OPERATIONS WITHIN THE NATIONAL CEMETERY SYSTEM (NCS)

HEARING

BEFORE THE

SUBCOMMITTEE ON BENEFITS

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIFTH CONGRESS

SECOND SESSION

APRIL 29, 1998

Printed for the use of the Committee on Veterans' Affairs

Serial No. 105–36

U.S. GOVERNMENT PRINTING OFFICE

50–715CC WASHINGTON : 1998

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-057540-0

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OPERATIONS WITHIN THE NATIONAL CEMETERY SYSTEM (NCS)

WEDNESDAY, APRIL 29, 1998

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON BENEFITS,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to call, at 10 a.m., in room 334, Cannon House Office Building, Hon. Jack Quinn (chairman of the subcommittee) presiding.

Present: Representatives Quinn, Hayworth, LaHood, Filner, and Rodriguez.

Also Present: Representatives Evans and Doyle.

OPENING STATEMENT OF CHAIRMAN QUINN

Mr. QUINN. We would like to begin this morning's subcommittee hearing and point out that the House is in session. We don't have a schedule for votes yet this morning, but in the event that we are called over, the Members that are here, we will adjourn, recess and come back and complete the hearing later.

I hope that the visitors and the panels will cooperate in the event there is a vote.

We are here today to receive testimony relating to the operations of the National Cemetery System and the American Battle Monuments Commission.

Collectively, these two organizations maintain a system of national shrines honoring the sacrifices offered by America's veterans. The Department of Defense will also testify this morning regarding the provision of military honors at veterans' funerals.

Before we begin, I would like to thank all of the Members who participated in last week's tour of Arlington National Cemetery. Congressman Filner, the Ranking Member of the subcommittee, Congressman Rodriguez, Congressman Snyder and Congressman Reyes joined me and about 15 staff members for a 2-hour tour of the cemetery at which time we had a chance to actually observe military honors at funeral ceremonies, as well as speak with some of the groundskeepers and talk with the Superintendent about some of the problems being faced not only at Arlington National Cemetery, but our national cemeteries across the country.

We were told then that at the current rate of approximately 20 burials a day, Arlington's lack of space is an ever-increasing problem. Members of this committee and the staff had an opportunity to view firsthand viable future expansion sites at Arlington, and we look forward to helping Arlington National Cemetery expand.

We all intend to continue working in a bipartisan fashion to keep Arlington as an active national cemetery so the Nation can continue its recognition of our most deserving veterans well into the next century.

The National Cemetery System comprises 115 cemeteries, about half of which are open to full casket first interments. The rest are completely closed or restricted to the interments of cremated remains or burial of second family members.

The National Cemetery System is facing a real challenge. Over the next 10 years, 14 cemeteries will either close entirely or go to first burials only. These closures represent the loss of opportunity for a burial in a veterans' cemetery for those veterans desiring to take advantage of that benefit.

I know that we will never be able to have a national cemetery placed conveniently near every veteran. That is probably impossible. However, we can make certain that NCS, in conjunction with the State Cemetery Grants Program, offers as many veterans as possible the choice of a burial in a veterans' cemetery. NCS must begin today to plan for the next round of construction projects so that they can meet the burial needs for veterans around the country.

It is time to update the cemetery requirements study first done in 1987, and I hope that NCS will commit to doing that in an expeditious manner.

I am also aware of the administration's proposal to enhance the State Cemetery Grants Program by increasing the Federal share of the cost to 100 percent of the construction and initial outfitting of a State's veterans' cemetery. Unfortunately, when the administration made that proposal, they indicated that the enhanced program was intended to replace the national cemetery construction program. I concur with Chairman Stump in believing strongly that the State Grants Program is a supplement to but not a replacement for the National Cemetery System.

The committee has on several occasions asked the Department for clarification of the intent of the proposal, and until recently the Department has maintained that same position. I understand that the position may have recently changed, and we hope that Mr. Rapp can address that issue while we are here today.

We also want to make sure that everyone understands that NCS is doing a good job at a time when their resources are stretched to the limit. New cemeteries are scheduled to open by 1999, which will stretch those resources even further, but we are confident that NCS will meet that challenge.

There is one disappointment that I want to express, however. The recent action by the Acting Secretary, Togo West, in naming the future Joliet National Cemetery after President Lincoln seems to be unfortunate and contrary to a long-standing tradition of how Congress and VA have cooperated in naming VA facilities. I can't understand why the Acting Secretary made what he had to know was a controversial decision. His action certainly shows little appreciation for a number of congressional concerns, and I know our colleague Ray LaHood will want to comment on this issue later this morning.

The American Battle Monuments Commission is charged with operating America's 24 overseas veterans' cemeteries in Northern Europe, the Mediterranean, North Africa, Mexico, Panama and the South Pacific. Last year nearly 9 million visitors passed through these cemeteries, a tribute to the high place of honor these final resting places hold in the hearts of all Americans.

The challenge facing the ABMC is a bit different than the one facing the National Cemetery System, however. Nearly all of ABMC's cemeteries are at least 50 years old and are approaching the time when infrastructure like water systems will need replacement. I want to assure each of you that we will do what is necessary to keep these beautiful shrines not only as monuments, but also as reminders to our allies of the price we have paid to maintain their freedom.

I now want to turn to the Ranking Member of the subcommittee, Bob Filner, for any remarks he may have before we begin the testimony.

OPENING STATEMENT OF HON. BOB FILNER

Mr. FILNER. Thank you, Mr. Chairman, and good morning to everybody.

As a former professor of history, I want to start off with the fact that it is President Abe Lincoln who is credited with initiating the National Cemetery System in 1862 when he directed that cemeteries be established near Civil War battlefields as burial sites for Union soldiers. And since that time, as the Chairman has pointed out, the National Cemetery System has grown to 115 cemeteries, and four new ones will be activated by the year 2000. In spite of this significant expansion, NCS is facing enormous challenges.

Again, as the Chairman pointed out, of the 115 national cemeteries, 22 are now closed to new burials, and 36 are only open to cremated remains. Within the next couple of years, the number of national cemeteries open to first interments of casketed remains will be further reduced by 50 percent, this coming at a time when the number of interments is expected to increase over 40 percent between now and 2010.

Given the situation, I was disturbed when I read in the GAO testimony that apparently the NCS strategic plan is for 5 years only, 1998 through 2003, and that NCS cannot specify what level of access veterans will have to a State or national veteran's cemetery during the peak years. And I inferred from both the GAO and the VA testimony that the NCS officials are refusing to accept GAO's recommendation to expand their strategic plan and discuss how current plans will be adjusted to meet the needs during the years of peak demand.

I have several thoughts about the issue, which I look forward to discussing with our witnesses, and I thank the Chairman for this hearing today.

Mr. QUINN. Thank you, Bob, and thanks for your help and cooperation both on the tour last week and on these and all other issues.

[The prepared statement of Congressman Filner appears on p. 31.]

Mr. QUINN. Before I turn to Mr. LaHood, I do want to mention for the record this morning that we are joined in the audience by Frontier Middle School from Hamburg, NY, students who are touring the Capitol and are here this morning to see a hearing firsthand, and then they will visit Arlington National Cemetery later in their tour. And it probably should be footnoted that it is also the middle school that my son and daughter went to. I am the Chairman, so that's how they got in the room, I suppose. Executive privilege.

Thank you, and welcome to the students and teachers who are with us this morning.

Mr. LaHood.

OPENING STATEMENT OF HON. RAY LAHOOD

Mr. LAHOOD. Thank you, Mr. Chairman, for holding the hearing today, and I want to express my frustration in a recent action taken by Secretary West concerning the naming of a new addition to the National Cemetery System.

On April 8, then-Acting Secretary West issued a press release naming the yet-to-be constructed facility near Joliet, IL, the Abraham Lincoln National Cemetery. Mr. West's office apparently moved unilaterally without any congressional or Veterans' Affairs Committee input whatsoever, disregarding VA's own policy on naming facilities.

The naming of this cemetery is something with which my office has been involved for many months. Even though I had made my feelings known to Mr. West's predecessor, my office was not consulted prior to the announcement. Other Illinois Members were also kept in the dark, learning, as I did, through a press release put out by the Department of Veterans Affairs.

VA's own policy clearly states that the naming of VA facilities in honor of individuals can be done only by Congressional mandate or by Executive Order of the President. Title 38, Code of Federal Regulations, section 1.602 also clearly states the basis for names of national cemetery activities, which may be based on physical and area characteristics, the nearest important city or historic characteristic related to the area.

After studying the list of cemeteries in the National Cemetery System, I noticed that each is named after a city, region or geographic reference. The only exception I found is Zachary Taylor National Cemetery in Kentucky, and this is understandable because President Taylor is buried in the cemetery.

I expressed my concern and questions about the naming of this cemetery to Mr. West in a letter. The response that I received from Mr. Rapp on behalf of Mr. West does not address the points that I raised in my letter.

I will be questioning Mr. Rapp further about this during his appearance here as a part of the second panel, and for the record I would like to make a part of this committee hearing the letter that I sent to Mr. West and the response that I received from Mr. Rapp, and I thank you for the opportunity to make my opening statement and look forward to the opportunity to question Mr. Rapp further about this important matter.

Mr. QUINN. Without hearing objection, your letters become part of today's record.

[The prepared statement of Congressman LaHood appears on p. 33.]

[The attachments appears on pp. 35 and 37.]

Mr. QUINN. We are here to help you and assist you in any way we can, the full subcommittee is.

Mr. Hayworth, any opening remarks?

OPENING STATEMENT OF HON. J.D. HAYWORTH

Mr. HAYWORTH. Mr. Chairman, thank you very much. As one who has a national cemetery for veterans within the confines of his district, I am obviously very concerned about the future of the cemetery system, and I look forward to the testimony of witnesses, and again thank you for calling this hearing.

Mr. QUINN. We will go to our first panel this morning, and we are pleased to have representing the American Legion today Mr. John Vitikacs, Mr. Stephen Backhus and Mr. David Clark represent the General Accounting Office.

Gentlemen, we appreciate all of you being with us. We look forward to your testimony. Your full statement will become part of the record. We ask that you limit your opening remarks to 5 minutes or so, and we will start with the American Legion.

STATEMENTS OF JOHN VITIKACS, DIRECTOR, NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION, THE AMERICAN LEGION; STEPHEN P. BACKHUS, DIRECTOR, VETERANS' AFFAIRS AND MILITARY HEALTH CARE ISSUES, U.S. GENERAL ACCOUNTING OFFICE; AND DAVID L. CLARK, DIRECTOR, AUDIT OVERSIGHT AND LIAISON, U.S. GENERAL ACCOUNTING OFFICE

STATEMENT OF JOHN VITIKACS

Mr. VITIKACS. Mr. Chairman and members of the subcommittee, good morning. The American Legion thanks you for providing us an opportunity to comment on national cemetery matters.

Before we begin, we would like to acknowledge the admirable job that the former National Cemetery System Director, the Honorable Jerry Bowen, performed in that capacity. The American Legion wishes Mr. Bowen well and appreciates his tireless efforts on behalf of the Nations' veterans and survivors.

Mr. Chairman, the decade of the 1990s will be recalled as a period of tremendous and necessary growth for the national and State veteran cemetery systems.

The planning, construction and opening of six new national cemeteries and many State veterans' cemeteries between 1990 and the year 2000 is unprecedented. Abundant thanks goes to many individuals for this accomplishment, the least of which is the Congress of the United States. Without your active support, none of the recent expansion would be possible.

Mr. Chairman, I wish to focus today on a few important points. The newest national cemeteries, including those to be activated by the year 2000, places the national and State veterans' cemeteries

in an appropriate position to accommodate the anticipated increase in World War II veterans' death rates.

However, there is little time to take pleasure from the recent accomplishments of the national and State veterans' cemetery systems. Their work is not yet complete. The National Cemetery System must immediately prepare a viable strategic plan to accommodate the anticipated large death rates of America's aging veterans population. The American Legion believes VA's developing strategic plan must address the peak years of projected World War II veterans' death rates, the years between 2000 and 2015. Additionally, large numbers of Korean War and Vietnam War-era veterans will soon replace the World War II generation as the aging veteran population.

Ironically, the current strategic plan of the National Cemetery System only extends to the year 2003. The American Legion believes that the National Cemetery System must develop an incremental, long-range strategic plan through at least the year 2025, complete with construction and burial cost projections, and develop alternative options to burial in national cemeteries. While cremation is becoming more popular, in itself cremation is not the sole answer to veterans' and dependents' burial requirements.

The National Cemetery System currently manages a three-part burial strategy. That is, where possible, to expand existing national cemeteries, to construct new national cemeteries, and placing a greater emphasis on the State Cemeteries Grants Program. As the American Legion testified last year, the VA proposal to enhance the State Cemetery Grants Program, while supportable, would still leave VA in the awkward position of relying on the States to develop a coherent national burial strategy.

First and foremost, it is the responsibility of the Federal Government to coordinate and implement a realistic veterans' burial strategy. To achieve this goal, the American Legion recommends increasing the burial options available to veterans and their eligible dependents.

We recommend that the National Cemetery System immediately conduct a study to determine the cost-effectiveness of reinstating the burial and plot allowance to all eligible veterans.

As commented in our submitted statement, veterans prefer burial close to their roots. It would require many more national and State veterans' cemeteries to achieve the 75-mile, 75 percent burial goal set by the NCS. The National Cemetery System could also explore the viability of purchasing cemetery plots in existing private cemeteries.

Mr. Chairman, the American Legion is certainly not opposed to building additional national and State veterans' cemeteries. In today's budgetary climate, however, the expectation that an open national cemetery will be available to all veterans is impractical. On the contrary, all options to providing a dignified burial for eligible veterans and their dependents must be explored.

Mr. Chairman, that concludes my remarks. I will be happy to answer any questions.

[The prepared statement of Mr. Vitikacs appears on p. 50.]

Mr. QUINN. I think for this first panel, we will hear from the GAO first, and we will ask the Members to maybe save all of their questions for the full panel.

Mr. Backhus.

STATEMENT OF STEPHEN P. BACKHUS

Mr. BACKHUS. Good morning, Mr. Chairman, and members of the subcommittee. I am pleased to be here today to discuss the National Cemetery System's planning efforts.

As you know, with the aging of World War II veterans, the number of veteran deaths and interment requests will grow substantially each year now and peak between the years 2005 and 2010. Planning for these circumstances is obviously a very important matter. My testimony today focuses on NCS's plans for addressing the future burial needs of veterans and their families and what NCS can do to extend the service period of existing national cemeteries.

My remarks are based on our September 1997 report on these topics as well as recent discussions with NCS officials.

NCS has adopted a 5-year strategic plan for fiscal years 1998 through 2003 with the goal of ensuring that burial in a national or State cemetery is an available option for all veterans and their eligible family members. The NCS strategic plan has multiple strategies for achieving this goal, which include establishing new national cemeteries, expanding existing ones, and encouraging States to provide additional burial sites through participation in the State Cemetery Grants Program.

NCS expects that by 2003 about 80 percent of veterans will have reasonable access to a veterans' cemetery. However, it is unclear how veterans' burial needs will be met beyond 2003, in other words, during the peak years of demand, since NCS's strategic plan does not address the longer term. While NCS officials have told us that over the long term they plan to use the same strategy as described in its current 5-year plan, NCS is unable to specify the extent to which veterans will have access to burial benefits during the peak years. Such estimates stop at the year 2003.

Although we recommended in our September report that NCS address in its strategic plan how it will accommodate these longer-term burial needs, NCS believes that the strategic plan should cover only a 5-year period to conform with VA's strategic planning and budgeting process. Given the magnitude of the projected increases in demand for burial benefits, however, we continue to believe that it is important for NCS to articulate to the Congress and other stakeholders specifically how it plans to address veteran burial needs beyond just the next 5 years.

For example, currently over half of the national cemeteries are unable to accommodate casket burials of first family members, and NCS projects that an additional 15 cemeteries will be in the same situation by the year 2010. The question is how many new cemeteries will be needed and where beyond the four that NCS has identified in its 5-year plan.

Furthermore, while NCS plans to encourage States to establish cemeteries, States have shown limited interest thus far. Therefore, we believe that it is crucial that NCS specify what potential re-

sources it needs and what reliance it plans to place on States to accommodate burial needs during the peak years.

Turning to the issue of how NCS can most efficiently extend the service period of existing cemeteries, we analyzed the cost of developing casket grave sites, columbaria and in-ground cremating sites on 1 acre of land in a cemetery nearing exhaustion of casket grave space. Our analysis showed that the average burial cost would be lowest and the service delivery period by far the longest using columbarium interment. That is, costs are about 60 percent less than casket graves. VA could extend the service delivery for over 50 years compared to about a half a year for casket site.

While historical data shows that the majority of veterans and their families prefer a casket burial, cremation is an acceptable interment option for many, and the demand for cremation at national cemeteries is increasing. For example, veterans choosing cremation increased about 50 percent between 1990 and 1996, and NCS officials expect demand for cremation to continue to increase in the future. The Cremation Association of North America projects that cremation will account for 40 percent of all burials in the general population by 2010.

NCS concurred with the recommendations in our September report to identify opportunities to construct columbaria in existing cemeteries and to collect and use information on veterans' burial preferences to better plan for future burial needs. It plans to collect and use such data in its next survey of veterans, which is planned for the year 2000.

Mr. Chairman, I will be glad to respond to any questions that you or other members of the committee may have.

Mr. QUINN. Thank you.

[The prepared statement of Mr. Backhus appears on p. 53.]

Mr. QUINN. Mr. Clark, your testimony will deal with the American Battle Monuments?

Mr. CLARK. That's correct.

STATEMENT OF DAVID L. CLARK

Mr. CLARK. Mr. Chairman and members of the subcommittee, I am pleased to be here to discuss the audit of—the first ever audit of the ABMC's financial statements.

We strongly supported the efforts of this subcommittee to require ABMC to prepare financial statements, and we commend ABMC for their efforts in preparing the statements and for their cooperation in the audit.

It is important to provide some context for ABMC's efforts. Until 8 years ago, most Federal departments and agencies did not prepare financial statements and have them audited. This situation contrasted markedly with State and local government agencies and, of course, with publicly traded companies, all of which have been preparing statements and having them audited for quite some time.

The Congress substantially remedied this situation with the passage of legislation in 1990 and 1994 calling for major Federal departments and agencies to annually prepare financial statements and to have them audited. It is important to note that the majority of Federal departments and agencies were unable to obtain un-

qualified or clean opinions on the financial statements in the first year that they were audited.

The legislation calling for ABMC to prepare financial statements for fiscal year 1997 was passed early in fiscal year 1997, and to say the least, the time frames were quite challenging. And even though ABMC is a relatively small agency, it does not have a modern integrated financial monitoring system, and it had not prepared agencywide financial statements and had them audited since its establishment in 1923.

In order to meet the new legislative mandate, ABMC had to create financial statements as well as overview notes and supplementary information almost from scratch. ABMC hired a contractor to help it format the statements, and it also contracted with the Treasury Department to help with the statements and, just as importantly, determine how to select and implement a new financial management system.

The audit results on the whole were overwhelmingly positive. ABMC's balance sheet, which shows assets, liabilities and acquisitions as of the fiscal year, were reliable. ABMC management's assertions on internal control are fairly stated, and no reportable instances of noncompliance with laws and regulations were found.

ABMC's other financial statements which summarized ABMC's operations over the fiscal year were not audited because, as is often the case on first-year audits, it is impractical to audit opening balances.

ABMC management did acknowledge an important internal control problem. Specifically, management acknowledged that internal controls in place at the end of fiscal year 1997 were not effective in ensuring that transactions were properly recorded, processed and summarized to readily permit the preparation of reliable financial statements and to maintain accountability over assets.

As a result, it took considerable effort on ABMC's part to prepare the statements and is a major reason why ABMC needed to obtain outside help. ABMC plans to select a commercial, off-the-shelf financial system, which, if properly selected and implemented, should strengthen ABMC's internal controls and allow ABMC to more easily prepare statements in the future.

That system should resolve most of the internal control issues identified in the audit. The future looks bright for ABMC's financial accountability. ABMC should soon have a new system in operation, all of its financial statements should be audited, and if ABMC accepts our suggestions, its annual report will include the audited financial statements, which is now done for 1997, and the statements will have a separate breakout for the World War II Memorial Fund, which, as you know, will require substantial funding.

That concludes my remarks.

[The prepared statement of Mr. Clark appears on p. 62.]

Mr. QUINN. Thank you, gentlemen, for your testimony.

I have a question or two and then a request for some more information.

John, you said that your suggestion was to put a plan together to take NCS to at least the year 2025?

Mr. VITIKACS. An incremental plan.

Mr. QUINN. And, Mr. Backhus, you are saying that right now the National Cemetery System has a plan to the year 2003, they put together a 5-year plan, and yet both of you told me that the peak years that we should plan for, at least for World War II veterans, will be between 2005 and 2010. So at the moment the National Cemetery System doesn't have a plan that gets to even the beginning part of those peak years. Is that correct?

Mr. VITIKACS. That is correct.

Mr. QUINN. Mr. Backhus, you had a conversation, you say that you used your information from a report done in 1997, I believe, and you have had discussions with the National Cemetery System about this lack of a plan. Can you comment on the response?

Mr. BACKHUS. Yes. We have had a number of conversations going back to the issuance of that report to as recently as the day before yesterday.

The conversation has essentially gone like this. The National Cemetery System's plans are developed to coincide with the VA strategic planning and budgeting process.

Mr. QUINN. I see.

Mr. BACKHUS. Which covers a 5-year period.

Mr. QUINN. Yes.

Mr. BACKHUS. They feel that to go beyond 5 years delinks it, decouples it from the process. The rest of the agency doesn't budget that way and plan that way; and, therefore, this would not be linked very well.

Mr. QUINN. What is your opinion of that delinking problem?

Mr. BACKHUS. What we are suggesting is that a longer plan not be a substitute for the 5-year plan, but a supplement to the 5-year plan. In other words, it is entirely appropriate to have a 5-year plan, but in this case it is also appropriate to supplement that 5-year plan with this additional detail as to what they plan to do to accommodate the peak years and to allow all stakeholders to weigh in.

Mr. QUINN. It seems to me that even though the VA plan and budget numbers are for 5 years, it wouldn't cause any problem to have a supplemental or a longer plan even if you didn't put the budget numbers to it yet.

Mr. BACKHUS. Correct. You have had a lot of hearings on GPRA, and you know that the Act specifies that a strategic plan should be at least 5 years. It doesn't say that it be only 5 years or a maximum of 5 years. It anticipated that there we are going to be some agencies like EPA and NASA who have to think long term and have planned for that long term.

This is a situation where we can see what is coming. The VA and the NCS knows what is going to happen. It is time, I think, to get specific about how it is that we are going to address these needs.

Mr. QUINN. I couldn't agree with you more, and I will ask the same question of NCS representatives when they are at the table just to be fair with everybody, but it seems almost too easy. Maybe I am missing something. By the end of the hearing——

Mr. BACKHUS. They have a lot of the information already that would be required to produce such a plan, so it doesn't require them to go out and gather up a whole lot of additional information. Obviously they know what the demand will be. They know approxi-

mately where the veterans live, where they are concentrated. They know what the costs of the different burial options are. There is lots of that kind of information available, and now it is time to put it together into a plan and to throw it out there.

Mr. QUINN. I agree.

John, your comment about 75-mile, 75 percent. Explain that to me, please.

Mr. VITIKACS. Yes. This is a strategy, if you will, that developed out of discussions between VA and OMB a number of years ago that ultimately the plan that VA is attempting to reach is to provide national cemetery burial options to 75 percent of the veterans' population within 75 miles of an open national cemetery. So it is 75/75.

Mr. QUINN. Thank you very much. I will save the rest of my questions and give the other Members a chance.

Bob.

Mr. FILNER. Thank you, Mr. Chairman. I also agree with your comments about the lack of response to the GAO's reports and recommendations.

I think I will warn Mr. Rapp when he comes before us that the penultimate paragraph in his own testimony will be submitted to some contest about memos or testimony that make no sense. The answer to GAO questions or recommendations is: we are concerned that the GAO's recommendations to extend the strategic plan does not conform with the Department's strategic planning process.

That was the point of GAO's recommendation, in fact, to show that it did not conform and to make it more sensible and more rational to the needs that we see coming. And this—extending the strategic plan beyond the 5-year budget cycle would delink or sever the relationship: that is a ridiculous statement! If they have a 5-year budget cycle, it ought to be managed in a way that will meet the needs that are coming 10, 15 years out, and so I appreciate your pointing that out to us.

I was also interested in Mr. Backhus' testimony which spoke to the States' reluctance to join this effort, and I was wondering if there was any reason. I didn't notice that you tried to account for that or what we could do about that. There is limited interest, you say, in legislative process; fewer than half the States have established cemeteries, et cetera.

Mr. BACKHUS. I probably should have spent more of my 5 minutes on that topic.

Essentially what the States tell us and the people at NCS have told us is that while the States enjoy the Federal grant, what they really need, what they really desire, is money to help them with the operating costs.

The State Cemetery Grant Program now provides up to 50 percent funding, as you know, for the development of a cemetery and the construction of a cemetery. It doesn't provide resources for the maintenance and upkeep of that cemetery—where the long-term expense is—and that is why they are reluctant to participate.

What I meant by the statement that few States are interested in participating is that fewer than half of the States do have a cemetery; and in particular, many of the large States where there are a significant number of veterans have not participated or do not

have one that is currently operating. Those are Florida, Pennsylvania, Texas, Ohio, New York and Michigan, I think.

Mr. FILNER. So did you have any recommendations on how to increase that participation, or certainly this situation has to be part of a 5-, 10-, 15-year plan, obviously?

Mr. BACKHUS. I think you are right. Clearly there can't be enough VA national cemeteries built to accommodate all of that need.

