

Administration of Barack Obama, 2014

Remarks on the Nomination of Robert A. McDonald To Be Secretary of Veterans Affairs

June 30, 2014

The President. Let me start by thanking Acting Secretary Gibson for welcoming us here today. I am pleased to be joined by our Vice President, Joe Biden, from leaders across this Department, and our many partners, particularly representatives from our incredible veterans and military family service organizations.

I want to begin by making a basic point: Those of you who serve here at the VA do absolutely vital work every single day for our veterans and their families. I know how deeply you care about our veterans. Many of you are veterans yourselves: veterans serving veterans. You help them transition to civilian life, go to college, buy their first home, start a new business. You have some of the best doctors and nurses in the country and provide some of the best specialized health care. At our national cemeteries, you lay our veterans to rest with dignity and compassion. I know that millions of veterans are profoundly grateful for the good work that you do. And I am grateful as well.

But we're here today because of problems that have outraged us all. That includes the inexcusable conduct that we've seen at too many VA health care facilities. So I'm here for two reasons: to update you and the American people on how we're fixing these problems and to announce my choice for the next Secretary of Veterans Affairs to help move us forward.

The first thing everyone should know is that those responsible for manipulating or falsifying records at the VA—and those who tolerated it—are being held accountable. Some officials have already been relieved of their duties. Investigations are continuing. And as I've said, where we find misconduct, it will be punished. And I've made it clear that I expect the VA's full cooperation with all the ongoing investigations into wrongdoing.

Second, we've reached out to 135,000 veterans so far to get them off those wait lists and into clinics. We've added more staff, sent mobile medical units, and we're making it easier for veterans to use hospitals and clinics outside the VA. And we're going to keep at it until every one of our veterans is off a wait list and they receive the care that they have earned.

Third, we're moving ahead with urgent reforms at the Veterans Health Administration. That 14-day scheduling goal has been removed from employee evaluations so there is absolutely no incentive to engage in inappropriate behavior. Providing the highest quality care when our veterans need it, that's your incentive. There will be new measures of patient satisfaction from the veteran's perspective. And today's outdated VA scheduling system is going to be overhauled with the latest technology.

More broadly, the review that Rob Nabors conducted of the VHA found, and I'm quoting, "significant and chronic systemic failures," including too little responsiveness, transparency, and accountability. And that is totally unacceptable. It recommends that the VHA be "restructured and reformed" with stronger management, leadership and oversight, as well as more doctors and staff. And I totally agree, and we're going to make that happen.

I've asked Rob to remain at the VA for now to help move these reforms forward. Hiring of new VWA leaders has been frozen—VHA leaders has been frozen to make sure the new team we're putting in place is the right one. And based on the recommendations of our panel of

experts, I will be nominating the next leader of the VHA. I want to get the very best leader on the job and get going on these reforms. And we're going to work with Congress to make sure that the VHA has more of the doctors and resources it needs to deliver the care that our veterans deserve.

Fourth, we're instituting a new culture of accountability. The very idea that senior VHA executives would receive bonuses this year rightly appalled many Americans. And those bonuses have already been cancelled. A review is now underway to make sure that when employees speak up about a problem, action is taken, not to intimidate or retaliate against the employee, but actually to fix the problem. Everyone is going to be held accountable for doing better. And Congress can help by giving the Secretary more authority to remove senior leaders.

Finally, we're rebuilding our leadership team here at the VA. I want to thank Sloan and others here who have stepped up to serve in new roles during this critical time.

And I have to say, Sloan, you have been an outstanding driving force behind the reforms that are now underway. We'll be relying on your steady hand during this period of transition and through your continued service as Deputy Secretary. And I know all of you will have an outstanding partner and Secretary in my choice to lead the VA going forward: one of our Nation's most accomplished business leaders and managers, Robert McDonald.

Now, I've gotten to know Bob a bit over the years. He's come to the White House to share his perspectives as we've worked through complicated issues. He's no-nonsense. He's pragmatic. He does not seek the limelight. He repeats a Japanese saying—he worked and lived in Japan for 6 years while at Procter & Gamble. The saying goes: "He who climbs Mount Fuji is a wise man; he who climbs it twice is a fool." *[Laughter]* Now, Bob actually climbed Mount Fuji once. *[Laughter]* Bob is a wise man. *[Laughter]* And if you need any more evidence that he's wise, you need to meet Diane and his family who are here today, because they are a wonderful family, and obviously, they've served along with him in the past.

