TO RECEIVE THE REPORT OF THE CONGRESSIONAL COMMISSION ON SERVICEMEMBERS AND VETERANS TRANSITION ASSISTANCE

HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS

HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

FEBRUARY 23, 1999

Printed for the use of the Committee on Veterans' Affairs

Serial No. 106–2

U.S. GOVERNMENT PRINTING OFFICE

56–375CC WASHINGTON : 1999

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-059585-1

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

COMMITTEE ON VETERANS' AFFAIRS

BOB STUMP, Arizona, *Chairman*

CHRISTOPHER H. SMITH, New Jersey
MICHAEL BILIRAKIS, Florida
FLOYD SPENCE, South Carolina
TERRY EVERETT, Alabama
STEVE BUYER, Indiana
JACK QUINN, New York
CLIFF STEARNS, Florida
JERRY MORAN, Kansas
J.D. HAYWORTH, Arizona
HELEN CHENOWETH, Idaho
RAY LAHOOD, Illinois
JAMES V. HANSEN, Utah
HOWARD P. (BUCK) McKEON, California
JIM GIBBONS, Nevada
MICHAEL K. SIMPSON, Idaho

LANE EVANS, Illinois
BOB FILNER, California
LUIS V. GUTIERREZ, Illinois
CORRINE BROWN, Florida
MICHAEL F. DOYLE, Pennsylvania
COLLIN C. PETERSON, Minnesota
JULIA CARSON, Indiana
SILVESTRE REYES, Texas
VIC SNYDER, Arkansas
CIRO D. RODRIGUEZ, Texas
RONNIE SHOWS, Mississippi
SHELLEY BERKLEY, Nevada

CARL D. COMMENATOR, *Chief Counsel and Staff Director*

CONTENTS

OPENING STATEMENTS

	Page
Chairman Stump	1
Prepared statement of Chairman Stump	26
Hon. Lane Evans	23
Prepared statement of Congressman Evans	32
Hon. Vic Snyder	9
Hon. Michael Bilirakis	11
Prepared statement of Congressman Bilirakis	33
Hon. Silvestre Reyes	12
Hon. Michael K. Simpson	13
Hon. Ciro D. Rodriguez	14
Hon. Stephen E. Buyer	15
Hon. Bob Filner	17
Hon. Shelley Berkley	18
Hon. Ronnie Shows	20
Hon. Jim Gibbons	20
Hon. Corrine Brown	22
Hon. Luis V. Gutierrez	35

WITNESSES

Dole, Bob, a Former United States Senator from the State of Kansas, and Chairman, National Commission of World War II Memorial	5
Prepared statement of Mr. Dole	40
Principi, Anthony J., Chairman, Congressional Commission on Servicemembers and Veterans' Transition Assistance; accompanied by Kim Wincup, Vice Chairman	2
Prepared statement of Mr. Principi	36

MATERIAL SUBMITTED FOR THE RECORD

Written committee questions and their responses:	
Congressman Evans to Anthony J. Principi, Chairman, Congressional Commission on Servicemembers and Veterans Transition Assistance	43

TO RECEIVE THE REPORT OF THE CONGRESSIONAL COMMISSION ON SERVICEMEMBERS AND VETERANS TRANSITION ASSISTANCE

TUESDAY, FEBRUARY 23, 1999

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

The committee met, pursuant to notice, at 11:04 a.m., in room 334, Cannon House Office Building, Hon. Bob Stump (chairman of the committee) presiding.

Present: Representatives Stump, Bilirakis, Buyer, Hayworth, Chenoweth, Hansen, McKeon, Gibbons, Simpson, Evans, Filner, Brown, Peterson, Reyes, Snyder, Rodriguez, Berkley, and Shows.

OPENING STATEMENT OF CHAIRMAN STUMP

The CHAIRMAN (presiding). The meeting will please come to order.

Mr. Evans apparently missed his flight, so we are going to continue on. Hopefully, some of the Democrats will be here in a few minutes.

Today we are meeting to hear testimony from a Congressional Commission on Servicemembers and Veterans Transition Assistance. Congress established this Commission in October, 1996 to make recommendations regarding the Veterans Transition Programs. The Commission was also asked to make recommendations regarding the feasibility of consolidating the administration of some of these programs. The Commission's report makes over 100 recommendations in the area of education, employment and training, healthcare, economic equity, and organizational structure.

The Commission was composed of members with excellent credentials, who took their task seriously and worked very diligently. This committee is very grateful for all the Commission's work.

First, we are going to hear from Mr. Tony Principi, the Chairman of the Commission. Mr. Principi is a Vietnam veteran who has a long history of distinguished service to those who have worn the military uniform, most prominently as Deputy Secretary of Veterans Affairs. Accompanying Mr. Principi is Mr. Kim Wincup, the Commission's Vice Chairman, who formerly served as Staff Director of the House Armed Services Committee and as the Assistant Secretary of the Army for Manpower and the Reserves.

Following Mr. Principi's statement, the committee will hear from Senator Bob Dole, who introduced this legislation back in the 104th

Congress. Senator Dole should arrive about 11:15 a.m. Members should be aware that, after Mr. Principi's statement, if Senator Dole has arrived, we will welcome him and let him make his statement before we get into questions; he is on a very tight schedule—if that is satisfactory to you, Tony.

Mr. PRINCIPI. Yes.

The CHAIRMAN. Mr. Evans is not here. Would anyone on the Democrats' side like to make a statement before we proceed?

[No response.]

All right, Tony, a very special welcome to you and Mr. Wincup. And, you are recognized to proceed in any way you see fit. Mr. Principi.

STATEMENT OF ANTHONY J. PRINCIPI, CHAIRMAN, CONGRESSIONAL COMMISSION ON SERVICEMEMBERS AND VETERANS TRANSITION ASSISTANCE; ACCOMPANIED BY KIM WINCUP, VICE CHAIRMAN

STATEMENT OF ANTHONY J. PRINCIPI

Mr. PRINCIPI. Thank you, Mr. Chairman and members of the committee for inviting Vice Chairman Wincup, and Commissioners, who are with us this morning, to testify.

The CHAIRMAN. Tony, let me interrupt you just a second. Would you pull the microphone just a little closer, please? Thank you.

Mr. PRINCIPI. Certainly, Thank you.

The CHAIRMAN. The acoustics are not very good in here.

Mr. PRINCIPI. I feel that it is particularly significant that we come before you in this room because it was in this room that Commissioners first gathered as a group almost 2 years ago. It was in this room that we were urged to be bold and to take our mandate broadly. I believe we responded well to that challenge.

The departments can take pride in some of the Commission's findings about the programs entrusted to them. The report also contains criticisms in some areas that I suspect they would rather not see the light of day. There are proposals that veterans and military service organizations will praise; there are proposals they will oppose. Some of our recommendations will increase efficiency and save money; other recommendations will cost money. We have called the balls and strikes as we have seen them, and I believe we have presented you with a balanced report.

Each of the 12 Commissioners were appointed by a member of the leadership of either the Veterans' Affairs or the Armed Services Committees of the House and the Senate. I believe that each of us appreciate your confidence in our ability and judgment. I know that each of us stands in awe of the importance of the mission you entrusted to us. You and your colleagues selected a diverse group of 12 Commissioners; some were generals, some were privates, some had experience on Legislative staffs, some at high levels in the Executive branch; some are Democrats; some are Republicans; some made their careers in business, some in public service, some in the non-profit sector.

But all of us place a very high value on the men and women who wear the uniform of our Nation's Armed Forces. All of us know that our Nation can not guarantee a successful outcome for every

servicemember and veteran's life. But each of us believes strongly that our Nation must stand by our servicemembers as they exchange their military uniforms for the civilian clothes of a veteran, just as those servicemembers stood up for us when they took their oaths of enlistment and exchanged their civilian clothes for the uniform of a recruit.

All of us brought strongly-held, and sometimes divergent, views to our deliberations, as well as the ability to strongly articulate those views. I am particularly pleased that Commissioners focused on those views that unite us, rather than on the disagreements that could have divided us. The result is a consensus report to the Congress that you receive without dissent.

Our 213-page report makes over 100 recommendations addressing 31 separate issues, probably the most extensive review of veterans benefits programs and services since the Omar Bradley Commission of 1956. Obviously, I will not be able to address each recommendation in the brief time allotted for oral statements. I would ask that the text of the report be made a part of the record of this hearing

That hearing record, combined with the language of H.R. 606, graciously introduced as a "by request" bill by Chairman Stump and Ranking Member Evans, will then become the basis for discussion and deliberation of the issues we raise in our report.

The Commission's goal is to empower individual servicemembers to craft their own solutions to the challenges they will face in their civilian lives. A suitable job is the foundation upon which every servicemember will build that civilian life. The Commission found that the programs administered by the Department of Labor's Veterans' Employment and Training Service are not effective in placing veterans in suitable jobs. Those programs must be completely overhauled.

The Commission does not believe that recently-separated veterans, who by definition are mature, disciplined, drug-free, teamwork-oriented individuals, should have a higher unemployment rates than non-veterans the same age. But that is what we found.

The Commission does not believe that a successful grant program that places fewer than 10 percent of the veterans who come to them seeking jobs, or have overhead costs exceeding 30 percent of the grant, are effective. But we found that such programs do, in fact, exist and meet Department of Labor performance standards. The employment programs administered by the Department of Labor must be restructured and overhauled.

The Commission believes that employment is the door to a successful transition, but that education is the key to that door. We found that the costs of post-secondary education have simply outpaced the ability of veterans to pay for them. As a result, fewer than 50 percent of the veterans who gave up $1,200 to establish entitlement to the great Montgomery GI Bill are able to utilize the benefit they have earned. What the Commission recommends is a GI Bill that empowers every veteran to achieve the best education for which he or she qualifies. Our recommendation will achieve three goals.

First, it will assist our veterans to readjust by giving them the means—to steal a slogan from the Army—to "be all that they can

be." Once again, military service can serve as a vehicle for upward mobility for all—and I emphasize "all"—of America's young men and women, especially those from disadvantaged backgrounds who can't count on family money or connections for access to the education that will be a prerequisite for success in the next century. The men and women who chose to serve our country, and who commit 4 or more years of their lives and risk their lives for our defense, will earn that benefit.

Secondly, such a bill will give veterans the means to qualify for entry into the leadership ranks of our political, commercial, labor, academic, and communications institutions. This will ensure that discussions about deployment or use of military force will include the voices of leaders who know what those decisions will mean to the men and women who will have to implement them.

Third, we believe that a GI Bill promising the best education for which they qualify will make military service more attractive for the young men and women our services must recruit if our Armed Forces are to fully fulfill the important missions entrusted to them by our national leadership.

Since the earliest days of our Republic, veterans' benefits have served as incentives for military recruiting. During the Revolution, George Washington offered pensions and grants of land—benefits of great value in an agricultural age. Today, in the information age, higher education can offer both an incentive to military service and the means to lead a successful post-service life.

The Commission also found that men and women leaving the service are concerned about healthcare coverage. Commission recommendations address these concerns. But, in the end, healthcare for servicemembers and veterans will be provided by the healthcare systems of the Departments of Defense and Veterans Affairs.

The Commission is very concerned for the future of these uniquely valuable healthcare systems. Frankly, the two departments do not have the resources they need to fulfill their obligations to the American people, or to fulfill the obligation of the American people to the men and women now standing on the ramparts of freedom.

The Commission believes that these healthcare systems will fail both the American people, and the men and women who defend our liberty, if they are unable to better utilize the limited resources available to them.

Commission recommendations for business practice improvements, such as in information management and in the acquisition of pharmaceuticals, medical and surgical supplies, and very expensive equipment, will help the systems operate much more efficiently. Recommendations to increase both the depth and breadth of the partnership between the departments will help them create synergistic increases in efficiency by better coordinating the use of each department's resources.

In summary, Mr. Chairman, the Commission believes that the American people, and the men and women who defend their freedom, face a good news/bad news situation. The bad news is that many of the benefits and programs created to ease active-duty servicemembers' transition to civilian life, have been overcome by events and are no longer as effective as I believe the American peo-

ple expect. The good news for the committee is that these programs can be improved and fixed.