Mr. VITIKACS. If I could, I will help Mr. Backhus on your last question.

The American Legion in the past has recommended that the burial plot allowance that is provided to the States now, which is $150 per burial—and that is all that they receive into the future, there are no annual funds available to help offset the cost of maintenance and operations—we have suggested that the $150 amount, which has been set at $150 for at least the past 15 years, needs to be looked at.

Mr. FILNER. Thank you. I think all of us who have been in government, at whatever level, find that there is a reluctance to even accept capital projects if they require maintenance, and that is part of what we have to recognize as to these duties, whatever it is, parks or cemeteries.

Mr. QUINN. Thank you.

Mr. Doyle.

Mr. DOYLE. First, Mr. Chairman, I just want to thank you for allowing me to sit in this hearing even though I am not a member of your subcommittee. I do have an opening statement that I will submit for the record in the interest of time.

Mr. QUINN. Without objection.

[The prepared statement of Congressman Doyle appears on p. 40.]

Mr. DOYLE. Mr. Chairman, I represent western Pennsylvania, and more specifically Allegheny County, which is the second oldest county in the country, and consequently it also happens to have one of the largest veterans' populations in the country, and so this is an important issue to the people of western Pennsylvania.

I know that you said that the greater need takes place past the initial 5-year plan, and we know where the need is and what the need is.

Have we put a number on the number of additional national cemeteries? What do you project as you look down at, say, a 10-year plan as opposed to a 5-year plan what the need would be in terms of how many new national cemeteries we are talking about?

Mr. VITIKACS. Immediately there are another six areas which have already been examined and determined to have a need for a national cemetery. This is the—this comes out of the 1997 National Cemetery Consultants study, and Pittsburgh is one of those areas.

Mr. BACKHUS. I can't give you a precise answer for how many national cemeteries or, for that matter, State cemeteries there ought to be or needs to be, but the major metropolitan areas that are in need of additional burial spaces, cemeteries, are Atlanta, Detroit and Miami in addition to that.

Mr. DOYLE. In addition to the six that you have mentioned in the study?

Mr. BACKHUS. Correct.

Mr. DOYLE. Thank you very much.

Mr. QUINN. Thank you, Mike. We appreciate the work that you do on the full committee for the veterans.

Gentlemen, thanks for your help this morning, and we will move to our second panel.

On our second panel we are going to have Ms. Carolyn Becraft, Mr. Roger Rapp and Mr. Vincent Barile. Thank you and welcome.

As we mentioned earlier in opening remarks, Roger, you are Acting because the former Director, Jerry Bowen, has returned to what he calls private life, and we want to thank Jerry for the pleasure we had working with him, and please convey our best wishes to him when you see him.

Before we move to any kind of opening statements, my opening remarks, I am going to yield to Mr. LaHood at this time.

Mr. LAHOOD. Well, I would like to ask Mr. Rapp some questions, if I may.

Mr. Rapp, as you heard in my opening statement, I am a little more than dismayed about the decision by the Acting Secretary to name the cemetery of Joliet after Abraham Lincoln, and let me just express why I am more than a little dismayed about it.

In Illinois, particularly in Springfield, IL, we have a whole range of facilities named in honor of Abraham Lincoln. I think Abraham Lincoln is synonymous with Springfield, and Springfield is synonymous with Abraham Lincoln. Abraham Lincoln represented pretty much the district that I represent. He was a Congressman from Springfield. He ran for the U.S. Senate from Springfield. When he left after being elected President, he left a home in Springfield, IL, which is there, and there is a national park run by the National Park Service. When Mr. Lincoln was assassinated, his body was interred at Oak Ridge Cemetery in Springfield, IL, as well as his wife and his children.

There are many, many monuments in his honor there, and part of my reasoning for objecting to naming a cemetery in Joliet, IL, the Abraham Lincoln Cemetery is I think it is bad public policy. First of all, when people are on Interstate 55 and they see one of these big brown signs that says "Abraham Lincoln Cemetery," you are going to have people pulling in asking where Mr. Lincoln is buried. And when they find out that he is buried about 200 miles south of there, I think they are going to be a little astounded.

I think it is a silly decision for that reason alone, but it is also, I think, a slap in the face to the people of Springfield, IL.

I also think that it is very clear to the Department through discussions I had with your predecessor and discussions I had with the previous Secretary and discussions I had with the Chairman of this committee that I was objecting to this. No one ever talked to me about it from the Department. I learned about this naming in a press release or a press call that I got from somebody in the Chicago area, and I just think that it is wrong. I really do.

I have a list of all of the cemeteries under your jurisdiction, under the Department of Veterans Affairs jurisdiction, and there is one cemetery named in honor of a person, and I mentioned that in my opening statement. Every other cemetery is named after the geographic area or the locale where those cemeteries are. I think it

would have made a lot more sense to name the cemetery the Joliet National Cemetery.

If you wanted to name it the Land of Lincoln Cemetery, I would not have objected. If you wanted to name it something where you could reflect Lincoln, that would have been fine with me. I think it is wrong for the people of Springfield, and I think it is wrong for the citizens to believe that this cemetery named after Abraham Lincoln—I think it is going to be totally confusing.

And the bottom line for me is I want to know if you have any intentions of trying to correct it. I do have a meeting with Secretary Togo West scheduled. He was good enough to call me after he found out that his nomination in the Senate was being held up because I raised Cain with the Majority Leader about it; he was good enough to call me and apologize. He said it was a lousy decision, and it was lousy in the way it was announced.

We have three Members from Illinois on the full committee, and I checked with Mr. Evans, who is the Ranking Member, and I checked with Mr. Gutierrez, who is from Joliet, and they didn't know a thing about it, and it was done in the dark of night without anybody knowing about it, including three Members from Illinois.

Obviously I am very frustrated. I am frustrated because I represent a part of Illinois that is Abraham Lincoln territory, and I also think it is going to be confusing as hell to the people—tourists that drive up and down Interstate 55 and see that sign.

So the bottom line for me, sir, is: Is it a done deal, and is there any way that we can correct it? And that is the same question I am going to ask Mr. West when he comes to my office today, but I would like to hear your response.

And what I don't want to hear, Mr. Rapp, with all due respect, is that you are new on the job and you didn't have anything to do with it. If that is what you are going to say, I will go down to my office and meet Mr. West who is coming in a half hour.

Mr. RAPP. I have prepared remarks that I will provide later, and I will respond directly to your question.

Mr. QUINN. I am sorry, we will begin with Ms. Becraft. Mr. LaHood has another engagement, and so I yielded to him.

Mr. RAPP. I would like to begin by apologizing to Congressman LaHood for the manner in which we did not coordinate this decision with him and, again, I know that Secretary West has made a phone call and offered the same apology.

I think it may be appropriate to offer—that I am not going to disavow myself from the process. I was an integral part of the process. What we were trying to do was find a name for the cemetery that would be acceptable to the broad-based constituency of the veterans in the greater Chicago area. This area is the same 75-mile radius that John Vitikacs mentioned earlier, and that is the area we used when we asked people their opinion. We asked the veterans from Indiana and Wisconsin and Illinois, all those veterans in that three-State area that we are going to serve, what name they wanted for the cemetery. In the process of asking the veterans that question over the last year and a half, it became very evident that they could not agree on any particular name.

Mr. QUINN. When you say that you asked people in the three-State area what name, who did you ask?

Mr. RAPP. Well, we react to information that is provided to us by folks who, on their own, sent in suggestions. We also asked veterans' committees and support groups.

Mr. QUINN. Did you go to VSOs and say, we are going to name a cemetery here, what would you like to call it? Is that how it goes?

Mr. RAPP. In the process, we asked them what names are acceptable.

Mr. QUINN. When you say "they," are you asking the VSOs?

Mr. RAPP. Yes, other interested veterans' groups that have been waiting for a cemetery for a long period of time. Many of them are very interested in the process, including the naming of the cemetery.

Mr. QUINN. Did you ask the Members of Congress from the three-State area what they would like to name it?

Mr. RAPP. I was aware what the immediate Member's choice was. I also asked Congressman Visclosky when I met with him and veterans groups a while ago. If I could digress, I will explain how I got to discuss this issue with him.

A couple years ago there was an appropriation add-on to build a new cemetery in Northwest Indiana, and I asked Congressman Visclosky if I could meet with him. We did meet and I explained that I felt a competing cemetery so close to the one we were already planning for near Chicago probably might work against our efforts to build the Chicago cemetery.

He asked me to come out to his district. He said: I understand. I won't push for the northwest Indiana cemetery. I understand that our district is within 45 miles of a site that you are contemplating for the greater Chicago area but would you come out and tell our veterans this.

So after 2 hours with the Congressman off in the corner and me taking on his veteran support committee, if you will, the bottom line was that they would get on board and support the Chicago area cemetery. But, the people in Indiana said, just don't name it "Chicago," and just don't name it "Illinois," and just don't name it "Joliet"; get a name that we can all embrace and accept. We are tired in Indiana of being the stepchild, if you will, to the people in Chicago.

That was a few years ago, and that made me aware that naming cemetery was going to be an interesting process. Frankly, the veterans of Chicago didn't want to name it after Joliet and vice versa.

There was no single geographic name that was proposed that was without controversy. So in the process it became evident to other people, since the name Abraham Lincoln was being talked about by myself and obviously on the Hill, that it looked like the name might become Abraham Lincoln. When it didn't happen, we found that we couldn't even plan ground-breaking ceremonies. We needed to name the cemetery.

So in that mode we met and talked with a veterans' group that was organizing a volunteer support advisory committee. This volunteer group of veterans wanted to help with the dedication. We met with them at the beginning of March, and I tried to determine if there were other names that might be acceptable other than Abraham Lincoln. I was shouted down.

The veterans in this group said, give us a single reason why we can't name the cemetery after Abraham Lincoln, and notwithstanding Congressman LaHood's reasons, I tried to offer them one and they said, we are the people using this cemetery. We are the veterans that are going to be served by this cemetery. Can't we have this name that we all agree on? And they acknowledged that they didn't agree on the other names.

And so with that, and knowing with 50 leaders of various veterans' organizations, including the American Legion, the VFW, the DAV, AMVETS, the Military Order of Purple Heart, Italian-American veterans, the national commander and a past national commander of the American Legion, the Indiana Department Commander of the American Legion, a number of county veteran service officers, and the Illinois Department of Veterans Affairs, it seemed like Abraham Lincoln was a good name. And with that as the background, and with us serving veterans, I felt that it was an acceptable name.

There are a couple points to be made. Abraham Lincoln is the father of the National Cemetery System. We are using his name in a broader context than probably we should have in terms of the issues associated with the Springfield heritage. We were looking upon him as someone who was from Illinois, the Land of Lincoln. Frankly, we thought it would be well-received and would be considered, if you will, a gift to name the cemetery after Abraham Lincoln, the founder of the National Cemetery System. It is the only cemetery that I think will ever be named after a person.

Unfortunately, in the process of doing all of that, perhaps I didn't do my job well enough in sharing all of the information that I was aware of with Secretary West, and again I apologize for that.

I heard Congressman LaHood's mention of highway signs, and I can offer that I will do everything that I can to assist on that. For example, I see the highway signage for the cemetery on the interstate saying perhaps "VA National Cemetery—Next Exit" and not even putting Abraham Lincoln on the sign if that would help. I think that is a reasonable approach.

I see within our visitor's information center displays that can be worked on with the Springfield heritage folks that explain not only Abraham Lincoln's strong obvious relationships with Springfield, but his relationship with the National Cemetery System and with the VA.

I think that would help. I am willing to work with Congressman LaHood and folks in the Springfield area to that end to allow us to have this name and share it with them.

Mr. QUINN. Thank you.

Mr. LaHood, do you want to respond?

Mr. LAHOOD. I don't want to take the entire time of the committee to pursue this.

I didn't hear you mention—you said that you talked with the representative from that area, and I have no doubt that you did, but I guarantee you—well, I will just say this. I don't know if you consulted with the Senators or not, but I know one Senator that you didn't consult with because I talked to him personally about it, and he was totally surprised the day that this was announced. I don't

know if he was consulted or not, but he was surprised when it was disclosed that this was going to be named.

I think it is marvelous that you checked with all of the veterans' groups, but in reality the Congress is the one that appropriated the money. We are the ones that are going to pay the bill on behalf of the taxpayers, and I don't know that any of us on this committee were consulted.

I made my opinions known on this quite some time ago in writing and personally to your predecessor, and it is fine that you consulted the veterans, but it would have been nice if you had consulted with us, too.

Mr. EVANS. Will the gentleman yield?

Mr. LAHOOD. I will yield.

Mr. EVANS. I join in the gentleman's frustration as a Democrat in the lack of consultation here in this process. I was not here for the full exchange, but I fully support what the Congressman for my adjoining district has to say, and hope that this never is repeated, and accept the apology, and hope we can work closer and have better communications in the future.

I thank the gentlemen for yielding.

Mr. LAHOOD. The bottom line is that you are standing by the name?

Mr. RAPP. I know of no effort under way to reconsider the decision.

Mr. QUINN. The gentlemen's time has expired.

Mr. LAHOOD. I would say it has.

Mr. QUINN. This is important information, and that is why we took the time to do it. We appreciate your professionalism.

Ms. Becraft is the Deputy Assistant Secretary for Defense for Personnel, Family Support and Education at the Department of Defense.

We would like to ask you to continue with the topic matter this morning, and as always your full statement will be recorded and entered into the record. Your opening remarks should be limited to 5 minutes, so you can begin right now.

STATEMENTS OF CAROLYN BECRAFT, DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR PERSONNEL, FAMILY SUPPORT AND EDUCATION, DEPARTMENT OF DEFENSE; AND ROGER R. RAPP, ACTING DIRECTOR, NATIONAL CEMETERY SYSTEM, ACCOMPANIED BY VINCENT L. BARILE, DIRECTOR, OFFICE OF OPERATIONS SUPPORT, NATIONAL CEMETERY SYSTEM

STATEMENT OF CAROLYN BECRAFT

Ms. BECRAFT. Thank you, Mr. Chairman, and members of the subcommittee. I fully appreciate the opportunity to address before you today the subject of military burial honors.

As mentioned, I have provided my written statement for the record. I also have a statement to submit on behalf of the Department of Army, which addresses the availability of surplus military weapons and ammunition to approved organizations for ceremonial purposes.

Mr. Chairman, I want to begin by stating that the Department of Defense recognizes the importance of paying final tribute on behalf of a grateful Nation to honor those who will have served our country. It is Department of Defense policy that every reasonable effort be made to provide funeral honors for current and former members when requested. We owe them a great debt of gratitude and believe that we should properly honor them when they pass on. This is a long-standing and proud tradition of the Armed Forces and one that we strongly support.

We assign the military departments the responsibility for providing funeral honors, within the constraints of available resources. Our commanders in the field, who execute this mission, are dedicated to making this happen. We estimate that the military services provided at least 30,600 funeral honors in 1997 alone. Of the 30,600 honors, I would like to stress that 65 percent consisted of funeral honor details beyond our minimum requirement for veterans' burial honors, and that minimum requirement is that the service representative present a flag to the family.

Just in the Army and the Air Force, this represented over a thousand man years of effort and was a significant commitment of time and resources for our military commanders. Nevertheless, we understand your concerns about our ability to provide honors. We share this concern and acknowledge the challenge the future will bring.

According to the Department of Veterans Affairs, the number of veterans' deaths will continue to increase. In 1989, we had approximately 456,000 veterans' deaths. In 1999, 10 years later, we are projecting 561,000 deaths, which is a 23 percent increase. And in 2008, there are an expected 620,000 veterans' deaths, a 36 percent increase——

Mr. FILNER. You went beyond the year 2003?

Ms. BECRAFT. Yes, with information from the Department of Veterans Affairs.

Mr. FILNER. Did you get that from the budget processes?

Ms. BECRAFT. The data I am presenting are from the Department of Veterans Affairs.

Mr. FILNER. I am just making a comment——

Ms. BECRAFT. I understand.

Mr. FILNER (continuing). Without the Chairman's permission. Thank you.

Ms. BECRAFT. From 1989 to 2008, there will be a 36 percent increase in the amount of burials. This increase in veterans' deaths takes place concurrently with the downsizing of our military forces. With our smaller and busier force, it has become more difficult for the military services to provide all funeral honors that are requested. Thus, while we are committed to providing proper honors for our veterans, we must be concerned about the manpower impact of any policy changes.

At one end of the spectrum, if we provided traditional honors to all veterans who died in 1997, up to 30,000 man years of effort could have been required. While we don't expect that many requests, one of our missing data points is a more precise projection of what the demand for honors would be. We believe that a solution to this issue will require a joint effort on the Department—with the

Department of Defense, the Department of Veterans Affairs, our stakeholders and, of course, the Congress as we examine the implications of any policy changes and identify potential solutions which result in an appropriate level of honors for all families who request them.

We have, therefore, been working with the Department of Veterans Affairs on a strategic plan that culminates in a joint summit to address this important concern. In preparation for the summit, we will meet with the veterans' service organizations and the military coalition to describe our resource environment and hear their views on how to accommodate the need for honors in that environment. We are also conducting those discussions—as we are doing this, we will also be engaged in an extensive data collection to determine more precisely the demand for future funeral honors and the degree to which they are provided as requested under the provision of our current policy.

Information from our exchanges with interested organizations and from our data-gathering initiative conducted over the next 6 months will provide the substance for our discussions of the summit to be held in the fall. The summit will examine issues, resources and options for the provision of military funeral support to veterans.

We envision that Members of Congress, as well as representatives from the veterans' service organizations, would assist in our deliberations; however, we are not waiting for the summit process. Right now, the military services are examining ways to improve the delivery of honors. For example, the Army has conducted an in-depth review of their capability to provide funeral honors. They are developing a plan that standardizes burial details, removes limitations on distances soldiers may travel to perform burial honors, and promotes local partnerships with reserve components and veterans' service organizations in conducting military funeral honors.

In their efforts to enhance the ability to perform honors, the Air Force is conducting a pilot program in California in a high-volume area for military funerals. The pilot program uses Guard and Reserve personnel who are placed on active duty to perform funeral honors. The funeral honors units composed of these Guard and Reserve forces conduct two to three funeral honors every day. As a result, the Air Force is able to respond to more funeral honor requests in a high-demand area.

And recently the Commandant of the Marine Corps issued a white letter and sent a message to all Marine units emphasizing the Marine Corps' commitment to funeral support and the importance of paying final tribute to one of its own.

We are carefully monitoring these initiatives and collecting data to determine their impact.

Mr. Chairman, we believe we have a plan and a process to address this very important issue. Through creative strategies, dialogue with the stakeholders and joint efforts, we believe that we can enhance respectful military recognition at funerals for those who have loyally served our country. I look forward to providing to you the results of our efforts.

Mr. QUINN. Thank you very much.

Ms. BECRAFT. Sure.

[The prepared statement of Ms. Becraft appears on p. 68.]

Mr. QUINN. I have just one quick question before we go to the rest of the table. I think we mentioned to you we were going to see if we could talk to you a bit about the situation with the Tomb of the Unknown Soldier and the Vietnam veterans. Can you—we have read in the paper recently that there might be a situation where we have to take a look at the remains of the soldier there. When we were touring Arlington National Cemetery last week, five or six members of the staff went over. I mentioned that this morning. We talked to Jack Metzler about that. Are you able this morning, from the Department of Defense, to give us any kind of update on that situation and when the Secretary may be making a decision?

Ms. BECRAFT. Mr. Chairman, I can't give you an exact time on that. The senior working group has made some recommendations, and they are right now working with all the various stakeholders, briefing them, getting their comments. These comments will be incorporated into their final recommendation before it goes to the Secretary. I am sorry I can't tell you an exact time when that will be.

Mr. QUINN. You don't know the time on that?

Ms. BECRAFT. No, I do not.

Mr. QUINN. Okay. That is great.

I yield to Mr. Filner for a question.

Mr. FILNER. A quick question, Ms. Becraft. I appreciate the report that you read. I had suggested in an earlier hearing, I guess tangentially to the subject matter, that one thing I think you are missing here, as you lay out this process and do your man years, and I assume women years also would be involved, that there is a tremendous amount of volunteer time available to you for these honors. In San Diego, we have a voluntary Honor Guard that does, in fact, make itself available to the services. They came to see me the other day and said, you know, if we could get just a small amount of money basically for blanks and for pressing the uniforms and for gas money—that is what we are talking about. We are not getting into this great bureaucracy of putting people in the service and getting people out of the Reserves, we are just asking for a few bucks for a voluntary unit, and they could handle, in a high-demand area, a lot of the honors that are needed.

I am just wondering if the Department would be looking to tap this volunteer force that I am sure is available all over the country?

Ms. BECRAFT. This is part of our plan for our summit. We need to go to all the stakeholders, look at all of the different ways that we can provide honors to our veterans. So we will be looking at that option, as well as many others, in conjunction with the Department of Veterans Affairs, the veterans' services organizations and the whole array of interested parties.

Mr. FILNER. I understand, and I keep hearing that. I will tell you, out of your $250 billion budget, a few thousand dollars to San Diego would solve the problem. You don't have to go through all this bureaucracy, all these studies, all these man years, all this incredible amount of effort that I know a big bureaucracy always has to seem to go through. But I am telling you in one area of the coun-

try, if you gave me an account of $5,000, I would solve your problem, and you wouldn't have to go through all of this.

These are the 1990s, almost the new millennium—look at new areas outside the box of some bureaucratic thinking to tap in some of this—I mean, there are veterans in our area, I am sure every area in the country, that deplore what has happened and are willing to volunteer their own time to solve it, and they just need a little support from us.

Ms. BECRAFT. Well, we must look at a whole range of options, and that is what we are committed to do. The number of burials, as you know, have increased——

Mr. FILNER. All right. I give up. I am sorry.

Ms. BECRAFT (continuing). Extensively, and we will continue, and we will take that into consideration.

Mr. LAHOOD. [Presiding] If the Ranking Member wants to ask a question, you may, or we can let Mr. Rapp make his statement. However we want to proceed here, I will be flexible.

Mr. EVANS. If I could ask one question, Mr. Chairman.

Mr. LAHOOD. Please, proceed.

Mr. EVANS. Ma'am, are you aware of our colleague's, Steve Buyer's, legislation that I think he is going to offer in the Armed Services Committee markup next week concerning burials?

Ms. BECRAFT. I am aware that there is a House bill, yes.

Mr. EVANS. I think it may have changed. I don't have it in front of me. I didn't think to bring it.

Ms. BECRAFT. I have not seen the exact wording, no.

Mr. EVANS. I will try to obtain a copy and submit it to you. We would like to get your input as we move into markup next week on the armed services side.

Thank you, Mr. Chairman.

Mr. LAHOOD. Mr. Rapp, you may proceed.

STATEMENT OF ROGER R. RAPP

Mr. RAPP. Thank you, Mr. Chairman, and members of the subcommittee. I am pleased to be here today to share the status of operations and activities at the Department of Veterans Affairs, National Cemetery System. I have a brief oral statement that summarizes my full statement, which I submitted for the record.

Mr. LAHOOD. Without objection.

Mr. RAPP. Thank you.

Mr. Chairman, I believe we have come a long way in the past 5 years. Last fall, we opened the Tahoma National Cemetery near Seattle. In the summer of 1999, cemeteries near Chicago, Dallas/Fort Worth, and Albany, NY, will open, and one near Cleveland should be well under construction. At all our open cemeteries with undeveloped acreage, we continue to expand burial space.

Mr. Chairman, last year, I visited approximately twenty open cemeteries. Expansion projects are either under way, just completed or scheduled to start at virtually all of them. We continue to build more and more columbaria; all new cemeteries have them, and many existing ones are getting them. We will continue to add this option at those sites where the demand for cremation is great and columbarium makes sense.

The President's fiscal year 1999 budget request includes $6 million each for Fort Rosecrans and Florida National Cemetery columbarium projects. The State Cemetery Grants Program is working very well. Many States have embraced this program. Veterans are well served by these State cemeteries in significantly-sized cities and States.

To illustrate, Las Vegas, Honolulu, Reno, Memphis, Nashville, Baltimore and Salt Lake, as well as the States of New Jersey and Delaware, are served by excellent State cemeteries. The new Wisconsin cemetery near Milwaukee, which will be dedicated next month, is an excellent example of a State opening up a cemetery when a national cemetery nearby closes.

Mr. Chairman, over the past year, there has been some concern about VA's policy regarding its role and the States' role in constructing new cemeteries. Most recently, in response to posthearing questions from the House Veterans' Affairs and the House Appropriations Committees, we clarified that we view the State cemetery program as a complement to, and not a replacement for, the National Cemetery System.

Building new national cemeteries is an integral part of our strategy to meet the burial needs of our Nation's veterans. Therefore, in each subsequent annual phase of strategic planning, VA will continue to evaluate the need to establish new national cemeteries based on veterans' demographics. I see this process renewed within the next few days as we develop our fiscal year 2000 budget submission, and I am committed to work with the Secretary and the rest of VA to introduce a plan that addresses these issues.

Hopefully, this clarification will assist this committee in its consideration of our legislative proposal to increase the Federal share of our State grants program from 50 to 100 percent.

Finally, Mr. Chairman, I listened to GAO's testimony earlier today. Their report was completed last year, obviously prior to the clarification that I just summarized. VA agrees with much of this report and enjoyed the healthy interchange with GAO, but I would like to make two brief points. First, GAO has concerns that we are not doing long-term planning beyond our 5-year strategic plan. I believe we are doing long-term planning beyond that 5-year period.

Secondly, I believe that some of the inferences about columbarium may be misleading. I believe we should not lose sight that the casket burial option is the preferred choice of veterans as well as the American public and will remain that way for at least another 20 to 25 years. Until then, I believe casketed grave site production should be our major emphasis, with columbarium complementing that option.

