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THE VIEWS OF MILITARY ADVOCACY AND BENEFICIARY GROUPS

HEARING

BEFORE THE

MILITARY PERSONNEL SUBCOMMITTEE

OF THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

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CONTENTS

CHRONOLOGICAL LIST OF HEARINGS

2009

WEDNESDAY, FEBRUARY 25, 2009

THE VIEWS OF MILITARY ADVOCACY AND BENEFICIARY GROUPS

STATEMENTS PRESENTED BY MEMBERS OF CONGRESS

WITNESSES

APPENDIX

THE VIEWS OF MILITARY ADVOCACY AND BENEFICIARY GROUPS

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
MILITARY PERSONNEL SUBCOMMITTEE,
Washington, DC, Wednesday, February 25, 2009.

The subcommittee met, pursuant to call, at 3:04 p.m., in room 2118, Rayburn House Office Building, Hon. Susan A. Davis (chairwoman of the subcommittee) presiding.

OPENING STATEMENT OF HON. SUSAN A. DAVIS, A REPRESENTATIVE FROM CALIFORNIA, CHAIRWOMAN, MILITARY PERSONNEL SUBCOMMITTEE

Mrs. DAVIS. Good afternoon everybody.

The hearing will come to order. I want to thank our witnesses today for coming. We will be focusing on the views of military advocacy and beneficiary groups.

For the past several years, as many of you know, the subcommittee has found it beneficial to hear from a handful of beneficiary and advocacy organizations at the start of the legislative season on a wide range of policies that impact service members, their families, and retirees.

And this approach has allowed the subcommittee to have a better understanding of the priorities of these organizations and where they stand so the members of the subcommittee gain a better appreciation of the many competing requirements that come before us.

During the last Congress, the subcommittee was able to visit several of our members' districts, and I look forward to continuing this new tradition and getting out to other districts in the coming year.

These trips have also afforded us a firsthand view of the issues that affect our men and women in uniform. The current economic climate is a challenge. It is a challenge to all Americans. And our service members and their families are not immune to its effects. As such, we expect that the coming Department of Defense (DOD) budget will be streamlined, and finding additional funds to address the multitude of important personnel programs, particularly the increases in health care costs, will be even more challenging this year.

More so than ever, we know that we are going to be forced to make difficult decisions, and it is important for the subcommittee to understand the priorities for service members, retirees, and their families when we make these decisions.

I want to welcome our witnesses today: Peter J. Duffy, Colonel, United States Army, retired, deputy legislative director for the National Guard Association of the United States.

Nice to have you with us, all of you.

Michael P. Cline, Master Sergeant, United States Army, retired, executive director, Enlisted Association of the National Guard of the United States; Ms. Kathleen B. Moakler, director, governmental relations for the National Military Family Association; Steve Strobridge, Colonel, United States Air Force, retired, director of government relations, Military Officers Association of America; Mr. F. Jed Becker, chairman of the Armed Forces Marketing Council; Ms. Perri Brackett, chairwoman, American Logistics Association; and Margaret McCloud, member, Gold Star Wives, also here testifying today, and we are delighted to have all of you.

Let me also mention, Master Sergeant Cline, Ms. Moakler, and Colonel Strobridge represent their individual association, but they are also representing the position of the Military Coalition (TMC) here today. The coalition is comprised of over 30 uniformed services and veterans service organization (VSO). We could not have all interested individual organizations present their oral testimony, so we have asked these individuals to represent the coalition members here today. And we appreciate the fact that many of you have put your statements into the record, and we will certainly include those.

Ladies and gentlemen, welcome. I would ask that you testify in the order that I stated.

And Mr. Wilson, I wonder if you have any comments that you would like to add as well.

[The prepared statement of Mrs. Davis can be found in the Appendix on page 35.]

STATEMENT OF HON. JOE WILSON, A REPRESENTATIVE FROM SOUTH CAROLINA, RANKING MEMBER, MILITARY PERSONNEL SUBCOMMITTEE

Mr. WILSON. Thank you, Madam Chairwoman Davis, for holding this hearing today.

And thank you each, as a member of today's panel, for being here today. I truly appreciate your willingness to share your views on important issues spanning the full breadth of the subcommittee's jurisdiction. This testimony will surely help to shape our legislative and funding priorities as we strive to improve the military personnel, health care, and morale, welfare and recreation (MWR) systems of the Department of Defense.

I am especially grateful that we will hear today from Ms. Margaret McCloud, a Gold Star Wife whose husband, Lieutenant Colonel Trane McCloud, was killed in action in Iraq. Trane was an active duty Marine and served in our office as the Defense Legislative Fellow in 2003. Trane has been such a patriot. He was devoted to his country. He loved his wife and three children. I am so grateful to have Maggie here today.

And thank you so much and God bless you.

Also I would like to thank Chairman Davis for agreeing to my request that the panel include witnesses to address National Guard and Reserve issues.

Madam Chair, based on my review of the testimony submitted to us, the recommendations made by the various groups fall into two broad categories: one, those that are strictly policy issues that require little or no additional funding; and two, those legislative changes that would require additional discretionary or mandatory spending.

While fiscally more difficult, many of the proposals that will make an immediate and positive impact on our service members and their families fall into the latter category. Some examples include an annual pay increase of one-half of one percent above the employment cost index, ECI; improving Reserve component compensation; eliminating the concurrent receipt and the Survivor Benefit Plan (SBP) and Dependent Indemnity Compensation (DIC) offsets; and prohibiting substantial increases in health care cost sharing.

It has been said that a time was coming when we might not be able to come up with the offsets for these proposals. However, in today's environment, when Congress and the President have committed to spending trillions of dollars, that is thousands of billions, to rescue the economy, it is my view that Congress can find the additional funding required to protect the men, the women, and their families who make incredible daily sacrifices in service to our Nation.

I would urge that the subcommittee provide recommendations for additional mandatory spending authority to Chairman Skelton and Ranking Member McHugh for inclusion in the House Armed Services Committee (HASC) views and estimates letter.

Madam Chair, I would welcome the opportunity to work with you in that effort. Again, I thank you for holding this hearing, and I look forward to the testimony of our witnesses.

[The prepared statement of Mr. Wilson can be found in the Appendix on page 37.]

Mrs. DAVIS. Thank you very much, Mr. Wilson.

And I know that this is a difficult thing to do, but you have been asked to try and limit your comments to three minutes. That will give us more time to be sure that we have a chance to engage in a real discussion here, and we would like very much to do that.

So if you could summarize your remarks and provide us with your top three priorities, that is helpful, too. If you don't have it together in that way we will come back and ask you anyway. So however you choose to use those three minutes, we hope that we will have a chance to understand those very clearly before we leave here today.

After reviewing all the written testimony, the totality of the program enhancements, the expansions and improvements that are being sought, the total as you can well imagine is in the billions of dollars both in mandatory and discretionary funding, and the reality, as you well know, is that we can't do everything that we are seeking to achieve, certainly not in years past and not here. And we have tried to do that but we know that that is very difficult. So we will continue to make the kinds of improvements that you are here to talk about in incremental steps. To the extent we understand those better is really what we are here to do today.

We certainly can't accommodate all the organizations who would like to speak and to present all of their oral testimony, but without objection, I would like to include in the record and ask unanimous consent that the testimony from the Fleet Reserve Association; the Reserve Officers Association; the Veterans of Foreign Wars of the United States; and the Iraq and Afghanistan Veterans of America as well as the statement from Mr. Solomon Ortiz, the Chairman of the Readiness Subcommittee, be included for the record.

[The information referred to can be found in the Appendix on page 38, and beginning on page 187.]

Mrs. DAVIS. And with that, Colonel Duffy, could you please begin.

STATEMENT OF COL. PETER J. DUFFY, USA (RET.), DEPUTY DIRECTOR, LEGISLATION, NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

Colonel DUFFY. Thank you, Madam Chair.

Thank you for this opportunity to present testimony. I will summarize.

My three points will be related to medical readiness: one, in the context of premobilization medical readiness; the second, post-deployment medical readiness; and the third, mental health care as a readiness item both pre- and post-deployment.

A few very brief words about the National Guard, with which I know you all are familiar. We are a unique component among the military. We are citizen soldiers. Once released from active duty, if we remain as members of the Selected Reserve, we go under Title 32 status under the command and control of the Governor where members of the National Guard will fight fires in California, ice storms in Arkansas, hurricanes in South Carolina and North Carolina, often with very little break time before returning to active duty. The National Guard is a community-based organization. I cannot amplify that or underscore that enough.

Medical readiness needs: Currently, when the alert order comes out to activate a unit, our members are usually screened with the screening taking place ideally within about one year from the time of deployment. If there are medical and dental deficiencies found in that screening, there is no mandatory program to fix those. We want to mandate the Department of Defense not just to screen our members for medical and dental readiness but to fix any medical or dental deficiencies. And this should be done on an ongoing basis.

Let me explain the concept of cross-leveling, which may sound a little bit unusual. If a unit of 70 persons is activated, alerted, and let's say they are alerted 1 year prior to deployment, as they approach deployment, if 5 or 10 members are not fit for deployment, be it medical or legal reasons, other members in the state not part of that unit will be cross-leveled to be deployed with them. Sometimes the notice for cross-leveling can be as short as two or three weeks. Certainly those members do not have any adequate notice of the possibility of deployment to have attended to medical and dental needs.

If we have full-time medical readiness, this would not be an issue. All members in the state National Guard would be medically and dentally ready if we had annual screenings and their defi-

ciencies were repaired. Full-time readiness: If the Department of Defense is going to use the National Guard as an operational force, it should take care of them medically as an operational force, not in the staccato method that has been followed since this war began.

Right now our members receive active duty equivalent medical care 90 days prior to being activated. We want this extended to the full alert period.

Post deployment: The post-deployment health assessment (PDHA), as you may know, is administrated at the demobilization site. It is a self-assessment completed by the soldier or by the airman. The demobilization site is often far removed from the home station. For example, the Maryland National Guard had a unit that was demobilized in the State of Washington before returning to Maryland. When the member fills out the post-deployment health assessment it's done subject to the instruction that if a major medical issue is cited, that member could be retained on active duty at the demobilization site. For a member who wants to go home, that member will tend to game the system and under-report or not report injuries. What this delays, of course, is diagnosis and treatment and also prejudices that member if he later files a service claim for a service-connected injury that was not reported.

It is essential that the post-deployment health assessment be completed in a more soldier-friendly environment in the home station under the auspices of a treating health care professional. A treating health care professional can spot things that a self-assessing member cannot. And if geographical barriers are the inhibitor to full reporting on the PDHA, those would be removed if the member would be allowed to complete this at a home service station.

It is not going to pick up everything. Some service-connected injuries will not be presented until months, maybe years, after the member returns, but it will produce a better yield.

[The prepared statement of Colonel Duffy can be found in the Appendix on page 39.]

Mrs. DAVIS. I know that your time is up. If we go and have an opportunity to hear from everybody, we will certainly come back on some other issue as well.

Colonel DUFFY. Thank you.

Mrs. DAVIS. Master Sergeant Cline.

STATEMENT OF MASTER SGT. MICHAEL P. CLINE, USA (RET.), EXECUTIVE DIRECTOR, ENLISTED ASSOCIATION OF THE NATIONAL GUARD OF THE UNITED STATES

Sergeant CLINE. Madam Chair, Representative Wilson and members of the subcommittee, my testimony will focus on early retirement, TRICARE, Montgomery GI (MGIB) education benefits for Guard and Reserve.

TMC named its top goal for the Guard and Reserve in 2009 as retroactivity of the early retirement eligibility. We suggest that the 90-day rule be altered to reflect retirement year and not fiscal year accounting.

The number of multiple Guard and Reserve tours since 9/11 has jumped to 194,466. The total number of Guard and Reserve members that have been mobilized since 9/11 has now risen to 691,086. Most of these tours will not count toward a reduced retirement age

for Guard and Reserve members. The TMC believes, as the Nation is committed to increased utilization of Reserve components and to maintain and retain a viable operational Reserve force, we must move forward to provide a reduced retirement age entitlement for all Reserve component members. That is an age-service formula or outright retirement age at age 55 to include provision for gray area retirees to include TRICARE access.

Select Montgomery GI benefits: As you know the Webb GI bill did not include benefits for the Selected Reserve members who were joining. We ask that you restore basic Reserve MGIB benefits for initially joining the Selected Reserve to the historic benchmark of 47 to 50 percent of the active duty rate. We ask that you ensure all Reserve members utilized in post-9/11 in support of contingency operations or downsizing or force structure reductions in response to Base Realignment and Closure (BRAC) are afforded the opportunity to participate in the GI bill improvements.

Integrate Reserve and active duty MGIB laws into Title 38. Enact academic protections for mobilized Guard and Reserve students.

The TMC is pleased with recent improvements in health care access for Guard and Reserve families, including implementation of TRICARE Reserve Select (TRS). These improvements point to congressional recognition that Guard and Reserve health care access must be commensurate with their increased responsibilities. We seek permanent legislation to allow gray area Reservists to purchase TRS health care coverage.

Establish a moratorium on TRS premium increases and direct DOD to make a determined effort for the most efficient uses of resources allocated. Make DOD fiscally responsible for medical and dental care for Reservists, beginning with the issuance of an alert order and 180 days post-mobilization.

Ensure Guard and Reserve members have adequate access and treatment in the DOD and Veterans Affairs (VA) health care systems for post-traumatic stress disorder and traumatic brain injury following separation from active duty service and theater of operation.

Allow the option of an equivalent offset to civilian plan premiums during activation similar to provisions of up to 24 months of Federal Employee Health Benefits (FEHB) premium coverage for mobilized Federal workers.

Allow eligibility and continued health care benefits for Select Reservists who are voluntarily separating and subject to disenrollment in TRS.

Madam Chair, thank you for the opportunity to present the views of the TMC Guard and Reserve committee.

[The joint prepared statement of Sergeant Cline, Colonel Strobridge, and Ms. Moakler can be found in the Appendix on page 55.]

Mrs. DAVIS. Thank you very much.

And we have had a call for a vote. We will try to hear maybe one or two more witnesses, and then we will come back. It is just one vote, so hopefully it won't be too long.

Ms. Moakler.

STATEMENT OF KATHLEEN B. MOAKLER, DIRECTOR, GOVERNMENT RELATIONS, NATIONAL MILITARY FAMILY ASSOCIATION

Ms. MOAKLER. Madam Chairperson, Representative Wilson, and other members of the subcommittee, I will address issues affecting our service members, their families, and their survivors.

Providing major increases in military end-strength for the Army and Marine Corps must continue as a top priority in order to have any significant prospect of easing rotation burdens. The coalition is disturbed by calls to reduce planned force growth as a means of funding weapons requirements. We also resist budget-driven rather than requirements-driven manpower reductions for the Air Force and Navy.

We thank the committee for its sustained commitment to restoring full military pay comparability. We ask that you sustain military raises of at least .5 percent above the ECI until the current 2.9 percent shortfall is eliminated.

The coalition supports revised housing standards that are more realistic and appropriate for each pay grade. We urge the subcommittee to continue its efforts to extend the single-family detached house standard to those in grade E–8 and then to grade E–7 and below over several years as resources allow.

Recently, Admiral Mike Mullen said, "The way the families are handling this thing is, they are just toughing it out until they get the relief. There is a concern about how long they can tough it out. We are going to have to continue to focus on that."

The TMC agrees. Focus should be on policies and programs that provide a firm foundation for families buffeted by the uncertainties of deployment and transformation. We understand that these are leaner times. But our families rely on these programs. We want sustained funding for those programs that work for families that are both high-tech and high-touch, reaching families of all services and components where they live and when they need it most.

Families need access to behavioral health care. Counseling programs have proven beneficial. But when family members find they need more in-depth care, the wait for an appointment, or distance to a mental health provider can be a huge barrier when they need help the most. Improving access to mental health care for our military families needs to be a priority.

Innovative strategies are required to address the non-availability of after-hours child care and respite care. The partnership between the services and National Association of Child Care Resource and Referral Agencies (NACCRRA) that provides subsidized child care to families who cannot access installation-based Child Development Centers (CDCs), including National Guard and Reserve families, needs to be expanded. These programs need to be sustained as part of the regular budget process and not just as part of supplemental funding.

The elimination of the DIC offset to SBP remains a high priority for the TMC. We also support payment of SBP annuities for disabled survivors into a special needs trust so that they can continue to receive essential support services. We ask that you allow children of members who die on active duty to retain coverage under the active duty dependent dental plan until they age out.

TMC urges the subcommittee to authorize survivors of retired members to retain the final month's retired pay for the month in which the retiree dies. This brings it in line with the VA disability payment and relieves economic complications in their time of grief.

Thank you and I await your questions.

[The prepared statement of Ms. Moakler can be found in the Appendix on page 108.]

Mrs. DAVIS. Thank you very much.

Colonel Strobridge, I think we have time. And then we will go vote and come right back.

STATEMENT OF COL. STEVEN P. STROBRIDGE, USAF (RET.), DIRECTOR, GOVERNMENT RELATIONS, MILITARY OFFICERS ASSOCIATION OF AMERICA

Colonel STROBRIDGE. Madam Chair, Representative Wilson, and members of the subcommittee, my testimony will focus on wounded warriors' health care and retirement issues.

On wounded warriors, we need permanent authority for the Senior Oversight Committee (SOC) that will expire at the end of this year. We are also concerned that the transition from active duty to retiree TRICARE or to the VA coverage catches many wounded warriors and their families unaware. They need the same protections that we provide when someone dies on active duty: three years of continued active duty level coverage to assure a smooth transition.

We urge a consistent package of training and compensation for wounded warriors' full time caregivers. The services have separate programs in that area, and the VA offers very little, and the caregivers lose all support when the member is disability retired. We owe them a fairer deal.

Regarding psychological health and Traumatic Brain Injury (TBI), DOD and VA are moving out on those issues, but most of those efforts are going to take time. As Kathy said, we have overwhelming numbers who need help now, but many have to wait months for appointments, and that is, frankly, not good enough. We need to do a better job there.

On TRICARE fees, we hope the new Administration won't continue the past budget efforts to raise fees and drive retirees away from using their earned coverage. TRICARE costs are inflated by unique military requirements and inefficiencies, and DOD has lots of options to cut costs without passing beneficiaries the bill.

We ask you to put language in this year's Defense Authorization Act expressing the sense of Congress that military people pay huge upfront premiums through decades of service and sacrifice over and above of their cash fees. We don't think that gets enough acknowledgement. DOD surveys show that military beneficiaries are less satisfied with their care than most civilians are. We think the Pentagon needs to focus more on fixing TRICARE and less on trying to charge more for it.

On concurrent receipt, we believe, as you know, that military retired pay is earned by service and shouldn't be reduced for a service-caused disability. We hope that you will be able to fix a glitch in the combat-related special compensation law that causes some to lose the pay that Congress meant for them.

We are also very concerned about the REDUX retirement system and the so-called $30,000 career status bonus that entices thousands of unwary members to forfeit the hundreds of thousands of dollars in future retired pay. In fact, the bonus is a lifetime loan against future retired pay with a usurious 24 percent Annual Percentage Rate (APR) for the typical enlisted member and a 35 percent APR for the typical officer. We would be pleased to explore options with the subcommittee staff to better protect members against mortgaging their financial futures.

Finally, we hope the subcommittee will not support the 10th Quadrennial Review of Military Compensation's military retirement proposal which would defer receipt of full military retired pay until age 58 or 60 and authorize vesting at 10 years. We believe that a civilian-style plan is inappropriate for military service conditions. It would take money from career people to pay those who leave early. We think it would undermine long-term retention and readiness and prove disastrous in a wartime environment like today's.

Madam Chair, that concludes my remarks.

[The joint prepared statement of Colonel Strobridge, Sergeant Cline, and Ms. Moakler can be found in the Appendix on page 55.]

Mrs. DAVIS. I understand that we only have one vote so we should be able to come back—three votes. But it is the last votes for the day. So that is a good thing. We will be back. Thank you.

Actually, it is three votes. It could be, if you need to go get something to eat, at least a half-hour, 45 minutes. I hate for you all to have to wait through that, but there is no other way. Thank you very much for your patience.

[Recess.]

Mrs. DAVIS. Thank you for your patience, everybody. We are now going to resume.

Ms. McCloud, we look forward to your testimony. Thank you.

STATEMENT OF MARGARET MCCLOUD, MEMBER, GOLD STAR WIVES OF AMERICA

Ms. MCCLOUD. My name is Maggie McCloud. The last time I was in this room was last year when the Marines posthumously presented me with my husband's Bronze Star Award. I am the proud widow of Marine Lieutenant Colonel Joseph Trane McCloud. Trane died on December 4, 2006, when his helicopter crashed at Haditha Dam in the al-Anbar province of Iraq. When he died, our three children were two, five and seven.

Thank you so much for the opportunity to be here today.

Thank you, Congressman Wilson, for the friendship and support you have shown my family since Trane's death. I will always be grateful.

Chairwoman Davis, I have met with you before, and I appreciate all that you have done and continue to do for our military families and survivors.

I have also met with Congressman Jones, and he has been a loyal friend.

The reason I am here today is to talk about the Military Surviving Spouses Equity Act, H.R. 775, recently introduced by Congressmen Solomon Ortiz and Henry Brown, which eliminates the

unjust offset of the Survivor Benefit Plan by Dependent Indemnity Compensation. This legislation currently has 136 cosponsors. Eleven of the sixteen members of this subcommittee have cosponsored. Thank you.

By law, SBP is offset dollar for dollar by DIC. DIC is an indemnity payment paid by the Department of Veterans Affairs to the surviving spouse for a service-related death. SBP is an annuity purchased by the retired military service member and provided to the spouse of active-duty deaths.

Approximately seven percent of the 54,000 SBP/DIC surviving spouses became eligible through active-duty death. The remaining 93 percent are survivors of disabled retirees who paid premiums to ensure that their families receive a continued portion of the earned lifetime retired pay upon their death. The retiree paid for it, and now their spouse is being denied it.

DIC is a reparation; SBP is a retirement. They are distinct and separate things. There is no reason that receiving one should offset the other. But that is exactly what happens.

Shortly after Trane died, I sat the kids down and I made them a promise. I told them that our lives without daddy would certainly be different. How could it not be? He was the most amazing husband, the most amazing father, and he is now gone from our lives. But I promised them that although our lives would be different, they would still be good—different, but good.

Trane did his job willingly. He served his Nation, he did it well, and he gave his life doing it. He did his job, and I will do mine: live a good life and raise our children well.

Shortly after burying my husband at Arlington, I was faced with a decision, the same decision that all surviving spouses with young children have to make: whether to accept the child option and receive the full SBP payment without offset of DIC only until the youngest child reaches the age of majority, or receive a decreased SBP payment to me for life.

Military widows of nonservice-related deaths are not forced to make this same choice. They receive the full SBP and any other survivor benefits their husband may have earned post-military retirement.

My children have already suffered an unimaginable loss, and I did not want to compound that loss further by greater financial hardship during their youth. So I, like most other widows with young children, took the child option. When I made that decision, I didn't fully understand the short- and long-term consequences. I will never regret trying to secure my children's financial future, but, in doing so, I sacrificed mine, and that is an injustice.

No amount of money will make up for the loss of Trane or any of our service men or women. All of us would give anything for them to come home from that last deployment. But these men and women went willingly to serve their country. They knew the risk, and they took it. They took it because they know the job at hand is of paramount importance to our country and to generations of future Americans to keep us safe and secure. They took it for us, and they asked very little of us.

I, like all of you, am grateful that there continue to be young men and women who rise to the call of duty to preserve our call

of freedom. We, as a country, need to honor our obligations to them and their surviving spouses. That means paying the retirement benefit that is rightfully theirs, either because they paid premiums for it after retiring from service or they paid for it with their lives.

The dead and the disabled are a consequence of this war. Providing for the well-being of the surviving families of these American heroes is a cost of war. If we can find the money to fund this war, if we can find the money to continue funding supplementals for this war, we must find the money to fulfill our obligations to our military families whose service member paid the ultimate price for this country.

Respectfully, and in conclusion, this issue has been before Congress for years. Congress has eliminated other offsets to retired pay and survivor benefits. Why does this offset remain?

If our voice isn't loud, it is only because we have been silenced by our grief. So let me say in the memory of those that have fallen and in the name of the families left behind, please right this wrong. Find the funding to eliminate this egregious offset and restore the rightful benefit of retired pay to the surviving spouses of the men and women who have died in service to our country.

They gave their last full measure. The least Congress can do is give them what they have earned. Give them the peace of knowing that their loved ones are cared for. Please pass H.R. 775.

Thank you so much for the opportunity to be here today.

Mrs. DAVIS. Thank you for your testimony. And I know I speak for all of my colleagues when we express our condolences to you, your family, and to everybody who is here today as well. I know we have a lot of Gold Star Wives in attendance, and we appreciate the fact that you have taken your grief and advocated for other military families.

Ms. MCCLOUD. Thank you.

Mrs. DAVIS. Mr. Becker.

STATEMENT OF F. JED BECKER, CHAIRMAN, ARMED FORCES MARKETING COUNCIL

Mr. BECKER. Thank you. Good afternoon, Madam Chairwoman and distinguished members of the Subcommittee on Military Personnel. My name is Jed Becker, and I am chairman of the Armed Forces Marketing Council. Thank you for inviting me here today to offer comments regarding the military resale services and the vital role they serve in supporting the quality of life of our service members and their families.

Madam Chairwoman, the Council strives to do its part to assure the continuation of the military resale system and the value it provides to our service members and their families. We hope the information and perspectives presented here will be useful in your review of military resale activities.

Given the current economic environment and the challenges it presents, we believe it more important than ever that your oversight fully recognizes the exceptional value of the resale benefit for our military families.

American taxpayers and their elected representatives can share pride in the fact that dollars appropriated to support this benefit produce a savings and a value that far outweigh the cost. In 2008,

the Defense Commissary Agency (DeCA) produced savings for military families of $2.5 billion; this at a cost of $1.3 billion. Stated another way, every dollar appropriated for the commissary provides nearly $2 in benefits for military families. That is an extraordinary return on investment that cannot readily be found in the Federal Government.

The high-value proposition of the benefit is true for the exchange systems as well, which provide an average savings of 20 to 25 percent.

In the interest of time, I would like to make note of a couple of items that are a bit out of the mainstream but threatening to resale benefit as we look forward. We seek your support of H.R. 257, calling for the repeal of a three percent withholding on payments made to vendors by government entities.

In 2005, Congress passed and President Bush signed into law H.R. 4297, the Tax Reconciliation Act of 2005. This legislation included a provision, section 511, which mandates that federal, state, and local governments withhold three percent from their payments to their goods and service suppliers. It is our desire that section 511 be repealed, which is the intent of H.R. 275, a bill sponsored by Representative Kendrick Meeks.

Although this legislation does not fall under the jurisdiction of this subcommittee, the implementation of this section 511 would have a significant destructive effect on the military benefit.

Another item that I would like to make note of is the price parity on tobacco products sold in commissaries and exchanges. It has come to the Council's attention that there is a move to further raise the price of tobacco products sold in the military resale system by five percent, to match the prices on those items in the civilian marketplace, a policy being termed "price parity."

While we are sensitive toward the intentions behind this initiative, we are very concerned about establishing noncompetitive pricing structures for selected products sold in the resale system. It is our belief that the pricing structure should remain consistent for all products sold in the resale system to maintain the integrity of the benefit. The imposition of noncommercial pricing programs is nothing less than a tax on these products, which will diminish the value of the resale benefit.

In conclusion, I would like to thank you again, Madam Chairwoman and the members of the Subcommittee on Military Personnel, for the opportunity to appear before you here today and your attention and consideration of the Armed Forces Marketing Council's opinions. We appreciate your interest in assuring the best for our troops. I stand ready to receive your questions.

And can't help but to make note that there are others at the table who are facing challenges that deserve a great deal of your time. In the case of the areas that we are focused on, you have achieved a great deal. Our pursuit is having you maintain those great successes.

Thank you very much.

[The prepared statement of Mr. Becker can be found in the Appendix on page 140.]

Mrs. DAVIS. Thank you.

Ms. Brackett.

STATEMENT OF PERRI BRACKETT, CHAIRWOMAN, AMERICAN LOGISTICS ASSOCIATION

Ms. BRACKETT. Madam Chair and distinguished members of the subcommittee, it is an honor to be here today as chair of the American Logistics Association (ALA). These are extraordinary times for our Nation's economy, military, and our veterans. The challenges are unprecedented, and it is important that our military remain strong and viable.

ALA member organizations are a strong force in our national economy supporting the military. Collectively, our member companies contribute nearly $1.2 trillion to the economy and generate millions of jobs for Americans. The contribution is large overseas, where $4 billion in U.S. products are sold to our patrons, funds that would otherwise flow to foreign economies.

The MWR and resale system generates over $18 billion in sales and $500 million in earnings that directly contribute to the quality-of-life program. MWR provides 120,000 jobs. A large percentage of these jobs are held by military family members. Goods and services purchased by the resale system generate thousands of jobs in communities adjacent to military bases, with a large percentage of these businesses being smaller and independently owned.

It is a formula that works, and the House Armed Services Committee's strong perennial support has laid the groundwork for the system to prosper and rise to meet the challenges in these tough times. Your investment is paying off each and every day in savings and jobs.

We urge you to continue your support for funding of commissaries, shipment of American products to overseas bases, and full support for all authorized categories of morale, welfare, and recreation programs.

Continue your support and authorization for construction funding of bases that are expanding as a result of global restationing and BRAC.

Ensure that industry representatives and authorized patrons have unimpeded and secure access to military installations.

Extend commissary and exchange benefits to 30 percent disabled veterans. Extend commissary and exchange benefits to all military, particularly those who are involved in the global war on terror, for three years following their service to allow them to succeed in tough times.

Correct a longstanding injustice by relieving non-appropriated funds of the burden to pay for cost-of-living allowances for U.S. citizens choosing to live abroad. Congress needs to allow the services to use prior-year funds to pay this cost.

Repeal the provisions of the Tax Increase and Prevention Reconciliation Act of 2005, requiring Federal Government entities to withhold three percent of payments due to vendors providing goods and services to the Federal Government.

In closing, we are proud to be an important part of the quality of life equation. You can be proud of the system that you nurture and protect. The system could not prosper, contribute to the economy, take care of our military, and employ so many people without your support. We are grateful for your leadership.

Thank you.

[The prepared statement of Ms. Brackett can be found in the Appendix on page 160.]

Mrs. DAVIS. Thank you very much.

We really appreciate you all being here. And we are going to take some time now to have perhaps a little bit more of a conversation.

One of the things we asked you—and I recognize that you all, in one way or another, really expressed your highest priorities. But for the sake of trying to prioritize within that, I wonder if you will let us know—and we will go down—if you could give us your top three priorities, recognizing that, you know, we all have a list and they are all issues and benefits that we believe are important. But it is not likely that we are able to address all of them. And then perhaps from that group we can make certain that we absolutely do everything within our power to make certain that we are addressing each one of those in some way.

So, Colonel Duffy, again, I know that you expressed this, but can you tell us top three.

Colonel DUFFY. Sure. Yeah, I will do this in more bulleted form, too, and skip my prose.

Mrs. DAVIS. Okay, that is great. I know you are all familiar with that game sometimes people play, where they put all the lists on the wall and then people go back with their dots and they put their dots up there. So, you know, where would you put your dot? That is what we are trying to get at.

Colonel DUFFY. All right.

Number one, provide all members of the National Guard and Reserves with annual medical and dental readiness screenings at no cost, with the Department of Defense mandated to provide any treatment necessary to correct those deficiencies discovered in the screenings. That is a readiness item.

Number two, mandate medical and behavioral screening of all National Guard members returning from deployment by health care professionals at the home station before releasing the members from active duty.

The reasons for these bullets are in my writing. I am not going to repeat those at this time, following your instruction.

Three, authorize and appropriate programs that will require the Department of Defense to coordinate with the National Guard Director of Psychological Health to provide treatment for National Guard members and their families post-deployment with qualified, community-based health care providers.

Those are my three. Thank you.

Mrs. DAVIS. Thank you very much.

And one of the things that I observe is that you are really focusing largely not just on mental health care but physical care, preparation and exit and transition, because that is what is critical in that kind of support service.

And so I think, as we go through, perhaps the rest of you, as well, might want to say whether those are things that your organizations also would be very interested in as well, or if they are totally different. And, in some cases, I understand, just by the nature of the organization, that they would be somewhat different.

But we hear that a lot. We think that there have been some improvements in those areas, and yet it is clear that we are not where we need to be yet.

Colonel DUFFY. Yes, ma'am.

Mrs. DAVIS. Master Sergeant Cline.

Sergeant CLINE. Retroactivity to restore early retirement to Guard and Reserve people back to 9/11.

Restore Chapter 1606 Montgomery GI Bill benefits to its historic rate of 47 to 50 percent of the active-duty rate.

And provide gray-area retirees the opportunity to buy into TRICARE Reserve Select at the full-cost premium.

Mrs. DAVIS. Thank you.

Ms. Moakler.

Ms. MOAKLER. We do support the issues that our colleagues have brought up here.

We look for sustained support for family readiness programs for the long term. And that covers the waterfront in so many areas.

We also look for better access to behavioral health care and counseling for families of all components; and responsive child care programs to support geographically dispersed, deployed families; and respite care for the families of the wounded and survivors.

Some of these issues are beginning to be addressed, and we applaud that. But we want to make sure that these respite services will be available for the families of the wounded, families who have a deployed service member, and also surviving families as well.

Mrs. DAVIS. Thank you.

Colonel Strobridge.

Colonel STROBRIDGE. Thank you.

I am feeling a little bit of pressure here, because, as we go down the list, we have heard from the Guard and Reserve associations, the family associations, and logically they have a responsibility to talk about the priorities in their area. I am very sensitive that I am here as the co-chair of the Military Coalition, and we make a conscious effort to avoid trying to say we support this at the expense of that for our top one, two, or three issues.

We do try to prioritize, in general, our top seven or eight kinds of things, and some of those have already been covered. Those would include end-strength increases; wounded warrior improvements, which encompass some of the things that you have heard. Avoiding the unfair TRICARE fee and hikes, obviously, has been a big issue for the last several years. Pay comparability is one. They talked about the Guard and Reserve issues; concurrent receipt, SBP/DIC offsets.

That is the constellation of eight, I think, that we have unanimity among all the coalition associations as being the top priorities. As you said, we fully recognize you can't do everything on those, but we have had times when the subcommittee has been able to work five or six of those things, maybe not to do all of them, but to make some progress. We appreciate that. I think we have got a track record of trying to work with the subcommittee, recognizing when the time comes when decisions have to be made, we try to work with you to make sure that we hit the things that are most important.

Mrs. DAVIS. Great.

And, Ms. McCloud, I think you were clear on what your high priority would be. Would you like to expand?

Ms. MCCLOUD. Just once again, as you can see, there is a lot of yellow behind me today. And we are just so grateful to be at this table. It is huge. And on behalf of the many, many woman who couldn't be here today, thank you.

It is simple: SBP/DIC offset, it needs to be eliminated. They are two different programs from two different agencies for two different reasons, and one should not have to give up one for the other.

In the case of the active-duty deaths, I could tell you sob stories, both from my own family and hundreds of others, and I am not going to do that today. That is not what this is about. But suffice it to say that it is not right to add unjust financial burdens to families that are dealing with unimaginable grief and raising our children on our own every single day.

Trane did his job; I will do mine. You ask any of the people that have served in the military, they didn't always like the orders they got, but they did them. And they carried them out, and they did them well. I certainly don't like the order my family got, but we will do it. But I shouldn't have to make financial sacrifices for a benefit that he earned.

In the case of the retirees, one could even say it is more egregious. These people paid premiums. I read that, in instances when service members were retiring from the military, in instances they did not even know about the offset. So here they are, year after year after year, paying for premiums, going without, so that their spouse will be provided for, only to find out, "No, sorry."

If I could paraphrase Senator Bill Nelson from Florida, who is the author of the companion legislation in the Senate, he was a former insurance commissioner for the State of Florida. And he stated that he knew of no other purchase annuity program that can then turn around and refuse to pay you the benefits that you purchased on the grounds that you are getting the benefits from somewhere else. If you can't do it in the private sector, the Federal Government certainly shouldn't be able to do it.

Mrs. DAVIS. Thank you.

My five minutes is up. I think we are going to go to the other members, and we will come back and we will talk about the issues that you are here with, as well. Thank you.

Mr. Wilson.

Mr. WILSON. Thank you, Madam Chairwoman.

And, Colonel Duffy, thank you for your presentation. As a National Guard veteran, the father of three persons serving in the National Guard, I appreciate you bringing up the issue of the home of record and the difficulties that can be in providing services. I look forward to working with you on that.

Colonel DUFFY. Yes, sir.

Mr. WILSON. Additionally, I am very grateful for the presentation and representation this afternoon by Maggie McCloud of the Gold Star Wives. She certainly has come across with some very positive information. And I am grateful to be working with the Gold Star Wives in support of enactment of H.R. 775, which would eliminate the SBP/DIC offset.

I have two brief questions, Maggie, that I would like for you to review. One is, under the offset requirement, on average how much is the SBP payment? How much does the survivor lose?

Ms. MCCLOUD. As you know, SBP is based upon rank and time of service, so it is different for the individual survivors. But, on average, these people are losing about $1,000 per month, less taxes.

Mr. WILSON. And that is amazing. And people need to know that.

Ms. MCCLOUD. And I would say that $1,000 a month might not sound like a lot of money here in Washington, D.C., but we have elderly widows on food stamps. I have participated in message boards where we have tried to assist members finding out about food pantries and things like that. A thousand dollars a month is going to go a long way to putting food on the table and keeping a roof over these people's heads.

Mr. WILSON. That is so important for a family. So I appreciate you bringing and explaining that.

Additionally, given the 10-year cost of repealing the offset, why, in your view, should Congress authorize the full repeal of the offset instead of continuing the current survivor indemnity allowance?

Ms. MCCLOUD. Regarding the Special Survivor Indemnity Allowance, it is hardly an answer to this problem. As you know, Congress passed the special allowance, and it amounts to 50 taxable dollars per month, increasing over the next several years until it is $100 a month, and then it disappears.

I don't think there is any recipient of the special allowance that thinks getting $50 a month, which in today's dollars won't even fill your tank with gas, is an adequate answer to removing the offset that is costing these people $1,000 a month for a benefit that their husbands either earned through premiums or paid for with their life.

It is most definitely about fairness and honoring commitments to our service members and their families.

Mr. WILSON. Well, thank you again for bringing that to our attention.

For the Military Coalition, thank you for being here today. A question that I have is in regard to raising the TRICARE fees. Each of your written statements addresses the possibility of raising TRICARE fees for non-Medicare-eligible retirees, which I personally oppose. Given the difficult economic times the country is facing, would you rather that we not allow the Department of Defense to raise TRICARE fees in 2010?

Colonel STROBRIDGE. I think we can say with unanimity that that would be our preference.

Mr. WILSON. And that is the coalition view.

Colonel STROBRIDGE. Yes, sir.

Mr. WILSON. Additionally, a second question in regard to health care initiatives. I was pleased of your support for providing health care for the gray-areas identified retirees of H.R. 270, a bill by Mr. Latta of Ohio.

I also want to bring to your attention, Congressman John Kline and myself have introduced H.R. 972. This would let a Reserve retiree, just as any other retiree who is under age 60 and receiving retirement pay, participate in the full range of TRICARE programs, including TRICARE Prime.

What are your thoughts as to this benefit?

Ms. MOAKLER. Excuse me, sir. Would those be under-65 Reserve retirees?

