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AUSN PARTICIPATES IN VETERANS DAY NATIONAL CEREMONY

As an Associate Member of the Veterans Day National Committee, AUSN was again this year very involved in the preparations for the Veterans Day National Ceremony at Arlington National Cemetery. This past Monday, 11 November 2013, AUSN sat in its box seats, occupied by our National President, DKCM Charles Bradley, USN (Ret), our National Executive Director, VADM John Totushek, USN (Ret) and our Vice President for Officer Affairs, LT Patrick Sullivan, USN, right next to the main stage where the Secretary of Veterans Affairs, General Eric Shinseki, USA (Ret), and President Barack Obama gave their Veterans Day speeches. In his address, President Obama highlighted, "Under the most demanding of circumstances and in the most dangerous corners of the earth, America's Veterans have served with distinction. With courage, self-sacrifice and devotion to our Nation and to one another, they represent the American character at its best. On Veterans Day and every day, we celebrate their immeasurable contributions, draw inspiration from their example, and renew our commitment to showing them the fullest support of a grateful Nation."

After the ceremony, following the procession of the VSO/MSO participating flag bearers (including two recent Navy Veterans and AUSN members, Mr. Clyde Thompson and Mr. Erick Rodriguez), AUSN, represented by DKCM Bradley and LT Sullivan, proceeded to lay AUSN's Veterans Day wreath in front of the Tomb of the Unknown Soldier, following President Obama and other VSO/MSO's of the Veterans Day National Committee. Select photos of the event can be found on [AUSN's Photo Album section of the website.](#)

AUSN ANALYZES GAO SEQUESTRATION REPORT

On 7 November 2013, the United States Government Accountability Office (GAO) released a report to Representative Paul Ryan (R-WI-01), Representative Michael Turner (R-OH-10), and Representative Loretta Sanchez (D-CA-46) titled, "Sequestration: Observations on the Department of Defense's Approach in Fiscal Year 2013." The report reviewed the effects of sequestration, overview of actions and potential impacts, on five categories: Civilian Personnel, Training and Readiness, Depot Maintenance, Base Operating Support, and Procurement and Research Development Test and Evaluation (RDT&E).

FURTHER READING:

The absence of legislation to reduce the Federal budget by \$1.2 trillion triggered the automatic start of across the board and indiscriminate cuts known as sequestration on 1 March 2013, beginning with Fiscal Year 2013 (FY13). These cuts are authorized by the President according to the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA), which was subsequently authorized by the Budget Control Act (BCA) of 2011 through the sequester trigger mechanism. Initially, in September of 2012, the Department of Defense (DOD) was informed to continue to plan their budgets at normal spending levels, but by January 2013, DOD was instructed to prepare for possible sequestration to take effect as early as March 2013. Due to this short notice and lack of appropriate preparation, many DOD components were forced to draw funding from prior year unobligated funds in order to lessen the impact of the effects of sequestration. One of the major highlights of this report is that there have been no program cancellations or serious effects from sequestration, which many service officials cite prior year unobligated funds as being responsible for the ability to continue the mission as planned. GAO was finally tasked to measure the effects of these across the board cuts as well as foresee the possible outcomes of continued sequestration in Fiscal Year 2014 (FY14).

The Federal government was required, through sequestration, to cut roughly \$80 billion from the budget, with approximately \$37 billion coming from DOD funding. DOD established general processes to identify priorities and evaluate alternatives for spending during the FY13 sequestration. Having the Navy, in particular, establish a two-tiered approach to planning for a range of funding scenarios to identify potential ways to cut costs while preserving the current deployment schedule for FY13. DOD has mentioned that they have made decisions expecting short term sequestration and that long term budget shortfalls are being considered with the Strategic Choice Management Review (SCMR), which will help plan for alternative funding levels over a 10-year period, as well as starting the 2014 Quadrennial Defense Review (QDR), which reviews U.S. defense strategy, force structure, budget plans, and related policies.

Details can be found at [AUSN's Capitol Hill Blog on GAO Sequestration Report](#).

