

STATEMENT OF  
EDWARD S. BANAS  
COMMANDER-IN-CHIEF  
VETERANS OF FOREIGN WARS OF THE UNITED STATES  
BEFORE THE  
JOINT HEARING OF THE  
COMMITTEES ON VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES AND  
UNITED STATES SENATE

10:00 AM  
WEDNESDAY, MARCH 10, 2004

Mssrs. Chairmen and distinguished members of the committees, by way of a beginning, I would now express the deep appreciation of the 2.6 million men and women of the Veterans of Foreign Wars of the U.S. (VFW) and our Ladies Auxiliary for the tremendous contributions you have made in the service of veterans. It is thanks to your strong bipartisan cooperation and record of accomplishment that—despite the annual funding dilemma confronting the Department of Veterans Affairs (VA)—our nation's defenders continue to receive the care and services they have earned in their time of need.

I would make special mention of the staunch advocacy of Chairmen Chris Smith and Arlen Specter. Particularly in the area of funding veterans' medical care, you both have made profoundly important contributions. Let there be no doubt in anyone's mind that had it not been for the heroic and ongoing efforts of the Chairmen of the House and Senate Veterans' Affairs Committees, countless veterans in need would have been forced out of the system and VA

medical care itself could well be on the verge of financial collapse. America's veterans owe you a deep debt of gratitude and we thank you on their behalf.

We would also acknowledge the Secretary of Veterans Affairs, Anthony J. Principi, for his courage and principled leadership of the Department in these most difficult times. He has made a deep and positive difference in the manner in which VA fulfills our nation's obligation to those who have served her in uniform.

In an era when every issue is fueled to burn hotter with partisan rancor, it is refreshing how well everyone on these committees works together as one team--a team with the most noble of goals: taking care of America's veterans. You have demonstrated that good politics makes good policy. For this, we of the VFW offer you our sincerest appreciation.

While we applaud the members of these committees for your non-partisan approach to overseeing and directing VA, the conduct of the full Congress, in this regard, leaves much to be desired. It is our observation that there have been numerous attempts on the part of certain members of Congress and the administration to use veterans and veterans' issues as props on a decidedly partisan political stage, especially when it comes to the annual budget battles. One tragic outcome of all of this is that VA funding has arrived some four months late each of the last two fiscal years. We insist that when addressing matters pertaining to VA and veterans that partisan politics be set aside and full energy be devoted to addressing veterans' needs. We will tolerate no less.

I would now ask you to look around this room at the many faces assembled here today. Drawn from every state in the union, we are the faces of America's veterans.

We are the men and women who have willingly stood in harm's way so that our nation may remain free. When we speak of sacrifice, of courage and of conviction, it is not done lightly. These words have a sacred meaning to us—as they do to those who serve in uniform

today in defense of our safety and liberty.

It is for this reason that we are profoundly mindful of our over one hundred thousand servicemembers in Iraq and the many thousands more currently fighting valiantly in defense of freedom for all around the world.

It is on their behalf that we of the VFW have demanded that our nation place the highest priority on seeing that her defenders in the deserts of Iraq, mountains of Afghanistan and the fields of battle everywhere are provided the most modern equipment, the best training and all of resources needed to afford them every advantage in the war on terrorism.

But our nations' obligation to these brave men and women most certainly does not end there. This duty does not end when a young man or woman's mission is completed. Our obligation is not fulfilled when they are discharged from Walter Reed or any other military medical center. And it most definitely does not end when one of this nation's warriors falls.

Our nation has a most sacred obligation to its sick and wounded defenders and to their survivors and dependents. This obligation is part of the ongoing costs of war and the Veterans of Foreign Wars will continue to fight to ensure that these costs are paid.

One of the largest of these costs is veterans' health care. Our nation's veterans, through the sacrifices they have made on behalf of this grateful nation, have earned the right to a first-rate health care system that adequately and compassionately cares for the sick and disabled. VA has an honorable mission, which we wholeheartedly support.

VA, unfortunately, has been a victim of its own success. The high quality and broad range of health care services VA provides has led an ever-increasing number of veterans to knock on its door, creating an unprecedented demand for services. VA, because of a lack of adequate funding, is not able to meet these increasing demands. Since 1996, the number of enrolled veterans has increased nearly 150%, yet funding has lagged far behind with only a 50%

increase. An increasing demand that would delight any Wall Street investor has instead brought VA to the brink of disaster.