Mr. Chairman, this concludes my statement. I would be pleased to take questions.

[The prepared statement of Mr. Rapp appears on p. 71.]

Mr. LAHOOD. Mr. Rapp, let me just ask you one other question on this matter that we were discussing earlier, and that is this: Do I have your commitment—I am going to ask the Secretary the same question—that you intend to, by signage on at least the main—the major thoroughfare, which I consider Interstate 55, by signage designate this new cemetery at Joliet the veterans' cemetery without designating the name of it?

Mr. RAPP. You have my commitment and I am willing to discuss it with Secretary West. I have a feeling you will be discussing it with him before I get a chance to.

Mr. LAHOOD. I am going to discuss it with him, too. But I don't want to be driving along Interstate 55 2 years from now and see a sign that says "Abraham Lincoln Cemetery" because a bunch of veterans' groups got to you before the politicians did. In my opinion, that is what happened here. A number of veterans' groups persuaded you of a name; in spite of the fact that every other cemetery in the entire country is named after a geographic area, you were persuaded by the fact that they didn't like that idea.

But I don't want them then coming to you and saying, we want this name on Interstate 55. That, in my opinion, is going to confuse people, as I said earlier. But if I have your commitment that you are going to make sure that people are not going to be confused, then I am not going to ask you another question about this.

Mr. RAPP. You have my commitment, yes.

Mr. LAHOOD. Mr. Filner.

Mr. FILNER. Welcome to your first hearing, Mr. Rapp.

Mr. RAPP. Actually, I have been to some other hearings, but it has been a while since this subcommittee has held one on the National Cemetery System.

Mr. FILNER. I guess this is what they call a rap session, huh?

I appreciate your response and your willingness to stand up and smile and fight back, but I was not convinced by your short statement at the end.

Clearly, there is a problem that we all foresee coming, and we do not see any plan for it. You said, well, the GAO says we are not doing long-range planning.

Mr. RAPP. We are.

Mr. FILNER. I think you need to show it to us. I am not sure—your statement, your written statement, said that the GPRA restricts your long-term planning. I think I agree with the statement that the GAO made that it does not. In fact, it is supposed to encourage and enhance long-range planning, and other agencies clearly do that.

If NASA was doing what you are doing, Senator Glenn wouldn't be Senator Glenn because he wouldn't have been up there circling the Earth before.

I would like to see, and I think this committee would like to see, some written notion of a strategic plan which tells us and gives us some confidence what you are doing to meet the burial needs of our veterans through the year 2010, roughly thereabouts. I think we would like to have this plan sometime before the fall so we can discuss it and assure our Nation's veterans that, in fact, long-range planning is taking place and these critical years are being thought about, because we have no evidence—we have only evidence to the contrary, that there is a planning process. And your statement, as submitted in writing, seems to indicate a disdain for and a reluctance to go further than the budget cycle allows.

So I would hope we get something written in the next couple of months to give us some more confidence that we do have some long-range thinking going on.

Mr. RAPP. Within the framework that VA used to develop its strategic plan, burial benefits and services are one of ten business lines. It would be nice if we could separate ourselves from that broader departmental process, and I think we do need to work toward addressing the issues that GAO and this committee have raised. I look forward to working with the new Secretary on these issues and hopefully getting them into our plan. I think the best evidence of something would be to include in the next budget submission.

While earlier I did not want to disavow myself from the process in establishing a name for the Chicago area cemetery. I must discuss the broader VA planning process. I am basically the field operations person whose job it has been to build national cemeteries. I am an advocate of building national cemeteries. Within VA's planning on a budget framework, I participate with other VA officials and other authorities within the administration. I have a voice. I hope to have more of a say.

Our voice will be heard within the agency and in the plans that are we developed for the 2000 budget submission and the strategic plan. I agree with GAO that there are sites that have been identified that are not served by a veterans cemetery. We identified them. Most of the information you got from the previous panel we supplied to them as recently as yesterday. We identified those sites in our reports that are on record. I will say that there are large veteran populations in Atlanta, Miami, Detroit, Northern California, and Pittsburgh that I think need to be addressed. I am committed to getting these issues raised and hopefully included in a plan that would meet with everyone's approval.

Mr. FILNER. Well, I am not sure what you said, but I will accept it that you are going to do something about this.

But without being too personal, I hope Mr. Rapp and Ms. Becraft would look at the transcript of this testimony. You will see why citizens have problems dealing with bureaucracies. I mean, you are not talking in human terms or really common-sense English. You are giving us a lot of bureaucratic circular talk here. I didn't understand a word anybody said here in answer to that.

I would like a plan in a month. I did not hear that you were going to do that or not do it. I asked to look at volunteers, and all I get is we are going to look at the whole range of options, and we have to go through this planning process, blah, blah, blah, blah, blah.

I mean, we are talking about some common-sense things that deal with people and what veterans think about their service to this country and how our country is responding to that service. And, frankly, we are getting a lot of circular talk and jargon here, and I think we should just have some common-sense discussions. And if you look at your transcripts, I think you will see why I am so frustrated.

Mr. LAHOOD. Mr. Rodriguez, welcome. Any questions?

Mr. RODRIGUEZ. No.

Mr. LAHOOD. Chairman Quinn had some questions, and I would like to submit them for the record and ask you to reply to Mr. Quinn and also to the full committee, if you would.

Mr. RAPP. We will.

(See p. 103.)

Mr. LAHOOD. Anything else?

Thank you for being here.

We have a third panel, but let me just say that as previously announced, I do have a meeting with the Secretary of Veterans Affairs, and he and I have been trying to get together for the last couple of days. What I would like to do is recess—I don't think the meeting will take very long—and then come back, and we will continue with the third panel.

I don't know of any other option, so I hope you will be tolerant of that and patient, and thank you for allowing us to do that.

We are in recess until I return. Thank you.

Mr. RODRIGUEZ. Mr. Chairman.

Mr. LAHOOD. Yes, Mr. Rodriguez.

Mr. RODRIGUEZ. I was just going to inquire, it seemed like I know you are real concerned in terms of the naming of that, and I was wondering if there was any other options that you might have. I would be willing to be supportive if you had any other creative options.

Mr. LAHOOD. I hope to discuss that with the Secretary.

Mr. RODRIGUEZ. Have you come up with some legislation of what you are going to name it, or whatever you think is appropriate?

Mr. LAHOOD. Thank you. I appreciate that. Thank you.

Mr. RODRIGUEZ. Thank you.

Mr. LAHOOD. We are in recess.

[Recess.]

Mr. LAHOOD. Again, I apologize to those of you who came—I don't know if my microphone is on or not. Now it is on. The light is on anyway. I apologize for delaying you, and I am sure you thought you would be sitting at a lunch counter somewhere by now. But we appreciate very much your participating as part of the third panel.

What I would like to do is let each of you proceed with any opening statement that you would like, and, General Woerner, if you would like to go first, you are welcome to, or if you want to start at this end of the table. However you want to proceed, please.

STATEMENT OF GEN. FRED WOERNER, U.S. ARMY (RET.), CHAIRMAN, AMERICAN BATTLE MONUMENTS COMMISSION, ACCOMPANIED BY MAJOR GENERAL JOHN P. HERRLING, U.S. ARMY (RET.), SECRETARY, AMERICAN BATTLE MONUMENTS COMMISSION; KENNETH S. POND, EXECUTIVE DIRECTOR, AMERICAN BATTLE MONUMENTS COMMISSION; COLONEL ANTHONY N. COREA, U.S. AIR FORCE, DIRECTOR, OPERATIONS AND FINANCE, AMERICAN BATTLE MONUMENTS COMMISSION; AND COLONEL DALE F. MEANS, U.S. ARMY, DIRECTOR ENGINEERING AND MAINTENANCE, AMERICAN BATTLE MONUMENTS COMMISSION

General WOERNER. Thank you, sir. There will be only one statement. I will make that——

Mr. LAHOOD. Very good.

General WOERNER (continuing). For the entire panel.

Mr. LAHOOD. Thank you very much.

General WOERNER. Mr. Chairman, members of the subcommittee, on behalf of the American Battle Monuments Commission, I am sincerely pleased to appear before you today. I begin by thanking you, Mr. Chairman, and the members of the subcommittee, for the support that you have provided our Commission over the years, and we seek your continuing support on the premise that the manner in which we care for our honored war dead measures the importance that as a Nation we give to all those who have worn or are wearing a uniform.

The care and maintenance of the facilities associated with the trust that has been placed upon us are quite labor-intensive. Personnel costs account for a full 64 percent of our budget in fiscal year 1999. This year, therefore, we are conducting a comprehensive manpower survey that will clearly define our manpower requirements for each of our cemeteries and allow us to ensure the proper sizing of our work force.

That said, it then becomes clear that only 36 percent of our budget remains to fund our operations: engineering, rent, maintenance, utilities, horticultural supplies, equipment and administrative costs.

We do not have the option of closing or consolidating any one of our 24 cemeteries or 27 memorials. In light thereof, we have increased our efforts to achieve greater efficiency through automation in the operational and financial management area. The Congress has been instrumental in our success in maintaining a high standard of excellence by providing the funds required to accomplish our objectives.

The added funding of $3 million in fiscal year 1998 for engineering and maintenance projects will allow us to reduce our backlog of essential projects, a problem that is becoming increasingly more acute since, as mentioned by the Chairman in his opening comments, our facilities are aging.

In 1996, Congress specifically directed, via Public Law 104–275, that the American Battle Monuments Commission prepare agency-wide financial statements annually, beginning with fiscal year 1997, and that the financial statements be audited in accordance with accepted government auditing standards.

I can now report to you that the General Accounting Office, as you heard in the first panel, has completed the first such audit. I am pleased to report that we received an unqualified opinion, or, in other words, a clean audit, on our balance sheet, which we understand is a very rare occurrence on initial financial statement audits.

Additionally, we have been identified as one of the first agencies in the executive branch to early comply with the fiscal year 1998 accounting standards prescribed by the Office of Management and Budget.

While we are pleased with the results of the audit, one material weakness has been highlighted, which we were aware of. It involves a financial management system that has grown like Topsy, with multiple systems being added upon other systems.

We have now entered into negotiation, and we can assure you that during fiscal year 1999 we will implement—replace all those

old systems and implement a single new and integrated accounting system that will resolve this material deficiency.

The same legislation authorized the American Battle Monuments Commission to enter into agreements with the sponsors of war memorials to provide for their repair and long-term maintenance. At this time, we have established our internal operating procedures, including financial controls, and finalized our instructions to potential participants. We have recently sent guidance to three interested participants, the 30th Infantry Division of World War II, the 26th Infantry Division (the famed Yankee Division), and the National Guard Association. We believe that there are potentially 5 to 10 viable associations which will be interested in participating in this program.

In addition to our overseas mission, we have been mandated by Congress to construct the World War II memorial. The Rainbow Pool site was dedicated in November 1995 by President Clinton. In January 1997, the President announced the winning design by Professor Friedrich St. Florian. Since that time, reviews by the Commission of Fine Arts and the National Capital Planning Commission have resulted in the requirement to modify the design to more appropriately fit the Rainbow Pool site. The modified design is almost complete, and we are confident that the modifications will meet the expectations of the Commission of Fine Arts and the National Capital Planning Commission when we appear before them in May and June of this year.

In summary, since 1923, the American Battle Monuments Commission's cemeteries and memorials have been held to a high standard in order to reflect America's continuing commitment to its Honored War Dead, their families, and the U.S. national image. The Commission intends to continue to fulfill this noble trust while continuing efforts to improve overall management and operational efficiency. We ask for your continuing support.

Mr. Chairman, this completes my introductory remarks, and we are prepared to answer your questions.

[The prepared statement of General Woerner appears on p. 76.]

CHALLENGES

Mr. LAHOOD. Chairman Woerner, I have two questions. What is the biggest challenging facing ABMC?

General WOERNER. Can I have two?

Mr. LAHOOD. Of course.

General WOERNER. The first, sir, is our primary mission, that of maintaining facilities that are aging as costs go up. In addition, salaries increase, and we are obligated to follow Embassy lead, over which we have no control, since most of our work force are foreign nationals. So we have increasing costs due to increasing maintenance and salaries, without a fully commensurate increase in budget. However, I must say, we have done better than most agencies in straight-lining our budget, and Congress, this year (fiscal year 1998), increased our budget by $3 million. This Congressional aide is contributing to a significant reduction in our backlog of maintenance. That is our first challenge—aging facilities, increased costs, without fully commensurate budgetary increases.

The second major challenge is the World War II memorial. We unequivocally have the site. We now have a revised design and our preliminary coordination gives us confidence that it is going to be favorably received by the approving commissions in Washington. The challenge will then remain to raise $100 million to do the construction.

WW II MEMORIAL FUNDRAISING

Mr. LAHOOD. Is that the one—the memorial that Senator Dole is chairing the fundraising?

General WOERNER. Yes, it is, sir. Senator Dole has consented and is already very active raising the monies, and he is co-chaired by Mr. Fred Smith of FedEx. They, together, through their combined efforts, have already brought in several millions of dollars.

Mr. LAHOOD. And their goal is $100 million?

General WOERNER. That is our goal, $100 million, sir.

WWII MEMORIAL CONSTRUCTION AND DESIGN

Mr. LAHOOD. Uh-huh. And is the raising of the monies—are they doing that first, before you begin the construction, or are you—I mean, is it kind of simultaneous, or how does it work?

General WOERNER. First, by law, sir, we have to have the money in the bank.

Mr. LAHOOD. Okay.

General WOERNER. Before we can get the building permit.

Mr. LAHOOD. Okay.

General WOERNER. We have been challenged thus far by trying to raise money without having a final approved design. We hope that that problem is resolved in our May and June hearings, and we will then be able to say to potential contributors, here is what you are contributing to. We would then expect to see an exponential increase in the flow of monies.

WWII MEMORIAL FUNDRAISING AND GROUNDBREAKING

Mr. LAHOOD. What is your notion of when the fundraising might be; are they saying 2 years, 3 years?

General WOERNER. We would hope less than that, sir.

Mr. LAHOOD. Okay.

General WOERNER. Less than 2 years.

Mr. LAHOOD. Less than 2 years.

General WOERNER. We would like to break ground, meaning we have money in the bank, no later than on Veterans' Day in the year 2000.

WW II MEMORIAL REVISED DESIGN

Mr. LAHOOD. I see. And the design has not been completed, I take it, or it has been?

General WOERNER. We had a completed design and went before the commissions-National Capital Planning and Fine Arts. They gave us their input. We are now in the very final stages of incorporating their input. In fact, the models are being built, and we are

laying the groundwork to appear formally before them in May and June.

Mr. LAHOOD. So when do you think you might unveil the design? Soon?

General WOERNER. Yes, sir.

Mr. LAHOOD. This year?

General WOERNER. Oh, definitely. I would say early summer.

General HERRLING. 11 May.

General WOERNER. There it is. We have a date.

General HERRLING. 11 May.

Mr. LAHOOD. You are going to unveil 11 May?

General HERRLING. We will. We will have a press conference that will cover the redesign concept for the memorial, and we plan on doing that either on the 11th or 12th of May.

INTEGRATED ACCOUNTING SYSTEM

Mr. LAHOOD. Colonel Corea, did I pronounce that correctly?

Colonel COREA. Yes, you did, sir.

Mr. LAHOOD. I am told that you are really helping to get financial systems in order and financial, I guess, procedures and mechanisms and all that. Tell us how that is going.

Colonel COREA. Okay, sir. As has already been indicated by the Chairman's opening comments and by the statement of the GAO witness, we have been on track in coming up with an integrated financial system now for just over one year. The Congress gave us the first increment of money to allow us to do that, this year (fiscal year 1998). We started even before you gave us some money by asking the Financial Management Services Center of the Treasury, to help us to analyze the systems that are out there.

As you recognize, we are a small agency, and there are 8 or 10 software systems which we can choose from that GAO, OMB, and Treasury have already approved for government use. So we will choose one of these "commercial off-the-shelf" systems.

At the present time we are receiving comments from the companies, and after we have looked at the comments, we will decide whether we are going to contract for the system, or also whether we might consider cross-servicing. In cross-servicing we would be asking Treasury or Commerce or one of the other big departments to help us with that. Our expectation is to have that system in place by the beginning of next year, fiscal year 1999, 6 months from now. That will give us one accounting system.

OMB, Treasury, and GAO, actually prescribed the accounting rules that we have to comply with in the Federal Government, and with those rules we have to have one integrated system. We will implement that system in our Washington office, as well as our offices in Rome, Paris and, Manila. We are heading in that direction.

We have had great success with the audit. Your committee, in 1996, prescribed that we have annual financial audits. Our initial thought was that we wanted to get the integrated accounting system in place before the audit. In the end, we are probably much better off by having started the audits, as we have standardized our financial records. We have, as the Chairman said, had a "clean audit" this year. Everything is now the way it really should be, so when we go into a new system, we are going to be ahead of the

curve because will not be dealing with old financial data and old financial problems. So we are making very good progress with this.

Mr. LAHOOD. We appreciate the good professional work you are doing on this.

Colonel COREA. Thank you, sir.

PRIVATELY SPONSORED MEMORIALS

Mr. LAHOOD. Chairman Woerner, one final question. Have you taken custody of any private memorial since we changed the law last year?

Colonel MEANS. For the record, I am Colonel Means, the Director of Engineering and Maintenance.

Mr. LAHOOD. Yes, sir.

Colonel MEANS. We have responded to three associations that have asked us to look at taking over their memorials or monuments. We are awaiting their response at this point in time. As already stated, there are perhaps 5 to 10 other associations that would be interested in pursuing this, and we have been working on identifying them, and we will be dispatching invitations to them as well, sir.

Mr. LAHOOD. We thank you all for being here and for the good work you are doing and look forward to being a part of the next design unveiling and the memorial and all the other things you are involved with. Thank you all for being here.

General WOERNER. Thank you, Mr. Chairman.

Mr. LAHOOD. Thank you to the staff for all your good work. We are adjourned.

[Whereupon, at 12:05 p.m., the subcommittee was adjourned.]

APPENDIX

OPENING STATEMENT
HONORABLE BOB FILNER
SUBCOMMITTEE ON BENEFITS
April 29, 1998

Good morning and welcome. Thank you for coming this morning.

President Abraham Lincoln is credited with initiating the National Cemetery System in 1862 when he directed that cemeteries be established near Civil War battlefields as burial sites for Union soldiers. Since that time, the National Cemetery System (NCS) has grown to 115 cemeteries, and four new cemeteries will be activated by the year 2000.

In spite of this significant expansion, NCS is facing enormous challenges. Of the 115 national cemeteries, 22 are closed to new burials and 36 are only open to cremated remains. Within the next 2 years, the number of national cemeteries open to first interments of casketed remains will be further reduced by 50 percent – this at a time when the number of interments will increase over 40 percent between 1995 and 2010.

Given this situation, I was disturbed when I read in the GAO testimony that the NCS strategic plan is for five years only – 1998 through 2003 – and that NCS cannot specify what level of access veterans will have to a national or state veterans' cemetery during the peak years. Additionally, I inferred from the GAO and VA testimony that NCS officials are refusing to accept GAO's recommendation to expand their strategic plan and discuss how current plans will be adjusted to meet the needs during the years of peak demand. I have several thoughts about this issue, and I look forward to discussing them with our witnesses.

Thank you, Mr. Chairman.

OPENING STATEMENT
THE HONORABLE RAY LAHOOD

SUBCOMMITTEE ON BENEFITS
HEARING ON OPERATIONS WITHIN THE NATIONAL CEMETERY SYSTEM AND THE AMERICAN BATTLE MONUMENTS COMMISSION

APRIL 29, 1998

Thank you, Mr. Chairman, and thank you for holding this important hearing this morning.

Mr. Chairman, I need to express my frustration at recent actions taken by Secretary West concerning the naming of a new addition to the National Cemetery System. On April 8, then-Acting Secretary West issued a press release naming the yet-to-be constructed facility near Joliet, Illinois the "Abraham Lincoln National Cemetery." Mr. West's office apparently moved unilaterally without any Congressional or Veteran's Affairs Committee input whatsoever, disregarding VA's own policy on naming facilities.

The naming of this cemetery is something with which my office has been involved for many months. Even though I had made my feelings known to Mr. West's predecessor, my office was not consulted prior to this announcement. Other Illinois Members were also kept in the dark, learning about this through the press after the fact.

Congress has well-established procedures to name facilities of all kinds in honor of individuals. Mr. West has chosen to step outside his legal authority and ignore procedure and precedent.

VA's own policy clearly states that the naming of VA facilities in honor of individuals can be done only by congressional mandate or by Executive Order of the President.

Title 38, Code of Federal Regulations, Section 1.602 also clearly states the basis for names of national cemetery activities, which may be based on physical and area characteristics, the nearest important city or town, or a historical characteristic related to the area.

After studying the list of cemeteries in the National Cemetery System, I notice that each is named after a city, region, or other geographical reference. The only exception I find is the Zachary Taylor National Cemetery in Kentucky. This is understandable, however, because President Taylor is buried in this cemetery.

I expressed my concerns and questions about the naming of this cemetery to Mr. West by letter. The response I received from Mr. Rapp on behalf of Mr. West does not address the points I raised in my letter. Mr. Chairman, I would like to submit my letter to Secretary West, as well as the response I received from Mr. Rapp, for the record.

In summary, this situation has me very concerned about the new leadership at the VA. I am very worried about the lack of regard shown for policies, procedures, precedents, this Committee, and the law.

COMMITTEE ON AGRICULTURE
COMMITTEE ON VETERANS' AFFAIRS

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

CONGRESSMAN RAY LAHOOD
18TH DISTRICT, ILLINOIS

April 13, 1998

The Honorable Togo D. West Jr., Acting Secretary
Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Dear Mr. Acting Secretary:

I want to alert you of my disappointment at your recent attempt to name a yet-to-be constructed veterans cemetery after one of America's most venerated presidents, Abraham Lincoln. Apparently, your office unilaterally moved without any Congressional or Veterans' Affairs Committee input whatsoever. Your desire for cordial relations with Congress and effected Members certainly falls short in this case. In the past, the naming of a Department of Veterans Affairs facility has required a Congressional Mandate or Executive Order.

Also, the Illinois Congressional delegation is less than unanimous in its conclusions about naming this particular site, notwithstanding its unanimous conclusions on the merits of honoring Illinois' native son. I ask that you reconsider your decision and let Congress, and the Illinois delegation, decide the appropriate way to honor our sixteenth president.

My office had no advance notice of your intentions. I was told that an "advisory committee" had agreed to name the site. I would appreciate if you would answer the following questions concerning this "advisory committee."

1. Was this committee chartered under the Federal Advisory Committee Act?
2. From where did the authority derive?
3. With whom did they agree?
4. Were all effected parties allowed/invited to address the "advisory committee"?
5. Why was my office not notified of the "advisory committee" meeting, and why wasn't I, or my representative, allowed to address the "advisory committee"?

RESPOND TO:

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INTERNET: WWW.HOUSE.GOV/LAHOOD/

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I am writing to request a detailed explanation of the authority under which you have to name VA facilities. It is still unclear to me how you came to the conclusion that you possess this authority. My reading of the Secretary of Veterans Affairs authority under Title 38 of the United States Code is that Congress has not provided the Secretary with the authority to name VA facilities, and that this is a power reserved to the Congress. The fact that no prior Secretary, or VA Administrator, has ever named a VA cemetery reinforces this position, as does the VA policy statement you ignored in this case.

The Illinois delegation has yet to formulate a unanimous position on the naming of any veterans cemetery in Illinois after Abraham Lincoln because of the historical and geographic significance of Camp Butler National Cemetery in Springfield, Illinois.

Camp Butler, founded in 1862 during the Civil War, is one of the original veterans cemeteries established by Abraham Lincoln himself. As you know, Abraham Lincoln made his home in Springfield, where his remains are interred today.

We all agree that Abraham Lincoln should be appropriately honored. We just disagree on the location. I look forward to your prompt reply.

Sincerely,

Ray LaHood
Member of Congress

RHL/cag

cc: Rep. Bob Stump, Chairman
House Veterans' Affairs Committee

Rep. Jack Quinn, Chairman
Subcommittee on Benefits

DEPARTMENT OF VETERANS AFFAIRS
National Cemetery System
Washington DC 20420

APR 28 1998

The Honorable Ray LaHood
U.S. House of Representatives
Washington, DC 20515

Dear Congressman LaHood:

I am responding on behalf of the Acting Secretary to your letter regarding the naming of the Abraham Lincoln National Cemetery. I regret the confusion that has been generated regarding the naming process for this cemetery which will serve veterans in the three states whose borders are within the 75 mile service area of the cemetery. It is my hope that this letter will provide you with a better understanding of the process of naming national cemeteries.

Since the former Veterans Administration (VA) assumed responsibility for the National Cemetery System in 1973, all 13 new VA national cemeteries have been named by the Secretary of Veterans Affairs or the Administrator of the Veterans Administration. He derives this authority from 38 C.F.R. § 1.602(a), adopted in 1978, which states that "The Secretary is responsible for naming national cemeteries." This section is in turn based on the statutory authority in 38 U.S.C. §§ 2400(b)(3) and 2404(a) which authorize the Secretary to develop new cemeteries and make the rules and regulations necessary to administer them. Most recently, the Secretary named Tahoma National Cemetery (near Seattle, Washington, which opened in September 1997) and Dallas-Fort Worth National Cemetery and Saratoga National Cemetery, both of which are currently under construction. It has never been previously suggested that the Secretary lacked the authority – or the obligation – to discharge this duty.

VA initially postponed naming the Abraham Lincoln National Cemetery in anticipation of Congressional action during the 1997 session. When the Congress did not name the cemetery and construction began in late 1997, finding a name became urgent because national cemeteries usually are named before construction begins. The lack of a name prevented scheduling groundbreaking ceremonies, developing articles of incorporation for the veterans support committee, and conducting most other activities associated with a new cemetery.