Mr. WILSON. It is early retirees.

Sergeant CLINE. We will take it, Congressman. Where do we sign up?

Mr. WILSON. I urge you to look up the bill, for all of you. Something that I know that Congresswoman Davis and I have discussed is to have your members contact Members of Congress and this subcommittee. And individual information, as was presented by Ms. McCloud, is so helpful for us to know the real-world impact of the legislation that we pass, the regulations that are out there.

The home of record problem, Colonel, that you pointed out, please bring that to our attention so we can act on it.

Thank you very much.

Mrs. DAVIS. Dr. Snyder.

Dr. SNYDER. Thank you, Madam Chair.

Joe, are we all on the same number here? The 10-year cost for—I have two women named Maggie that work for me, so I like to use the word "Maggie"—but that the 10-year score is $6.9 billion? Is that the number that we are all working from?

Colonel STROBRIDGE. The number we saw, I think, sir, was $7.1 billion. That is the mandatory spending side.

Dr. SNYDER. Okay.

On other topic, a couple of days ago Secretary Garrett was talking about the interstate compact on military children education. Ms. Moakler, you talked about it in your statement. I am from the State of Arkansas, and the bill in Arkansas is being considered. I think it passed the House and has gone to Senate committee today. But they decided to do it without actually joining the compact. I think they are doing about everything that is in the language of the bill but chose not to actually join the compact. And I haven't talked to them about why they are deciding to go that way. They withdrew one bill that did the compact and passed this other one.

Do you have any sense—I would think that, substantively, that wouldn't make much difference to the kids if they are passing all the provisions of the bill. Do you have a sense for—I suppose it is more of a legal argument than anything.

Ms. MOAKLER. I think that the advantage of joining the compact is then being part of the commission that helps evolve how these changes are going to be implemented. And just as no man is an island, no state is an island in this compatibility between the states, because you want a state to be a good sending state and a good receiving state. And so, joining the compact and working with the commission allows everyone to share best practices on how they are enabling their students as they go on to other schools and how they are welcoming students that come either from another state or from the Department of Defense system.

Dr. SNYDER. I am just going to have to learn more about why they chose that route. My guess is it is going to work out fine. They have good intent about it, but I wasn't sure.

In August of last year, at the Little Rock Air Force Base, the base arranged for me, and a staff member, to meet with the parents of autistic children. And I think it was a very worthwhile dis-

cussion for a lot of reasons, but the one thing that struck me the most was it was the first time they had met each other. I mean, this is not like Fort Hood or something. This is a fairly small base.

And it brought home to me, it seems like there ought to be something we can do systemwide to help the parents of special-needs kid to have, not a forum necessarily, but an opportunity to formally get together because of the coming and going. You know, you make friends, you figure out how the systems works in a town, and then you are transferred to someplace else. What the base commander did on the base, I think, is he, at some point, had kind of a town meeting for parents with special-needs kids, and I am told that it went well.

Are you aware of anything formal that is being done systemwide?

Ms. MOAKLER. I don't know of anything formal being done systemwide, because it varies from service to service.

Dr. SNYDER. And base to base.

Ms. MOAKLER. Of course, each service has their exceptional family member person on the installation who coordinates services and makes parents aware of services. I know for a fact—I have attended meetings at Fort Belvoir, where they regularly have briefings for the parents of autistic children.

So it could vary from service to service, installation to installation. But it might not be a bad thing to have some kind of consistency in the program.

I know the Marine Corps is expanding the role of their exceptional family member program coordinator to assist in continuity of care. It is a little bit outside the original role of the exceptional family member person, which was to help the families with assignments. But they realized that these families need some kind of guide as they go from installation to installation to help them on their way.

Also, several of the TRICARE contractors have case managers for these exceptional family member families. But the kind of case management they provide is not consistent across all three of the contractors.

Dr. SNYDER. My time is about up, Madam Chair.

But, Ms. McCloud, you referred to the people in yellow here today. Would you like to introduce each one of them?

Ms. MCCLOUD. I sure would. Thank you very much.

Dr. SNYDER. Of course, they have to stand up when you call their name.

Ms. MCCLOUD. If I could do the ladies that traveled from Kentucky first, because they traveled the furthest.

We have two active-duty deaths—ladies, if you could stand up—their husbands were active-duty deaths. They traveled all the way from Kentucky to be here today on their own dime.

And I couldn't be more happy. If we had more time, I guarantee you, sir, I could have had the hall filled outside with women wanting to be here today.

Ms. STANLEY. My name is Christy Stanley. And my husband was Chief Warrant Officer 3rd Class (CW3) David Stanley, and he died September 11, 2007.

Ms. DOSTIE. I am Stephanie Dostie. My husband was Sergeant First Class John Dostie. He died December 30, 2005.

Ms. MCCLOUD. Kristen and Kimberly, are other active-duty deaths I know that are here.

Ms. HAZELGROVE. I am Kimberly Hazelgrove. My husband was Chief Warrant Officer 2nd Class (CW2) Brian Hazelgrove, killed in Iraq in January of 2004. We had four children. They are currently 5, 8, 15, and 16.

Ms. FENTY. My name is Kristen Fenty. I was married to Lieutenant Colonel Joseph Fenty, who was killed May 5, 2006. We had been married 19 years without a single pregnancy, and by some miracle, I was pregnant when he was deployed, and I have the gift of a beautiful baby girl. He never got to meet her. He served 21 days short of 20 years. He was looking forward to retirement to share with his daughter. I know that he would be happy to know that his daughter will be well cared for.

Ms. MCCLOUD. Sandy, Martha, and Rose are also active-duty deaths, although not of the current conflict.

Ladies, if you could stand up.

And Pat, as well.

Ms. SHARP. I am Patricia Sharp. My husband was Brigadier General Richard A. Sharp. He died on active duty at Hunter Army Air Field in Savannah, Georgia, in 1983.

Ms. DOUTHIT. My name is Martha Douthit. My husband, Lieutenant Colonel David A. Douthit, was killed in the Persian Gulf War, May 3, 1991.

Ms. DREW. I am Sandra Drew. My husband was Colonel Nelson Drew. He was killed in Bosnia, August 19, 1995, negotiating the ceasefire.

Ms. MCCLOUD. Rose, our president emeritus.

Ms. LEE. My name is Rose Lee. My husband was named Chew-Mon Lee, a colonel in the United States Army. He died on active duty in 1972. That was after the beginning of SBP, before the law passed. By the way, he also received the Distinguished Service Cross for service in Korea.

Ms. MCCLOUD. And Edie Smith.

Ms. SMITH. Edie Smith. My husband was a Marine Lieutenant Colonel who died in 1988 after 12 years of a very disabling illness. And this committee worked really well with me. I would like to thank John Chapla and Mike Higgins, who were here from the beginning to improve our medical care for the disabled. So we appreciate all your work.

Ms. MCCLOUD. Did I get everybody? Two more. I am sorry, ladies.

Ms. HARVEY. I am Carolyn Harvey. My husband is Bernard Harvey, Colonel, U.S. Air Force. He died in January 2004.

Ms. REMBER. I am Sara Rember. My husband, Colonel Bruce Rember, died of a service-connected disease.

Ms. MCCLOUD. If I could just say one more comment, Dr. Snyder, in my family we count the blessings and not the losses. And we are very blessed.

I would give anything not to be here today. I would give anything never to have heard of this matter and to be still working on key volunteer issues and family readiness issues on K-Bay (Kaneohe Bay) in Hawaii where I was supposed to be. But I am here, and I am here because Trane died serving his country. He did his job.

I had the opportunity to come here today, and I took it. And I am so grateful for the attention you have given us.

I am here speaking for 54,000 widows who are affected by this problem. Trane took care of his Marines. My husband made sure that his men always had what they needed to get the job done. I am trying to follow his lead, and I am trying to make a difference, as are these ladies.

This issue affects a relatively small number of people, but they have already suffered an unimaginable loss. I beseech you, we need to pass this legislation. It means so very much.

Thank you.

Dr. SNYDER. Thank you.

Mrs. DAVIS. Thank you.

And thank you to all of you for traveling here, for being here, for your sacrifices. We appreciate it very much. You put a very personal face on all of this for us, and it means a great deal. Thank you.

Ms. Tsongas.

Ms. TSONGAS. Yes, thank you very much. It reminds us again that service in war is a life-changing event for your husbands and your loved ones who you so tragically lost, but so bravely, but also for you and your families.

My question really is: What kind of services do you have immediately in the aftermath of learning that you have lost a loved one? I am curious just what the various services provide, both in the near term, medium term, and long term, quite beyond the issues we are talking about of compensation or support as you get further away, but all the other kinds of services, including mental health services or emotional support, if needed.

Ms. MCCLOUD. Thank you again for your concern.

I might defer to some of my colleagues, if that is permissible. I don't know.

Honestly, in the immediate aftermath, your head is swimming. I mean, it has been—in my case, my husband was killed a little over two years ago. Some days it feels like it was just yesterday, and some days it feels like it was an eternity.

I work. You know, I am both mother and father to my children. I hold down a job. I am the disciplinarian. I am the tutor. I do all the things that two loving parents are supposed to be doing. But you go forward.

As far as services that are available, I am probably not the best person to speak to that, and I apologize. All I can say is the Marines did an incredible job taking care of my family. I have heard of people that haven't had the best of situations afterwards. I am grateful, in my case, the Marines did a phenomenal job.

Major Eric Kelly was my Casualty Assistance Control Officer (CACO). I would love his name on the record. He deserves an award for everything he did for my family and holding my hand through some terrible, terrible times.

I do know there are services that are available, but another issue, too, is you move away. You move away from your base. My husband and I were stationed in Hawaii. We were stationed in Kaneohe Bay, a great place to visit, not a great place to be if you lose your husband and you don't have a family member, except for

a really, really, really long plane ride away. And that is the case with a lot of these families. Where you are when it happens is not where you stay. I had a home and a job to come back to in the D.C. area. I am grateful. But as far as support of my husband's command, that was a different story, because I chose to leave Hawaii.

Ms. TSONGAS. Are there things you wished you had? Even the assistance in moving or returning back.

If others would like to comment?

Ms. MCCLOUD. Edie is saying that TRICARE does not provide grief counseling for our children. I know I have private insurance. I am grateful to have it. And I do take my children, specifically one of my children, to see a counselor every week. He needs it, and I am grateful that I am doing it. But I am not doing it through that; I am doing it through my private insurance.

Ms. FENTY. Could I address that question?

Unfortunately, there is inconsistency in the services, not just by the service that the soldier or military member serves in, but also place to place.

The Army recently established the Survivor Outreach Services program to provide for high-quality benefits administration and to cater to the needs of Army families. I don't believe there is anything like that across the services. There is also long-term family case management for Army families, and I think there is something similar in the Marines.

So, the lesson to learn here, if it is not uniform, it is not consistent, then it needs to be, where there are best practices that needs to be shared.

As for quick benefits administration, I heard this woman say today that when her husband passed away from a disability, a service-related disability, it took five years for her to receive it. So there is work to be done in expediting that.

As far as mental health services, it is not happening.

Mrs. DAVIS. Thank you. We appreciate that. And we are certainly focusing on mental health care, as well.

Ms. Moakler, I didn't know whether you wanted to respond quickly.

Ms. MOAKLER. I was just going to give an overview.

The families of the survivors of active-duty deaths are allowed to remain in housing or receive a housing allowance for one year after the death of the service member. The children receive an active-duty health care benefit until they reach age 21, or 23 when they graduate from college.

Ms. MCCLOUD. That doesn't include dental. And we would love for it to be able to have the dental program expanded so that they can get the same dental care through 21 or 23, as they do for the health care, which we are most grateful for.

Ms. MOAKLER. The surviving spouse receives an active-duty TRICARE benefit for three years after the death of the service member and, after that, receives the retiree TRICARE health care benefit.

There are education benefits for the surviving spouses through the VA, the GI home loan.

And the VA also offers bereavement counseling through the vet centers. That can be spotty. It is not a consistent benefit every-

where, especially if you are not located near a vet center. And also, sometimes bringing your child into a vet center that is used to catering to older veterans is not the best care scenario either.

Ms. TSONGAS. So if there was anything you could ask for?

Ms. MOAKLER. I certainly would like to see a change in a TRICARE co-designation to include grief counseling for survivors as a TRICARE benefit.

Ms. TSONGAS. Thank you all.

Colonel STROBRIDGE. I do want to give the subcommittee credit, because the issue of inconsistency of support between the services has been an issue that I know we have talked with the staff and I know the subcommittee has tried to address in the past. As always, things are never perfect, but I know the subcommittee has tried to do that and tried to make some progress, and we do appreciate that.

Ms. MCCLOUD. If I could add one other comment, because the subject of TRICARE fees came up. In the case of the widows that I am talking about today, we have 33,000 widows who receive no SBP whatsoever. Their SBP is offset entirely by the DIC. So they do not even have that payment to pay for the TRICARE fees that are involved.

Mrs. DAVIS. Thank you.

Thank you, Ms. Tsongas.

I want to return to one of the issues that we always talk about and, yet, I think that it wasn't mentioned specifically. And I am making an assumption that it is important—I think in your testimony earlier it was, but although not necessarily your three highest priorities. And that is the one of pay raise and trying to make certain that the gap between the military and the private-sector pay does not go beyond the 2.9 percent.

We know that we may be facing some budget challenges, and I would like you just to weigh in, if you will, on whether continued pay raises above the ECI is a must-have among the military personnel programs. Are you making an assumption that that is going to be there, that that is critically important? Or, when it comes to some of the other benefits that we talked about, it may not be as critical as other benefits?

Colonel STROBRIDGE. If I might be able to address that, Madam Chair.

One of the things that we have tried to sustain over 30 years, perhaps maybe the single most consistent issue, has been that pay comparability is a fundamental underpinning of the All-Volunteer Force. The problem that we get into is, in more years than not, even though the subcommittee in the last decade has made a consistent effort to restore pay comparability, we got into real problems every time we said, "Gee, we can't afford to sustain that."

And right now we have a track record where the subcommittee has worked hard not to close it—this has been one of those issues where we, you know, try to eat away every year—but we are still short of the comparability standard. And I think we are very reluctant to say comparability doesn't matter.

One of the things that is always talked about is, "Gee, in the interest of shared financial sacrifice." I think that sometimes we say it a lot, but we forget that military people have been asked to bear

100 percent of the national wartime sacrifice for almost the last decade. And we are a little bit reluctant to give up on the fundamental principle, as was referred to before, when we have just spent trillions of dollars. It seems like kind of quibbling sometimes over the last half a percent of one pay raise.

Mrs. DAVIS. All right. Thank you.

Colonel STROBRIDGE. I realize it is not that easy for the subcommittee to deal with. But when you ask the question, we have to give the answer.

Mrs. DAVIS. Yeah, no, I appreciate that.

Anybody else wanted to weigh in on that particular issue?

Colonel DUFFY. Just second his remarks.

Mrs. DAVIS. We will make an assumption that that is critically important.

The other one that we are very aware of is end strength and the extent to which end strength contributes to—the operational requirements and that contribute to the welfare of service members and families. Obviously, that means lower deployments and more dwell time.

Where, then, in this calculation as well, does the issue of end strength lie? Are we placing it in a high priority compared to other personnel initiatives? And where does it lie vis-a-vis increases in health care fees, for example?

Colonel STROBRIDGE. I think that is where we get into a little bit of a problem trying to say, look, we want this one at the expense of that other one.

I think we would all agree that end strength is a huge priority. I think we are all very, very concerned, and we have talked with the subcommittee staff. You know, the rubber band is stretched so far. We all thought it was going to snap years ago. We are amazed that it hasn't snapped yet. Those of us who have been saying it is going to snap—you know, we have been down this road before. You just can't keep doing this to folks.

And as Kathy, I think, said in her verbal, we get very concerned when we start talking about backtracking on planned increases, because that is the only, frankly, the only way of providing any kind of short-term relief. And even the planned end-strength increases we know are not going to solve the problem.

So, to us, we have to send any message we can to the folks who are currently paying such a penalty that we are doing our best to provide that relief.

Mrs. DAVIS. Thank you. And what we are all aware of is the discussions that the supplemental is not necessarily going to be there to adjust for end-strength increases. And so that is an issue that we are all going to be facing, in terms of making certain that the budget is more obvious, and in terms of what we are doing and how we feel that we are stating our priorities, quite clearly.

Colonel STROBRIDGE. Madam Chair, we realize that nobody is more sensitive to this issue than the people on this subcommittee. We do get concerned that some others in government, not out of any intent but just because people have been responding for so long, and we all have our jaws agape that we already haven't had some massive retention problem—we try to put ourselves in their

shoes, I know I do, and I can tell you I would have been gone a long time ago.

And I don't feel it is unpatriotic to say that. I think there is a limit to what you can expect of people. And I think sometimes that, not for any intent, we come to take their sacrifice for granted. And I think we do that at our peril.

Mrs. DAVIS. Thank you. I appreciate those comments. I know everybody in the room does, as well.

We will certainly turn to the resale issues. I am going to go to my colleagues, and if they don't ask the questions, then we will come back and we will discuss a few of the issues that we have before us.

Mr. Wilson.

Mr. WILSON. Again, a statement I want to make. I want to thank all of you for being here. I want to thank you for your presentations.

You also represent organizations that are very important to those of us who serve in Congress. I want to urge you to write letters—they can be handwritten letters, they can be e-mails—of how particular legislation, either that is pending or needs to be adjusted or regulations that need to be improved. I think it would really be helpful if we had individual responses to the members of this subcommittee, to the members of the full committee, to your resident Members and U.S. Senators from your home states.

And that would be a comment that I would make based on what I have heard today. And it is just so helpful, not to invade anybody's privacy, but it just would be so helpful to know specifically what we are dealing with, how it affects families and individual soldiers. And that would be my urge at this time.

Mrs. DAVIS. Thank you.

We are alone. So let me turn to the increase in tobacco products, briefly. We know that there has been some discussion at the suggestion of the DOD medical authorities that we terminate the five percent discounted price in favor of price parity with local civilian retailers.

A DOD study concluded that, notwithstanding a reduction in sales, the price increase would result in an increase of $3.3 million in gross profits within the military resale community, an increase of $1 million in the exchange dividend payment to MWR programs.

So, from your perspective then, what would the vendors and brokers who work in military resale, how would they respond to an increase in tobacco prices? And what do you think would be their perspective regarding the potential impact on sales and revenues?

Then I will turn to the military community, as well, in terms of, how do you think people are going to respond to that?

Mr. BECKER. Madam Chairwoman, you mentioned some math that I wasn't familiar with, in terms of the increased sales and the associated contribution. I would question the sensitivity, the price sensitivity of the demand for the product, given that scenario. I assume that math was done with the assumption that consumption would be maintained at an existing level. My experience questions that assumption.

I think the benefit of the efforts that have been extended by Health Affairs and by the exchanges working together to properly

merchandise the product, to separate the product from the consumer flow in the store and all, are admirable efforts.

I am dubious as to the course that the exchanges would be forced to be placed on if they were to introduce that type of force to pricing in any product category. Because, much as I would have noted had I gotten to my three top priorities, your oversight has done an extraordinary job in leveraging the value of the infrastructure that has been built in the resale system itself. And compromising the tenets on which it rests I think are very risky and amount to more than the simple math.

Mrs. DAVIS. Thank you.

Did you want to comment as well?

Ms. BRACKETT. Just briefly. Echoing Mr. Becker's comments, what I would just really like to underscore, the exchanges are to be complemented for their aggressive education program. And we feel that that is an important area to continue to focus on, versus the pricing parity.

Mrs. DAVIS. And to the advocacy groups, do you believe or have you heard any reaction from military patrons that would suggest that they see this really as a loss of benefits if the price were increased to parity with the civilian sector?

Ms. MOAKLER. I have to agree with the argument that Mr. Becker raised about having noncompetitive pricing on specific items. I think you are opening the door if we are going to have that with—and I may be making it too simplistic. We are doing it with cigarettes today. Are we doing it with gallons of milk tomorrow?

I think that the proper emphasis on tobacco products—having been a lifelong commissary patron, I have seen the shelf space decrease from an entire aisle to a very closed area with limited access for folks who want to buy their tobacco products. So I think that they are placing the right emphasis on health, but I don't believe we can open that door to allow noncompetitive pricing on selective items.

Sergeant CLINE. On the Guard and Reserve side of the house where commissaries are not readily available to our members, those who do use the commissary and the exchange system, it is a very valuable tool for them, especially when families are deployed and they make that monthly trip to save a few dollars because their monies have been decreased because of their husband's or their spouse's deployment.

So it is very valuable. And, therefore, I would say the commissaries need to keep the prices down. We need to stay below Wal-Mart.

Colonel DUFFY. We have heard mention of H.R. 270, Representative Latta's bill to make TRICARE available to our gray-area retirees by purchasing at government cost. Well, one benefit our gray-area retirees do have is the commissary benefit. And that is greatly, greatly appreciated. And it really draws a lot of our retired members back to the military installations, which is a fine thing.

Mrs. DAVIS. Thank you.

Another issue that we were hearing a little bit is opening up the commissaries and exchanges to disabled veterans. And we know that there have been a number of bills introduced. I think that there is sometimes a misunderstanding. There are a number of vet-

erans who do access the commissaries, but this would be to open it up to a greater extent.

And we have asked that question in the past. I don't know if anybody wants to weigh in on that. We certainly hear different messages coming from different advocacy groups, which one would expect. I wonder if there is something you would like to add to that conversation.

Colonel STROBRIDGE. Madam Chair, the coalition has taken the position that we don't support that. We think it is important to maintain the distinction between DOD benefits and VA benefits. And DOD benefits are for those who are currently serving, those who are retired. Whereas, VA benefits, those retired and currently serving may qualify for the VA, or at least the retired ones, but the two populations don't overlap.

We get very concerned about—I think a lot of people, a lot of Americans, and sometimes some people in Congress or in the Administration don't seem to understand the difference between the two, and they think a veteran is a veteran.

To us, we would like to be able to say that if you serve a career, you have a package of DOD benefits that are provided by DOD as an employer, of which the commissary and exchange are one. If you separate from the service and then go on and work a second career and subsequently acquire a disability, the VA provides for that disability. To us, that doesn't reconnect you to qualify for DOD employer-provided benefit.

And we think that is an important distinction. And we would like to maintain that distinction because there are people who would like to say, for example, for health care, once you retire, let's just turn you over to the VA. We feel very strongly DOD has an employer's responsibility to its career people to provide the TRICARE system. And the same argument applies to commissary and exchange and other DOD benefits, in our view.

Mrs. DAVIS. Do you want to comment?

Ms. BRACKETT. I would, please.

As far as expanding the benefit for veterans with 30 percent disability, the arguments we hear is that it will overcrowd the stores and increase costs. Not according to the resale commanders, who, in an unofficial poll, stated it would have minimum impact.

In addition, in these tough economic times, doesn't it make sense to give a temporary lifeline to our military as they do transition from active service to new careers? We feel it is the right thing to do.

Mrs. DAVIS. Thank you. I appreciate both of those perspectives.

And when you think about the fact that we are talking about people who have disabilities greater than 30 percent, that would be entitled to the commissary, it seems like a relatively, perhaps, small fraction of a greater population. But I think, in reality, if you go back and you look at that, the numbers are probably fairly large. And it would depend on the community, obviously, in which that occurs.

But I know that it is an issue out there. And I think for some people it seems that it is an opportunity to bring further revenue to MWR programs and to allow people to have that opportunity. And yet we know that it is a very sacred, really, benefit that people

receive. And once they have been separated for long periods of time, I understand that perspective.

Colonel STROBRIDGE. Yes, ma'am. I think sometimes, again, people, they think of this as a wounded warrior issue. And they think of the people who are being, you know, put out with significant disabilities. Well, in fact, if you leave the service with a 30 percent or greater disability, you are a retiree and you are eligible. So we are mainly talking about people who didn't have that disability rating at the time they left and acquired it later. And, to us, that is the distinction.

And, as a matter of fact, we haven't had the issue recently, but for those of us who have been working these issues for 30 years or so, periodically we have serious attacks on the commissary subsidy, and we start getting a little concerned when somebody says, "Gee, you are spending a billion dollars on somebody who spent a whole career doing something else and acquired a 30 percent disability at age 70, and we are spending commissary dollars to give them access." We would rather not have to worry about adding another argument to defend the commissary subsidy.

Ms. MOAKLER. In addition, Madam Chairperson, those folks would not have identification (ID) cards. And in these times of limited access to military installations, there would have to be some mechanism, which would cost money, either by time or issuing some kind of ID, for those folks to access the installation.

Mrs. DAVIS. Some security issues that would be at play there.

One of the other military resale issues is around jewelry and furniture and whether or not we basically protect the interests of those businesses that are out in the community or enable the military resale associations to sell more of it.

Now, I think that those issues, have they been settled to an extent that people are comfortable with that?

Mr. BECKER. I will address that quickly, if I may. And this oversight has done a tremendous job in the recent past in ensuring that the infrastructure that already exists on military bases is leveraged more beneficially by expanding some of the categories, particularly some price restrictions.

I would call your attention to the fact that originally some of these restrictions were in place to assist small businesses, many of whom are really nonexistent today. In fact, a lot of them were electronics retailers and such.

The fact remains that the bases, in some instances, don't have the physical space to sell things like furniture and are still precluded from expanding their physical plant in order to be able to sell furniture.

As we have seen in the contemporary environment, it is creditors who have largely laid behind the problems for consumers. And one of our arguments have long held that if the exchanges were given greater scope of authority to sell furniture, military patrons would at once enjoy not only the privilege to buy the product but, simultaneously, access to superior terms on those purchases.

We would continue to seek support from this committee to relieve the restrictions on the exchanges from construction, so to improve the facilities to be able to sell furniture, in particular. There are

a few other minor areas that we think would offer opportunity, but that, in particular, we would appreciate your consideration.

Mrs. DAVIS. Thank you.

In the course of discussing a number of the other issues that you have brought, the retiree programs, concurrent receipt continues to be a concern. Even though we have moved on that, I think that it still continues to come up. And I am just wondering where in the list of priorities you would place expansion of concurrent receipt today.

Colonel STROBRIDGE. I think that is another one, Madam Chair, where the subcommittee has made an effort to try to make some progress. You know, the reality is, whenever we make progress on something and we still got a long way to go, you always have glass-half-full people from the people who have been taken care of and glass completely empty for the people who haven't. And so it creates pressure on all of us.

We believe that we agree with that. We have tried to work with the subcommittee to make incremental progress and try to identify various steps that we can take. We have worked with the subcommittee in the past to see, if you will let us know how much money you have, we will tell you who is the most important priority to try to take care of next.

I think we have a consensus that one of the things, probably the single biggest issue, is to fix the glitch in the law that Congress already passed on combat-related special compensation. Through no fault of the committee's, there was a glitch in the law that doesn't deliver that compensation. So we have people who are 60, 70 percent combat disabled who do not receive the combat-related compensation. We thought we were working on getting a fix last year. Unfortunately, at the end-of-the-year crunch we didn't get it through.

But we have talked with the staff about it. I think there is a consensus both in the House and the Senate that this is the right thing to do. If you can only do one thing, we would say that is the thing to do.

Mrs. DAVIS. All right, thank you.

Mr. Wilson.

Mr. WILSON. As we——

Ms. MCCLOUD. Oh——

Mr. WILSON. Oh, no, I definitely want to hear from Maggie.

Ms. MCCLOUD. May I be so bold? If we are talking about concurrent receipt—and I am delighted that Congress has acted on this issue over the past several years. If we are speaking of fairness, Congress should have addressed the issue of SBP/DIC offset for the widows when it implemented concurrent receipt for disabled retirees. We should have been included then, and we weren't. If our spouses were alive today, our 100 percent disabled spouses, they would be receiving this benefit.

On a personal note, I will say that when Trane was back on the Hill working for Congressman Wilson in 2003, he worked on concurrent receipt for disabled veterans. And I remember him coming home, I remember him coming home when Congress was working on this issue, and he was so excited, he was so proud that Congress was addressing this issue that was going to help so many disabled

retirees. One of my fellow Gold Star Wives even remembers meeting with Trane on this issue.

How ironic is it? What would he think today, I can't help but wonder, that the very legislation he was so excited about and so proud about left out his own family, left out his own wife, and left out the ladies sitting behind me? I just can't imagine what he would think.

Mrs. DAVIS. Thank you. I appreciate that. I think we are also aware that you have worked on these issues, on a host of different issues, and that, of all the competing needs, I think that you said quite clearly that this is the one that you would hope would be addressed.

Mr. WILSON. And I would like to thank the chairwoman for having this hearing this afternoon. It really has been very helpful to me. I know it will be helpful to our colleagues here in Congress.

It is certainly a big day to have the Gold Star Wives recognized. And all of you who are here, I was sitting here thinking you bring real-world experience, real-world knowledge, but you also bring real-world credibility. I thank all of you for being here today.

I want to thank the chairwoman for her putting this together.

Mrs. DAVIS. Thank you all very much for being here. If there is anything that you failed to say that you would like to be sure that we are aware of, please do not hesitate to communicate that with us.

Thank you all so much for being here.

[Whereupon, at 5:20 p.m., the subcommittee was adjourned.]

A P P E N D I X

FEBRUARY 25, 2009

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

FEBRUARY 25, 2009

Statement of Chairwoman Susan Davis
Military Personnel Subcommittee Hearing on
Beneficiary and Advocacy Overview

February 25, 2009

"I want to thank our witnesses for coming. Today we will focus on the views of military advocacy and beneficiary groups. For the past several years, the subcommittee has found it beneficial to hear from a handful of beneficiary and advocacy organizations at the start of the legislative season on a wide range of personnel programs and policies that impact service members, their families and retirees.

"This approach has allowed the subcommittee to have a better understanding of the priorities of these organizations, and where they stand so that members of the subcommittee gain a better appreciation of the many competing requirements that come before us.

"During the last Congress, the subcommittee was able to visit several of our member's districts, and I look forward to continuing this new tradition, and getting out to other districts in the coming year. These trips have also afforded us a first-hand view of the issues that affect our men and women in uniform.

"The current economic climate is a challenge to all Americans, and our service members and their families are not immune to its effects. As such, we expect that the coming defense budget will be streamlined and finding additional funds to address the multitude of important personnel programs, particularly the increases in health care costs, will be even more challenging this year.

"More so than ever, we will be forced to make difficult decisions, and it is important for the subcommittee to understand the priorities for service members, retirees and their families when we make these decisions.

"Let me welcome our witnesses:

Peter J. Duffy, Colonel, United States Army (Retired)
Deputy Legislative Director
National Guard Association of the United States

Michael P. Cline, Master Sergeant, United States Army (Retired)
Executive Director
Enlisted Association of the National Guard of the US

Ms. Kathleen B. Moakler
Director, Government Relations
National Military Family Association

Steve Strobridge, Colonel, United States Air Force (Retired)
Director of Government Relation
Military Officers Association of America

Mr. F. Jed Becker
Chairman
Armed Forces Marketing Council

Ms. Perri Brackett
Chairwoman
American Logistics Association

"Let me also mention, Master Sergeant Cline, Ms. Moakler, and Colonel Strobridge, represent their individual organizations, but they are representing the position of the Military Coalition. The Coalition is comprised of over 30 uniformed services and veteran's organizations. We could not have all interested individual organizations present oral testimony, so we have asked these individuals to represent the Coalition members here today.

"Ladies and gentlemen, welcome. I would ask that you testify in the order that I stated. Without objection, all written statements will be included in the record. Mr. Wilson, do you have any comments that you wish to make?"

Ranking Member Joe Wilson Opening Statement
Hearing on Views of Military Advocacy and Beneficiary Groups

February 25, 2009

"Thank you, Mrs. Davis, for holding this hearing. And thank you to each member of today's panel. I truly appreciate your willingness to share your views on important issues spanning the full breadth of the subcommittee's jurisdiction. This testimony will surely help to shape our legislative and funding priorities, as we strive to improve the military personnel, health care, and Morale, Welfare and Recreation (MWR) systems of the Department of Defense.

"I am especially grateful that we will hear today from Ms. Margaret McCloud, a Gold Star Wife whose husband, Lieutenant Colonel Trane McCloud, was killed in action in Iraq. Trane was an active duty Marine and served as my Defense Legislative Fellow in 2003.

"I would also like to thank Mrs. Davis for agreeing to my request that the panel include witnesses to address National Guard and reserve issues.

"Madam Chair, based on my review of the testimony submitted to us, the recommendations made by the various groups fall into two broad categories: 1) those that are strictly policy issues that require little or no additional funding; and, 2) those legislative changes that would require additional discretionary or mandatory spending.

"While fiscally more difficult, many of the proposals that will make an immediate and positive impact on our service members and their families fall into the latter category. Some examples include: an annual pay raise of one half of one percent above the Employment Cost Index (ECI), improving reserve component retirement compensation, eliminating concurrent receipt and Survivor Benefit Plan (SBP)-Dependent Indemnity Compensation (DIC) offsets, and prohibiting substantial increases in health care cost sharing.

"It has been said that a time was coming when we might not be able to come up with the offsets for these proposals. However, in today's environment, when the Congress and the President have committed to spending trillions of dollars – that is thousands of billions – to rescue the economy, it's my view that the Congress can find the additional funding required to protect the men and women, and their families, who make incredible daily sacrifice in service to our nation.

"I would urge that the subcommittee provide recommendations for additional mandatory spending headroom to Chairman Skelton and Ranking Member McHugh for inclusion in the HASC's Views and Estimates letter. Madam Chair, I would welcome the opportunity to work with you in that effort.

"Again, I thank you for holding this hearing and look forward to the testimony of our witnesses."

Statement from Congressman Solomon P. Ortiz, for the Record to the House Armed Services Committee Military Personnel Subcommittee Hearing on Beneficiary and Advocacy Views

I would like to thank Chairwoman Davis for her continuing support in addressing the ongoing challenge of caring for the families of our deceased military servicemen and women. Last month, I introduced legislation (HR 775) which provides relief for spouses of U.S. service members by fixing a long-standing problem in our military survivors benefit system. This legislation allows widows to receive all the benefits to which they are entitled, without one benefit offsetting another.

Like most matters that involve federal payments, this is a complex yet pivotal matter of importance to the widows and dependents of our service members. Essentially, if service members purchase a benefit plan, the surviving spouse or dependents receive up to 55% of the service member's retired pay. The VA also offers payments to survivors of service members who die from a service-connected cause. Currently the law subtracts the VA payment from the survivor benefits payment, and that's the amount the widow or dependent will get.

For too long, the offset between two programs has done precisely the opposite of what its purchasers intended it to do – protect the surviving loved one. Spouses and children should not have their benefits reduced, solely based on the decision by their husband, wife, father or mother to purchase future security for their loved ones. The survivors of those killed defending our country deserve our very best support.

Congress has acknowledged the inequity of the offset in the Fiscal Year 2008 Defense Authorization Act, via a $50 monthly payment to SBP-DIC-affected widows, with expressed intent to increase the payment in the future. However, the planned yearly increases in this payment won't even offset one-third of the growing amount deducted from the affected widows' SBP with each year's COLA adjustment. Furthermore, this monthly payment will terminate on March 1st, 2016.

Although this provision is a step in the right direction towards improving the lives of over 59,000 widows, we still have a ways to go. For the committee to provide full payment of both the SBP and DIC, I recommend consideration and the full support of H.R. 775 (Ortiz, D-TX), to fully eliminate the offset and thus provide benefits that the survivors of our service men and women fully deserve.

WRITTEN TESTIMONY

PETER J. DUFFY
DEPUTY DIRECTOR, LEGISLATION
NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

BEFORE THE
UNITED STATES HOUSE OF REPRESENTATIVES MILITARY PERSONNEL SUBCOMMITTEE OF THE HOUSE ARMED SERVICES COMMITTEE
24 February 2009

Chairwoman Davis, Ranking Member Wilson, and Members of the Committee:

Thank you for the opportunity to present testimony on behalf of the National Guard Association of the United States to address critical personnel issues facing members of the National Guard and their families. It will provide factual background, analysis and corrective recommendations for the Committee to consider.

The Unique Citizen Service Member

The National Guard is unique among components of the Department of Defense in that it has a dual state and federal mission. While serving in a Title 10 active duty status such as Operation Iraqi Freedom (OIF) or Operation Enduring Freedom (OEF), National Guard units are under the command and control of the President. Upon release from active duty, members of the National Guard return to all parts of their home states under the command and control of their governors where they train, not only for their federal missions, but for their state missions such as fire fighting, flood response and providing assistance to civil authorities in a variety of possible security and disaster scenarios.

While serving in their states, members are scattered geographically with their families as they hold jobs, own businesses, pursue academic programs and participate actively in their civilian communities.

Military service in the National Guard is uniquely "community based". The culture of the National Guard remains little understood outside of its own circles. When the Department of Defense testifies before Congress to present its programmatic needs, it will likely recognize the indispensable role of the National Guard as a vital "Operational Force" in the Global War on Terror (GWOT) but it will say little about the benefit disparities, training challenges and unmet medical readiness issues that exist for National Guard members and their families at home. These conditions exist before, during and after deployment. The National Guard Association of the United States asks this Subcommittee to recognize that the personnel issues of the National Guard are different from those of the active forces, and in some cases radically so. We ask that they be given a fresh look with the best interests of the National Guard members and their families in mind in reviewing the recommendations set forth below.

Support for Individual Medical Readiness Needs

According to *The Task Force on the Future of Military Health Care*, "Today's Operational Tempo raises the importance of all responsible parties doing their part to ensure the Individual Medical Readiness (IMR) requirements are satisfied to facilitate maximum deployability of our forces."

The Department of Defense (DoD) requires all members of the National Guard to be medically ready as a condition for deployment. IMR must address the medical and dental needs of those members deploying for the first time as well as those subject to redeployment whose health care needs arising from prior service in OIF and OEF have become a significant problem. Using the National Guard as an operational force in the Global War on Terror will require more accessible health care for members and their families pre and post deployment in order to maintain the necessary medical readiness required by deployment cycles. It cannot be a simple post deployment send off by the active military of "Good job. See you in three years."

DoD has found dental deficiencies throughout the entire reserve component to be the cause of a significant amount of lost duty time. Seventy percent of dental emergencies in the National Guard were preventable by examination and treatment prior to mobilization. The Department of Defense must expand the pre-deployment period during which it provides active duty-equivalent medical and dental care to our members from 90 days to one year beginning with the alert notice. This would allow needed time for proper screening and treatment of potentially disqualifying dental, physical and behavioral conditions during the compressed alert periods.

In addition to an expanded medical and dental care during the alert period, the Department of Defense must do more to bring the National Guard to a constant state of medical readiness to better support the short notice deployments that occur regularly within the National Guard. For example, the Air National Guard must maintain constant dental and medical readiness because of the short notices they receive for deployments, which sometimes can be as little as 72 hours. Short notice deployments also occur regularly with cross leveled members who, with as little as two or three weeks notice, must fill in for members from other deploying units who for various reasons become disqualified for deployment. Members in the pool of Individual Mobilization Augmentees (IMAs) can also be assigned to fill positions in deploying units on short notice without the benefit of the pre-mobilization medical/dental preparations.

This constant state of medical and dental readiness could be better maintained if mandatory annual screenings were given to all members, including IMA members, followed by government treatment to correct any medical or dental readiness deficiencies discovered at the screenings. This would allow for a more medically and dentally ready deployable force and would help to limit the time diverted for medical and dental treatment during the training-intensive alert periods.