What has VA done to combat these growing demands? It has increasingly turned its back on the veteran; it has limited the supply through the rationing of health care. There are thousands of veterans who have been waiting well over six months for basic health care appointments. Other veterans must wait over a year for specialized health care appointments. There are millions of veterans who are completely excluded from the system because they make above a paltry income threshold--approximately \$28,000, but adjusted for localities. This administration has even gone so far as to drive veterans from the system by forcing veterans to balance the health care budget on their backs through increased co-payments and the threat of enrollment fees. This is unacceptable. Every face in this room has already paid for their health care--some with their sweat, others with their blood.

In the face of these problems, we are once again dismayed with the President's wholly inadequate budget request. Not only does it fail to adequately appropriate veterans' medical care funding, it again proposes balancing the budget on the backs of this nation's veterans. The administration's proposal again shamefully calls for an enrollment fee that would greatly limit the ability of many veterans to access the system and would force many other enrolled veterans from the health care system altogether. Additionally, it more than doubles co-payment amounts for prescription drugs, and provides for a large increase in the medical care appointments co-payment.

The reliance on collections, instead of appropriated funding, is troubling. First, much of the money collected comes straight from the veteran's wallet. The increased fees and co-payments have been created to drive veterans from the system, not to enhance the services VA provides. For many veterans, VA is closed--not because they are no longer eligible, but because

they can no longer afford the health care that was created for them. We cannot accept this. All veterans should be allowed to enroll into the health care system, not just those who can afford it.

Second, the goals VA sets for third-party reimbursement are unreasonably high. VA has had a mixed, but improving record, of collecting money from veterans' private insurance companies. Billing problems, which include timeliness, persist, and VA misses out on many opportunities to collect. In this regard, we insist that VA greatly improve its third-party collection process.

VA has historically failed to meet its collections targets. Just last year, they greatly improved, and still fell \$100 million short of their goals. Congress intended collections to supplement appropriated dollars, not to replace them. And we must be especially wary to ensure that these increased goals do not come about solely because of increased fees veterans must pay. Shifting the cost burden to veterans is not compatible with VA's mission, and it is not compatible with what this nation owes all who have served.

Unfortunately, the budget proposal this administration has laid before us does nothing to combat VA's problems. Instead, the lack of adequate funding will only exacerbate these problems. If this budget were enacted, veterans would still be forced to wait months for basic health care appointments. Veterans would still be driven from their earned medical care by increased fees. Veterans would still be denied access to the health care system. No member of this administration, and certainly none of you seated before me, nor *any* member of Congress would accept a health care system with these problems. It is absolutely unacceptable to expect our veterans, who have contributed so much to this great nation, to accept a medical system such as this either.

We are very appreciative of Congress' efforts in providing significant increases in veterans' medical care over the last few years. Each year, we have looked to you to do what is

right for America's veterans, by improving upon the administration's budget proposals. Each year you have acknowledged the shortfalls in the President's budget and have acted to increase it accordingly. The VFW sincerely thanks you.

Again, this year, we look to you for help. The administration's proposal falls well below the \$3.1 billion increase we call for in the *Independent Budget*. We trust that you will act to ensure that all veterans receive timely access to the high-quality medical care they earned by virtue of their service on behalf of this great nation.

The VFW and, I am certain, no citizen of this great land will tolerate treating our veterans poorly, especially now at a time of war. Veterans have earned timely, high-quality health care, and we demand a budget that recognizes that all veterans, even those Category 8 veterans who are locked out of VA health care, must have access. The President's budget takes care of some while leaving others behind, and we look to you, the Congress, to ensure that the promises this nation made to its sons and daughters when it sent them to war are kept. We cannot leave any veteran behind.

This administration's disappointing budget request once again renews our call for mandatory funding for veterans' health care. As the *Presidential Task Force to Improve Health Care Delivery for Our Nation's Veterans* noted, there is a fundamental mismatch between the increasing demand for veterans' health care and the administration's and Congress' ability to provide financial resources. As this nation's veterans' population grows even older, this demand will escalate, worsening this mismatch.

