have to be brought up again, a short term delay would be a better alternative.

VCNO, Admiral Ferguson, in his opening remarks stated that as a result of sequestration and the budget uncertainty that comes with a CR that, "We will be compelled to delay the start of construction of the USS John F. Kennedy (CVN-79), the completion of USS America (LHA-6), as well as cancel procurement of an Arleigh Burke-class destroyer and hundreds of weapons. Without congressional authority the carrier USS Abraham Lincoln (CVN-72) must remain moored at Naval Station Norfolk rather than start her overall, and we will not be able to complete the current overhaul of the USS Theodore Roosevelt (CVN-71)." He also noted that that the CR would result in the O&M account for the Navy being reduced by \$4.6 billion over the remainder of the fiscal year. One notable question that was asked occurred when newly elected Senator Tim Kaine (D-VA) asked Admiral Ferguson about the carriers and how long can we

continue these delays and persist down this path until they have an irreversible effect on our readiness and shipbuilding capacity. In response, Admiral Ferguson stated, “beginning on [15 February 2013], we will begin notification to private ship yards about deferrals of maintenance availability, up to the point and under the continuing resolution. If we sustain under a continuing resolution, those maintenance actions will be deferred. If we do not get the authorities in the bill to, say, start work on the new construction carrier and to complete the overhaul or start the overhaul on the other carrier, three carriers now are tied up and delayed because we don't have authorities. And so, those are reversible with congressional action.”

Admiral Ferguson went on to state that, “We [the Navy] will have to shut down four air wings on [1 March 2013]. After 90 days, those pilots lose their certification. Now it takes six to nine months to retrain them at a much higher cost. In our assessment, it was more prudent for us to delay Truman to be able to deploy later this summer and for the USS George H.W. Bush (CVN-77) to deploy later this year or early next year, to provide continuous coverage in the Middle East rather than have two carriers now and then fall off completely in fiscal year '14. The impacts are under sequestration, the longer we go, the greater impact on readiness for our forces and the -- and the longer recovery time and greater expense.”

AUSN ANALYZES WHITE HOUSE SEQUESTRATION FACT SHEET AND NAVY CARRIER IMPACTS

Last Friday, 8 February 2013, the White House released a sequestration fact sheet titled, [“Fact Sheet: Examples of How the Sequester Would Impact Middle Class Families, Jobs and Economic Security.”](#) Surprisingly, the White House Fact Sheet confirmed what was unclear for almost the entirety of the 112th Congress that due to Congresses inability to pass a budget, sequestration will require an annual reduction of 9% for nondefense programs and 13% for all defense programs with the exception of the Personnel Department. This is a change from what Administration officials had said last year, all but assuring members of both the Senate Armed Services Committee (SASC) and the House Armed Services Committee (HASC) that cuts to defense programs would not exceed 8% in any program.

Shockwaves reverberated throughout the heavy Navy community of Hampton Roads (southeastern Virginia that houses the largest Naval base in the world and one of the largest airbases in the U.S. Navy) as news of the USS Abraham Lincoln (CVN-72)'s refueling and complex overhaul (RCOH) was being delayed until the Navy had more firm assurances of its available funding for the remainder of the year (in a potential second CR). This news came days after the Navy announced the cancellation of the USS Harry Truman (CVN-75)'s deployment. Funding, being one of the biggest threats to the U.S. Navy's ability to achieve mission success, has already hit the Navy fairly hard, due to the Department having to operate under a CR, rather than a budget. Operating under a CR allows for the same funding levels as the year prior. Inadequate funding has already caused the cancellation of the Navy's 3rd and 4th quarter ship maintenance cycle, which leaves a good portion of the already deployed ships and Sailors out to sea for longer periods of time with less training and ports of call, while other ships and Sailors sit pier side, waiting to undergo the maintenance they need to be seaworthy once more.

AUSN sent [Letters of Concern regarding Navy Carrier funding to the House and Senate Armed Services and Appropriations Committee's](#) in anticipation of this week's hearings. In addition, AUSN was featured in a [Washington D.C. WUSA Channel 9 Interview](#) the morning of 13 February 2013 on the impact budget uncertainty is having upon the Navy.