The new cemetery, located in the Chicago/Joliet area, is the largest cemetery construction project in the history of the National Cemetery System. It will serve nearly one million veterans in a three-state area, the largest population

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of veterans in the Nation not currently served by a nearby national cemetery or a state veterans cemetery. It was critical to select a name that would be acceptable to this broad-based constituency.

On March 4, 1998, a new regional veterans support committee met in Joliet. Such committees are volunteer committees formed to provide logistical support for the National Cemetery System in activities such as organizing veterans for the dedication of a new cemetery and observing Memorial Day, activities that are part of our statutory responsibility to honor deceased veterans. The committees also provide a local vehicle that enables us to convey to veterans information concerning a new cemetery. VA does not consider such committees federal advisory committees within the meaning of the Federal Advisory Committee Act because their functions are primarily operational, as opposed to being advisory. Accordingly, they are not chartered under that statute.

Approximately 50 leaders of various veterans organizations, including the American Legion, Veterans of Foreign Wars, Disabled American Veterans, AMVETS, the Military Order of the Purple Heart, and the Italian American Veterans, as well as the past National Commander and the Indiana Department Commander of the American Legion, attended the March meeting. The Illinois Association of County Veterans Service Officers and the Illinois Department of Veterans Affairs were also represented.

At this meeting, I explained the process of naming a new national cemetery and solicited the participants' input. They confirmed earlier input we had received – Abraham Lincoln was the only name supported by all groups. All possible geographic names faced opposition from at least one group. Once it became evident that "Abraham Lincoln" was a unifying name, all concerns about a name based on location being unacceptable to one group or another evaporated. Based on this input, the name satisfied the three general criteria VA uses in naming cemeteries: (1) helping to identify the location; (2) appealing broadly to the veteran population; and (3) conveying a positive image. With this information, the Director of the National Cemetery System recommended, and the Acting Secretary approved, the name Abraham Lincoln National Cemetery.

I understand that you are concerned that naming the cemetery after Abraham Lincoln will confuse tourists about where Lincoln made his home in Illinois and is buried. Our experience shows, however, that those who visit

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The Honorable Ray LaHood

national cemeteries generally fall into two categories – those who attend patriotic events, such as Memorial Day, Veterans Day or other such ceremonies, and those who are making burial plans, attending a funeral or visiting a gravesite of a loved one. We hope to enrich people's visits to the Abraham Lincoln National Cemetery by informing them of his role in establishing the National Cemetery System and his connections to Illinois through a display in the Visitors Information Center. We look forward to working with you, officials from the State of Illinois and the Springfield Department of Tourism on this project.

In closing, I apologize for the lack of coordination with your office on this issue. I hope you understand and appreciate our basis for naming the cemetery. I am willing to meet with you, your personal staff, and/or committee staff to discuss options for enhancing visitors' knowledge of Abraham Lincoln.

Sincerely,

Roger R. Rapp

Roger R. Rapp
Acting Director

Statement of the Honorable Mike Doyle [PA-18]
Subcommittee on Benefits of the Committee on Veterans' Affairs
Hearing on the National Cemetery System

April 29, 1998

Thank you Mr. Chairman. I appreciate you allowing me to sit in on this hearing even though I'm not a member of your Subcommittee.

The district I represent in Western Pennsylvania in Allegheny County is home to the second oldest population in the nation. It also happens to have one of the largest veteran populations in the nation. That combination of attributes makes the status and future of our nation's veterans cemeteries an important issue for the residents of my area.

However, even with these demographics, the Commonwealth of Pennsylvania only has two national veterans cemeteries -- and both of them are located on the eastern side of the state. Thus, I applaud the efforts of this Subcommittee on behalf of all of our nation's veterans, and especially those in my district, to ensure that the VA cemetery system is maintained and expanded so that it will be able to serve all the veterans the system was set up to honor.

I'm also pleased that this Subcommittee is able to address the critical issue of Honor Guard services at military funerals. Our Government promised our veterans many benefits for their service to this country. And while health care benefits and educational opportunities may have a more direct impact on the lives of these veterans, we should not be denying them military honors upon their death. Just like all other VA benefits and services, these veterans have earned this benefit.

The activities associated with these military honors are generally the last personal recognition our nation provides to these veterans. We must ensure that all branches of the Armed Forces have the resources to carry them out. I applaud my colleague Lane Evans for his work in this area, and I appreciate your efforts Chairman Quinn to shed some light on the current status of these activities.

Again Mr. Chairman thank you for the time. I look forward to hearing the testimony of the witnesses participating today.

Opening Remarks for Rep. Frank Mascara at Veterans Affairs Subcommittee on Benefits 4/29/98

Thank you Mr. Chairman. Good morning to our three panels. I look forward to hearing your testimony and hope it will help clarify the plans for the future of the National Cemetery System and the American Battle Monuments Commission.

Being from Western Pennsylvania, many of my constituents are veterans. There is a lot of concern about whether there is enough space in the cemeteries for the large number of dedicated men and women, who have given many of the best years of their life for this country, after they die. Many of these people have no other choice for burial except at a veteran's cemetery. The costs otherwise would be prohibitive.

There have been many commitments made to our veterans over the years. In this current climate of belt-tightening, I hope the promises we made to our veterans will be kept and we will not go back on our word.

I understand that planning for the large number of World War II soldiers who will need the services of your agencies is falling behind. I do not see a problem with organizing the data and developing a preliminary plan. Even if the funding levels are not established *per se*, having the information available could position the agency for an orderly implementation.

Thank you Mr. Chairman, and I yield back the balance of my time.

STATEMENT OF THE HONORABLE SAM FARR
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON BENEFITS
HEARING ON THE NATIONAL CEMETERY SYSTEM
APRIL 29, 1998

Mr. Chairman, I thank you for holding this hearing today on the issue of the National Cemetery System and the need for additional cemeteries to serve our nation's veterans.

I can speak first-hand of the compelling need for new cemeteries to serve our nation's veterans. In my district in California, home to tens of thousands of veterans, the nearest cemetery is remote and difficult to reach. California-wide, the picture is even bleaker: only two of the State's six national veterans' cemeteries are open for burials and cremations.

Despite the clear need for sufficient burial sites for veterans, the resources have not been made available at the federal level to meet the demand. The Department of Veterans Affairs has no plans to build any additional national cemeteries in California in the near future and, until recently, indicated that it might discontinue future cemetery construction entirely.

The local veterans community in my district has found a promising site for a new cemetery: a 156-acre portion of the former Fort Ord Army facility. A veterans cemetery at that location would not only fit with the past mission of the property, but the land would be available at minimal cost. However, because the opportunity for a federal cemetery at the site is remote, the State of California will need to provide the resources for cemetery construction.

Thus, while I am glad to hear of the VA's commitment to continue construction of national cemeteries after the year 2000, I am especially supportive of their efforts to expand the State Cemetery Grants Program -- specifically, their proposal to allow the program to pay for 100% of the costs of veterans' cemetery construction.

It is now up to Congress to enact the necessary legislation to fulfil this proposed expansion. I hope today's hearing will ease fears that such an expansion would contribute to the replacement of the National Cemetery Program with the VA State Cemetery Grants Program. I hope we can move forward and, together with the VA, expand the federal resources available to address the growing problem of insufficient cemetery space for veterans.

I appreciate the Chairman's support for, and efforts on behalf of, American veterans, and look forward to working with him and the Subcommittee to see that the necessary legislation is enacted this year to expand the VA State Cemetery Grant Program. Such legislation will give our nation's veterans an additional opportunity to see the construction of new cemeteries, and help ensure that the veterans on the Central Coast of California see their dream of a new cemetery at Fort Ord become a reality.

LORETTA SANCHEZ
46TH DISTRICT, CALIFORNIA

COMMITTEE ON
EDUCATION AND THE WORKFORCE

SUBCOMMITTEES:
POST-SECONDARY EDUCATION
OVERSIGHT AND INVESTIGATIONS

COMMITTEE ON NATIONAL SECURITY

SUBCOMMITTEE:
MILITARY RESEARCH AND DEVELOPMENT

Congress of the United States
House of Representatives
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April 29, 1998

House Veterans' Affairs Committee
Subcommittee on Benefits
335 Cannon House Office Building
Washington, DC 20515

Dear Mr. Chairman:

I appreciate the opportunity to provide written testimony to the House Veterans Affairs Subcommittee on Benefits on the National Cemetery System (NCS) and I would respectfully request that the attached material be submitted into the record.

As the U.S. Representative of the 46th Congressional District of California, I would like to voice my concerns of the lack of federal veteran's cemeteries in the State of California and recommend to my colleagues on this committee to address this problem.

Mr. Chairman, the State of California has over 3 million veterans which constitutes 11 percent of the total veteran population in the United States. However, California has only two operational cemeteries, which are located in Los Angeles and in the San Joaquin Valley. As you can see in the material that I am submitting for the record, California is sorely lacking the resources to support our veterans.

In the September/October 1997 issue of the California Legionnaire, the American Legion published a questionnaire concerning national cemeteries and VA health care. The questionnaire received overwhelming support from chartered veterans organizations as well as a total of 16,324 replies from California veterans. As you can see, there is a strong concern on the cemetery issue in our communities.

Further, it is the responsibility of Congress to ensure that adequate burial space is available for all eligible veterans and their families who desire burial in a national or state veterans cemetery. Funding for the State Grant Program must be adequate to cover all state funding requests.

Citing budgetary constraints, the military services have not been providing honor guards for veterans' funerals, beyond a singe representative of the DoD who presents a flag to the deceased veteran's family on behalf of the government. This denial of appropriate honors is particulary shameful during this time when so many WWII veterans are being buried in national cemeteries.

Mr. Chairman, it is my hope that the Committee seriously address the lack of national veterans cemeteries for the State of California. As a nation, we collectively remember these men and women. Famous or obscure, recruit or five-star general, these veterans gave themselves to protect the ideals of liberty. They earned the appreciation and respect not only of their friends and families, but of America and her allies. National cemeteries are enduring testimonials to that appreciation.

Very truly yours,

Loretta Sanchez

Loretta Sanchez
Member of Congress

CC: Ranking Member, U.S. Representative Bob Filner (D-Ca.)

PRINTED ON RECYCLED PAPER

February 6, 1998

Carl D. Commentator
Chief Counsel and Staff Director
Committee on Veterans Affairs
United States House of Representatives
335 Cannon House Building
Washington, D.C. 20515

Dear Mr. Commentator:

We wish to make you aware of the critical need for a national cemetery in California. Enclosed is an article on national cemeteries which was published in the California Legionnaire two editions ago. Included is a map that depicts the national cemeteries in California and the availability of national cemetery resources to the three million veterans that reside in the State of California. The American Legion, Department of California recently conducted a survey asking these simple yes or no questions:

- Do you think the VA should build more national cemeteries in California?
- Do you think that the VA should walk away from its responsibility for the national cemeteries?
- Do you think the State of California should build and maintain state veterans cemeteries?
- Are you, as a taxpayer, willing to pay for the state veterans cemeteries?

One additional question dealt with the issue of The American Legion's *G.I. Bill of Health:*

- If VA health care was available to all honorably discharged veterans and their families, would you participate in the *G.I. Bill of Health*?

Much to our surprise, the response to the survey was astounding. We are going to make these results available to all of the members of the California Delegation, to the United States Congress, our State Legislature and, of course, you will be on our mailing list. During our visit to Washington, D.C. last fall, we spoke with twenty-eight representatives and both senators, and found that the support for a national cemetery was favorable on both sides of the aisle.

In California, we have a very deep concern over the inadequate number of national cemeteries because, as you will see on the enclosed map, there is nothing available in the northern part of the state. Several years ago, the VA put together what was commonly referred to as the "Big Ten" listing of cemeteries. Recently, it was learned that the VA does not plan to build any more cemeteries other than the first five on the list, then revisit the project in three years. Interestingly enough, the Sacramento area, where there is a definite requirement, is listed as number six. I was wondering if there would be any chance of pushing California up on the list of priorities?

Additionally, while I was attending a legislative roundtable discussion there was mention made of $680,000 being set aside for California State Veterans Cemetery maintenance. Is this for the Yountville Cemetery? Perhaps it is rumor, or could these funds be possibly earmarked for maintaining California State Veterans Homes?

On a final note, I have some questions on VA health care for northern California. On September 11, 1997, Dr. Kenneth Kizer, Undersecretary for Health Care, Department of Veterans Affairs sent Congressman Stump a letter outlining their health care assessment for the veteran's needs in northern California. In that correspondence, they indicated they would construct a new VA outpatient clinic at Travis Air Force Base. On November 17, 1997, I addressed correspondence to the acting director of VISN 21 asking several basic questions.

Realizing that the outpatient clinic at Travis has been previously authorized by law, we raised the question, "what are the VISN 21 plans for establishing an outpatient clinic and the hundred bed facility at Travis Air Force Base? When would the project be started and when would it be completed?" The response from the acting VISN director was not really acceptable. The VA indicated that the authorizing legislation contained funds for construction, but there was no support for equipment, supplies, personnel, operation or start-up costs. They are now reviewing the resources within that network to determine the size and scope of a clinic at Travis. I get the feeling that they are down-playing this and may be seeking other alternatives, not necessarily those that have been mandated by Congress.

Your time and attention in addressing these questions is greatly appreciated. If there is anything you need from California, please do not hesitate to contact us.

Sincerely,

Leo P. Burke, Vice-Chairman
National Legislative Commission

enclosures

copy: C. Pesso, Chairman National Legislative Commission of The American Legion
S. Robertson, Director, Legislative Affairs of The American Legion
C. Williams, Director, National VA&R Commission of The American Legion
F. Larson, Commander, The American Legion, Department of California
S. Standard, National Executive Committeeman, Department of California
B. Thiesen, Past National Commander of The American Legion
C. Allemann, Adjutant, The American Legion, Department of California
T. Tracy, Service Officer, The American Legion, Department of California

National Cemeteries For California
Yes or No?

By Leo P Burke

Many of you will recall at the 78th Annual Convention of the Department of California in Santa Clara, a resolution was passed stating a need for a national cemetery in northern California. At the 79th Annual Convention of the Department of California, held in Long Beach, a similar resolution was passed also stating a requirement for the expansion of the San Diego National Cemetery in southern California.

Four years ago, the Department of Veterans Affairs came forward with the "Big Ten", a list of cemeteries that they were planning to build throughout the United States. Recently in Washington D.C., it was discovered that the National Cemetery System was going to build only five of those ten and try to encourage individual states to build "state" veterans cemeteries. As a matter or record, the sixth cemetery in the Big Ten proposal was in to be in the Sacramento area of California. Now we find out that the VA will not build - or even look at building - any cemeteries for the next three years.

This is an issue of concern to all veterans in California. The question that has been asked is, 'How can the VA and the Congress turn their backs on over three million veterans living in the State of California?' and 'Who is to blame - the VA or the Congress?'. And it's interesting because each body points its finger at the other.

To clarify matters, the Congress basically funds issues and priorities that are pointed out by the VA and it is obvious that the VA priorities don't include California. When a VA official was asked about more national cemeteries in California, the response was that there are some states that don't have any VA cemeteries. But I would like to note that many states don't have a 3 million veteran population, which equates to over 12 percent of the veteran population in the United States.

GRASSROOTS ADVOCACY FOR NATIONAL VETERANS CEMETERIES

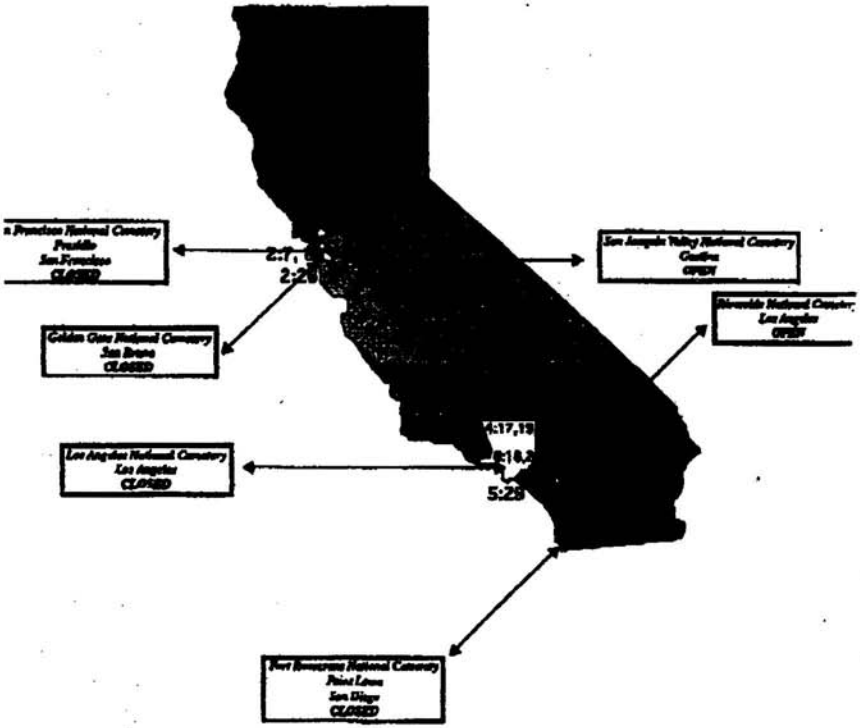
In 1862, President Lincoln signed into law legislation authorizing establishment of national cemeteries "...for the soldiers who shall die in the service of the country." The first 14 national cemeteries were established that year and were the beginning of what has become the National Cemetery System.

After the Civil War, search and recovery teams visited hundreds of battlefields, churchyards, plantations and other locations where hasty wartime burials had been made. By 1870, the remains of almost 300,000 Civil War dead were reinterred in 73 national cemeteries.

The National Cemetery System has undergone many changes since its inception. In 1873, Congress extended the right of burial in a national cemetery to all honorably discharged Union veterans of the Civil War. By a 1933 Executive Order, certain national cemeteries were transferred from the War Department (now Department of the Army) to the National Park Service of the Department of the Interior. In June 1973, 82 other national cemeteries came into the jurisdiction of the Department of Veterans Affairs (VA). This combined the 82 cemeteries with 21 cemeteries already under VA jurisdiction. Since then, there have been 13 new cemeteries, bringing the total of cemeteries administered by the National Cemetery System to 115. The Department of the Army still administers 2 national cemeteries, including Arlington National Cemetery, and the Department of the Interior administers 14, bringing the total of national cemeteries to 131.

In 1978, Congress established the State Cemetery Grants Program which is administered by the National Cemetery System to aid states in the establishment, expansion and improvement of veterans cemeteries. The State Cemetery Grants Program complements the National Cemetery System by providing gravesites for veterans in those areas not adequately served by national cemeteries. State cemeteries enhance VA's ability to meet the burial needs of America's veterans. This imposes an unfair tax burden on the citizens of the participating states because the VA only subsidizes, at this time, 50% of the construction costs, although they are proposing 100% subsidy in their 1999 budget submission to Congress. Two states have already turned back their state cemetery to the VA because there were no state monies to continue the operations (Maryland and Arizona).

California has over 3 million veterans, which constitutes roughly 11% of the total veteran population in the United States. As you can see in the graphic, there are very few national cemetery resources to support California veterans. In the September/October 1997 issue of the California Legionnaire, the American Legion published a questionnaire concerning national cemeteries and VA health care. We requested a response from Legionnaires and Auxiliary members. The response went beyond the American Legion family; we received support from members of American Veterans (AMVETS), Disabled American Veterans (DAV), Veterans of Foreign Wars (VFW), and other chartered veterans organizations as well as numerous responses from veterans who were not affiliated with any veterans organization. A total of 16,324 replies indicates a concern of veterans on the cemetery issue in California. As you can see depicted on the graphic, California only has 2 operational cemeteries, which are located in southern California and in central California. There is a real need for national cemeteries in the northern part of the state and in the San Diego area.


Presidio
San Francisco
CLOSED
2:28
Golden Gate National Cemetery
San Bruno
CLOSED
San Joaquin Valley National Cemetery
Gustine
OPEN
Riverside National Cemetery
Los Angeles
OPEN
Los Angeles National Cemetery
Los Angeles
CLOSED
5:28
Point Loma
San Diego
CLOSED

STATEMENT OF JOHN R. VITIKACS, ASSISTANT DIRECTOR
NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION
THE AMERICAN LEGION
BEFORE THE
SUBCOMMITTEE ON BENEFITS
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
ON
NATIONAL CEMETERY SYSTEM AND
THE AMERICAN BATTLE MONUMENTS COMMISSION

APRIL 29, 1998

Mr. Chairman and Members of the Subcommittee:

The American Legion appreciates the opportunity to comment on the performance of the National Cemetery System (NCS). We value the efforts of the Subcommittee to assure high standards for the operations of what many Americans believe are national shrines, this nation's 115 national cemeteries.

Mr. Chairman, the National Cemetery System must carry out its mission in an exemplary manner because the American people expect nothing less. In communities across the nation, citizens respect and honor the memories of service members who are buried in national, state, and private cemeteries. There are few better ways to honor the heritage of this great nation than to provide space and dignified burials for former members of the Armed Forces.

The American Legion commends the NCS staff for the skillful leadership and sound judgment exercised in directing national cemetery operations. Over the past five years, the former NCS Director, the Honorable Jerry Bowen, carried out the responsibilities of that office in an extremely proficient and effective manner. During the period 1992-2000, six new national cemeteries and several new state veterans' cemeteries will be added to the inventory of available burial sites. Still, the strategic planning process for the future burial options of eligible veterans and their survivors is not yet complete.

Data provided by the NCS indicates that approximately 10 percent of eligible veterans are buried in national cemeteries. It is safe to assume that a measurable percentage of veterans who are buried in private cemeteries choose that option because there was no national cemetery available within a reasonable distance of the place of residence of the family of the deceased service member. Had there been an adequately developed national cemetery system, we are confident that a far greater percentage of national cemetery burials would occur.

The strategy currently engaged by the NCS to provide for the burial of America's veterans and eligible dependents is to establish new national cemeteries where necessary, extend the life of existing cemeteries, and encourage states to build veterans' cemeteries. While this may appear to be a comprehensive strategy, it does not extend practical burial options to millions of eligible veterans.

In addition to the three-part NCS strategy, it is the view of The American Legion that Congress should restore and increase the burial allowance for all veterans whose only practical option is burial in a private cemetery. Until 1981, this benefit was available to all eligible veterans. The American Legion also encourages the restoration of the pre-1990 Omnibus Budget Reconciliation Act burial benefits to provide eligibility for a government furnished headstone allowance and to restore and increase the plot allowance. These benefits were eliminated by Congress in response to budgetary pressures to reduce federal spending. In the long-run, these benefits may be more cost-effective than

building, operating and maintaining the many new veterans' cemeteries needed throughout the nation.

The American Legion believes Congress should examine the cost-effectiveness of restoring the burial, plot and headstone allowance benefits to all eligible veterans. To our knowledge there have been no studies conducted to provide a cost-benefit analysis on the merits of the reinstatement of certain burial benefits. Additionally, the Federal government could study whether local governments are interested in establishing cost-sharing arrangements for veterans' burials in an area or areas of established private cemeteries by helping to fund the purchase of a number of plots.

Mr. Chairman, approximately one year ago, The American Legion voiced its concern about an Administration proposal to essentially turned over the future construction of veterans' cemeteries to the states. According to the proposal, after the funding and activation of the national cemeteries now being planned, VA would no longer request funding for new national cemeteries. Instead, VA proposed to increase funding from 50 to 100 percent of the construction costs of state veterans' cemeteries, and provide 100 percent of the initial equipment cost. The states would continue paying all costs related to cemetery operations.

The American Legion has no objection to VA becoming more involved with the State Cemetery Grants Program. However, we believe Congress must view the proposal with significant concern. The suggested policy change would do away with the long-standing commitment of the Federal government to provide for the burial needs of veterans and their dependents. Placing a greater reliance on an individual state to demographically determine the burial needs of veterans and their eligible dependents represents a serious rescission of Federal responsibility.

Since the initial declaration of the recommended policy shift in early 1997, the National Cemetery System modified the proposal. Now, the national cemetery construction policy is to continue to evaluate activating other new national cemetery sites based on veteran demographics. Also, the state veterans' cemeteries will continue to compliment and not replace VA's national cemeteries.

Now that VA's national cemetery construction policy is clarified, the issue of developing a long-range strategic plan for future cemetery development remains unsettled. Beyond the construction and activation of new national cemeteries in Albany, NY; Chicago, IL; Dallas, TX; and Cleveland, OH, by the year 2000, no further long-range strategic plan is endorsed. The American Legion is highly disappointed that Fiscal Year 1998 funding for a proposed new national cemetery near Oklahoma City, OK, was vetoed. Veterans deserve to know how VA intends to address future veterans' burial needs in Oklahoma and in other important geographic locations.

Mr. Chairman, a joint VA/Department of Defense task force is exploring how military burial honors can be provided to more veterans. Approximately, 1,100 World War II veterans die every day throughout the nation. In addition to other veteran deaths, it is extremely challenging to provide full burial honors to all veterans. That being so, The American Legion endorses the concept of military honors and is willing to assist the task force in any manner possible.

To summarize, The American Legion recommends that Congress study the value of reinstating and increasing the burial, headstone and plot allowance to all eligible veterans. The national and state veterans' cemeteries are in many cases a great distance from many communities and families, and do not afford relatives and friends the opportunity of graveside ceremonies and post-visitations. Also, the cost of burial would be less due to decreased travel time. Eliminating the burial and plot allowances for many veterans eliminated the option to be laid to rest in or near the community they established as their roots. As the World War II

veteran population ages, veterans of that conflict are dying at the average rate of 1,100 per day. Mr. Chairman, it is proper to afford these individuals the full respect of the government they served.