Veterans have earned our health care as a direct result of past service. Yet, we are forced to stand in line, cap in hand, begging for our proper share of scant federal resources amongst thousands of other federal projects and agencies. When it comes to our health and well-being, it is ridiculous that we must compete for funding with a mission to Mars. What kind of message

does that send to those currently serving? It should not be this way. We have already paid the price for our health care.

Enacting mandatory funding legislation would not create a new entitlement to health care. Those currently eligible would remain eligible, and the Secretary would still retain authority to enroll veterans. Congress would still retain its essential departmental oversight authority. All mandatory funding would do is ensure that veterans' health care receives the proper level of funding in a timely manner to meet the demands placed upon the system by veterans. All we ask is that the promises that were made to us are kept.

If, as the increased collections goals indicate, VA desires to reduce its reliance on direct appropriations, it should focus on what we believe could provide a viable and significant alternate funding source, which does not place the burden on the veterans—Medicare reimbursement, also known as subvention. This would allow VA to collect and retain Medicare dollars, and would allow Medicare-eligible veterans to receive treatment for their non-service connected illnesses through VA.

Not only would VA receive additional funds it desperately needs, but, because VA has demonstrated that it provides much more cost-efficient care than the private sector, Medicare's expenses would be reduced as well. I would also point out, that when eligibility reform passed in 1996, there was significant discussion about how integral subvention would be to the financial health of the system. Without action, we have seen the funding situation deteriorate. The time for action is now. We look to you to correct this inequity. It is simply the right thing to do.

We also believe it is possible to free up a significant portion of VA's health care resources by reforming VA's prescription drug benefit. VA should be allowed to fill prescriptions written by veterans' private physicians. We applaud the administration for including this proposal in their budget request. It is a reform that benefits both the veteran and

VA.

Veterans, due to the lengthy waiting times for health care appointments, are frequently turning to outside physicians. These veterans then turn to VA to fill their prescriptions because, for many, VA's prescription drug benefit is more generous than their private plans. VA unreasonably demands that these veterans be seen by VA physicians and receive the same battery of tests to confirm what the outside physician has already told them.

This policy is frustrating for the veteran and ill-advised from a resource standpoint. Why, when VA is unable to meet the current demand for services, do they ask for duplicate tests? Is this not a waste of resources? VA's own Inspector General has forecast that this duplication of services wastes over \$1 billion a year. If this reform was good for the limited number of veterans eligible for VA's temporary Transitional Pharmacy Benefit, should it not be extended to all veterans? We believe it should, and we urge Congress to support the administration's proposal. VA would benefit from reduced costs, and veterans benefit from improved access. It simply makes sense.

VFW has long advocated that VA provides for the full continuum of care for all veterans. As our nation's veterans grow older--there will be a projected 1 million veterans over the age of 85 in 2012--we must ensure that VA fulfills this nation's obligations to this aging population.

Unfortunately, VA has failed to meet its statutory obligation to provide extended care services at 1998 levels. The nursing home average daily census (ADC) provided by VA in FY 1998 was 13,391. By 2003, VA's ADC was 9,900 and it is projected to be just 8,500 in 2004. Further, just last year, in the FY 2004 budget proposal, VA proposed closing 5,000 VA nursing home care beds. VA is not sufficiently prepared to meet this growing crisis. As further evidence, we would note that the Capital Assets Realignment for Enhanced Services (CARES) process initially failed to even mention long-term care, and we remain concerned that attempts to

address the issue are not sufficient.

Decreasing long term care services when faced with what appears to be an increasing demand for long-term care services is not a sound policy for VA or for this nation's veterans.

In the past five years, VFW has been witness to a VA system that has gone from a long-term care mission open to all veterans when beds were available, to a post acute, short-term, rehabilitative mission that refers non-service connected (NSC) veterans to community care on Medicaid or self pay. Now, due to the *Veterans Millennium Health Care Act*, VA Medical Centers are trying to fill nursing home care beds with veterans who are service-connected 70% or higher, but still restricting access to NSC veterans, even though there is a \$97 a day co-payment reimbursement program available to recover a portion of VA's expense.

Last year, your committees rightly denied VA's request to circumvent their statutory responsibility by "substituting non-institutional alternatives, as well as state and community nursing home beds for these VA nursing home beds, [while] not requesting sufficient resources to match the level of capability eliminated by removing these beds from service." VFW supports the policy of expanding, not substituting, state and community nursing home beds just as we support the policy of expanding, not substituting, more non-institutional solutions to long-term health care. This administration's budget fails to live up to these statutory obligations and proposes even more substitution of state nursing home beds for VA's own capacity. We must live up to our long-term care commitments. Our veterans deserve no less.