I commend you for your insight in creating our Commission. I am grateful to you, along with all the members of the committee, for your support during our deliberations. I applaud you for scheduling this hearing, and I certainly appreciate the opportunity, along with Vice Chairman Wincup, to discuss our findings and recommendations.

Commissioners can testify to the energy and commitment expended to create this report, but we know that delivery of the report to Congress was a beginning, not an end. We stand ready to assist you in your deliberations in any way we can. Thank you for this opportunity.

[The prepared statement of Mr. Principi appears on p. 36.]

The CHAIRMAN. Thank you, Tony and Kim. And, I will acknowledge the other Commission members that are present.

Senator Dole has arrived. Tony, if you would allow him to come up—he is on a very tight schedule—and make his presentation. Then we will get back to the questions of you and the other members.

It is an honor to have with us today former Senator Bob Dole. Senator Dole served in this House from 1961 to 1969 before moving on to the United States Senate. It is also fitting that Senator Dole appear before this committee, given that two generations ago, our predecessors on the Veterans' Affairs Committee formulated both the Disabled Veterans' Rehabilitation Act of 1943 and the Servicemembers Readjustment Act of 1944, popularly known as the "GI Bill of Rights." Following a 3-year convalescence from grave wounds sustained in the allied liberation of Northern Italy, Senator Dole successfully returned to civilian life with the help of both of these World War II veterans programs.

In a career in public service that stretches from World War II through the close of this century, Senator Dole now serves as Chairman of the National Commission on the World War II Memorial.

Senator Dole, we welcome you and thank you for your service and you may proceed in any way you see fit.

STATEMENT OF BOB DOLE, A FORMER UNITED STATES SENATOR FROM THE STATE OF KANSAS, and CHAIRMAN, NATIONAL COMMISSION OF WORLD WAR II MEMORIAL

Mr. DOLE. Well, I would ask that my entire statement be made a part of the record.

The CHAIRMAN. Certainly will.

Mr. DOLE. And, I am very honored to be here with all the members of the committee, both sides of the aisle, that this is a nonpartisan area, of course—or bipartisan area, I guess is a better way to say it. I want to thank the Chairman and the Vice Chairman for their diligence. I tried to read the booklet—I don't understand it all—but that is not necessary anymore since I am not in Congress. (Laughter.)

But, let me say, first of all, Mr. Chairman. that as a World War II veteran, I appreciate your mentioning the World War II memorial. It is something that I volunteered to do to raise $100 million

because we don't have a World War II memorial in Washington, DC and it was discovered, I guess, in a letter a World War II veteran wrote to Marcy Kaptur about 10 years ago. Following that letter, and an authorization by Congress, we now have a site dedicated by President Clinton in 1995. We have now worked out the design. So I think it satisfies most everyone.

Some would say, well, why don't you come to Congress and get the money? We don't want to come to Congress. We want you to use that $100 million for veterans and we will try to raise the money in the private sector. And, we have raised about $42 to $50 million. We are about halfway there. So, if you have any rich friends or anybody who would like to remember the World War II veterans, it was a defining moment in history. I doubt if we would be sitting here today in a free country, in a free committee, speaking about veterans' benefits, had we not prevailed in World War II. Brokaw may have been right in saying it was the greatest generation; I am not certain, but it was a good generation and they understood honor, duty, country, liberty, freedom, and all those things.

Which leads me to believe that the reason I am here is because I did introduce legislation to establish a commission to take a look at benefits. Fortunately, I left Congress in June 1996, and therefore, the bill passed in October 1996. Probably, had I stayed here, it may have been derailed somewhere along the line.

But, then to the efforts of Tony, and the Vice Chairman, and others, the Commission members, they have spent a great deal of time figuring out what we need to do. Obviously, in any commission report, there is some who may object to certain areas and some who may applaud certain areas. Of course, that would be the job of the committee, to sort of go through the report and have the staff go through the report, and listen to the pros and cons.

But, the bottom line is—I think I walked in when they were discussing education—and I think I am living proof of what the GI Bill meant to those of us in World War II. When we came from poor families, in many cases, we never would have had the opportunity to go to school, to go to college. Because I had a disability, I had a 4-year benefit: I had a left-handed typewriter; I had a recording machine I took to class. I took the best notes in law school. I was very popular at exam time—(Laughter.)—because I could play back what the professor said 2 months or 3 months before

So, no doubt about it, that one bill probably changed not only America, but changed the world for the better. Education is important, whether it is preschool or kindergarten or grades one through eight, or when you leave the service, maybe not having had that opportunity for an education. Obviously, that is the strongest point, I think, in the report. I am certain that everybody here understands the importance of education.

We do have an obligation. When some young man or young woman in any of your districts or any of your States joins the Armed Forces, whatever branch they may chose, they take an oath to support our country and they are prepared to do that. In some cases they are in some conflict that they didn't cause, but they are willing to risk their lives for America and for the things we stand for

There is a debate going on right now about ground forces in Kosovo and I happen to support that effort, but it seems to me that there are going to be about 4,000 Americans that, again, are going to take that silent oath that they are going there because of their duty to America and their obligation. They are going to perhaps risk their lives.

Having said that, obviously, when you leave the service, there is that transition back to civilian life. That is where I think our government comes in. No question about it, we have been more generous to our veterans than any country that I know of. It has been a great benefit to veterans all over America. We have about 25 million veterans now in the United States—25 million. We have about 6.5 million World War II vets left. We are losing World War II veterans at about 32,000 a month. That is why we would like to get this memorial up before the only one left is Strom Thurmond—(Laughter.)—because he is going to be here, I am sure of that. But, I want to be here, too. So, I want to try to get that done.

I think you have probably gotten into some of the details and I will just sort of skip around here. You know, we have had veterans, maybe as Tony has indicated, and as you all know anyway, being the Veterans' Committee, since the first shot was fired for independence—that is when this all started. We have had veterans of conflicts and veterans of wars and battles that have shaped our Nation, and in some cases, shaped our world. No question about it, World War II was one of those events, and the Gulf Crisis, and Vietnam, and all the different conflicts we have had.

I think we have a right to demand dedication and devotion from our veterans. At the same time the veterans deserve—they don't demand—they have the right to expect, an equal measure of gratitude and devotion from their country, certain benefits, particularly if they have disability, if they are service-connected, and there are all kinds of things there.

So, the legislation was simply to have the Commission. The Commission has done its work, and thanks to members of this body for supporting that effort.

As I have said, I am thankful, as a World War II veteran, that we had the GI Bill of Rights. I remember getting a letter from Arthur Caper, who was from a Kansas center at the time, offering to help me in any way that he could, and he did. So, I know what impact members can have on young veterans who don't know much about politics and certainly don't belong to any political party.

You will hear in greater detail, but I would just highlight, again, what the Commission's mission was. There are really five areas. The experts here can touch on all those areas and already have. They are: employment, empowerment, education and training, and healthcare. Also, again, there is some organizational change. Maybe these don't seem very dramatic, but they are very important. I think even the provision where you can transfer your educational benefits to a member of your family—that is one of the recommendations which has potentially great benefits

It is not complicated; it is just about doing the right thing. It is about giving those who protect us, and are willing to protect us and our way of life, a running start when they get out and go through this transition period.

Also, we are at a time now, as we all know, that we are have having trouble filling all the slots in the Armed Services. This, to me, would be an incentive for someone to join the Army, or stay in the Air Force, or do something else, if they know when they leave there are going to be real benefits that will help them and members of their family, and help them progress from the mainstream of America with a better education and better opportunities—better, as Tony just outlined—better programs at the Labor Department.

So, I would just recommend to this committee, as well as the members of the Armed Forces Committee—I have had an opportunity to visit with my Senate friends to appear before the committee there—it seems to me that we are on the right track. This is certainly a matter of priority. It has been given a matter of priority by the chairman and other members of the committee

I would just say that if we are going to keep up with all these young men and women who go out there and protect and defend us, then we have to change the status quo. I think, there are 100 different areas covered—is that right?—in the report—100 different areas. Some may be good, some may be not so good, maybe even be one or two that people will not agree with. But I know that the committee will carefully consider the Commission's recommendations, as you get into this.

I will just simply thank you, again, for giving me the opportunity to appear on behalf of all veterans in the United States, and to say that we appreciate the generosity of the Congresses in the years past. We believe the programs have been very helpful in nearly every case. Maybe some need be renewed, as any Federal program should be renewed from time to time, but it has meant a great deal to our veterans, and I think they appreciate the fact that Congress has always recognized their service and has always tried to come up with benefits commensurate to their service. For that, they are very grateful. I thank you very much.

[The prepared statement of Mr. Dole appears on p. 40.]

The CHAIRMAN. Senator, thank you very much. Thank you for having the insight to conceive this idea and for introducing it on the Senate side. Thank you for being with us today and sharing your thoughts on what we ought to do. We will have more hearings, later on, I am sure, on the subcommittee level. I know you are on a very tight schedule——

Mr. DOLE. Well, I do a little Federal City work here, that I have a meeting at noon, but I am going to stay for a few minutes——

The CHAIRMAN. All right, sir.

Mr. DOLE (continuing). And listen to the experts here.

The CHAIRMAN. Tony, let me introduce those that are present who that served on the Commission, before we turn to questions then, if I may. Lieutenant General Ed Chavarrie, would you raise your hand; Lieutenant Colonel Renee Priore; Ron Drach from the DAV; Richard Johnson, NCOA; and Robert Stein, your Executive Director.

Gentlemen and ladies, we thank you for your hard work and all the time you have put this.

Now, we will turn to questions of Mr. Principi and Senator Dole, I believe, first, Doctor Snyder.

Mr. SNYDER. Thank you, Mr. Chairman. I refer to you as "Mr. Chairman" also.

When you all were defining the problem, as you saw it, with people who were discharged and going back into civilian life, is there a vulnerable period in terms of actual health, or physical, or death rate problems? If so, would you define that.

Mr. PRINCIPI. We certainly found, in talking to thousands of servicemembers around the world, many of whom were transitioning, that healthcare coverage was of great concern to them, primarily in that 4-to-6 month window when they are first discharged, keeping in mind now that the active force is compromised of—almost 60 percent are married, many single parents, many with children. The concern is that, before they get into that first job and get health care coverage, they are just very vulnerable.

So, one of the recommendations in the report is to allow them to stay enrolled in a DOD TRICARE program for a period of 18 months. The first 4 months, the DOD would pick up 90 percent of the premiums for single; 80 percent, married, and then they can elect to continue to stay in the program with the veteran now picking up the bulk of the premiums. But, this would provide them with some portability of healthcare coverage. We found that that was of great concern.

Of course, there is no greater obligation, no more pressing obligation, than the obligation that our Nation has to ensure that a servicemember who is injured or becomes ill while on active duty receives a smooth transition from a military treatment facility to a VA treatment facility, where time is of the essence in rehabilitation. We found some instances where the barriers between the two departments are so high that that transition is not seamless and is not a smooth handoff to the VA and, that the barriers to the cooperation between the two systems need to come down.

Mr. SNYDER. I recall when I was discharged 30 years ago, that—from Cherry Point, NC—we were all advised the day we were leaving that there is a vulnerable period and that you are at risk of dying over the next few months—probably because people, young kids go out and get drunk or something. I was going to drive to Chicago to save some money, and we had a little fender-bender in Richmond, VA, and I said, "Pull off at the next exit; I am heading to the airport," because I had learned my lesson.

But, anyway, I had wondered if that was still true.

I want to ask on the education benefit, the full tuition, which will mean one veteran will get $1,500 a year to go to a technical college in Arkansas, another one is going to get—I don't know—$22,000 a year to go someplace else, that is a different view of education benefits than we have had before. Would you discuss the philosophical change and discussions that you all think that means?