Concurrently, a study of potential cost-sharing arrangements between the VA and local communities to fund the purchase of burial plots in established cemeteries could afford the federal government a cost-effective alternative to extensive new cemetery construction.

Lastly, The American Legion believes it is the responsibility of the federal government to plan, direct and provide for the burial needs of America's veterans and their eligible dependents. First and foremost, the responsibility for the construction of new national cemeteries should remain a function of VA. State veterans' cemeteries should remain as a complement to the National Cemetery System, and not become a replacement system.

Mr. Chairman, that completes my statement.

United States General Accounting Office

GAO

Testimony

Before the Subcommittee on Benefits, Committee on Veterans' Affairs, House of Representatives

For Release on Delivery
Expected at 10:00 a.m.
Wednesday, April 29, 1998

National Cemetery System

Plans for Addressing Projected Increases in Veterans' Burials

Statement of Stephen P. Backhus, Director
Veterans' Affairs and Military Health Care Issues
Health, Education, and Human Services Division

GAO/T-HEHS-98-157

Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to discuss the National Cemetery System's (NCS) plans to accommodate the increasing demand for burial benefits. NCS of the Department of Veterans Affairs (VA) provides interment of eligible veterans and their families upon demand in national cemeteries. In fiscal year 1997, NCS provided burial benefits to about 73,000 veterans and their family members and had an appropriation of about $77 million for interments and related program services.[1]

With the aging of World War II veterans, the numbers of veteran deaths and interments performed by NCS continue to grow each year and are expected to peak between 2005 and 2010. NCS projects annual interments will increase over 40 percent between 1995 and 2010, peaking at about 107,000 in 2008. In addition, because of the depletion of available grave sites, over half of the national cemeteries currently are unable to accommodate casket burials of "first family members."[2] NCS projects that 15 additional cemeteries will deplete their inventory of casket grave sites for first family members by 2010. Therefore, it is important that NCS articulate how it will begin to position itself to handle this increase in demand for burial benefits.

My statement today will focus on NCS' plans for addressing the increasing demand for burial benefits and what it can do to extend the service period of existing cemeteries. The information in this statement is based on our September 1997 report on these topics, as well as recent discussions with NCS officials.[3]

In summary, NCS has adopted a 5-year strategic plan for fiscal years 1998 through 2003 with the goal of ensuring that burial in a national or state veterans' cemetery is an available option for all veterans and their eligible family members. Strategies outlined in NCS' plan include (1) building new national cemeteries, (2) expanding existing cemeteries, and (3) encouraging states to provide additional burial sites through participation in the State Cemetery Grants Program. However, it is unclear how NCS will

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[1]In addition to burying eligible veterans, NCS manages three related programs: Headstones and Markers; Presidential Memorial Certificates; and State Cemetery Grants, which provides financial aid to states establishing, expanding, or improving state veterans' cemeteries.

[2]Currently, veterans who choose casket burial are allotted one plot that can hold two caskets, one above the other. The first eligible family member who dies and is buried in such a plot, which may or may not be the veteran, is called the first family member; the second family member who dies and is buried in such a plot is called the subsequent family member.

[3]National Cemetery System: Opportunities to Expand Cemeteries' Capacities (GAO/HEHS-97-192, Sept. 10, 1997).

address the veterans' burial demand during the peak years (2005 through 2010), when pressure on it will be greatest, since NCS' strategic plan does not indicate how it will begin to position itself to handle the increasing demand for burial benefits. NCS officials told us that beyond 2003, NCS will continue using the basic strategies contained in its current 5-year plan. For example, NCS plans to encourage states to establish veterans' cemeteries in areas where it does not plan to operate national cemeteries. However, since the grant program's inception in 1978, fewer than half of the states have established veterans' cemeteries. States have also shown limited interest in a legislative proposal designed to increase state participation by increasing the share of federal funding. Although we recommended in our September 1997 report that NCS address in its strategic plan veterans' long-term burial demand during the peak years, NCS officials contended that the strategic plan should cover only a 5-year period through 2003 to conform with VA's strategic planning process. Given the magnitude of the projected increase in demand for burial benefits, we continue to believe that it is important for NCS to articulate to the Congress and other stakeholders how it plans to address the increasing demand.

As annual interments increase, cemeteries reach their burial capacity, thus increasing the importance of making the most efficient use of available cemetery space. To identify feasible approaches to extending the service period of existing cemeteries, we analyzed the impact of adding burial sites to an acre of land in an existing cemetery.[4] Our analysis of three interment options showed that columbaria offered the most efficient option because they would involve the lowest average interment cost and would significantly extend a cemetery's service period.[5] Moreover, while the majority of veterans and eligible family members prefer a casket burial, cremation is an acceptable interment option for many, and the demand for cremation, which varies by region, continues to increase. NCS concurred with the recommendations in our September 1997 report to identify opportunities to construct columbaria in existing cemeteries and to collect and use information on veterans' burial preferences to better plan for future burial needs. NCS plans to collect such data in its next Survey of Veterans around the year 2000.

BACKGROUND

The National Cemeteries Act of 1973 (P.L. 93-43) authorized NCS to bury eligible veterans and their family members in national cemeteries. Before 1973, all national

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[4]We assumed an acre of land composed of parcels of land that are not contiguous.

[5]The three interment options analyzed were casket burial, in-ground interment of cremated remains, and interment of cremated remains in columbarium niches, which are recessed compartments within a structure–called a columbarium–that hold cremation urns.

cemeteries were operated under the authority of the Department of the Army. However, P.L. 93-43 shifted authority to VA for all national cemeteries except Arlington National Cemetery and the U.S. Soldiers' and Airmen's Home National Cemetery.

NCS operates and maintains 115 national cemeteries located in 39 states and Puerto Rico. NCS offers veterans and their eligible family members the options of casket interment and interment of cremated remains in the ground (at most cemeteries) or in columbaria niches (at nine cemeteries). NCS determines the number and type of interment options available at each of its national cemeteries. The standard size of casket grave sites, the most common burial choice, is 5 feet by 10 feet, and the grave sites are prepared to accommodate two caskets stacked one on top of the other. A standard in-ground cremains site is 3 feet by 3 feet and can generally accommodate one or two urns. The standard columbarium niche used in national cemeteries is 10 inches wide, 15 inches high, and 20 inches deep. Niches are generally arrayed side by side, four units high, and can hold two or more urns, depending on urn size.

In addition to burying eligible veterans and their families, NCS manages the State Cemetery Grants Program, which provides aid to states in establishing, expanding, or improving state veterans' cemeteries. State veterans' cemeteries supplement the burial service provided by NCS. The cemeteries are operated and permanently maintained by the states. A State Cemetery grant may not exceed 50 percent of the total value of the land and the cost of improvements. The remaining amount must be contributed by the state. The State Cemetery Grants Program funded the establishment of 28 veterans' cemeteries, including 3 cemeteries currently under development, located in 21 states, Saipan, and Guam. The program has also provided grants to state veterans' cemeteries for expansion and improvement efforts.

NCS HAS STRATEGIC PLAN FOR ADDRESSING BURIAL DEMAND, BUT PLANS BEYOND 2003 ARE UNCLEAR

As the veteran population ages, NCS projects the demand for burial benefits to increase. NCS has a strategic plan for addressing the demand for veterans's burials up to fiscal year 2003, but the plan does not address longer term burial needs--that is, the demand for benefits during the expected peak years of veteran deaths, when pressure on the system will be greatest. Beyond the year 2003, NCS officials said they will continue using the basic strategies contained in the current 5-year plan.

Five-Year Plan Has Multiple Strategies

According to its 5-year strategic plan (1998-2003), one of NCS' primary goals is to ensure that burial in an open national or state veterans' cemetery is an available option for all eligible veterans and their family members. The plan sets forth three specific strategies for achieving this goal. First, NCS plans to build, when feasible, new national

cemeteries. NCS is in various stages of establishing four new national cemeteries and projects that all will be operational by the year 2000.[6]

A second strategy for addressing the demand for veteran burials is through expansion of existing cemeteries. NCS plans to complete construction in order to make additional grave sites or columbaria available for burials at 24 national cemeteries. NCS also plans to acquire land needed for cemeteries to continue to provide service at 10 cemeteries.

Third, NCS plans to encourage states to provide additional grave sites for veterans through participation in the State Cemetery Grants Program. According to the plan, NCS plans to increase the number of veterans served by a state veterans' cemetery by 35,000 per year beginning in fiscal year 1998.[7] Also, NCS is in the early stages of developing information designed to assist states in the establishment of a state veterans' cemetery.

Despite NCS plans to ensure that burial in a national or state veterans' cemetery is an available option, officials acknowledge that large numbers of veterans do not have access to a veterans' cemetery within a reasonable distance of their place of residence.[8] For example, NCS estimated that of the approximately 26 million veterans in 1996, about 9 million (35 percent) did not have reasonable access to a national or state veterans' cemetery. According to NCS officials, the majority of areas not served were major metropolitan regions with a high concentration of veterans. With the completion of the four new cemeteries, NCS officials estimate that the percentage of veterans who will have reasonable access to a veterans' cemetery will increase from about 65 percent in fiscal year 1996 to about 80 percent in fiscal year 2003. However, NCS is unable to specify the extent to which veterans will have access to a national or state veterans' cemetery during the peak years. NCS' estimates of the percentage of veterans who will have access to a veterans' cemetery stop at the year 2003.

NCS Plans to Address Burial Demand Beyond the Year 2003 Are Unclear

Although NCS has a 5-year strategic plan for addressing the demand for veterans' burials during fiscal years 1998 through 2003, plans to address the demand beyond 2003

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[6]New national cemeteries will be located in or near Albany, New York; Chicago, Illinois; Cleveland, Ohio; and Dallas-Fort Worth, Texas.

[7]In November 1997, New Hampshire opened a state veterans' cemetery that is expected to serve about 131,000 veterans.

[8]According to NCS, a national or state veterans' cemetery within 75 miles of a veteran's place of residence would provide reasonable access.

are unclear. For example, NCS' strategic plan does not articulate how NCS will mitigate the effects of the increasing demand for burial services. According to NCS' Chief of Planning, although its strategic plan does not address long-term burial needs, NCS is always looking for opportunities to acquire land to extend the service period of national cemeteries. Also, to help address long-range issues, NCS compiles key information, such as mortality rates, number of projected interments and cemetery closures, locations most in need of veterans' cemeteries, and cemetery-specific burial layout plans.

In addition, NCS officials pointed out that the Government Performance and Results Act of 1993 (the Results Act) requires a strategic plan to cover a 5-year period.[9] However, the Results Act requires that an agency prepare a strategic plan that covers at least a 5-year period and allows an agency to articulate how it plans to address future goals. For example, the National Aeronautics and Space Administration's plan articulates a "strategic roadmap" that outlines agencywide goals. This roadmap lists separate goals for near-, mid-, and long-term time periods over the next 25 years and beyond. The Environmental Protection Agency's plan also articulates goals that are not bound by the 5-year time period. For example, it includes an objective to reduce toxic air emissions by 75 percent in 2010 from 1993 levels. Although NCS projects annual interments to increase about 42 percent from 73,000 in 1995 to 104,000 in 2010, peaking at 107,000 in 2008, its strategic plan does not indicate how the agency will begin to position itself to handle this increase in demand for burial benefits. We believe that, given the magnitude of the projected increase in demand for burial benefits, NCS' strategic plan should discuss how its current strategies will be adjusted to address the demand during the peak years of veterans' deaths.

While NCS' strategic plan does not address veterans' burial demand beyond the year 2003, NCS officials said they will continue using the basic strategies contained in the current 5-year plan. For example, NCS plans to enhance its relationship with states to establish state veterans' cemeteries through the State Cemetery Grants Program. According to NCS' Chief of Planning, NCS will encourage states to locate cemeteries in areas where it does not plan to operate and maintain national cemeteries. Since the State Cemetery Grants Program's inception in 1978, fewer than half of the states have established veterans' cemeteries, primarily because, according to NCS officials, states must provide up to half of the funds needed to establish, expand, or improve a cemetery as well as pay for all equipment and annual operating costs.[10] Furthermore, the Director of the State Cemetery Grants Program told us that few states, especially those with large

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[9]The Results Act requires agencies to clearly define their missions, set goals, measure performance, and report on their accomplishments.

[10]NCS officials told us the costs of state veterans' cemeteries range from about $125,000 to over $11 million, depending on size and location. NCS could not provide an estimate of the range of operating costs of state veterans' cemeteries.

veteran populations, have shown interest in legislation that VA proposed in its 1998 and 1999 budget submission in order to increase state participation. This proposed legislation would increase the federal share of construction costs from 50 to 100 percent and permit federal funding for up to 100 percent of initial equipment costs. In fact, according to the Director, state veterans' affairs officials said they would rather have funding for operating costs than for construction.

NCS officials told us they will continue to evaluate locations for additional national cemeteries in the future, based on demographic needs. However, according to NCS officials, VA currently has no plans to request construction funds for more than the four new cemeteries, which will be completed by the year 2000. Officials said that even with the new cemeteries, interment in a national or state veterans' cemetery will not be "readily accessible" to all eligible veterans and their family members. According to NCS officials, the majority of areas not served will be major metropolitan areas with high concentrations of veterans, such as Atlanta, Georgia; Detroit, Michigan; and Miami, Florida.

COLUMBARIUM OPTION OFFERS OPPORTUNITY FOR EXTENDING SERVICE PERIOD OF EXISTING CEMETERIES

As existing national cemeteries reach their capacity, columbarium interment offers the most efficient option for extending cemetery service periods. We developed a model to analyze the cost of three interment options on the basis of the cost of developing a total of 1 acre of land, composed of noncontiguous parcels of land, in a cemetery nearing its limit of available casket grave sites.[11] The analysis showed that the average burial cost would be lowest using columbarium interment. For example, the average columbarium interment cost would be about $280, compared with about $345 for in-ground cremains burial and about $655 for casket burial. Our analysis also showed that the service delivery period would be extended the most using columbarium interment. For example, using columbarium interment in a total of 1 acre of land could extend the service delivery period by about 50 years, while in-ground cremains interment would extend the service period about 3 years and casket burials about half a year.[12]

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[11]We calculated the average cost per burial in present value terms. "Present value" is defined as the current worth of money expected to be spent at a future date. See app. I of our report entitled National Cemetery System: Opportunities to Expand Cemeteries' Capacities (GAO/HEHS-97-192, Sept. 10, 1997) for a detailed discussion of the methodology and data used in the cost analysis.

[12]NCS concurred with the recommendation in our September 1997 report to identify opportunities to construct columbaria in existing cemeteries for the purpose of increasing burial capacity and extending the cemeteries' service periods.

While historical data imply that the majority of veterans and eligible dependents prefer a casket burial, NCS national data show that the demand for cremation at national cemeteries is increasing.[13] For example, veterans choosing cremation increased about 50 percent between 1990 and 1996, and NCS officials expect demand for cremation to continue to increase in the future.[14] The incidence of cremation also continues to increase in the general population. The Cremation Association of North America projects that cremation will account for about 40 percent of all burials by 2010.

CONCLUSION

Long-range planning is crucial to addressing veterans' burial needs during the peak years and beyond. Although NCS projects annual interments will increase over 40 percent between 1995 and 2010, NCS' current strategic plan does not indicate how it will begin to position itself to handle this increase in demand for burial benefits. Given the magnitude of this projected change, we continue to believe that NCS' plan should articulate how its strategies, goals, and objectives will address veterans' burial needs during the peak years, when the demand for burial benefits will be greatest. While the veteran population is entering its peak years of need, many national cemeteries are depleting their inventory of available grave sites. As a result, additional burial sites are needed to help meet future burial demand. In some cases, state veterans' cemeteries could reduce the negative impact of the loss of burial spaces from a national cemetery. However, fewer than half of the states have established veterans' cemeteries, and states have shown limited interest in a legislative proposal designed to increase state participation by increasing the share of federal funding. Therefore, NCS needs to rely more on extending the service periods of its existing cemeteries. Columbaria can more efficiently utilize available cemetery land at a lower average interment cost than the other interment options and can also extend the service period of existing national cemeteries. Using columbaria also adds to veterans' choice of services and recognizes current burial trends. While we recognize that cremation may not be the preferred interment option for many veterans, identifying veterans' burial preferences, as NCS plans to do, would enable it to better manage limited cemetery resources and more efficiently meet veterans' burial needs.

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[13]NCS concurred with the recommendation in our September 1997 report that additional data on veterans' preferences would assist them in developing plans to provide burial options. NCS officials told us they plan to include questions pertaining to personal burial preferences in NCS' next Survey of Veterans, which is planned around the year 2000.

[14]According to NCS officials, this percentage may be inflated because some cemeteries offer only cremation interments.

Mr. Chairman, this concludes my prepared statement. I will be glad to answer any questions you or Members of the Subcommittee may have.

(105766)

United States General Accounting Office

GAO

Testimony

Before the Subcommittee on Benefits, Committee on Veterans' Affairs, House of Representatives

For Release on Delivery
Expected at
10 a.m.
Wednesday,
April 29, 1998

FINANCIAL AUDITS

American Battle Monuments Commission's Operations for Fiscal Year 1997

Statement of David L. Clark
Director, Audit Oversight and Liaison
Accounting and Information Management Division

GAO/T-AIMD-98-151

Mr. Chairman and Members of the Subcommittee:

We are pleased to discuss our recent audit reports on the American Battle Monuments Commission's (ABMC) fiscal year 1997 financial statements.[1] Our testimony will cover three areas. First, we will describe legislative initiatives over the past several years to improve financial management across the federal government, and how requirements for ABMC to produce audited financial statements fit into that larger context. Second, we will discuss our audit reports on ABMC's financial statements and suggestions for improving ABMC's operations. Third, we will share our ideas for further enhancing ABMC's accountability.

LEGISLATIVE INITIATIVES TO IMPROVE FINANCIAL MANAGEMENT

The Chief Financial Officers (CFO) Act of 1990, as expanded by the Government Management Reform Act of 1994, requires major departments and agencies to annually produce agencywide financial statements, and, beginning with fiscal year 1997, for the Secretary of the Treasury, in cooperation with the Director of the Office of Management and Budget (OMB), to annually prepare consolidated financial statements for the entire government. Inspectors general at the major departments and agencies are responsible for annually auditing their respective departments' and agencies' financial statements, and we are responsible for auditing the consolidated financial statements.[2]

The three principals concerned with overall financial management in the federal government (the Secretary of the Treasury, the Director of OMB, and the Comptroller General) established the Federal Accounting Standards Advisory Board (FASAB) in 1990 to develop and recommend federal financial accounting standards to be used in preparing federal financial statements. FASAB completed work on the basic standards in 1996, with some initially going into effect in fiscal year 1998.

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[1]Financial Audit: American Battle Monuments Commission's Financial Statements for Fiscal Year 1997 (GAO/AIMD-98-81, February 27, 1998); Management Letter: American Battle Monuments Commission's Financial Statement Audit for Fiscal Year 1997 (GAO/AIMD-98-130R, April 28, 1998); and American Battle Monuments Commission: World War II Memorial Fund Audit for Fiscal Year 1997 (GAO/AIMD-98-129R, April 28, 1998).

[2]The majority of federal departments and agencies were unable to obtain unqualified opinions on their financial statements in the first year that they were audited. Since then, several of the departments and agencies have made significant progress and have now obtained unqualified opinions.

The legislative initiatives were designed to subject the federal government to the same fiscal discipline imposed for years on the private sector and state and local governments and to provide the Congress, agency officials, and others with reliable information through audited financial statements. Financial audits determine the reliability of the financial information reported, provide information on the adequacy of systems and controls used to ensure accurate financial reports and safeguard assets, and report on agencies' compliance with laws and regulations.

Section 602 (b) of the Veterans' Benefits Improvements Act of 1996[3] requires that ABMC prepare agencywide financial statements beginning with those for fiscal year 1997, and that we audit the statements. ABMC is required to submit its financial statements to the House and Senate Committees on Veterans' Affairs by March 1 of each year, beginning in 1998. Section 602 (b) provides that ABMC's financial statements be consistent with the requirements of the expanded CFO Act, and helps to put ABMC's financial reporting on a par with major federal departments and agencies. Accordingly, the requirements are designed to institutionalize accountability over ABMC's financial operations, and should also help facilitate the inclusion of ABMC's financial results in the consolidated financial statements of the United States government.

AUDIT OF ABMC'S FINANCIAL STATEMENTS

To help fulfill our audit responsibilities for fiscal year 1997, we contracted with KPMG Peat Marwick LLP (KPMG), an independent certified public accounting firm, to perform a financial statement audit in accordance with generally accepted government auditing standards,[4] OMB requirements,[5] and GAO's Financial Audit Manual. We evaluated the nature, timing, and extent of the work; monitored progress throughout the audit; reviewed KPMG's workpapers; met with KPMG partners and staff members and evaluated their key judgments; met with officials of ABMC; performed independent tests of the accounting records; and performed other procedures we deemed appropriate in the circumstances.

We concur with KPMG's report, which indicated that (1) ABMC's balance sheet was reliable in all material respects, (2) ABMC's assertions regarding the effectiveness of its internal controls were fairly stated, and (3) no reportable instances of noncompliance with laws and regulations were found. The scope of KPMG's work was not intended to express an opinion on the rest of ABMC's financial statements (statement of net cost and changes in net position, statement of budgetary resources, and statement of financing)

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[3]Public Law 104-275.

[4]The standards pertain to auditors' professional qualifications, the quality of audit effort, and the characteristics of professional and meaningful audit reports.

[5]OMB requirements are contained in OMB Bulletin 93-06, as amended, Audit Requirements for Federal Financial Assistance.

because (1) fiscal year 1997 was the first year that ABMC was required to prepare agencywide statements and have them audited and (2) it was not feasible to extend audit procedures to audit October 1, 1996, opening balances, which would have been necessary to express an opinion on those statements. We expect the audit of ABMC's 1998 financial statements to include opinions on all of ABMC's statements.

It is important to note that, pursuant to a separate mandate,[6] we audited and reported on the revenues and expenditures of ABMC's World War II memorial fund for fiscal year 1997. Our audit did not disclose any reportable conditions regarding ABMC's accounting for the fund.

Suggestions for Improving
ABMC's Financial Operations

ABMC took significant strides in fiscal year 1997 to strengthen its financial management and comply with the new financial requirements. For example, ABMC contracted with the Department of the Treasury's Financial Management Service to study ABMC's financial management system. As a result of that effort, ABMC plans to select a commercial off-the-shelf system from approved vendors on the General Services Administration's Financial Management Systems Software schedule. The single, integrated financial management system selected will replace ABMC's current nonintegrated, labor-intensive systems, and is to conform to all current guidance and be Year 2000 compliant.[7] Also, ABMC was one of the first agencies in the federal government to comply early with federal accounting standards recommended by FASAB which were not effective until fiscal year 1998.

The audit of ABMC's financial statements, however, identified four areas of weaknesses regarding the effectiveness of ABMC's internal controls over financial reporting. The weaknesses are primarily systems related and are intended to be resolved through ABMC's selection and implementation of a new financial management system. For example, a new system, if properly selected and implemented, should allow ABMC to accurately record obligations prior to recording expenditures and improve general access controls over automated operations. In addition, the audit identified the need for ABMC

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[6]Public Law 102-414, the World War II 50th Anniversary Commemorative Coins Act.

[7]The Year 2000 problem is rooted in the way dates are recorded and calculated in many computer systems. For the past several decades, systems have typically used two digits to represent the year in order to conserve on electronic data storage and reduce operating costs. With this two-digit format, however, the year 2000 is indistinguishable from the year 1900. As a result, system or application programs that use dates to perform calculations, comparisons, or sorting may generate incorrect results when working with years after 1999.

to ensure that it has a full-time information systems officer and that it provides adequate training on accounting operations.

The audit also resulted in a number of suggestions in other less significant areas that ABMC officials said they would consider. For example, ABMC agreed to consider developing a comprehensive, current set of accounting policies and procedures to standardize their procedures at all locations and a formal system to account for all material assets as well as requiring periodic physical inventories for all ABMC locations.

OTHER IDEAS TO ENHANCE ABMC'S ACCOUNTABILITY

Preparing agencywide financial statements and attaining an unqualified opinion on its balance sheet are significant milestones for ABMC in institutionalizing sound financial management and organizational accountability. In that regard, we offer two suggestions for using the audited financial statements to further enhance ABMC's accountability.

First, we suggest that ABMC include its audited financial statements in its annual report. ABMC's 1997 annual report included a brief section summarizing the results of its 1997 financial statement audit, but did not include either the statements or the auditor's report in the annual report, thus causing the public and the Congress to have to identify and obtain separate documents in order to review ABMC's financial operations. In this regard, under authority provided in the Government Management Reform Act of 1994, OMB instituted a pilot project whereby, for fiscal year 1997, 12 agencies produced an accountability report linking together information previously contained in separate reports. These accountability reports, which included the agencies' audited financial statements, provided consolidated analyses of both financial and performance management data.

Second, we suggest that ABMC have a separate column in all its financial statements for the World War II memorial fund. ABMC's 1997 financial statements combined that fund with its other trust funds in all of its financial statements, except for the statement of net cost and changes in net position, which had a separate column for the fund. ABMC's goal is to raise $100 million in donations from individuals, corporations, and foundations, and the fund's activity is already larger than the other current trust funds combined. ABMC would be in a better position to demonstrate its financial stewardship over the World War II memorial fund if it separately accounted for the fund in all of its agencywide financial statements.

Mr. Chairman, this concludes my statement. I would be happy to respond to any questions that you or other members of the Subcommittee may have at this time.