VA must also place an increased emphasis on mental health services, particularly as the war on terrorism continues, and the number of affected servicemembers increases. Post Traumatic Stress Disorder (PTSD) can make life difficult for many returning veterans. The struggles they went through and the battles they won may greatly affect their mental well-being. For some, the counseling and treatment options VA provides gives them the solutions they need

to confront these after-effects of conflict. The wounds of war do not always result in blood or scars, and we must ensure that these psychological wounds are given the same manner of respect and treatment. We owe them this much.

Long-term care and mental health services are not the only planning problems VA faces. There has been major political resistance to fund an adequate construction budget before the CARES process has been completed. VFW has strongly supported the CARES process because we believe that, if implemented properly, it will greatly improve services for veterans through expanded access and the reduction of wasted resources. We strongly believe, however, that it has been a travesty to delay needed construction projects until CARES is complete.

With an average age of 54 years, VA medical centers are in critical need of repair. Many of these projects are essential for patient safety, such as the 963 buildings deemed at risk of seismic collapse. Not all of these buildings can wait for the process to play out, and we certainly should not place veterans at risk because of our unnecessary delays. We cannot afford to play politics with the health and safety of our veterans. VA must pursue needed construction without delay.

With the recommendations of the CARES Commission having gone to the Secretary, we trust we are moving toward implementation of a strong and beneficial plan. We have been supportive of CARES throughout the entire process and have sought to ensure that our voice was heard in public testimonies throughout the entire country. We are pleased that the Commission's recommendations were not a mere rubber stamp of the draft plan, and that they recognized many of the draft's problems, particularly when it comes to long-term care and mental health services. VFW will continue to fight to ensure that these important missions remain part of the full continuum of care VA provides. Further, we will continue to fight to ensure that services are truly enhanced system-wide. We must see signs that this long, complicated process improves

services and frees up resources for veterans' medical care and that it was just not an excuse to realign or terminate services. We trust that Congress will be just as vigilant.

Despite the negative publicity that centered on the draft's proposal to close several medical centers, there are some positive developments of the CARES process. We support VHA's efforts to expand access to needed health care through the proposed establishment of 262 additional Community Based Outpatient Clinics (CBOCs). CBOCs significantly reduce the travel required of many veterans who live long distances from VA medical centers and for those whose medical conditions make travel difficult. CBOCs also improve veterans' access to timely attention for medical problems; reduce hospital stays; and improve access to, and shorten waiting times for, follow-up care.

We do question, however, the willingness with which Congress and this administration will fully fund the CARES process. Much time, effort and funding have been put into this project. It is essential that, when finally approved, recommended construction be fully funded and allowed to proceed. Due to unnecessary CARES-related delays, construction projects have not been properly funded and have lagged. When implemented, we expect construction costs to soar, and this Congress must be willing to accommodate these essential increases. To not do so means that the last few years of delayed construction, as well as the amount of time, effort and funding that went into this project, shall have been wasted. More importantly, to not fund the project means that veterans will continue to have problems accessing their health care in every congressional district. Neither you, nor I will accept this.

The wounds of battle frequently do not just require hospital attention. They frequently cause severe long-term physical or psychological disabilities that prevent veterans from attaining positions in this nation's workforce. The ongoing costs of war and the thanks of a grateful nation ensure that these former servicemembers are fairly compensated for their wounds and scars. For

this reason, we seek improvements in the Veterans Benefits Administration (VBA).

Chief among VBA's mission is processing veterans' compensation and pension claims. The job is essential to VA's mission. The reduction of the claims backlog and the timely processing of those claims have been well-stated goals of this administration. While there have been significant accomplishments, VBA has not fully met these goals. Instead, the number of backlogged claims is creeping upwards. This persistent and increasing backlog prevents disabled veterans from receiving timely decisions for the compensation and pensions they frequently need to offset economic hardships related to their disability.