Details can be found at [AUSN's Capitol Hill Blog on White House Fact Sheet and Navy Carrier Impacts](#).

HOUSE VETERANS' AFFAIRS COMMITTEE HEARING ON MENTAL HEALTH CARE

On 13 February 2013, the House Veterans' Affairs Committee (HVAC) held a hearing on the issue of Mental Health concerns among our nation's service members and veterans. Notable witnesses included Dr. David Rudd of the National Center for Veterans Studies at the University of Utah, Dr. Linda Schwartz, Commissioner of Veterans' Affairs for the State of Connecticut, and The Honorable Dr. Robert Petzel, Under Secretary for Health Veterans, Health Administration, from the Department of Veterans Affairs (VA). In her opening statement, Dr. Schwartz noted that that no death index on suicides is completely accurate due to various factors such as religious concerns of families and sometimes poor investigation. She stressed that the VA has to open up to veterans who are closing themselves off from help, especially with thousands transitioning due to military draw downs. Dr. Schwarz went on to suggest that the VA and Federal Government focus on grants to state VA systems like her own to get the local care veterans need. In his

opening statement, following Dr. Schwartz, Under Secretary Petzel spoke about some of the improved services of the VA but admitted there is more that needs to be fixed. He outlined how the VA is currently working within President Obama's guidelines and Executive Orders to improve mental health services. This includes becoming more proactive with primary care services on mental health, continuing to measure the effectiveness of activities, and holding workers accountable. Recent successes of note include over 17 million outpatient meetings and procedures, as well as 6,400 rescues of veterans and service members from self-inflicted harm, noting a much lower suicide rate among those currently receiving mental health services.

HVAC Ranking Member, Representative Michael Michaud (D-ME-02) asked Under Secretary Petzel about the progress of the VA mental health pilot programs that are being set up around the country. Under Secretary Petzel responded that they are on track to have the system running by the established due date of 30 June 2013. Following his answer, Representative Jon Runyan (R-NJ-03) asked Under Secretary Petzel a question regarding engaging vets that are transition into civilian life. Under Secretary Petzel stated that there needs to be engagement with vets before they transition and fall through the cracks so that they can establish relationships that foster better cooperation in the future that will in turn create a better health service relationship.

HOUSE VETERANS' AFFAIRS SUBCOMMITTEE ON ECONOMIC OPPORTUNITY HEARING ON GI BILL

On 14 February 2013, the House Veterans' Affairs Committee (HVAC), Subcommittee on Economic Opportunity held a hearing titled, "Increasing the Functionality of Post 9/11 GI Bill Claims Processing to Reduce Delays." Notable witnesses included Mr. Roger Baker, Assistant Secretary for Information and Technology (IT) for the Department of Veterans Affairs (VA) and MG Robert M. Worley (Ret.), Director, Education Service Veterans Benefit Administration for the VA as well. Both VA representatives stated unequivocally that the system used for decades to process the Montgomery GI Bill claims would not be able to handle the more complex Post-9/11 program, so Congress authorized \$100 million to develop a new system, what is currently called the Long Term Solution, or LTS. The major development effort has focused on automating supplemental claims which comprises the bulk of the interactions between VA and the students and schools. That decision left original claims relatively un-automated. As a result, an original claim still takes about 45 minutes to process, a time little changed from 2009.

However, HVAC, Economic Opportunity Subcommittee Chairman, Representative Bill Flores (R-TX-17) stated, "the VA has now spent about \$286 million dollars on the LTS and without adding such functions [accessibility to veterans and schools as well as an analysis function to enable VA and Congress to make better-informed decisions on education and training benefits in the future], it would be like buying a new luxury car without air conditioning, heated seats, and a satellite radio." Assistant Secretary Baker claimed the average turn-around time (from when the claim is submitted by the school to putting it in the payment file) was around 6-7 days. The Committee was very frustrated and concerned about this timing discrepancy and by the end of the hearing, the Subcommittee seemed to be in agreement that change and advancement of claims processing is necessary, but no one solution seemed to be at the forefront of anyone's mind, while the first big issue to further comprehend is the noted discrepancy in claims processing time.