(911850)

Statement of
Ms. Carolyn H. Becraft
Deputy Assistant Secretary of Defense
(Personnel Support, Families And Education)
Before the
Subcommittee on Benefits
of the Committee on Veterans Affairs
House of Representatives
on Military Burial Honors
April 29, 1998

Mr. Chairman and members of the subcommittee, thank you for the opportunity to address the subject of military burial honors. Most importantly, I want to state that the Department of Defense recognizes the importance of paying final tribute on behalf of a grateful nation to honor those who have served our country. It is Department of Defense policy that every reasonable effort be made to provide funeral honors for current and former members when requested. These are citizens who stepped up to the challenge when their country needed them. We owe them a great debt of gratitude and believe that we should properly honor them when they pass on. This is a long-standing and proud tradition in the Armed Forces and one that we strongly support.

We estimate that the Military Services provided at least 30,600 funeral honors in 1997. Of the 30,600 honors, about 65 percent consisted of funeral honor details while 35 percent involved a Service representative to present the flag of the United States to the families of the deceased veterans. This activity in 1997 represented a significant commitment of time and resources for our military commanders.

HONORS DEFINED

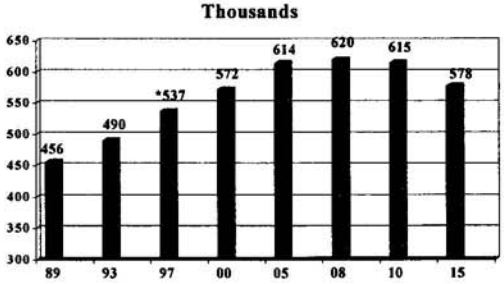
By statute, the Department of Defense may pay the necessary expenses to provide a presentation of a flag to the family of active duty members. Similarly, the Department of Veterans Affairs furnishes a flag to the families of retirees and veterans. By policy, the Department seeks to provide additional funeral honors.

The traditional funeral honor components consist of pallbearers, a firing party, bugler, Officer-in-Charge and Chaplain. This traditionally requires a 16-member funeral detail, but it can be accomplished with fewer personnel. Our policy states that active duty and Medal of Honor awardees receive funeral honors, if resources are available. The same honors are provided to retirees if resources permit. Veterans receive, at a minimum and as resources permit, a Service representative to present the flag to the veteran's family. When possible, commanders exceed the minimum requirements if they have resources available.

CHALLENGES

There have been substantial demographic and organizational changes over the past ten years that have made it an increasing challenge to provide the level of funeral honor support which veterans and their families expect. According to the Department of Veterans Affairs, the number of veteran deaths will continue to increase. As shown in Chart 1, in 1989, there were approximately 456,000 veteran deaths. In 1999, veteran deaths are projected to reach 561,000--a 23 percent increase. In 2008, there will be an expected 620,000 veteran deaths--a 36 percent increase over 1989.

Projected Veteran and Retiree Deaths



*1997 Active Duty Deaths - 860 Source: Department of Veterans Affairs

Chart 1

Since 1989, the active duty force has downsized from 2.1 million to 1.4 million--a 33 percent decrease; the Selected Reserve has gone from 1.2 million to 900,000--a 25 percent decrease. There is, therefore, an inverse relationship between the increase in veteran deaths and the decrease in both active duty and Reserve force strength. A smaller and busier military force, combined with the increase of veteran deaths, has placed stress on the ability of the Services to assist with all funeral honors that are requested. Also, the number of military installations has decreased over the past 40 years, so that the installations have a larger geographic area of responsibility for funeral honors.

INITIATIVES

To ensure that we use all available resources as efficiently and effectively as we can to provide appropriate funeral honors, we have been working aggressively with the Department of Veterans Affairs on the issue of funeral honors for veterans. Through this effort, we have laid out a strategic plan that culminates in a joint Summit to address this important concern.

Our plan is to involve the stakeholders in discussions concerning expectations and policy or program options to improve the provision of honors. In preparation for the Summit, we will meet with the Veterans Service Organizations and the Military Coalition to describe our current resource environment and hear their views concerning the provision of military burial honors in that environment. As we are conducting those discussions, we will also be engaged in extensive data collection to determine more precisely the demand for burial honors and the degree to which they are provided as requested under the provisions of our current policy. Information from our exchanges with interested organizations and from our data gathering initiative conducted over the next months will provide the substance for our discussions at the Summit, to be held in the fall.

The Summit will examine issues, resources and options for the provision of military burial honors to veterans. We envision that members of Congress, as well as representatives of Veterans Service Organizations, would be on hand to assist in our deliberations.

At the same time, the Military Services are examining ways to improve the delivery of honors. For example, the Army, which provides approximately 50 percent of all honors, has conducted an in-depth review of their capability to provide funeral honors. They are developing a plan that standardizes burial details, removes limitations on distances soldiers may travel to perform burial honors and promotes local partnerships with Reserve components and Veterans Service Organizations in conducting military funeral honors. In their efforts to enhance their ability to perform honors, the Air Force is conducting a pilot program in California in a high volume area for military funerals. The pilot program uses Air National Guard and Air Force Reserve personnel who are placed on active duty for a period of time to perform funeral honors. The funeral honor units, composed of these Guard and Reserve personnel, conduct two to three

funeral honors each day. As a result, the Air Force is able to respond to more funeral honor requests in a high demand area. Recently, the Commandant of the Marine Corps issued a white letter and sent a message to all Marine units emphasizing the Marine Corps' commitment to funeral support and the importance of paying final tribute to one of its own.

We are carefully monitoring these initiatives and collecting data to determine their impact. We understand that these efforts will not completely solve the military funeral honor issue. However, they will provide us a better perspective and assist us in determining the most effective methods to take.

In conclusion, we have a plan and a process to address this very important issue. Through creative strategies, dialogue with stakeholders and joint efforts, we believe we can enhance respectful military recognition at the funerals for those who loyally served our country. I look forward to providing you the results of our efforts.

STATEMENT OF ROGER R. RAPP

ACTING DIRECTOR OF THE NATIONAL CEMETERY SYSTEM, DEPARTMENT OF VETERANS AFFAIRS

FOR PRESENTATION BEFORE THE SUBCOMMITTEE ON BENEFITS, HOUSE COMMITTEE ON VETERANS' AFFAIRS

APRIL 29, 1998

Thank you, Mr. Chairman and Members of the Subcommittee, I am pleased to be here today to share with you the status of operations and activities of the Department of Veterans Affairs (VA) National Cemetery System (NCS). Your continued support and interest in our national shrines is greatly appreciated. I have a brief oral statement that summarizes my full written statement which I submit for the record.

STEWARDSHIP OF MR. JERRY BOWEN

As you know, Mr. Jerry Bowen retired earlier this month as Director of the National Cemetery System. After five years of faithful and committed service to our Nation's veterans, he returned to Arkansas. Because of his leadership, NCS is a stronger and more customer-focused organization. He set the example and made sure that all employees understood the mission and goals of NCS. During his stewardship, we have placed increased emphasis on our strategic planning process, implemented visitor comment cards at cemeteries, opened one new cemetery at Tahoma and are progressing with four others, and reengineered the way we provide headstones and markers. Jerry Bowen has left us in a very strong position to continue to be a more effective organization. He will be greatly missed by all in the National Cemetery System, veterans across the country, veteran service organizations, and veterans advocates on Capitol Hill.

STRATEGIC PLANNING

The NCS strategic plan was developed through an inclusive planning process. NCS continues to refine and enhance its strategic plan, and a revised strategic plan was developed for the period of 1998-2003. NCS has devolved the strategic planning process to the cemetery level with the development of cemetery business plans at all cemeteries. Plans linked by common goals and outcomes are based on identified requirements and expectations of our customers. NCS is a strong supporter of the development of strategic plans to fulfill the requirements of the Government Performance and Results Act (GPRA).

Further, in the Department's strategic plan, VA has identified program evaluation as a cornerstone in accomplishing its mission to "Honor, Care for and Compensate Veterans." As one of VA's ten business lines, Burial Benefits and Services will be included in the formal program evaluation process to revalidate program intent and ensure that outcomes and results can be and are evaluated. As part of this process, VA employees, the Congress, Veterans Service Organizations, and others will be consulted beginning in May 1998. These program evaluations will provide information necessary to determine the appropriate type and level of NCS benefits and services for veterans in the twenty-first century.

PROJECTED WORKLOAD INCREASES

Our strategic planning process gives full consideration to veteran demographic data. During the next decade, we face the challenge of providing for a rapidly aging veteran population. Annual veteran deaths are expected to increase 14 percent from 525,200 in 1996 to 601,200 in 2003. Based on the 1990 census, annual veteran deaths are expected to peak at 620,000 in 2008. As the number of veteran deaths rises, NCS projects increases in the number of annual interments from 71,786 in 1996 to 104,900 in 2008. During this time, the total number of graves maintained is projected to go from 2.1 million in 1996 to 3.1 million in 2008.

NCS maintains an extensive infrastructure associated with our 115 national cemeteries, many of which were established during the Civil War and are on the National Register of Historic Places. Maintenance and repair of our 400-plus buildings and ten thousand acres of land include projects to maintain and repair roads, walks, fences, gates, roofs, walls, and irrigation and electrical systems. The need to maintain the infrastructure is one of our greatest challenges, and we are committed to maintaining our cemeteries in a manner befitting national shrines.

BURIAL OPTIONS FOR VETERANS – NCS's THREE-PRONGED APPROACH

NCS's strategic plan focuses on a three-pronged approach to meet the burial needs of our Nation's veterans: 1) opening new national cemeteries; 2) extending the service life of existing cemeteries by expansion, where feasible; and 3) enhancing our partnership with the States through the state cemetery grant program.

STATUS OF NEW NATIONAL CEMETERIES

I am pleased to report that VA opened one of five new national cemeteries, Tahoma National Cemetery, near Seattle in September 1997. We are progressing in the construction of new national cemeteries in Albany, Cleveland, Chicago, and Dallas/Ft. Worth. The opening of these five new VA national cemeteries within three years will be unprecedented since the Civil War.

EXPANSION OF EXISTING CEMETERIES

Another strategy for fulfilling NCS's mission of providing burial space for veterans is to expand existing cemeteries by: (1) developing available land within existing cemeteries; (2) acquiring adjacent land; and, (3) developing additional capabilities for interment of cremated remains.

Developing Additional Burial Space Within Existing Cemeteries

Fifty percent of NCS's 10,000 acres of land is currently undeveloped, providing the potential for more than 1.6 million additional gravesites. We have identified 36 projects for construction within the next five years to develop this acreage and expand these cemeteries. Many of these projects are substantial. For example, the FY 1998 appropriations bill includes major gravesite development projects at Fort Sam Houston National Cemetery and at the National Memorial Cemetery of Arizona.

Acquiring Adjacent Land

Expansion on land adjacent to existing national cemeteries is another very cost-effective option. The supporting infrastructure already exists, including: staff; equipment; administration and maintenance buildings; and utilities. Many of those 36 projects mentioned previously are developing land which was acquired by donation, transfer or purchase. Within the last five years (1993 to present), we have acquired nearly 200 acres adjacent to existing national cemeteries. Land acquisitions are currently in process or being discussed at ten national cemeteries to ensure uninterrupted service delivery.

Developing Additional Capabilities for the Interment of Cremated Remains

The provision of in-ground cremation sites is an efficient use of existing lands. Also, construction of columbaria can be an efficient use of limited space in geographic areas where there is significant customer demand for cremation services. We currently have ten national cemeteries with established columbaria and will continue to evaluate other possible locations. All new cemetery construction plans provide for columbaria as a burial option, and the majority of NCS's gravesite expansion projects now include some provision for cremated remains. For instance, the recent expansion project at Houston National Cemetery included the construction of 5,000 columbaria niches. The new development at Willamette National Cemetery also included nearly 5,000 columbaria niches.

The use of columbaria has also drawn the interest of Members of Congress. In the FY 1998 appropriation bill, Congressional earmarks provided for columbaria expansion at two sites: (1) the National Memorial Cemetery of the Pacific (Punchbowl) in Hawaii; and (2) the National Memorial Cemetery of Arizona. In addition, the current FY 1999 President's budget request includes $6 million each for Fort Rosecrans National Cemetery and Florida National Cemetery columbaria projects.

As we continue to look to the future, we are evaluating the need for columbaria projects at 15 cemeteries in the next five years. Although casket and in-ground cremation burials are preferred by most NCS customers, data show that cremation burials are becoming increasingly popular, and NCS will continue to consider columbaria where appropriate. However, we do not feel they are necessary at all existing national cemeteries. In addition, another key element in our planning for columbaria, as well as other cemetery development projects, is to assess if the burial needs of veterans are being or will be met by state veterans cemeteries.

NCS's PARTNERSHIP WITH STATES

The National Cemetery System prides itself on developing a continued partnership with the states to provide burial services to the veterans of our Nation. The State Cemetery Grants Program allows VA to help serve veterans in less densely populated areas of our country. It is a true complement to, and not a replacement for, the National Cemetery System, with both approaches being used to construct new cemeteries to serve veterans.

Since 1980 VA, through the State Cemetery Grants Service, has awarded 128 grants totaling more than $58 million. The grants have been used to assist 37 state veterans cemeteries which provided nearly 12,000 burials last fiscal year. Two more new state cemeteries are now under construction and five are in the design phase. Grants are expected to be awarded later this year to support construction of the five new cemeteries now in the design phase. In addition, states have submitted applications for four more new state cemeteries.

To strengthen our partnership and increase burial service delivery to veterans, VA has proposed legislation to enhance the State Cemetery Grants Program. The legislation would revise the funding formula for the State Cemetery Grants Program to authorize VA to fund 100 percent of the cost of construction and initial equipment costs associated with establishment, expansion or improvement of a state veterans cemetery. This change would improve the ability of states to obtain Federal funds for establishing complete and fully equipped cemeteries for veterans. With this additional incentive, we hope that additional burial space could be provided to our Nation's veterans through this enhanced Federal/State partnership program. We currently have several applications in anticipation of enactment from states who are interested in the 100 percent grants proposal, and should Congress enact the proposal, we expect that interest in the program would grow. I hope, Mr. Chairman, the Committee will move swiftly and enact this worthwhile proposal.

REORGANIZATION OF MEMORIAL PROGRAMS SERVICE

As part of the Vice President's National Performance Review effort, NCS's Memorial Programs Service (MPS), which is expected to provide more than 300,000 headstones and markers in FY 1998, was reorganized and decentralized, moving a number of functions from VA Headquarters in Washington, D.C., to NCS-owned sites. The three new satellite sites are Nashville, TN, Fort Leavenworth, KS, and Indiantown Gap, PA. Indiantown Gap was opened in February 1998. Our reengineered, streamlined approach in processing headstone and marker applications will improve our ability to meet our projected annual demand of approximately 300,000.

In the past year, MPS business processes have been redesigned and moved to a total case management system for processing headstone and marker applications. Our automated systems were also reengineered to support this change. The new Automated Monument Application System (AMAS) is faster, has enhanced reporting capability and improves our ability to track a case through the system. In addition, we added a new phone system for handling our 1-800 customer service calls and quadrupled the number of phone lines. We are proud that the average amount of time that someone had to wait for an operator was greatly reduced during March 1998. Mr. Chairman, I am not saying all is perfect -- we acknowledge delays in getting headstones and markers in place -- but we believe that the delays you have called to our attention in the past are no longer systemic and are now the exception rather than the rule. We will monitor and improve the process on a continuing basis.

NEW FY 1998 HEADSTONE AND MARKER CONTRACTS

Last fall, the ordering of Government-provided markers and headstones was delayed because some of the firms who bid on three of our new contracts filed formal protests of the contract bidding process to GAO. Unfortunately, we could no longer use existing contracts because they had expired, and we could not award new contracts and place orders until the protests were resolved. On October 15, 1997, GAO informed us the protests were dismissed. We then proceeded to award the contracts and began placing orders immediately. Unfortunately, the protests delayed the process for getting headstones and markers out to veterans' families.

Our FY 1998 contracts are now in place and, in the end, we were able to improve the overall process by increasing efficiency and reducing costs because we implemented an "all-inclusive inscription" policy. The negotiated new contracts cover the costs of all authorized inscriptions, space permitting. Items previously known as "additional inscriptions" and paid for by the veteran's family are now referred to as optional items and are included in VA's contract price. Under the new policy, we are processing headstones and markers more efficiently, improving customer service, and reducing transportation costs. Not only have we streamlined the process, improved service delivery and reduced contract costs, but we have also saved veterans and their next of kin the cost of "additional inscriptions."

GAO STUDY ON THE NATIONAL CEMETERY SYSTEM

At the request of the Committee, GAO recently submitted a report entitled, National Cemetery System: Opportunity Exists to Extend the Service Period of National Cemeteries. NCS supported much in the report. However, we did take exception to one recommendation suggesting that NCS extend its strategic plan to address veterans' long-term burial demands during the peak years of 2005-2010. We recognize the need to address veterans' long-term burial demands and are engaged in a variety of "long-term" planning activities. The strategies included in our current strategic plan, which address how we intend to meet our increasing burial demand, will continue to be used over the next decade as we position ourselves to meet years of peak workload.

We are, however, concerned that GAO's recommendation to "extend" the strategic plan does not conform with the Department's strategic planning process. Strategic planning and management in VA are dynamic processes that reflect the target realities of the five-year budget cycle and the requirements of GPRA, as well as formulating and identifying longer range issues. Extending the strategic plan beyond the five-year budget cycle would, in effect, de-link or sever the relationship between the strategic plan and the budget.

Mr. Chairman, I will close my remarks for now, but I look forward to discussing the issues that are important to us all. I would be happy to answer any questions the Subcommittee my have.

BEFORE THE HOUSE COMMITTEE ON VERERANS' AFFAIRS
SUBCOMMITTEE ON BENEFITS

STATEMENT OF GENERAL FRED WOERNER, USA (RET)
CHAIRMAN
AMERICAN BATTLE MONUMENTS COMMISSION

April 29, 1998

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to testify on our Fiscal Year 1999 Appropriation Request. The special nature of the American Battle Monuments Commission places it in a unique and highly responsible position with the American people. The manner in which we care for our country's Honored War Dead is, and should remain, a reflection of the high regard in which we, as a nation, respect their service and sacrifice.

As you know, the American Battle Monuments commission is a small, one-of-a-kind organization, that is responsible for commemorating the services of American Armed Forces where they have served since April 6, 1917 (the date of U.S. entry into World War I) through the establishment of suitable memorial shrines; for designing, constructing, operating, and maintaining permanent American burial grounds in foreign countries; for controlling the design and construction of U.S. military monuments and markers in foreign countries by other U.S. citizens and organizations, both public and private; and for encouraging the maintenance of such monuments and markers by their sponsors. In performing these functions, the American Battle Monuments Commission administers, operates, and maintains twenty-four permanent memorial cemeteries and twenty-seven monuments, memorials, and markers in the United States and sixteen countries around the world.

We have eight World War I and 14 World War II cemeteries located in Europe, the Mediterranean, North Africa and the Philippines. All of these cemeteries are closed to burials except for the remains of the War Dead who may occasionally be discovered in World War I or World War II battlefield areas. In addition, we are responsible for the American cemeteries in Mexico City, established after the Mexican War, and in Panama.

Presently, 124,914 U.S. War Dead are interred in these cemeteries - 30,921 of World War I, 93,243 of World War II and 750 of the Mexican War. Additionally 5,857 American veterans and others are interred in the Mexico City and Corozal (Panama) American Cemeteries. Commemorated individually by name on stone tablets at the World War I and II cemeteries and three memorials on U.S. soil are the 94,120 U.S. servicemen and women who were Missing in Action, or lost or buried at sea during the World Wars and the Korean and Vietnam Wars.

We continue to provide services and information to the public, friends, and relatives of those interred in, or memorialized at ABMC cemeteries and memorials. This includes information about grave and memorialization sites as well as location, suggested routes, and modes of travel to the cemeteries or memorials. Immediate family members are provided letters authorizing fee-free passports for overseas travel to specifically visit a loved one's grave or memorial site. Photographs of headstones and sections of the Tablets of the Missing on which the service person's name is engraved are also available. These

photographs are mounted on large color lithographs of the cemeteries or memorials. In addition, we assist those who wish to purchase floral decorations for placement at a grave or memorial site in our cemeteries. A photograph of the in-place floral arrangement is provided to the donor.

The care of these shrines to our War Dead requires a formidable annual program of maintenance and repair of facilities, equipment, and grounds. This care includes upkeep of 131,000 graves and headstones; 73 memorial structures; 41 quarters, utilities, and maintenance facilities; 67 miles of roadways and walkways; 911 acres of flowering plants, fine lawns and meadows; nearly 3,000,000 square feet of shrubs and hedges and over 11,000 ornamental trees. Care and maintenance of these resources is exceptionally labor intensive, therefore, personnel costs account for nearly 64 percent of our budget for FY 1999. Some of this maintenance is performed by casual labor, in peak seasons, since the permanent cemetery staffs are not large enough to provide the required maintenance on a continuous basis. During Fiscal Year 1998, we are conducting a comprehensive manpower study of our cemeteries. This study will clearly redefine our manpower requirements for each of our cemeteries and allow us to properly size our workforce. The remaining 36 percent of our budget is required to fund our operations, including unprogrammed requirements resulting from natural and other disasters.

As an organization responsible for permanent burial facilities, we do not have the option of closing or consolidating cemeteries. In light of this, we have increased our efforts to achieve greater efficiency and effectiveness, through automating and contracting, in the operational and financial management areas, where we do have alternatives. This Commission recognizes and fully supports the efforts of the President and the Congress to improve efficiency, focus on results, and streamline the government overall.

During Fiscal Year 1997, we completed work on our first Strategic (FY 1998-2003) and Annual Performance Plans (FY 1998). We have subsequently forwarded copies to, and briefed, the Office of Management and Budget and the appropriate Congressional Committees. We believe these plans provide our agency a comprehensive roadmap for the future accomplishment of our mission.

In 1996, Congress specifically directed (P.L. 104-275) that ABMC prepare agency-wide financial statements annually beginning with Fiscal Year 1997, and that the financial statements be audited by the U.S. General Accounting Office (GAO) in accordance with accepted government auditing standards. I can now report to you that GAO and the CPA firm of KPMG - Peat Marwick LLP, have just completed the first such audit of ABMC's Fiscal Year 1997 operations. Furthermore, I am pleased to report that we received an unqualified opinion on our balance sheet, which we understand is a very rare occurrence on initial financial statement audits. Additionally, we were one of the first agencies in the Executive Branch to "early comply" with the FY 1998 accounting standards prescribed by the Office of Management and Budget in Bulletin No. 97-01, Form and Content of Agency Financial Statements.

While we are pleased with the results of the audit, one material weakness was highlighted by KPMG - Peat Marwick LLP, which we were aware of, that dealt with inadequate controls over our information technology systems, as a result of our current multiple accounting systems. As I reported to you last year, we contracted with the Department of Treasury's Financial Management Services Center regarding the replacement of our accounting system. We anticipate selecting an operating system during Fiscal Year 1998, with implementation during Fiscal Year 1999. Implementation of a new, single and integrated accounting system will resolve this issue and allow us to eliminate this problem.

With our initial success in auditing and the implementation of a new financial system, we believe our financial management will, within the next three years be

at a level of excellence that fully parallels the high standards we have continually maintained, since 1923, on the operations side of our business.

In Fiscal Year 1999 a large part of our focus will be on the World War II Memorial. As I reported to you last year, President Clinton unveiled the winning design by Friedrich St. Florian at a White House ceremony on January 17, 1997. Since that time, reviews by the Commission of Fine Arts and the National Capital Planning Commission have resulted in the requirement to modify the design to more appropriately fit the Rainbow Pool site. Professor St. Florian, the winning architect for the World War II Memorial, is currently working on these modifications. We anticipate that the modifications will meet the criteria of the Commission of Fine Arts and the National Capital Planning Commission when they are presented later this Spring.

Senator Robert Dole, our National Capital Campaign Chairman and Mr. Fred Smith of Federal Express, our Co-Chairman are working closely with members of the World War II Memorial Advisory Board to raise the $100 Million required for construction of the Memorial.

While our attention has been focused on management improvements and the design and construction of the World War II Memorial, we have not ignored our primary mission of operating and maintaining twenty-four memorial cemeteries and twenty-eight monuments.

The Congress has been instrumental in our success in maintaining a high standard of excellence by providing the funds required to accomplish our objectives. Your added funding of $3 Million in Fiscal Year 1998 for engineering and maintenance projects will allow us to significantly reduce our backlog of essential projects. We have grouped together certain types of projects, such as sprinkler systems, replacement of fuel tanks, and repair of roadways and walkways, in order to achieve economies of scale. Grouping these projects by region will allow contractors to consolidate bids and provide ABMC with the most cost effective use of managing available resources.

For the second year, in agreement with the Office of Management and Budget, we have repriced our budget to conform to the Fiscal year 1999 foreign currency rates established for the Department of Defense. This repricing, which results from today's strong dollar in Europe, has allowed us to reduce our budget request by over a $1 Million for Fiscal Year 1999. Our Fiscal Year 1999 request provides for cost of living increases for our U. S. and foreign national personnel, rental expenses for office space for our headquarters office, funding for the new accounting system, a new lithograph system and a customer satisfaction survey. We have focused our FY 1999 program to ensure we accomplish those essential high priority projects.

Since 1923, the American Battle Monuments Commission's memorials and cemeteries have been held to a high standard in order to reflect America's continuing commitment to its Honored War Dead, their families, and the U.S. national image. The Commission intends to continue to fulfill this sacred trust while ensuring the prudent expenditure of appropriated funds.

The American Battle Monuments Commission appropriation request for Fiscal Year 1999 is $23,930,966.

This concludes my prepared statement. I will be pleased to respond to your questions.