While VA has focused on increasing production to reduce the claims backlog, there has been an attendant larger problem that has not received the same amount of national attention: quality decision making. This problem goes back several years, with the root cause being the 22% reduction in personnel VBA suffered between FYs 1992 and 1998. Again, VA has improved in this area, recently achieving an 89% accuracy level on compensation and pension ratings decisions, but that is still far short of their goal of 96% accuracy. None of us should be satisfied with a system that forces our disabled veterans to wait month after month for their just compensation, only to be denied because of a faulty ratings decision. This poor quality only worsens the system's problems; Veterans are forced to appeal, which further increases the backlog..

We believe that the improvements that have occurred in timeliness and decision quality in the claims processing system are due primarily to the increased experience of adjudicators and raters hired over the last few years. But, these recent inroads in improvement are now in dire jeopardy with this administration's budget proposal, which mandates a reduction of 540 VBA personnel. Coupled with the knowledge that many senior leaders at regional offices will be retiring over the next few years, the personnel levels should instead be increasing. Congress

should reject this reduction and accept our proposals in the FY 2005 *Independent Budget* of an increase of 268 VBA personnel.

Our nation's obligation to its former servicemembers also extends to their transition into civilian life. Unfortunately the current VA/DOD processes for sharing information about eligible servicemembers do not facilitate quick and accurate enrollment into VA programs. Veterans choosing to use the VA health care system must initiate the relationship with VA through an application process and, in some cases, a medical examination to establish priority classification. Therefore, from the perspective of veterans – including military retirees – the transition from military service to veteran status is far from seamless.

To provide for a seamless transition, the two Departments should use standardized information nationwide. An institutional environment should be created in which information flows easily across all components of care and benefits, across geographic sites, and across discrete patient-care, compensation and other benefit incidents while protecting privacy and confidentiality. In the words of the Transition Commission, “the lines limiting organizational jurisdiction and authority should be invisible to the servicemember or veteran crossing them.”

Another part of a successful transition concerns the educational benefits these separating servicemembers receive. These young men and women must be given the skills, training and education that enable them to become leaders of the corporate and government worlds. To that end, VFW strongly supports a GI Bill for the 21<sup>st</sup> Century. We believe that veterans should be provided with the full costs of attendance at any college or university of their choosing. The similar benefit provided to the World War II generation enabled nearly 8 million returning servicemembers to better themselves, and through their education and work, to better America. The benefits they provided to society far exceeded the costs of the program. Today's departing servicemembers deserve an equal opportunity to better our society.

Along with an improved benefit, we must immediately repeal the \$1,200 fee charged for enrolling in the GI Bill program. It is not fair to expect our newest servicemembers, who are barely grossing \$1,100 a month, to subsidize the program, especially when no other federal education program requires the user to front a portion of the costs. Certainly, the servicemember pays with his or her courage and conviction.

We would also urge this Congress to improve education benefits for our Reservists. We strongly applaud the actions of the Veterans' Affairs Committees, particularly Chairman Christopher Smith, for your efforts in significantly improving and enhancing the Active Duty GI Bill. Unfortunately, benefits for the Selected Reserve GI Bill, under Chapter 1606 of Title 10, have not kept pace. Today, it provides just \$282 per month, which is just 28% of the Active Duty rate. Since 1985, there have been only 2 increases in this benefit, and it lags far behind the original benchmark of 47% of the Active Duty benefit. We would urge the Congress to recognize the contributions and unique sacrifices of Reservists, by increasing their educational benefit.

Part of a servicemember's successful transition requires their ability to acquire and maintain gainful employment. Recently discharged Armed Forces personnel are expressing increased concern that this crucial aspect of their transitioning from military to civilian life may not be easy to accomplish. VFW strongly believes veterans deserve and have earned an employment service that is dedicated exclusively to them. We would hope that the Department of Labor's Veterans Employment and Training Service (VETS) would be the provider of choice for veterans seeking employment. But, for that to happen, VETS must be effective and held accountable in their delivery of service. The enactment of Public Law 107-288 provides VETS with the increased tools and flexibility to attain a high degree of effectiveness and accountability. Whether this is accomplished will depend on how the provisions of the Act are

implemented.

Another important employment issue is due to the increasing role that Reservists and members of the National Guard play in prosecuting the war on terrorism. This nation has a moral as well as statutory obligation to ensure that when they return to civilian life their jobs and earned veterans' preference rights are there. We call on Congress to be vigilant in making sure the provisions of the *Uniformed Service Employment and Reemployment Rights Act* are not undermined, and that veterans' preference is not diminished or circumvented.