HOUSE VETERANS AFFAIRS, ECONOMIC OPPORTUNITY SUBCOMMITTEE HEARING ON INDEPENDENT LIVING

On 13 November 2013, the House Veterans Affairs Committee (HVAC), Subcommittee on Economic Opportunity, held a hearing titled, "VA's Independent Living Program (ILP), A Program Review." The witnesses present included Mr. Daniel Bertoni, Director, Education, Workforce, and Income Security at the U.S. Government Accountability Office (GAO), Ms. Margarita Devlin, Acting Director of Vocational Rehabilitation and Employment (VR&E) at the Veterans Benefit Administration (VBA) of the Department of Veterans Affairs (VA), Mr. Richard C. Daley, Associate Legislative Director of the Paralyzed Veterans of America (PVA), and Mr. Paul R. Varela, Assistant National Legislative Director of the Disabled American Veterans (DAV). The hearing was held by HVAC- Economic Opportunity Subcommittee Chairman, Representative Bill Flores (R-TX-17), and HVAC- Economic Opportunity Subcommittee Ranking Member, Representative Mark Takano (D-CA-41). Major issues discussed during the Subcommittee hearing related to how ILP improved the quality of life for disabled Veterans as well as concerns over waste occurring in the program.

FURTHER READING:

The HVAC began with opening remarks made by the Chairman, the Ranking Member, and the witnesses. Chairman Flores began by stating the VA Independent Living Program (ILP) is designed to improve the quality of life for disabled Veterans unable to return to work. He mentioned that it provides a wide array of services for these Veterans and cited a GAO report which claimed that 89% of Veterans have completed their ILP plans. Ranking Member Takano inquired as to how well the program was working and how the ILP improved the quality of life for these Veterans as well as voicing concerns over potential wastes occurring in the program. Mr. Bertoni answered and explained that the GAO report, stating that 3,000 Veterans received assistance in 2012, found that most of these Veterans were suffering from PTSD and tinnitus. He also mentioned that the VA has spent **\$14 million** since 2008 on this program and cited concerns from the report that the VA counts ILP plans towards its cap of 2,700 total participants while not actually counting 2,700 Veterans. Ms. Devlin stated that this program improves the ability of Veterans to live independently and that a majority of Veterans in the program are male Vietnam era Army Veterans in their 50's and 60's. Mr. Daley expressed his concern that, while this program is intended to help Veterans with a serious disability, which has shown it may be preventing employment by employers; he believes some Veterans are dying before they are able to complete the process. Mr. Varela urged Congress to remove the arbitrary 2,700 participant cap to improve the outcomes of this program.

Following these opening remarks Chairman Flores deferred to the Subcommittee members for questioning and

comments. The Chairman inquired about a specific instance where a local VR&E officer approved a **\$17,000** claim for a boat and trailer and stated his belief that a cheaper and equally effective alternative could have been used. Mr. Bertoni responded that, while the exact reasoning was unknown, this claim may have been approved if the Veteran was a fisherman before entering the program or if medical experts believed this therapy would be effective for someone with PTSD. Ms. Devlin concurred with Mr. Bertoni stating that the medical personnel would have had to make the decision of whether such an expensive claim was the best therapy for a Veteran with PTSD. Ranking Member Takano asked if the VA had ever been at risk of exceeding the 2,700 participant cap. Mr. Bertoni answered that the GAO report indicates that the VA has gotten close to the cap, but for a variety of reasons the data may not be accurate.

SENATE APPROPRIATIONS, DEFENSE SUBCOMMITTEE HEARING ON SEQUESTRATION & INDUSTRY

On 13 October 2013, the Senate Appropriations Committee, Subcommittee on Defense (SAC-D) held a hearing on the impacts of sequestration on jobs and the economy, focusing on the defense industry. The hearing was held by SAC-D Chairman, Senator Richard Durbin (D-IL), and SAC-D Ranking Member, Senator Thad Cochran (R-MS). The witnesses were Marion Blakey of the Aerospace Industries Association (AIA), Lt Gen Lawrence Farrell, USAF (Ret) of the National Defense Industrial Association (NDIA), Laury Morrissey, the mayor of Rockford, Illinois, Gregory Bloom of Seal Science, Professor Steven Fuller of George Mason University (GMU), Larry Williams of BRS Aerospace, and Owen Hernstadt of the International Association of Machinists and Aerospace Workers. One of the major subjects discussed was how the cuts in Fiscal Year 2014 (FY14) will compare to the cuts that occurred in Fiscal Year 2013 (FY13). The consensus among the witnesses was that the FY14 cuts will be larger and have a greater impact than FY13 cuts, which were partially mitigated by creative spending on the part of military branches to offset impacts on overall readiness.

