

Mr. Chairman, I am Joseph W. Lipowski, national commander of AMVETS. On behalf of AMVETS, the AMVETS Ladies Auxiliary, Sons of AMVETS and our other related associations, I thank you for the opportunity to appear before this joint session of the United States Senate and House of Representatives Veterans' Affairs Committees.

Mr. Chairman, AMVETS has been a leader since 1944 in helping to preserve the freedoms secured by America's Armed Forces. Today, our organization continues its proud tradition, providing, not only support for veterans and the active military in procuring their earned entitlements, but also an array of community services that enhance the quality of life for this nation's citizens.

The tragic events of September 11th changed how this nation views the world, and how we view ourselves. We are a country awakened now. We have been attacked in our homeland. We have felt the reality of what an unstable and dangerous world it truly is. And we have a renewed appreciation of those we ask to defend us. It is, however, a bittersweet time.

On the one hand, we are now united more than any other time in recent history. Our flag has regained its stature, and we have a greater appreciation of our freedoms. Yet we have suffered a terrible loss, as we will always recall the more than 3,000 people killed on that day of brutality, including many who served this country just a short distance from here at the Pentagon.

In Stephen Ambrose's *Band of Brothers*, the story of Easy Company of the 101st Airborne Division, one soldier wrote: "I wonder if people back home would ever know what it cost the soldiers to win this war. How could anyone ever know the price paid by soldiers in terror, agony and bloodshed if they'd never served in places like Normandy and Bastogne?"

Similarly, in the aftermath of September 11th, we have witnessed the brave and effective action of today's military. Our troops entered a region of the world, proven over the centuries to be an impenetrable fortress to invading forces, and pursued a savage and dangerous foe. In a period of months, they liberated Afghanistan from its Taliban oppressors and helped to restore hope of a better future for that nation and its people.

Operation *Enduring Freedom* has shown us what a modern military force can accomplish, but it is the day-to-day concerns of our fighting men and women that we must

address to maintain a ready and capable force. It is essential they have the tools to accomplish their mission and are offered a quality of life that encourages retention of current personnel and enlistment of others. In this vein, we applaud the work of Congress and the president to increase the military budget this past year. Raising pay and increasing the allowance for housing will improve current conditions and help us to retain those now in uniform. As Secretary Rumsfeld recently testified, “If we are to win the war on terror, and prepare for the wars of tomorrow, we must take care of the department’s greatest asset: our men and women in uniform.”

Here, I would like to make special mention of the tremendous contribution the National Guard and Reserves have made to the defense of our nation. Today, more than 50,000 Army and Air Guardsmen have been called to federal and State duty, supporting operations overseas while providing security on the home front, from Capitol Hill to our airports and borders. It is now time to provide full equity of benefits for all Guard and Reserve personnel.

Mr. Chairman, it’s a recurring theme—the sacrifices of our military. Patriots as early as Abigail Adams lamented that future generations “who are to reap the blessings will scarcely be able to conceive the hardships and sufferings of their ancestors.”

It is incumbent on us to ask ourselves, Will we act responsibly and remember the veteran’s sacrifice? Will we honor the brave and dedicated men and women who once wore the uniform? It would be unconscionable should we fail in that regard. Much is at stake, and it is important to be ever mindful of what one of our most revered statesman, Abraham Lincoln, once said: “Any nation that does not honor its heroes will not long endure.”

Reviewing recent congressional priorities, we see that the members of this joint body have *not* forgotten to honor America’s defenders. Your record is a story of accomplishment. Over the past year, you have served with passion and with care. And AMVETS says, “Thank you.”

Thank you for increasing the Montgomery GI Bill benefits; for supporting programs to end chronic homelessness among veterans; for boosting compensation benefits to help veterans keep pace with the increased costs of living; for extending healthcare

benefits to surviving spouses; and for expanding assistance to Gulf War and Vietnam veterans.