Recommendation:
The National Guard Association of the United States recommends that the National Guard Bureau, the Department of Defense, and the Congress of the United States support authorization and appropriations for programs that will:

- Amend 10 USC 1074(d)(B) to provide all members of the National Guard one year prior to deployment with coverage under TRICARE Prime that will include all medical and dental procedures necessary to bring the member into compliance for deployment
- Provide all members with an Annual Dental Examination (ADE) and medical screenings at no cost to the member and amend 10 USC 1074 a(f)(1) to mandate the Department of Defense to provide treatment needed to correct any deficiencies discovered in the screenings.

Post Deployment Health Assessments and Mandatory Medical Screenings at the Home Station

It is imperative post-deployment, that our members while still on active duty deployment orders, be examined confidentially at the home station by qualified health care providers in order to address the under reporting of physical and mental health conditions that occurs on the self administered Post Deployment Health Assessment(PDHA). The PDHA is currently being completed by a homeward-bound member at a demobilization site often several states away from home.

When the PDHA is completed, it is accompanied by the "instruction" that the self assessing member may be "medically held" on active duty at the demobilization site if he or she reports a medical condition requiring that action. To avoid the risk of being held at the demobilization site after a long deployment, members are simply not fully reporting their physical and behavioral injuries. This under-reporting not only delays treatment but can prejudice later claims with the VA for service connected disabilities arising from conditions not previously reported on the PDHA.

What is needed forthwith is a free and confidential reporting of physical and mental health conditions at the home station by all members, stigma free, to a health care provider trained to elicit that information and to screen for those conditions without the fear of being medically held far from home. If medically holding the member is advisable, it should be done as close to home as possible.

The irony in the current PDHA under-reporting phenomenon is that a medical hold is usually in the best interest of the member and his or her family as it allows pay and benefits to continue during treatment for a condition that may well render the member unemployable once discharged. The medical hold should not cynically be administered as a threat to discourage reporting of injuries when, if properly administered in a friendly environment, it offers substantial benefits to the members and his or her family.

Insurance companies, in performing their due diligence before the issuance of an insurance policy do not allow an applicant's self assessment of health to be the only determinant. Neither should the military. If geographical separation from families is causing under reporting and non-reporting of physical and psychological combat injuries on the PDHA, then moving this process to the home station would likely produce a better yield at a critical time when this information needs to be captured in order for prompt and effective treatment to be administered. If necessary and appropriate, the examining health care provider in coordination with the National Guard J-1 and State's Surgeon General can cause the member to be retained on active duty locally for further treatment and evaluation.

This is especially critical in screening for behavioral conditions. It is absolutely imperative that members returning from deployment be screened with full confidentiality at the home station while still on active duty by trained and qualified mental health care providers from VA staff and/or qualified health care providers from the civilian community that could include primary care physicians, physician assistants and nurse practitioners who have training in assessing psychological health presentations. Prompt diagnosis and treatment will help to mitigate the lasting effects of mental illness.

Please see the copy of a November 5, 2008 electronic message to NGAUS from Dr. Dana Headapohl (a practicing occupational physician in Missoula, MT) set forth in the Appendix which strongly recommends a surveillance program for our members before they are released from active duty. Dr. Headapohl opines the obvious in stating that **"...inadequate medical screening of our members before they are released from active duty is "unacceptable to a group that has been asked to sacrifice for our country." (emphasis added)**

Recommendation:
The National Guard Association of the United States recommends that Congress support authorization and appropriations for programs that will:

- Require the Post Deployment Health Assessment for National guard members to be administered at the home station before releasing members from active duty
- Mandate medical and behavioral screening of all National Guard members returning from deployment by health care professionals at the home station before releasing the members from active duty.

Community Based Mental Health Care for Members and Their Families

Our Nation faces a serious challenge as our troops return from deployment and war. These soldiers and airmen often return to strained relationships, broken homes, depression, and even Post-Traumatic Stress Disorder (PTSD). The response these individuals and their families receive should ensure that they have the support they need to live productive and successful lives as well as prepare for future deployments.

In many states, Veterans Administration (VA) facilities are available to readily support the Active component population concentrated within relatively small geographic areas. However, many National Guard OIF and OEF veterans in rural areas do not have ready access to VA facilities and assistance. Obtaining continuing treatment at a VA facility for these veterans means traveling significant distances. This travel may require the veteran, and possibly an accompanying family member, to take time off from work further straining employer/employee relationships already stressed by previous deployments. All service members require and deserve ready access to mental health care providers to address the psychological effects of combat such as PTSD, suicidal thoughts, and other inappropriate behavior regardless of their physical location, home of record or service component.

For those members subject to redeployment who require behavioral readjustment or treatment for post traumatic stress disorder and are willing to seek the same, eliminating time and distance factors will only expedite and ease the transition from non recognition to treatment. Physicians say that the sooner these behavioral conditions can be recognized and treated, the more successful and mitigating the treatment will be. Whether through purchased care by DoD or the Department of Veterans' Affairs (VA), the National Guard and their families need to have access to all available behavioral health care resources in communities throughout the country in order to meet the surge in mental health care needs of care our National Guard members and their families.

Consistent with the Rand Corporation recommendation in its study, *The Invisible Wounds of War*, a network of local, state and federal resources, centered at the community level, must be available to proactively engage veterans and their family members in caring for mental health needs in a confidential and convenient manner that does not require long distance travel or delayed appointments.

The need for adequate community based behavioral health care for our members and their families is urgent. The Journal of American Medical Association (JAMA) reported on November 15, 2007 that Post Deployment Health Reassessment (PDHRA) screenings performed through May 2007 indicated that 42.4 % of all Reserve Component veterans of OIF required mental health treatment, nearly double the mental health needs of active component veterans of OIF. Because many of our National Guard veterans remain in the National Guard subject to future deployment, treating them and their families is essential in sustaining IMR for future deployments. However, treatment for the mental health needs of our National Guard members and their families seems to have fallen through a huge crack in the defense health programs.

Although the VA is expanding mental health care programs, accessibility gaps still exist in providing effective community mental health treatment for our National Guard member/veterans who are subject to re-deployment. This remains a medical readiness issue for those subject to redeployment which DoD needs to address. **According to the National Guard Bureau, this past year, DoD Health Affairs did not spend any of the $600 million dollars, appropriated for mental health care funds, on National Guard members once they were released from active duty**. This must change.

The National Guard has recently established in each state a Director of Psychological Health to coordinate the delivery of needed behavioral health for our members and their families. The Department of Defense needs to fill this gap by funding treatment for our members and their families with qualified community of mental health care providers in coordination with the National Guard Director of Psychological Health. This will enhance the delivery of behavioral health care to our members in the communities where they live. Medical readiness demands nothing less.

Recommendation:
The National Guard Association of the United States recommends that Congress support authorization and appropriations for programs that will require the Department of Defense to coordinate with the National Guard Director of Psychological Health to provide treatment for National Guard members and their families post-deployment with qualified community based health care providers.

Extend TAMP Coverage with TRICARE Prime Remote

Post deployment care for members under the Transitional Assistance Management Program (TAMP) and their families must be for a period equal to the period of deployment but not less than six months. The TAMP program allows members to obtain at government expense up to six months of TRICARE coverage that is similar, but not identical, to the TRICARE Prime coverage they had been receiving on active duty.

Effective TAMP coverage is a medical readiness issue for the overwhelming majority of our returning members who are subject to redeployment and must maintain their medical and dental readiness. Unfortunately, many are slipping through the cracks post deployment with undiagnosed medical conditions, particularly behavioral conditions, which may not be reported by the returning members when they self assess their medical condition on the Post Deployment Health Assessment (PDHA) administered at the demobilization site. Unreported conditions cannot be treated. As these conditions become known over time, a reasonable period is needed for proper treatment. The current six month TAMP period is proving to be inadequate either because of other demands on the returning members' time or the late disclosure of a service connected injury or condition.

The coverage available under TAMP does not include access to the provider network under TRICARE Prime Remote, the rural active duty coverage available to family beneficiaries while the military sponsor is deployed. This breaks provider continuity for rural beneficiaries switching to TAMP post deployment who had been treating under the TRICARE Prime Remote program while the military sponsor was deployed. This requires many of our rural families who had been using TRICARE Prime Remote during the deployment to search for a new provider and hopefully find one. The TAMP program should be adjusted to expand its provider network and to specifically allow rural beneficiaries to have access to the same TRICARE Prime Remote providers they had been using.

Recommendation:
It is the recommendation of the National Guard Association of the United States that the Congress of the United States support funding and authority for:

- Extending post deployment TAMP coverage for a period equal to the period of deployment but not less than six months.
- To include access to the TRICARE Prime Remote provider network as part of the TAMP coverage benefit.
- To expand the TRICARE provider network.

Equitably Reduce the Age for Members of the Reserve Components to Collect Retirement Pay

Having transitioned to an operational force, the National Guard of the United States is experiencing a critical loss of senior leadership who are increasingly retiring after 20 years of good service.

More than sixty years ago, the Congress of the United States established the age limit for receipt of retired pay by Reserve component members. That law, with the exceptions provided by the mobilization based credits in the recent amendment in the 2008 National Defense Authorization Act, states that a retired Reserve component member can begin to draw military retired pay upon reaching 60 years of age regardless of number of years served. A National Guard member who enlists after high school at age 18 and retires after 30 years of service at age 48 must wait twelve years before drawing a retirement check.

In contrast, an active component member who enlists at the same age and serves 20 years on active duty can receive retirement pay immediately upon retirement at age 38. Reducing the eligibility age for Reserve component members to draw retirement benefits based upon extended service would not only be a big step in mitigating this disparity but it would serve to stanch the outflow of senior leadership that many units post deployment are experiencing. Retaining the seasoned leadership of officer and enlisted members provides cost offsets by lowering reliance on the "replacement" person.

An amendment to the current law that would both address the inequity of the present system and encourage longer service would be a formula to base eligibility for receipt of retired pay on years of service with the age to draw retirement pay reduced one year for every two years of service beyond twenty years. If an individual were to serve for 22 years, that individual would be eligible for retirement benefits at age 59, and so on.

Recommendation:
The National Guard Association of the United States recommends that the Congress of the United States support legislation to reduce the age at which a retired member of the Reserve component can receive military retirement pay by one year for every two years served after twenty good years of service.

Raise the Ceiling for National Guard Non Dual Status Technicians in the National Guard Full-Time Force

Today's National Guard is changing in response to our nation's call as it engages in military operations around the world. As our country calls on the Guard to serve alongside its active duty counterparts, it must retool the existing technician and full-time manning program to sustain a high level of readiness. Operational tempo has placed considerable strain on Guard resources The National Guard's long-term ability to effectively support the overseas troop requirements for the Global War on Terror is at risk unless its troops are given the necessary full-time tools to effectively execute all National Guard missions.

The full time manning programs is staffed primarily by dual status technicians who maintain the dual status of being civilian federal employees and military members of the National Guard. Dual technicians staff critical positions in Finance and Personnel usually in state headquarters for support of deployments throughout the state. When they themselves are deployed, it creates gaps which leave other deploying units without their full time support in these critical areas.

Backing up the technician component to maintain a continuity of support services with a cadre of personnel who cannot be deployed are the "non dual status" technicians who have no military membership, hence the term "non dual status". Non dual status personnel currently comprise 1.5 % of the full time manning force. They bring to the table the necessary skills to staff critical support areas uninterrupted by the possibility of deployments. Non dual status positions are often filled by retired or separated dual status technicians with a lifetime of invaluable experience.

In an August 2,199 report entitled "A Plan for Full Utilization of Military Technicians (Dual Status)" , DoD acknowledged the bona fide need for non dual status technicians because of the possibility that potential mobilization of the dual status technicians could prevent state headquarters from performing their mission. That distant possibility anticipated by DoD in 1999 is now a real possibility today with the frequent deployment of dual status technicians. If our states are to maintain unit readiness in the current operational tempo environment, the National Guard needs to expand the number of non dual status technicians as soon as possible. This increase will enhance unit readiness and facilitate better pre-mobilization training.

Recommendation:
The National Guard Association of the United States recommends that Congress raise the statutory ceiling of National Guard non dual status support technicians to 5% of the total full-time force.

Gray Area TRICARE Coverage

Gray Area Retirees are those retired members of the reserve components under the age of 60 who retried with 20 good years of military service who qualify for retirement pay and full TRICARE coverage at 60 but who remain in a "gray area" without these benefits until then.

H.R. 270 sponsored by Congressman Robert E. Latta (R-OH) would authorize our Gray Area retirees to purchase TRICARE Standard at DoD's cost for providing that coverage. It would operate with a de minimus effect on the budget. Under this bill, the monthly cost for individual and family plans would be $169.68 and $903.57 respectively which reflects a straight pass though of the full cost that DoD would be paying for the coverage.

Authorizing Gray Area retirees to purchase this coverage would allow those about to retire to maintain continuity of coverage in a cost affordable way. It would also provide an affordable alternative to health insurance in a tough economy for a deserving population of military retirees and their families.

Recommendation:
The National Guard Association of the United States recommends that the Congress of the United States pass H.R. 270 that would authorize Gray Area reserve component retirees to purchase TRICARE Standard at government cost.

In conclusion, we at NGAUS hope that we have both reinforced and amplified this Subcommittee's understanding of the unique personnel needs of the National Guard. Thank you again for the opportunity to address this Committee and for all that you do for our nation's service members.

APPENDIX

Colonel Duffy - I am sending links to articles about the importance of providing medical surveillance examinations for workers in jobs with specific hazardous exposures. I believe this approach could be modified to evaluate National Guard members returning from Iraq and Afghanistan for PTSD, TBIs and depression.

The OSHA medical surveillance model includes the following basic elements:
1. Identification of potential hazardous exposures (chemical, physical, biologic).
2. Screening workers for appropriateness of placement into a specific work environment with such exposures. For example, individuals with compromised liver functions should not be placed in environments with unprotected exposures to hepatotoxins.
3. Monitoring workers after unprotected exposure incidents. Examples- monitoring pulmonary function in an worker exposed to a chlorine gas spill, or following hepatitis and HIV markers in a nurse after a needle stick injury.
4. Conducting exit examinations at the end of an assignment with hazardous exposures, to ensure that workers have not suffered adverse health effects from those exposures.
(including concussive explosions or other traumatic events).
Surveillance exams of all types (OSHA mandated surveillance programs, population health screening for chronic disease risk factors) have been a part of my practice of Occupational and Preventive Medicine in Montana for the past 22 years. Early diagnosis and treatment is especially essential for potential medical problems facing military members serving in Iraq and Afghanistan - post traumatic stress disorder (PTSD), traumatic brain injury (TBI) and depression. Timely diagnosis and aggressive treatment is essential especially for these problems, to maximize treatment success and functioning and to mitigate suffering.

There are a number of organizations that design and implement medical surveillance programs. There is no reason the same approach could not be applied to the specific exposures and potential medical problems facing National Guard troops in Iraq and Afghanistan. With proper program design and local provider training, this program would not need to be costly. In my clinical experience, male patients especially are more likely to report symptoms of PTSD, TBI, or depression in the context of an examination rather than questionnaire. Findings can present subtly, but if untreated can have devastating effects on the individual, family and work place.

In my practice, I have seen a number of Vietnam veterans, and more recently National Guard members who have returned from deployment in Iraq or Afghanistan, who have been inadequately screened and/or are suffering unnecessarily because of geographical barriers to adequate treatment. This is unacceptable treatment of group that has been asked to sacrifice for our country. They deserve better.
I applaud your organization's efforts to lobby for better post deployment screening and treatment of the National Guard members returning from Iraq and Afghanistan.

Dana Headapohl MD

http://www.aafp.org/afp/20000501/2785.html
https://www.desc.dla.mil/DCM/Files/QSRHealth%20Medical%20Exam_1.pdf This is about military surveillance exams.
http://www.lohp.org/graphics/pdf/hw24en06.pdf
http://www.cdc.gov/niosh/sbw/management/wald.html
http://www.ushealthworks.com/Page.aspx?Name=Services_MedSur

CURRICULUM VITAE

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Date of Birth: 14 December 1948
Hartford, Connecticut

Home Address: 246 Linden Street, Manchester, NH 03104
NH resident since 1979

Marital Status: Married

Spouse: Susan M.Duffy (formerly Susan Pagones)
4th Grade Teacher Weston Elementary School
Graduate of Manchester Memorial High School 1969
BS Boston University 1973
MEd Boston College 1975
Languages: Greek and Spanish

Children: Christina Marie Duffy (27 October 1980)
Manchester High School Central 1999
BA Boston College 2004

Maria Susannah Duffy (27 July 1983)
Manchester High School Central 2002
U San Francisco 2006
Masters in Education Candidate Leslie University

Julia Ann Duffy (25 March 1989)
Manchester High School Central 2007
St. Edwards University Sophomore

Religion: Roman Catholic
St. Catherine of Siena Parish, Manchester, NH

Education: Stanford University, Stanford, CA - BA Political Science 1970

University of California Davis, Davis, CA - JD 1973
US Army War College, Carlisle, PA - MA Strategic Studies 2003

Employment: 2007 –Present Deputy Director Legislation NGAUS

1980-2007- Private Practice of Law New Hampshire

1975-1979- US Army JAG Corps

NH Bar Association: Admitted 1980
Military Section, Chair 2004
(California Bar 1973)

Community Service: 2002 Co-Sponsor and Co-Author of RSA 463:18-a- Deploying Soldier Appointment of Guardian
2003-04 Co-Organizer Central Pride Foundation
2002-04 - Board of Directors Manchester Art Builds Community (ABC)
2000- 02-Co-Organizer Manchester Citizens for Quality Education (MQED)
1996-02 -Manchester High School Central Parent Teacher Student Organization President and Organizer
1997 -1999 -Manchester High School Central Job Fair Coordinator
2000-06- Central Community Players Founder and Producer
West Side Story - Palace Theatre 2001
Bye Bye Birdie - Palace Theatre 2002
Music Man - Palace Theatre 2003
Grease - Palace Theatre 2004
Chicago-Palace Theatre 2005
High School Musical-2006
1998-1999 Livingston Park Playground Committee
1994-1996 Manchester United Soccer Girls U12 and U13 Assistant Coach
1995-1996 Smyth Road Elementary School Girls' Basketball Coach

Community Awards: 1998 - The Greater Manchester Chamber of Commerce Commitment to Education Award
2003 - Queen City Rotary Service to Youth Award

MILITARY SERVICE

Military Service: 1993-2005 New Hampshire Army National Guard
Colonel, Judge Advocate
1980-1993 US Army Reserves

Active Duty Commissioned Service
25 July 1975 - 30 June1979 Judge Advocate General Corps
HQ USAREUR &7A Heidelberg, FRG-Prosecutor Armed Forces Disciplinary Control Board
3rd Bde, 3rd Inf Div Aschaffenburg, FRG-Defense Counsel and Legal Assistance Officer

Enlisted Service:
5 March 1970 - 5 May 1973 US Air Force Reserves Medical Service Specialist
6 May 1973 - 25 July 1975 US Army Reserves Medic

Security Clearance: Top Secret

Source and Date of Commission or Appointment:
Direct Commission JAG Corps 25 July 1975

Total Years of Commissioned Service:
30 years

Military Education:	Year Completed
JAG Basic Course Resident	1975
JAG Advcanced Course (Non-resident)	1985
Command & General Staff College (Non-resident)	1989
US Army War College (Non-resident)	2003
(Foundation Award for Writing Excellence)	

Decorations, Service Medals and Badge:
Meritorious Service Medal (2)
Army Commendation Medal
Army Achievement Medal
Overseas Service Medal
National Defense Service Ribbon
Physical Fitness Badge

DISCLOSURE FORM FOR WITNESSES
CONCERNING FEDERAL CONTRACT AND GRANT INFORMATION

INSTRUCTION TO WITNESSES: Rule 11, clause 2(g)(4), of the Rules of the U.S. House of Representatives for the 111th Congress requires nongovernmental witnesses appearing before House committees to include in their written statements a curriculum vitae and a disclosure of the amount and source of any federal contracts or grants (including subcontracts and subgrants) received during the current and two previous fiscal years either by the witness or by an entity represented by the witness. This form is intended to assist witnesses appearing before the House Armed Services Committee in complying with the House rule.

Witness name: Peter J Duffy

Capacity in which appearing: (check one)

___Individual

X Representative NGAUS

If appearing in a representative capacity, name of the company, association or other entity being represented: NGAUS

FISCAL YEAR 2009

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
NONE			

FISCAL YEAR 2008

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
NONE			

FISCAL YEAR 2007

Federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant		
NONE					

Federal Contract Information: If you or the entity you represent before the Committee on Armed Services has contracts (including subcontracts) with the federal government, please provide the following information:

Number of contracts (including subcontracts) with the federal government:

Current fiscal year (2009): None;
Fiscal year 2008: None;
Fiscal year 2007: None.

Federal agencies with which federal contracts are held:

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

List of subjects of federal contract(s) (for example, ship construction, aircraft parts manufacturing, software design, force structure consultant, architecture & engineering services, etc.):

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

Aggregate dollar value of federal contracts held:

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

Federal Grant Information: If you or the entity you represent before the Committee on Armed Services has grants (including subgrants) with the federal government, please provide the following information:

Number of grants (including subgrants) with the federal government:

Current fiscal year (2009): NONE;
Fiscal year 2008: NONE;
Fiscal year 2007: NONE.

Federal agencies with which federal grants are held:

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

List of subjects of federal grants(s) (for example, materials research, sociological study, software design, etc.):

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

Aggregate dollar value of federal grants held:

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

THE MILITARY COALITION
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STATEMENT OF

THE MILITARY COALITION (TMC)

before the

HOUSE ARMED SERVICES
SUBCOMMITTEE ON MILITARY PERSONNEL

February 25, 2009

Presented by

Kathleen B. Moakler
Director, Government Relations Department
National Military Family Association

Master Sergeant Michael P. Cline, AUS (Retired)
Executive Director
Enlisted Association of the National Guard

Colonel Steven P. Strobridge, USAF (Retired)
Director, Government Relations, Military Officers Association of America (MOAA); and
Co-Chairman, The Military Coalition

MADAM CHAIR AND DISTINGUISHED MEMBERS OF THE SUBCOMMITTEE. On behalf of The Military Coalition (TMC), a consortium of nationally prominent uniformed services and veterans' organizations, we are grateful to the committee for this opportunity to express our views concerning issues affecting the uniformed services community. This testimony provides the collective views of the following military and veterans' organizations, which represent approximately 5.5 million current and former members of the seven uniformed services, plus their families and survivors.

Air Force Association
Air Force Sergeants Association
Air Force Women Officers Associated
American Logistics Association
AMVETS (American Veterans)
Army Aviation Association of America
Association of Military Surgeons of the United States
Association of the United States Army
Chief Warrant Officer and Warrant Officer Association, U.S. Coast Guard
Commissioned Officers Association of the U.S. Public Health Service, Inc.
Enlisted Association of the National Guard of the United States
Fleet Reserve Association
Gold Star Wives of America, Inc.
Iraq and Afghanistan Veterans of America
Jewish War Veterans of the United States of America
Marine Corps League
Marine Corps Reserve Association
Military Chaplains Association of the United States of America
Military Officers Association of America
Military Order of the Purple Heart
National Association for Uniformed Services
National Military Family Association
National Order of Battlefield Commissions
Naval Enlisted Reserve Association
Naval Reserve Association
Non Commissioned Officers Association
Reserve Enlisted Association
Reserve Officers Association*
Society of Medical Consultants to the Armed Forces
The Retired Enlisted Association
United States Army Warrant Officers Association
United States Coast Guard Chief Petty Officers Association
Veterans of Foreign Wars of the United States

*The Reserve Officers Association supports the non-health care portion of the testimony.

The Military Coalition, Inc., does not receive any grants or contracts from the federal government.

EXECUTIVE SUMMARY

Wounded Warrior Care

DoD-VA Seamless Transition Oversight – It is of overriding importance to establish a permanent Joint Seamless Transition Office, responsible for managing, implementing, monitoring, and reporting to senior DoD, VA and congressional leaders on all aspects of the seamless transition process including, but not limited to:

- Joint, single separation physical for active, Guard and Reserve forces;
- Consistent DoD/VA disability evaluation system;
- Bi-directional electronic medical and personnel records data transfer;
- Medical centers of excellence and operations/research projects; and
- Coordination of care, treatment, and information, including DoD-VA federal/recovery coordinator clinical and non-clinical services and case management programs

Disability Evaluation System (DES) –

- Bar "pre-existing condition" determinations for any member who has been deployed to a combat zone;
- Retain the 30% disability threshold for award of disability retired pay and lifetime family TRICARE coverage
- Ensure that any adjustment to the disability retirement system does not result in a member receiving less disability retired pay than he or she would receive under the current system; and
- Ensure that members electing accelerated disability retirement/separation are fully counseled on all possible negative changes in compensation, health care and other benefits, and give consideration to allowing a limited time to reverse a regrettable decision.

Continuity of Health Care Coverage –

- Authorize all medically retired members with a severe service-caused disability to retain active-duty-level TRICARE eligibility for themselves and their eligible family members for at least three years to protect against "falling through the cracks" of unforeseen coverage changes upon conversion to retired/veteran status;
- Establish common DoD and VA protocols for diagnosis, treatment, and rehabilitation for TBI conditions;
- Either exempt severely wounded, ill, or injured members who must be medically retired from paying Medicare Part B premiums until age 65 or authorize a special DoD allowance to reimburse them for the cost of such premiums; and
- Waive DoD preauthorization/referral requirements for active duty/Guard/Reserve members referred to VA polytrauma facilities for care.

Psychological Health and Traumatic Brain Injury (TBI) – TMC recommends:

- Priority efforts to deliver information on-line and by other means to servicemembers and family members concerning availability of providers, confidential options for counseling, and virtual counseling/advice;
- Special outreach efforts to provide such services and resources, including through VA facilities, to Guard and Reserve members and families who don't live near military facilities;
- Priority efforts to educate private sector providers on the unique needs of military and veteran patients and family members, and deliver needed information to them on-line, including contact points for discussion/consultation with military/VA providers;

- Consistent implementation of pre- and post-deployment screenings, particularly for Guard and Reserve members who may be leaving active duty;
- Increased research on the impact of combat stress and TBI on family members, particularly children;
- Increasing destigmatization efforts, with emphasis at unit levels to actively encourage affected service members, veterans, and family members to seek help, and thus increase effectiveness and military readiness;
- Increasing availability and outreach on substance abuse counseling options;
- Pursuing aggressive medication reconciliation and management programs to protect against inadvertent overmedication and adverse reactions;
- Requiring TBI and psychological health assessments for members who have been deployed to a combat zone as part of any disciplinary process prior to a decision concerning non-medical separation; and
- Developing a partnership between DoD, VA, and other governmental and non-governmental agencies and civilian health care systems to improve access to treatment for PTSD, TBI, depression and other combat-related stress conditions for servicemembers and their families.

Caregiver and Family Support Services for Active, Guard and Reserve –
- Authorize compensation, training and certification, and respite care for family members required to serve as full-time caregivers, whether the member is in active duty or retired status;
- Authorize health care coverage for full-time caregivers and their families; and
- Extend on-base housing eligibility for up to one year to medically retired, severely injured service members and their families.

Active Forces

End Strength –
- Sustain planned Army and Marine Corps end strength growth as a top priority;
- Resist budget-driven (rather than requirements-driven) manpower reductions for the Air Force and Navy and Guard/Reserve components; and
- Seek a 2010 defense budget of at least 5% of Gross Domestic Product.

Military Pay Comparability – Sustain military raises of at least .5% above the Employment Cost Index (ECI) until the current 2.9% shortfall is eliminated.

Military vs. Civilian Total Compensation Comparisons – Reject proposals to "civilianize" military comparisons that, by their nature, cannot similarly calculate the dramatic differentials in military vs. civilian working conditions.

REDUX and the 15-Year Career Status Bonus – The Coalition believes the REDUX/Career Bonus authority should be repealed. For the shorter term, recognizing the significant budget hurdles to that objective, the Coalition urges the Subcommittee to require the services to exert more effort to educate members on size of the future retired pay loss incurred in choosing that option.

Family Readiness and Support –
- Accelerate increases in availability of child care to meet active and Reserve component requirements;

- Direct DoD to report on the extent of reallocation of approved funding for support programs and the attendant impact on military families; and
- Continue pressing the Defense Department to implement flexible spending accounts to enable active duty and Selected Reserve families to pay out-of-pocket dependent care and health care expenses with pre-tax dollars.
- Correct the new paternity leave authority to cover all seven "uniformed services"

Access to Quality Housing – Continue efforts to extend the single-family detached house standard to members in grade E-8 and subsequently to grade E-7 and below over several years as resources allow.

Post-9/11 GI Bill – Support a technical correction to ensure uniform applicability to all seven uniformed services.

Permanent Change of Station (PCS) Allowances – Continue efforts to upgrade permanent change-of-station allowances to better reflect expenses imposed on servicemembers, with priority on shipping a second vehicle on overseas accompanied assignments and authorizing at least some reimbursement for house-hunting trip expenses.

Morale, Welfare, and Recreation Programs –
- Oppose any initiative to withhold or reduce MWR appropriated support for Category A and B programs or reduce the exchange dividend derived; and
- Ensure needed access to exchange, commissary, family support, and other quality of life programs at gaining and losing installations involved in BRAC/rebasing.

<u>National Guard & Reserve Forces</u>

Retirement Age Credit –
- For the near term, the Coalition places particular priority on authorizing early retirement credit for all qualifying post-9/11 active duty service performed by Guard/Reserve servicemembers and eliminating the fiscal-year-specific accumulator that bars equal credit for members deploying for equal periods during different months of the year;
- Ultimately, there should be a reduced age entitlement for retired pay and health coverage for all Reserve Component members – that is, an age/service formula or outright eligibility at age 55; and
- Repeal the annual cap of 130 days of inactive duty training points that may be credited towards a reserve retirement.

Seamless Transition for Activated Guard and Reserve and Their Families -
- Fully fund and field "yellow ribbon reintegration" programs by modeling best practices
- Implement GAO recommendations (GAO Rpt. 08-901) for the Benefits Delivery at Discharge (BDD) program

Guard/Reserve GI Bill –
- Restore basic reserve MGIB benefits for initially joining the Selected Reserve to the historic benchmark of 47-50% of active duty benefits;
- Integrate reserve and active duty MGIB laws in Title 38 to ensure proportionality is maintained in any future benefit changes; and

- Providing full academic protection, including guaranteed enrollment, for mobilized Guard and Reserve students.

Special and Incentive Pays – Ensure equitable treatment of Guard and Reserve vs. active duty members for the full range of special and incentive pays.

Retiree Issues

Concurrent Receipt – The Coalition's continuing goal is to eliminate the deduction of VA disability compensation from earned military retired pay for all disabled retirees. In pursuit of that goal, the Coalition's immediate priorities include:

- Correcting the statutory Combat-Related Special Compensation (CRSC) formula to ensure the intended compensation is delivered; and
- Expanding current authority for Concurrent Retired Disability Pay to members forced into medical retirement before attaining 20 years of service.

Proposed Military Retirement Changes – Reject retirement plan changes such as those proposed by the 10th Quadrennial Review of Military Compensation that would "civilianize" the military system without adequate consideration of the extraordinary demands and sacrifices inherent in a military vs. a civilian career.

Disability Severance Pay – Amend the eligibility rules to include all combat- or operations-related injuries, using same definition as CRSC. For the longer term, the Coalition believes the offset should be ended for all members separated for service-caused disabilities.

Survivor Issues

SBP-DIC Offset – Repeal the SBP-DIC offset and:

- Authorize payment of SBP annuities for disabled survivors into a Special Needs Trust;
- Allow SBP eligibility to switch to children if a surviving spouse is convicted of complicity in the member's death;
- Reinstate SBP for survivors who previously transferred payments to their children at such time as the children attain majority, or upon termination of a second or subsequent marriage.

Final Retired Pay Check – Authorize survivors of retired members to retain the final month's retired pay for the month in which the retiree dies.

Health Care Issues

Full Funding for the Defense Health Program – Restore any reduction in TRICARE-related budget authority that may be included in the FY2010 budget, and continued full funding for Defense Health Program needs.

Protecting Beneficiaries Against Cost-Shifting – Require DoD to pursue greater efforts to improve TRICARE and find more effective and appropriate ways to make TRICARE more cost-efficient without seeking to "tax" beneficiaries and make unrealistic budget assumptions.

TMC Healthcare Cost Principles – The Coalition most strongly recommends Rep. Chet Edwards' and Rep. Walter Jones' H.R. 816 as a model to establish statutory findings, a sense of

Congress on the purpose and principles of military health care benefits, and guidelines on the benefit levels earned by a career of uniformed service.

- Active duty members and families should be charged no fees except retail pharmacy co-payments, except to the extent they make the choice to participate in TRICARE Standard or use out-of-network providers under TRICARE Prime.
- The TRICARE Standard inpatient copay should not be increased further for the foreseeable future. At $535 per day, it already far exceeds inpatient copays for virtually any private sector health plan.
- There should be no enrollment fee for TRICARE Standard or TRICARE For Life (TFL), since neither offers assured access to TRICARE-participating providers. An enrollment fee implies enrollees will receive additional services, as Prime enrollees are guaranteed access to participating providers in return for their fee. Congress already has required TFL beneficiaries to pay substantial Medicare Part B fees to gain TFL coverage.
- There should be one TRICARE fee schedule for all retired beneficiaries, just as all legislators, Defense leaders and other federal civilian grades have the same health fee schedule. The current TRICARE schedule is significantly lower than the lowest tier recommended by the Defense Department, recognizing that all retired service members paid large up-front premiums for their coverage through decades of arduous service and sacrifice.

TRICARE Prime – Require a DoD report, including reports from managed care support contractors, on actions being taken to improve Prime patient satisfaction, provide appointments within Prime access standards, reduce delays in obtaining pre-authorizations and referrals, and provide quality information to assist beneficiaries in making informed decisions.

TRICARE Standard Enrollment – Oppose establishment of any TRICARE Standard enrollment system; to the extent enrollment may be required, any beneficiary filing a claim should be enrolled automatically, without denying the claim. No enrollment fee should be charged for TRICARE Standard until and unless the program offers guaranteed access to a participating provider.

TRICARE Standard Provider Participation Adequacy – Continue monitoring DoD and GAO reporting on provider participation to ensure proper follow-on action.

Administrative Deterrents to Provider Participation – Continue efforts to reduce administrative impediments that deter health care providers from accepting TRICARE patients.

TRICARE Reimbursement Rates – To the extent the Medicare rate freeze continues, encourage DoD to use rate adjustment authority as needed to sustain provider acceptance. Require a Comptroller General report on the relative propensity of physicians to participate in Medicare vs. TRICARE.

Active Duty Dependent Dental Plan – Increase the DoD subsidy for the Active Duty Dependent Dental Plan to 72% and increase the cap on orthodontia payments to $2,000.

TRICARE Dependent Dental Coverage for Surviving Children – Authorize children of members who die on active duty to retain coverage under the Active Duty Dependent Dental Plan until they reach 21 or 23 if enrolled in college.

TRICARE Reserve Select (TRS) Access – Require a DoD report on options to assure TRS enrollees' access to TRICARE-participating providers.

TRS Alternative Option – Authorize an option to have DoD subsidize premiums for continuation of a member's civilian family health insurance during activation periods.

Reserve Separatee TRS/CHCBP Coverage – Authorize one year of post- Transitional Assistance Management Program (TAMP) TRS coverage for every 90 days deployed for returning IRR or involuntary separatees from the Selected Reserve. Authorize Continued Health Care Benefits Program (CHCBP) coverage for voluntarily separating Reservists subject to TRS disenrollment.

Gray Area Reserve Coverage – Authorize an additional premium-based TRS option for Guard/Reserve members to avoid losing health coverage upon entering "gray area".

Guard/Reserve Dental Coverage – Provide coverage for Reservists once an alert order is issued and for 180 days post-mobilization (during TAMP), unless dental readiness is restored to T-2 condition before demobilization.

Guard/Reserve Mental Health – Guard and Reserve members and their families should have equal access to evidence-based treatment for post traumatic stress disorder (PTSD), traumatic brain injury (TBI), depression, and other combat-related stress conditions. Post-deployment health examinations should be offered at the member's home station.

Guard/Reserve Health Information – Improve electronic capture of non-military health information in the service member's medical record.

TRICARE For Life – Oppose any TFL enrollment fee and seek equal coverage of TFL beneficiaries under TRICARE and Medicare preventive care initiatives.

Restoration of Survivor Coverage – Restore TRICARE benefits to previously eligible survivors whose second or subsequent marriage ends in death or divorce.

BRAC and Re-Basing – Require an annual DoD report on the adequacy of health resources, services, quality and access to care for beneficiaries affected by BRAC/rebasing.

OVERVIEW

Madam Chair, The Military Coalition extends our thanks to you and the entire Subcommittee for your steadfast support of our active duty, Guard, Reserve, retired members, and veterans of the uniformed services and their families and survivors.

Over the past two years, the Subcommittee provided major increases in military end strength for the Army and Marine Corps; improved pay raises; precedent-setting advancements in survivor benefits and disabled retiree programs; significant improvements in wounded warrior benefits, care, and treatment; and upgrades to Guard/Reserve health care. The Subcommittee also worked hard to resist initiatives that would have imposed disproportional increases in TRICARE fees.

Your efforts made a huge, positive difference in the lives of the entire uniformed services community – active, Guard and Reserve personnel, veterans, retirees, survivors, and families.

Despite these many advancements, the Services continue to report that they are wearing out both equipment and personnel. As our men and women in uniform prosecute wars on two fronts, the Coalition believes it is critical that the Nation continue to support military people programs with the appropriate resources.

The Army attempted last fall to ease the strain of operations tempo by reducing deployment time from 15 to 12 months, yet prolonged, repeated separations and the attendant stress on our troops and their families continue to put longer-term readiness at risk.

Men and women in uniform are still answering the call – but only at the cost of ever-greater sacrifices. They, with the support of their families, continue to endure the mounting stresses brought about by repeated deployments, ever-increasing workloads, and the strain of knowing (as documented by Rand Corp.'s study) that with each successive deployment, the likelihood increases that they won't return home as the same person.

We have been encouraged that the Nation seems to recognize that the only way to ease these burdens is through significant increases to end strength that will allow more dwell time between deployments in today's high-threat environment that will continue for the foreseeable future.

The Coalition hopes that, in these times of growing political and economic pressures, Congress won't lose sight of that fundamental priority, or be persuaded to make a false choice between end strength increases and weapons needs, when both are vital to the nation's strength.

In this testimony, The Coalition offers its collective recommendations on what needs to be done to address important personnel-related issues in order to sustain long-term personnel readiness.

Wounded Warrior Care

In 2007, *The Washington Post* reported deplorable conditions and poor oversight at Walter Reed Medical Center for wounded service members transitioning from in-patient to out-patient status.

Congress, DoD and VA acted quickly to improve wounded care based on the findings and recommendations of several commissions and task forces. Some of the recommendations were

addressed in the FY 2008 and 2009 National Defense Authorization Acts (NDAAs), but these were just initial steps, and much more remains to be done if we are to do the right thing by those who have suffered physical and psychological harm in the Nation's defense.

TMC offers recommendations in five major areas of concern: DoD-VA seamless transition oversight; the disability evaluation system; continuity of health care coverage; mental health/traumatic brain injury (TBI) needs; and support services for families and caregivers.

DoD-VA Seamless Transition Oversight – The Coalition believes strongly that seamless transition goals will never be realized without the vigilant oversight of a permanent, jointly-staffed DoD-VA oversight agency. Part-time oversight by joint committees that meet periodically have never been and never will be adequate to meet that need.