Written Statement
For the Record

Veronica A'zera
AMVETS National Legislative Director

before the
House Veterans Affairs Committee
Subcommittee on Benefits

on the
National Cemetery System

Wednesday, April 29, 1998

Room 334
Cannon House Office Building

Mr. Chairman, I am Veronica A'zera, National Legislative Director for AMVETS, The American Veterans of World War II, Korea and Vietnam. We appreciate the opportunity to provide written testimony to the House Veterans Affairs Subcommittee on Benefits on the National Cemetery System (NCS). Neither AMVETS nor myself have been the recipient of any federal grants or contracts during FY 98 or the previous two fiscal years.

Since its establishment, the NCS has provided the highest standard of compassionate service to eligible veterans and family members. The 115 NCS cemeteries monuments, land and historical interments are indeed national treasures which must be maintained, nurtured and, most of all, protected.

Despite NCS's excellent reputation and the Administration's proposal for an $8 million increase in budget authority for FY 99, we feel the system has been and continues to be under-funded, particularly when we considered projected burial statistics for one future. Since 1973, the annual burial rate within the NCS has almost doubled to 73,000. Most WW II veterans are in their mid-70's and the overall projected veteran death rate is expected to peak in the year 2008 with more than 620,000 deaths. Already, the average monthly death rate of WW II veterans is 36,000.

Even with the projected completion of new cemetery projects in Chicago, Cleveland, Albany, Seattle and Dallas-Fort Worth in calendar year 1999 and projected expansion of six other existing cemeteries, NCS will be hard pressed to meet the growing demand for space. We join with the General Accounting Office (GAO) in encouraging the Administration to look to future needs in more cemeteries to meet the growing demand for burials.

Mr. Stephen Backhus, GAO Director, Veterans' Affairs and Military Health Care Issues Health, Education, and Human Services Division, addressed the growing problem at the national cemeteries in his remarks to GAO. He said, as the veteran population ages, NCS projects the demand for burial benefits to increase. NCS has a strategic plan for addressing the demand for veterans' burials up to fiscal year 2003, but the plan does not address longer term burial needs at the time when the pressure on the system will be the greatest.

Historically, only about 10 percent of eligible veterans opt for interment in an NCS facility. Despite this seemingly low demand rate, if funding is not forthcoming for new acquisitions and development of existing land, the legal entitlement will be an empty promise as veterans are denied access based on non-availability. Of the 115 national cemeteries, 22 are closed to new burials and 36 are only open to cremated remains. Within the next two years, the number of national cemeteries open to first interments of casketed remains will be further reduced by 50%.

Donations of space have helped ease the crunch somewhat, although in a piecemeal fashion. A credible national system must have the unqualified budgetary support of both the executive and legislative branches to ensure that all eligible veterans who so choose have the right to interment in a national cemetery.

We repeat our call for a national cemetery or state-supported cemetery within 75 miles of 75% of the veteran population. We remain steadfast in our support for fiscal responsibility, but it must not come at the expense of denying an eligible veteran the most enduring benefit -- burial in a national cemetery.

The National Cemetery System is faced with a number of serious challenges. Chronic underfunding presents the greatest challenge. We have identified other major areas of concerns and recommendations that are crucial to ensuring the integrity of the NCS.

- Inadequate Burial Space:
  Presently, NCS has approximately 330,000 gravesites available with the capacity for adding 1.5 million sites on undeveloped land, if resources become available. The State Grant Program, operated by VA, provides an reasonable and accessible alternative to those who desire burial in a national cemetery, but because of distance must forgo the use of the burial benefit. Recent state budget surpluses in many states have made it possible for more states to participate in this program.

RECOMMENDATION:
Congress must ensure that adequate burial space is available for all eligible veterans and their families who desire burial in a national or state veterans cemetery. Funding for the State Grant Program must be adequate to cover all state funding requests.

- Dignified Burials for Deceased Veterans:
  Citing budgetary constraints, the military services have not been providing honor guards for veterans' funerals, beyond a single representative of the Department of Defense who presents a flag to the deceased veteran's family on behalf of the government. This denial of appropriate honors is particularly shameful during this time when so many WW II veterans are being buried in national cemeteries.

RECOMMENDATION:
Congress should enact legislation guaranteeing that all veterans being buried in national cemeteries receive appropriate military honors. Further, Congress should direct a transfer of funding to DoD to provide the appropriate services. Congress should also mandate that DoD use National Guard and reservists to help provide these services and that the members should be paid with time spent on military honors to be counted toward retirement.

In conclusion, long-range planning and adequate funding are crucial to addressing veterans' burial needs during the peak years and beyond. We would like to acknowledge the ability of the dedicated NCS staff who continue to ably perform the burial mission despite budgetary shortfalls, inadequate staffing, aging equipment and the increasing workload of both developed gravesites and undeveloped land. Shortfalls mean less service to veterans, cemetery neglect and disrespect to the memory and honor due to the Nation's fallen heroes.

STATEMENT OF
PHILLIP A. RIDLEY
LEGISLATIVE ASSISTANT
FOR THE
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON BENEFITS
HOUSE COMMITTEE ON VETERANS' AFFAIRS
APRIL 29, 1998

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the more than one million members of the Disabled American Veterans (DAV) and its Auxiliary, I thank you for this opportunity to provide the Committee with our views on the National Cemetery System's (NCS's) five-year Strategic Plan to accommodate their workload, as well as a review of the operations of the American Battle Monuments Commission (ABMC).

It was requested that the DAV provide its written views, for the record, prior to May 6, 1998. Accordingly, we are pleased to make our views known regarding the NCS Strategic Plan and the ABMC General Accounting Office (GAO) audit.

In recent years, the DAV has placed emphasis on the urgent need of the NCS to expand its existing facilities to accommodate an ever-increasing workload. In the annual *Veterans Independent Budget and Policy—Fiscal Year 1999,* prepared by the Independent Budget veterans service organizations (IBVSOs), Disabled American Veterans, AMVETS, Paralyzed Veterans of America, and the Veterans of Foreign Wars, we have expressed the shared concerns of the veterans' community regarding the NCS's need for expansion. The DAV's major concern lies in the realization that existing developed acreage and existing and planned expansion projects for burial will not meet the needs of NCS to fulfill its current and future obligation to eligible veterans and their families.

NATIONAL CEMETERY SYSTEM PROGRAM GOALS

To address its pressing needs for expansion, the NCS has developed a strategic plan for fiscal years 1998 through 2003 which outlines its mission and objectives to achieve the performance goals set forth by the Department of Veterans Affairs (VA).

The NCS readily admits it faces a daunting challenge in its efforts to meet the burial needs of America's veterans in the 21st century. A number of factors have contributed to this dilemma. Since 1973, the annual NCS burial rate has more than doubled from 36,400 to 73,000 per year. Currently, the monthly death rate among the World War II veteran population averages 36,000. In addition, aging cohorts of veterans from the Korean War and Vietnam Era are also contributing to the increased demand for burial space within the NCS. Over the next ten years, the overall projected death rate is expected to peak in the year 2008 with more than 620,000 deaths. That is an increase of more than 40% over the current death rate, translating into an urgent need for NCS to provide additional burial sites. It must be noted that an aging veterans' population is expected to increase demand in national cemeteries. In addition to those cemeteries already closed, several others are expected to close over the next five to seven years.

Of the 115 existing NCS cemeteries, there are approximately 312,000 available gravesites, 46,700 in-ground gravesites for cremated remains, and 13,300 columbarium niches. There is the potential to hold an additional 1.6 million casketed sites on undeveloped land, if resources are available.

Admirably, the NCS is involved in one of the largest cemetery expansion projects in its history. Congress must redouble its efforts to ensure NCS has the needed funding to meet its goals to expand and provide eligible veterans and their families, who desire to be interred in a national cemetery, a burial space. The NCS is hard pressed to meet the needs of all eligible veterans and family members. Currently, the NCS has four new cemetery sites under construction at Dallas-Ft. Worth, Chicago, Cleveland, and Albany, for an additional 2,245 acres

of burial sites. The NCS is also projecting to expand six existing cemeteries with land additions and new facilities to accept cremated remains. This expansion includes construction at the Ft. Rosecrans National Cemetery and the Florida National Cemetery for additional columbaria.

With annual interments expected to exceed well over 100,000 in the year 2008, the appalling fact is, even with the inclusion of all available gravesites and those planned additions, the NCS's capabilities for interments remains grossly inadequate to accommodate its projected needs over the next decade. The NCS has been forced for years—like the rest of the VA—to work under severe budget restraints. Mr. Chairman, as the NCS prepares to move into the 21st century and meet the needs of many veterans who are moving into the twilight of their lives, they must be equipped with the manpower and resources needed to provide adequate burial options, dignified burial services, and lasting memorials for our Nation's veterans and their families.

The NCS Strategic Plan has set as its first goal to ensure all eligible veterans have reasonable access to a burial option. That is a national cemetery for interment of casketed or cremated remains within 75 miles of a veterans place of residence. To achieve this end, the NCS proposes to promote the State Cemetery Grants Program. Under this program, the NCS provides the state up to 50% of the cost of construction of cemeteries, including expenses for the initial operating equipment. In fiscal year 1998, legislative proposals were introduced which increased this grant to 100% of the cost of construction and initial operating equipment. The same legislative proposal is recommended by the GAO for fiscal year 1999. The DAV believes this concept could be an effective means to provide more veterans with an adequate burial option. However, this partnership with states should not lessen the NCS's obligation to provide timely and accessible interment services to eligible veterans and their families.

The NCS Strategic Plan's second goal is to provide burial options which are preferred by veterans, the primary shareholders to the services rendered. A veteran or veteran's family's satisfaction with the courtesy, compassion, and timeliness of services delivered is the ultimate measure of NCS performance. We applaud the NCS's willingness to provide outreach and educational programs to veterans to help them better understand burial criteria and policies. We also applaud the NCS's consideration of providing logistical support for the provision of military honors at national cemeteries.

The DAV also believes that America's national cemeteries should be maintained for their historical character. To serve as a serene and dignified final reminder of the sacrifices made by our men and women in uniform. The NCS must bear in mind the fact that preserving the historical character of a cemetery must be done sensibly by prioritizing the needs of the entire cemetery system; that is prioritizing as it relates to expansion and meeting the future needs for interment of eligible veterans and their families.

The third goal is to provide quality and timely service when a headstone or marker or Presidential Memorial Certificate (PMC) is requested. The DAV commends the NCS on its plan to ensure accurate and timely delivery of headstones, burial markers and PMCs. Proposed upgrading to automated and technological capabilities would greatly enhance the NCS's capacity to provide more accurate headstone marker and PMC services. Many veterans and their families see these services as the last tribute and memento a grateful Nation can bestow upon those individuals who served in honorable, active military service to perpetuate the many freedoms we all enjoy today.

The fourth goal is to ensure a dedicated, highly motivated and well-trained workforce. The President's budget provides for a mere 21 additional full-time employees (FTE) for FY 1999. For years the NCS has been forced to do more with less. While the proposed additional FTE are welcomed, they fall well short of the 275 additional FTE recommended by the IBVSOs. The NCS Strategic Plan has also outlined the need for additional full-time employees. If the NCS is expected to have a realistic chance of meeting the increasing needs of an aging veteran population, Congress must ensure adequate resources are available to provide the services rendered.

The fifth goal is to manage the NCS in the most efficient and effective manner. For more than twenty five years the VA has managed the NCS, providing a high level of compassionate,

honorable and dignified service to eligible veterans and their families at the systems 115 cemeteries and 34 other cemeterial sites. For the past four years, Jerry Bowen, a decorated Vietnam veteran, has provided strong and sensitive leadership as Director of the NCS. Director Bowen has recently retired, culminating an outstanding career expanding over three decades of dedicated service to his country and to veterans and their families. The DAV extends a sincere thanks to Director Bowen for his responsible oversight and sensible management of the NCS. We wish him success in his future endeavors.

In light of the NCS's challenging mission to accomplish the goals set forth in its Strategic Plan to enhance the services provided to veterans and their families, it is our hope that a suitable replacement for Director Bowen will be identified and confirmed by the Senate in the near future. Finally, we believe this individual should understand the very sensitive needs of veterans and possess the meticulous management skills necessary to initiate and complete the much needed burial expansion and construction projects the NCS currently faces.

AMERICAN BATTLE MONUMENTS COMMISSION

Since 1923, the American Battle Monuments Commission (ABMC or Commission) has been responsible for providing lasting commemorations of the services and achievements of the United States Armed Forces where they have bravely fought and died since the beginning of World War I. In 1997 the ABMC underwent its first agency-wide audit of its financial statements. A review of this audit revealed no substantive discrepancies on the Commission's financial position. The DAV feels this is a direct reflection of the Commission's responsible and forthright management.

For more than 75 years, the ABMC has maintained memorial shrines at 24 permanent burial grounds, 21 separate monuments and three markers on foreign soil, and 4 memorials in the United States. These shrines represent the ultimate sacrifice of more than 750 Mexican War dead, 30,900 World War I war dead, and 93,200 World War II war dead. They also represent the 94,120 U.S. servicemembers who were deemed missing in action or lost or buried at sea during the World Wars, Korean War and Vietnam War.

WORLD WAR II MEMORIAL

The ABMC has undertaken the immense task of memorializing the more that 16.5 million men and women who served in the United States Armed Forces during World War II. More than 672,000 American servicemembers were wounded, 406,000 killed and 78,968 deemed missing in action (presumed dead), lost or buried at sea. Many DAV members served during World War II. Some returned home with the memories of war, while others returned home bearing the physical scars of war. Many of these DAV members appreciate the initiative and continued efforts put forth by the ABMC, this Subcommittee and the Veterans Affairs' Committee as a whole to make the World War II Memorial a reality.

Although the ABMC remains well short of its goal of $100 million to complete the World War II Memorial construction project, over the past year the Commission has witnessed a considerable outpouring of financial support from all sectors of American society to assist in funding the World War II Memorial. Donations and pledges total over $30 million to date. This memorial will commemorate the sacrifice and service of an entire generation of American heroes who helped to define the freedoms and liberties we all enjoy today.

Mr. Chairman, I thank you for this opportunity to express our views regarding the VA National Cemetery System and the American Battle Monuments Commission annual audit. In addition, we commend the NCS and AMBC on a job well done and wish them continued success in the future. Be assured of our continued interest on behalf of America's disabled veterans and their families.

DISABLED AMERICAN VETERANS
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FACT SHEET

BIOGRAPHICAL INFORMATION

PHILLIP A. RIDLEY
Legislative Assistant
Disabled American Veterans

Phillip A. Ridley, a service-connected disabled veteran of the Persian Gulf War Era, was appointed Legislative Assistant of the million-member-plus Disabled American Veterans (DAV) in 1997.

Mr. Ridley is employed at DAV National Service and Legislative Headquarters in Washington, D.C. As a member of the DAV's legislative team, he works to support and advance the federal legislative goals and policies of the DAV to assist disabled veterans and their families, as well as guarding current veteran's benefits and services from legislative erosion.

Mr. Ridley joined the DAV's professional National Service Officer (NSO) staff as an NSO Trainee at the DAV NSO Training Academy in Denver, Colorado in October, 1995. He graduated from the academy in February, 1996, as the spokesperson for Academy Class III. He was assigned as a DAV NSO to the DAV National Service Office in Washington, D.C., and served there until transferred to the DAV National Service Office in Baltimore. Md., where he served as Assistant Supervisor until his current assignment at DAV Washington Headquarters.

A native of Asheboro, N.C., Mr. Ridley enlisted in the U.S. Army in 1988. Following basic training at Fort Benning, Ga., Mr. Ridley was assigned to the 25th Infantry Division (L) as a member of the 21st Infantry Regiment at Schofield Barracks, Hawaii. After suffering a fractured leg during a field training exercise, further examinations disclosed a tumor in Mr. Ridley's leg. The tumor and a portion of the bone mass in the leg were surgically removed. A later tumor was also discovered and removed. Both were benign. Mr. Ridley was medically discharged in 1993.

Mr. Ridley, is a 1987 graduate of Asheboro Senior High School. He pursued undergraduate studies at Minot State University in Minot, N.D., prior to becoming a member of the DAV National Staff.

A life member of DAV Chapter 1, Washington, D.C., Mr. Ridley resides in Laurel, Md.

05/98

DISABLED AMERICAN VETERANS

Building Better Lives for America's Disabled Veterans

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Disabled American Veterans (DAV) does not currently receive any money from any federal grant or contract.

During fiscal year (FY) 1995, DAV received $55,252.56 from Court of Veterans Appeals appropriated funds provided to the Legal Service Corporation for services provided by DAV to the Veterans Consortium Pro Bono Program. In FY 1996, DAV received $8,448.12 for services provided to the Consortium. Since June 1996, DAV has provided its services to the Consortium at no cost to the Consortium.

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Non Commissioned Officers Association of the United States of America

225 N. Washington Street • Alexandria, Virginia 22314 • Telephone (703) 549-0311

STATEMENT OF

LARRY D. RHEA

DEPUTY DIRECTOR OF LEGISLATIVE AFFAIRS

TO THE

SUBCOMMITTEE ON BENEFITS

COMMITTEE ON VETERANS

U. S. HOUSE OF REPRESENTATIVES

ON THE

NATIONAL CEMETERY SYSTEM

APRIL 29, 1998

Chartered by the United States Congress

Mr. Chairman and members of the Subcommittee, the Non Commissioned Officers Association of the USA (NCOA) is pleased to have the opportunity to comment on the performance and operation of the National Cemetery System (NCS). The Association is deeply grateful for the attention that this Subcommittee and the full Committee has given to this program. The Subcommittee's continued support and interest is greatly appreciated, and is seriously needed, as the NCS approaches perhaps its greatest challenge during its distinguished history. NCOA is committed to working with the Subcommittee to ensure that the NCS is preserved in a manner befitting the national shrines that they are as a final tribute to the service and sacrifice of the Nation's veterans. The Association trusts that our testimony will be helpful to that which we believe is a mutually shared goal of NCOA and the House Veterans Affairs Committee.

Acknowledgements

It is appropriate to begin Mr. Chairman by expressing the Association's appreciation to the Subcommittee and full Committee on several points. NCOA is grateful for the action taken by this Subcommittee and the House Veterans Affairs Committee with respect to Arlington National Cemetery. The Association is particularly grateful that the recommendation of NCOA with respect to members of the Reserve Components was included in the amended bill that was unanimously passed by the full Committee and House of Representatives last month. NCOA thanks you, individually and as a Subcommittee, for your leadership on this issue. The Association is dedicated to ensuring Senate consideration and passage of the legislation this Session.

NCOA is also pleased to note and express gratitude for the initiative underway to ensure to the maximum extent possible that honor guard details are provided for the funerals of veterans. Even though the issue has been referred to the House National Security Committee as a matter under their jurisdiction, the Association commends the Ranking Member of the Full Committee, Representative Lane Evans, for his leadership in introducing H.R. 3653. Knowing that final honors to the Nation's veterans is a matter of high interest to this Subcommittee, NCOA believes a coordinated effort between DOD,

DVA and veterans' service organizations is needed. The Subcommittee's continued attention in this area will be needed to ensure that the desired outcome is achieved.

Along these same lines, NCOA extends salutes to Representatives Paul McHale and Steve Buyer for introducing H.R. 3668 to provide for the furnishing of burial flags to deceased and former members of the Selected Reserve. This legislation is identical in intent to legislation, S.1406 by Senator Gordon Smith, before the Senate Veterans Affairs Committee. As a matter now before this Subcommittee, NCOA looks forward to working with the Distinguished Members as you consider H.R. 3668.

And finally Mr. Chairman, NCOA would be remiss if the Association did not acknowledge in our testimony the faithful and dedicated service rendered by former Director of the National Cemetery System, Mr. Jerry Bowen. The members of NCOA extend a hearty well done to Mr. Bowen for his service and commitment to the Nation's veterans.

Concerns

As NCOA has been stating for the last two years, this Association is deeply troubled with the trend and its future implications that seems to be underway in the NCS. Even with the activation of the four national veteran's cemeteries currently planned, the system is not adequate to meet the burial needs of the World War II population. When one looks at NCS intentions beyond opening the four cemeteries currently in the pipeline, there are no plans for expansion of the NCS. The system's substantial and growing list of requirements for maintenance and equipment replacement is not getting sufficient attention in NCOA's view. These situations, coupled with the proposal on the State Veterans Cemetery Grants Programs, leaves the impression on this Association that VA wants out of the National Cemetery System.

The Subcommittee is well versed in the facts, statistics, demographics and challenges confronting the National Cemetery System. In order to meet their greatest historical

challenge in the coming years, NCS has adopted a 5-year plan based on three strategies: (1) building new national cemeteries, (2) expanding existing cemeteries, and (3) expanding participation in the State Cemetery Grants Program. While the strategic components of the plan appear solid, NCOA believes VA is being far too short sighted by linking long-term strategic planning to the budgetary cycle. This is almost a "wait and see" approach and one that NCOA finds objectionable.

The current NCS strategic plan only looks through the year 2003. Considering that a new national cemetery from start to activation takes ten to twelve years, one cannot comfortably conclude that NCS is even addressing the burial demand during the peak years of 2005-2010. By adhering to a 5-year model for strategic planning, the peak years won't even be addressed until 2000-2005. By then any hopes for new national cemeteries for the WWII population will have evaporated. Perhaps the rest of VA can operate on a 5-year strategic planning process; the NCS cannot in our view. Now is the time for NCS to address the increased demand that we know the system will face in just a few short years. In NCOA's view, this is an imperative and the Association asks that the Subcommittee demand it.

NCOA is also concerned by the Administration's proposal for the State Veterans Cemetery Grant's Program. In the past, NCOA has supported the state program because appropriations have not been sufficient to expand the capacity of the national system to meet the needs of veterans. Never once though did NCOA look upon the state program as a replacement for the national system. It seems pretty clear to this Association that the Administration is placing more emphasis on expansion of the state program than it is on its primary responsibility for the national system as evidenced by their strategic plan.

Since its inception ten years ago, the state program has been marginally successful, less than 50% of the states have established state veterans' cemeteries. It is NCOA's understanding, that the states have shown little interest in the Administration's proposal to increase the share of federal funding that was first put forward last year. With ten years of experience in the state cemetery grants program, NCOA believes it is safe to project that even the added federal funding will not attract substantially more

participation, certainly not enough participation to meet projected demands. State officials can count and they can readily compute the long-term costs that would be incurred. More fundamentally, NCOA believes it is wrong to try to shift away from the national obligation that this proposal so transparently represents. A strategic plan needs to be in place, a plan that calls for new cemeteries in the national system, complimented and not replaced by the state veterans cemetery program. The Administration's proposal for the state program and what it portends for the national system needs careful examination by this Subcommittee.

Conclusion

In NCOA's view, it does not seem over demanding to ask for a plan that articulates how VA and NCS intend to provide for the future burial needs of the nation's veterans. But burial space is only one of the challenges at hand for the NCS. Although a modest increase in planned for Fiscal Year 1999, the NCS budget remains woefully inadequate to address the long-standing and growing list of requirements for maintenance and equipment replacement. NCOA also believes the Subcommittee should seriously consider reinstating and increasing the burial, headstone and plot allowance to all eligible veterans. In view of current NCS plans Mr. Chairman, this might be the only way we have to pay final tribute and respect to many of our WWII veterans.

Thank you.

STATEMENT OF
BOB MANHAN, ASSISTANT DIRECTOR
NATIONAL LEGISLATIVE SERVICE

BEFORE THE

SUBCOMMITTEE ON BENEFITS
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO
OVERSIGHT HEARING ON OPERATIONS WITHIN THE NATIONAL CEMETERY SYSTEM (NCS) AND THE AMERICAN BATTLE MONUMENTS COMMISSION

WASHINGTON, DC **MAY 6, 1998**

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

Thank you for this opportunity to present the views of the Veterans of Foreign Wars of the United States (VFW) with respect to the National Cemetery System (NCS).

Since 1972, the annual burial rate within the NCS has almost doubled to 73,000. At the present time, most World War II veterans are in their mid-seventies and the projected death rate is expected to reach its peak in 2008 with more than 620,000 deaths. Currently, the monthly death rate among the World War II population is 36,000. Aging veterans of the Korean Conflict and the Vietnam era are now also contributing to the demand for increased burial space.

While we realize the NCS is involved in the largest expansion program they have ever undertaken, it is becoming increasingly difficult, if not soon impossible, to accommodate eligible veterans and their family members requesting burial in a national cemetery.

Currently, there are approximately 330,000 available gravesites, with the capacity for adding 1.5 million casketed sites on undeveloped land. Four new cemeteries (Chicago, Dallas, Cleveland and Saratoga, NY) are planned but--we believe that this expansion is not sufficient to avert the lack of available burial space by 2008. Expansion of the NCS is critical. Of the 115 national cemeteries, 22 are closed to new burials and 36 are only open to cremated remains. We predict that within the next two years, the number of national cemeteries open to first interments of casketed remains will be further reduced by as much as 50 percent.

The NCS has repeatedly stated the need for acquisition of additional burial space, but the lack of budgetary support has forced the NCS to address its space needs piecemeal largely through land donations. Although these donations have helped in extending the availability of burial space in some locations, a national system must have the support of both the Executive and Legislative branches of government so that veterans will have the freedom to choose burial in a national cemetery, if they so wish.

The VFW once again calls for a national cemetery or state-supported veterans cemetery within 75 miles of 75 percent of the veterans population. We are fully supportive of efforts to ensure fiscal responsibility; however, it must not come at the expense of denying veterans the most enduring benefit, burial in a national cemetery.

We acknowledge the abilities and dedication of the NCS staff who continue to

perform their mission despite budgetary shortfalls, inadequate staff, aging equipment and the increasing workload of both developed gravesites and undeveloped land. Therefore, we call on Congress to provide the resources needed to support an additional 275 full time employee equivalents to reduce the serious manpower shortages in field operations. Shortfalls mean less service to veterans, cemetery neglect, and disrespect to the memory and honor of this nation's heroes.