Mr. PRINCIPI. Well, as I indicated in my opening remarks, as Congressman Snyder and as Senator Dole mentioned, we believe that the World War II experience that allowed young servicemembers to make that decision and to choose the best education, with the only limitations being their abilities or their aspirations, was the right model for the 21st century. Again, the current program, which just pays a stipend each month of $500-and-

some-odd, is simply insufficient to allow young people to go to school, pay tuition fees, books, and to live. Again, with 60 percent of the force being married today, it becomes a virtual impossibility for many. Coupled with that, you have over 90 percent contributing $1,200 of their base pay as young recruits, when they are not making very much money, and less than 50 percent upon completion of their tour of duty, are actually going back to school. So, we felt that the servicemember should be the judge as to what education is best for him or her, but that the government had a responsibility to ensure that these people had the access to, and the means to obtain, the best post-secondary education American could provide.

Mr. SNYDER. So, the history of the education benefit is this is not creating a new philosophy; this is returning to the philosophy that Senator Dole took advantage of.

Mr. PRINCIPI. Precisely, sir.

Mr. SNYDER. Okay. Now that you have had this report out for public view for some time, is there any criticisms you have heard, any comments you have heard—Senator Dole, also—that you, retrospectively, would have said, "Yes, this is something we might have approached differently now that we have had the chance to have it betted publicly."

Mr. PRINCIPI. Well, from my perspective, there are provisions that representatives of veterans' service organizations might not support, that they may view as a tightening up of eligibility in some areas. But, overall, I believe the reaction has been very, very positive. Again, this is a beginning; this is a discussion, so that we can bring these programs into the 21st century. There was one misunderstanding with regard to the Persian Gulf War. We recommended in our report that the Persian Gulf War designation, for purposes of veterans' benefits, be terminated like the other wars in our country: World War I, II, Korea, and Vietnam, terminated for veterans' benefits purposes approximately a year to 2 years after the cessation of general hostilities, and the signing of the armistice. That has not happened in the Persian Gulf War.

The question was: individuals who are exposed to environmental hazards on the battlefield. Whether it is mustard gas, ionizing radiation, agent orange, or Persian Gulf illnesses, they should not be tied to a period of war. So, it was never the Commission's intent that any compensation or treatment for injuries or illnesses related to environmental hazards have any impact at all on the period of war.

Mr. SNYDER. Thank you all for your service and thank you, Mr. Chairman.

Mr. DOLE. Mr. Chairman, could I just make one comment?

The CHAIRMAN. Certainly, Senator.

Mr. DOLE. You know, this is not on the recommendation. It is just something that a lady from Topeka, Kansas wrote me about 2 years or 3 years ago. She had, I think, two or three sons who left the service and she had an idea that I thought made a lot of sense: that when a young man or young woman leaves the service, in addition to their discharge, they be given an American flag. Now, you are given the American flag at death. And, her point was that you give a young man or young woman an American flag; they have a family to display the American flag on the Fourth of July. It does

a lot for respect for the flag, and patriotism, and certainly that is very important to all Americans. It is very inexpensive. It is just a gesture that would come with your discharge, and I think most young men and women that leave the Army are very proud of the flag and proud of their country. It might be just some little way to move the country along in the right direction. You might just check it out.

The CHAIRMAN. Thank you, Senator. I am sure that some of the subcommittee chairmen on this committee will take that into consideration—probably be introducing some kind of legislation.

The gentleman from Florida, Mr. Bilirakis, is recognized.

OPENING STATEMENT OF HON. MICHAEL BILIRAKIS

Mr. BILIRAKIS. Thank you, Mr. Chairman. I have a very brief opening statement and by unanimous consent, be made part of the record.

The CHAIRMAN. Without objection.

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

Mr. BILIRAKIS. I want to welcome Senator Dole and Tony, you have served so very much. Both of you have served this country over the years in different ways, if you will, and maybe in similar ways in some respects.

Senator Dole talked about the greatest generation. Quite frankly, I happen to believe very strongly it was the greatest generation; it is the greatest generation. I am about three-quarters through Tom Brokaw's book right now, and I don't mind telling you, it has brought a lot of tears to my eyes. And, you guys are the greatest; you were the greatest.

Also, Senator, you talked about the generosity of the Congress over the years to our veterans. Well, I don't think there is any doubt that it is the veterans who were really the generous ones to us.

I know that this piece of legislation was offered by the chairman and by Mr. Evans by request. So much hard work was put in by the Commission. Nobody is expecting 100 percent of these recommendations to be followed. I mean, that is just not the real world. As you know, Senator, we have an awful lot of these organizations, like the Taxpayers' Union that grade us, not even on just the votes that we cast, but they grade us on the bills that we cosponsor. Of course, this is going to be a very expensive piece of legislation. It is going to take an awful lot of guts on the rest of us to cosponsor this bill, in order to make sure that we move forward with it, and, hopefully, mold and re-mold and come up with something that is going to be pretty darn similar to the Commission's recommendations.

It is important, I think, that members of the Veterans' Committee could take the lead in that regard, in spite of the fact that we are going to be knocked down in terms of big spenders by the Taxpayers' Union and some of those groups. Mr. Chairman, we have got to do something like this.

The Senator also mentioned about a shortage of the military these days. The Navy, this year, as I understand it, is 18,000 sailors short and 1,400 recruits; and the Air Force is 1,700 pilots short

for just this year and will be 1,300 by the year 2000. So, if we don't do something to help these good people, it is going to affect national defense, a strong national defense that we are all very interested in.

I have no questions. We have looked over the report, certainly nowhere near as well as we are going to, Tony and Senator, but I do want to thank you for all of your hard work. But, it is going to go to naught if we don't proceed forward with these recommendations. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mike.

The gentleman from Texas, Mr. Reyes.

OPENING STATEMENT OF HON. SILVESTRE REYES

Mr. REYES. Thank you, Mr. Chairman. I want to thank both of you gentleman, as well as the rest of the Commission, for the great job that you have done in outlining this. Senator Dole, I have been a long time admirer. You are part of the greatest generation and we really respect your values, what you stand for. As a veteran, I really want to thank you for your job, not only in the Senate, but in military service to this country.

I want to couch my comments in the context of what some of these recommendations will do for our veterans. Part of what I think we, as a Nation, should be about is to be there for veterans when they need us—after they have been there when this country has needed them. I say that because my father in-law, who was a veteran of World War II as well, and he stands all of, I think, 5 foot 3 inches, and he was in the Battle of the Bulge. He just came to live with my wife and I because of a number of factors, one of them being health. I can't help but feel a great sense of pride in the fact that he still considers service to this country probably the epitome of his accomplishments in his lifetime.

With that in mind, I represent a district that has about 60,000 veterans. One of the things that I hear continuously is that veterans today don't feel they have been done right in terms of benefits, in terms of medical care, and all of the issues associated with education.

Like you, Senator Dole, I think I am a product of the GI Bill. I served from 1966-1968, 13 months in Vietnam, and, actually, I was able to get a Federal job because, at the time that we were discharged, we were able to take all the Federal tests that were available, regardless of whether they were open or closed. So, I spent the next 26½ years of my life in the Federal law enforcement service in the Border Control, something that would not have been possible because that register was closed, except to veterans

So, I applaud the many different recommendations that your Commission has made, and one of the things that I think is significant here is that, for the first time, we have got one comprehensive document that really addresses all of the factors. When Senator Dole mentioned that these included employment, empowerment, education and training, healthcare, and an organizational change—these are really, I think, the core of the basic issues that we, as Members of Congress, have to address in order to provide these kinds of benefits to our veterans.

I think if we focus, over the course of this 106th Congress, Mr. Chairman, on having hearings in these specific areas so that we do right by our veterans, I think we will be a better Nation for this.

One of the things that—and I really don't have a question except to make a comment—Mr. Chairman, in terms of how you couch the good news/bad news, the bad news, as you mentioned, is that benefits are no longer effective. If we are going to be able to address the kinds of issues that are so important to our military today, the shortfalls in all of the branches of service that we have, we are going to have to address benefits. When you mention that the good news was that they can be improved and fixed, I see that as our role as Members of Congress. There are only, I think, about 30 percent of the Congress that serve today that are actually veterans. So, sometimes it is a tough sale.

This is a very bipartisan committee and this is a very good environment to work for the benefit of our veterans without regards to party affiliation. So, I am very proud to serve on the Veterans' Committee. I also serve on the Armed Services Committee, which is also very bipartisan.

But, I think that you have clearly set out a very effective road map for us with your report and with your recommendations and now the ball is in our court. I hope, Mr. Chairman, that we are able to do as effective a job in following up on their recommendations as they were in framing them for us. So, I appreciate the opportunity to make those comments. Thank you.

The CHAIRMAN. Thank you, sir.

The gentleman from Idaho, Mr. Simpson, is recognized.

OPENING STATEMENT OF HON. MICHAEL K. SIMPSON

Mr. SIMPSON. Well, Mr. Chairman, thank you. I would like to thank the Commission and, you, Senator Dole, for your work on this. I am one of those individuals—I guess the 70 percent that Mr. Reyes said—who is not a veteran. But, I was very pleased to be able to serve on this committee. I wasn't a veteran for no cause of my own other than, when I went to go into the military, they wouldn't take me because my back was too bad. They didn't want to take care of me the rest of my life.

I firmly believe that we have to keep our commitments to our veterans. As Senator Dole said, the reason we are here today and the reason we can sit here today and agree and disagree about a variety of issues, is because of the sacrifices our veterans have made over the years since the beginning of this country. So, I am very pleased to both serve on this committee and, as you know, we get an awful lot of reading material in Congress—more than you could possibly read—but, I can tell you, this is one report that I will personally sit down and read the recommendations on, and obviously, I haven't had the opportunity to yet. But, I look forward to working with you and addressing many of the issues that are in here. Because, with the veterans that I have in my district, in my family, I want to make sure that we keep those commitments that we have made to our veterans. So, I thank you for the work you have done and I look forward to working with you on this.

Mr. PRINCIPI. Thank you, Mr. Simpson.

The CHAIRMAN. The gentleman from Texas, Mr. Rodriguez, is recognized.

OPENING STATEMENT OF HON. CIRO D. RODRIGUEZ

Mr. RODRIGUEZ. Thank you very much, Mr. Chairman.

Senator Dole, I think it is a pleasure to get a chance to see you. I had always just seen you on TV, so I have got to see you. (Laughter.)

I want to thank you and the Commission. I think you have gotten some real good recommendations, and I know a lot of us recognize importance of what the GI Bill did, and looking at additional resources in that area, there is no doubt there is an area that is of importance. I also just want to stress—I know I haven't had the chance to review it, but I know that, you know, everyone's American dream is also to be able to purchase their own home and the possibility of some assistance in that area for veterans. That has always been, I think, something that is real important.

Then, from the other perspective, the worse thing you can see is the number of homeless veterans that are out there. I am not sure if the proposal has anything in that area—and I haven't had a chance to look at it—but I don't know if you want to comment on that in terms of how we can enhance that capability, in terms of the homeless veterans.

I did see some areas where you did look at healthcare and how we might be able to improve that. I have some real good recommendations in that specific area.

One thing that I think we know a lot more information about—and I don't know if you specifically—I saw where you talked about additional counseling as they leave the military, but those veterans that specifically are engaged in some activity that causes, you know, post-dramatic stress disorders, I think there is a real need for us to really, kind of work on that issue with them before they are discharged and even after they are discharged. Because I think it is an area that has had a dramatic effect on a lot of our veterans, and we can kind of look at them.

I don't know if you want to make comments on those two areas. The last one—I hate to do that to someone when they are leaving—but given the opportunity to be able to be buried in the veterans' cemetery. I know this is about transitioning here, but I think that that is one of the areas, at least in my neck of the woods. I have a lot of counties and a lot of large region, with the exception of San Antonio, that doesn't have excess cemeteries for veterans. I was wondering if you made any recommendations in that area.

Mr. PRINCIPI. Yes, Mr. Rodriguez, with regards to your first two points, homeless veterans and post-traumatic stress disorder, we did in fact address that issue because we felt that it was an important transition issue, and servicemembers somehow fall through the cracks and are left behind. We have an awful lot of homeless veterans on the streets every night. I believe the number is around 300,000 on any given night in America, 300,000 homeless veterans.

So, we have a number of recommendations to increase the grant program to States, to nonprofit organizations that assist the homeless veterans. We recommend a $50 million increase in that program, changes in the way the programs are administered to make

it easier for State organizations and nonprofit organizations to get funding from the Government, from VA, from HUD.