Success will require aggressive personal involvement and accountability from the most senior leaders of both Departments. But nothing can replace the leadership accountability of a single-mission, joint office in which representatives of the two agencies are assigned full-time responsibility, authority, and resources to provide meaningful oversight, with regular reporting responsibilities to the Secretary of Defense, the Secretary of Veterans Affairs and the Committees on Armed Services and Veterans Affairs.

We note, for example, a January 2009 GAO report which found that DoD and VA lack results-oriented performance goals and measures for establishing a joint electronic health record, and that they have not fully executed the statutorily required Joint Interagency Office, which at that time of GAO's evaluation had no director, deputy, or staff.

We're grateful that Congress extended the statutory authority for the DoD/VA Senior Oversight Committee through the end of 2009 rather than allowing it to expire, but the very transience of this authority significantly undermines the Committee's effectiveness. SOC incumbents are understandably distracted by the uncertainty of their own futures and dealing with other governmental priorities, and program administrators being overseen are more than aware that their overseers may not be around very long.

The Coalition believes it is of overriding importance to establish a permanent Joint Seamless Transition Office, responsible for managing, implementing, monitoring and reporting to senior DoD, VA and congressional leaders on all aspects of the seamless transition process including, but not limited to:

- ***Joint, single separation physical;***
- ***Consistent DoD/VA disability evaluation system;***
- ***Bi-directional electronic medical and personnel records data transfer;***
- ***Medical centers of excellence and operations/research projects; and***
- ***Coordination of care, treatment, and information, including DoD-VA federal/recovery coordinator clinical and non-clinical services and case management programs.***

Disability Evaluation System (DES) – The DES pilot has shown that DoD and VA have the capability to standardize, rationalize, and streamline the complex disability rating process as a service member transitions from active duty into the VA system. But several challenges remain.

Pre-existing conditions. We fully agree with the Subcommittee's efforts to limit past practices under which some services have characterized returning warriors' disabilities as existing prior to service entry. The Coalition believes strongly that such characterization should not be an option if a member has been deployed to a combat zone, regardless of his/her length of service.

Disability retirement threshold. The Coalition believes strongly that members determined by the parent service to be 30 percent or more disabled should continue to be eligible for a military disability retirement with all attendant benefits, including lifetime TRICARE eligibility for the member and his/her family. We do not support efforts to disconnect health care eligibility from disability retired pay eligibility. The Coalition also agrees with the opinion expressed by Secretary Gates that a member forced from service for wartime injuries should not be separated, but awarded a high enough rating to be retired for disability.

Disability retired pay calculation. We also do not support simply turning all responsibility for disability payments to the VA, as some have proposed, with DoD only responsible for "vesting" service-based retired pay at 2.5% of pay times years of service. This would significantly disadvantage many severely wounded, ill or injured members from a compensation standpoint. The Coalition does not believe that reforms intended to help wounded warriors should cause them to receive less compensation than is provided by the current system. Under any reform methodology, the member should receive the higher of the two compensation amounts, just as disability retirees with more than 20 years of service currently are awarded the higher amount of either 2.5% of pay times years of service or their disability percentage times their pay.

Accelerated disability-retirement determinations. The Coalition does not object to current efforts to allow disabled members to accept accelerated processing of their disability retirements. However, we are concerned whether members facing such decisions are receiving complete counseling on the potential impacts of their decision on their compensation, rehabilitation program availability, health coverage and other benefits. All of these things can change dramatically once a person leaves active duty – and in most cases not for the better. For example, per diem for family member caregivers will terminate and members with TBI can lose eligibility for cognitive therapy. The Coalition believes the government has an obligation to ensure that members making such decisions are fully aware of all implications that could affect them, and that consideration should be given to allowing them at least some period of time in which they are able to reverse a decision that proves to have unexpected adverse consequences.

The Coalition recommends:

- ***Barring "pre-existing condition" determinations for any member who has been deployed to a combat zone;***
- ***Retaining the 30% disability threshold for award of disability retired pay and lifetime family TRICARE coverage;***
- ***Ensuring that any adjustment to the disability retirement system does not result in a member receiving less disability retired pay than he or she would receive under the current system; and***
- ***Ensuring that members electing accelerated disability retirement/separation are fully counseled on all possible negative changes in compensation, health care and other benefits, with consideration to allowing a limited time to reverse a regrettable decision.***

Continuity of Health Care Coverage – Transitioning out of the military is always a difficult time for service members and their families, and it can even be more frightening and uncertain for those who are disabled because of their service.

A major consideration is that there are significant differences between active-duty and retired military health care coverage, and even greater differences between active duty TRICARE and VA health coverage.

When a member is killed in the line of duty, the member's spouse is authorized three years of continued active-duty-level coverage, and the children are authorized continued active-duty-level coverage until they attain majority.

The Coalition believes that, when a member suffers injuries or illness on active duty, especially in combat, that are severe enough to force him or her into disability retirement, the member and the family deserve similar treatment. Three years of continued active-duty-level coverage would provide the necessary transitional protection to ensure they are not faced with abrupt and unforeseen changes in their eligibility or expense for any type of care solely because of the service-caused injury.

Cognitive therapy. This poses potentially serious implications for members who may need years of continuing rehabilitation/therapy after leaving active duty.

A particularly important example concerns cognitive rehabilitation therapy for members with TBI. Active duty members must be approved under a special TRICARE Supplemental Health Care Program for cognitive rehabilitation therapy. Since the therapy is not a covered benefit under TRICARE, members may not automatically receive the treatment and services, and eligibility for the Supplemental Health Care Program terminates once the member is retired. While DoD does provide some rehabilitation services accepted and covered under TRICARE for TBI, cognitive rehabilitation therapy is not covered as a distinct and separate service because DoD believes there is no evidence on the efficacy of cognitive rehabilitation as a therapy. The VA, on the other hand, offers cognitive therapy coverage, but like TRICARE, treatment and services are limited to specific locations where capacity and demand exist.

Congress made some effort to mitigate such potential transition problems with a provision in the FY2008 Defense Authorization Act that authorized continuity of active duty-level TRICARE benefits for a disabled retiree to the extent that VA care is not available.

But this is of limited value when the services and VA each think the other should be making the availability determination, when the availability of VA care is in the eye of the beholder, and when that care is substantively different than the therapy the member was receiving while on active duty. And even this modest protection only applies to the member, not to family members.

Medicare Part B requirement. A major issue faced by many members forced from active duty by severe service-caused disabilities is that the severity of their disability qualifies them for Medicare. In such cases, TRICARE is second-payer to Medicare.

But under laws that were designed for elderly retirees but apply equally to all Medicare-eligible military beneficiaries, these younger disabled warriors must pay Medicare Part B premiums

($96.40 per month in 2009) to retain any coverage under TRICARE. Unfortunately, many weren't well-informed on the requirement to enroll in Medicare and subsequently were denied TRICARE eligibility.

The Coalition believes it's wrong that members whose service caused them to become severely wounded, ill or injured should have to pay extra for their care, and believes they should either be exempt from paying the Part B premium until age 65 or DoD should reimburse them for such payments.

DoD/VA Waiver of Pre-authorizations/Referrals. Doctors at VA polytrauma centers indicate that one of their biggest problems is the requirement to get multiple authorizations from DoD to provide a variety of specialty care for active duty members with multiple medical problems.

It is grossly inappropriate that bureaucratic requirements are impeding the delivery of urgent and essential care for members who have suffered most severely for their country.

When an active duty member is referred to VA facility for care, DoD should grant an automatic waiver of preauthorization/referral requirements to allow the VA providers to deliver needed care without bureaucratic delays.

The Coalition strongly recommends:

- ***Authorizing medically retired members with a severe service-caused disability to retain active-duty-level TRICARE eligibility for themselves and their eligible family members for at least three years to protect against "falling through the cracks" of unforeseen coverage changes upon conversion to retired/veteran status;***
- ***Establishing common DoD and VA protocols for diagnosis, treatment, and rehabilitation for TBI conditions;***
- ***Either exempting severely disabled military retirees from paying Medicare Part B premiums until age 65 or authorizing a special DoD allowance to reimburse them for the cost of such premiums; and***
- ***Waiving TRICARE Prime preauthorization/referral requirements for active duty/Guard/Reserve members referred to VA polytrauma facilities for care.***

Psychological Health and Traumatic Brain Injury (TBI) – Last year's RAND study documented that about one in five OEF/OIF veterans suffer from Posttraumatic Stress Disorder (PTSD) or major depression and another 10 percent experience some level of TBI.

The report stressed that if the government fails to invest in needed immediate treatment, it will face very large alternative costs in the years ahead as a result of homelessness, unemployment/underemployment and lost tax revenue.

Congress has done the right thing by establishing the Center of Excellence for Psychological Health and Traumatic Brain Injury, and the Coalition is encouraged by service leaders' cooperation in working with the Center. Further, DoD and the VA are pursuing serious efforts to add qualified mental health providers to meet the explosive growth in requirements..

But the Coalition is concerned that it will take years to change thinking, add resources, and implement processes necessary to achieve the kind of results that all interested parties hope for.

In the meantime, thousands of affected members and their family members have gone unidentified, continue to feel deterred from seeking needed care, or are having difficulty accessing needed care.

In many cases, they may be resistant to acknowledging their condition because of fear for the possible impact on their careers or the perceptions of their leaders and peers (in many cases, with good cause), or may seek independent counseling/care from outside providers in efforts to protect their anonymity.

TMC recommends:

- ***Priority efforts to deliver information on-line and by other means to servicemembers and family members concerning availability of providers, confidential options for counseling, and virtual counseling/advice;***
- ***Special outreach efforts to provide such services and resources to Guard and Reserve members and families who don't live near military facilities;***
- ***Priority efforts to educate private sector providers on the unique needs of military and veteran patients and family members, and deliver needed information to them on-line, including contact points for discussion/consultation with military/VA providers;***
- ***Consistent implementation of pre- and post-deployment evaluations, particularly for Guard and Reserve members who may be leaving active duty;***
- ***Increased research on the impact of combat stress and TBI on family members, particularly children;***
- ***Continuing destigmatization efforts with emphasis at unit levels to actively encourage affected service members, veterans, and family members to seek help, and thus increase effectiveness and military readiness;***
- ***Increasing availability and outreach on substance abuse counseling options;***
- ***Pursuing aggressive medication reconciliation and management programs to protect against inadvertent overmedication and adverse reactions;***
- ***Requiring TBI and psychological health assessments for members who have been deployed to a combat zone as part of any disciplinary process prior to a decision concerning non-medical separation; and***
- ***Developing a partnership between DoD, VA, and other governmental and non-governmental agencies and civilian health care systems to improve access to treatment for PTSD, TBI, depression and other combat-related stress conditions for servicemembers and their families.***

Caregiver and Family Support Services – Recent statutory changes authorized a number of support services, but more needs to be done to assist full-time caregivers and family members who also have significant additional needs.

The sad reality is that, for the most severely injured servicemembers, family members or other loved ones are often required to become full-time caregivers. Many have lost their jobs, homes, and savings.

Under current law, TSGLI can provide some offset for immediate expenses for some wounded warriors with qualifying TSGLI wounds/injuries, and authorized caregivers are provided per diem payments while the member remains on active duty. But those payments stop when the

member leaves active duty status. While the VA provides severely disabled veterans a modest allowance for aid and attendance, it is payable to the veteran, not to the caregiver. Further, it is authorized only for spouses, but caregivers are often parents, siblings or other loved ones.

The Coalition believes the government has an obligation to provide reasonable compensation and training for such caregivers, who never dreamed that their own well-being, careers, and futures would be devastated by military-caused injuries to their servicemembers.

In addition, Congress should authorize health coverage and reasonable respite care for full-time caregivers and their family members, recognizing that they often have no other options for care and need periodic relief from their arduous and stressful duties.

In the same vein as the continuity of health care addressed above, many members have difficulty transitioning to medical retirement status. To assist in this process, consideration should be given to authorizing medically retired members and their families to remain in on-base housing for up to one year after retirement, in the same way that families are allowed to do so when a member dies on active duty.

The Coalition recommends:

- ***Authorizing compensation, training and certification, and respite care for family members required to serve as full-time caregivers, whether the member is in active duty or retired status;***
- ***Authorizing health care eligibility for full-time caregivers and their families; and***
- ***Extending on-base housing eligibility for up to one year to medically retired, severely injured service members and their families.***

Active Forces and Their Families

The Coalition is concerned over the rhetoric that military personnel costs are skyrocketing and hopes the Subcommittee will be able to fend off those who wish to reduce costs by cutting back on needed personnel growth and quality of life programs.

Backtracking on planned – and badly needed – end strength increases will only aggravate the unfair abuses already imposed on military people and families with the imposition of repeated, long-term deployments on a too-small force.

BRAC actions pose an additional concern, as DoD is struggling to meet the 2011 deadline at many BRAC locations. The Coalition is very concerned whether needed infrastructure and support programs will be in place in time to meet families' needs.

Military End Strength – Inadequate end strengths and greater-than-anticipated requirements and resources to support the war effort and other operational requirements have taken a terrible toll on the quality of life of military families. This has been reflected in recruiting in recent years and poses a serious and too-often underestimated threat to retention and readiness.

While the Subcommittee succeeded in increasing Army and Marine Corps end strengths last year, those must continue to have any significant prospect of easing rotation burdens.

The Coalition is greatly disturbed at calls by some influential legislators to reduce planned force growth as a means of funding weapons requirements. In some cases, this is justified by rhetoric about leveraging technology to replace people. The past seven years of war have shown that there is no substitute for boots on the ground in the current conflict. And it has been widely acknowledged that any drawdown in Iraq will be offset by increased deployments to Afghanistan.

The Coalition is very concerned that some national leaders seem to have become desensitized to the truly terrible sacrifices that the current mismatch between missions and force levels has already imposed on those in uniform.

If force planners had been told before 9/11 that our armed forces would face the deployment tempo that they have over the past 8 years, every one of them would have predicted that the services would be in a state of retention disaster by now.

We all stand in awe of the level of sacrifice our troops and families have already borne on the nation's behalf.

But we fear that some seem to have gotten the impression that, because they have endured far more than the Nation has had any right to expect, that we can continue demanding – or increasing – that level of sacrifice. Let us not delude ourselves into thinking such a thing.

There are thousands among this new "Greatest Generation" who are saying "enough is enough" and questioning their families can afford to continue accepting such disproportional burdens with little prospect of real relief in sight.

There is no avoiding the reality that years of war have worn out weapons and equipment that must now be replaced and modernized. These and other military requirements will take a great deal of money.

But pretending that the nation can cut one essential readiness component (personnel) to fund another – especially in wartime – would entail a conscious decision to increase the already intolerable burdens imposed on military families. Such gross insensitivity to their sacrifices can only undermine retention and readiness, when they already are at such grave risk.

The Coalition urges the Subcommittee to:

- ***Sustain planned Army and Marine Corps end strength growth as a top priority;***
- ***Resist budget-driven (rather than requirements-driven) manpower reductions for the Air Force and Navy; and***
- ***Seek a 2010 defense budget of at least 5% of Gross Domestic Product.***

Military Pay Raise Comparability – The Coalition thanks the Subcommittee for its sustained commitment to restoring full military pay comparability – a fundamental underpinning of the All-Volunteer Force.

Throughout the 1980s and '90s, our nation didn't adhere to that principle, regularly capping military pay raises below the average American's to the extent that the "pay comparability gap" reached 13.5% in 1998-99, and contributed significantly to serious retention problems.

Since then, the Subcommittee has acted to pare the gap by approving military raises that have been at least .5% above private sector pay growth each year (as measured by the Bureau of Labor Statistics' Employment Cost Index (ECI).

Now that significant progress has been made and the "erosion of pay and benefits" retention-related problems have abated, some have renewed the call to cut back on military raises, create a new comparability standard, or substitute more bonuses for pay raises in the interests of "efficiency".

The Defense Department, for example, wishes to establish a new comparability standard under which each pay and longevity cell would represent the 70th percentile of compensation for similarly-educated civilians.

The Coalition believes that methodology is appropriate to establish a floor to ensure the pay table properly addresses specific changes in force composition (e.g., more highly-educated and technologically sophisticated NCOs and warrant officers).

But it is a bad standard for the overall pay raise, precisely because it is not transparent to anyone but the Pentagon analyst who does the calculation and is highly susceptible to manipulation – as various Defense leaders have sought to do in the past.

The Coalition agrees with the approach the Subcommittee has taken – that the best comparability measure is a comparison of the overall military pay raise percentage (proportionally adjusted for any grade/longevity tweaks such as those undertaken earlier in this decade) with the percentage growth in the ECI.

The ECI is what the government uses for every other measure of private pay growth, and it's very transparent to government leaders and servicemembers alike.

As of 2009, the comparability gap stands a 2.9%.

The Coalition urges the Subcommittee to continue sustaining military raises of at least .5% above the ECI until the current 2.9% shortfall is eliminated.

Military vs. Civilian Total Compensation Comparisons – The 10th Quadrennial Review of Military Compensation recommended what several studies have recommended in the past – building a "Military Annual Compensation" measure that includes not only pay and housing/food allowances and their associated tax advantages, but also the value of military-unique medical and retirement benefits. This would be used to compare military vs civilian "total compensation".

The Coalition believes such methodologies are grossly inappropriate for comparison purposes, because they fail utterly to acknowledge the unique and arduous conditions of military service that necessitate providing military-unique career benefits.

We acknowledge that it's appropriate to educate servicemembers on the value of their total benefit package (which the services already do by providing each member an annual statement itemizing the value of each military compensation element). But even these often draw negative

member reactions, such as "Where does this statement show the negative value of having spent three of the last six years away from my family?"

In the context of the incalculable differential in working conditions and demands and sacrifices expected of the two groups, any attempt to monetize the total compensation differential is meaningless.

The Coalition urges the Subcommittee to continue to reject proposals to "civilianize" military comparisons that, by their nature, cannot similarly calculate the dramatic differentials in military vs. civilian working conditions.

REDUX and the 15-Year Career Status Bonus – The Coalition is very concerned that the Defense Department and the Services are not doing enough to educate military people on protecting their long-term financial interests concerning the choice each member faces at the 15-year point between retaining the regular military retirement system or accepting a $30,000 "career status bonus" and the far-less-advantageous REDUX retirement system.

The Coalition believes that selecting the $30,000 bonus/REDUX is a demonstrably bad financial choice for nearly all servicemembers.

A typical enlisted member who accepts the REDUX "bonus" and subsequently retires as an E-7 with 20 years of service will have forfeited $300,000 of lifetime retired pay (in 2009 dollars) for the $30,000 bonus.

And yet one-quarter to one-half of enlisted members, depending on service, opt to take the bonus.

Thinking about this another way, accepting the REDUX bonus is equivalent to taking out a 24% APR mortgage on the retired pay differential. For an officer, who receives the same $30,000 bonus but sacrifices far more retired pay, it's equivalent to a 35% APR mortgage.

The Coalition believes strongly, from this context, calling the $30,000 a "bonus" is false advertising.

The Coalition believes that the REDUX/Career Status Bonus option should be repealed. For the shorter term, recognizing the significant budget hurdles to that objective, the Coalition urges the Subcommittee to require the services to exert more effort to educate members on the size of the future retired pay loss incurred in choosing that option.

Family Readiness and Support – A fully funded, robust family readiness program continues to be crucial to overall readiness of our military, especially with the demands of frequent and extended deployments.

Resource issues continue to plague basic installation support programs. At a time when families are dealing with increased deployments, they often are being asked to do without in other important areas.

Availability of child care is a particular problem when so much of the force is deployed.

The Coalition recommends that the Subcommittee:

- ***Provide authorization and funding to accelerate increases in availability of child care to meet both active and Reserve Component requirements;***
- ***Direct DoD to report on the extent of reallocation of approved funding for support programs and the attendant impact on military families; and***
- ***Continue pressing the Defense Department to implement flexible spending accounts to enable active duty and Selected Reserve families to pay out-of-pocket dependent care and health care expenses with pre-tax dollars.***

Access to Quality Housing – Today's housing allowances come much closer to meeting military members' and families' housing needs than in the past, thanks to the conscientious efforts of the Subcommittee in recent years.

But the Coalition believes it's important to understand that some fundamental flaws in the standards used to set those allowances remain to be corrected, especially for enlisted members.

The Coalition supports revised housing standards that are more realistic and appropriate for each pay grade. For example, only 1.25% of the enlisted force (E-9) is eligible for BAH sufficient to pay for a 3-bedroom single-family detached house, even though thousands of more junior enlisted members do, in fact, reside in detached homes.

We appreciate the Subcommittee's effort to extend the single-family home standard to E-8s in its markup last year, and regret that this measure was not sustained in conference action.

The Coalition urges the Subcommittee to continue its efforts to extend the single-family detached house standard to members in grade E-8 and subsequently to grade E-7 and below over several years as resources allow.

Post 9/11 GI Bill – Congress' action last year in approving the Post-9/11 GI Bill was a truly historic achievement that will provide major long-term benefits for military people and for America.

However, the Coalition is sensitive that, unlike every other GI Bill program since World War II, eligibility was restricted to members of the "armed forces" rather than "uniformed services". This had the very serious effect of excluding eligibility for commissioned officers of the US Public Health Service and NOAA Corps.

The Coalition urges the Subcommittee's support for a technical correction to the Post-9/11 GI Bill statute to ensure uniform applicability to all seven uniformed services.

Paternity Leave – The Coalition is grateful for Congress' action last year to provide 10 days of paternity leave to servicemembers who have or adopt a child. However, eligibility was restricted to members of the "armed forces" rather than "uniformed services". This had the effect of excluding eligibility for commissioned officers of the US Public Health Service and NOAA Corps.

The Coalition urges the Subcommittee's support for a technical correction to the paternity leave statute to ensure uniform applicability to all seven uniformed services.

Permanent Change of Station (PCS) Allowances – The Coalition is grateful for the Subcommittee's successful initiative last year to raise the maximum daily Temporary Lodging Expense (TLE) allowance from $180 to $290 and authorize certain increases in PCS weight allowances.

But it's an unfortunate fact that servicemembers and their families are forced to incur other significant out-of-pocket expenses when complying with government-directed moves.

For example, PCS mileage rates still have not been adjusted since 1985. The current rates range from 15 to 20 cents per mile – an ever-shrinking fraction of the 48.5 cents per mile authorized for temporary duty travel. Also, military members must make any advance house-hunting trips at personal expense, without any government reimbursement such as federal civilians receive.

Additionally, the overwhelming majority of service families consist of two working spouses, making two privately owned vehicles a necessity. Yet the military pays for shipment of only one vehicle on overseas moves, including moves to Hawaii and Alaska. This forces relocating families into large out-of-pocket expenses, either by shipping a second vehicle at their own expense or selling one car before leaving the states and buying another upon arrival.

The Coalition urges the Subcommittee to continue its efforts to upgrade permanent change-of-station allowances to better reflect expenses imposed on servicemembers, with priority on shipping a second vehicle on overseas accompanied assignments and authorizing at least some reimbursement for house-hunting trip expenses.

Morale, Welfare, and Recreation Programs – The availability of appropriated funds to support MWR activities is an area of continuing concern.

Service members and their families are reaching the breaking point as a result of extended deployments and the constant changes going on in the force. It is unacceptable to have troops and families continue to take on more responsibilities and sacrifices and not give them the support and resources to do the job and to take care of the needs of their families. TMC is particularly concerned that additional reductions in funding or support services may occur because of the U.S. economic crisis and budget shortfalls across the Defense Department.

TMC urges the Subcommittee to:

- ***Oppose any initiative to withhold or reduce MWR appropriated support for Category A and B programs or reduce the exchange dividend derived; and***
- ***Ensure needed access to exchange, commissary and TRICARE programs at gaining and losing installations involved in BRAC/rebasing.***

Guard and Reserve Forces and Their Families

Since Sept. 11, 2001, more than 690,000 Guard and Reserve service men and women have been called to active federal service. More than 190,000 have served multiple deployments. In this regard, they are experiencing virtually the same sacrifices as active duty members and families – on a level never envisioned by the architects of Guard and Reserve personnel and compensation systems.

However, readjusting to home life, returning to civilian jobs and the communities and families they left behind pose unique problems and added stress for Reserve Component members.

Unlike active duty personnel, whose combat experience enhances their careers, many Guard and Reserve members return to employers who are unhappy about their active duty service and find that their civilian careers have been inhibited by their prolonged absences.

In many cases, those returning with various degrees of combat-related injuries and stress disorders encounter additional difficulties after they return that also can cost them their jobs and careers.

This is compounded by the reality that, despite the continuing efforts of the Subcommittee, most Guard and Reserve families do not have access to the same level of counseling and support services that the active duty members have.

In short, the Reserve components face increasing challenges virtually across the board, including major equipment shortages, end-strength requirements, wounded-warrior health care, and pre- and post-deployment assistance and counseling.

Reserve Retirement Age Credit – TMC deeply appreciates Congress' authorization of early retirement for certain members of the Guard and Reserve activated since January 28, 2008. However, in recognition of the continuing service and sacrifice of Reserve Components members and as an inducement to longer service and to maintain the Operational Reserve Force, more must be done.

Guard/Reserve mission increases and a smaller active duty force mean Guard/Reserve members must devote far more of their working lives to military service than envisioned when the current retirement system was developed in 1948. Repeated, extended activations make it more difficult to sustain a full civilian career and will impede Reservists' ability to build a full civilian retirement, 401(k), etc.

Regardless of statutory protections, periodic long-term absences from the civilian workplace can only limit Guard/Reserve members' upward mobility, employability and financial security. Further, strengthening the reserve retirement system will serve as an incentive to retaining critical mid-career officers and NCOs for continued service and thereby enhance readiness.

TMC strongly urges further progress in revamping the reserve retirement system in recognition of increased service and sacrifice of Reserve Component members, including at a minimum, extending the new authority for a 90 day - three month reduction to all Guard and Reserve members who have served since 9/11.

TMC also urges amending the statute to eliminate the inequity inherent in the current fiscal year calculation, which only credits 90 days of active service for early retirement purposes if it occurs within the same fiscal year.

This has the effect of significantly penalizing members who deploy in July or August vs. those deploying earlier in the fiscal year.

It is patently unfair, as the current law requires, to give three months' retirement age credit for a 90-day tour served from January through March, but no credit at all for a 120-day tour served from August through November (because the latter covers 60 days in each of two fiscal years).

For the near term, the Coalition places particular priority on authorizing early retirement credit for all qualifying post-9/11 active duty service performed by Guard/Reserve servicemembers and eliminating the fiscal-year-specific accumulator that bars equal credit for members deploying for equal periods during different months of the year.

Ultimately, TMC believes we must move forward to provide a reduced age entitlement for retired pay and health coverage for all Reserve Component members – that is, an age/service formula or outright eligibility at age 55.

Further, TMC urges repeal of the annual cap of 130 days of inactive duty training points that may be credited towards a reserve retirement.

Guard/Reserve Support – Additional initiatives are essential to address unique difficulties encountered by Guard and Reserve members and families in accommodating demands for additional active duty service.

TMC urges the Subcommittee to:

- ***Fully fund and field "yellow ribbon reintegration" programs by modeling best practices***
- ***Implement GAO recommendations (GAO Rpt. 08-901) for the Benefits Delivery at Discharge (BDD) program***
- ***Ensure Federal Reserve veterans have equal access to services and support available to National Guard veterans;***
- ***Secure waivers for scheduled licensing/certification/promotion exams scheduled during a mobilization; and***
- ***Establish reemployment rights for Guard and Reserve spouses who must suspend employment to care for children during mobilization.***

Guard/Reserve GI Bill – TMC is most grateful to Congress for passage of the Post-9/11 GI Bill, which authorizes cumulative credit for Guard/Reserve service on active duty.

However, benefits for joining the Selected Reserve were not upgraded or integrated in the Post-9/11 GI Bill as TMC has long recommended.

Today, Reserve Montgomery GI Bill benefits offer only 25% of active duty benefits, compared to the originally intended 47-50%. That would require raising the current Reserve rate from $329 per month to roughly $650 for full time study.

This is not simply a matter of "proportional equity." Restoring the relative ratio between the two programs' benefits is essential to long-term success of Guard and Reserve recruiting programs.

TMC strongly urges:

- ***Restoring basic reserve MGIB benefits for initially joining the Selected Reserve to the historic benchmark of 47-50% of active duty benefits;***

- ***Integrating reserve and active duty MGIB laws in Title 38 to ensure proportionality is maintained in any future benefit changes; and***
- ***Providing full academic protection, including guaranteed enrollment, for mobilized Guard and Reserve students.***

Special and Incentive Pays – Increased reliance on Guard and Reserve forces to perform active duty missions have highlighted differentials and inconsistencies between treatment of active duty vs. Guard/Reserve members on a range of special and incentive pays.

Congress has acted to address some of these disparities, but more work is needed.

The Coalition urges the Subcommittee to ensure equitable treatment of Guard and Reserve vs. active duty members for the full range of special and incentive pays.

Retiree Issues

The Military Coalition is extremely grateful to the Subcommittee for its support of maintaining a strong military retirement system to help offset the extraordinary demands and sacrifices inherent in a career of uniformed service.

Concurrent Receipt – In the FY2004 NDAA, Congress acknowledged the inequity of the disability offset to earned retired pay and established a process to end or phase out the offset for all members with at least 20 years of service and at least a 50% disability rating.

Congress further directed establishment of a Veterans Disability Benefits Commission (VDBC) to assess whether changes to the disability offset law are warranted for the remaining categories of disabled retirees.

In its final report, the VDBC validated the long-standing Coalition assertion that the deduction of VA disability compensation from earned military retired pay is inappropriate and should be ended for all categories of disabled retirees.

The Coalition is grateful that the Subcommittee has continued its efforts to make progress in easing the adverse effects of the offset – most recently by extending eligibility for Combat-Related Special Compensation (CRSC) to disabled retirees forced into medical retirement by operations-related injuries before attaining 20 years of service.

The Coalition believes strongly that the same logic – that such members should at least be "vested" in their service-earned retired pay at 2.5% of pay times years of service – applies to those forced into early medical retirement for service-caused conditions that aren't related to combat. In this regard, the affect on the member's quality of life and future earning power is the same, regardless of whether the disability was caused by a bullet or some other service-caused circumstance.

It is simply inappropriate that current law forces thousands of severely injured members with as much as 19 years and 11 months of service to forfeit most or all of their earned retired pay.

Similarly, the Coalition believes that, if the offset is inappropriate for a member with a 50% or greater service-connected disability, as Congress already has acknowledged in current statute, it is no less appropriate for a member with a 40% service-caused disability, etc.

The issue is whether a military retiree earned his or her retired pay, independent of incurring a disability. Clearly, that answer is "yes". It follows logically that, if a member also has the misfortune to incur a disability as a direct result of that service, the disability compensation received from the VA should be added to the member's earned retired pay, not subtracted from it.

Finally, the Coalition has learned of an inadvertent problem in the statutory CRSC computation formula that causes many seriously disabled and clearly eligible members to receive little or nothing in the way of CRSC. The Defense Department has acknowledged the problem in discussions with the Subcommittee staff.

The Coalition's continuing goal is to eliminate the deduction of VA disability compensation for from earned military retired pay for all disabled retirees. In pursuit of that goal, the Coalition's immediate priorities include:

- ***Correcting the Combat-Related Special Compensation formula to ensure the intended compensation is delivered; and***
- ***Expanding current authority for Concurrent Retired Disability Pay to members forced into medical retirement before attaining 20 years of service.***

Proposed Military Retirement Changes – The Coalition has reviewed the results of the 10th Quadrennial Review of Military Compensation (QRMC) and does not support its recommendation to modify the military retirement system to more closely reflect civilian practices.

Specifically, the QRMC proposed:

- Converting the military retirement system to a civilian-style plan under which full retired pay wouldn't be paid until age 57-60;
- Vesting retirement benefits after 10 years of service; and
- Authorizing the services to pay flexible "gate pays" and separation pay at certain points of service to encourage continued service in certain age groups or skills and encourage others to leave, depending on the services needs for certain kinds of people at the time.

The Coalition is very concerned that this proposal is so complicated that people evaluating career decisions at the 4-to-10 year point would have no way to project their future military retirement benefits. Gate pays available at the beginning of a career could be cut back radically if the force happened to be undergoing a strength reduction later in a member's career.

Under today's system, it's very clear from the pay table what level of retired pay would be payable, depending how long one served and how well one progressed in grade.

From a broader force-planning standpoint, one thing history shows is that no one is able to accurately project force requirements 10 years downstream. World events and economic situations have driven dramatic force size changes within relatively short periods. The sustained

drawing power of the 20-year retirement system provides an essential long-term moderating influence that keeps force managers from over-reacting to short-term circumstances. Had force planners had such a system in effect during the drawdown-oriented 1990s, the services would have been far less prepared for the post 9/11 wartime environment.

Of equal or greater concern, this plan would effectively take money from people who serve a career (by deferring receipt of full retired pay until age 57-60) in order to fund vesting of retirement benefits for people who separate early. The Coalition believes pursuing that course would pose a significant threat to long-term retention and readiness.

The Coalition believes that the strong career pull of the 20-year retirement system has been the principal bulwark against a retention disaster in the current overstressed wartime environment.

A civilian-style retirement plan with receipt of retired pay deferred until a later age would be appropriate for the military only if military service conditions were similar to civilian working conditions – which they most decidedly are not – and if historical experience had not shown that the military depends on a maintaining a relatively young and healthy force.

The Coalition believes strongly that, if such a system as recommended by the QRMC existed for today's force under today's service conditions, the military services would already be mired in a deep and traumatic retention crisis.

Many such proposals have been offered in the past, and have been discarded for good reasons. The only initiative to substantially curtail/delay military retired pay that was enacted – the 1986 REDUX plan – had to be scrapped 13 years later after it began inhibiting retention.
The reality is that unique military service conditions demand a unique retirement system. Surveys consistently show that the military retirement system is the single most powerful incentive to serve a full career under conditions few civilians would be willing to endure for even one year, much less 20 or 30.

TMC urges the Subcommittee to reject retirement plan changes such as those proposed by the 10th Quadrennial Review of Military Compensation that would "civilianize" the military system without adequate consideration of the extraordinary demands and sacrifices inherent in a military vs. a civilian career.

Disability Severance Pay – The Coalition is grateful for the Subcommittee's inclusion of a provision in the FY08 NDAA that ended the VA compensation offset of a service member's disability severance for people injured in the combat zone.

However, we are concerned that the language of this provision imposes much stricter eligibility than that used for Combat-Related Special Compensation.

The Coalition urges the Subcommittee to amend the eligibility rules for disability severance pay to include all combat- or operations-related injuries, using same definition as CRSC. For the longer term, the Coalition believes the offset should be ended for all members separated for service-caused disabilities.

Survivors

The Coalition is grateful to the Subcommittee for its significant efforts in recent years to improve the Survivor Benefit Plan (SBP). We particularly note that, as of this past April, thanks to the Subcommittee's efforts, the Social Security offset ended and SBP beneficiaries, regardless of age, receive 55% of covered retired pay.

We also appreciate the Subcommittee's initiative in the FY 2008 defense bill that establishes a special survivor indemnity allowance. This is the first step in a longer-term effort to phase out the Dependency and Indemnity Compensation (DIC) offset to SBP when the member died of a service-caused condition.

Additionally, we are pleased that the Subcommittee and Congress extended the indemnity allowance to survivors of members who died while on active duty in the FY 2009 defense bill.

SBP-DIC Offset – The Coalition believes strongly that current law is unfair in reducing military SBP annuities by the amount of any survivor benefits payable from the DIC program.

If the surviving spouse of a retiree who dies of a service-connected cause is entitled to DIC from the Department of Veterans Affairs and if the retiree was also enrolled in SBP, the surviving spouse's SBP benefits are reduced by the amount of DIC. A pro-rata share of SBP premiums is refunded to the widow upon the member's death in a lump sum, but with no interest. This offset also affects all survivors of members who are killed on active duty.

The Coalition believes SBP and DIC payments are paid for different reasons. SBP is purchased by the retiree and is intended to provide a portion of retired pay to the survivor. DIC is a special indemnity compensation paid to the survivor when a member's service causes his or her premature death. In such cases, the VA indemnity compensation should be added to the SBP the retiree paid for, not substituted for it.

It should be noted as a matter of equity that surviving spouses of federal civilian retirees who are disabled veterans and die of military-service-connected causes can receive DIC without losing any of their federal civilian SBP benefits.

The reality is that, in every SBP-DIC case, active duty or retired, the true premium extracted by the service from both the member and the survivor was the ultimate one – the very life of the member – and that all such deaths are officially acknowledged as having been caused by military service.

The Veterans Disability Benefits Commission (VDBC) was tasked to review the SBP-DIC issue, among other DoD/VA benefit topics. The VDBC's final report to Congress agreed with the Coalition in finding that the offset is inappropriate and should be eliminated.

Speaker Pelosi and all House leaders made repeal of the SBP-DIC offset a centerpiece of their GI Bill of Rights for the 21st Century. Leadership has made great progress in delivering on other elements of that plan, but the only progress to date on the SBP-DIC offset has been the offer of a

scant $50 per month (growing to $100 a month over 5 years) Supplemental Survivor Indemnity Allowance (SSIA).

We appreciate that the Subcommittee understands the military community's (and especially the SBP-DIC widows') view that the new allowance is grossly inadequate. We also appreciate the courage of the Subcommittee in its determination to authorize at least this small amount as a token of good faith, when it could have elected to do nothing.

The Coalition urges repeal of the SBP-DIC offset. The Coalition further recommends:

- ***Authorizing payment of SBP annuities for disabled survivors into a Special Needs Trust.*** Certain permanently disabled survivors can lose eligibility for Supplemental Security Income (SSI) and Medicaid and access to means-tested state programs because of receipt of SBP. This initiative is essential to put disabled SBP annuitants on an equal footing with other SSI/Medicaid-eligibles who have use of special needs trusts.

- ***Allowing SBP eligibility to switch to children if a surviving spouse is convicted of complicity in the member's death; and***

- ***Reinstating SBP for survivors who previously transferred payments to their children at such time as the children majority, or upon termination of a second or subsequent marriage.***

Final Retired Pay Check – Under current law, DFAS recoups from military widows' bank accounts all retired pay for the month in which a retiree dies. Subsequently, DFAS pays the survivor a pro-rated amount for the number of days of that month in which the retiree was alive. This often creates hardships for survivors who have already spent that pay on rent, food, etc., and who routinely are required to wait several months for DFAS to start paying SBP benefits.

The Coalition believes this is an extremely insensitive policy imposed by the government at the most traumatic time for a deceased member's next of kin. Unlike his or her active duty counterpart, a retiree's survivor receives no death gratuity. Many older retirees do not have adequate insurance to provide even a moderate financial cushion for surviving spouses.

Recent media coverage highlighted the VA's failure to implement a decade-old law change that required the VA to make full payment of the final month's VA disability compensation to the survivor of a disabled veteran.

The disparity between DoD and VA policy on this matter is indefensible. Congress should do for retirees' widows the same thing it did ten years ago to protect veterans' widows.

TMC urges the Subcommittee to authorize survivors of retired members to retain the final month's retired pay for the month in which the retiree dies.

HEALTH CARE ISSUES

The Coalition appreciates the Subcommittee's strong and continuing interest in keeping health care commitments to military beneficiaries. We are particularly grateful for your support for the

last few years in refusing to allow the Department of Defense to implement beneficiary health care fee increases.

Prior to the past several years, the Coalition and the Defense Department have had regular and substantive dialogues that proved very productive in facilitating reasonably smooth implementation of such major program changes as TRICARE Prime and TRICARE for Life.