Our commitment to a servicemember's transition does not just extend to those seeking a higher education or job training. Regrettably, for many veterans, their lives have been less fruitful. It is a national tragedy that there are nearly 300,000 homeless veterans. These men and women struggled for this nation and now find themselves with little. We have an obligation to help them seek the skills and the treatments they need to better themselves and to allow them to become members of a productive society. VA's homelessness programs need to be properly funded so that these silent veterans receive the respect and dignity they earned when wearing this nation's uniform. Nothing less than this will do.

Another of the ongoing costs of war rests within the National Cemetery Administration. Our nation's former warriors deserve respect and dignity and the opportunity to be buried in a cemetery that honors their sacrifice. We applaud the recent passage of legislation that authorizes construction of six new veterans' cemeteries. As the greatest generation grows older, the sad realization is that more cemetery space will be needed. There will be an estimated peak of 690,000 deaths in 2009. That legislation recognized this fact, and will help to provide comfort to the families of the departed.

We would, however, urge Congress to go a step further by improving burial benefits. Despite the increases in the 107<sup>th</sup> Congress, more must be done. Funeral costs have escalated

and routinely cost many thousands of dollars. Those veterans who die from an illness or injury directly related to their service still receive only \$2,000 and the plot allowance for disabled or indigent veterans is a paltry \$300. We must increase these amounts to give the proper measure of dignity and reverence this country owes our deceased veterans and their survivors.

VFW is not only concerned with those who once served. As an organization comprised of combat-zone servicemembers, we have a unique understanding of the sacrifices and struggles of those currently serving. Through programs such as Operation Uplink and the Military Assistance Program, we are a leading force in advocating and providing for those brave men and women in uniform. There can be no doubt of our commitment to those in uniform--whether on Active Duty, National Guard or Reserve.

And while the majority of issues that affect our servicemembers do not fall under the jurisdiction of these committees, we do know that they affect each and every one of you and the citizens you represent in your district, not just as legislators, but as Americans.

To that end, I must reaffirm a point I raised earlier; it is essential that we give the men and women fighting on our behalf the most modern equipment, the best training--every resource they need to succeed. Providing for them ensures the safety, security and peace of this nation. We can afford no less. But our mission extends beyond equipment. We must ensure that these individuals are provided for and treated properly, as people. Their health and well-being ensures our health and well-being.

As the stresses of long deployments mount, we must pay special attention to the needs of our servicemembers and the policies that will boost morale. Among them, we seek increases in pay, to bring them in-line with what their civilian counterparts receive, improved housing and work facilities and programs that recognize the important morale safety net that families provide. Together, these policies are essential for a strong national defense. They would help to ensure

that all branches of the military continue to receive top-quality recruits and retain those experienced members so integral to our nation's success.

We would urge Congress to continue to be mindful of the health of returning troops--both Reservists and Active Duty. We must take the lessons we learned from the first Gulf War and apply them to those returning from overseas today. We must closely monitor their health for any complications that arise, and we must strive to ensure that all departing servicemembers are properly screened to provide a baseline for future illnesses. Doing so, will ensure that they receive the proper care and treatment they need when returning from these dangerous conflicts.

We would also urge improvements in mental health services for those currently serving, as well as their families. The stresses of combat affect the servicemember and their entire family, and the sacrifices that one makes are felt by the other. We must treat each with dignity and be with them at every step of the way to ensure their health and to afford them the opportunity to live happily.

As a nation, we should note the special contributions of our nation's Guard and Reserves. Since the attacks of September 11, and extending into the Iraq conflict, demands placed on these citizen-soldiers and their families have been extraordinary. As we sit here, around forty percent of the servicemembers in Iraq are Reservists. While we applaud the courage and conviction of these men and women, we feel that they are not being used properly. Guard and Reserve were never meant to take the place of regular troops. They should supplement regular forces, not supplant them.

Extended military service places an undue burden on them. They and their families suffer financial hardships from decreased income, and the emotional toils from the separation are no less difficult for them as for any servicemember. While each and every one of them is dedicated to this country, we cannot expect them to bear an unreasonable share of our national

defense. They do not receive the full benefits of our active duty Armed Forces; they should not be treated as such.