SENATE APPROPRIATIONS COMMITTEE HEARING ON SEQUESTRATION IMPACT ON AGENCIES

On 14 February 2013, the Senate Appropriations Committee (SAC) held a hearing, titled; "The Impact of Sequestration." Notable witnesses included Comptroller of the Office of Federal Financial Management of the Office of Management and Budget (OMB), Mr. Daniel Werfel and Deputy Secretary of Defense, Ashton B. Carter. The hearing focused on what specific impact sequestration would have on several Departments and their programs, to include: Defense, Homeland Security, Housing and Urban Development and Education.

Senator Susan Collins (R-ME) asked Secretary Carter to speak about the troubles the Navy is already experiencing, due to having to operate under a Continuing Resolution (CR), in lieu of a Fiscal Year 2013 Defense Appropriations Bill (FY13). She asked about not only dealing with the sequester, but if it would help to re-approach the FY13 Defense Appropriations bill language from last year for the remainder of this year. Secretary Carter answered "It is. They are, both of them separately destructive, but together are so much more." Continuing on, Secretary Carter explained that the Navy needs the authority to embark on new starts, and that the way shipbuilding is organized, every single new ship is a new starts. So, Secretary Carter testified, "we're in the absurd position where we're five months into the fiscal year and we have the authority to build the ships that we built last year and no authority to build the ships that we plan to build this year. That's crazy. And that has nothing to do with sequester, by the way, that's the C.R., which is a whole other

problem.” Senator Collins added that while many people think of the many federal civilian employees that will be affected by sequestration as ‘white-collar’ employees working inside the beltway, she and Senator Jeanne Shaheen (D-NH) are very aware that the majority of the Federal civilian workforce (close to 70%) are ‘blue-collar’ workers, like the welders, nuclear engineers, pipe fitters and fire fighters like the ones at Portsmouth Naval Shipyard, in Kittery Maine.

Senator John Boozman (R-AR), citing the fact that his office has been receiving countless calls from veterans and their families, asked Mr. Werfel to testify for the record, whether or not veterans benefits would be impacted by sequestration. Mr. Werfel testified that any and all programs funded through the Department of Veterans Affairs (VA) are, “explicitly exempt under law,” however, there are certain veteran services that are funded out of other accounts and in other agencies, that would not be exempt and would be affected. Senator Boozman then asked Secretary Carter to testify on how the Department of Defense (DOD) planned to reduce the \$3 billion shortfall in TRICARE. Secretary Carter testified that DOD is currently looking for ways to avoid the \$3 billion shortfall, which would cause the DOD to halt giving much needed care in the “last month or so of the year,” and that he couldn’t answer specifically, because DOD is still exploring the, “legality of their plans.” Senator Shaheen then asked Secretary Carter about some of the more long-term effects of the sequestration, and Secretary Carter testified that cuts to programs such as the Joint Strike Fighter or the DDG-51 programs would end up making those programs more expensive in the long run. Secretary Carter pointed to a point he had made for almost the entirety of the hearing, saying that that irony of the sequester is that by cutting programs now, to save taxpayers’ dollars, the programs will be less efficient and more expensive in the long-term.

AUSN ON THE HILL

This past week, both the House and the Senate were in session, hosting a series of hearings on the impact upon the Department of Defense (DOD) that Sequestration and the expiration of the Continuing Resolution (CR) has on our military’s readiness. AUSN also attended an all-day Veteran Service Organization (VSO) Forum with the Department of Veterans Affairs (VA) - Veterans Benefits Administration (VBA) to discuss amongst many things, helping to answer questions regarding veteran benefits and moving forward towards a more unified and efficient claims system. In addition to monitoring Congressional hearings and attending important events, AUSN held numerous meetings with Congressional offices including Senator Richard Durbin (D-IL), the new Chairman of the Senate Appropriations Committee- Subcommittee on Defense (SAC-D), the new Democratic Minority Staff Director of the House Veterans’ Affairs Committee (HVAC), Representative Jon Runyan (R-NJ-03), Senator Dean Heller (R-NV) and Senator Heidi Heitkamp (D-ND). Many of the subjects discussed in these meetings included GI Bill benefits, Navy equipment problems being faced with sequestration and the CR expiring, Post Traumatic Stress Disorder (PTSD) and Veteran Status for career reservists.