It is a great source of regret to the Coalition that there has been substantively less dialogue on the recent fee increase initiatives. In recent years, DoD's main concern has been to extract a specified amount of budget savings from beneficiaries, primarily by driving beneficiaries away from using their earned TRICARE coverage.

The unique package of military retirement benefits – of which a key component is a top-of-the-line health care benefit – is the primary offset afforded uniformed service members for enduring a career of unique and extraordinary sacrifices that few Americans are willing to accept for one year, let alone 20 or 30. It is an unusual, and essential, compensation package that a grateful Nation provides for the miniscule fraction of the US population who agree to subordinate their personal and family lives to protecting our national interests for so many years. This sacrifice, in a very real sense, constitutes a pre-paid premium for their future healthcare.

Full Funding for the Defense Health Program – The Coalition is grateful for the Subcommittee's support for maintaining – and expanding where needed – the healthcare benefit for all military beneficiaries, consistent with the demands imposed upon them.

To a large extent, military health care cost growth is a reflection of private sector trends. But those who measure cost growth since 1999 or 2000 start from an erroneous benchmark. At that time, military health care delivery was at its bottom point, with most Medicare-eligibles having been driven entirely out of military health care coverage by the closure and downsizing of military health facilities (MTF).

The resultant bad publicity was hurting retention, and that's a major reason why Congress enacted TRICARE For Life to restore lost benefits to military Medicare-eligibles. Congress knew from the start and fully intended that restoring medical and pharmacy coverage for beneficiaries over age 65 would substantially increase military health care outlays.

It's true that many private sector employers are choosing to shift an ever-greater share of health care costs to their employees and retirees, and that's causing many still-working military retirees to fall back on their service-earned TRICARE coverage.

In the bottom-line-oriented corporate world, many firms see their employees as another form of capital, from which maximum utility is to be extracted at minimum cost, and those who quit are replaceable by similarly experienced new hires. But that can't be the culture in the military's closed, all-volunteer personnel system, whose long-term effectiveness is dependent on establishing a sense of mutual, long-term commitment between the service member and his/her country.

The Coalition believes it's essential to bear other considerations in mind when considering the extent to which military beneficiaries should share in military health care costs.

First and foremost, the military health care system is not built for the beneficiary, but to sustain military readiness. Each Service maintains its unique facilities and systems to meet its unique needs, and its primary mission is to sustain readiness by keeping a healthy force and to be able to treat casualties from military actions. To reiterate, that model is not built for cost efficiency or beneficiary welfare. It's built for military readiness requirements.

Similarly, when military forces deploy, the military medical force goes with them, and that forces families, retirees and survivors to use the more expensive civilian health care system in the absence of so many uniformed health care providers.

These are readiness costs incurred for the convenience of the military, not for any beneficiary consideration, and beneficiaries should not be expected to bear any share of that cost -- particularly in wartime.

The Coalition is uncertain whether the new Administration will again propose some reduction to the defense health care budget based on the assumption that Congress will approve beneficiary fee increases for FY2010. But the Coalition would object strongly to any such reduction.

The Coalition urges the Subcommittee to take all possible steps to restore any reduction in TRICARE-related budget authority that may be included in the FY2010 budget, and ensure continued full funding for Defense Health Program needs.

Protecting Beneficiaries Against Cost-Shifting

The Task Force on the Future of Military Health Care had a great opportunity for objective evaluation of the larger health care issues. Unfortunately, the Coalition believes the Task Force missed that mark by a substantial margin.

The bulk of its report cites statistics provided by the Defense Department and focuses discussions of cost-sharing almost solely on government costs, while devoting hardly a sentence to what the Coalition views as an equally fundamental issue – the level of health care coverage that service members earn by their arduous career service, the value of that service as an in-kind, up-front premium pre-payment, and the role of lifetime health care coverage as an important offset to the unique conditions of military service.

The Task Force gave short shrift to what the Coalition sees as a fundamental point – that generations of military people have been told by their leaders that their service earned them their health care benefit, and DoD and Congress reinforced that perception by sustaining flat, modest TRICARE fees over long periods of time. But now the Department and the Task Force imply that the military retirement health care benefit is no longer earned by service. They now say beneficiary costs should be "restored" to some fixed share of Defense Department costs, even though no such relationship was ever stated or intended in the past.

The Task Force report acknowledged that DoD cost increases over the intervening years have been inflated by military/wartime requirements, inefficiency, lack of effective oversight, structural dysfunction, or conscious political decisions by the Administration and Congress. They acknowledged GAO findings that DoD financial statements and cost accounting are not auditable because of system problems, inadequate business processes and internal controls. Yet the Task Force accepted DoD-prepared cost data from 1996 and subsequent years, and said the

government should foist a fixed share of those costs on beneficiaries anyway. The Coalition has requested information concerning the 1996 costing calculation and has never received an adequate accounting as to what was included in the calculation.

The following charts illustrate the annual cost increase the Task Force plan would impose various categories of military families.

Current vs. Proposed TRICARE Fees
(Recommended by DoD Task Force on Future of Military Health Care)

Retiree Under Age 65, Family of Three

TRICARE Prime*	Current	Task Force Proposed	QRMC Proposed
Enrollment Fee	$460	$1,090 - $2,090***	$1,165 - $3,728
Doctor Visit Copays	$60	$125	$60
Rx Cost Shares**	$288	$960	$576
Yearly Cost	***$808***	***$2,175 - $3,175***	***$1,801 - $4364***

TRICARE Standard*	Current	Task Force Proposed	QRMC Proposed
Enrollment Fee	$0	$120	$218 - $699
Deductible	$300	$600 - $1,150***	$170****
Rx Cost Shares**	$288	$960	$576
Yearly Cost	***$588***	***$1680 - $2,230***	***$1089 - $1,570***

* Fully phased-in proposal; assumes 5 doctor visits per year.
**Assumes 2 generic and 2 brand name prescriptions per month in retail pharmacy
***Includes annual medical inflation adjustment recommended by the Task Force.
**** Assumes 8% inflation on current Medicare deductible

Retiree Over Age 65 and Spouse

TRICARE For Life*	Current	Task Force Proposed
Medicare Part B	$2,314	$2,314
Enrollment Fee	$0	$240
Rx Cost Shares**	$396	$1,260
Yearly Cost	***$2,710***	***$3,814***

*Assumes lowest tier Medicare Part B premium for 2008.
**2 generic and 3 brand name prescriptions per month in retail pharmacy

Currently Serving Family of Four

TRICARE Standard*	Current	Task Force Proposed
Enrollment Fee	$0	$120
Deductible	$300	$600 - $1,150***
Rx Cost Shares**	$180	$660
Yearly Cost	***$480***	***$1,260 - $1,930***

*Fully phased in proposals. Spouse and 2 children use Standard.
**Assumes 2 generic and 1 brand name prescription per month in retail pharmacy.
*** Includes medical inflation adjustment recommended by the Task Force.

The Tenth Quadrennial Review of Military Compensation (QRMC) offered somewhat different recommendations, but also took a budget-centric approach that failed to explicitly address what level of health care benefit should be considered earned by a career of military service and sacrifice.

The Coalition agrees with QRMC recommendations to:

- Eliminate copays and deductibles for preventive services...immunizations, mammograms, colonoscopies, medications for chronic conditions like diabetes to incentivize people to take medications and get tests that have been proven to reduce longer-term health care costs
- Pursue a wide range of initiatives to improve recruiting and retention of military health care professionals.

But we cannot agree with the QRMC proposals to:

- Establish premiums for retirees under 65 that are 40% of the Medicare Part B premium for those in Prime and 15% of the Medicare Part B premium for those in Standard.
- Means-test retiree premiums based on adjusted gross income.
- Fund care for beneficiaries under 65 on an accrual basis, which would convert it to mandatory spending and make it extremely difficult to execute needed improvements.
- Roughly double retail pharmacy copays.

The Coalition believes it would be wrong to base premiums for beneficiaries in their 40s and 50s on the cost of providing health care to the elderly and disabled, whose health care needs are so much different.

Similarly, means-testing has no place in setting military health fees. Less than 1% of employer-provided plans in the U.S. are income-based. It's one thing to do that for Medicare, which is social insurance provided by the government to every American. It's quite another to apply it to an employer-sponsored program that was earned by decades of service to the government.

The Coalition opposes any enrollment fee for TRICARE Standard, which doesn't guarantee access to a provider.

We continue to believe that the proper course of action is to establish principles and standards in law concerning the specific health benefits military people earn in return for a career in uniform, just as Congress has done for other major compensation elements. Absent such principles and standards, these critically important benefits are left subject to the annual uncertainty of ever-changing Administration budget proposals.

People vs. Weapons – Defense officials have provided briefs to Congress indicating that the rising military health care costs are "impinging on other service programs." Other reports indicate that DoD leaders and others seek to free up funding for weapons programs by reducing spending on military personnel and health care.

The Military Coalition continues to assert that such budget-driven trade-offs are misguided and inappropriate. Cutting people programs to fund weapons ignores the much larger funding problem, and only makes it worse.

The Coalition believes strongly that the proposed defense budget is too small to meet national defense needs. Today's defense budget (in wartime) is only about 4% of GDP, well short of the 6.5% average for the peacetime years since WWII.

The Coalition believes strongly that America can afford to and must pay for both weapons and military health care.

Military vs. Civilian Cost-Sharing Measurement – Defense leaders assert that substantial military fee increases are needed to bring military beneficiary health care costs more in line with civilian practices. But merely contrasting military vs. civilian cash cost-shares is a grossly misleading, "apple-to-orange" comparison.

For all practical purposes, those who wear the uniform of their country are enrolled in a 20- to 30-year pre-payment plan that they must complete to earn lifetime health coverage. In this regard, military retirees and their families paid enormous "up-front" premiums for that coverage through their decades of service and sacrifice. Once that pre-payment is already rendered, the government cannot simply pretend it was never paid, and focus only on post-service cash payments.

The Department of Defense and the Nation – as good-faith employers of the trusting members from whom they demand such extraordinary commitment and sacrifice – have a reciprocal health care obligation to retired service members and their families and survivors that far exceeds any civilian employer's to its workers and retirees.

The Task Force on the Future of Military Health Care acknowledges that its recommendations for beneficiary fee increases, if enacted, would leave military beneficiaries with a lesser benefit than 20-25% of America's corporate employees. The pharmacy copayment schedule they proposed for military beneficiaries is almost the same – and not as robust in some cases – as the better civilian programs they reviewed.

The Coalition believes that military beneficiaries from whom America has demanded decades of extraordinary service and sacrifice have earned coverage that is the best America has to offer – not coverage that's worse than 25% of corporate plans.

Large Retiree Fee Increases Can Only Hurt Retention – The reciprocal obligation of the government to maintain an extraordinary benefit package to offset the extraordinary sacrifices of career military service members is a practical as well as moral obligation. Mid-career military losses can't be replaced like civilians can.

Eroding benefits for career service can only undermine long-term retention/readiness. Today's service members are very conscious of Congress' actions toward those who preceded them in service. One reason Congress enacted TRICARE For Life in 2000 is because the Joint Chiefs of Staff at that time said inadequate retiree health care was affecting attitudes among active duty service members.

This is reinforced by a quote from then Chief of Naval Operations and now Joint Chiefs Chairman Admiral Mike Mullen, in a 2006 Navy Times article:

> "More and more sailors are coming in married. They talk to me more about medical benefits than I ever thought to when I was in my mid-20s. I believe we've got the gold standard...for medical care right now, and that's a recruiting issue, a recruiting strength, and it's a retention strength."

That's more than backed up by two independent Coalition surveys. A 2006 Military Officers Association of America survey drew 40,000 responses, including more than 6,500 from active duty service members. Over 92% in all categories of respondents opposed the DoD-proposed fee hikes. There was virtually no difference between the responses of active duty service members (96% opposed) and retirees under 65 (97% opposed). A Fleet Reserve Association survey showed similar results.

Reducing military retirement benefits would be particularly ill-advised when an overstressed force already is at increasing retention risk.

Pharmacy Copay Proposals Out of Step With Current Trends – Last year's DoD proposal, based on Task Force recommendations, would have increased retail pharmacy copays from $3 (generic), $9 (brand), and $22 (nonformulary) to $15, $25, and $45, respectively. Those represent increases of 400%, 178%, and 100%, respectively.

The QRMC recommended increases to $7, $17, and $29 – increases of 133%, 89%, and 32%.

Despite citing experience in civilian firms that beneficiary use of preferred drugs increased when their copays were reduced or eliminated, DoD and the QRMC proposed the highest percentage copay increases for the medications TRICARE most wants beneficiaries to use.

Further, the large increase for retail generics flies in the face of recent commercial initiatives by Wal-Mart and a number of other civilian pharmacies to offer hundreds of generics to the general public for a $4 copay or less.

If the purpose of these proposals is to push military beneficiaries to use Wal-Mart instead of TRICARE, it might indeed save the government some money on those medications. But it won't make military beneficiaries feel very good about their military pharmacy benefit. And it shouldn't make Congress feel good about it, either.

The Coalition particularly questions the need for pharmacy copay increases now that Congress has approved federal pricing for the TRICARE retail pharmacy system. The Coalition notes that federal pricing still has not been implemented by the Executive Branch, and this failure is costing DoD tens of millions of dollars with every passing month. This is an excellent example of why the Coalition objects to basing beneficiary fees on a percentage of DoD costs – because DoD all-too-frequently does not act, or is not allowed to act, in a prudent way to hold costs down.

Retirees Under 65 "Already Gave" 10% of Retired Pay – Large proposed health care fee increases would impose a financial "double whammy" on retirees and survivors under age 65.

Any assertion that military retirees have been getting some kind of "free ride" because TRICARE fees have not been increased in recent years conveniently overlooks past government actions that have inflicted far larger financial penalties on every retiree and survivor under 65 – penalties that will grow every year for the rest of their lives.

That's because decades of past budget caps already depressed lifetime retired pay by an average of almost 10% for service members who retired between 1984 and 2008. For most of the 1980s and 1990s, military pay raises were capped below private sector pay growth, accumulating a 13.5% "pay gap" by 1998-99 – a gap which has been moderated since then but persists at 2.9% today.

Every service member who has retired since 1984 – exactly the same under-65 retiree population targeted by the proposed TRICARE fee increases – has had his or her retired pay depressed by a percentage equal to the pay gap at the time of retirement. And that depressed pay will persist for the rest of their lives, with a proportional depression of Survivor Benefit Plan annuities for their survivors.

A service member who retired in 1993 – when the pay gap was 11.5% – continues to suffer an 11.5% retired pay loss today. For an E-7 who retired in 1993 with 20 years of service, that means a loss of $2,100 this year and every year because the government capped his military pay below the average American's. An O-5 with 20 years of service loses more than $4,400 a year.

The government has spent almost a decade making incremental reductions in the pay gap for currently serving members, but it still hasn't made up the whole gap – and the government certainly hasn't offered to make up those huge losses suffered by members already retired. Under such circumstances, it strikes the Coalition as ironic when defense officials propose, in effect, billing those same retirees for "back TRICARE fee increases".

Fee-Tiering Scheme Is Inappropriate – The Defense Department, the Task Force and the QRMC all have proposed multi-tiered schemes for proposed beneficiary fee increases, with the Administration's based on retired pay grade, the Task Force's based on retired pay amount, and the QRMC's based on family taxable income. The intent of the plan is to ease opposition to the fee increases by introducing a means-testing initiative that penalizes some groups less than others.

The Coalition rejects such efforts to mask a fundamental inequity by trying to convince some groups that the inequity being imposed on them is somehow more acceptable because even greater penalties would be imposed on other groups.

Any such argument is fundamentally deceptive, especially since the Administration and Task Force plans envisioned adjusting fee levels by medical inflation (7-8% a year), while retired pay thresholds would be adjusted by retiree COLAs (2%-3% a year). That would guarantee "tier creep" – shifting ever greater numbers of beneficiaries into the top tier every year.

Surveys of public and private sector health care coverage indicate that less than 1% of plans differentiate by salary. No other federal plan does so. The Secretary of Defense has the same coverage and pays the same premium as any GS employee, and the Speaker of the House has the same coverage and premium payments as any Representative's lowest-paid staff member.

The Coalition believes strongly that all military retirees earned equal health benefits by virtue of their career service, and that the lowest fee tier proposed so far would be an excessive increase for any military beneficiary.

Alternative Options to Make TRICARE More Cost-Efficient – The Coalition continues to believe strongly that the Defense Department has not sufficiently investigated other options to make TRICARE more cost-efficient without shifting costs to beneficiaries. The Coalition has offered a long list of alternative cost-saving possibilities, including:

- Positive incentives to encourage beneficiaries to seek care in the most appropriate and cost effective venue;
- Encouraging improved collaboration between the direct and purchased care systems and implementing best business practices;
- Focusing the military health system (MHS), health care providers, and beneficiaries on quality measured outcomes;
- Improving MHS financial controls and avoiding overseas fraud by establishing TRICARE networks in areas fraught with fraud;
- Establishing TRICARE networks in areas of high TRICARE Standard utilization to take full advantage of network discounts.
- Promoting retention of other health insurance by making TRICARE a true second-payer to other insurance (far cheaper to pay another insurance's copay than have the beneficiary migrate to TRICARE).
- Changing the electronic claim system to scan for common errors and prompt corrections in real time to help providers submit "clean" claims and reduce delays/multiple submissions.
- Size and staff military treatment facilities to reduce reliance on non-MTF civilian providers.
- Reducing long-term TRICARE Reserve Select costs by allowing service members the option of a government subsidy of civilian employer premiums during periods of mobilization.
- Doing far more to promote use of mail-order pharmacy system via mailings to users of maintenance medications, highlighting the convenience and individual expected cost savings
- Encouraging retirees to use lowest-cost-venue military pharmacies at no charge, rather than discouraging such use by limiting formularies, curtailing courier initiatives, etc.

The Coalition is pleased that DoD has begun to implement at least some of our past suggestions, and stands ready to partner with DoD to investigate and jointly pursue these or other options that offer potential for reducing costs.

TRICARE Still Has Significant Shortcomings – While DoD focuses on the cost of the TRICARE program to the government, surveys show increasing dissatisfaction among active duty, Guard/Reserve and retired beneficiaries who continue to experience significant problems with TRICARE. Beneficiaries at many locations, particularly those lacking large military populations, report difficulty in finding health care providers willing to participate in the program. Doctors complain about the program's low payments and administrative hassles. Withdrawal of providers from TRICARE networks at several locations has generated national publicity.

A 2007 GAO survey of National Guard and Reserve personnel said almost one-third of respondents reported having difficulty obtaining assistance from TRICARE, and more than one-fourth reported difficulty in finding a TRICARE-participating provider.

That problem is getting worse rather than better. The Task Force report said all military beneficiary categories report more difficulty than civilians in accessing health care, and that military beneficiaries' reported satisfaction with access to care declined from 2004 to 2006. A 2008 survey showed a significant further decline.

The Coalition urges the Subcommittee to require DoD to pursue greater efforts to improve TRICARE and find more effective and appropriate ways to make TRICARE more cost-efficient without seeking to "tax" beneficiaries and make unrealistic budget assumptions.

TMC Healthcare Cost Principles – The Military Coalition believes strongly that the current fee controversy is caused in part by the lack of any statutory record of the purpose of military health care benefits and the specific benefit levels earned by a career of service in uniform. Under current law, the Secretary of Defense has broad latitude to make administrative adjustments to fees for TRICARE Prime and the pharmacy systems. Absent congressional intervention, the Secretary can choose not to increase fees for years at a time or can choose to quadruple fees in one year.

Until recently, this was not a particular matter of concern, as no Secretary had previously proposed dramatic fee increases. Given recent years' unsettling experience, the Coalition believes strongly that the Subcommittee needs to establish more specific and permanent principles, guidelines, and prohibitions to protect against dramatic budget-driven fluctuations in this most vital element of service members' career compensation incentive package.

Other major elements of the military compensation package have much more specific standards in permanent law. There is a formula for the initial amount of retired pay and for subsequent annual adjustments. Basic pay raises are tied to the Employment Cost Index, and housing and food allowances are tied to specific standards as well.

The Coalition most strongly recommends that Congress establish statutory findings, a sense of Congress on the purpose and principles of military health care benefits, and the specific benefit levels earned by a career of uniformed service.

- ***Active duty members and families should be charged no fees except retail pharmacy co-payments, except to the extent they make the choice to participate in TRICARE Standard or use out-of-network providers under TRICARE Prime.***
- ***The TRICARE Standard inpatient copay should not be increased further for the foreseeable future. At $535 per day, it already far exceeds inpatient copays for virtually any private sector health plan.***
- ***There should be no enrollment fee for TRICARE Standard or TRICARE For Life (TFL), since neither offers assured access to TRICARE-participating providers. An enrollment fee implies enrollees will receive additional services, as Prime enrollees are guaranteed access to participating providers in return for their fee. Congress already has required TFL beneficiaries to pay substantial Medicare Part B fees to gain TFL coverage.***
- ***There should be one TRICARE fee schedule for all retired beneficiaries, just as all legislators, Defense leaders and other federal civilian grades have the same health fee schedule. The current TRICARE schedule is significantly lower than the lowest tier recommended by the Defense Department, recognizing that all retired service members paid large up-front premiums for their coverage through decades of arduous service and sacrifice.***

TRICARE Prime

TRICARE Prime – The Coalition is very concerned about growing dissatisfaction among TRICARE Prime enrollees – which is actually higher among active duty families than among retired families.

The dissatisfaction arises from increasing difficulties experienced by beneficiaries in getting appointments, referrals to specialists, and sustaining continuity of care from specific providers.

Increasingly, beneficiaries with a primary care manager in a military treatment facility find themselves unable to get appointments because so many providers have deployed, PCSed, or are otherwise understaffed/unavailable.

Instead of offering beneficiaries appointments with civilian network providers, many appointment administrators are simply telling the beneficiary that no appointments are available and to try back later. This is contrary to the best interests of the beneficiary, violates clear TRICARE Prime standards for timely access to care, makes beneficiaries see the military as insensitive to their vital family needs, and undermines long-term retention and readiness.

This problem disproportionally affects active duty families who are given priority over retirees for military PCMs. And because most active duty family members are used to getting care in the military facility, they often don't know to demand an appointment with a civilian provider if a military appointment isn't available.

The problem is compounded by Prime's continuing makeshift system for referrals to specialists and by beneficiary confusion over whom to call to authorize needed care while traveling away from their home station.

The Military Coalition urges the Subcommittee to require a DoD report, including reports from the managed care support contractors, on actions being taken to improve Prime patient satisfaction, provide assured appointments within Prime access standards, reduce delays in preauthorization and referral appointments, and provide quality information to assist beneficiaries in making informed decisions.

TRICARE Standard

TRICARE Standard Enrollment – The Department of Defense has proposed various options to require TRICARE Standard beneficiaries to sign an explicit statement of enrollment in Standard and pay either a one-time or an annual enrollment fee. The Task Force and the QRMC also proposed annual enrollment fees for TRICARE Standard.

The proposals are based on three main arguments:

- Enrollment is needed to define the population that will actually use the program.
- Enrollment would allow more accurate budgeting for program needs.
- The fee would help offset DoD's cost of having the enrollment system (DoD rationale) or "impose some personal accountability for health care costs" (Task Force rationale).

The Coalition believes none of these arguments stands up to scrutiny.

Department officials already know exactly which beneficiaries use TRICARE Standard. They have exhaustive records on what doctors they've seen and what medications they've used when and for what. They already assess usage trends and project trends for current and future years – such as the effect of private employer changes on beneficiaries' return to the TRICARE system.

DoD does not have a good record on communicating policy changes to Standard beneficiaries. That means large numbers of beneficiaries won't get the word, or appreciate the impact if they do. They have always been told that their eligibility is based on the DEERS system.

Thousands of beneficiaries would learn of the requirement only when their TRICARE Standard claims are rejected for failure to enroll. Some would involve claims for cancer, auto accidents and other situations in which it would be unacceptable to deny claims because the beneficiary didn't understand an administrative rule change. DoD administrators who dismiss this argument as involving a minority of people would see the situation differently if it were their family being affected – as hundreds or thousands of military families certainly would be.

Inevitably, most beneficiaries who do receive and understand the implications would enroll simply "to be safe", even if they intended to use mainly VA or employer-provided coverage – thus undercutting the argument that enrollment would increase accuracy of usage projections.

Further, it would be inappropriate to make beneficiaries pay a fee to cover the cost of an enrollment system established solely for the government's benefit and convenience, with no benefit for the beneficiary. One who pays an enrollment fee expects something extra in return for the fee. An enrollment fee for TRICARE Prime is reasonable, because it buys the beneficiary guaranteed access to a participating provider. TRICARE Standard provides no such guarantee, and in some locations it's very difficult for beneficiaries to find a TRICARE provider.

To the extent any enrollment requirement may still be considered for TRICARE Standard, such enrollment should be automatic for any beneficiary who files a TRICARE claim. Establishing an enrollment requirement must not be allowed to become an excuse to deny claims for members who are unaware of the enrollment requirement.

The Coalition strongly recommends against establishment of any TRICARE Standard enrollment system; to the extent enrollment may be required, any beneficiary filing a claim should be enrolled automatically, without denying the claim. No enrollment fee should be charged for TRICARE Standard until and unless the program offers guaranteed access to a participating provider.

TRICARE Standard Provider Participation – The Coalition appreciates the Subcommittee's continuing interest in the specific problems unique to TRICARE Standard beneficiaries. TRICARE Standard beneficiaries need assistance in finding participating providers within a reasonable time and distance from their home. This is particularly important with the expansion of TRICARE Reserve Select, as many of those enrollees don't live in Prime Service Areas.

The Coalition is concerned that DoD has not yet established any standard for the adequacy of provider participation. Participation by half of the providers in a locality may suffice if there is

not a large Standard beneficiary population. The Coalition hopes to see an objective participation standard (perhaps number of beneficiaries per provider) that would help shed more light on which locations have participation shortfalls of Primary Care Managers and Specialists that require positive action.

The Coalition is grateful to the Subcommittee for its past efforts that will require DoD to establish benchmarks for participation adequacy and follow-up reports on actions taken.

The Coalition urges the Subcommittee to continue monitoring DoD and GAO reporting on provider participation to ensure proper follow-on action.

Administrative Deterrents to Provider Participation – Feedback from providers indicates TRICARE imposes additional administrative requirements on providers that are not required by Medicare or other insurance plans. On the average, about 50%of a provider's panel is Medicare patients, whereas only two percent are TRICARE beneficiaries. Providers are unwilling to incur additional administrative expenses that affect only a small number of patients. Thus, many providers are prone to non-participation in TRICARE.

TRICARE Standard still requires submission of a paper claim to determine medical necessity on a wide variety of claims. This thwarts efforts to encourage electronic claim submission and increases provider administrative expenses and payment delays. Examples include speech therapy, occupational/physical therapy, land or air ambulance service, use of an assistant surgeon, nutritional therapy, transplants, durable medical equipment, and pastoral counseling.

Another source of claims hassles and payment delays involve cases of third party liability (e.g., auto insurance health coverage for injuries incurred in auto accidents). TRICARE requires claims to be delayed pending receipt of a third-party-liability form from the beneficiary. This often delays payments for weeks and can result in denial and non-payment to the provider if the beneficiary doesn't get the form in on time. Recently, a major TRICARE claims processing contractor recommended that these claims should be processed regardless of diagnosis and that the third-party-liability questionnaire should be sent out after the claim is processed to eliminate protracted inconvenience to the provider of service.

The Coalition urges the Subcommittee to continue its efforts to reduce administrative impediments that deter providers from accepting TRICARE patients.

TRICARE Reimbursement Rates – Physicians consistently report that TRICARE is virtually the lowest-paying insurance plan in America. Other national plans typically pay providers 25-33% more. In some cases the difference is even higher.

While TRICARE rates are tied to Medicare rates, TRICARE Managed Care Support Contractors make concerted efforts to persuade providers to participate in TRICARE Prime networks at a further discounted rate. Since this is the only information providers receive about TRICARE, they see TRICARE as even lower-paying than Medicare.

This is exacerbated by annual threats of further reductions in TRICARE rates due to the statutory Medicare rate-setting formula. Physicians may not be able to afford turning away Medicare patients, but many are willing to turn away a small number of patients who have low-paying, high-administrative-hassle TRICARE coverage.

The TRICARE Management Activity has the authority to increase the reimbursement rates when there is a provider shortage or extremely low reimbursement rate for a specialty in a certain area and providers are not willing to accept the low rates. In some cases, a state Medicaid reimbursement for a similar service is higher than that of TRICARE. But the Department has been reluctant to establish a standard for adequacy of participation to trigger higher payments.

To the extent the Medicare rate freeze continues, we urge the Subcommittee to encourage the Defense Department to use its reimbursement rate adjustment authority as needed to sustain provider acceptance.

The Coalition urges the Subcommittee to require a Comptroller General report on the relative propensity of physicians to participate in Medicare vs. TRICARE, and the likely effect on such relative participation of a further freeze in Medicare/TRICARE physician payments along with the affect of an absence of bonus payments.

Dental Care

Active Duty Dependent Dental Plan – The Coalition is sensitive to beneficiary concerns that Active Duty Dental Plan coverage for orthodontia has been eroded by inflation over a number of years.

The current orthodontia payment cap is $1,500, which has not been changed since 2001. In the intervening years, the cost of orthodontia has risen from an average of $4,000 to more than $5,000.

The Coalition understands that, under current law, increasing this benefit could require a reduction in some other portion of the benefit, which we do not support.

The Coalition notes that current law assumes a 60% DoD subsidy for the active duty dental plan, whereas other federal health programs (e.g., FEHBP and TRS) are subsidized at 72%.

The Coalition recommends increasing the DoD subsidy for the Active Duty Dependent Dental Plan to 72% and increasing the cap on orthodontia payments to $2,000.

TRICARE Dental Benefit for Surviving Children – In recent years, the subcommittee acted appropriately to continue active-duty-level TRICARE Prime coverage for children of members who die on active duty for as long as they retain dependent status – until age 21 or 23 if enrolled in college. But dental coverage was not adjusted from the previous law, which authorized only three years of continued active-duty-level benefits in such cases.

The Coalition recommends authorizing children of members who die on active duty to retain coverage under the Active Duty Dependent Dental Plan until they reach 21 or 23 if enrolled in college.

National Guard and Reserve Health Care

The Coalition is grateful to the Subcommittee for its leadership in reducing TRICARE Reserve Select Premiums and ensuring DoD does not overcharge service members for coverage.

While the Subcommittee has worked hard to address the primary health care hurdle, there are still some areas that warrant attention.

TRICARE Reserve Select (TRS) Access – The Coalition is concerned that members and families enrolled in TRS are not guaranteed access to TRICARE-participating providers and are finding it difficult to locate providers willing to take TRICARE. As indicated earlier in this testimony, the Coalition believes that members who are charged a fee for their health coverage should be able to expect assured access, and hopes the Subcommittee will explore options for assuring such access for TRS enrollees.

The Coalition recommends that the Subcommittee require a report from the Department of Defense on options to assure TRS enrollees' access to TRICARE-participating providers.

Private Insurance Premium Option – The Coalition believes Congress is missing an opportunity to reduce long-term health care costs by authorizing eligible members the option of electing a DoD subsidy of their civilian insurance premiums during periods of activation.

Current law already authorizes payment of up to 24 months of FEHBP premiums for activated members who are civilian employees of the Defense Department. The Coalition believes all members of the Selected Reserve should have a similar option to have continuity of their civilian family coverage.

Over the long term, when Guard and Reserve activations can be expected at a reduced pace, this option would offer considerable savings opportunity relative to funding permanent, year-round TRICARE coverage.

The Department could calculate a maximum monthly subsidy level that would represent a cost savings to the government, so that each member who elected that option would reduce TRICARE costs.

The Coalition recommends developing a cost-effective option to have DoD subsidize premiums for continuation of a Reserve employer's private family health insurance during periods of deployment as an alternative to ongoing TRICARE Reserve Select coverage.

Involuntary Separatees – The Coalition believes it is unfair to deny TRS coverage for Individual Ready Reserve (IRR) members who have returned from deployment or terminate coverage for returning members who are involuntarily separated from the Selected Reserve (other than for cause).

The Coalition recommends authorizing one year of post- Transitional Assistance Management Program (TAMP) TRS coverage for every 90 days deployed in the case of returning members of the IRR or members who are involuntarily separated from the Selected Reserve. The Coalition further recommends that voluntarily separating Reservists subject to disenrollment from TRS should be eligible for participation in the Continued Health Care Benefits Program (CHCBP).

Gray Area Reservists – The Coalition is sensitive that Selected Reserve members and families have one remaining "hole" in their military health coverage. They are eligible for TRS while

currently serving in the Selected Reserve, then lose coverage while in "Gray area" retiree status, then regain full TRICARE eligibility at age 60.

The Coalition believes some provisions should be made to allow such members to continue their TRICARE coverage in gray area status. Otherwise, we place some members at risk of losing family health coverage entirely when they retire from the Selected Reserve. We understand that such coverage likely would have to come with a higher premium.

The Coalition urges the Subcommittee to authorize an additional premium-based TRS option under which members entering "gray area" retiree status would be able to avoid losing health coverage.

Guard and Reserve Dental Coverage – The Coalition remains concerned about the dental readiness of the Reserve forces. DoD should be fiscally responsible for medical and dental care to Reservists beginning with the issuance of an alert order and 180 days post mobilization to ensure service members meet readiness standards when DoD facilities are not available within a 50 mile radius of the member's home.

The Coalition supports providing dental coverage to Reservists once an alert order is issued and 180 days post-mobilization (during TAMP), unless the individual's dental readiness is restored to T-2 condition before demobilization.

Guard and Reserve Mental Health – Reserve members deserve the highest levels of care once they demobilize. The Coalition is concerned that there is too much variation in the diagnosis and treatment of post traumatic stress disorder (PTSD), traumatic brain injury (TBI), depression, and other combat-related stress conditions. The current post deployment health self assessment program at demobilization sites is inadequate. The Coalition believes that post deployment examination of members should occur while still on active duty deployment orders at their home station. This is necessary to expedite diagnosis, reporting and treatment of physical and mental injuries; to help perfect potential service connected disability claims with the VA; and to help correct the non-reporting of injuries at the demobilization site arising from members' concerns of being medically held away from the home state.

The Coalition believes that Guard and Reserve members and their families should have access to an evidence-based treatment for post traumatic stress disorder (PTSD), traumatic brain injury (TBI), depression, and other combat-related stress conditions. Further, Post Deployment Health examinations should be offered at the member's home station.

Guard and Reserve Health Information – The Coalition is concerned that the current health records for many Guard and Reserve members do not contain treatment information that could be vital for diagnosis and treatment of a condition while on active duty. The capture of non-military treatment is an integral part of the members overall health status.

The Coalition believes there should be an effort to improve the electronic capture of non military health information into the service member's medical record.

TRICARE For Life

When Congress enacted TRICARE For Life (TFL) in 2000, it explicitly recognized that this coverage was fully earned by career service members' decades of sacrifice, and that the Medicare Part B premium would serve as the cash portion of the beneficiary premium payment.

TFL Enrollment Fee is Inappropriate – The Coalition disagrees strongly with the Task Force and QRMC recommendations to impose an annual enrollment fee for each TFL beneficiary. The reports acknowledged that this would be little more than a "nuisance fee" and would be contrary to Congress' intent in authorizing TFL.

When the previous Administration came to office in 2001, military and civilian Defense leaders praised TRICARE For Life, as enacted, as an appropriate benefit that retirees had earned and deserved for their career service. But in recent years, those same leaders' concerns about rising health costs have focused disproportionally on the (fully predictable) cost growth attributable to TFL.

For those who now advocate charging older beneficiaries a TFL enrollment fee, the Coalition asks, "What has changed in the intervening years of war that has somehow made their service less meritorious?"

Inclusion of TFL-Eligibles in Preventive Care Programs – The Coalition is aware of the challenges imposed by Congress' mandatory spending rules, and appreciates the Subcommittee's efforts to include TFL-eligibles in the preventive care pilot programs included in the FY2009 Defense Authorization Act. We believe their inclusion would, in fact, save the government money and hope the Subcommittee will be able to find a more certain way to include them than the current discretionary authority.

The Coalition also hopes the subcommittee can find a way to resolve the discrepancy between Medicare and TRICARE treatment of medications such as the shingles vaccine, which Medicare covers under pharmacy benefits and TRICARE covers under doctor visits. This mismatch, which requires TFL patients to absorb the cost in a TRICARE deductible or purchase duplicative Part D coverage, deters beneficiaries from seeking this preventive medication.

The Coalition urges the Subcommittee to oppose any TFL enrollment fee and seek equal coverage of TFL beneficiaries under TRICARE and Medicare preventive care initiatives.

Restoration of Survivors' TRICARE Coverage – When a TRICARE-eligible widow/widower remarries, he/she loses TRICARE benefits. When that individual's second marriage ends in death or divorce, the individual has eligibility restored for military ID card benefits, including SBP coverage, commissary/exchange privileges, etc. – with the sole exception that TRICARE eligibility is not restored.

This is out of line with other federal health program practices, such as the restoration of CHAMPVA eligibility for survivors of veterans who died of service-connected causes. In those cases, VA survivor benefits and health care are restored upon termination of the remarriage. Remarried surviving spouses deserve equal treatment.

The Coalition recommends restoration of TRICARE benefits to previously eligible survivors whose second or subsequent marriage ends in death or divorce.

BRAC and Re-Basing – Relocation from one geographic region to another and base closures brings multiple problems. A smooth health care transition is crucial to the success of DoD and Service plans to transform the force. And that means ensuring a robust provider network and capacity is available to all beneficiary populations, to include active and Reserve Component and retirees and their family members, and survivors at both closing and gaining installations. It is incumbent upon the Department and its Managed Care Support Contractors to ensure smooth beneficiary transition from one geographic area to another. We stress the importance of coordination of construction and funding in order to maintain access and operations while the process takes place.

The Coalition recommends requiring an annual DoD report on the adequacy of health resources, services, quality and access to care for beneficiaries affected by BRAC/re-basing.

Kathleen B. Moakler
Director, Government Relations
National Military Family Association

Mrs. Moakler has been associated with the National Military Family Association since 1995 as a member of the headquarters staff. She has served as Headquarters Office Manager and several positions in the Government Relations Department, including Deputy Director. In February 2007, Ms. Moakler was appointed as interim Director of Government Relations and was permanently appointed as Director in October 2007. In that position, she monitors the range of issues relevant to the quality of life of the families of the seven uniformed services and coordinates a staff of 4 deputy directors. Mrs. Moakler represents the interests of military families on a variety of advisory panels and working groups, including the American Red Cross "Get to Know Us Before You Need Us" working group, the DoD/VA Survivors Forum, and the State Department Interagency Roundtable. Mrs. Moakler is co-chair of the Survivors Committee for the Military Coalition (TMC), a consortium of 34 military and veteran organizations and serves on the Retiree Committee. She is often called to comment on issues pertaining to military families for such media outlets as the NY Times, CNN, NBC news and the Military Times. She writes regularly for "Military Money" and NMFA publications.

An Army spouse of over 28 years, Mrs. Moakler has served in various volunteer leadership positions in civilian and military community organizations in that time. Through the years, Mrs. Moakler has worked with many military community programs including hospital consumer boards, commanders' advisory boards, family readiness groups, church councils, youth programs, and the Army Family Action Plan at all levels. She believes that communication is paramount in the efficient delivery of services and the fostering of a rich community life for military families. She holds a Bachelor of Science degree in Business Administration from the State University of New York at Albany. Mrs. Moakler has been awarded the Army Commanders Award for Public Service and the President's Volunteer Service Award.