FURTHER READING:

SAC-D Chairman Durbin stressed that in FY14, there will be no room to maneuver and said that the 2014 cuts will likely reach **\$52 billion** and cost 800,000 jobs. Ms. Blakey of AIA added that sequestration is not the only reduction facing the military, and that combined with other existing reductions and effects of the 2011 Budget Control Act (BCA), the military and defense industry face approximately **\$1 trillion** in cuts over the next 10 years. All of the witnesses in the defense industry agreed that the budget cuts will have severe effects in the future, adding on to costs that sequestration has already incurred. Mr. Williams cited an example from BRS Aerospace, which produced parachutes for aerial cargo delivery, which has now been shut down due to sequestration cuts. This was a product with high utilization that was not sustained, and has now caused BRS to cut their employee numbers from over 600 to just 79, and now are unable to produce these parachutes. General Farrell also spoke about the importance of regular budgeting and the detriment of large, unpredictable cuts to the defense industry. He said that sudden cuts like those caused by sequestration make it impossible to predict future priorities and plan for them. Mr. Hernstadt cited the example of the unplanned cancellation of an overhaul of the USS *Miami* submarine this year, and putting other Navy maintenance on hold.

Several of the witnesses noted that in the volatile environment created by the sequester, it is becoming more and more difficult to attract talented graduates in the scientific fields, who perceive the defense industry as being risky, and are worried that if they work for a defense contractor or supplier, they will be likely to be laid off when a cut is made to their sector. Mr. Bloom said that this is causing a loss of critical talent in the industry, and that the cuts and lack of new talent are causing defense industry businesses to be unable to deliver the best equipment to servicemembers. Chairman Durbin asked the panel what could be done to help alleviate the effects that sequestration was having. General Farrell said that predictability in future budgets is greatly appreciated, while still allowing for some flexibility. He said that two years of relief from the sequester, and then in the third year to have a specific number for the reductions that have to be made, which would allow contractors and suppliers to adjust to the reductions without having to shut down production lines and lay off employees unexpectedly. All of the panel members agreed that advance warning and predictability in the budgeting process are the best tools for adapting to cuts.

Finally, one of the most important topics discussed were the secondary effects of the cuts. Many of the cuts made to major acquisition contracts go on to impact not just major contractors, but small and mid-sized suppliers, who are relied upon by the larger companies. Mr. Hernstadt, Mr. Bloom, and Dr. Fuller talked about these detrimental impacts on 2nd and 3rd tier employers. Dr. Fuller said that when 900 jobs are lost in the defense sector, the loss of this payroll goes on to

impact 1600 jobs in the community the company operates in. Mr. Hernstadt added that with the significant geographic diversity of the defense industry, the entire country feels these impacts, not just a few major cities. While major contracts can recover and diversify, many small suppliers are highly specialized, and the loss of a single major contract can cause them to go out of business, not just impacting their employees, but causing major contractors and the military to be unable to procure highly specialized parts and equipment that are often not available in the general economy. These secondary impacts are massive and warrant significant consideration when Congress lays out a budget and targets cuts.

AUSN ON THE HILL

This week, both the House and Senate were in session. In addition to monitoring hearings and participating in the Veterans Day Ceremony this week, AUSN was pleased to see the House passage of S. 893, The Veterans' Compensation Cost-of-Living Adjustment (COLA) Act of 2013 on 12 November 2013. The bill would authorize an increase for Department of Veterans Affairs (VA) disability compensation, clothing allowance and survivor benefits equal to this year's Social Security COLA, a 1.5% increase. House passage of the Senate bill means it is on its way to the President for signature into law. To mark the House passage of the bill, House Veterans' Affairs Committee (HVAC) Chairman, Representative Jeff Miller (R-FL-01) stated, "House passage of S. 893 on the first legislative day following Veterans Day is a timely tribute to the service and sacrifice of so many of our country's heroes. Disabled veterans and families of the fallen are now one step closer to a suitable benefits increase." In addition, AUSN monitored, what it could, of an initial press briefing of the newly formed House Armed Services Committee (HASC) Asia-Pacific Oversight Series (see last week's [Legislative Watch](#)) before a CLOSED session with Ambassadors of Asia-Pacific countries. HASC Chairman, Representative Buck McKeon (R-CA-25), HASC Ranking Member, Representative Adam Smith (D-WA-09), and Oversight series HASC co-chairs, Representative J. Randy Forbes (R-VA-04), and Representative Colleen Hanabusa (D-HI-01) joined ambassadors from Australia, Japan, Philippines, Republic of Korea, Singapore, and New Zealand in a CLOSED roundtable discussion. Of the many things discussed, the co-chairs announce that, "We discussed the unique humanitarian assistance and disaster relief capabilities that our military is providing to the Philippine government, and we told him that the United States has a history of standing with our friends and allies in times of need. Indeed, strong and consistent alliances and partnerships are the key to America's interests in the region."