For Bob and his family, the mission of caring for our veterans is deeply personal. His father served in the Army Air Corps after World War II. Diane's father was a POW. Her uncle was exposed to agent orange in Vietnam and still receives treatment from the VA. So this is not an abstract mission for them.

Bob is a veteran himself. He graduated from West Point, where he and Sloan were classmates, so this is a bit of a reunion. Bob served as an Army Ranger in the 82d Airborne Division. Back home in Cincinnati, he and Diane have teamed up with the USO to honor our veterans.

But what especially makes Bob the right choice to lead the VA right now is his three decades of experience in building and managing one of the world's most recognized companies, Procter & Gamble. The VA is not a business, but it is one of our largest departments: some 340,000 employees working in more than 1,700 facilities, serving nearly 9 million veterans. And the workload at the VHA alone is enormous: some 85 million appointments a year and some 25 million consultations.

As CEO of Procter & Gamble, Bob oversaw more than 120,000 employees, with operations around the world, selling products in more than 180 countries, in more than 2 million stores, reaching some 5 billion customers. In other words, he knows the key to any successful enterprise is staying focused on the people you're trying to serve. He's renowned for his operational excellence. He started his career out in the field and worked his way up, serving

at virtually every level of Procter & Gamble. He understands that grand plans are not enough. What matters is the operations that you put in place and getting the job done.

Bob is an expert at making organizations better. In his career he's taken over struggling business units. He knows how to roll up his sleeves and gets to work: putting an end to what doesn't work, adopting best practices that do, restructuring, introducing innovations, making operations more efficient and effective. In short, he's about delivering better results.

He also knows the importance of building what he calls a "high-performance team," putting the right people in the right jobs, rewarding them when they do well, and holding them accountable when they do not.

And finally, Bob's known for his integrity. He's still guided by that cadet prayer from West Point: "Choose the harder right instead of the easier wrong." He served our country in uniform. He's now prepared to answer the call once more.

So let me state the obvious: This is not going to be an easy assignment. Bob knows that. But like any Army Airborne Ranger, Bob has a reputation for being ready, jumping into tough situations, taking charge, and going all the way. So, Bob, on behalf of all of us: To you, to Diane, and your family, thank you for your readiness to serve again.

My bottom line is this: We've got to change the way VA does business. Over the past 5 years, this agency has done some excellent work in dealing with a whole range of real difficult challenges. And I don't want people to forget that. We had—have had a huge influx of returning Iraq and Afghanistan veterans. We have had—I think had to manage what was a good decision to make sure that folks who previously had difficulty accessing VA services were finally admitted, whether it was because they had PTSD or folks with cases previously of agent orange, all of which meant more people coming into the system. We have had to get up and running, and it's now—we're doing quite effectively work in terms of the post-9/11 GI bill to make sure that our young people are able to get the training they need after they leave the—our military.

So across the board, there's been some terrific work, but there's a lot more that has to be done. We've got to fix some things that are broken. And Sloan's started that process, but we're going to have to keep in driving until we get it done.

We've got to regain the trust of our veterans with a VA that is more effective, more efficient, and that truly puts veterans first. Bob is the manager we need to help get this done. So I urge the Senate to confirm him as soon as possible.

I also urge the Senate to finally confirm my nominee for CFO, Helen Tierney; my nominee for Assistant Secretary for Policy, Linda Schwartz; my nominee to lead the Board of Veterans' Appeals, Constance Tobias. They have all been waiting and waiting and waiting for a vote, in Constance's case, for more than a year. We need them on the job now, and Congress needs to act and help us do right by our veterans.

And we've got to do right by veterans like Corporal Kyle Carpenter. Some of you may have seen the story of Kyle. I recently had the privilege of presenting Kyle with the Medal of Honor for his actions in Afghanistan where he used his body to shield his best friend from a grenade blast. Kyle spent 2½ years in the hospital. He endured nearly 40 surgeries to rebuild his body and his face, and he's gone through excruciating rehab. And to see him standing in the White House, strong and proud, receiving his Medal of Honor, was something I will never forget. It was an inspiration.