Mrs. Moakler is also a military mom. Her daughter is an Army nurse with two tours to Iraq and one son is an Army major stationed at Ft. Belvoir, Virginia. Her oldest son is an aspiring actor in Hollywood, California. Mrs. Moakler and her husband, Colonel Martin W. Moakler Jr. USA (retired), reside in Alexandria, Virginia.

Master Sergeant Michael P. Cline (AUS-Ret)
Executive Director
Enlisted Association of the National Guard of the United States and
President, The Military Coalition

Michael Cline has served as Executive Director/CEO of the EANGUS Service Corporation, and the Chief Executive Officer of the "We Care for America" Foundation since 1990. He represents the constituency of the association—more than 414,000 enlisted men and women of the National Guard, all National Guard retirees, and family members of these patriots.

Cline is the President of The Military Coalition, a consortium of 34 military, veterans, and uniformed services organizations representing over 6 million members of the uniformed services--active, reserve, retired, survivors, veterans--and their families. Cline served as Co-Chairman of the TMC for eight years and currently Co-Chairs the Guard and Reserve Subcommittee. He also serves on the Secretary of Veterans' Affairs Advisory Committee on Education for 11 years and is an ex-officio member of the Board of Directors of the National Guard Youth Challenge Foundation. He is a Trustee of the National Guard Association of the United States Insurance Trust. He is listed in Strathmore's Who's Who in Business and Distinguished Member Who's Who Worldwide.

Master Sergeant Cline has over 38 years of military service to his country. He retired from the Ohio Army National Guard in 1992. His assignments included Infantry, Military Police and Investigation, Communication, Mobilization-Readiness, and Training Program Manager.

Cline is a life member of the Enlisted Association of the National Guard of the United States, the American Legion, AMVETS, National Military Family Association, Association of the United States Army, and the National Rifle Association. He was selected an Honorary Chief Master Sergeant for the Air National Guard in June 1999, only the fourth time this honor had been bestowed and the first time to be presented to an Enlisted member.

Academically, he holds an Associates degree in Business Management and a Bachelor's degree in Human Resource Management from Malone College in Canton, Ohio. He also is a licensed Realtor, Notary Public and holds a teaching certificate in vocational education. Cline has been recognized by numerous state and National associations, most recently having been honored by the South Carolina Military Department with the State's highest award - the Meritorious Service Medal. He is a recipient of The Military Coalition, Award of Merit and was recognized by the Reserve Forces Policy Board for his support of the Guard and Reserve. He has received the Distinguished Service Award from the National Guard Association and was also recognized by the Chief of National Guard Bureau with NGB EAGLE award.

He is married to the former Diana Crawford and has seven children and sixteen grandchildren. His wife is retired from the D.C. Air National Guard after more than 25 years of military service. His wife Diana has been the association's editor of the New Patriot Magazine since 1991 and together they work side-by-side to make EANGUS the association of choice for Enlisted National Guard members and retirees. His oldest son, Mike, is an Army veteran, having served in Operation Desert Storm. His son Bill is an Air Force veteran. His youngest son, John, is an Air Force Major and a former enlisted Ohio Air National Guard member. Cline's immediate family has loyally dedicated more than 93 years of military service to the United States.

Colonel Steven P. Strobridge (USAF-Ret)
Director, Government Relations, Military Officers Association of America (MOAA); and
Co-Chairman, The Military Coalition

Steven P. Strobridge, a native of Vermont, is a 1969 graduate from Syracuse University. Commissioned through ROTC, he was called to active duty in October 1969.

After several assignments as a personnel officer and commander in Texas, Thailand, and North Carolina, he was assigned to the Pentagon from 1977 to 1981 as a compensation and legislation analyst at Headquarters USAF. While in this position, he researched and developed legislation on military pay, health care, retirement and survivor benefits issues.

In 1981, he attended the Armed Forces Staff College in Norfolk, VA, en route to a January 1982 transfer to Ramstein AB, Germany. Following assignments as Chief, Officer Assignments and Assistant for Senior Officer Management at HQ, U.S. Air Forces in Europe, he was selected to attend the National War College at Fort McNair, DC in 1985.

Transferred to the Office of the Secretary of Defense upon graduation in June 1986, he served as Deputy Director and then as Director, Officer and Enlisted Personnel Management. In this position, he was responsible for establishing DoD policy on military personnel promotions, utilization, retention, separation and retirement.

In June 1989, he returned to Headquarters USAF as Chief of the Entitlements Division, assuming responsibility for Air Force policy on all matters involving pay and entitlements, including the military retirement system and survivor benefits, and all legislative matters affecting active and retired military members and families.

He retired from that position on January 1, 1994 to become MOAA's Deputy Director for Government Relations.

In March 2001, he was appointed as MOAA's Director of Government Relations and also was elected Co-Chairman of The Military Coalition, an influential consortium of 34 military and veterans associations.

DISCLOSURE FORM FOR WITNESSES
CONCERNING FEDERAL CONTRACT AND GRANT INFORMATION

INSTRUCTION TO WITNESSES: Rule 11, clause 2(g)(4), of the Rules of the U.S. House of Representatives for the 111th Congress requires nongovernmental witnesses appearing before House committees to include in their written statements a curriculum vitae and a disclosure of the amount and source of any federal contracts or grants (including subcontracts and subgrants) received during the current and two previous fiscal years either by the witness or by an entity represented by the witness. This form is intended to assist witnesses appearing before the House Armed Services Committee in complying with the House rule.

Witness name: Michael P. CLine MSG (RET) USA

Capacity in which appearing: (check one)

___Individual

__✓__Representative

If appearing in a representative capacity, name of the company, association or other entity being represented: THE MILITARY COALITION / ENLISTED ASSN NATIONAL GUARD of the U.S.

FISCAL YEAR 2009

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
NONE		Ø	

FISCAL YEAR 2008

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
NONE		Ø	

FISCAL YEAR 2007

Federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
NONE		$\not\emptyset$	

Federal Contract Information: If you or the entity you represent before the Committee on Armed Services has contracts (including subcontracts) with the federal government, please provide the following information:

Number of contracts (including subcontracts) with the federal government:

Current fiscal year (2009): NONE;
Fiscal year 2008: NONE;
Fiscal year 2007: NONE.

Federal agencies with which federal contracts are held:

Current fiscal year (2009): NONE;
Fiscal year 2008: NONE;
Fiscal year 2007: NONE.

List of subjects of federal contract(s) (for example, ship construction, aircraft parts manufacturing, software design, force structure consultant, architecture & engineering services, etc.):

Current fiscal year (2009): NONE;
Fiscal year 2008: NONE;
Fiscal year 2007: NONE.

Aggregate dollar value of federal contracts held:

Current fiscal year (2009): NONE;
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Fiscal year 2008: NONE;
Fiscal year 2007: NONE.

Federal agencies with which federal grants are held:

Current fiscal year (2009): NONE;
Fiscal year 2008: NONE;
Fiscal year 2007: NONE.

List of subjects of federal grants(s) (for example, materials research, sociological study, software design, etc.):

Current fiscal year (2009): NONE;
Fiscal year 2008: NONE;
Fiscal year 2007: NONE.

Aggregate dollar value of federal grants held:

Current fiscal year (2009): NONE;
Fiscal year 2008: NONE;
Fiscal year 2007: NONE.

DISCLOSURE FORM FOR WITNESSES
CONCERNING FEDERAL CONTRACT AND GRANT INFORMATION

INSTRUCTION TO WITNESSES: Rule 11, clause 2(g)(4), of the Rules of the U.S. House of Representatives for the 111th Congress requires nongovernmental witnesses appearing before House committees to include in their written statements a curriculum vitae and a disclosure of the amount and source of any federal contracts or grants (including subcontracts and subgrants) received during the current and two previous fiscal years either by the witness or by an entity represented by the witness. This form is intended to assist witnesses appearing before the House Armed Services Committee in complying with the House rule.

Witness name: Steven Strobridge

Capacity in which appearing: (check one)

___Individual

X Representative

If appearing in a representative capacity, name of the company, association or other entity being represented: MOAA and The Military Coalition

FISCAL YEAR 2009

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
	None		

FISCAL YEAR 2008

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
	None		

FISCAL YEAR 2007

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The Voice for Military Families

Statement of

Kathleen B. Moakler
Director, Government Relations

THE NATIONAL MILITARY FAMILY ASSOCIATION

Before the

SUBCOMMITTEE ON MILITARY PERSONNEL

of the

HOUSE ARMED SERVICES COMMITTEE

February 25, 2009

Not for Publication
Until Released by
The Committee

The National Military Family Association is the leading non-profit organization committed to improving the lives of military families. Our 40 years of accomplishments have made us a trusted resource for families and the Nation's leaders. We have been at the vanguard of promoting an appropriate quality of life for active duty, National Guard, Reserve, retired service members, their families and survivors from the seven uniformed services: Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Service and the National Oceanic and Atmospheric Administration.

Association Representatives in military communities worldwide provide a direct link between military families and the Association staff in the Nation's capital. These volunteer Representatives are our "eyes and ears," bringing shared local concerns to national attention.

The Association does not have or receive federal grants or contracts.
Our website is: ***http://www.nmfa.org.***

Kathleen B. Moakler, Director, Government Relations

Mrs. Moakler has been associated with the National Military Family Association since 1995 as a member of the headquarters staff. She has served as Headquarters Office Manager and several positions in the Government Relations Department, including Deputy Director. In February 2007, Ms. Moakler was appointed as interim Director of Government Relations and was permanently appointed as Director in October 2007. In that position, she monitors the range of issues relevant to the quality of life of the families of the seven uniformed services and coordinates a staff of 4 deputy directors. Mrs. Moakler represents the interests of military families on a variety of advisory panels and working groups, including the American Red Cross "Get to Know Us Before You Need Us" working group, the DoD/VA Survivors Forum, and the State Department Interagency Roundtable. Mrs. Moakler is co-chair of the Survivors Committee for the Military Coalition (TMC), a consortium of 35 military and veteran organizations and serves on the Retiree Committee. She is often called to comment on issues pertaining to military families for such media outlets as the NY Times, CNN, NBC news and the Military Times. She writes regularly for "Military Money" and Association publications.

An Army spouse of over 28 years, Mrs. Moakler has served in various volunteer leadership positions in civilian and military community organizations in that time. Through the years, Mrs. Moakler has worked with many military community programs including hospital consumer boards, commanders' advisory boards, family readiness groups, church councils, youth programs, and the Army Family Action Plan at all levels. She believes that communication is paramount in the efficient delivery of services and the fostering of a rich community life for military families. She holds a Bachelor of Science degree in Business Administration from the State University of New York at Albany. Mrs. Moakler has been awarded the Army Commanders Award for Public Service and the President's Volunteer Service Award.

Mrs. Moakler is also a military mom. Her daughter is an Army nurse with two tours to Iraq, stationed in Ft. Sill, and one son is an Army major stationed at Ft. Belvoir, Virginia. Her oldest son is an aspiring actor in Hollywood, California. Mrs. Moakler and her husband, Colonel Martin W. Moakler Jr. USA (retired), reside in Alexandria, Virginia.

Madame Chairman and Distinguished Members of this Subcommittee, the National Military Family Association would like to thank you for the opportunity to present testimony on the quality of life of military families – the Nation's families. You recognize the sacrifices made by today's service members and their families by focusing on the many elements of their quality of life package: access to quality health care, robust military pay and benefits, support for families dealing with deployment, and special care for the families of the wounded, ill and injured and those who have made the greatest sacrifice.

We endorse the recommendations contained in the statement submitted by The Military Coalition. In this statement, our Association will expand on several issues of importance to military families:

I. Family Readiness
II. Family Health
III. Family Transitions

I. Family Readiness

The National Military Family Association believes policies and programs should provide a firm foundation for families buffeted by the uncertainties of deployment and transformation. It is imperative full funding for these programs be included in the regular budget process and not merely added on as part of supplemental funding. We promote programs that expand and grow to adapt to the changing needs of service members and families as they cope with multiple deployments and react to separations, reintegration, and the situation of those returning with both visible and invisible wounds. Standardization in delivery, accessibility, and funding are essential. Programs should provide for families in all stages of deployment and reach out to them in all geographic locations. Families should be given the tools to take greater responsibility for their own readiness.

We appreciate provisions in the National Defense Authorization Acts of the past several years that recognized many of these important issues. The increased access to resources and programs provided by the Joint Family Support Assistance Program (JFSAP), now offered in all states and territories, allows families to receive added help when they need it during all cycles of deployment. The Military Family Readiness Council held its first meeting in December. We feel this will be an effective tool in identifying programs that work and in helping to eliminate overlapping or redundant programs as the Council reviews existing resources for military families. Our Association is proud to represent military families as a member of the Council.

Child Care

The Services – and families – continue to tell us more child care is needed to fill the ever growing demand, including hourly, drop-in, respite, and after-hour child care. We've heard stories like this:

> *Child care facilities on base are beyond compare – for spouses and military members who work nine to five. In our increasingly service-oriented economy, the job I have has me working until at least seven most days, and usually as late as midnight one to two days a week. When my husband deploys or has a stint on second shift, I run out of options quickly. I have been unable to get another, more conventional job in the two years I have been in this area....there are minimum requirements as to what shifts I*

need to work to maintain full-time employment at my current workplace, and I cannot have those waived for an entire deployment.

Innovative strategies are needed to address the non-availability of after-hour child care (before 6 a.m. and after 6 p.m.) and respite care. We applaud the partnership between the Services and the National Association of Child Care Resource and Referral Agencies (NACCRRA) that provides subsidized childcare to families who cannot access installation based child development centers. Families often find it difficult to obtain affordable, quality care especially during hard-to-fill hours and on weekends. Both the Navy and the Air Force have programs that provide 24/7 care. These innovative programs must be expanded to provide care to more families at the same high standard as the Services' traditional child development programs. The Army, as part of the funding attached to its Army Family Covenant, has rolled out more space for respite care for families of deployed soldiers. Respite care is needed across the board for the families of the deployed and the wounded, ill, and injured. We are pleased that the Services have rolled out more respite care for special needs families, but since the programs are new we are unsure of the impact it will have on families.

At our *Operation Purple® Healing Adventures* camp for families of the wounded, ill and injured, we were told there is a tremendous need for access to adequate child care on or near military treatment facilities. Families need the availability of child care in order to attend medical appointments, especially mental health appointments. Our Association encourages the creation of drop-in child care for medical appointments on the DoD or VA premises or partnerships with other organizations to provide this valuable service.

Our Association urges Congress to ensure resources are available to meet the child care needs of military families to include hourly, drop-in and increased respite care for families of deployed service members and the wounded, ill and injured.

Working with Youth

Older children and teens must not be overlooked. School personnel need to be educated on issues affecting military students and be sensitive to their needs. To achieve this goal, schools need tools. Parents need tools, too. Military parents constantly seek more resources to assist their children in coping with military life, especially the challenges and stress of frequent deployments. Parents tell us repeatedly they want resources to "help them help their children." Support for parents in their efforts to help children of all ages is increasing, but continues to be fragmented. New federal, public-private initiatives, increased awareness, and support by DoD and civilian schools educating military children have been developed. However, many military parents are either not aware such programs exist or find the programs do not always meet their needs.

Our Association is working to meet this pressing need through our *Operation Purple®* summer camps. Unique in its ability to reach out and gather military children of different age groups, Services, and components, *Operation Purple* provides a safe and fun environment in which military children feel immediately supported and understood. Last year, with the support of private donors, we achieved our goal of sending 10,000 military children to camp. We also were successful in expanding the camp experience to families of the wounded and bereaved. This year, we expect to maintain those numbers by offering 95 weeks of camp in 37 states and territories, as well as conducting two pilot family reintegration retreats in the National Parks.

Through our *Operation Purple* camps, our Association has begun to identify the cumulative effects multiple deployments are having on the emotional growth and well being of

military children and the challenges posed to the relationship between deployed parent, caregiver, and children in this stressful environment. Understanding a need for qualitative analysis of this information, we contracted with the RAND Corporation to conduct a pilot study aimed at the current functioning and wellness of military children attending *Operation Purple* camps and assessing the potential benefits of the OPC program in this environment of multiple and extended deployments. The results of the pilot study were published last spring and confirmed much of what we have heard from individual families. They also highlighted gaps in our current knowledge, including how family relationships are affected by deployment and reintegration. The study looked at differences in child and caregiver experiences based on Service component, such as how life is different during deployment for families from the Active Component compared to those in the Guard or Reserve.

In May, we embarked on phase two of the project – a longitudinal study on the experience of 1,507 families, which is a much larger and more diverse sample than included in our pilot study. RAND is following these families for one year, and interviewing the non-deployed caregiver/parent and one child per family between 11 and 17 years of age at three time points over that year. Recruitment of participants has been extremely successful because families are eager to share their experiences. RAND is currently gathering information from these families for the 6 month follow-up survey. Preliminary findings from the first round of surveys provide additional support for the pilot study results and identify new areas to investigate. This includes examining the relationship between the total months of deployment that a family experiences and its association with non-deployed caregiver's mental health and child's well-being at school and at home. In addition, RAND is assessing the impact of reintegration on the families and how this varies by a service member's rank and Service component.

This study will provide valuable data to inform the future creation and implementation of services for children and families. More specifically, we hope this study will provide more detailed and clearer understanding of the impact of multiple and extended deployments on military children and their families.

Military Expansion of FMLA

Our Association appreciates the work that the Department of Labor did on behalf of military families when they crafted the regulations for the expansion of the Family and Medical Leave Act included in the 2008 NDAA. However, we were disappointed that leave allowing family members to take care of issues arising out of the deployment was not extended to active duty families. Active duty families are struggling with the same deployment issues that their Reserve Component counterparts are – the law should reflect that.

National Guard and Reserve

Our Association would like to thank Congress for authorizing many provisions that affect our Reserve Component families, who have sacrificed greatly in support of our Nation. We continue to ask Congress to fully fund these programs so vital to the quality of life of our National Guard and Reserve families.

The National Military Family Association has long realized the unique challenges our Reserve Component families face and their need for additional support. This need was highlighted in the final report from the Commission on the National Guard and Reserves, which confirmed what we had always asserted: "Reserve Component family members face special challenges because they are often at a considerable distance from military facilities and lack the on-base infrastructure and assistance available to active duty families." While citing a robust

volunteer network as crucial, the report also stated that family readiness suffers when there are too few paid staff professionals supporting the volunteers.

Our Association would also like to thank Congress for the provisions which allowed for the implementation of the Yellow Ribbon Reintegration program which is so crucial to the well-being of our Reserve Component families. We urge Congress to make the funding for this program permanent. Our Association also believes that family members should be paid a travel allowance to attend these important reintegration programs. Furthermore, we need to move away from the one-size fits all approach to reintegration which does not work for all the Reserve Components due to the specific nature of each mission and the varying length of deployments.

Our Association asks Congress to fully fund the Yellow Ribbon Reintegration program and other provisions affecting our Reserve Component families.

Military Housing

Privatized housing is a welcome change for military families and we are pleased that the FY 2009 NDAA called for an annual report that addresses the best practices for executing privatized housing contracts. With our depressed economy, increased oversight is critical to ensure timely completion of these important projects. Project delays negatively impact the quality of life of our families.

Commanders must be held accountable for the quality of housing and customer service in privatized communities. Housing areas remain the responsibility of the installation Commander even when managed by a private company. Services members who are wounded and must move to a handicap accessible home or break their lease provisions due to short-notice PCS orders should not be penalized. Service members should not languish on wait lists while civilians occupy housing. While privatization contracts permit other non-military occupants for vacant units, Commanders must ensure that privatized housing is first and foremost meeting the needs of the active duty population of the installation. In some cases, this will require modification or renegotiation of contracts. On an aesthetic and health care note, our Association asks that a minimum number of non-smoking quarters be designated at each installation. Non-smokers, especially in multi-family dwellings, are being forced to live with second hand smoke in far too many cases. Our Association has received complaints from families who are suffering health consequences of living with a neighbor's smoking habit. This is unacceptable.

Our Association feels there needs to be a review of BAH standards. While families who live on the installation are better off, families living off the installation are forced to absorb more out-of-pocket expenses in order to live in a home that will meet their needs. BAH standards are based on an outdated concept of what would constitute a reasonable dwelling. For example, in order to receive BAH for a single family dwelling a service member must be an E9. However, if that same service member lived in military housing, he or she would likely have a single family home at the rank of E6 or E7. BAH standards should mirror the type of dwelling a service member would occupy if government quarters were available.

Commissaries and Exchanges

The commissary is a key element of the total compensation package for service members and retirees and is valued by them, their families, and survivors. Not only do our surveys indicate that military families consider the commissary one of their most important benefits, during this economic downturn, many families are returning to the commissary to help them reduce their grocery budget. In addition to providing average savings of more than 30 percent over local supermarkets, commissaries provide an important tie to the military

community. Commissary shoppers get more than groceries at the commissary. They gain an opportunity to connect with other military family members and to get information on installation programs and activities through bulletin boards and installation publications. Finally, commissary shoppers receive nutrition information and education through commissary promotions and educational campaigns contributing to the overall health of the entire beneficiary population.

Our Association appreciates the provision included in the FY 2009 NDAA allowing the use of proceeds from surcharges collected at remote case lot sales for Reserve Component members to help defray the cost of those case lot sales. This inclusion helps family members, not located near an installation partake in the valuable commissary benefit.

Our Association is concerned there will not be enough commissaries to serve areas experiencing substantial growth, including those locations with service members and families relocated by BRAC. The surcharge was never intended to pay for DoD and Service transformation. Additional funding is needed to ensure commissaries are built or expanded in areas that are gaining personnel as a result of these programs.

The military exchange system serves as a community hub, in addition to providing valuable cost savings to members of the military community. Equally important is the fact that exchange system profits are reinvested in important Morale, Welfare and Recreation (MWR) programs, resulting in quality of life improvements for the entire community. We believe that every effort must be made to ensure that this important benefit and the MWR revenue is preserved, especially as facilities are down-sized or closed overseas. Exchanges must also continue to be responsive to the needs of deployed service members in combat zones and have the right mix of goods at the right prices for the full range of beneficiaries.

Flexible Spending Accounts

Flexible Spending Accounts have done a great deal to help federal employees and corporate civilian employees defray out-of-pocket costs for both their health care and dependent care needs. Our Association believes this important program should be extended to military service members, and urges Congress to work with the Department of Defense to accomplish this much needed change. It is imperative that we include active duty and Selected Reserve members in this cost saving benefit. This benefit would put more money into our families' pockets and help defray rising health care and child care costs.

Our Association requests that a flexible spending account benefit be extended to military service members.

Financial Readiness

Financial readiness is a critical component of family readiness. Our Association applauds DoD for tackling financial literacy head-on with their Financial Readiness Campaign. Financial literacy and education must continue to be on the forefront. We are strong supporters of the Military Lending Act (MLA). With the depressed economy, many families may turn to payday lenders. DoD must continue to monitor the MLA and its effectiveness of derailing payday lenders.

Military banks and credit unions must continue to develop alternatives to payday loans. Small dollar, short-term loan products through reputable lenders are needed to pull families away from predatory lenders. We encourage DoD to continue to educate military service members and their families aware of the need to improve their money management skills and

avoid high cost credit cards and other lenders. DoD must continue to monitor high cost, low value financial products targeted at military families.

Family Care Plans and Custody Concerns

As the war has progressed, we hear from service members about custody concerns. The service member, as part of his/her family care plan, has placed his/her children in the care of a non-custodial parent or other family member. The non-custodial parent chooses the time of deployment as a time to sue for a change in custodial status, often citing abandonment by the service member as a reason for change. We know that protections for the custodial parent can be improved by changes to the Servicemembers' Civil Relief Act, but wonder if there is any other relief that might come under the jurisdiction of this subcommittee to address the needs of these service members. The American Bar Association is trying to address this problem as well and is tracking the state initiatives that are addressing this issue. We are unsure if better education of the service member on protecting his/her custodial rights might be the answer or if it falls completely in the realm of a state issue. We suggest you consider directing DoD to conduct a study on how prevalent this problem is for service members and what solutions might be implemented.

We have heard from single parent and dual military families about the expenses incurred when they have to relocate their children to another location when they are activated for deployment. This issue was raised within the Army Family Action Plan process. Service members requiring activation of Family Care Plans are not compensated for the travel of dependents and shipment of the dependent's household goods. Some items such as infant equipment, computers and toys are necessary for the emotional and physical well-being of the children in their new environment during an already stressful time. Implementation of the Family Care Plan should not create additional financial hardship and emotional stress on the service member and family.

We recommend that DoD conduct a study on how the deployment affects custody arrangements for service members and how these arrangements can be protected. We also recommend that changes be made to the DoD Joint Travel Regulations to provide for travel and shipment of household goods to fulfill the needs of a deploying service member's Family Care Plan.

II. Family Health

Family readiness calls for access to quality health care and mental health services. Families need to know the various elements of their military health system are coordinated and working as a synergistic system. Our Association is concerned the DoD military health care system may not have all the resources it needs to meet both the military medical readiness mission and provide access to health care for all beneficiaries. It must be funded sufficiently, so the direct care system of military treatment facilities (MTF) and the purchased care segment of civilian providers can work in tandem to meet the responsibilities given under the TRICARE contracts, meet readiness needs, and ensure access for all military beneficiaries.

Military Health System

Improving Access to Care

In an interview with syndicated *Military Update* columnist Tom Philpott in December of 2008, MG (Dr.) Elder Granger, deputy director of TRICARE, gave the Military Health System

(MHS) an overall grade of "C-plus or B-minus". His discussion focused on access issues in the direct care system – our military hospitals and clinics - reinforcing what our Association has observed for years. We have consistently heard from families that their greatest health care challenge has been getting timely care from their local military hospital or clinic. In previous testimony before this subcommittee we have noted the failure of MTFs to meet TRICARE Prime access standards and to be held accountable in the same way as the TRICARE contractors are for meeting those standards in the purchased care arena.

In discussions with families the main issues are: access to their Primary Care Managers (PCM); getting appointments; getting someone to answer the phone at central appointments; having appointments available when they finally got through to central appointments; after hours care; getting a referral for specialty care; being able to see the same provider or PCM; and having appointments available 60, 90, and 120 days out in our MTFs. Families familiar with how the MHS referral system works seem better able to navigate the system. Those families who are unfamiliar experienced delays in receiving treatment or decide to give up on the referral process and never obtain a specialty appointment.

Case management for military beneficiaries with special needs is not consistent across the MHS, whether within the MTFs or in the purchased care arena. Thus, military families end up managing their own care. The shortage of available health care providers only adds to the dilemma. Beneficiaries try to obtain an appointment and then find themselves getting partial health care within the MTF, while other health care is referred out into the purchased care network. Meanwhile, the coordination of the military family's care is being done by a non-synergistic health care system. Incongruence in the case management process becomes more apparent when military family members transfer from one TRICARE region to another and is further exasperated when a special needs family member is involved. Each TRICARE Managed Care Contractor has created different case management processes. There needs to be a seamless transition and a warm handoff between TRICARE regions for these families and the establishment of a universal case management process across the MHS.

Our wounded, ill, and injured service members, veterans, and their families are assigned case managers. In fact, there are many different case managers: Federal Recovery Coordinators (FRC), Recovery Care Coordinators, each branch of Service, TBI care coordinators, VA liaisons, etc. The goal is for a seamless transition of care between and within the two governmental agencies: DoD and the VA. However, with so many to choose from, families often wonder which one is the "right" case manager. We often hear from families, some who have long since been medically retired with a 100 percent disability rating or others with less than one year out from date-of-injury, who have not yet been assigned a FRC. We need to look at whether the multiple, layered case managers have streamlined the process, or have only aggravated it. Our Association still finds these families alone trying to navigate a variety of complex health care systems trying to find the right combination of care. Many qualify for and use Medicare, VA, DoD's TRICARE direct and purchased care, private health insurance, and State agencies. Does this population really need all of these different systems of receiving health care? Why can't the process be streamlined?

TRICARE

While Congress temporarily forestalled increases over the past two years, we believe DoD officials will continue to support large increased retiree enrollment fees for TRICARE Prime combined with a tiered system of enrollment fees, the institution of a TRICARE standard enrollment fee and increased TRICARE Standard deductibles. Two reports, the *Task Force on*

the Future of the Military Health Care and *The Tenth Quadrennial Review of Military Compensation Volume II*, recently recommended the same.

We acknowledge the annual Prime enrollment fee has not increased in more than 10 years and that it may be reasonable to have a mechanism to increase fees. With this in mind, we have presented an alternative to DoD's proposal should Congress deem some cost increase necessary. The most important feature of our proposal is that any fee increase be no greater than the percentage increase in the retiree cost of living adjustment (COLA). If DoD thought $230/$460 was a fair fee for all in 1995, then it would appear that raising the fees simply by the percentage increase in retiree pay is also fair. We also suggest it would be reasonable to adjust the TRICARE Standard deductibles by tying increases to the percentage of the retiree annual COLA. We stand ready to provide more information on this issue if needed.

Support for Special Needs Families

We applaud Congress and DoD's desire to create a robust health care and educational service for special needs children. But, these robust services do not follow them when they retire. We encourage the Services to allow these military families the opportunity to have their final duty station be in an area of their choice. We suggest the Extended Care Health Option (ECHO) be extended for one year after retirement for those already enrolled in ECHO prior to retirement.

There was discussion last year by Congress and military families regarding the ECHO program. The FY09 NDAA included a provision to increase the cap on certain benefits under the ECHO program to $36,000 per year for training, rehabilitation, special education, assistive technology devices, institutional care and under certain circumstances, transportation to and from institutions or facilities, because certain beneficiaries bump up against it. The ECHO program was originally designed to allow military families with special needs to receive additional services to offset their lack of eligibility for state or federally provided services impacted by frequent moves. We suggest that before making any more adjustments to the ECHO program, Congress should direct DoD to certify if the ECHO program is working as it was originally designed and has been effective in addressing the needs of this population. We need to make the right fixes so we can be assured we apply the correct solutions.

National Guard and Reserve Member Family Health Care

National Guard and Reserve families need increased education about their health care benefits. We also believe that paying a stipend to a mobilized National Guard or Reserve member for their family's coverage under their employer-sponsored insurance plan may prove to be more cost-effective for the government than subsidizing 72 percent of the costs of TRICARE Reserve Select for National Guard or Reserve members not on active duty.

TRICARE Reimbursement

Our Association is concerned that continuing pressure to lower Medicare reimbursement rates will create a hollow benefit for TRICARE beneficiaries. As the 111th Congress takes up Medicare legislation, we request consideration of how this legislation will impact military families' health care, especially access to mental health services.

National provider shortages in the psychological health field, especially in child and adolescent psychology, are exacerbated in many cases by low TRICARE reimbursement rates, TRICARE rules, or military-unique geographic challenges-- for example large populations in rural or traditionally underserved areas. Many psychological health providers are willing to see military beneficiaries on a voluntary status. However, these providers often tell us they will not

participate in TRICARE because of what they believe are time-consuming requirements and low reimbursement rates. More must be done to persuade these providers to participate in TRICARE and become a resource for the entire system, even if that means DoD must raise reimbursement rates.

We have heard the main reason for the VA not providing health care and psychological health care services is because they cannot be reimbursed for care rendered to a family member. However, the VA is a qualified TRICARE provider. This allows the VA to bill for services rendered in their facilities to a TRICARE beneficiary. There may be a way to bill other health insurance companies as well. The VA needs to look at the possibility for other methods of payments.

Pharmacy

We caution DoD about generalizing findings of certain beneficiary pharmacy behaviors and automatically applying them to our Nation's unique military population. We encourage Congress to require DoD to utilize peer-reviewed research involving beneficiaries and prescription drug benefit options, along with performing additional research involving military beneficiaries, before making any recommendations on prescription drug benefit changes, such as co-payment and tier structure changes for military service members, retirees, their families, and survivors.

We appreciate the inclusion of federal pricing for the TRICARE retail pharmacies in the FY 2008 NDAA. However, we need to examine its effect on the cost of medications for both beneficiaries and DoD. Also, we will need to see how this potentially impacts the overall negotiation of future drug prices by Medicare and civilian private insurance programs.

We believe it is imperative that all medications available through TRICARE Retail Pharmacy (TRRx) should also be available through TRICARE Mail Order Pharmacy (TMOP). Medications treating chronic conditions, such as asthma, diabetes, and hypertension should be made available at the lowest level of co-payment regardless of brand or generic status. We agree with the recommendations of *The Task Force on the Future of Military Health Care* that OTC drugs be a covered pharmacy benefit and there be a zero co-pay for TMOP Tier 1 medications.

National Health Care Proposal

Our Association is cautious about current rhetoric by the Administration and Congress regarding the establishment of a National health care insurance program. As the 111th Congress takes up a National health care insurance proposal, we request consideration of how this legislation will also impact TRICARE, military families' access to health care, and especially recruitment and retention of our service members at a time of war.

DoD Must Look for Savings

We ask Congress to establish better oversight for DoD's accountability in becoming more cost-efficient. We recommend:

- Requiring the Comptroller General to audit MTFs on a random basis until all have been examined for their ability to provide quality health care in a cost-effective manner;
- Creating an oversight committee, similar in nature to the Medicare Payment Advisory Commission, which provides oversight to the Medicare program and makes annual recommendations to Congress. *The Task Force on the Future of*

Military Health Care often stated it was unable to address certain issues not within their charter or the timeframe in which they were commissioned to examine the issues. This Commission would have the time to examine every issue in an unbiased manner.

- Establishing a Unified "Joint" Medical Command structure, which was recommended by the Defense Health Board in 2006.

Our Association does not support the recommendation of the *Task Force on the Future of Military Health Care* to carve out one regional TRICARE contractor to provide both the pharmacy and health care benefit. We agree a link between pharmacy and disease management is necessary, but feel this pilot would only further erode DoD's ability to maximize potential savings through TMOP. We were also disappointed to find no mention of disease management or a requirement for coordination between the pharmacy contractor and Managed Care Support Contractors in the Request for Proposals for the new TRICARE pharmacy contract. The ability certainly exists for them to share information bi-directionally and should be established.

Our Association believes optimizing the capabilities of the facilities of the direct care system through timely replacement of facilities, increased funding allocations, and innovative staffing would allow more beneficiaries to be cared for in the MTFs, which DoD asserts is the most cost effective. The Task Force made recommendations to make the DoD MHS more cost-efficient which we support. They conclude the MHS must be appropriately sized, resourced, and stabilized; and make changes in its business and health care practices.

Our Association suggests this Subcommittee DoD reassess the resource sharing program used prior to the implementation of the T-Nex contracts and take the steps necessary to ensure Military Treatment Facilities (MTF) meet access standards with high quality health care providers.

We also suggest this Subcommittee direct the Department to make case management services more consistent across the direct and purchased care segments of the MHS.

Our Association recommends a one year transitional active duty ECHO benefit for the family members of service members who retire.

We believe tying increases in TRICARE enrollment fees to the percentage increase in the Retiree Cost of Living Adjustment (COLA) is a fair way to increase beneficiary cost shares should Congress deem an increase necessary.

We oppose DoD's proposal to institute a TRICARE Standard enrollment fee and believe Congress should reject this proposal because it changes beneficiaries' entitlement to health care under TRICARE Standard to just another insurance plan.

Our Association strongly believes an enrollment fee for TFL is not appropriate.

We believe that Reserve Component families should be given the choice of a stipend to continue their employer provided care during deployment.

Behavioral Health Care

Our Nation must help returning service members and their families cope with the aftermaths of war. DoD, VA, and State agencies must partner in order to address behavioral health issues early in the process and provide transitional mental health programs. Partnering will also capture the National Guard and Reserve member population, who often straddle these agencies' health care systems.

Full Spectrum of Care

As the war continues, families' need for a full spectrum of behavioral health services—from preventative care to stress reduction techniques, to individual or family counseling, to medical mental health services—continues to grow. The military offers a variety of psychological health services, both preventative and treatment, across many agencies and programs. However, as service members and families experience numerous lengthy and dangerous deployments, we believe the need for confidential, preventative psychological health services will continue to rise. It will also remain high for some time even after military operations scale down.

Access to Behavioral Health Care

Our Association is concerned about the overall shortage of psychological health providers in TRICARE's direct and purchased care network. DoD's *Task Force on Mental Health* stated timely access to the proper psychological health provider remains one of the greatest barriers to quality mental health services for service members and their families. While families are pleased more psychological health providers are available in theater to assist their service members, they are disappointed with the resulting limited access to providers at home. Families are reporting increased difficulty in obtaining appointments with social workers, psychologists, and psychiatrists at their MTFs and clinics. The military fuels the shortage by deploying some of its child and adolescent psychology providers to combat zones. Providers remaining at home report they are overwhelmed by treating active duty members and are unable to fit family members into their schedules. This can lead to compassion fatigue, creating burnout and exacerbating the provider shortage problem.

We have seen an increase in the number of psychological health providers joining the purchased care side of the TRICARE network. However, the access standard is seven days. We hear from military families after accessing the psychological health provider list on the contractor's websites that the provider is full and no longer taking patients. The list must be up-to-date in order to handle real time demands by families. We need to continue to recruit more psychological health providers to join the TRICARE network and we need to make sure we specifically add those in specialty behavioral health care areas, such as child and adolescence psychology and psychiatrists.

Families must be included in mental health counseling and treatment programs for service members. Family members are a key component to a service member's psychological well-being. We recommend an extended outreach program to service members, veterans, and their families of available psychological health resources, such as DoD, VA, and State agencies. Families want to be able to access care with a psychological health provider who understands or is sympathetic to the issues they face.

Frequent and lengthy deployments create a sharp need in psychological health services by family members and service members as they get ready to deploy and after their return. There is also an increase in demand in the wake of natural disasters, such as hurricanes and

fires. We need to maintain a flexible pool of psychological health providers who can increase or decrease rapidly in numbers depending on demand on the MHS side. Currently, Military Family Life Consultants and Military OneSource counseling are providing this type of service for military families on the family support side. We need to make the Services, along with military family members, more aware of resources along the continuum. We need the flexibility of support in both the MHS and family support arenas.

Availability of Treatment

Do DoD, VA and State agencies have adequate psychological health providers, programs, outreach, and funding? Better yet, where will the veteran's spouse and children go for help? Many will be left alone to care for their loved one's invisible wounds resulting from frequent and long combat deployments. Who will care for them when they are no longer part of the DoD health care system?

The Army's Mental Health Advisory Team (MHAT) IV report links reducing family issues to reducing stress on deployed service members. The team found the top non-combat stressors were deployment length and family separation. They noted soldiers serving a repeat deployment reported higher acute stress than those on their first deployment and the level of combat was the major contribution for their psychological health status upon return. These reports demonstrate the amount of stress being placed on our troops and their families.

Our Association is especially concerned with the scarcity of services available to the families as they leave the military following the end of their activation or enlistment. Due to the service member's separation, the families find themselves ineligible for TRICARE, and are very rarely eligible for healthcare through the VA. Many will choose to locate in rural areas lacking available psychological health providers. We need to address the distance issues families face in finding psychological health resources and obtaining appropriate care. Isolated service members, veterans, and their families do not have the benefit of the safety net of services and programs provided by MTFs, VA facilities, Community-Based Outpatient Centers and Vet Centers. We recommend:

- using alternative treatment methods, such as telemental health;
- modifying licensing requirements in order to remove geographic practice barriers that prevent psychological health providers from participating in telemental health services outside of a VA facility; and
- educating civilian network psychological health providers about our military culture as the VA incorporates Project Hero.