We also have a recommendation dealing with urging VA to allocate more dollars to homeless housing programs and rehabilitation as the VA closes acute-care beds. Some of those beds are occupied by veterans, who will become homeless, that some of those dollars should be transferred into those housing programs for the homeless. The same with PTSD, counseling programs, we believe, need to be increased, and we have some language in the report on that issue as well.

We have some recommendations on the veterans' housing program. We do recommend that it be limited to one-time use. We believe that it should be a transition program, not a lifelong entitlement program. But, we also recommend that the Congress repeal the 2 percent funding fee that veterans or servicemembers are required to pay in order to get a VA home loan. That 2 percent, if it is financed, means the veteran is "upsidedown" the moment they buy that house; they owe 102 percent instead of 100 percent. We believe it is causing a number of defaults and foreclosures. So, we do recommend continuation of the VA home-loan program. We think it has been a successful program. It certainly has been changed since 1944 when the program was established.

Mr. RODRIGUEZ. I am just wondering if—and again, I recognize that it is a transitional program—was there anything that were mentioned in terms about adding additional cemeteries or resources?

Mr. PRINCIPI. I am sorry, Mr. Rodriguez, I forgot to answer that question.

Mr. RODRIGUEZ. No, that is okay.

Mr. PRINCIPI. We discussed the cemetery program, but felt it was not within our purview, as a transition program, so we did not have any formal recommendations on that.

Mr. RODRIGUEZ. But it is something like the flag that stays with you. Thank you. (Laughter.)

Mr. DOLE. Now, that is transition.

The CHAIRMAN. The gentlemen from Indiana, Mr. Buyer, is recognized.

OPENING STATEMENT OF HON. STEPHEN E. BUYER

Mr. BUYER. Thank you. I want to thank all of you for your work on this. I have not had the opportunity to review all this. I do want to comment on several, though, that I was looking at this issue on terminating the Gulf War for veterans benefit purposes—you have it titled that way; it is not really, when you read it. It is a very poor title. I think it is appropriate that you brought this up because we need to put a termination date on it. We have been hesitant to do that because it has been difficult for us to define what their problems are and how multifaceted the illnesses are, and so we are very hesitant.

And, plus, do you think it is over? I mean, we are continuously having to wack and thump Saddam Hussein upside the head and continuously send forces over there, but the multifaceted illnesses during the Gulf War we are not seeing a lot of problems from over there now. We immediately send a brigade over there and we bring

the brigade back. We don't have the health-related problems. So, it is appropriate that you brought this issue up, and I think that we will work together on it.

The other issue I did want to bring up, Senator Dole—are you getting ready to leave?

(Laughter.)

Mr. DOLE. That is all right.

Mr. BUYER. I am sorry. You were stretching weren't you?

Mr. DOLE. My daily exercise.

Mr. BUYER. I just have two things and then you are more than happy to hit the door.

One is, in your statement, you said that: "Let's permit the transfer of an education benefit to a family member." And, what a great recruiting tool that would be for the military. I just want you to know, I chair the Military Personnel Subcommittee here in the House. As a recruiting tool, it also becomes part of a problem that we create because we don't want people in the services just for the purpose of the education. I agree with the benefit, but isn't it interesting that the service that is not having a problem on recruiting and retention are the Marines, who use their advertising and recruit to the intangibles of duty, honor, courage, and commitment. Interesting. So, trying to get the services to recruit more towards the intangibles—we are getting the Navy to do that and you are seeing that on some of the advertising. But, I wanted to raise that to your attention.

Mr. DOLE. No, I think it is a good point. I think the other services are going to start following the Marine practice. They have done a great job.

Mr. BUYER. Have you heard—either of you—have you heard from any of the VSOs? They are precious, to defend the earned benefit right to the member, and are saying these really aren't transferrable. Have you found objections out there with regard to that?

Mr. DOLE. I think there could be some. I think I just mentioned one of the things in the report. I mean, I have two minds on that particular recommendation. But, I can see where it would be beneficial and I could see how it might be used advantageously in many areas. But, we do have this problem retaining people in the service. Now, whether this would keep anybody or not, I don't know. We do have this obligation primarily to the veteran to keep that.

Mr. BUYER. All right. My last is—I will put you on the spot publicly—I will give you a quid pro quo.

Mr. DOLE. I hope it is not Viagra. (Laughter.)

Mr. BUYER. I am not going to touch that for nothing. No. I believe private lives should be private, Senator Dole.

I will do a fundraiser in Indiana for World War II veterans if you will come out to Indiana——

Mr. DOLE. Really.

Mr. BUYER (continuing). And, I will do that for you.

Mr. DOLE. Well, I appreciate that. We are making progress; we are not discouraged, but it is taking longer than we thought.

Mr. BUYER. I will do that. I will drop you a note and I will put on a big event in Indiana. You come on out. We have a lot of proud Hoosiers that also served. And, we will do that for you.

Mr. DOLE. I must say we have had great support from the veterans' groups up and down the line, and they have made pledges of so many million dollars. So, we are going to have good response from the individual veterans.

One problem is, you know, people don't have the message yet. Tom Hanks has made a number of PSAs for us. He was Captain Miller in "Saving Private Ryan." We called him up one day to try to sell him on this and he said, "You don't have to sell me, I am your man. What do you want me to do?" So, after the Academy Awards, we are going to have some PSAs. Steven Spielberg is going to give us a little commission on each of the videos that are sold and they will probably sell 7 or 8 million. So that is going to be a significant contribution. I think Tom Brokaw is prepared to give us a little from his book proceeds. He will be now that we have mentioned it. But, I will follow up on that. (Laughter.)

Mr. BUYER. All right. We will. Thank you.

The CHAIRMAN. Senator Dole, thank you very much for sharing your time with us. On a personal level, let me say that as one of those——

(Applause.)

The CHAIRMAN (continuing). As one of those 25 million World War II veterans still around, I wish you all the success in the world. I would like to be there at the dedication before I am one of those several thousand that are leaving each month. Thank you, sir. (Laughter.)

The gentleman from California, Mr. Filner.

OPENING STATEMENT OF HON. BOB FILNER

Mr. FILNER. Thank you, Mr. Chairman. For the record, I would like to say I would like to invite Mr. Dole to San Diego and we will do a fundraiser there also. And, I thank the Chairman for being here. As I said to you when you briefed the benefit subcommittee, that I was a little nervous when it was first set it up; it was called the "Dole Commission," but I knew there was a chairman from San Diego there, so I was less worried. But, your recommendations, I think, are very important for all of us to consider. We won't—everyone probably won't—support all of them, but you have given us a great deal to chew on.

The legislation that has been introduced has them all, so we will be able to discuss them all and decide what we want to recommend to the full Congress. I am especially intrigued, as a former college teacher, about the enhanced Montgomery GI Bill that you recommend. I think it is an important benefit, and I think it is one within this politics of a surplus that we might realistically consider, because I think we have fallen back in our benefits and our contract that we have with our veterans in recent years. The stipend that you recommend—I think it is $400—I would like to, I think, see a higher one if we go forward with that.

You do pay tuition and fees in your recommendation, but would you support an increase of a stipend—I don't know—to, lets say, $800? Because it is very difficult, obviously, to live on such a monthly amount.

Mr. PRINCIPI. The Commission certainly would support an increase, Mr. Filner. We wanted to get a start at the subsistence

level. We didn't know how high to go. We knew that $400 would not be adequate to provide for all of living expenses, but we felt it was a beginning. But, if in this era of budget surplus it is possible to increase that amount somewhat, certainly.

Mr. FILNER. Again, we have had some early discussion ready about your proposals. We think that you have sparked an important debate. We were, I think, before your report, all of us here on this committee committed to our veterans, but the kind of attention from the media, attention from our colleagues, attention from the political process was lacking, and I think you have allowed us to regain some momentum as we discuss dealing with the contract we have made with our veterans. And, I appreciate you and your Commission very much. Thank you very much.

Mr. PRINCIPI. Thank you very much, Congressman Filner.

The CHAIRMAN. The gentlelady from Nevada, Ms. Berkley.

OPENING STATEMENT OF HON. SHELLEY BERKLEY

Ms. BERKLEY. Thank you for giving me this opportunity to share some thoughts with you, and then to perhaps punctuate my remarks with a question.

The last time I spoke during a committee meeting, I discussed what my district was like. I represent Las Vegas, NV. I have the fastest-growing district in the United States. I have the fastest-growing veterans population.

I had the opportunity to spend a great deal of time during this last break with my veterans. When I first met with them and received the assignment of the Veterans' Affairs Committee, several veterans came to my office when I told them they should consider my office their own. I think they took me literally. I have a number of veterans spending a great deal of time with me. We also had a series of veterans meetings during the break as well. So much of what your report calls for is absolutely critical to my district, to the veterans who served and are now living in Las Vegas. When I spoke the last time, I spoke of the beautiful new facilities that we had, a beautiful new VA clinic with not enough staff to operate it, not enough personnel, not enough technicians, and the crying need that my veterans have for help. They are looking to me for this help.

There are serious healthcare issues, as you know. We have homeless veterans that live in the streets of Las Vegas because they have no place to go and they haven't received adequate counseling to help them overcome their drug and alcohol abuse problems.

In a prior life, before I came here, I was a university regent for the university and community college system of Nevada. After the Gulf War, we passed some agenda items that would give all Nevadans who served in the Gulf War free tuition to come to our institutions of higher learning because we appreciated the need that they would have to get their lives back on track after having served our country. We wanted to make that transition as easy as possible for them. So, the education component of your report is also very important to me, as is the job training part.

But, let me ask you a question. Again, I haven't been here long enough to know whether or not a lot of the problems that I have in my district are because of not enough money in general or the

fact that the money that we allocate is not allocated appropriately. Those communities that have the greatest need may not be receiving the largest amount of the resources because they are going elsewhere. Is there a way, in your report, of concentrating the resources needed to implement your recommendations to the areas of greatest growth and need in this country so that my veterans can reap the benefit of these programs?

Mr. PRINCIPI. Congresswoman Berkley, I think you are correct and have hit upon a very important point, and that is, the resources that are available to the systems, and the way the dollars are allocated. They are both very critical issues.

First, I think, the Commission believes that there are insufficient dollars; the resources are constrained. There are more beneficiaries than the systems have the capabilities to see—to care for. And, secondly, with the infrastructure, the way it is located, it is very, very difficult to take dollars out of, let's say, one section of the country, and move those dollars in sufficient quantities to areas like the Sunbelt, where you have a growth in the veteran population.

What we recommend is that DOD and VA healthcare systems need to come closer together. They need to break down the barriers. You see that in Las Vegas, certainly with Nellis Air Force Base and VA having a combined facility. Yet, even in a combined facility, they have different cost-accounting systems, different information technology systems. So, they need to work in that area.

But, in the area of procurement, is an area that we believe savings of $2 billion can be achieved if you consolidate the procurement activities of DOD and VA. You will have DOD and VA procuring approximately $3 billion a year in pharmaceuticals, medical/surgical supplies, and equipment. By combining those two procurement activities and the sheer purchasing power of them coming together, we believe you can save a minimum of 10 percent. That is close to $2 billion over 5 years and that is a minimum. And, that $2 billion can go back in the system to expand the reach of care in places like Las Vegas and San Diego, where you have that kind of growth. And, it is that partnership, those business practices, that we recommend be required.

Ms. BERKLEY. Let me make one other comment. Mr. Rodriguez has left, but we spent a considerable amount of time talking to veterans during this break about our veterans' cemetery as well. And even though it is not included in your report, we need some relief with that, too. We are burying 120 veterans a month now in Las Vegas. We need relief; we don't have the equipment; we don't have the personnel to continue the task. I am afraid these funerals—there are not going to be less of them as time goes on; there will be dramatically more.

The CHAIRMAN. We have had another one of the Commissioners join us, former Staff Director for the Senate VA Committee, Tom Harvey. If you would raise your hand, Tom. Thank you. Thank you for your work.

The gentleman from Mississippi, Mr. Shows.

OPENING STATEMENT OF HON. RONNIE SHOWS

Mr. SHOWS. I appreciate, Mr. Chairman, the Commission did a great job on the report. I got to read some of it and I really thought of some information we could really use.