It is on the later subject that [AUSN was featured in a Military.com news article](#) that discussed the issue and advocacy for veteran status for these affected Reserve Component members. Following the article, this week, as noted in his [press release](#), Representative Tim Walz (D-MN-01) introduced H.R. 679, the Honor America’s Guard and Reserve Retirees Act which would honor reserve component members as veterans under law who served 20 plus years in the Reserve Component. AUSN recently submitted a [letter of support for Representative Walz’s H.R. 679](#). In addition, AUSN was pleased that this week, the House of Representative passed by voice vote one of the first bills that AUSN supported with a [Letter of Support](#) and was recognized for, [H.R. 235, the Veteran Emergency Medical Technician Act](#), which would establish a five-year grant program to help states streamline requirements for veterans who already underwent medical training in the armed forces and want to become EMTs.

PRIORITY BILLS INTRODUCED THIS WEEK

S. 346, (Official title yet to be released). Introduced by Senator Jon Tester (D-MT), the bill would amend title 10, United States Code, to permit veterans who have a service-connected, permanent disability rated as total to travel on military aircraft in the same manner and to the same extent as retired members of the Armed Forces entitled to such travel.

S. 325, CHAMPVA Children’s Protection Act of 2013. Introduced by Senator Jon Tester (D-MT), the bill would amend title 38, United States Code, to increase the maximum age for children eligible for medical care under the CHAMPVA program.

S. 294, Ruth Moore Act of 2013. Introduced by Senator Jon Tester (D-MT), the bill would amend title 38, United States Code, to improve the disability compensation evaluation procedure of the Secretary of Veterans Affairs for veterans with mental health conditions related to military sexual trauma.

S. 287, (Official title yet to be released). Introduced by Senator Mark Begich (D-AK), the bill would amend title 38, United States Code, to expand the definition of homeless veteran for purposes of benefits under the laws administered by the Secretary of Veterans Affairs.

H.R. 738, Healthcare for Early Retirement Eligible Reservists Act of 2013. Introduced by Representative Joe Wilson (R-SC-02), the bill would amend title 10, United States Code, to eliminate the requirement that certain former members of the reserve components of the Armed Forces be at least 60 years of age in order to be eligible to receive health care benefits.

H.R. 733, (Official title yet to be released). Introduced by Representative Jon Runyan (R-NJ-03), the bill would amend title 38, United States Code, to provide certain employees of Members of Congress and certain employees of State or local governmental agencies with access to case-tracking information of the Department of Veterans Affairs.

H.R. 690, Reserve Retirement Deployment Credit Correction Act of 2013. Introduced by Representative Tom Latham (R-IA-03), the bill would amend title 10, United States Code, to modify the per-fiscal year calculation of days of certain active duty or active service used to reduce the minimum age at which a member of a reserve component of the uniformed services may retire for non-regular service.

H.R. 679, Honor America's Guard and Reserve Retirees Act. Introduced by Representative Tim Walz (D-MN-01), the bill would amend title 38, United States Code, to recognize the service in the reserve components of certain persons by honoring them with status as veterans under law.

H.R. 671, Ruth Moore Act of 2013. Introduced by Representative Chellie Pingree (D-ME-01), the bill would amend title 38, United States Code, to improve the disability compensation evaluation procedure of the Secretary of Veterans Affairs for veterans with mental health conditions related to military sexual trauma.

H.R. 635, Help Establish Access to Local Timely Healthcare for Your (HEALTHY) Vets Act. Introduced by Representative Steve Pearce (R-NM-02), the bill would amend title 38, United States Code, to require the Secretary of Veterans Affairs to enter into contracts with community health care providers to improve access to health care for veterans in highly rural areas.

H.R. 631, (Official title yet to be released). Introduced by Representative Bill Flores (R-TX-17), the bill would amend title 10, United States Code, to provide requirements for the contents of the Transition Assistance Program.