National Guard and Reserve Members

The National Military Family Association is especially concerned about fewer mental health care services available for the families of returning National Guard and Reserve members as well as service members who leave the military following the end of their enlistment. They are eligible for TRICARE Reserve Select, but as we know, National Guard and Reserve members are often located in rural areas where there may be no mental health providers available. Policy makers need to address the distance issues that families face in linking with military mental health resources and obtaining appropriate care. Isolated National Guard and Reserve families do not have the benefit of the safety net of services provided by MTFs and installation family support programs. Families want to be able to access care with a provider who understands or is sympathetic to the issues they face. We recommend the use of alternative treatment methods, such as telemental health; increasing mental health reimbursement rates for rural areas; modifying licensing requirements in order to remove geographic practice barriers that prevent mental health providers from participating in telemental

health services; and educating civilian network mental health providers about our military culture.

Wounded, Ill, and Injured Families

When designing support for the wounded, ill, and injured in today's conflict, our Association believes the government, especially DoD, VA, and State agencies, must take a more inclusive view of military and veterans' families. Those who have the responsibility to care for the wounded service member must also consider the needs of the spouse, children, parents of single service members, siblings, and other caregivers. Family members are an integral part of the health care team and recovery process.

Caregivers need to be recognized for the important role they play in the care of their loved one. Without them, the quality of life of the wounded service members and veterans, such as physical, psycho-social, and mental health, would be significantly compromised. They are viewed as an invaluable resource to DoD and VA health care providers because they tend to the needs of the service members and the veterans on a regular basis. And, their daily involvement saves DoD, VA, and State agency health care dollars in the long run. Their long-term psychological care needs must be addressed. Caregivers of the severely wounded, ill, and injured services members who are now veterans have a long road ahead of them. In order to perform their job well, they will require access to mental health services.

The Vet Centers are an available resource for veterans' families providing adjustment, vocational, and family and marriage counseling. The VA health care facilities and the community-based outpatient clinics (CBOCs) have a ready supply of mental health providers, yet regulations restrict their ability to provide mental health care to veterans' families unless they meet strict standards. Unfortunately, this provision hits the veteran's caregiver the hardest. We recommend DoD partner with the VA to allow military families access to mental health services. We also believe Congress should require the VA, through its Vet Centers and health care facilities to develop a holistic approach to care by including families when providing mental health counseling and programs to the wounded, ill, or injured service member or veteran.

The Defense Health Board has recommended DoD include military families in its mental health studies. We agree. We encourage Congress to direct DoD to include families in its Psychological Health Support survey; perform a pre and post-deployment mental health screening on family members (similar to the PDHA and PDHRA currently being done for service members); and sponsor a longitudinal study, similar to DoD's Millennium Cohort Study, in order to get a better understanding of the long-term effects of war on our military families.

Children

Our Association is concerned about the impact deployment and/or the injury of the service member is having on our most vulnerable population, children of our military and veterans. Multiple deployments are creating layers of stressors, which families are experiencing at different stages. Teens especially carry a burden of care they are reluctant to share with the non-deployed parent in order to not "rock the boat." They are often encumbered by the feeling of trying to keep the family going, along with anger over changes in their schedules, increased responsibility, and fear for their deployed parent. Children of the National Guard and Reserve members face unique challenges since there are no military installations for them to utilize. They find themselves "suddenly military" without resources to support them. School systems are generally unaware of this change in focus within these family units and are ill prepared to lookout for potential problems caused by these deployments or when an injury occurs. Also vulnerable, are children who have disabilities that are further complicated by deployment and

subsequent injury of the service members. Their families find stress can be overwhelming, but are afraid to reach out for assistance for fear of retribution to the service member's career. They often choose not to seek care for themselves or their families.

The impact of the wounded, ill, and injured on children is often overlooked and underestimated. Military children experience a metaphorical death of the parent they once knew and must make many adjustments as their parent recovers. Many families relocate to be near the treating Military Treatment Facility (MTF) or the VA Polytrauma Center in order to make the rehabilitation process more successful. As the spouse focuses on the rehabilitation and recovery, older children take on new roles. They may become the caregivers for other siblings, as well as for the wounded parent. Many spouses send their children to stay with neighbors or extended family members, as they tend to their wounded, ill, and injured spouse. Children get shuffled from place to place until they can be reunited with their parents. Once reunited, they must adapt to the parent's new injury and living with the "new normal."

We encourage partnerships between government agencies, DoD, VA and State agencies and recommend they reach out to those private and non-governmental organizations who are experts on children and adolescents. They could identify and incorporate best practices in the prevention and treatment of mental health issues affecting our military children. We must remember to focus on preventative care upstream, while still in the active duty phase, in order to have a solid family unit as they head into the veteran phase of their lives. School systems must become more involved in establishing and providing supportive services for our nation's children.

Caregivers

In the seventh year of the Global War on Terror, care for the caregivers must become a priority. Our Association hears from the senior officer and enlisted spouses who are so often called upon to be the strength for others. We hear from the health care providers, educators, rear detachment staff, chaplains, and counselors who are working long hours to assist service members and their families. They tell us they are overburdened, burnt out, and need time to recharge so they can continue to serve these families. These caregivers must be afforded respite care; given emotional support through their command structure; and, be provided effective family programs.

Education

The DoD, VA, and State agencies must educate their health care and mental health professionals of the effects of mild Traumatic Brain Injury (mTBI) in order to help accurately diagnose and treat the service member's condition. They must be able to deal with polytrauma—Post-Traumatic Stress Disorder (PTSD) in combination with multiple physical injuries. We need more education for civilian health care providers on how to identify signs and symptoms of mild TBI and PTSD.

The families of service members and veterans must be educated about the effects of mTBI and PTSD in order to help accurately diagnose and treat the service member/veteran's condition. These families are on the "sharp end of the spear" and are more likely to pick up on changes attributed to either condition and relay this information to their health care providers.

Reintegration programs

Reintegration programs become a key ingredient in the family's success. Our Association believes we need to focus on treating the whole family with programs offering readjustment information; education on identifying mental health, substance abuse, suicide, and

traumatic brain injury; and encouraging them to seek assistance when having financial, relationship, legal, and occupational difficulties.

Successful return and reunion programs will require attention over the long term, as well as a strong partnership at all levels between the various mental health arms of DoD, VA, and State agencies.

DoD and VA need to provide family and individual counseling to address these unique issues. Opportunities for the entire family and for the couple to reconnect and bond must also be provided. Our Association has recognized this need and is piloting two family retreats in the National Parks to promote family reintegration following deployment.

We recommend an extended outreach program to service members, veterans, and their families of available psychological health resources, such as DoD, VA, and State agencies.

We encourage Congress to request DoD to include families in its Psychological Health Support survey; perform a pre and post-deployment mental health screening on family members (similar to the PDHA and PDHRA currently being done for service members); and sponsor a longitudinal study, similar to DoD's Millennium Cohort Study, in order to get a better understanding of the long-term effects of war on our military families.

We recommend the use of alternative treatment methods, such as telemental health; increasing mental health reimbursement rates for rural areas; modifying licensing requirements in order to remove geographic practice barriers that prevent mental health providers from participating in telemental health services; and educating civilian network mental health providers about our military culture.

Caregivers must be afforded respite care; given emotional support through their command structure; and, be provided effective family programs.

Wounded Service Members Have Wounded Families

Our Association asserts that behind every wounded service member and veteran is a wounded family. It is our belief the government, especially the DoD and VA, must take a more inclusive view of military and veterans' families. Those who have the responsibility to care for the wounded, ill, and injured service member must also consider the needs of the spouse, children, parents of single service members and their siblings, and the caregivers. We appreciate the inclusion in the FY08 NDAA Wounded Warrior provision for health care services to be provided by the DoD and VA for family members. DoD and VA need to think proactively as a team and one system, rather than separately; and addressing problems and implementing initiatives upstream while the service member is still on active duty status.

Reintegration programs become a key ingredient in the family's success. In the spring of 2008, our Association held a focus group composed of wounded service members and their families to learn more about issues affecting them. Families find themselves having to redefine their roles following the injury of the service member. They must learn how to parent and become a spouse/lover with an injury. Each member needs to understand the unique aspects the injury brings to the family unit. Parenting from a wheelchair brings a whole new challenge,

especially when dealing with teenagers. Parents need opportunities to get together with other parents who are in similar situations and share their experiences and successful coping methods. Our Association believes we need to focus on treating the whole family with programs offering skill based training for coping, intervention, resiliency, and overcoming adversities. Injury interrupts the normal cycle of deployment and the reintegration process. We must provide opportunities for the entire family and for the couple to reconnect and bond, especially during the rehabilitation and recovery phases. We piloted a *Operation Purple® Healing Adventures* camp to help wounded service members and their families learn to play again as a family and plan one more in the summer of 2009.

Brooke Army Medical Center (BAMC) has recognized a need to support these families by expanding in terms of guesthouses co-located within the hospital grounds and a family reintegration program for their Warrior Transition Unit. The on-base school system is also sensitive to issues surrounding these children. A warm, welcoming family support center located in guest housing serves as a sanctuary for family members. The DoD and VA could benefit from looking at successful programs like BAMC's which has found a way to embrace the family unit during this difficult time.

Transitioning for the Wounded and Their Families

Transitions can be especially problematic for wounded, ill, and injured service members, veterans, and their families. The DoD and the VA health care systems, along with State agency involvement, should alleviate, not heighten these concerns. They should provide for coordination of care, starting when the family is notified that the service member has been wounded and ending with the DoD, VA, and State agencies working together, creating a seamless transition, as the wounded service member transfers between the two agencies' health care systems and, eventually, from active duty status to veteran status.

Transition of health care coverage for our wounded, ill, and injured and their family members is a concern of our Association. These service members and families desperately need a health care bridge as they deal with the after effects of the injury and possible reduction in their family income. We have created two proposals. Service members who are medically retired and their families should be treated as active duty for TRICARE fee and eligibility purposes for three years following medical retirement. This proposal will allow the family not to pay premiums and be eligible for certain programs offered to active duty, such as ECHO for three years. Following that period, they would pay TRICARE premiums at the rate for retirees. Service members medically discharged from service and their family members should be allowed to continue for one year as active duty for TRICARE and then start the Continued Health Care Benefit Program (CHCBP) if needed.

Caregivers

Caregivers need to be recognized for the important role they play in the care of their loved one. The VA has made a strong effort in supporting veterans' caregivers. The DoD should follow suit and expand their definition. Caregivers of the severely wounded, ill, and injured services members have a long road ahead of them. In order to perform their job well, they must be given the skills to be successful. This will require the caregiver to be trained through a standardized, certified program, and appropriately compensated for the care they provide. The time to implement these programs is while the service member is still on active duty status.

Our Association proposes that new types of financial compensation be established for caregivers of injured service members and veterans that could begin while the hospitalized service member is still on active duty and continue throughout the transition to care under the

VA. This compensation should recognize the types of medical and non-medical care services provided by the caregiver, travel to appointments and coordinating with providers, and the severity of injury. It should also take into account the changing levels of service provided by the caregiver as the veteran's condition improves or diminishes or needs for medical treatment changes. These needs would have to be assessed quickly with little time delay in order to provide the correct amount of compensation. The caregiver should be paid directly for their services, but the compensation should be linked to training and certification paid for by the VA and transferrable to employment in the civilian sector if the care is no longer needed by the service member. Our Association looks forward to discussing details of implementing such a plan with Members of this Subcommittee.

Consideration should also be given to creating innovative ways to meet the health care and insurance needs of the caregiver, with an option to include their family. Perhaps, caregivers of severely injured service members or veterans can be given the option of buying health insurance through the Federal Employees Health Benefit Program or through enrollment in CHAMPVA. A mechanism should also be established to assist caregivers who are forced out of the work force to save for their retirements, for example, through the federal Thrift Savings Plan.

There must be a provision for transition for the caregiver if the caregiver's services are no longer needed, chooses to no longer participate, or is asked by the veteran to no longer provide services. The caregiver should still be able to maintain health care coverage for one year. Compensation would discontinue following the end of services/care provided by the caregiver.

The VA currently has eight caregiver assistance pilot programs to expand and improve health care education and provide needed training and resources for caregivers who assist disabled and aging veterans in their homes. DoD should evaluate these pilot programs to determine whether to adopt them for themselves. Caregivers' responsibilities start while the service member is still on active duty.

Relocation Allowance

Active Duty service members and their spouses qualify through the DoD for military orders to move their household goods (known as a Permanent Change of Station (PCS)) when they leave the military service. Medically retired service members are given a final PCS move. Medically retired married service members are allowed to move their family; however, medically retired single service members only qualify for moving their own personal goods.

The National Military Family Association is requesting the ability for medically retired single service members to be allowed the opportunity to have their caregiver's household goods moved as a part of the medical retired single service member's PCS move. This should be allowed for the qualified caregiver of the wounded service member and the caregiver's family (if warranted), such as a sibling who is married with children or mom and dad. This would allow for the entire caregiver's family to move, not just the caregiver. The reason for the move is to allow the medically retired single service member the opportunity to relocate with their caregiver to an area offering the best medical care, rather than the current option that only allows for the medically retired single service member to move their belongings to where the caregiver currently resides. The current option may not be ideal because the area in which the caregiver lives may not be able to provide all the health care services required for treating and caring for the medically retired service member. Instead of trying to create the services in the area, a better solution may be to allow the medically retired service member, their caregiver, and the caregiver's family to relocate to an area where services already exist.

The decision on where to relocate for optimum care should be made with the Federal Recovery Coordinator (case manager), the service member's medical physician, the service member, and the caregiver. All aspects of care for the medically retired service member and their caregiver shall be considered. These include a holistic examination of the medically retired service member, the caregiver, and the caregiver's family for, but not limited to, their needs and opportunities for health care, employment, transportation, and education. The priority for the relocation should be where the best quality of services is readily available for the medically retired service member and his/her caregiver.

The consideration for a temporary partial shipment of caregiver's household goods may also be allowed, if deemed necessary by the case management team.

Medical Power of Attorney

We have heard from caregivers of the difficult decisions they have to make over their loved one's bedside following an injury. We support the *Traumatic Brain Injury Task Force* recommendation for DoD to require each deploying service member to execute a Medical Power of Attorney and a Living Will.

Provide transitioning wounded, ill and injured service members and their families a bridge of extended active duty TRICARE eligibility for three years, comparable to the benefit for surviving spouses.

Caregivers of the wounded, ill and injured must be provided with opportunities for training, compensation and other support programs because of the important role they play in the successful rehabilitation and care of the service member.

DoD should require each deploying service member to execute a Medical Power of Attorney and a Living Will.

Service members medically discharged from service and their family members shall be allowed to continue for one year as active duty for TRICARE and then start the Continued Health Care Benefit Program (CHCBP) if needed

Senior Oversight Committee

Our Association is appreciative of the provision in the FY 2009 NDAA continuing the DoD/VA Senior Oversight Committee (SOC) for an additional year. We understand a permanent structure is in the process of being established and manned. We urge Congress to put a mechanism in place to continue to monitor DoD and VA's partnership initiatives for our wounded, ill, and injured service members and their families, while this organization is being created.

The National Military Family Association encourages the Armed Service Committee along with the Veterans' Affairs Committee to talk on these important issues. We can no longer be content on focusing on each agency separately because this population moves too frequently between the two agencies, especially our wounded, ill, and injured service members and their families.

We would like to thank you again for the opportunity to provide information on the health care needs for the service members, veterans, and their families. Military families support the Nation's military missions. The least their country can do is make sure service members,

veterans, and their families have consistent access to high quality mental health care in the DoD, VA, and within network civilian health care systems. Wounded service members and veterans have wounded families. The caregiver must be supported by providing access to quality health care and mental health services, and assistance in navigating the health care systems. The system should provide coordination of care with DoD, VA, and State agencies working together to create a seamless transition. We ask Congress to assist in meeting that responsibility.

III. Family Transitions

Our Association will promote policies and access to programs providing training and support for families during the many transitions they experience.

Survivors

In the past year, the Services have been focusing on outreach to surviving families. In particular, the Army's SOS program makes an effort to remind these families that they are not forgotten. DoD and the VA must work together to ensure surviving spouses and their children can receive the mental health services they need, through all of VA's venues. New legislative language governing the TRICARE behavioral health benefit may also be needed to allow TRICARE coverage of bereavement or grief counseling. The goal is the right care at the right time for optimum treatment effect. DoD and the VA need to better coordinate their mental health services for survivors and their children.

We ask that the active duty TRICARE Dental benefit be extended to surviving children to mirror the active duty TRICARE medical benefit to which they are now eligible.

Our Association recommends that surviving children be allowed to remain in the TRICARE Dental Program until they age out of TRICARE eligibility. We also recommend that grief counseling be more readily available to survivors.

Our Association still believes the benefit change that will provide the most significant long-term advantage to the financial security of all surviving families would be to end the Dependency and Indemnity Compensation (DIC) offset to the Survivor Benefit Plan (SBP). Ending this offset would correct an inequity that has existed for many years. Each payment serves a different purpose. The DIC is a special indemnity (compensation or insurance) payment paid by the VA to the survivor when the service member's service causes his or her death. The SBP annuity, paid by DoD, reflects the longevity of the service of the military member. It is ordinarily calculated at 55 percent of retired pay. Military retirees who elect SBP pay a portion of their retired pay to ensure that their family has a guaranteed income should the retiree die. If that retiree dies due to a service connected disability, their survivor becomes eligible for DIC.

Surviving active duty spouses can make several choices, dependent upon their circumstances and the ages of their children. Because SBP is offset by the DIC payment, the spouse may choose to waive this benefit and select the "child only" option. In this scenario, the spouse would receive the DIC payment and the children would receive the full SBP amount until each child turns 18 (23 if in college), as well as the individual child DIC until each child turns 18 (23 if in college). Once the children have left the house, this choice currently leaves the spouse with an annual income of $13,848, a significant drop in income from what the family had been earning while the service member was alive and on active duty. The percentage of loss is even

greater for survivors whose service members served longer. Those who give their lives for their country deserve more fair compensation for their surviving spouses.

We appreciate the establishment of a special survivor indemnity allowance as a first step in the process to eliminate the DIC offset to SBP.

We believe several other adjustments could be made to the Survivor Benefit Plan. Allowing payment of the SBP benefits into a Special Needs Trust in cases of disabled beneficiaries will preserve their eligibility for income based support programs. The government should be able to switch SBP payments to children if a surviving spouse is convicted of complicity in the member's death.

We ask the DIC offset to SBP be eliminated to recognize the length of commitment and service of the career service member and spouse. We also request that SBP benefits be allowed to be paid to a Special Needs Trust in cases of disabled family members.

Spouse Employment, Unemployment

Our Association thanks this Subcommittee for expanding the Military Spouse Career Advancement Accounts. We look forward to the implementation of the expanded program and hope that the definition of "portable careers" is broad enough to support the diverse military spouse population. To further spouse employment opportunities, we recommend an expansion to the Workforce Opportunity Tax Credit for employers who hire spouses of active duty and Reserve component service members, and to provide tax credits to military spouses to offset the expense in obtaining career licenses and certifications when service members are relocated to a new duty station within a different state.

Our Association appreciates the Executive Order of Noncompetitive Appointment of Certain Military Spouses, but we are concerned that this will only assist a limited number of military spouses. Many noncompetitive positions are temporary or term positions that will not afford the military spouse the opportunity to continue in Federal service when they move to a new duty station. Military spouses seek Federal employment due to the job stability and opportunities for employment as they move from one location to another.

Our Association urges Congress recognize the value of military spouses by expanding the military spouse hiring preference beyond the DoD to the entire Federal government.

Families on the Move

Our Association is concerned about the timely implementation of the Defense Personal Property Program, formerly titled "Families First." Worldwide rollout is still incomplete and it is unclear if customer satisfaction surveys are incorporated into the carrier ranking process. Full Replacement Value has been rolled out, but is handled differently by each carrier. Families are confused about how and where to file claims. Congressional oversight is needed to press for implementation of this program and deliver the best possible service to our families.

Our Association is grateful for the addition of the weight allowance for spousal professional materials. We ask that Congress broaden the language to require the Service Secretaries to implement this much needed benefit.

A PCS move to an overseas location can be especially stressful. Military families are faced with the prospect of being thousands of miles from extended family and living in a foreign

culture. At many overseas locations, there are insufficient numbers of government quarters resulting in the requirement to live on the local economy away from the installation. Family members in these situations can feel extremely isolated; for some the only connection to anything familiar is the local military installation. Unfortunately, current law permits the shipment of only one vehicle to an overseas location, including Alaska and Hawaii. Since most families today have two vehicles, they sell one of the vehicles.

Upon arriving at the new duty station, the service member requires transportation to and from the place of duty leaving the military spouse and family members at home without transportation. This lack of transportation limits the ability of spouses to secure employment and the ability of children to participate in extra curricular activities. While the purchase of a second vehicle alleviates these issues, it also results in significant expense while the family is already absorbing other costs associated with a move. Simply permitting the shipment of a second vehicle at government expense could alleviate this expense and acknowledge the needs of today's military family.

Our Association requests that Congress ease the burden of military PCS moves on military families by pressing for the full implementation of the Defense Personal Property Program and by authorizing the shipment of a second vehicle for families assigned to an overseas location on accompanied tours.

Education of Military Children

While our Association remains appreciative for the additional funding you provide to civilian school districts educating large numbers of military children, DoD Impact Aid still remains under-funded. We urge Congress to increase funding for schools educating large numbers of military children to $60 million for FY 2010. We also encourage you to make the additional funding for school districts experiencing growth available to all school districts experiencing significant enrollment increases and not just to those districts meeting the current 20 percent enrollment threshold. The arrival of several hundred military students can be financially devastating to any school district, regardless of how many of those students the district already serves. This supplement to Impact Aid is vital to school districts that have shouldered the burden of ensuring military children receive a quality education despite the stresses of military life.

As increased numbers of military families move into new communities due to Global Rebasing and BRAC, their housing needs are being met further and further away from the installation. Thus, military children may be attending school in districts whose familiarity with the military lifestyle may be limited. Educating large numbers of military children will put an added burden on schools already hard-pressed to meet the needs of their current populations. With over 70,000 military families returning to the United States, at the same time the Army is moving over one third of its soldiers within the U.S., we urge Congress to authorize an increase in this level of funding until BRAC and Global Rebasing moves are completed.

Although it does not fall under the purview of this Subcommittee, we thank Congress for passing the Higher Education Opportunity Act of 2008, which contained many new provisions affecting military families. Chief among them was a provision to expand in-state tuition eligibility for military service members and their families. Under this provision, colleges and universities receiving federal funding under the act will be required to offer in-state tuition rates for active duty service members and their families and provide continuity of in-state rates if the service member receives orders for an assignment out of state. However, family members have to be currently enrolled in order to be eligible for continuity of in-state tuition. Our Association is

concerned that this would preclude a senior in high school from receiving in-state tuition rates if his or her family PCS's prior to matriculation. We urge Congress to amend this provision.

Our Association congratulates the DoD Office of Personnel and Readiness and the Council of State Governments (CSG) for drafting the *Interstate Compact on Educational Opportunity for Military Children* and for spearheading the adoption of this important legislation. Designed to alleviate many of the transition issues facing military children, the compact has now been adopted in eleven states and legislation has been introduced in 21 states already this year. With ten states needed to enact the compact, the first meeting of the Interstate Commission on Educational Opportunity for Military Children met in October 2008. Our Association is pleased to have been a member of both the Advisory Group and Drafting Team, and has been working actively to support the adoption of this compact, which will greatly enhance the quality of life of our military children and families.

We ask Congress to increase the DoD supplement to Impact Aid to $60 million to help districts better meet the additional demands caused by large numbers of military children, deployment-related issues, and the effects of military programs and policies. We also ask Congress to allow all school districts experiencing a significant growth in their military student population due to BRAC, Global Rebasing, or installation housing changes to be eligible for the additional funding currently available only to districts with an enrollment of at least 20 percent military children.

Spouse Education

Since 2004, our Association has been fortunate to sponsor our Joanne Holbrook Patton Military Spouse Scholarship Program, with the generosity of donors who wish to help military families. In 2007, we published *Education and the Military Spouse: The Long Road to Success*, based on spouse scholarship applicant survey responses, identifying education issues and barriers specific to military spouses. The entire report may be found at *www.nmfa.org/education*.

The survey found military spouses, like their service members and the military as a whole, value education and set education goals for themselves. Yet, military spouses often feel their options are limited. Deployments, the shortage of affordable and quality child care, frequent moves, the lack of educational benefits and tuition assistance for tuition are discouraging. For military spouses, the total cost of obtaining a degree can be significantly higher than the cost for civilian students. The unique circumstances that accompany the military lifestyle have significant negative impacts upon a spouse's ability to remain continuously enrolled in an educational program. Military spouses often take longer than the expected time to complete their degrees. More than one-third of those surveyed have been working toward their goal for five years or more. The report offers recommendations for solutions that Congress could provide:

- Ensuring installation education centers have the funding necessary to support spouse education programs and initiatives,
- Providing additional child care funding to support child care needs of military spouse-scholars,
- Helping to defray additional costs incurred by military spouses who ultimately spend more than civilian counterparts to obtain a degree.

Our Association wishes to thank Congress for passing the Post 9/11 G.I. Bill for service members and for including transferability of the benefit to spouses and children. We will

continue to monitor the implementation of this benefit, and hope to see the regulations posted soon.

Military Families – Our Nation's Families

We thank you for your support of our service members and their families and we urge you to remember their service as you work to resolve the many issues facing our country. Military families are our Nation's families. They serve with pride, honor, and quiet dedication. Since the beginning of the war, government agencies, concerned citizens and private organizations have stepped in to help. This increased support has made a difference for many service members and families, yet, some of these efforts overlap while others are ineffective. In our testimony, we believe we have identified improvements and additions that can be made to already successful programs while introducing policy or legislative changes that address the ever changing needs of our military population. Working together, we can improve the quality of life for all these families.

DISCLOSURE FORM FOR WITNESSES
CONCERNING FEDERAL CONTRACT AND GRANT INFORMATION

INSTRUCTION TO WITNESSES: Rule 11, clause 2(g)(4), of the Rules of the U.S. House of Representatives for the 111th Congress requires nongovernmental witnesses appearing before House committees to include in their written statements a curriculum vitae and a disclosure of the amount and source of any federal contracts or grants (including subcontracts and subgrants) received during the current and two previous fiscal years either by the witness or by an entity represented by the witness. This form is intended to assist witnesses appearing before the House Armed Services Committee in complying with the House rule.

Witness name: Kathleen Moakler

Capacity in which appearing: (check one)

___Individual

✓ Representative

If appearing in a representative capacity, name of the company, association or other entity being represented: National Military Family Assn

FISCAL YEAR 2009

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
none			

FISCAL YEAR 2008

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
none			

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___Individual

✓ Representative

If appearing in a representative capacity, name of the company, association or other entity being represented: National Military Family Assn

FISCAL YEAR 2009

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
none			

FISCAL YEAR 2008

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
none			

FISCAL YEAR 2007

Federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant

Federal Contract Information: If you or the entity you represent before the Committee on Armed Services has contracts (including subcontracts) with the federal government, please provide the following information:

Number of contracts (including subcontracts) with the federal government:

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

Federal agencies with which federal contracts are held:

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

List of subjects of federal contract(s) (for example, ship construction, aircraft parts manufacturing, software design, force structure consultant, architecture & engineering services, etc.):

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

Aggregate dollar value of federal contracts held:

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

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Number of grants (including subgrants) with the federal government:

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

Federal agencies with which federal grants are held:

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

List of subjects of federal grants(s) (for example, materials research, sociological study, software design, etc.):

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

Aggregate dollar value of federal grants held:

Current fiscal year (2009):_____;
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Witness name: Margaret M. McCloud

Capacity in which appearing: (check one)

___Individual

X Representative

If appearing in a representative capacity, name of the company, association or other entity being represented: Gold Star Wives

FISCAL YEAR 2009

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
NA			

FISCAL YEAR 2008

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
NA			

FISCAL YEAR 2007

Federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
NA			

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Number of contracts (including subcontracts) with the federal government:

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Fiscal year 2008:_____;
Fiscal year 2007:_____.

Federal agencies with which federal contracts are held: NA

Current fiscal year (2009):_____;
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Fiscal year 2007:_____.

Aggregate dollar value of federal grants held:

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

Statement of

F. Jed Becker

Chairman

Armed Forces Marketing Council

before the

Subcommittee on Military Personnel

Committee on Armed Services

United States House of Representatives

February 25, 2009

Submitted for the record.

Not for publication until

released by the House

Armed Services Committee.

Introduction

Good afternoon, Madam Chairwoman, and distinguished members of the Subcommittee on Military Personnel.

My name is Jed Becker and I am Chairman of the Armed Forces Marketing Council (AFMC). Thank you for inviting me here today to offer comments regarding the military resale services and the vital role they serve in supporting the quality of life of our service members and their families.

As per Rule XI, Clause 2(g) of the Rules of the House of Representatives, I have included a curriculum vitae (Exhibit I) and a Disclosure Form for Witnesses Concerning Federal Contract and Grant Information (Exhibit II).

Today, I am representing the Armed Forces Marketing Council, which was incorporated on April 25, 1969 as a non-profit business league. It is comprised of firms representing manufacturers who supply consumer products to military resale activities worldwide. A list of firms serving on the Council is included in Exhibit III.

The purpose of the Council is to:

- Promote unity of effort through a cooperative working relationship among the Congress, the military, and industry.
- Provide a forum for addressing industry issues.
- Encourage worldwide availability of quality consumer products at the best possible prices and value.
- Encourage continued congressional support and funding of the resale system.
- Assist in maintaining the resale system as an integral part of military life.

- Promote awareness of sales and marketing agency services to the military resale system.

Council firms also subscribe to a code of ethics requiring that each member firm maintain the highest level of integrity and professional conduct and consider this to be critical to its credibility.

Some firms serving on the Council have been providing service to the resale system for over sixty years. Member firms are small, privately held businesses formed in response to the need for quality, specialized sales representation to the unique worldwide military resale market. These firms have developed marketing and merchandising programs tailored specifically to deliver efficient support to military resale operations. Through the link they form between the resale services and the manufacturers, these firms assure continuous availability of the complete array of consumer products normally found in the civilian marketplace. They offer services in a more efficient manner than all but the very largest manufacturers can provide using their own resources. If that were not the case, the firms belonging to the AFMC would not exist.

AFMC firms represent several hundred manufacturers, both large and small. (A representative sampling is at Exhibit IV). Our firms have a total of over 2,800 people working directly in the stores, with the various resale services headquarters, and with the manufacturers to assure that the right products are on the shelf at the right time, in the right quantities and at the best prices and value. By so doing, they have played a significant role in maintaining the resale system as a vital part of the fabric of military life.

It is important to note that AFMC members see themselves as:

- "Stakeholders" in the military resale system.
- Interested in contributing to the continued viability and health of the resale system.
- Having expert perspective based on many decades of experience in servicing the military resale system.

Value of the Resale Benefit

Madam Chairwoman, the Council strives to do its part to assure the continuation of the military resale system and the value it provides to our service members and their families. We hope the information and perspectives presented here will be useful in your review of military resale activities.

In spite of the current economic environment and the challenges it presents, we continue to see the growing value of the resale benefit for our military families. Not only are their hard-earned dollars going further, but many more families who did not participate in the benefit before are finding that the value offered by the exchanges and commissary are helping them weather these tough economic times.

Some may say that military families are insulated from the fluctuations of the economy. However, military spouses are contending with potential job losses like those outside of the military and military families have felt the impact of higher prices for products, particularly gasoline, on their wallets.

Thankfully, the military resale benefit is providing an economic cushion for these families who are already sacrificing so much for the security of our nation.

Congress can be proud of the fact that the dollars appropriated to support this benefit produce a savings and value that far outweigh the costs. In 2008, the Defense Commissary Agency (DeCA) had gross sales of $5.8 billion. Those same products would have cost military families an average of 30 percent more outside of the gate at an approximate cost of $8.3 billion. That is a savings of nearly $2.5 billion.

That is the value of the commissary system - $2.5 billion of savings at a cost of nearly $1.3 billion. Stated another way, every dollar appropriated for the commissary provides nearly $2 of benefit to military families. That is a 100% return on investment that cannot readily be found anywhere else in the federal government.

This means that in 2008, a military family of four saved on average $3,400 when they shopped for groceries at the commissary.

The value proposition of the benefit is true for the exchange systems as well, which provide an average savings of 20 - 25%. For military families, that is a significant benefit they have earned through their service to our nation.

These are not loose judgments. Instead, they are based on scientific surveys of pricing and on largely favorable comparisons with outside-the-gate retailers on sales trends, business systems, and asset management.

The Customer Satisfaction Index also continues to show that military families are very satisfied with their benefit. It is said that you recruit a service member, but you retain the military family. The military resale benefit, we believe, helps to retain these families, which adds value to the taxpayer in the form of savings on training, recruitment, and morale, welfare and recreation (MWR) programs.

Another value benefit of the resale system is its support of military family financial readiness. No one can say that the military commissary or exchanges prey on military families. Rather, when so many everyday items such as energy costs put a strain on the family budget, it is the value savings provided by the commissary and exchanges that helps military families absorb the higher price of commodities and stay within their budgets.

The military resale system, through favorable credit programs and terms for items purchased through the exchanges, protects these families, particularly when a loved one is deployed or, God-forbid, dies or becomes disabled while in service to our nation.

It must be remembered that the value of the benefit cannot be always measured in dollars. When a service member forward-deployed in Iraq or Afghanistan can walk into a PX and pick up a candy bar or a bag of cookies, and a can of her favorite soda, that is a taste of home, a taste of America.

Little things we take for granted everyday, like batteries and hygiene products, mean so much to our troops on the front lines to maintain their health, morale and ability to communicate with loved ones at home.

The value of the resale benefit cannot be found anywhere else or provided by anyone else, and that is why we believe all efforts should be made to support, improve and strengthen this important benefit for our military families.

Improving and Strengthening the Resale Benefit

One fact we can all be proud of is that the military resale system works well! It's honest, efficient and responsive. This success comes as a result of the dedication

exchange and commissary operators have made to customer service, patron savings and an unfailing commitment to continued process improvements and efficiencies to keep costs and, thus, prices low.

While credit is due to DeCA and the exchange systems for much of this success, credit is also due to this Subcommittee and its staff for its well-informed, non-partisan oversight and support. The members of the Armed Forces Marketing Council thank you for that, as would other segments of the supplier community. But more importantly, given the chance, military members and their families who fully understood your role, would also offer their gratitude.

In an effort to continue this track record of success, we offer some observations and suggestions that we believe will serve to further protect, enhance and strengthen the benefit for our military families.

Support of HR 275 - Repeal of 3% Withholding on Payments Made to Vendors by Government Entities

In 2005, Congress passed and President Bush signed into law HR 4297, *The Tax Reconciliation Act of 2005*. This legislation included a provision, Sec. 511, which mandates that federal, state, and local governments withhold three percent from payments for goods and services.

In the recent economic recovery legislation signed into law by President Obama, the implementation date of Section 511 has been delayed to 1 January 2012. It is our desire that Section 511 be repealed, which is the intent of HR 275, sponsored by Rep. Meeks.

Although this legislation does not fall under the jurisdiction of this Subcommittee, it must be understood what the impact of implementation of Section 511 would be on the military resale benefit.

We are very concerned that, if implemented, withholding three percent on payments to vendors for products sold in exchanges and commissaries would diminish the value of the benefit through potential higher costs for products, as well as increased costs by DeCA and the exchange systems to develop accounting processes and systems to comply with the withholding requirement. Additional costs on the exchange systems result in reduced dividends for MWR programs.

In the 110th Congress, Mr. Meeks' legislation had over 260 cosponsors. For the sake of preserving the value of the military resale benefit, we encourage Members of the Subcommittee to cosponsor HR 275 and encourage its passage in order to repeal this onerous provision and the threat it presents to value of the military resale benefit.

Relief from ASER Restrictions

The AFMC is most appreciative of the past actions by Congress to alleviate many item and cost restrictions imposed upon the military exchanges. These actions produced significant increases in exchange sales and earnings, and in customer satisfaction. We are convinced that further lifting of restrictions will yield similar positive results.

Existing policy, established by Congress and promulgated in DoD Instruction 1330.21 "Armed Services Exchange Regulations" (ASER) prohibits the military

exchange services from initiating capital construction or renovating existing facilities for the purpose of providing additional space in which to sell furniture."

Although the maximum amount of cost for a piece of furniture was raised to $1,100 last year, a move that we greatly appreciate, there is still the issue of not having the appropriate space in which to sell the merchandise. This denies military patrons the opportunity to purchase these items at the best value and savings, and on credit terms that are favorable to their way of life.

Many families, both in and out of the military, must use credit in order to purchase furniture. For military patrons, they have the ability to use the Military Star Card, which allows military families to:

- pay significantly lower interest rates than private sector credit programs.
- have their payments and interest deferred during deployment (significantly lightening the stressful financial burden faced by families, as well as giving peace of mind to the deployed member)
- have their account balances written-off for those members who make the ultimate sacrifice.

Military families deserve to be able to examine and purchase furniture in the exchanges at a favorable price, using credit that is sensitive to the challenges they face every day. This can only be accomplished if there is proper space in which to display the merchandise. Therefore, we respectfully request the lifting of the ASER limitation on construction and renovation of facilities for the purpose of selling furniture.

Price Parity for Tobacco Products sold in Commissaries and Exchanges

It has come to the Council's attention that there is a move within the Department of Defense to raise the price of tobacco products by five percent in the military resale system to match the prices on those items in the civilian marketplace, a policy being termed "price parity."

We understand and appreciate the desire to reduce the number of military personnel who use tobacco products and know the effect of those products on the health and well-being of our service members and the costs associated with treating tobacco-related health problems. However, we are very concerned about establishing various pricing structures for certain products sold in the resale system. This move would equate to the Department of Defense imposing a tax on military members purchasing these products.

The Armed Services Exchange Regulations already set strict guidelines for the sale of tobacco products in military retail outlets, which include:

- a prohibition from entering into "any new merchandise display or promotion agreements, or exercise any options in existing agreements, that provide for an increase in total tobacco shelf-space"
- a prohibition of "military only" coupons or promotions,
- setting an age requirement of 18 for those purchasing tobacco products
- requiring identification checks of patrons purchasing tobacco products
- encouraging the retail outlets to "display tobacco cessation products in areas that provide visibility and opportunity to customers who desire to change their tobacco habits."

It should also be noted that all of the Services have tobacco cessation programs which are partially funded through the MWR dividend.

Further, the recently enacted law regarding the States' Children's Health Insurance Program (SCHIP) will significantly raise the prices on all tobacco products, including those sold in the military resale system. For instance, the price of a pack of cigarettes will be increased by $1.0066.

It is our belief that the pricing structure should remain consistent for all products sold in the resale systems to maintain the integrity of the benefit and the imposition of new pricing programs for certain products equates to a tax on these products, which will diminish the value of the benefit for military families.

CBO Proposal to Consolidate Resale Activities

In past years, the Congressional Budget Office has repeatedly recommended that (i) military commissaries and exchanges be consolidated, (ii) prices in commissaries be raised to generate operating funds, or (iii) that a yearly grocery allowance be provided to active duty personnel. We continue to point out that there are several significant fallacies in these ideas:

- No compelling evidence has ever been developed that demonstrates that consolidating the exchanges and commissaries will achieve significant savings, either in operating costs or prices to service men and women.
- Increasing the cost of products in commissaries would clearly reduce overall military compensation, particularly for those who would not qualify for any

allowance (including retirees and most National Guard and reservists), and for those families whose current savings exceed such an allowance.