I would also add that AMVETS is strongly supportive of your efforts to improve the lives of disabled veterans through assistance dogs. Some time ago, AMVETS recognized the critical importance of these dogs and began a donor-partnership with *Paws With a Cause*, a national nonprofit group headquartered in Wayland, Michigan. Disabled veterans, like everyone else, want to manage their lives with as much dignity and independence as humanly possible. Highly trained dogs make that possible, and your action in expanding their use was most welcomed.

We look forward to an agenda this year that includes efforts to modernize the veterans' healthcare system and claims process. America's veterans deserve the best treatment their government can give them—not only with their healthcare needs, but also in the way their claims are handled. We hope Congress can move forward to repair, renovate and rebuild dilapidated VA medical facilities. And we hope progress can be made in arrangements for stronger sharing agreements between DoD and VA.

Mr. Chairman, the VA budget presently before you asks veterans to swallow a bitter pill. In order to adequately fund the healthcare system, this proposal would require veterans with incomes as low as \$24,000 to pay a \$1,500 deductible. The deductible is included in the 2003 budget plan as a means, we are told, of coping with rapidly growing use of VA's medical facilities.

AMVETS does not mean to be harsh on VA. We know it faces serious financial challenges and hard budget decisions with higher drug costs, healthcare inflation and new mandates for emergency health and long-term care. And we know as well that there are few individuals as committed to veterans and their issues as the current secretary, Anthony Principi.

Even so, the administration's budget request is inadequate and will not meet the needs of veterans. We already know that shortfalls exist under the current budget, and that almost anyone eligible for medical care has to wait for an appointment. Unfortunately, the budget for the coming year does next to nothing to address the resulting delays that jam up the system and frustrate veterans.

This is not right. The one major disappointment I have, and continue to have, is the lack of priority analysts at the Office of Management and Budget give to our veterans.

Last year, despite the leadership and commitment of your committees, the administration was ready in November to tell AMVETS and other veterans groups of a decision to ban new enrollments by so-called, higher income, Priority 7 veterans. The ban was averted at the last minute when Secretary Principi was told that money would be found to continue enrollments. This year, rather than calling for appropriations to continue enrolling Priority 7 veterans, the administration is calling on veterans to pay for this care out of their own pockets.

If this proposal passes, it means that 121,000 potential new enrollees, veterans all, will seek healthcare elsewhere. It also will likely have an adverse affect on those already in the system. All in all, this proposal stands as a virtual veto of healthcare reforms approved by Congress in 1998.

AMVETS supports keeping the doors of VA health care open. The \$1,500 deductible is way out of line, and turning veterans away is unacceptable. We ask Congress to do the right thing and continue making veterans issues a high priority.

In this regard, we recommend an increase of \$3.1 billion over last year's VA medical care spending. This is the same amount that would be required if the administration's proposal was stripped of the \$1,500 deductible and related inflated projections of various collections and co-payments. AMVETS—together with the Disabled American Veterans, the Paralyzed Veterans of America and the Veterans of Foreign Wars—makes this recommendation in our 16th annual publication of *The Independent Budget*. Some will say we can't afford it. It costs too much. We believe the *IB* is a balanced and responsible analysis of VA's funding requirements. And that the price is not too great for the value received.

As a measure to improve veterans' health care, AMVETS supports legislation to strengthen VA's ability to retain third-party and Medicare reimbursements for patient treatment. We also support Medicare subvention for VA, to provide payment within the VA health care system for the treatment of Medicare-eligible VA patients.

Among other initiatives, AMVETS continues to support the overhaul of a disability claims process in dire need of attention. Quality, timely decisions should be our aim.

Today, it takes too long to settle a claim. The error rate remains too high. And veterans continue to face delays that effectively deny appropriate, legitimate compensation for disabilities resulting from military service. The challenges, which have historically plagued this system, are not insurmountable. We need to allow VA to enter the 21st century by fully funding the department's requirements. Failure to do so simply guarantees failure. Further, disability compensation, pension payments and Dependency and Indemnity Compensation Benefits (DIC) should be exempted as eligibility criterion for all federal programs.