Today, Kyle is medically retired, so part of his journey of recovery has involved the VA. On the one hand, he's now in college and with the help of his VA educational benefits. And it's an example of the good work that the VA has done. On the other hand, his experience with VA health care has often been frustrating. He said it was okay that I share this with you today, so I just want to use Kyle as an example. Here is an American hero by any definition. Sometimes, we use that word too loosely. This guy is a hero and deserves everything we can do.

But like other veterans, Kyle sometimes had trouble just making an appointment or had to wait a month to see his doctor, only to be referred to another doctor and wait another 2 months for that appointment. He often felt like a number, he said, being passed between doctors, who sometimes didn't know his situation or why he needed certain medication. He's relied on the help of a patient advocate. But at so many steps along the way, it's just been a lot harder than it should have been. As his advocate said, it "shouldn't be this way."

So the VA does many things well, like delivering Kyle's educational benefits. And we need all of you to keep doing that important work, like reducing the disability claims backlog and improving care for posttraumatic stress and traumatic brain injury, building on the good work that's already been done in reducing homelessness among our veterans, helping veterans get their education under the post-9/11 GI bill, and helping find new civilian jobs so they can enjoy the American Dream they help to defend. And it's a good time to mention the great work that the VA has done with Jill Biden and Michelle in partnering with the private sector so that that transition from military to civilian life is a lot easier for our veterans.

But when it comes to delivering timely, quality health care, we have to do better. We have to do better for Kyle. We have to do better for all our wounded warriors. We have to do better for all our veterans, from all our wars. They're looking for us to fulfill Lincoln's pledge: to care for those who have borne the battle and for their families and survivors. I'm confident we can do that. And so long as I am President, we're going to keep doing everything in our power to uphold what is a sacred obligation.

With that, I want to invite Bob to say a few words. Thank you so much, Bob, for taking on this assignment.

Secretary-designate McDonald. Thank you, Mr. President. Thank you so much.

Mr. President, thank you for your confidence in me that this nomination demonstrates. It would indeed be an honor and a privilege, if confirmed by the Senate, to serve as the Secretary of Veterans Affairs to improve the lives of our country's veterans and to help change the way the U.S. Department of Veterans Affairs does business.

Mr. President, in your remarks just now, you've made it clear what you expect: a VA that is more effective, more efficient, and that truly puts our veterans first. If confirmed by the Senate, my priority would be to lead that transformation.

My life's purpose has been to improve the lives of others. I went to West Point to be an officer in the Army to try to help free people who were living in nonfree societies. I became an Airborne Ranger Infantry Officer in the 82d Airborne Division because I wanted to be on the front line in leading that change. I joined the Procter & Gamble Company 34 years ago because of its purpose, which is to improve the lives of the world's consumers.

Mr. President, thank you for mentioning my father, Diane's father and uncle. Yes, for our family, taking care of our veterans is very personal. We need to put care for the veteran at the center of everything that we do at Veterans Affairs. At Procter & Gamble, we always focus on

our customer. At the VA, the veteran is our customer, and we must all focus—all day, every day—on getting them the benefits and the care that they've so earned. That's the only reason we're here. I look forward to working with the dedicated men and women of the Veterans Affairs to accomplish this mission.

I'd like to thank my family for supporting me throughout my life, but especially during this next chapter. My wife Diane, my daughter Jenny, my son-in-law Scott, and my son Rob are all here today. My parents and Diane's mother could not attend today, but thank you for your love and support.

Thank you again, Mr. President. I look forward to working with you to transform Veterans Affairs to better serve our country's veterans.

Thank you.

The President. Good luck. You're going to do great.

NOTE: The President spoke at 4:34 p.m. at the Department of Veterans Affairs. In his remarks, he referred to Acting Secretary of Veterans Affairs Sloan D. Gibson; and Lance Cpl. Nicholas Eufrazio, USMC, who was wounded in combat in Helmand Province, Afghanistan, on November 21, 2010.

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