By way of recommendation to ensure continuing burial of veterans in private or non-VA cemeteries, the VFW strongly recommends that Congress restore the burial allowance that was eliminated in the Omnibus Budget Reconciliation Act of 1989. We believe it is both proper and equitable to restore a burial plot and headstone allowance benefit at the current market price for these goods and services. The VFW offers this suggestion as an alternative program to offset the ongoing costs and needs to build, operate, and maintain the new veterans' cemeteries that will be needed beyond the year 2003.

In closing, let us emphasize that the Congress and the Department of Veterans Affairs must commit to a policy which will ensure adequate burial space for all eligible veterans and their dependents who desire burial in a national cemetery or a state veterans' cemetery. To accommodate the increasing demand for burials, every opportunity to keep cemeteries open must be explored. This includes the acquisition of adjacent lands and the construction of new cemeteries and columbaria. Thank you Mr. Chairman and members of this committee.

Bob Manhan, Assistant Director
National Legislative Service
Veterans of Foreign Wars of the United States

Bob Manhan has worked for the Veterans of Foreign Wars of the United States (VFW) for the past 12 years. He started as a Service Officer in the Washington Office's National Veterans Services and later moved to the Board of Veterans Appeals. For the past eight years, he has been working as a member of the National Legislative Service staff as Assistant Director.

Prior to becoming a member of the VFW, Bob served in the U.S. Army for three decades both an enlisted man and a commissioned officer. His overseas assignments included Europe, the Middle East, and both North and Southeastern Asian countries. Most of his assignments involved troop duty with infantry and artillery units with two different attache postings. Bob's formal education includes an undergraduate degree from UCLA, and a MBA from Shippensburg College. His military professional education includes the Army War College.

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The Veterans of Foreign Wars is not in receipt
of any Federal grant or contract.

STATEMENT PROVIDED BY

MAJOR GENERAL EDWARD SORIANO

DIRECTOR OF OPERATIONS, READINESS AND MOBILIZATION

AS A STATEMENT FOR THE RECORD. FOR THE

SUBCOMMITTEE ON BENEFITS

OF THE COMMITTEE ON VETERANS AFFAIRS

HOUSE OF REPRESENTATIVES

ON MILITARY BURIAL HONORS

APRIL 29, 1998

Mr. Chairman and members of the subcommittee, thank you for the opportunity to address the subject of the Army's continuing support to recognized patriotic and veteran organizations and specifically .30 caliber blank ammunition and surplus M1 Garand rifles. This statement is provided to address your request for comment on the availability of surplus weapons and ammunition to approved organizations for ceremonial purposes.

In 1997 the Army projected the exhaustion of the stock of .30 caliber blank ammunition sometime in Fiscal Year 1998. Legal review at that time indicated that the Army could not purchase additional .30 caliber blank ammunition solely for the purpose of supporting the veterans organizations – there was no Army requirement for this mission, and no apparent authority to purchase ammunition exclusively for this purpose. Internal Army policies indicated that the Army was only authorized to issue surplus ammunition for surplus weapons. Accordingly, the Army notified the Department of Veterans Affairs that the Army could no longer support the veterans organizations with surplus ammunition and discussed options of changing rifles to a caliber for which ammunition was available.

Late in 1997, the American Legion requested that the Army reconsider the policy. The Army did an extensive review of the legislative history on the issue. This review determined that during the development of the original legislation the Army had responded to Congress indicating that the Army would expend appropriated dollars for this mission and that Congress had agreed. This historical review allowed Mr. Mike Walker, Acting Secretary of the Army, to direct procurement of new .30 blank cartridges in late December 1997. The Army internally reprogrammed $2,000,000 of Procurement funds to accomplish this action.

Since that action, the Army has initiated a three-pronged approach for acquiring .30 caliber blank cartridges. First, the Army took action to reestablish domestic production at Lake City Army Ammunition Plant. This action required review of technical data packages and test requirements, procurement of long lead items and conduct of First Article Testing. The Army will conduct a First Article Test of Lake City cartridges in June 1998 with full rate production starting in July. The Army will complete production of 2.3 million cartridges by October 1998.

Second, during February and part of March of this year, the Army was able to meet critical veterans organization requirements by cross leveling cartridges from the other U.S. services. The borrowed rounds will be repaid out of the Lake City production.

The third prong is to provide a source of cartridges to bridge the gap between the estimated exhaustion of the Army stockpile and the start of production deliveries in July. The Army queried its Allies and found that the Danish Army had .30 caliber blank cartridges available. The Army exhaustively tested these cartridges for safety and suitability in the Garand and Springfield rifles, and then initiated a procurement action with the Danish government. The Army purchased 2.6 million Danish cartridges that were delivered to Lake City Army Ammunition plant this month and began issuing them to Veterans organizations this week. Danish cartridges will satisfy all current open orders over the next three weeks.

The Army expects to procure another 3 million cartridges in Fiscal Year 1999 and is programming funding to support the requirements for cartridges, long term, in the Program Objective Memorandum for Fiscal Year 2000-2005.

Since the end of the Second World War, the Army has continued the Ceremonial Weapon Issue program. Currently, the Army is averaging approximately 2,000 M1 rifle issues per year. Operated from Anniston Army Depot, the program includes a limited demilitarization process which installs a blank firing adapter on each weapon.

Based on historic demand, the Army estimates it can continue to issue M1 rifles for ceremonial purposes for the next five years. The Army is currently reviewing alternatives to continue the ceremonial weapon program beyond 2003. I look forward to reporting back to you the results of our analysis to continue this important program.

WRITTEN COMMITTEE QUESTIONS AND THEIR RESPONSES

CHAIRMAN QUINN TO CAROLYN H. BECRAFT, DEPUTY ASSISTANT SECRETARY OF DEFENSE (PERSONNEL SUPPORT, FAMILIES AND EDUCATION), DEPARTMENT OF DEFENSE

What is the current status of the availability of blank ammunition and modified M–1's for use by non-DOD honor guards?

Prior problems with non-DOD honor guards obtaining weapon and blank ammunition have been resolved per the written testimony submitted for the April 29th hearing.

The Army has M–1 rifles and .30 caliber blank ammunition available for issue. The .30 caliber blank ammunition can be ordered through U.S. Army Industrial Operations Command. Veterans Service Organizations and other non-DOD) honor guards wishing to obtain M–1's should submit a written request signed by the local commander of the organization to the U S. Army Tank-automotive and Armaments Command, ATTN: AMSTA-IM-OER (Donations), Warren, MI 48397–5000.

What is the status of the possible identification of the remains currently interred in the Tomb of the Unknown from the Vietnam War?

Secretary of Defense William S. Cohen announced on May 7th that he approved the recommendation of the Department of Defense Senior Working Group to disinter the remains of the Vietnam Unknown in the Tomb of the Unknowns in Arlington National Cemetery for mitochondrial DNA and other forensic examination.

The remains were disinterred on May 14th and taken to the Armed Forces Institute of Pathology at Walter Reed Army Medical Center, Washington, DC where initial anthropological and other forensic examination was done. On Friday, May 15, bone samples from the remains were transported to the Armed Forces DNA Identification Laboratory (AFDIL) at Rockville, MD. Our scientists there will attempt to extract mitochondrial DNA from the samples.

In all attempts to identify our unknowns, there is an established process for analysis, verifications and reviews to maintain scientific rigor and the integrity of the results. Each case is different and those differences affect the time necessary to complete the process. It typically requires about 20 working days to determine whether a set of partial remains has yielded usable DNA. If usable DNA has been obtained, it normally requires about 25 more working days to determine the DNA sequence. The process includes a review by the family of the results prior to submission to the Armed Forces Identification Review Board for final determination, and families may vary in the time they require to complete their review. The median time for completion of the entire process is 60 to 120 working days.

There are three possible outcomes to this process of comparison: 1) the testing could conclusively identify the remains as the loved of one of the nine families; 2) the testing could determine that the remains are not those of any of the nine Service members; or 3) the testing could be inconclusive. Testing will continue sequentially until all possibilities are exhausted.

As Secretary Cohen said on May 14th at the Tomb of the Unknown: "We disturb this hallowed ground with profound reluctance. And we take this step only because of our abiding commitment to account for every warrior who fought and died to preserve the freedoms that we cherish.

If advances in technology can ease the lingering anguish of even one family, then our path is clear. And so we yield today to the promise of science with the hope that the heavy burden of doubt may be lifted from a family's heart."

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May 21, 1998

Honorable Jack Quinn
Chairman
Subcommittee on Benefits
Committee on Veterans Affairs
US House of Representatives
335 CHOB
Washington, DC 20515

Dear Chairman Quinn:

The American Legion is happy to respond to your follow-up question regarding the April 29, 1998, hearing on the National Cemetery System.

1: About 14 National Cemeteries are projected to close by the year 2008. Would the Legion support closure of some of these facilities as part of a plan to provide resources for a continued national cemetery construction program?

Answer

The fact that 14 national cemeteries will close by 2008, makes the availability of additional veterans' burial options crucial. The American Legion sees no benefit to supporting the closure of these 14 sites. They will close regardless of the views of the Legion.

Therefore, there is no justifiable linkage regarding supporting the closure of the 14 national cemeteries and future national cemetery construction.

The American Legion testified on April 29, as we have on many previous occasions, that it is the responsibility of the federal government to provide accessible burial space to veterans and their eligible dependents.

This can be accomplished through national cemeteries, state veterans' cemeteries, or in private cemeteries. No veteran nor dependent should be unable to utilize their burial benefit due to the unavailability of an accessible burial site. If 14 current national cemeteries close by 2008, leaving 49 open national cemeteries (1), that is all the more reason to develop a long-range burial strategy beyond the current five-year planning cycle.

The peak years for World War II veterans deaths are the years among 1995 and 2010. However, Korean and Vietnam War veterans will soon thereafter replace WWII veterans as the "aging veteran population." Therefore, The American Legion believes that VA must develop a coherent strategy to provide realistic burial options for all eligible veterans and dependents.

Unfortunately, recent actions by Congress to eliminate burial and plot allowances to all eligible veterans have severely reduced veterans' burial options. Because funding for these benefits is included in 'mandatory spending' as opposed to 'discretionary spending' accounts, VA will have to obtain more construction funding and operations and maintenance funding to offset the reduced burial options.

The American Legion will be glad to work with the Subcommittee, and with VA, to develop an effective strategy to meet the future burial needs of America's veterans and eligible dependents.

Sincerely,

John Vitikacs
Assistant Director
National Veterans Affairs and
Rehabilitation Commission

(1) Includes all planned national cemeteries through the year 2000.

GAO

United States
General Accounting Office
Washington, D.C. 20548

Health, Education, and
Human Services Division

June 9, 1998

The Honorable Jack Quinn
Chairman
Subcommittee on Benefits
Committee on Veterans' Affairs
House of Representatives

Subject: National Cemetery System: Plans for Addressing Projected Increases in Veterans' Burials

Dear Mr. Chairman:

The enclosed information responds to your follow-up questions concerning our testimony before the Subcommittee on April 29, 1998, on the National Cemetery System's (NCS) plans to accommodate the increasing demand for burial benefits.

If you have any questions or would like to discuss this information further, please contact me at (202) 512-7101.

Sincerely yours,

Stephen P. Backhus
Director, Veterans' Affairs and
Military Health Care Issues

Enclosure

ENCLOSURE ENCLOSURE

SUPPLEMENTAL INFORMATION ON NCS PLANS

This enclosure details your questions and our responses, which supplement information in our testimony before your Subcommittee, National Cemetery System: Plans for Addressing Projected Increases in Veterans' Burials (GAO/T-HEHS-98-157, April 29, 1998).

1. In the GAO statement you mention a "single acre" analysis. Would you provide some examples of how that could be applied to the rapidly decreasing number of open national cemeteries?

As annual interments increase, national cemeteries will reach their burial capacity, thus increasing the importance of making the most efficient use of available cemetery space. To identify feasible approaches to extending the service period of existing cemeteries, we analyzed the impact of adding burial sites to an acre of land in a cemetery nearing exhaustion of available casket grave sites. Our analysis of three interment options showed that the average burial cost would be the lowest and the service delivery period the longest using columbarium interment. For example, assuming the theoretical maximum yield of interment sites per acre of land, NCS could only accommodate about 870 veterans using casket sites and about 4,800 using in-ground cremains sites. However, by incorporating columbaria into a remaining acre of land, NCS could continue to provide an interment option to thousands of additional veterans (up to 87,000 depending on configuration of columbarium) who otherwise would have no interment option available to them.[1] Assuming an annual interment rate of 1,667 per year (based on NCS' newest cemetery near Seattle), the service delivery period could only be extended about 1/2 year using casket sites and about 3 years using in-ground cremains sites. However, columbarium could extend the service delivery period for over 52 years.

As noted in our April 1998 testimony, NCS concurred with the recommendation in our September 1997 report to identify opportunities to construct columbaria in existing cemeteries for the purpose of increasing burial capacity and extending cemeteries' service periods.[2] We did not attempt to identify specific national cemeteries where NCS should incorporate columbaria. However, columbaria would be particularly useful in metropolitan areas where interment rates are high; past or projected cremation demand is significant; land is scarce, expensive or both; and no state veterans' cemetery exists to compensate for the lack of available national cemetery grave sites.

2. Please expand on your statement that few of the states with large veteran populations have expressed interest in the enhanced State Cemetery Grant Program.

As noted in our testimony, one of NCS' three strategies for meeting veterans' future burial demand involves encouraging states to provide additional burial sites through participation in the State Cemetery Grants Program. Since the

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[1]These numbers are the mathematical maximum interment yield per acre of land. In reality, the actual yield per acre may be somewhat less depending on such factors as topography, slope, wetland areas, water tables, underlying rock, the positioning of roads, irrigation and utility lines, and landscaping buffer zones.

[2]National Cemetery System: Opportunities to Expand Cemeteries' Capacities (GAO/HEHS-97-192, Sept. 10, 1997).

program's inception in 1978, fewer than half of the states have established veterans' cemeteries, primarily because, according to NCS officials, states must provide up to half of the funds needed to establish, expand, or improve a cemetery as well as pay for all equipment and annual operating costs. To increase state participation, VA proposed legislation in its 1998 and 1999 budget submission to increase the federal share of construction costs from 50 to 100 percent and permit federal funding for up to 100 percent of initial equipment costs. However, according to the Director of the State Cemetery Grants Program, few states, especially those with large veteran populations -- such as Florida, Michigan New York, Ohio, Pennsylvania, and Texas -- would be swayed by the proposed legislation. In fact, the Director told us that state veterans' affairs officials said they would rather have funding for annual operating costs than for construction.[3] NCS officials also acknowledged that their ability to persuade states to participate in the program is limited, because states must take the initiative to request grant funds. Given states' reluctance to assume the burden of annual operating costs in perpetuity, it is unclear the extent to which NCS can depend on states to establish state veterans' cemeteries.

3. Why are columbarium the most cost effective use of the last acre?

As noted in our testimony, our analysis of the costs of three interment options, based on the development of 1 remaining acre of land in a cemetery nearing its limit of available casket grave sites, showed that the average interment cost would be lowest using columbaria. For example, the average columbarium interment cost would be about $280, compared with about $345 for in-ground cremains burial and about $655 for casket burial.[4] This cost difference is primarily attributable to the lower operations and maintenance costs of columbarium. In addition to having the lowest average burial cost, our analysis also showed that the service delivery period would be extended the most using columbarium. This is attributable to the significantly greater interment yield per acre of columbarium. For example, the yield of interment sites per acre of land is about 87,000 for columbaria, compared with about 4,800 for in-ground cremains sites and about 870 for casket sites. Therefore, columbaria can more efficiently utilize limited cemetery land at a lower average burial cost than the other interment options and can also extend the service period of existing national cemeteries.

4. I am not advocating closing down small cemeteries or any particular cemetery, but should low activity cemeteries remain open, or NCS close some of them and use the resources elsewhere including additional new projects? Should NCS redistribute its resources? In 1996 there were 48 cemeteries with less than 100 interments.

Our review did not include an analysis of NCS resources, and therefore, we are unable to comment on the merits of resource redistribution. We believe, however, that any analyses relating to potential cemetery closures should be done on a cemetery by cemetery basis. That is, any proposal to close down a cemetery should not be based soley on the number of annual interments, but should also consider other factors, such as availability of other national or state veterans' cemetery to compensate for the closure, and operations and maintenance costs.

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[3]NCS officials told us the costs of state veterans' cemeteries range from about $125,000 to over $11 million, depending on size and location. NCS could not provide an estimate of the range of operating costs of state veterans' cemeteries.

[4]We adopted the same assumptions and used the same data (with minor modifications) for the "single acre analysis" as we used to determine the relative 30-year costs of three types of cemeteries with 50,000 burial sites, over a 30-year period. See appendix I and II of our report National Cemetery System: Opportunities to Expand Cemeteries' Capacities (GAO/HEHS-97-192, Sept. 10,1997) for a detailed discussion of our methodology.

Post Hearing Questions
Concerning the April 29, 1998 Hearing

for Mr. Roger R. Rapp
Acting Director, National Cemetery System
Department of Veterans Affairs

Submitted by Congressman Jack Quinn
Chairman, Subcommittee on Benefits
Committee on Veterans' Affairs
U.S. House of Representatives

Question 1: With cremation becoming increasingly popular, does each national cemetery have either a columbarium or a designated burial area for cremated remains?

Answer: Twenty-two national cemeteries are closed to all first interments (casketed and cremated remains). Many of the 22 are near national cemeteries with cremation space available. All of the remaining ninety-three VA national cemeteries have in-ground or columbarium space available for the burial of cremated remains. The National Cemetery System is also in the process of constructing four new national cemeteries in the areas of Chicago, Illinois; Dallas, Texas; Albany, New York; and Cleveland, Ohio. Each of these new cemeteries will provide veterans and their eligible family members with a choice of full casket burials or either an in-ground or columbarium burial for cremated remains.

Question 2: GAO has stated that NCS' strategic planning does not encompass the years in which the system will face its greatest demand. They also note that GPRA does not prohibit planning beyond the 5 year window. When does NCS intend to update the 1987 study and do you intend to extend your strategic planning?

Answer: In a report to Congress in 1987, with a subsequent update in 1994, NCS identified ten areas of the country most in need of a new national cemetery based on concentrations of the veteran population. The rankings in each report were not a priority listing, but depict veteran population. The ten locations listed in the 1994 update are: (1) Chicago, Illinois; (2) Detroit, Michigan; (3) Cleveland, Ohio; (4) Dallas/Ft. Worth, Texas; (5) Sacramento, California; (6) Miami, Florida; (7) Atlanta, Georgia; (8) Seattle, Washington; (9) St. Louis, Missouri; and (10) Albany, New York. It should be noted that in the original 1987 report, northern California was identified as an area most in need of a national cemetery, resulting in the opening of the San Joaquin Valley National Cemetery in 1992. In addition, Oklahoma City, Oklahoma and Pittsburgh, Pennsylvania were also identified in the original 1987 report, but due to changes in demographic data from the 1990 U.S. Census and in methodologies they did not appear in the 1994 report.

Of the areas listed in the two reports to Congress, the following new national cemetery projects have been completed, or are in process of being constructed. The Tahoma National Cemetery near Seattle, Washington was opened in September 1997. In addition, construction is in process for the establishment of new national cemeteries in the areas of Chicago, Illinois; Dallas, Texas; Albany, New York; and Cleveland, Ohio. NCS will continue to evaluate the need to establish new national cemeteries in the areas identified in the 1987 and 1994 studies in its strategic planning process.

NCS has always engaged in planning that fully accounts for long term changes in veteran demographics, including the projected increases in veteran mortality rates. This planning extends to the year 2030. However, NCS does not plan to extend its formal Strategic Plan beyond the 5-year budget and planning period currently used by the Department. Extending the formal strategic plan beyond the current 5-year budget cycle would, in effect, delink or sever the relationship the Department is trying to establish between its strategic goals and the consumption of budgetary resources necessary to achieve these goals. However, NCS will provide the Committee with additional data and information that supports its strategic planning processes as requested in a May 19, 1998, letter to the Secretary. We expect to meet the August 21, 1998, due date.

Question 3: NCS has proposed to enhance the State Cemetery Grant Program. When originally proposed, the Administration's position was that the state grant program would replace the national construction program. Is that still the case and is the Administration

committed to continuing construction of new national cemeteries and when can we expect to see new projects in the President's budget proposal?

Answer: The State Cemetery Grants Program (SCGP) is a complement, not a replacement, for the construction of new national cemeteries. As noted, NCS is in a period of unprecedented growth, with five new national cemeteries being activated before the end of this century. To achieve the strategic goals of assuring that all eligible veterans have reasonable access to a burial option and of providing burial options which are preferred by veterans, NCS also plans to expand existing national cemeteries where appropriate and to develop alternative burial options and innovative techniques that will maximize use of available burial space. By the end of FY 2002, NCS plans to complete construction at 26 locations to make additional gravesites or columbaria available for burials. The development and funding of any new initiatives, including the establishment of new national cemeteries will receive full consideration by the Administration after the new cemeteries now under construction are opened.

Question 4: How does NCS prioritize state cemetery grant projects?

Answer: Since the grant program's inception in 1978, VA has funded all applications meeting the necessary requirements to establish, expand or improve state veterans cemeteries. No state has ever been placed on a "waiting list" for funding. VA's prioritization criteria is formalized in the SCGP Program Guide (PG 40-1). In the PG 40-1, Part II, Section 7 lists six priorities. They are:

Priority I is a "prerequisite" in that it requires states to "have available adequate State financial support (matching funds) so the project can proceed upon approval of the grant."

Priority II is given to expansion projects needed to provide gravesites in order to continue operations at an open cemetery.

Priority III is "projects for locations identified by VA as optimal sites."

Priority IV is projects "from States which have not received VA grant assistance" for cemeteries.

Priority V is for improvement projects not involving gravesites necessary to keep a cemetery open.

Priority VI is those projects which are "determined to have a greater need" than other States.

Question 5: Is there some concern that under the proposed new funding formula, states may apply for grants with the intention of turning the cemetery over to NCS?

Answer: In VA's dealings with state officials, it is clear that states know that under the law they will be responsible for the future operation and maintenance of a state veterans cemetery funded through the SCGP. Based on this understanding, approval of the new funding formula would in no way lead to efforts to turn state cemeteries over to NCS. Contacts with veterans, including groups such as the American Legion Cemetery Committee, also indicate that turning state cemeteries over to NCS is not an issue.

Question 6: Under the new formula, how would a state show a commitment to operate a veterans cemetery if there is no up front buy-in as currently required.

Answer: The state would be responsible for providing the land for the cemetery. Since the inception of the grants program, states have always dedicated land that was donated, transferred or already owned specifically for a state veterans cemetery. The dedication of state-owned land would demonstrate the state's commitment to the project.

Currently, VA awards the grant at the time the state is prepared to award a construction contract. Thus, a state must pay all design and planning costs incurred prior to award of a construction contract before they receive reimbursement from VA. Under current law, the state receives reimbursement of 50 percent of these costs. With approval of the new funding formula proposed by VA, they would receive 100 percent, but they would still have to fund the costs that become due prior to an award of the grant. In addition, states must submit OMB Form 424D ("Assurances – Construction Programs") with their applications. A state official, such as the state director of veterans affairs, must assure that he or she: "Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds

sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application."

It is likely that the state's public announcement of their intent to build and operate a state veterans cemetery is the most effective manifestation of a state's commitment. Veterans and service organizations view such announcements as a commitment to help meet the burial needs of those who served.

Question 7: Are states allowed to place residency restrictions on eligibility for burial in cemeteries built or expanded under the state grant program?

Answer: Yes. States may impose eligibility criteria that are more restrictive than VA criteria, including residency requirements. Most states that have established, expanded or improved State veterans cemeteries have chosen to impose residency requirements. However, several western states have not imposed state residency requirements.

Question 8: During staff briefings, NCS indicated a desire to pursue an imaging system as part of its computer modernization program. Has NCS contacted the VA Education Service regarding this initiative?

Answer: Yes, NCS has spoken with Education Service staff regarding their experience with scanning. Education Service has furnished its users' guide and technical specifications for their system as well as agreeing to share the results of their comprehensive post-implementation analysis with NCS officials. We hope to learn much from this analysis and the experience of our VBA colleagues.

Chairman Quinn to American Battle Monuments Commission

Question: What is the biggest challenge facing ABMC?

Answer: The ABMC is facing two major challenges. The first is the continuing maintenance of aging facilities. Our cemetery memorials range in age from 50 to 80 years old with Mexico City being over 100 years old. The permanent structures and plantings which make our facilities among the most beautiful memorials in the world are aging and require increased funding to maintain them at the current standards. Our maintenance and engineering budget currently represents 36% of our total budget. In addition, the U.S. State Department is responsible for negotiating with foreign governments for the pay and benefits of United States foreign national employees. We are required to follow the agreements reached with the State Department and pay our foreign national employees the specified rates. These costs have been steadily increasing. Thus, our first challenge is the increasing maintenance requirements coupled with the increasing salaries of our foreign national employees while having essentially a straight line budget.

The second major challenge facing ABMC is the World War II memorial. We now have a revised design and our preliminary coordination indicates that this design will be favorably received by the approving Commissions in Washington. The challenge will then remain to finish raising the $100 million to begin construction.

Question: Have you taken custody of any private memorials since we changed the law last year?

Answer: Since the legislation was enacted, we have established our internal operating procedures, including financial controls, and finalized our instructions to potential participants. We have recently sent guidance to three interested participants, the 30th Infantry Division of World War II, the 26th Infantry Division (the famed Yankee Division), and the National Guard Association. We are awaiting their response at this point in time. In addition, we believe that there are potentially 5 to 10 viable associations which will be interested in participating in this program. We have been working to identify these groups and will be sending information to them as well.

ISBN 0-16-057540-0

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