One of the issues that means a lot to me is long-term healthcare. My father was a World War II vet—he is still living—POW capture at the Battle of the Bulge. Anyway, we have a lot of history going in and out of the hospital, especially VA, which I can always say that the kind of care he gets there, they are really caring people. We appreciate that. But, I visited another friend the other day that had an unexpected illness, and it looks likes he might regain consciousness, but he is not going to able to recuperate, it doesn't seem to me. So, long-term healthcare. And, I am glad to see that you are looking at long-term healthcare because I think it is something, with this older generation we are talking about, World War II vets, means so much to our area. It means especially a lot to me with my dad.

Also, the other thing that I think is relative to us is the outpatient facilities you are looking at. In my part of the country, it is 2 hours or 3 hours drive to VA in Jackson, and with these outpatient facilities, I think that is going to enhance the healthcare ability in that area. So, I am really glad to see that.

I appreciate you coming today. Thank you.

The CHAIRMAN. The gentleman from Nevada, Mr. Gibbons.

OPENING STATEMENT OF HON. JIM GIBBONS

Mr. GIBBONS. Thank you very much, Mr. Chairman. I apologize for my late arrival due to other business. But, I want to congratulate the gentlemen here for their presentation and the information you provided us on this program. I think it is very, very important for us in our deliberations.

As I see this issue, it is a generational issue. It is one where we have a generation of World War II veterans followed by a generation of Vietnam veterans, followed by a generation of Persian Gulf, or OTW veterans, who operate in a different environment with a different national pride in our military for the services that they have had. I also see it as a point where parents today, my generation, look at the military with pride, but see the military as a detour for the success of their children. How do we overcome that? This is a great step in that direction and a roadmap toward that. But, as I see it, most of the discussion today—and as you heard my colleague say about the growth of the military veterans in the State of Nevada, we hear rumors, and we hear reports, and we hear news stories all the time about delays in healthcare, delays in getting access to benefits, delay, delay.

My concern—and I haven't had a chance to read this and, hopefully, you will be able to look at that—is to be able to make the transition from DOD to veterans status seamless so there isn't that delay; there isn't that gap that these people experience, much to the chagrin, which then leads their parents to seeing their view of their children's future as being detoured by the military. How do we accomplish that with some of these modernized concepts that you have provided in here, whether it is education, employment, or healthcare?

Mr. PRINCIPI. Really, one of the themes underlying focuses of the report is that very, very issue—seamless transition, transparent boundaries between and amongst the various departments of governments who administer these programs. The organizational structures have grown up over a half a century—VA, DOD, Labor, administering their programs with additions to those programs, and really don't look to see how we can do it more efficiently and how we can do it more effectively. How can we break down the barriers? And, I think that is one of, I believe, the benefits and the highlights of this report, that is to take a look at those organizational structures, see where the barriers are, see where we can consolidate programs to increase the depth and the breadth of the partnership. So that, indeed, servicemembers, when they are making that transition to civilian life, can seamlessly transition into the VA healthcare system rather than one day appearing on the DOD healthcare screen, and then you get your DD–214, press a delete button, and you may re-appear on the VA screen.

We don't have the resources anymore to maintain those kinds of separate systems. We have to bring them closer together and you do that by having a joint procurement and information technologies systems in the future so that the VA and DOD systems can speak to one another. You do that by taking a look at the Department of Labor employment programs to see how they can be overhauled. And, if they can't be overhauled, have GAO, the Congress, and Labor take a look to see if they should be consolidated with VA. So, all of our business practice improvements and recommendations for overhaul, really try to go to that very point; that when you are in the military and, God forbid if you are injured or ill and have to go into a VA facility, that we don't have to wait until you get some piece of paper, that that process begins almost immediately.

I believe some of the recommendations that we proposed to you will help to improve this system for veterans and lessen the backlog and improve the delivery.

Mr. WINCUP. Congressman, may I just chime in? Those are terribly important steps. There is another piece to this that the Commission had a chance to look at that we were quite concerned about. We found a 20 percent higher unemployment rate among people who separate, first-time separatees from the military, than their counterparts. And, that is just simply wrong because these are high quality people who were trained and have skills. So, what we looked at, and what we are proposing, is we just need a better system, particularly in the Department of Defense, in terms of helping those people as they leave the service. We spend about an average of $150 per person on each serviceman that leaves. In the private sector, it is on an average of about $3,500 per person. With a relatively small increase, we can help these people transition and get them into the workforce in a way that would be effective and deal with exactly the points that you made which is, how do people view servicemembers? A lot of that is conditioned on how they do when they leave the service and transition back into the workforce.

Mr. GIBBONS. Thank you, and just one brief question. My colleagues talked about doubling the monthly stipend for an edu-

cational tour. Do you have an idea what that would cost, under this program, if you went from $400 a month to $800 a month?

Mr. PRINCIPI. No, I don't, sir, not off the top of my head, but we can certainly provide that for the record.

[The Commission's statutory termination date shortly after the February 23 hearing made it impossible for the Commission to submit such data.]

Mr. GIBBONS. Well, again, thank you very much. I look forward to not only reading this report, but hearing more from you as we progress through this measure before us. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

The gentlelady from Florida, Ms. Brown.

OPENING STATEMENT OF HON. CORRINE BROWN

Ms. BROWN. Thank you, Mr. Chairman, and thanks, Commissioner. I have had a chance to review the recommendations and have a briefing, as you know, so I do have a couple of questions.

Coming from Florida, you know we have all the veterans—they want to retire there—and we have a strong military presence. I am very interested in the recommendation about combining the two healthcare systems. I mean, no one is presently happy with the DOD. The military people are not happy since we have done away with CHAMPUS; the veterans are not happy, presently, with they system. It is not that we are not spending money; I just don't know that we are spending it wisely.

Now, can you expand on that a little bit for me because I am interested in timelines? How do you see this taking place? I am interested in the missions. The missions are different for the DOD, as opposed to the, you know, Veterans' Administration.

Mr. PRINCIPI. We don't call for a consolidation or a merger of the two systems, but we do call for a greater partnership between the two. And, we believe that that process needs to start in identifying the requirements, the needs, that are in the various areas of the country, and formulating budgets and evaluating budgets to make the improvements that are necessary and then going on and implementing them. To us, redundancy and duplication doesn't serve anyone very well. If the VA has a facility in a given area and DOD is thinking about building one, or visa versa, or they are thinking about buying an expensive piece of equipment, the time to identify those needs is before the dollars are appropriated and we have two MRIs in a given area of the country.

So, we propose that there be a joint policy staff within DOD and VA to make those kinds of determinations; that the process at OMB be consolidated, so that the people at OMB that are reviewing budgets will be reviewing the VA and DOD healthcare budget in tandem to make the decisions that make the dollars go further. And that, even in the Congress, the way the dollars are appropriated, that the DOD and VA subcommittees be looked at together. Though we call for a much greater partnership at all levels of Government, in the Executive branch, the OMB, and the Congress, we believe that is an important first step. We do call for consolidations in procurement, and information technology, and cost accounting. We believe that makes sense so that the two systems

can work much closer together. So, we call for a series of individual steps when we really leave it up to the departments to determine how best that partnership should work.

Mr. WINCUP. Congresswoman, could I just add that you have been kind enough to ask us how to be helpful, but we should note that it is this committee that pushed the coordination between those two departments for a long time. And, without that congressional effort—although, DOD/VA coordination is not great right now—without that, it wouldn't exist, without the pressure that this committee has placed on the two institutions for a long time. So, we have tried to give you some ideas of where that needed coordination would go, but really this committee has been the moving force in that.

Ms. BROWN. I have a couple other questions then. I know there are plenty more healthcare-related questions, but just a couple other areas.

I was interested in the $1,200 deduction that, currently, is taken out of the paychecks that you recommend to eliminate. Could you expand upon that?

Mr. PRINCIPI. Well, the $1,200 reduction was imposed at a time of enormous budget deficits in our country as a means to allow a servicemember to contribute to his or her education. We believe that service to one's country, 4 years of service, that we call for in the report, the recommendation of 48 months of honorable service, is a significant commitment and a valuable service to our Nation. That, in and of itself, should suffice for this earned entitlement of college education. We believe that $1,200 reduction in base pay should be repealed in light of the changes that have taken place.

Ms. BROWN. Well, I spoke to a group when I was home last weekend and they wanted to know if it would be retroactive. (Laughter.)

Mr. PRINCIPI. Unfortunately, not.

Ms. BROWN. Okay. Thank you.

The CHAIRMAN. The Chair is happy to recognize the ranking member of the committee, the gentleman from Illinois, Mr. Evans.

OPENING STATEMENT OF HON. LANE EVANS

Mr. EVANS. Thank you, Mr. Chairman. I appreciate this opportunity and ask unanimous consent to submit my opening statement for the record.

The CHAIRMAN. Certainly.

[The prepared statement of Congressman Evans appears on p. 32.]

Mr. EVANS. I would like to pick up where Mr. Gibbons left off. It seems to me that a lot of younger people do not understand the GI Bill, period. I was in a senior high school in my district, mostly in a rural area, traditionally very patriotic and conservative. I asked the assembly of 70 or 80 students if they were going to go into the military and use their GI Bill. Not a single person raised a hand. I think that gives some idea of what we are dealing with in military recruitment and also the benefit of the GI Bill.

I strongly support the Commissions' GI Bill proposals. Perhaps, however, we should consider changes to the Commission concept that would make the program even more effective. Tony, we can always estimate the cost of enacting the recommendations of your

Commission. It is equally important, though, to consider the cost of not enacting many of your recommendations. In your view, what will be the effect on our national security and the overall good of the country if Congress does not provide benefits, such as an improved Montgomery GI Bill, for the men and women who serve in our Armed Forces?

Mr. PRINCIPI. Mr. Evans, as has been indicated by many members of the committee, especially Mr. Gibbons, many high school graduates, as you saw in your district, more importantly, many parents see the military as a detour for college education, not as a means to a college education. That is not hard to understand, considering we have Pell Grants and Stafford Loans and various types of trusts, and States that now have programs that will allow individuals to go to post-secondary education without having to serve one day in the military. We really have to do a little bit more than breathe in America today to be able to get a college education. And, here we are asking men and women to dedicate 4 years of their life and incur the risks, the hardships associated with military service. We find that many can't go to school because they can't afford it.

So, we believe that this new restructured, enhanced Montgomery GI Bill will, indeed, be a very, very important recruiting tool. Graduates, young high school graduates, and their parents will now see the military as a way to get to a good post-secondary education. So, we believe it will be a very, very important recruiting tool to start filling up the ranks of what we are beginning to see in the military today; services not meeting their recruiting goals for the year; the Army, the Air Force, the Navy, and the Coast Guard.

But, we also believe it will help retention as well because you can only retain the individuals you recruit. And, if you are not getting them in the front door, you are not going to stand a chance to keep them. Now, many will leave the military to go to school. Only 15 percent stay in until retirement anyway. But a percentage of those you recruit, who you would otherwise have not recruited because of the GI Bill, will now see the military as a good way of life and will choose to make it a career. And, coupled with that discretionary authority that allows the Department of Defense to let a servicemember transfer that earned entitlement to a dependent spouse or child, will be a further incentive to stay in the military if they know that they have earned that benefit, and perhaps their child can take advantage of it. Also, with in-service education programs, sabbaticals, we believe the combination of these incentives will be an enhancement for recruiting and an enhancement for retentions as well and will serve our country.

But, there is another cost; there is a cost to the individual and to our society when young men and women leave the military and can't go back to school. They are lost to America, in a sense, in this information age, high technology age, if they can't get back to school, it will not serve America well and certainly will not serve them well. So, there is a cost to the individual, and we believe that this enhanced program will help meet those objectives.

Mr. EVANS. I thank you, Tony, and I want to thank Kim; I worked with him in the Armed Services Committee many years ago. Mack Fleming also served in the commission but can't be with

us here today. We are very pleased to have that kind of rock-solid strong support, and I appreciate your time and energy. Thank you, Mr. Chairman.

Mr. PRINCIPI. Thank you, Mr. Evans, for your support.