H.R. 604, (Official title yet to be released). Introduced by Representative Chellie Pingree (D-ME-01), the bill would amend title 38, United States Code, to provide for the eligibility under the Post-9/11 Educational Assistance Program of certain individuals with service-connected disabilities who transfer to reserve components before discharge from the Armed Forces.

H.R. 602, (Official title yet to be released). Introduced by Representative Jeff Miller (R-FL-01), the bill would amend title 38, United States Code, to clarify the conditions under which certain persons may be treated as adjudicated mentally incompetent.

H.R. 595, (Official title yet to be released). Introduced by Representative G.K. Butterfield (D-NC-01), the bill would amend title 38, United States Code, to provide equity for tuition and fees for individuals entitled to educational assistance under the Post-9/11 Educational Assistance Program of the Department of Veterans Affairs who are pursuing programs of education at institutions of higher learning.

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 re-designed [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 was one new Legislative Alerts sent this week based on hearings and interaction with Congressional staff, as well as traction on the issue. 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. If you have not seen them, please go to the [Legislative Alerts](#) section on the AUSN webpage and/or check your e-mail for the following alerts which were titled:

Legislative Alert #113-3: SUPPORT H.R. 357 and S. 257, the GI Bill Tuition Fairness Act of 2013

NEXT WEEK OUTLOOK

Next week, the House will be in recess, due to the President's Day Weekend Federal Holiday, and the Senate will have a few items on their agenda, but largely both chambers will be in recess-mode. As a result, there won't be a Legislative Update next week; however AUSN will be meeting with a few Congressional offices and attending some of the monthly Military Coalition (TMC) meetings. In addition, AUSN's Legislative Department will be working out details of its Legislative Liaison program with AUSN's VP of Government Relations, RDML Robin Graf.

AUSN LEGISLATIVE DEPARTMENT SEEKING LEGISLATIVE LIAISON VOLUNTEERS FOR 2013

AUSN has received numerous volunteers for the Legislative Liaison program and is grateful for everyone who has thrown their hands up to help in our grassroots efforts in the states. AUSN's Legislative Director and National Vice President of Government Relations have spoken recently on our current volunteers and are finalizing details which will be released before the end of the month. We're hoping to start the program up in April 2013, right after the President is expected to drop his Fiscal Year 2014 (FY14) Budget request and Congressional hearings commence.

However, AUSN is still seeking TWO VOLUNTEER AUSN MEMBERS per state, (PARTICULARLY to fill remaining gaps from Alabama, Alaska, Arkansas, Colorado, Delaware, Indiana, Iowa, Kansas, Louisiana, Maine, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Washington, West Virginia and Wyoming) to act as AUSN Legislative Liaisons and meet with their Members of Congress AT LEAST TWICE a year, preferably once in the late Spring and once in the early Fall. The goal will be to have AUSN Members engage their Congressional Delegation and report to the Legislative Director at the AUSN Headquarters on what transpired and what they need. AUSN Headquarters will provide necessary copies of Legislative Alerts, Fact Sheets, Priorities/Objectives Cards and any other information in preparation for meetings upon request.

To qualify for being a 2013 AUSN Legislative Liaison, you must;

- Be an Active AUSN Member (and be a permanent resident of State you wish to liaison with)
- Be willing to meet with your Senators' offices TWICE a year (which have District offices throughout your State)
- Be willing to engage with at least ONE House Member District office TWICE a year
- Report to AUSN Legislative Director, Anthony Wallis, and/or the NEW National Vice President of Government Relations, RDML Robin Graf, USNR (Ret), on meetings and important highlights via e-mail
- Stick STRICTLY to FEDERAL issues of concern (AUSN Priority Card) to AUSN that are nation-wide and benefit all members of the Navy community

IF INTERESTED, please contact AUSN'S Legislative Director, Anthony Wallis, at anthony.wallis@ausn.org and copy RDML Graf, at grafrl@cox.net. Once we have enough AUSN Volunteers (two from each State) we will notify you with further instructions before the end of the year/early January 2013.

QUESTIONS/COMMENTS/CONCERNS

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