Earlier in the week, AUSN participated in a morning discussion of businesses and advocacy groups with Republican National Committee (RNC) Chairman Reince Priebus where AUSN brought up and discussed Veterans and their priorities and concerns. Finally, AUSN held meetings with the staff of Senator Angus King (I-ME) to discuss the upcoming National Defense Authorization Act (NDAA) debate shaping for Senate floor consideration soon as well met with Representative Tim Walz (D-MN-01) and his staff to discuss pending Veteran bills of interest in the House.

PRIORITY BILLS INTRODUCED THIS WEEK

S. 1684, Service Members Transition Improvement Act of 2013. Introduced by Senator Patrick Toomey (R-PA), the bill would require a pilot program on the provision of certain information to State Veterans agencies to facilitate the transition of members of the Armed Forces from military service to civilian life.

S. 1683, (Official title yet to be released). Introduced by Senator Robert Menendez (D-NJ), the bill would provide for the transfer of naval vessels to certain foreign recipients.

S. 1682, (Official title yet to be released). Introduced by Senator Robert Casey (D-PA), the bill would amend Title 38, United States Code, to make certain clarifications and improvements in the academic and vocational counseling programs administered by the Secretary of Veterans Affairs.

H.R. 3470, Naval Vessel Transfer and Arms Export Control Amendments Act of 2013. Introduced by Representative Ed Royce (R-CA-39), the bill would provide for the transfer of naval vessels to certain foreign countries.

H.R. 3456, Student Veterans Priority Enrollment Act. Introduced by Representative Allyson Schwartz (D-PA-13), the bill would amend Title 38, United States Code, to improve the enrollment of Veterans in certain courses of education.

H.R. 3453, (Official title yet to be released). Introduced by Representative Steven Horsford (D-NV-04), the bill would reauthorize the VOW to Hire Heroes Act of 2011, to provide assistance to small businesses owned by Veterans, to improve enforcement of employment and reemployment rights of members of the uniformed services.

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 was one new Legislative Alert 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 #113-20: SUPPORT H.R. 3405 & S. 1637, the United We Stand to Hire Veterans Act

NEXT WEEK OUTLOOK

Next week, the House and Senate are in session and will be out the following week for the Thanksgiving holiday. The Senate is expected to consider a laundry list of amendments as it puts the Fiscal Year 2014 (FY14) National Defense Authorization Act (NDAA) on the Senate floor (although rumors have it being pushed as late as after Thanksgiving.... Stay tuned!). AUSN has been working with offices in helping prepare amendments to be introduced, suggesting a few to be considered, and anticipating ones to be introduced that we will be tracking throughout the debate next week. In addition, AUSN will be monitoring a House Veterans’ Affairs Committee (HVAC) hearing on Department of Veterans Affairs (VA) infrastructure and construction projects as well as watching a House Armed Services Committee (HASC) hearing on military resale programs. AUSN will also be hosting its 4th and final Navy Now Forum of the year where our guest speaker will be the Vice Chief of Naval Operations (VCNO), Admiral Mark Ferguson where we encourage local AUSN members to [register here for the Navy Now Forum](#). Finally, AUSN will be attending its regular meetings of The Military Coalition (TMC) and the National Military Veterans Alliance (NMVA).

AUSN SEEKS SPRING 2014 LEGISLATIVE INTERNS

AUSN’s Legislative Department is looking for a full or part time unpaid Legislative Interns for the spring 2014 semester. Candidates should be undergraduate students seeking a degree in Political Science, Government Affairs, Communication’s or Public Policy related degree with a passion or interest in advocacy work for the Navy, its Sailors and Veterans. Details about the internship can be found by visiting [AUSN’s Legislative Internship webpage](#).

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 or fax it to 703-683-3647. Schedules are flexible/negotiable for the spring and Metrorail travel reimbursement is available to interns as well as free parking at our headquarters off of King Street in Alexandria. CUTOFF DATE for applications is 10 December 2013.

QUESTIONS/COMMENTS/CONCERNS

Anthony A. Wallis, Legislative Director
Phone (o): 703-548-5800, (m): 703-517-9310
E-mail: Anthony.Wallis@ausn.org
Legislative Action Center: [Contact Congress](#)