The CHAIRMAN. Thank you.

Let me ask one quick question, Tony, please. Under chapter 6 of the Commission report under general comments, the Commission suggested that the Congress undertake a study of the statutory basis of the policies underlying the VA disabilities system. Would you comment on this please or expand on this?

Mr. PRINCIPI. Mr. Chairman, we did not review the disability program. Certainly, time did not allow it. We had 12 different views on that issue, but we felt that there were a number of reports that had been submitted to the committees. Members of the Commission felt that these reports should be addressed: the Melidosian report, the NAPA report, and other reports. We believe there are some recommendations in those reports, perhaps not all of them, but some of them, that could be of benefit to veterans. Speaking for myself, I think the system is broken. Veterans are not well served when they have to wait month after month after month to get their disability compensation claims adjudicated because of this enormous, enormous backlog.

And, to me, one of two things needs to happen: one, we have to commit to much more resources to the Veterans' Benefits Administration to fix the problem. Because you have got some wonderfully, wonderfully dedicated people, but there are just not enough resources to fix the problem. Or secondly, you have to take a look at the program to see how it should be restructured. But, I think something needs to be done in the interest of the veterans who are out there and getting a computerized letter every month saying that we are "working on your claim; be patient," while a year goes by or 18 months goes by and you still have not had your claim adjudicated. Veterans are not served well by that system, and hopefully some of the recommendations, coupled with additional resources, will help solve this tremendous backlog that the VBA faces in adjudicating the compensation.

The CHAIRMAN. Thank you.

Are there any other comments or questions?

[No response.]

If not, let me thank you Tony and Kim, and the rest of the Commission members that appeared here today, for doing so and for a very excellent report.

I would add, for the record, that under the law, the Secretaries of VA, Defense, and Labor have 90 days from the day the Commission transmitted its report to this committee to comment. The Commission transmitted its report to the committee on January 14; therefore, those comments are due on April 14. At that time, I am sure the Subcommittee on Benefits will hold hearings; additional persons will be asked to testify.

If there are no other questions, we thank you once again.

The meeting is adjourned.

[Whereupon, at 12:27 p.m., the committee was adjourned.]

APPENDIX

STATEMENT
CHAIRMAN BOB STUMP
FULL COMMITTEE HEARING ON
RECOMMENDATIONS OF THE "TRANSITION COMMISSION"
FEBRUARY 23, 1999

THE COMMITTEE WILL COME TO ORDER.

TODAY WE ARE MEETING TO HEAR TESTIMONY FROM THE CONGRESSIONAL COMMISSION ON SERVICEMEMBERS AND VETERANS TRANSITION ASSISTANCE.

CONGRESS ESTABLISHED THE COMMISSION IN OCTOBER, 1996 TO MAKE RECOMMENDATIONS REGARDING THE ADEQUACY AND EFFECTIVENESS OF SERVICEMEMBERS' AND VETERANS' TRANSITION PROGRAMS.

THE COMMISSION WAS ALSO ASKED TO MAKE RECOMMENDATIONS REGARDING THE FEASIBILITY OF CONSOLIDATING THE ADMINISTRATION OF SOME OF THESE PROGRAMS.

THE COMMISSION'S REPORT MAKES OVER 100 RECOMMENDATIONS IN THE AREAS OF EDUCATION, EMPLOYMENT AND TRAINING, HEALTHCARE, ECONOMIC EQUITY, AND ORGANIZATIONAL STRUCTURE.

I COMMEND THE COMMISSION FOR ITS VERY COMPREHENSIVE WORK.

THE COMMISSION WAS COMPOSED OF MEMBERS WITH EXCELLENT CREDENTIALS, WHO TOOK THEIR TASK SERIOUSLY, AND WORKED VERY DILIGENTLY.

THE COMMISSION CONDUCTED DOZENS OF INFORMAL ROUNDTABLE SESSIONS, FORMAL HEARINGS, AND SITE VISITS WITH VETERANS, SERVICEMEMBERS, FIELD COMMANDERS, PROGRAM ADMINISTRATORS, AND OTHERS.

SOME OF THESE SESSIONS WERE CONDUCTED ABROAD, INCLUDING AT THE DMZ IN KOREA.

THE COMMITTEE IS VERY GRATEFUL FOR THE COMMISSION'S WORK.

WE'LL HEAR FIRST FROM MR. ANTHONY PRINCIPI, CHAIRMAN OF THE COMMISSION.

MR. PRINCIPI IS A VIETNAM VETERAN WHO HAS A LONG HISTORY OF DISTINGUISHED SERVICE TO THOSE WHO HAVE WORN THE MILITARY UNIFORM, MOST PROMINENTLY AS DEPUTY SECRETARY OF VETERANS AFFAIRS.

ACCOMPANYING MR. PRINCIPI IS MR. KIM WINCUP, THE COMMISSION'S VICE CHAIRMAN WHO FORMERLY SERVED AS STAFF DIRECTOR OF THE HOUSE ARMED SERVICES COMMITTEE AND AS THE ASSISTANT SECRETARY OF THE ARMY FOR MANPOWER AND RESERVE AFFAIRS.

FOLLOWING MR. PRINCIPI'S STATEMENT, THE COMMITTEE WILL HEAR FROM FORMER SENATOR BOB DOLE WHO INTRODUCED THE LEGISLATION IN THE 104TH CONGRESS THAT CREATED THE COMMISSION.

SENATOR DOLE WILL ARRIVE AT ABOUT 11:15.

MEMBERS SHOULD BE AWARE THAT AFTER MR. EVANS MAKES HIS OPENING REMARKS, WE WILL GO DIRECTLY TO MR. PRINCIPI FOR HIS STATEMENT.

AFTER MR. PRINCIPI'S STATEMENT, IF SENATOR DOLE HAS ARRIVED, WE WILL WELCOME SENATOR DOLE AND RECEIVE HIS TESTIMONY.

IF SENATOR DOLE HAS NOT ARRIVED, MEMBERS WILL BE RECOGNIZED UNDER THE FIVE-MINUTE RULE FOR ANY STATEMENTS AND/OR QUESTIONS OF MR. PRINCIPI.

I NOW YIELD TO THE RANKING DEMOCRATIC MEMBER, THE GENTLEMAN FROM ILLINOIS, MR. EVANS.

TONY, A VERY SPECIAL WELCOME TO YOU.

YOU ARE RECOGNIZED FOR TEN MINUTES.
PLEASE PROCEED AS YOU WISH.

IT IS INDEED AN HONOR TO HAVE FORMER SENATOR BOB DOLE WITH US TODAY.

SENATOR DOLE SERVED IN THE HOUSE OF REPRESENTATIVES FROM 1961 THROUGH 1969.

IT IS ALSO FITTING THAT SENATOR DOLE APPEAR BEFORE THIS COMMITTEE, GIVEN THAT TWO GENERATIONS AGO OUR PREDECESSORS ON THE VETERANS' AFFAIRS COMMITTEE FORMULATED BOTH THE DISABLED VETERANS' REHABILITATION ACT OF 1943 AND THE SERVICEMEMBERS READJUSTMENT ACT OF 1944, POPULARLY KNOWN AS THE "GI BILL OF RIGHTS."

FOLLOWING A THREE-YEAR CONVALESCENCE FROM GRAVE WOUNDS SUSTAINED IN THE ALLIED LIBERATION OF NORTHERN ITALY, SENATOR DOLE SUCCESSFULLY RETURNED TO CIVILIAN LIFE WITH THE HELP OF BOTH OF THESE WORLD WAR II VA PROGRAMS.

IN A CAREER IN PUBLIC SERVICE THAT REACHES FROM WORLD WAR II THROUGH THE CLOSE OF THIS CENTURY, SENATOR DOLE NOW SERVES AS NATIONAL CHAIRMAN OF THE WORLD WAR II MEMORIAL CAMPAIGN.

SENATOR DOLE, WELCOME.

PLEASE PROCEED WITH YOUR STATEMENT.

I KNOW SENATOR DOLE HAS A DEMANDING SCHEDULE AND IS UNABLE TO REMAIN FOR THE BALANCE OF THE HEARING.

BOB, I APPLAUD AND THANK YOU FOR BOTH YOUR VISION IN INTRODUCING THE LEGISLATION TO ESTABLISH THE COMMISSION AND FOR OFFERING YOUR INSIGHTS THIS MORNING.

THERE IS NO DOUBT THAT THE COMMISSION'S RIGOROUS WORK IS AN EXCELLENT STARTING POINT FOR THE CONGRESS, AS WE CONTEMPLATE HOW TO EMPOWER SERVICEMEMBERS AND VETERANS FOR A SUCCESSFUL TRANSITION IN THE NEW CENTURY.

I NOW YIELD TO THE RANKING DEMOCRATIC MEMBER, MR. EVANS.

I WILL NOW RECOGNIZE MEMBERS FOR QUESTIONS OF MR. PRINCIPI.

THE COMMITTEE MAY SUBMIT QUESTIONS FOR THE RECORD. TONY, WE THANK YOU AGAIN FOR APPEARING BEFORE THE COMMITTEE AND FOR A VERY EXCELLENT REPORT.

I WOULD ADD THAT UNDER THE LAW, THE SECRETARIES OF VETERANS AFFAIRS, DEFENSE, AND LABOR HAVE 90 DAYS FROM THE DATE THE COMMISSION TRANSMITTED ITS REPORT TO THE VETERANS' AFFAIRS COMMITTEES TO COMMENT ON IT.

THE COMMISSION TRANSMITTED ITS REPORT TO THE COMMITTEES ON JANUARY 14, SO AGENCY COMMENTS ARE DUE TO OUR COMMITTEE ON APRIL 14.

UPON RECEIPT OF THESE COMMENTS, I ANTICIPATE OUR SUBCOMMITTEE ON BENEFITS WILL HOLD ADDITIONAL HEARINGS IN THE EARLY SUMMER, AT WHICH TIME EXECUTIVE BRANCH AGENCIES AND VETERANS AND MILITARY SERVICE ORGANIZATIONS WILL BE ASKED TO TESTIFY.

THIS HEARING IS ADJOURNED.

The Honorable Lane Evans
Hearing on the Report of the Congressional Commission on Servicemembers and Veterans Transition Assistance

Thank you, Mr. Chairman.

Tony, it is a pleasure to have you with us today. You -- and all of the members of the Commission -- are to be commended for your excellent service, dedication, and hard work on behalf of America's servicemembers and veterans. I was honored to join with Chairman Stump in introducing, at your request, H.R. 606 -- the "Servicemembers and Veterans Transition Services Improvement Act of 1999" -- which contains the recommendations made by the Transition Commission.

Many of the Commission's proposals, particularly those related to veterans' education and training, can serve as a blueprint for the 106th Congress. Of particular interest to me is your recommendation to significantly increase and expand educational opportunities under the Montgomery GI Bill. I agree with the Commission's statement that education "...is the most valuable benefit our Nation can offer the men and women whose military service preserves our liberty." I know first hand the importance of these educational benefits since I used my GI Bill to go to college and law school.

Victor Hugo said, "There is one thing stronger than all the armies in the world, and that is an idea whose time has come." I believe the time has come to adopt the Commission's
GI Bill proposal. Perhaps we should consider changes to the Commission concept that would make the program even more effective.

There will be those who say the recommendations made by the Transition Commission are too costly. My response is that if we sincerely value a strong national defense -- and if we sincerely believe that the members of our Armed Forces, and American society in general, will reap real benefits from the military service of our best and brightest -- then we cannot afford not to improve the transition benefits we offer those who serve our nation in uniform.

Again, Tony, thank you for providing us with an excellent document. I look forward to also thanking Senator Bob Dole, who will be joining us shortly, for authoring the legislation which established the Commission.

Thank you, Mr. Chairman.

The Honorable Michael Bilirakis
Committee on Veterans' Affairs
February 23, 1999

Hearing to Receive the Report of the Congressional Commission on Servicemembers and Veterans Transition Assistance

Thank you, Mr. Chairman. First, let me commend you for scheduling today's hearing to receive the report of the Congressional Commission on Servicemembers and Veterans Transition Assistance. I would like to welcome our witnesses, Senator Bob Dole and Anthony Principi, the Chairman of the Commission, to our Committee.