Additionally, there have been many disturbing reports about substandard care provided to Reservists. A Senate National Guard Caucus report found deplorable conditions for many Guard and Reservists who were waiting months for treatment. Cement barracks and a lack of running water is inexcusable treatment for anyone, but especially for those who were injured while defending this country. *None* of our Armed Forces should suffer through this shoddy treatment. If we are to expect our Reservists to be a part of the Total Force, they must receive equitable treatment.

Special attention must be paid their health care demands as they enter and exit the service. We acknowledge and applaud Congress' efforts to extend TRICARE eligibility to Reservists as they demobilize. We urge prompt oversight to ensure that none of the thousands returning fall through the cracks. We owe them that much.

We should also acknowledge the contributions of these men and women and improve their retirement benefits--as gratitude for their service and to improve morale for retention and recruitment. We believe that Reservists should be allowed to draw retirement pay at age 55. To reach that point, they will have already dedicated many years to this country. It is the least we can do to acknowledge their efforts.

It is also important to reaffirm VFW's unwavering commitment to obtaining a full accounting of all of our MIAs and POWs. We have a most sacred obligation to bring home every single one of our missing defenders, or when they have made the ultimate sacrifice, their remains. VFW continues to play an active and on-going role in this process. The vital mission the Joint Task Force Full-Accounting plays is essential and we would urge Congress to continue to support and fund such operations wherever our men and women in uniform have stood in

harm's way.

It is important that we also keep faith with our military retirees--those men and women who dedicated a great portion of their life to this country. One area of concern to us is the Survivor Benefit Plan (SBP). This program was created to help surviving spouses of military retirees, whose retirement pay ceases upon their death. A small portion of the retirement pay is set aside, as an annuity, in case of the retiree's death.

We support the SBP program and believe it provides a great benefit to the military retiree community, but urge reforms. Unfortunately, the program has two inequitable offsets--for Social Security and Dependency Indemnity Compensation (DIC). In both cases, the amount of the annuity paid to the surviving spouse is reduced. In the case of Social Security, the annuity is reduced to just 35% of retired pay at age 62, whether the spouse draws Social Security, or not. In the DIC example, when the military retiree dies from a service connected illness, the amount of DIC the surviving spouse receives is taken dollar for dollar from the annuity.

Both Social Security and DIC are paid for different reasons than SBP. To offset one against the other works to the detriment of the surviving spouse. It is wrong to reduce the benefits for a surviving spouse. They, by the very nature of receiving SBP, have already sacrificed much.

Before I conclude, I would be remiss if I did not acknowledge another great achievement of this Congress. Championed through the years by the Vice-Chairman of the House Veterans' Affairs Committee, Congressman Michael Bilirakis of Florida, we have realized a landmark breakthrough in eliminating the inequity in law known as concurrent receipt. Enacted last year, a new law provides a phased-in benefit to those military retirees with a disability rating above 50%, bringing us one step closer towards our long-time goal of full concurrent receipt. We sincerely appreciate the efforts of everyone on these Committees who supported us.

Despite the progress, we have only established a beachhead. We will not give up the fight until every single disabled military retiree receives their full DOD retirement pay and their full VA disability compensation. These are two different pays for two different kinds of service; we must pay them separately.

Mr. Chairman, the faces before you have shown true courage and conviction: courage in our hearts as we fought our battles; conviction in our souls as we struggled for what is just. Each and every one of us is proud to have worn the uniform of this great country and to have defended everything noble it represents.

This grateful nation does not lightly commit its sons and daughters to conflict. We knew full well what dangers they would face and the ultimate sacrifice some will sadly pay. And we understand the full gratitude, the deep debt, we owe all who served. Our nation must rise up and fulfill its obligation--to see that these ongoing costs of war are paid. They truly are the costs of freedom.

Messrs. Chairmen, I hope all of you will be able to join us tonight for our VFW Legislative Conference reception. The reception will be held in the House Caucus Room (Room 345) of the Cannon House Office Building. from 5:30 p.m. until 7:30 p.m..

We will be honoring Representative Michael Bilirakis with our 41<sup>st</sup> annual VFW Congressional Award for his many years of exemplary service on behalf of America's veterans. The award will be conferred at 6:30 p.m., and I trust you will find time in your busy schedules to share in this special moment. I look forward to welcoming you there personally.

Thank you.