On the matter of homeland security, we recognize a role for VA in America's preparations for and defense against terrorist attacks and threats. President Bush has called for \$38 billion to support such efforts. Within this package is a substantial investment in our nation's healthcare system. It seems to me that if we are to have a comprehensive national policy, we should give VA a role in that strategy. Point one: VA operates the largest integrated healthcare network in the world—800 outpatient clinics, 163 medical centers. Point two: an integral part of VA's mission is to provide backup medical resources to the military healthcare system and local communities in the case of emergency. Point Three: the Administration must provide resources to fulfill this role.

In the critical area of veterans' employment, AMVETS remains vigilant that programs currently in force, as well as those in development, give priority to veterans. It is important that employment programs at all levels of government continue to help veterans on that basis.

Also in this area, AMVETS is extremely disappointed with the proposal in the president's budget to transfer Veterans Employment and Training Service programs from the Department of Labor (DOL) to VA. We believe this transfer is ill advised. DOL knows the labor market. That's its business, and it knows better than anyone where the jobs are. VA does not have the capability or the assets to support employment programs. Moreover, the department already faces serious challenges in providing timely health care and reducing a backlog of nearly 600,000 claims. Moving VETS programs to VA does nothing to better serve veterans.

Another concern is the administration's failure to request funding for the National Veterans' Training Institute. We're setting up a situation here where people are led to

believe they're going to get some real employment help, but the reality is otherwise. That would be the wrong thing to do.

In addition, Mr. Chairman, AMVETS stands solidly behind the right of the American people to protect their flag. This flag of ours is a symbol of all that is good about the nation. It is also the symbol of a nation willing to sacrifice its most precious resource to be free. The men and women gathered here understand this perfectly.

We thank House members for passing H.J. Res. 36 last year. And we look for our elected senators to bring this issue to a vote as soon as possible this year. This is a high priority, and we ask our senators to support us in overturning the 1989 Supreme Court decision that opened the way for flag desecration.

We also want the fullest possible accounting of our missing servicemen and ask for your support in the effort to find and identify their remains. This is important. It is a duty we owe to the families of those still missing and unaccounted for as well as to those who served or who currently serves. We must not repeat the sins of the past. A soldier, who is recovered in a timely manner during hostilities, will not become a MIA later. As President Bush said, "It is a signal that those who wear our country's uniform will never be abandoned."

Finally, a grateful nation must keep faith with its military retirees. For more than 100 years, disabled military retirees have been barred from collecting their full retirement pay for serving a minimum of 20 years in the service. If a retiree has the misfortune of becoming disabled as a result of service, he or she can apply and receive VA disability compensation. To receive this compensation, however, they must waive, dollar for dollar, an equal amount of retired pay. No other federal employee is treated so miserably.

During the last session of Congress, "lip service" legislation attached to the National Defense Authorization Act was passed to overturn the bar against concurrent receipt of military retired pay and disability compensation. No funding, however, was provided. AMVETS calls on this Congress to set the matter right, once and for all—and allow disabled military retirees to receive full military retirement pay and VA disability compensation to which they are entitled. Additionally, our State veterans' homes require special merit and attention. With our ever-aging veteran population, these institutions will bear an increasing burden in the care of our veterans.

Mr. Chairman, in the months ahead, AMVETS looks forward to working with you and others in Congress to ensure that adequate resources are provided to meet the needs of America's veterans and their families. We have much to do, but we are encouraged in knowing our work will help determine the future of our nation and that of millions of others around the world who love freedom.

This concludes my testimony. Again, thank you for extending me the opportunity to appear before you today, and thank you for your support of veterans. I hope all of you will be able to join us tonight for our AMVETS congressional reception to be held here in the Cannon Caucus Room from 5:00 to 7:00 p.m.