Wearing the uniform of one's country is never easy. A unique sense of duty has led young men and women from each generation to military service, but today, an increasing number of military personnel are questioning whether the rewards of military life are worth the mounting hardships.

For some time, I have been concerned about the recruiting and retention problems confronting the military. For example, the U.S. Navy will be 18,000 sailors and 1,400 recruits short for Fiscal Year 1999. The Air Force will be 700 pilots short for Fiscal Year 1999 and 1,300 short by the year 2000.

Many of the benefits and services available to our nation's military personnel and veterans originated at the end of World War II. If we are going to maintain a strong national defense, we must ensure that military service is an attractive career opportunity - not a hardship. We must also assist our servicemembers as they transition back into civilian life.

In this regard, I look forward to hearing from our witnesses on the Commission's recommendations on how we can address the needs of our servicemembers and veterans.

Mr. Chairman, I also look forward to working with you and the other members of the Committee on this important issue.

Statement of Representative Luis Gutierrez
Hearing to Receive Report of the Commission on Servicemembers and Veterans Transition Assistance
February 23, 1999

Good morning. Mr. Chairman, I am pleased that we have invited Chairman Principi here today to discuss the recommendations of the Congressional Commission on Servicemembers and Veterans Transition Assistance. Mr. Principi, my colleagues and I certainly appreciate the work that you and the Commission have done over the past two years. I would also like to extend a warm welcome to Senator Dole. Senator, we recognize your service to your country, both as a veteran and as a public servant and express our deepest gratitude. My colleagues and I are eager to hear your comments on the Report of the Congressional Commission.

The Commission on Servicemembers and Veterans Transition Assistance has made a number of proposed improvements to better provide benefits and services to veterans and members of our armed forces making the transition to civilian life. This report provides more than one hundred recommendations on thirty-one issues and proposes reforms to both programs and the governmental organizations administering them. I believe that a number of initiatives proposed by the Commission will help current and former servicemembers readjust to civilian life after completing their military service. Many of the recommendations offer mitigation and compensation for the sacrifices and hardships of military service. Proposals for benefits and services that may serve as incentives for recruiting young men and women into military service and retaining them on active duty are also included.

However, as ranking member on the Subcommittee on Health of the Veterans' Affairs Committee, I am concerned about the ramifications of some of the proposed initiatives that specifically deal with health care. Health care is a vital concern for servicemembers and their families. I believe that greater cooperation between the Department of Veterans' Affairs (VA) and the Department of Defense (DoD) may be beneficial in areas such as medical research, information technology and the procurement of pharmaceuticals and medical and surgical supplies. However, I oppose the proposal to combine congressional funding of the VA and DoD health care systems into a single appropriations subcommittee.

Quite simply, the current health care budget for the Department of Veterans' Affairs is inadequate to deal with the needs of our nation's veterans. All around the country, the numbers of staffpersons at VA hospitals are being reduced and lack of funding is preventing many veterans from receiving the care they are entitled to. Many illnesses and medical issues, such as the aging of the veterans population, spina bifida, Agent Orange and mental health care are specific to the veterans community and would likely receive even less funding if the VA budget were combined with the DoD budget. I urge this vital concern for veterans to be considered and remedied before any further reforms take place.

Nonetheless, I look forward to a constructive discussion on the many issues presented in the report. Once again, I thank the witnesses for appearing here today, and I commend the efforts of the Commission on Servicemembers and Veterans Transition Assistance.

Statement
Of
Anthony J. Principi

Chairman

Congressional Commission on
Servicemembers and Veterans Transition
Assistance

Before
the
Committee on Veterans' Affairs
House of Representatives

February 23, 1999

Good Morning, and thank you Mr. Chairman for inviting me to testify this morning.

I feel that it is particularly significant that I come before you in this room ------- because it was in this room that Commissioners first gathered as a group almost two years ago. It was in this room that we were urged to be bold and to take our mandate broadly. I believe we responded well to that challenge.

The Departments can take pride in some of the Commission's findings about the programs entrusted to them. There is also criticism that I suspect they would rather not see the light of day. There are proposals that veterans and military service organizations will praise. There are proposals they will oppose. Some of our recommendations will increase efficiency and save money. Other recommendations will cost money.

We have called the balls and strikes as we have seen them and, I believe, we have presented you with a balanced report.

Each of the twelve members of the Commission was appointed by a member of the leadership of either the Veterans' or the Armed Services Committees of the House and the Senate. I believe that each of us appreciates your confidence in our ability and judgement. I know that each of us stands in awe of the importance of the mission you entrusted to us. You and your colleagues selected a diverse group of twelve Commissioners. Some were generals. Some were privates. Some had experience on legislative staffs, some at high levels in the Executive branch. Some are Democrats, some are Republicans. Some made their careers in business, some in public service, some in the non-profit sector.

But all of us place a high value on the men and women who wear the uniforms of our Nation's armed forces. All of us know that our Nation can not guarantee a successful outcome for every servicemember and veteran's life. But each of us believes that our Nation must stand by our servicemembers as they exchange their military uniforms for the civilian clothes of a veteran. Just as those servicemembers stood up for us when they took their oaths of enlistment and exchanged their civilian clothes for the uniform of a recruit.

All of us brought strongly held, and sometimes divergent, views to our deliberations -- as well as the ability to strongly articulate those views. I am particularly pleased that Commissioners focused on those views that unite us, rather than on the disagreements that could have divided us. The result is a consensus report to the Congress that you receive without dissent.

Our 213-page report makes over 100 recommendations addressing 31 separate issues. Obviously, I will not be able to address each recommendation in the brief time allotted for oral statements. I would ask that the text of the report be made a part of the record of this hearing. That hearing record, combined with the language of H.R. 606, graciously introduced as a "by request" bill by Chairman Stump and Ranking Member Evans, will then become the basis for discussion and deliberation of the issues we raise in our report.

The Commission's goal is to empower individual servicemembers and veterans to craft their own solutions to the challenges they will face in their civilian lives. A suitable job is the foundation upon which every veteran will build that civilian life. The Commission found that the programs administered by the Department of Labor's Veterans Employment and Training Service (VETS) are not effective in placing veterans in suitable jobs. Those programs must be completely overhauled.

The Commission does not believe that recently separated veterans, who by definition are mature, disciplined, drug-fee, teamwork-oriented individuals, should have a higher unemployment rate than non-veterans the same age. But that is what we found.

The Commission does not believe that a successful grant program can place fewer than 10 per cent of the veterans who come to them seeking jobs or have overhead costs exceeding 30 per cent of the grant. But we found that such programs do in fact exist and meet VETS' performance standards. The employment programs administered by the Department of Labor must be restructured and overhauled.

The Commission believes that employment is the door to a successful transition, but that education is the key to that door.

We found that the costs of post-secondary education have simply outpaced the ability of veterans to pay for them. As a result, fewer than 50 per cent of the veterans who gave up $1200 to establish entitlement to the Montgomery GI Bill are able to utilize the benefit they earned.

A GI Bill that empowers every veteran to achieve the best education for which he or she qualifies will achieve three goals.

First, it will assist veterans' readjustment by giving them the means, to steal a slogan from the Army, to "be all that they can be". Once again, military service can serve as a vehicle for upward mobility for all of America's young men and women, especially for those from disadvantaged backgrounds who can't count on family money or connections for access to the education that will be prerequisite for success in the next century. The men and women who chose to serve our country, and who commit four or more years of their lives to our defense, will earn that benefit.

Secondly, such a bill will give veterans the means to qualify for entry into the leadership ranks of our political, commercial, labor, academic and communications institutions. This will ensure that discussions about the deployment or use of military force will include the voices of leaders who know what those decisions will mean to the men and women who will have to implement them.

Third, we believe that a GI Bill promising the best education for which they qualify will make military service more attractive for the young men and women our services must recruit if our armed forces are to fulfill the important missions entrusted to them by our

national leadership. Since the earliest days of our Republic, veterans' benefits have served as incentives for military recruiting. During the Revolution, George Washington offered pensions and grants of land -- benefits of great value in an agricultural age. Today, in the information age, higher education can offer both an incentive to military service and the means to a successful post-service life.

The Commission also found that men and women leaving the service are concerned about healthcare coverage. Commission recommendations address these concerns. But, in the end, healthcare for servicemembers and veterans will be provided by the healthcare systems of the Departments of Defense and Veterans Affairs.

The Commission is very concerned for the future of these uniquely valuable healthcare systems. Frankly, the two Departments do not have the resources they need to fulfill their obligations to the American people, or to fulfill the obligation of the American people to the men and women now standing on the ramparts of freedom.

The Commission believes that these healthcare systems will fail both the American people, and the men and women who defend our freedom, if they are unable to better utilize the limited resources available to them.

Commission recommendations for business practice improvements, such as in information management and in the acquisition of pharmaceuticals and medical surgical supplies will help the systems operate more efficiently. Recommendations to increase both the depth and breadth of the partnership between the Departments will help them create synergistic increases in efficiency by better coordinating the utilization of the resources of each Department.

In summary, Mr. Chairman, the Commission believes that the American people, and the men and women who defend their freedom, face a good news/bad news situation.

The bad news is that many of the benefits and programs created to ease servicemembers' transitions to civilian life have been overcome by events and are no longer as effective as I believe the American people expect.

The good news for the Committee is that these programs can be improved and fixed.

I commend you for your insight in creating our Commission. I am grateful to you for your support during our deliberations. I applaud you for scheduling this hearing and I appreciate the opportunity to discuss our findings and recommendations. Commissioners can testify to the amount of energy and commitment expended to create this report, but we know that delivery of the report to the Congress was a beginning, not an end. We stand ready to assist you in your deliberations in any way we can.

Thank you.

Statement of Senator Bob Dole

Hearing of the
Committee on Veterans Affairs

On

The Report of the
Commission on Servicemembers and Veterans
Transition Assistance

February 23, 1999

THANK YOU MR. CHAIRMAN, CONGRESSMAN EVANS AND MEMBERS OF THE COMMITTEE FOR INVITING ME THIS MORNING. IT IS ALWAYS A PLEASURE TO COME BACK TO THE HOUSE OF REPRESENTATIVES.

I AM PLEASED TO APPEAR BEFORE YOU TO DISCUSS A SUBJECT THAT HAS SUCH A WIDE-REACHING IMPACT UPON OUR NATION. THROUGHOUT MY LIFE I HAVE BEEN CALLED BY MANY TITLES, BUT THE ONE I ALWAYS FELT MOST PRIVILEGED TO HAVE IS "VETERAN."

SIMPLY PUT, I AM HERE TODAY TO SPEAK FOR THE YOUNG MEN AND WOMEN WHO WEAR THE UNIFORM OF OUR ARMED FORCES. IN APRIL OF 1996, I INTRODUCED LEGISLATION TO CREATE THE "*COMMISSION ON SERVICEMEMBERS AND VETERANS TRANSITION.*" SINCE ITS PASSAGE IN OCTOBER OF 1996, THE COMMISSION HAS CONDUCTED A COMPREHENSIVE REVIEW OF BENEFITS FOR THE MEN AND WOMEN IN OUR ARMED FORCES.

THERE HAVE BEEN VETERANS IN THIS COUNTRY OF OURS SINCE THE FIRST SHOT WAS FIRED FOR OUR INDEPENDENCE. VETERANS OF THE BATTLES AND WARS WHICH HAVE SHAPED OUR NATION AND, IN SOME CASES, SHAPED THE WORLD AND THE COURSE OF HUMAN HISTORY. AS OF TODAY, WE HAVE TWENTY-FIVE MILLION VETERANS AND COUNTING, LIVING IN THE UNITED STATES. IN THE SAME WAY THAT THIS COUNTRY HAD THE RIGHT TO DEMAND DEDICATION AND DEVOTION FROM ITS VETERANS...THOSE SAME VETERANS

DESERVE, AND HAVE A RIGHT TO EXPECT, AN EQUAL MEASURE OF GRATITUDE AND DEVOTION FROM THEIR COUNTRY.

AS I KNOW EVERY MEMBER OF THIS COMMITTEE AND CONGRESS BELIEVES, WHEN A YOUNG MAN OUR WOMAN TAKES, AND *FULFILLS*, AN OATH TO DEFEND OUR COUNTRY, THEN OUR GOVERNMENT HAS A RESPONSIBILITY TO PROVIDE FOR THEIR *TRANSITION* FROM SERVICEMEMBER TO VETERAN WHEN THEIR MISSION IS COMPLETED. WE SHOULD EXPECT, AND DO NOTHING LESS.

IT WAS FOR THAT REASON THAT I INTRODUCED LEGISLATION CREATING AN INDEPENDENT BIPARTISAN COMMISSION TO REVIEW AND EVALUATE THE ADEQUACY AND EFFECTIVENESS OF BENEFITS AND PROGRAMS FOR SERVICEMEMBERS MAKING A TRANSITION BACK INTO CIVILIAN LIFE. I WAS CONCERNED THAT WE WEREN'T DOING ENOUGH.

AS A VETERAN OF WWII, I CAN THANKFULLY SAY THAT BECAUSE OF THE GI BILL -- LEGISLATION THAT CHANGED AMERICA AND THE WORLD -- THE UNITED STATES GOVERNMENT ASSISTED ME AND THOSE OF MY GENERATION WHEN WE LEFT THE SERVICE. MY NATION WAS THERE WHEN I NEEDED HER, AND I WILL NEVER FORGET IT. THAT WAS A FEW DECADES AGO AND THE QUESTION MUST NOW BE ASKED, "WHAT ASSISTANCE DO WE OWE OUR YOUNG MEN AND WOMEN IN UNIFORM *TODAY*, WHO WILL PROTECT US INTO THE NEXT CENTURY?"

AS YOU WILL HEAR IN GREATER DETAIL, THE COMMISSION HAS IDENTIFIED FIVE AREAS THAT CAN ACT AS A FOUNDATION FOR A SUCCESSFUL TRANSITION. THEY ARE: EMPLOYMENT, EMPOWERMENT, EDUCATION AND TRAINING, HEALTHCARE, AND ORGANIZATIONAL CHANGE. AT FIRST GLANCE, MAYBE THESE AREAS DON'T SEEM SO DRAMATIC. BUT WHEN YOU'RE A YOUNG MAN OR WOMAN WHO HAS JUST *VOLUNTARILY* SERVED YOUR NATION, IT BECOMES VERY IMPORTANT WHEN YOU FIND YOURSELF LACKING IN *ALL* OF THESE AREAS UPON RE-ENTERING CIVILIAN LIFE.

THIS IS NOT A COMPLICATED ISSUE. IT IS ABOUT DOING THE RIGHT THING. IT IS ABOUT GIVING THOSE WHO WOULD *PROTECT* US AND OUR WAY OF LIFE A RUNNING START WHEN THEY PREPARE TO MOVE ON WITH *THEIR* LIVES.

THERE IS ANOTHER VERY PRACTICAL REASON TO HELP THESE YOUNG MEN AND WOMEN. WHEN WE MAKE THE KINDS OF IMPROVEMENTS WE ARE TALKING ABOUT TODAY, IT GOES A LONG WAY TOWARDS RECRUITING AND *RETAINING* EXCEPTIONAL PEOPLE IN OUR ARMED FORCES. EITHER WAY, AMERICA WINS.

IN CLOSING, I COMMEND THIS COMMITTEE, AND YOUR COUNTERPARTS IN THE SENATE – WHO I HAD THE HONOR OF ADDRESSING JUST LAST MONTH ON THIS SAME VITAL SUBJECT -- AS WELL AS THE COMMITTEES ON ARMED SERVICES IN BOTH BODIES, FOR SUPPORTING THE LEGISLATION CREATING THE COMMISSION. I ALSO OFFER MY THANKS TO THE DEPARTMENTS OF DEFENSE, VETERANS AFFAIRS, AND LABOR, AS WELL AS THE SMALL BUSINESS ADMINISTRATION, FOR THEIR VALUED ASSISTANCE TO THE COMMISSION DURING ITS YEAR AND A HALF OF DELIBERATIONS.

IF OUR NATION IS TO KEEP FAITH WITH THE MEN AND WOMEN WHO ARE PREPARED TO DEFEND OUR FREEDOM, THEN THE STATUS QUO *MUST* CHANGE. THE RECOMMENDATIONS BEFORE YOU -- WHICH ARE OVER 100 IN NUMBER AND ADDRESS 31 SEPARATE ISSUES – COULD DO JUST THAT. I KNOW THE COMMITTEE WILL CAREFULLY CONSIDER THE COMMISSION REPORT AND WILL MOVE FORWARD ON THOSE RECOMMENDATIONS DEEMED NECESSARY TO DO THE JOB.

THANK YOU.

###

WRITTEN COMMITTEE QUESTIONS AND THEIR RESPONSES

CONGRESSMAN EVANS TO ANTHONY J. PRINCIPI, CHAIRMAN, CONGRESSIONAL COMMISSION ON SERVICEMEMBERS AND VETERANS TRANSITION ASSISTANCE

Committee on Veterans' Affairs
House of Representatives

Hearing of February 23, 1999

To Receive the Report
of the
Congressional Commission on Servicemembers and Veterans Transition Assistance

Questions for the Record
Honorable Lane Evans
Ranking Minority Member

1. Your report includes over 100 recommendation that the Commission believes would improve servicemembers' transition to civilian life. Of these many recommendations, which proposal do you consider the most critical, and why do you feel it is particularly important?

The Commission did not prioritize the recommendations in the report. We believed it was important to send a balanced report to Congress knowing that such a report would contain some recommendations requiring increased spending and other recommendations that would generate savings as well as more cost-effective administration and delivery of programs and services. With that caveat, I would cite the recommendations for an enhanced education benefit, creation of a new veterans' employment assistance program at the Department of Labor and a richer, deeper and broader partnership of the VA and DoD healthcare systems as the most significant recommendations in our report We believe that enactment of these proposals will do much to improve the successful transformation of servicemembers into veterans.

2. The statute creating the commission did not specifically include health care as an issue to be considered by the Commission. Why did the Commission make extensive health care recommendations?

Our nation has no more pressing obligation than our obligation to servicemembers who are making their transition to civilian life because they incurred injuries or illnesses while on active duty. The first step of that transition will be the transfer from a military treatment facility to a VA treatment facility. Also, as the Commission would learn from the outset of its work and in discussions with thousands of servicemembers, healthcare is one of their most important concerns, especially for the 59% who are married, many with children and a number of

single parents. These transitioning servicemembers and veterans will look to the DoD and VA healthcare systems for healthcare.

Our society's ability to meet the healthcare needs of transitioning servicemembers will be defined by the capability and institutional soundness of the DoD and VA healthcare systems. The Commission believes that neither we, nor the Congress, can look at just one part of the mission of healthcare systems upon which servicemembers and veterans depend. When we look at one part of the systems we must look at the whole and, because of the importance of both systems to the servicemembers and veterans who are our focus, we must look at them jointly and completely.

3. I am aware that at one time the Commission was considering an option to create a priority for servicemembers with other than a dishonorable discharge to receive VA healthcare for a year immediately following their service. This was not a final recommendation of the Commission. I thought the idea had some merit. Why did the Commission eventually reject this idea in favor of buying transitioning members into TRICARE?

While the Commission never formally considered an option to create a healthcare priority for newly discharged veterans, such a proposal should take into account the fact that newly discharged veterans are eligible for care under current law. However in spite of that eligibility, practical access to VA care is dependent upon proximity to a VA healthcare facility, especially for post-discharge injuries or acute illnesses that would clearly be non-service-connected. In addition, sixty per cent of servicemembers are married and many have children. Except in cases of CHAMPVA eligibility, VA healthcare coverage is available only to veterans and not to their family members. A healthcare crisis for a family member during the transition period could have a devastating effect on a veteran's transition to civilian life. TRICARE would provide coverage for the entire family and without regard to geographic location.

4. In your report you recommended that Department of Defense funding for TAP be significantly increased. Do you also recommend increased funding for the Departments of Veterans Affairs and Labor?

Commission proposals include some which would increase funding and others which would produce efficiencies which would allow reduced funding or increased services with constant funding. The Commission made no attempt to balance increases or efficiency derived savings between those departments entrusted with administering veterans' benefits.

A review of our proposals reveals that we have made recommendations which would increase funding for each of the departments. For example: for the Department of Labor we propose quadrupling funding for the Homeless Veterans Reintegration Project (HVRP), and tripling funding for veterans' programs administered under the Joint Training Partnership Act (JTPA IV-C). For VA, we propose to double funding for VA's participation in the Service's Transition Assistance Programs and increasing the Grant Per Diem program for community-based service providers for homeless veterans by ten times. Of course, our proposals to enhance GI Bill education benefits would require substantial increases in funding for this VA administered program.

5. Considering that the overall unemployment rate for veterans is lower than non-veterans over the last several years, why is the report so critical of veterans employment programs?

While the overall unemployment rate for veterans may be lower than the unemployment rate for non-veterans, in 1997 the unemployment rate for veterans in the age groups 20 - 24 and 35-39 (the age groups most likely to include newly separated veterans) was almost 20% higher than the rate for non-veterans the same age. This discrepancy is even more inexplicable considering the fact that veterans are drug free, disciplined, accustomed to working as a member of a team and results oriented.

In addition, the Commission found that only about 300,000 of the 2 million veterans who register with the state employment services obtain employment through the disabled veterans' outreach program (DVOP) or the local veterans' employment representative (LVER) programs. According to DOL's 1997 Annual Report, only 12 percent of veterans who registered with the Employment Service obtained permanent employment. Fewer than 1 percent of job-seeking veterans receive the case management services (which make a single program representative responsible for services from intake through employment) intended for veterans with barriers to employment.

According to DOL's 1997 Annual Report, nine states meet DOL performance standards while placing fewer than 10 per cent of veteran registrants. The Commission strongly believes that this performance is an inadequate return on program costs of $157 million per year.

6. Why is it necessary to replace the current DVOP and LVER programs? Couldn't the Commission's goals be achieved by modifying current state grants programs?

The Commission believes that the current DVOP and LVER programs must be restructured because they have been overcome by changes in the manner in which employment services are delivered and because the current framework for administering grants does not provide for accountability for performance

We strongly recommend replacing these programs with restructured services that would offer two forms of assistance: case management support for veterans with the highest priority for service and employment facilitation and marketing for the great majority of job-ready transitioning servicemembers. An improved, veteran-centered computerized labor exchange combined with an identification of barriers to civilian credentialling and certification of military training and education would provide effective assistance for most job ready veterans while staff of the proposed new Veterans Employment Facilitator and Veterans Case Manager programs would focus on those veterans needing more intensive services.

The Commission further recommends that grants for the restructured services be awarded to local service providers through competitive bidding, with winning bidders held strictly accountable for satisfying performance-based outcome measures such as the number of veterans hired, and nature and duration of employment. State Employment Security Agencies (SESAs) could still compete for these grants but would be held accountable for the results that they obtain.

7. Why does the Commission propose to redefine priorities for providing employment services to veterans?

Among other priorities, current law establishes (an apparently lifetime) priority based upon the wartime period when a veteran served. Specifically the law now provides a priority for veterans who served during the Vietnam-era. The United States withdrew its troops from Vietnam in early 1973, 26 years ago. Thus, Vietnam is now further in the past for today's newly separating veteran than World War II was for a Vietnam veteran separating in 1971. Vietnam veterans would not have been well served by a 1971 priority for World War II veterans. Nor will veterans separating during the next century be well served by a priority for veterans of Vietnam. The Commission believes that rather than giving a lifetime priority to veterans based upon the period when they served that a priority should be given to those veterans who need the assistance the most. Specifically, we recommend that priority be given to veterans with service-connected disabilities, veterans with barriers to employment and to recently-separated veterans. If enacted, this proposal would not disenfranchise those Vietnam veterans with employment barriers or service-connected disabilities since those veterans would have a priority based on their employment barrier or disability. In fact, these veterans should receive improved service because providers would no longer be forced to give priority assistance to job-ready barrier-free veterans.

○

ISBN 0-16-059585-1

90000

9 780160 595851