- The current billion-dollar commissary subsidy equates to a fraction of the dollar value of the savings that are generated when authorized patrons shop in military stores. As pointed out earlier, total purchases by commissary patrons of over $5.8 billion would cost well over $8.3 billion at private sector commercial prices.
- Active duty service members are astute in assessing the "value" of the benefits they are afforded. While several initiatives driven by the CBO may meet short-term fiscal objectives, it is the continuity of your vigilance that must serve to recognize the complexity of the perceived value these benefits hold and the impact they have on recruitment and retention.
- The Exchange Services and the Defense Commissary Agency continue to develop promising collaborative initiatives.

Second Destination Transportation Funds

The Congress passed legislation that clearly mandates the funding of Second Destination Transportation (SDT) Funds, to assure that American products get shipped to foreign-based exchanges and commissaries at taxpayer expense. In the absence of SDT funding, prices would be unfairly raised to overseas-based troops and families, in order to absorb the freight costs associated with getting these goods to these service members and their families.

Additionally, the services would be forced to reduce MWR earnings by an unacceptable amount, or to shift all their overseas procurement to offshore sources.

Simply stated, none of these consequences are acceptable. SDT must continue to be fully funded – it's the right thing to do for our forces.

Summary

Madam Chairwoman, the Armed Forces Marketing Council appreciates the opportunity to discuss these issues with you. We recognize, given the economic conditions and continued war footing that we find ourselves facing at this time in history, that budgets are tight and dollars are short.

But it is in times like these that the military resale benefit means more to our military families, when the value of the benefit is maximized for those serving our nation. Thus, we must remain vigilant in our efforts to enhance, improve and strengthen this benefit for these families that sacrifice so much for our security.

To that end, we encourage the Members of the Subcommittee to support the repeal of the 3% withholding requirement on payments to vendors, which will lead to increased costs by the Services to comply with the provision and, subsequently, a reduction in the MWR dividend. Further, it could lead to higher prices on the products on the shelf to cover costs of compliance by the vendors.

We also request a repeal of the prohibition on the construction and renovation of facilities for the purpose of selling furniture, as established in the ASER. We believe military patrons should be able to purchase furniture at the exchanges where they receive favorable pricing and credit terms that honor and respect their way of life.

Additionally, we request the Subcommittee oppose any and all efforts to establish new pricing structures on certain products. Doing so will diminish the integrity of the benefit and a reduce the benefit's value for military families.

We also ask the Subcommittee to reject potential proposals to consolidate the exchanges and commissary systems or to end the military resale benefit and replace it with an allowance. No studies have shown that these efforts will provide long term costs savings for the government.

Finally, we thank the Subcommittee for its past support of Second Destination Transportation Funding and ask that you continue support for SDT to ensure that American service members and their families overseas, particularly those who are on the front lines in Afghanistan and Iraq, are able to enjoy the full value of the military resale benefit.

Thank you, Madam Chairwoman and members of the Subcommittee on Military Personnel for the opportunity to appear before you and for your attention and consideration of the Armed Forces Marketing Council viewpoints. We appreciate your interest in assuring the best for our troops. I stand ready to receive your questions.

Exhibit I

Curriculum Vitae for F. Jed Becker
President & Chief Executive Officer – Eurpac Service, Incorporated
Chairman, Armed Forces Marketing Council

Employed by Eurpac Service GmbH, Germany in December 1982. Subsequently active in Sales, Marketing, Business Development, Operations and General Management positions at Operating Divisions in Frankfurt, Rome, San Francisco, St. Louis, Dallas, Virginia Beach and Norwalk.

President Service Company Division ('92),

President Dunham & Smith Agencies ('96),

President Eurpac Service Inc. ('00).

Founded in 1951, Eurpac Service Inc. is a global sales, marketing and distribution company servicing leading retailers including the U.S. Government Resale Systems.

Member, Board of Directors:
Eurpac Service, Inc., Norwalk, CT
Special Markets, Inc., Virginia Beach, VA
Distribution Services, Inc., Greenwich, CT
Armed Forces Marketing Council (Chairman)

Member, Board of Governors: United Service Organization (USO)

Chairman, Board of Trustees: Cmdr. Stuhr Scholarship Fund

Education:

Graduate	Brunswick School, Greenwich, CT ('78)
BA	Albion College, Albion, MI ('82)
MBA	New York University, Stern School ('92)

Exhibit II

DISCLOSURE FORM FOR WITNESSES
CONCERNING FEDERAL CONTRACT AND GRANT INFORMATION

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Witness name: F. Jed Becker

Capacity in which appearing: (check one)

___Individual

X Representative

If appearing in a representative capacity, name of the company, association or other entity being represented: Armed Forces Marketing Council

FISCAL YEAR 2009

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
None			

FISCAL YEAR 2008

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
None			

FISCAL YEAR 2007

Federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
None			

Federal Contract Information: If you or the entity you represent before the Committee on Armed Services has contracts (including subcontracts) with the federal government, please provide the following information:

Number of contracts (including subcontracts) with the federal government:

Current fiscal year (2009): None;
Fiscal year 2008: _____;
Fiscal year 2007: _____.

Federal agencies with which federal contracts are held:

Current fiscal year (2009): None;
Fiscal year 2008: _____;
Fiscal year 2007: _____.

List of subjects of federal contract(s) (for example, ship construction, aircraft parts manufacturing, software design, force structure consultant, architecture & engineering services, etc.):

Current fiscal year (2009): None;
Fiscal year 2008: _____;
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List of subjects of federal grants(s) (for example, materials research, sociological study, software design, etc.):

Current fiscal year (2009): None;
Fiscal year 2008: _____;
Fiscal year 2007: _____.

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Current fiscal year (2009): None;
Fiscal year 2008: _____;
Fiscal year 2007: _____.

Exhibit III

Armed Forces Marketing Council Member Firms

C. Lloyd Johnson, An Acosta Company
8031 Hampton Boulevard
Norfolk, VA 23505
(757) 423-2832

Dixon Marketing, Inc.
301 Darby Avenue
PO Box 1618
Kinston, NC 28503
(252) 522-2022

Dunham & Smith Agencies
101 Merritt 7 Corporate Park
Norwalk, CT 06851
(203) 847-0800

Overseas Service Corporation
1100 Northpoint Parkway
West Palm Beach, FL 33407
(561) 683-4090

S&K Sales Co.
2500 Hawkeye Court
Virginia Beach, VA 23452
(757) 460-8888

Specialized Marketing International
8220 Elmbrook Drive
Dallas, TX 75247
(214) 630-8771

Exhibit IV

Product Brands / Companies Represented by AFMC Member Firms

- 3M
- Alberto Culver
- Alcoa
- Anheuser-Busch
- Bausch & Lomb
- Bayer
- Bridgestone/Firestone
- Cadbury
- Coca-Cola
- Colgate Palmolive
- DeLonghi
- Del Monte
- Diageo
- Dial
- Dr. Pepper/Seven Up
- Dunlop Golf
- Eastman Kodak
- Eveready
- Folgers Coffee
- Frito Lay
- General Mills/Pillsbury
- Georgia Pacific
- Glaxo SmithKline
- Godiva
- Haagen-Dazs
- Hanes
- Hawaiian Isles Coffee
- Heineken
- Heinz
- Hershey
- Johnson & Johnson
- Kiwi Brands
- Kraft-Nabisco
- Land O' Lakes
- L'Oreal
- Mars
- Miller Brewing
- Motts
- Nestle
- Neutrogena
- Newman's Own
- Nike Golf
- Novartis
- Pepsi Cola
- Perdue Poultry
- Pfizer
- Pictsweet
- Playtex
- Proctor & Gamble/Gillette
- Quaker Oats
- R. J. Reynolds
- Reebok
- Samsonite
- Seiko/Pulsar
- Shop Vac
- Smucker's
- Snapple Beverage
- The Wine Group
- Timex
- Tootsie Roll
- Waterpik
- Welch's
- Wilson Sports
- Yankee Candle
- And many more

STATEMENT BY:

MS PERRI BRACKETT

CHAIR – AMERICAN LOGISTICS ASSSOCIATION

BEFORE THE SUBCOMMITTEE ON PERSONNEL

COMMITTEE ON ARMED SERVICES

UNITED STATES HOUSE OF REPRESENTATIVES

111TH CONGRESS

HEARINGS ON

MILITARY RESALE AND MORALE, RECREATION, AND WELFARE PROGRAMS

February 25, 2009

NOT FOR PUBLICATION
UNTIL RELEASED BY
HOUSE ARMED SERVICES COMMITTEE

Madam Chair and Distinguished Members of the Subcommittee:

It is an honor to be here today as Chair of the American Logistics Association representing 250 of America's leading manufacturers, 60 brokers and distributors, service companies, media outlets and more than 1400 individual members who are actively engaged in providing goods and services to our resale customers, MWR activities for our military, Coast Guard, and Veterans. For the past three years, the American Logistics Association has received no grants or contracts from the federal government.

These are extraordinary times for our Nation, our economy, our military and our veterans. The challenges are unprecedented, it is important that our military emerge strong and viable. We recognize the importance of working together to get our economy on firm ground. It is critical that our military members and their families are well cared for now and in the future. Our Veterans are special people and should be provided with needed services, particularly those injured physically and mentally traumatized by their sacrifices in the Global War on Terror. We all need to work to ensure that our system reaches out to the vast network of Guard and Reservists who depend heavily on our benefits.

ALA organizations are a strong force in our National economy and with the military. Allow me to reflect for a moment on the potential that our organization can muster to assist you as you meet these challenges.

- Collectively, our member companies contribute nearly $1.2 trillion to the economy and generate millions of jobs. This includes

support for large manufacturing jobs and a large number of small businesses that are vital to the future growth of our economy.

- Member companies provide products through the resale system that generate $16 billion and produce 30,000 jobs for American industry. This contribution is larger overseas where $4 billion in US products are sold to our patrons—funds that would otherwise flow to foreign economies.
- Industry contributes nearly $500 million in support services for these operations in the form of in-store labor support, product delivery, and in-kind services.
- The MWR and resale system itself generates over $18 billion in sales and provides 120,000 jobs, a large percentage of these jobs are held by military family members.
- The system generates $500 million in earnings that directly contribute to quality of life.
- The system builds nearly $600 million in facilities each year generating thousands of construction jobs in the private sector and donating these buildings to the Federal inventory upon completion.
- Goods and services purchased by the resale system generate thousands of jobs in communities adjacent to military bases with a large percentage of these businesses being smaller and independently owned.

It's a formula that works.

- It works for the taxpayer. MWR and the resale system keeps high quality people in the service, and generates $17 for every dollar of taxpayer contributions. More important, these taxpayer contributions are fiscally sound and budgeted carefully with care. Commissaries consistently score high marks on all accountability reviews by the Office of Management and Budget. Exchanges consistently score high on their annual audits and controls put in place, partly attributable to the work of this Committee, ensure responsive and accountable programs.
- It works for the military and our Veterans. The system provides high quality products and services at affordable prices. That's important to our Veterans, active duty military, and their families who struggle to stretch their paycheck each and every day. It has emerged as absolutely critical in today's economy to provide a safety net Military retirees and Veterans who have seen their home values decline and their retirement savings depleted.
- This formula makes a huge contribution to community MWR services that are ever more critical in providing needed services for stressed military families and for other community programs

such as assistance for people transitioning from the military into civilian life in a tough economy.

- It works for our Nation. It is a powerful engine behind the economy, generating jobs and contributing to the GDP.

ALA is committed to ensuring that this successful formula remains intact and is reinforced, at the same time it is a system that requires diligence to ensure that it remains strong and viable.

It is this very diligence that has marked this committee's support over the years. The House Armed Services Committee strong perennial support has laid the groundwork for the system to prosper and rise to meet the challenges in these tough times. The Nation and all of the people who rely on this system owe a great debt of gratitude to this committee for your vision and strong support over the years,

Congress's investment is paying off each and every day:

- It pays off when a military family member visits their exchange or commissary and saves that extra dollar they can spend on much needed household expenses.
- It pays off every day when a mother drops her child off at a child care center to go to that job so she can contribute to the family's household budget and help stretch the family paycheck.

- It pays off every day when retirees save that extra dollar on their medications or help support for their family members.
- And, your investment pays off every day as the system continues to be an engine that produces jobs in the American economy and promotes American products in the global marketplace.

In these days of increased involvement by Government in the private sector, we can point to the MWR and resale system as a private sector and government collaboration that works, is accountable to the taxpayers and shareholders—the patrons—and makes a great contribution to the Nation's economy and the well-being and readiness of our Armed forces and Veterans.

In short:

- What's good for the system is good for the economy.
- What's good for the system is good for the military and veterans
- What's good for the system is good for the taxpayer.

This system would not be able to accomplish all of this without your support. We believe that the following legislative initiatives will ensure it remains viable.

We urge you to:

- Continue your support for funding of commissaries, shipment of American products to our overseas bases, and full support for

all authorized categories of morale, welfare and recreation programs. The exchanges deserve an enormous amount of credit for the millions of dollars contributed to service MWR programs.

- Ensure the well being of these important quality of life activities, DOD has made a commitment to provide appropriated fund support to Category A and Category B programs. However, budget pressures are causing the military services to reconsider this obligation. In the end, the troops and the families suffer and the nation loses. ALA urges Congress to ensure that DOD honors its commitment to the troops to fund these programs at least to the 85 percent level for Category A and 75 percent for Category B Requirements. These programs are especially critical to the readiness of our forces and the support of their families during this period of conflict and extended unpredictable separations. Appropriations to the system are a bargain to the taxpayer, yielding so many benefits including retention of a quality force and lower recruitment costs.
- Continue your support for authorization for appropriations for commissary, exchange and other nonappropriated fund construction at bases that are expanding as a result of global re-stationing and BRAC.

- Ensure that industry representatives and authorized patrons have unimpeded and secure access to military installations. [1] The ALA has an aggressive effort underway to ensure that industry partners are provided with secure credentials to access military bases in support to the programs. We urge you to encourage this effort with the Administration and work to ensure that patrons are provided with secure credentials as well. Given the increasing vital contributions that industry partners make to the resale system in the form of in-store support, it is vital that a secure process be expanded so that this support continues in a high threat environment. It is vital that secure credentials be developed and provided to all eligible patrons in the event of a high threat environment where the traditional ID card may not suffice.
- Support having shovel- ready commissary and nonappropriated fund projects eligible for participation in the construction funding that is being made available from the American Recovery and Revitalization Act. These projects are perfectly suited to the spirit and intent of the Stimulus to immediately create jobs improving America's infrastructure.

[1] In a PDUSD P&R memo dated 29 December 2008, Subject: Physical Access for Resale Vendors, the Principal Deputy, Mr. Dominquez points out that ALA has actively engaged the Federation for Identity and Cross-Credentialing Systems (FiXs) effort as a solution for vendor access. In effect, in the absence or standards, industry has taken action on its own to provide a safe and secure environment for vendor access to military installations. Industry needs guidance from the Department on the accepted method of vetting vendors who require access to military installations to support the military resale and MWR programs.

- Support efforts by the exchanges and commissaries to reach out to National Guard and reservists who live in communities where they cannot readily access on-base services.
- We need to capitalize on the billions of dollars in investment that taxpayers and military people have made over the years to provide a helping hand to those who now need it most.
- We urge you to move to provide benefits to a larger group of Veterans and military people returning from multiple overseas deployments and suggest that this benefit be provided to all former military and their families for at least three years.
- We urge you to give these benefits to 30 percent disabled veterans. The Congress has directed a study of expanding this population shopping privileges in exchanges and commissaries. ALA supports this expansion.
- We urge you to authorize funding to correct a long-standing injustice. This is the requirement that nonappropriated funds be used to pay for cost of living allowances for US citizens choosing to live abroad on the local economy. This is the right thing to do and will save the exchanges and MWR programs nearly $100 million---money that is vitally needed for these programs. Congress needs to allow the Services to use prior year funds to pay this cost. We understand that funding is

available in DoD but needs Congressional authorization to release it.

- We urge you to repeal of the provisions of the Tax Increase Prevention and Reconciliation Act of 2005 requiring federal government entities to withhold 3 percent of payments due to vendors providing goods and services to the federal government.[2] This is an unfair requirement on companies that have been honest taxpayers and penalizes all companies doing business with the government for the transgressions of a few. It also will require major adjustments in the pay processes for the resale entities. At the very least, companies that are honest taxpayers should and sell to the military resale system should be exempt from this requirement.
- Closely monitor and prevent any attempts to consolidate military service exchange and commissary programs to ensure benefits are not downgraded and consolidation is not implemented without full collaboration and support of Congress, the military services and the entire active and reserve service beneficiary population, including retirees.

[2] We believe that the legislation, if allowed to be implemented will severely impact the cash flow of businesses, particularly small businesses which are least likely to be able to absorb it. The result could be an increase in prices to service men and women as businesses are forced to pass along the compliance cost to the military resale programs. The legislation could also result in discouraging companies from participation in the military resale business, reducing competition and impacting pricing. Additionally, companies working in military resale may have to adapt their procurement procedures, accounting and information systems to accommodate additional withholding resulting in increased pricing to military patrons.

- Remove restrictions on products and services that may be offered to authorized patrons.[3]
- Support supply chain initiatives that drive the lowest cost of goods for the military resale system while recognizing the importance of the vendor/broker/distributor support network that is unique to the military resale system.
- Extend the authority for uniform funding and management of Department of Defense nonappropriated fund instrumentalities.
- Place a moratorium on A-76 studies of commissary operations. These reviews end up costing more than they save.
- Establish standard time limits for occupying temporary lodging associated with PCS: up to 10 days, with the possibility of an extension of up to 30 days with designated authority approval. Further extension of up to 60 days could be pursued, subject to agency approval.
- Provide primacy of exchange and commissary stores on all military installations and in military housing areas to include privatized housing areas.

There are significant changes taking place in today's military force and military families. The solid lines drawn between active duty and veteran's

[3] The Subcommittee has demonstrated strong support for reduced restrictions but more work remains. The exchanged require a revised unit wholesale cost of furniture set at a price of $2000 in order to overcome inflation among other pricing variables. While the pricing relief would lead to a larger selection, the overwhelming need is for some relief in construction and renovation restrictions.

benefits are beginning to blur to the advantage of our military community. These MWR programs consistently thought to be recreation oriented like fitness centers are increasingly being thought in a holistic manner as part of the health care regimen.

The fact is military families are a readiness issue. We also understand that there must be a balance struck between people programs and mission requirements. Truly, they go hand in hand. Our focus is to ensure the industry we represent remains relevant during the transition to a modern military force/modern military family.

We have engaged the MWR community in an effort to look to the horizon and craft programs that mesh with developing lifestyles and emerging social networks with the desired end state of the military family as the model, modern family. To do this we must replace reaction with prevention as the output of health and recreation programs. We have also undertaken an even greater challenge in a collaborative effort with the military resale and MWR leadership that includes understanding and communicating the impact command decisions have on business costs.

The move to a streamlined accountable infrastructure has brought significant positive feedback for the resale programs and has included the adoption of industry best business practices. The needs of the military family to maneuver through restationing and reassignment given the difficult economic times points to heightened responsibility of the taxpayer to fund resale and MWR construction projects necessitated by BRAC and Service directed restationing.

The resources provided for these important programs demonstrate a significant return on investment when you calculate the benefits that these programs provide with a relatively small investment compared to other costs in the military compensation package. In every case, these programs have demonstrated sound stewardship, exemplary leadership and a desire to transform to meet the needs of a modern force and a modern military family. The Military Resale and MWR programs have adopted the best aspects of the public and private sector and have developed deliverables that are keys to the needs of their constituency. The practice of leveraging the best aspects of the private sector with solid government performance has established these programs as benchmarks for others to emulate. In light of this progress, we strongly oppose any initiatives towards privatization.

We urge the Congress to ensure the resale programs are unencumbered by excessive rules and regulations that inhibit efficient and effective delivery of these benefits and that they continue to receive continued immunities from Federal, state, and local taxes.

The critical pillar for these programs is the support for funding stability. ALA urges Congress to oppose any initiative that would reduce benefits or savings for members, and strongly supports full funding of the benefit in FY 2010 and beyond to sustain the current level of service for all beneficiaries. ALA requests this subcommittee's support in closely monitoring commissary funding and policies and scrutinizing store closures, privatization, staff reductions, or

other initiatives that may diminish the scope and quality of the benefit for all beneficiaries.

Overseas rebasing and Base Realignment and Closure (BRAC) issues also are of significant concern to our members. ALA continues to be concerned about the potential impact on every quality of life program during the Defense Department's transformation, global repositioning, Army modularity, and BRAC initiatives. ALA wants to ensure that necessary family support/quality of life program dollars and services are in line with DOD/Military Services rebasing plans, including critical family support/quality of life programs, such as MWR, child care, exchanges and commissaries, housing, TRICARE programs, health care, education, family centers, and other traditional support services.

Given the current fiscal environment and long-term financial challenges of war, ALA continues to express strong concerns about the importance of sustaining vital support services and quality of life programs. Madam Chair, no longer do we have to anticipate that these programs may be at risk, we know from military officials and current news reports that cutbacks in base operation accounts and reduction in base services because of funding shortfalls are real and are expected to get worse.

Either DOD will need to continue to ask for supplemental funding, or the military services will have to fund transformation out-of-hide through program cuts that likely would hurt readiness. The most troublesome alternative is to fund changes by shifting the burden to service members and their families. That is, allowing them to come home to the United States or relocate to military and

civilian communities that are unprepared, therefore threatening to degrade the quality of life for troops and families at a time of unprecedented stress on the all-volunteer force.

ALA applauds Congress for passing a provision in the National Defense Authorization Act that mandates appropriated funds be used to ship goods for sale in overseas commissaries and exchanges. ALA strongly supports continued Second Destination Transportation (SDT) funding for goods shipped for resale by the Army and Air Force Exchange Service (AAFES) to overseas locations. Given ALA's concerns for the welfare of military families, we strongly urge Congress to sustain its aggressive oversight role. The Army is the Executive Agent here and reductions to the SDT account that would result in the increased costs of exchange goods is being borne by service members. Of the many accounts within the budget of the Army, there are very few that have such a direct affect on the quality of life of service members and the communities in which they live. It is a clear and present danger when responsibility for quality of life programs are placed in the hands of individuals who view this role more as a burden, then a privilege.

The resale programs are to be commended for their partnership efforts and outreach initiatives. These undertakings come with a cost and need to be funded to be sustainable and successful. We support the proposition that stores are operated in all locations where there is sufficient authorized patrons to support these operations.

Madam Chair, I am pleased to once again convey to the subcommittee a huge "well done" on the issue of finding relief for limited commissary surcharge dollars. For the past several years the members of this subcommittee have voiced concern in unison about the challenges facing DeCA with the increased burdens being placed on the surcharge account by BRAC and restationing construction requirements. Last year, the subcommittee requested DOD provide a 10 year construction report to identify the impacts these new requirements would force on the already overburdened surcharge account. Your leadership and persistence along with the determination of this association elevated the issue to the Secretary of Defense and in a recent ruling by the DOD General Counsel, the determination was made that commissary construction projects that are necessitated by BRAC or restationing can not be paid out of surcharge but must come from BRAC or MILCON funding. We must ensure these projects are executed in a timely manner to meet the needs of restationing troops and their families.

Base access is an area that continues to challenge the entire military resale system. The ALA fully understands the role of the base commander and the individual responsibility commanders have for the security of their base. ALA continues to working closely with the Defense Data Manpower Center (DDMC) and private industry to craft a solution that meets the needs of industry and DoD. ALA is a member of The Federation for Identity and Cross-Credentialing Systems (FIXS) whose sole purpose is to develop the type of credential and process that DOD requires. ALA commends the actions taken by Mr. Dominguez, PDUSD

P&R, (see footnote 1) in pointing out and supporting the existence and interoperability of existing commercially compatible "federated solutions", sponsored and audited by the government, that can meet the requirements and can be leveraged expeditiously and inexpensively for both the individual who needs access, as well as for the installation that has to implement the policy. The FiXs network uses available identity credential technology in conjunction with biometric identification.[4]

ALA is participating in a test of third party cross-credentialing to take place at Fort Belvoir.[5] It is hoped that this test will fine tune a solution that can be implemented system wide. Once again we appreciate the assistance of the subcommittee in this matter.

The exchanges are deployed with our service members fighting the Global War on Terror and support the war-time military communities at home. AAFES operates exchanges down-range, with manpower assistance from the Marines, in OIF/OEF. NEXCOM operates ships stores afloat in all theaters. In the Operations Iraqi and Enduring Freedom theaters, there are Tactical Field Exchanges, exchange supported/unit run field exchanges, and an average of 156 Navy ships' stores providing quality goods and services necessary for day-to-day

[4] FiXs is used within and between public and private sector organizations and promotes a trusted mechanism for federated identity infrastructures. The FiXs identity credentialing network currently is certified to operate with the Defense Cross-Credentialing Identification System (DCCIS) infrastructure, the credentialing network of DoD.

[5] Fort Belvoir was selected as a pilot installation by the Army Material Command (AMC) and the USD/AT&L for preparing the system to be used across DoD and with its industry partners. As one aspect of the test, the Federation for Identity and Cross-Credentialing Systems (FiXs), a non-profit industry federation, has been chosen to participate with AMC and Fort Belvoir in this project. FiXs has been collaborating extensively with the DoD on an inter-operable credential authentication system since 2004. The use of FiXs business/operating rules, the FiXs Network and certified federated identity credentials are included in the pilot.

living and to provide a piece of "home." It is in this environment that rapid mission changes and alterations to deployment footprints can have a ripple effect through the support structure and the cost of doing business. We urge Congress to be receptive to supporting the additional funding required for the resale and MWR organizations to move on an agile pace with the force to ensure these benefits remain intact.

Lastly, I would like to take a moment to address the important collaborative effort that takes place between the government entities and their industry partners. In many cases, the business environment in which daily transactions take place is unique to the military marketplace. Over the years the commitment from industry to the military market place has led to an unparalleled level of support. The focus on execution and support to the stores by industry has led to increased customer satisfaction, increased store excitement, increased store sales and increased profit/savings for industry and the military retailer.

Over the course of many years this support structure has led to the evolution of a broker network that provided merchandising and marketing support to all levels of resale equation. The military business channel while important is not considered mainstream business for most large suppliers. It is considered a specialty market. The government has different rules, delivering to military installations require different relationships; the overseas environment has differing requirements. The business model has evolved to meet these requirements. In many cases the military retailer is given the pricing advantages

of the largest retailer even though it does not meet the requirements. The cost benefit of this structure does not make to the cost ledger of the retailer but it certainly has a positive impact on their bottom line. The ALA has watched the evolution of this business model over the last 80 years and it has developed into a support system that delivers world class support to a resale system that delivers a remarkable shopping environment for the troops and their families. We are proud to be an important part of the quality of life equation.

As the year progresses and given the dynamic nature of the challenges facing Government, issues will evolve and legislative challenges and opportunities will arise especially as the President submits the budget and Congress deliberates. ALA will monitor these changes and will react in the best interest of the membership and the MWR and resale programs.

Madam Chair, and Members of the subcommittee – you can be proud of the system that you nurture and protect and we are grateful for this support. The system could not prosper, contribute to the economy, take care of our military and employ so many people without your support.

More importantly, thank you for your stewardship of these important benefits that are essential to our military families' quality of life.

The American Logistics Association

ALA is a modern, best practice trade association that is a critical supporter and tireless advocate promoting a world class quality of life for America's military and their families. For over 80 years, ALA has been the "first Call" when it comes to information or representation on issues impacting military resale and MWR programs.

Our mission is to promote, protect and enhance the military resale and quality of life benefits on behalf of our members and the military community. The member companies that make up the American Logistics Association demonstrate the wide expanse of the business base we represent. At the large end of the spectrum our members include some of the largest consumer package goods companies in the world such as Procter & Gamble, Johnson & Johnson, Kraft Foods, Inc., Coca-Cola and Diagio along with corporate facilitators like Northup Grumman and Bearing Point. Our members are also small businesses such as Veterans Imaging Service with a focus on improved MWR programs. Our member firms include brokers such as Webco General Partnership, Dunham & Smith Agencies, Overseas Service Corporation and Military Sales and Service (MSS) whose representatives provide a unique service in the military resale industry. Also, the association has distributors such as Coastal Pacific Food Distributors, Inc., MDV Nash Finch and SUPERVALU, Inc., and lastly information technology facilitators like Empower IT and AC Nielson

ALA members supply goods and services to the military community and employ several thousand military spouses, family members and retired service members. ALA member firms, including brokers, manufacturers and distributors, offer employment opportunities through a wide range of full-time and part-time positions located on or near U.S. military installations around the world. Many military spouses have found career opportunities with our member companies.

DISCLOSURE FORM FOR WITNESSES
CONCERNING FEDERAL CONTRACT AND GRANT INFORMATION

INSTRUCTION TO WITNESSES: Rule 11, clause 2(g)(4), of the Rules of the U.S. House of Representatives for the 111th Congress requires nongovernmental witnesses appearing before House committees to include in their written statements a curriculum vitae and a disclosure of the amount and source of any federal contracts or grants (including subcontracts and subgrants) received during the current and two previous fiscal years either by the witness or by an entity represented by the witness. This form is intended to assist witnesses appearing before the House Armed Services Committee in complying with the House rule.

Witness name: Ms. Perri Brackett

Capacity in which appearing: (check one)

___Individual

X Representative

If appearing in a representative capacity, name of the company, association or other entity being represented: American Logistics Association

FISCAL YEAR 2009

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
0			

FISCAL YEAR 2008

federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
0			

FISCAL YEAR 2007

Federal grant(s) / contracts	federal agency	dollar value	subject(s) of contract or grant
0			

Federal Contract Information: If you or the entity you represent before the Committee on Armed Services has contracts (including subcontracts) with the federal government, please provide the following information:

Number of contracts (including subcontracts) with the federal government:

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

Federal agencies with which federal contracts are held:

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

List of subjects of federal contract(s) (for example, ship construction, aircraft parts manufacturing, software design, force structure consultant, architecture & engineering services, etc.):

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

Aggregate dollar value of federal contracts held:

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

Federal Grant Information: If you or the entity you represent before the Committee on Armed Services has grants (including subgrants) with the federal government, please provide the following information:

Number of grants (including subgrants) with the federal government:

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

Federal agencies with which federal grants are held:

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

List of subjects of federal grants(s) (for example, materials research, sociological study, software design, etc.):

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

Aggregate dollar value of federal grants held:

Current fiscal year (2009):_____;
Fiscal year 2008:_____;
Fiscal year 2007:_____.

Perri B. Brackett
1229 Winnipeg Drive
Lewisville, Texas 75077
972-221-9542
brackett.pb@pg.com

EXPERIENCE

American Logistics Association, Washington, D.C. **2006 - Present**
Chair of Board of Directors (2008), Treasurer (2007), Board Member (2006)

Procter & Gamble Distributing Company **1986 - Present**
Senior Account Executive – Military Sales Team – AAFES Site Manager and responsible for Beauty Care business development with all resale customers **2002 - Present**
Senior Account Executive – Albertson's Sales Team – Managed Paper business Texas Division **1999 - 2002**
Human Resources Manager – Supported multi-functional teams with training, effective team management and recruiting. **1994 - 1999**
Account Manager – Managed various businesses and customers in the Dallas/Ft. Worth area **1986 - 1994**

Lanier Business Telephone Systems – Sales Manager, Dallas, Texas **1984 - 1986**

Miller Brewing Company – District Manager, Knoxville, Tennessee **1979 - 1984**

Personal Products Co., Division of Johnson & Johnson – Sales Manager, Spokane, Washington and Shreveport, Louisiana **1976 - 1984**

AWARDS

- P&G Global Chairman's Award 1994 – Top Ten Percent Sales Management Award
- Lanier Business Telephone Systems – Sales Champion 1984 – Top Performer
- Ring Club Award – Personal Products Co. Top 10 Performers Award

EDUCATION

American Graduate School of International Management, Glendale, Arizona
Master of International Management **1976**
Areas of Concentrations: Sales and Marketing

Southern Methodist University, Dallas, Texas
Bachelors of Art – Liberal Arts **1975**
Area of Concentration: French

GRANTS AND COMMUNITY INVOLVEMENT

- P&G Live, Learn and Thrive Grant Award – 2007 awarded to develop after school programs at Central Elementary School, Lewisville, Texas
- Community Board Member 2007 – Present, Central Elementary School, Lewisville, Texas
- School Mentor/Volunteer – 2007 – Present, Central Elementary School, Lewisville, Texas
- Lewisville Public Library Support – 1992 – Present
- Lewisville Citizen Policy Academy – Graduate

DOCUMENTS SUBMITTED FOR THE RECORD

FEBRUARY 25, 2009

Statement of
The Fleet Reserve Association
on
Military Personnel Policy, Benefits, and Compensation

Submitted to:
House Armed Services Committee
Subcommittee on Military Personnel
U.S. House of Representatives

February 25, 2009

THE FRA

The Fleet Reserve Association (FRA) is the oldest and largest enlisted organization serving active duty, Reserves, retired and veterans of the Navy, Marine Corps, and Coast Guard. It is Congressionally Chartered, recognized by the Department of Veterans Affairs (VA) as an accrediting Veteran Service Organization (VSO) for claim representation and entrusted to serve all veterans who seek its help. In 2007, FRA was selected for full membership on the National Veterans' Day Committee.

FRA was established in 1924 and its name is derived from the Navy's program for personnel transferring to the Fleet Reserve or Fleet Marine Corps Reserve after 20 or more years of active duty, but less than 30 years for retirement purposes. During the required period of service in the Fleet Reserve, assigned personnel earn retainer pay and are subject to recall by the Secretary of the Navy.

FRA's mission is to act as the premier "watch dog" organization on Capitol Hill focused on maintaining and improving benefits and the quality of life for Sea Service personnel and their families. The Association also sponsors a National Americanism Essay Program, awards over $100,000 in scholarships annually and provides disaster and/or relief to shipmates and others in distress.

The Association is also a founding member of The Military Coalition (TMC), a 34-member consortium of military and veteran's organizations. FRA hosts most TMC meetings and members of its staff serve in a number of TMC leadership roles.

FRA celebrated 84 years of service in November 2008. For over eight decades, dedication to its members has resulted in legislation enhancing quality of life programs for Sea Services personnel, other members of the Uniformed Services plus their families and survivors, while protecting their rights and privileges. CHAMPUS, now TRICARE, was an initiative of FRA, as was the Uniformed Services Survivor Benefit Plan (USSBP). More recently, FRA led the way in reforming the REDUX Retirement Plan, obtaining targeted pay increases for mid-level enlisted personnel, and sea pay for junior enlisted sailors. FRA also played a leading role in advocating recently enacted predatory lending protections for service members and their dependents.

FRA's motto is: "Loyalty, Protection, and Service."

CERTIFICATION OF NON-RECEIPT OF FEDERAL FUNDS

Pursuant to the requirements of House Rule XI, the Fleet Reserve Association has not received any federal grant or contract during the current fiscal year or either of the two previous fiscal years.

SYNOPSIS

As a leader in the Military Coalition (TMC), the Fleet Reserve Association (FRA) strongly supports the extensive recommendations addressed in the TMC testimony prepared for this hearing. The intent of this statement is to address other issues of particular importance to FRA's membership and the Sea Services enlisted communities.

INTRODUCTION

Madame Chairwoman, the FRA salutes you, members of the Subcommittee, and your staff for the strong and unwavering support of programs essential to active duty, Reserve Component, and retired members of the uniformed services, their families, and survivors. The Subcommittee's work has greatly enhanced care and support for our wounded warriors, improved military pay, eliminated out-of-pocket housing expenses, improved health care, and enhanced other personnel, retirement and survivor programs. This support is critical in maintaining readiness and is invaluable to our uniformed services engaged throughout the world fighting the global War on Terror, sustaining other operational requirements and fulfilling commitments to those who've served in the past.

FRA's 2009 priorities include continued oversight of the Wounded Warrior improvements, opposition to excessive TRICARE fee increases, full funding for DoD and VA health care, annual active duty pay increases that are at least a half percent above the Employment Cost Index (ECI), to help close the pay gap between active duty and private sector pay, full concurrent receipt of military retired pay and VA disability compensation, adequate end strength, family readiness, and reducing the retirement age for Reservists who have been mobilized since October 7, 2001.

Additional issues include the introduction and enactment of legislation to eliminate inequities in the Uniformed Service Former Spouses Protection Act (USFSPA), authorizing retention of the full final month's retired pay by the surviving spouse (or other designated survivor) for the month in which the member was alive for at least 24 hours, repealing REDUX, streamlining the voting process for overseas military personnel, and reducing the SBP paid-up age to 67 to allow those who joined the service at age 17 or 18 to be required to only pay 30 years to obtain paid-up status.

The Association appreciates inclusion in the recently enacted economic stimulus package of money for military construction and VA hospitals, and supports a DoD FY 2010 budget floor of at least five-percent of the Gross Domestic Product (GDP). Excluding supplemental appropriations, the United States spent less than four percent of its GDP on national defense in 2008. From 1961-1963, the military consumed 9.1 percent of GDP annually. The active-duty military has been stretched to the limit since 9/11/01, and FRA appreciates the FY 2009 increases to service end strengths. FRA strongly supports funding to support the anticipated increased end strengths in FY 2010 and beyond since current end strength is not adequate to meet the demands of fighting the War on Terror and sustaining other operational commitment throughout the world.

Over the past several years, the Pentagon budget requests have been constrained despite rising personnel costs, aging weapon systems, worn out equipment, and dilapidated facilities.

As Operation Iraqi Freedom ends and troops depart from Iraq, some will be urging reductions in end strength and spending, despite the need bolster personnel and efforts in Afghanistan and other areas around the world. FRA understands the budgetary concerns associated with the current recession but believes that cutting the DoD budget during the continuing Global War on Terror would be short sighted and that America needs a defense budget that will support both "benefits and bullets." FRA is concerned about press reports about the new Administration's Office of Management and Budget (OMB) ordering the DoD to significantly reduce its draft FY 2010 defense spending request, a move that could dramatically impact pay, health care funding, and other quality-of-life programs.

This statement lists the concerns of our members, keeping in mind that the Association's primary goal is to endorse any positive safety programs, rewards, quality of life improvements that support members of the Uniformed Services, particularly those serving in hostile areas, and their families and survivors.

WOUNDED WARRIORS IMPROVEMENTS

FRA is especially grateful for the inclusion of the Wounded Warrior assistance provisions as part of the FY 2008 National Defense Authorization Act, and for the Congressional oversight and funding to ensure prompt implementation. The Association concurs with the recent Government Accountability Office (GAO) report recommendations that:

- DoD and VA must establish criteria for evaluating their joint pilot disability evaluation system and determine if it should be widely implemented (GAO – 08 – 1137);
- DoD and VA should give priority to fully establish the Joint Interagency Program to implement electronic medical records; (GAO – 08 – 1158T); and
- DoD should explore options for improving its disability evaluation process (GAO – 08 – 1137).

Maintaining an effective support system between DoD and VA to ensure seamless transition and quality services for wounded personnel, particularly those suffering from Post Traumatic Stress Disorder (PTSD) and Traumatic Brain Injuries (TBI) is important to our membership. Destigmatizing these and other mental health conditions is part of this and key initiatives should include mental health assessment for all service members returning from the combat zone, outreach and family support efforts and counseling.

FRA recommends that this distinguished Subcommittee continue monitoring the implementation of the wounded warrior programs to include periodic oversight hearings to ensure the creation and full implementation of a joint electronic health record that will help ensure a seamless transition from DoD to VA for wounded warriors, and operation of the Wounded Warriors Resource Center as a single point of contact for service members, their family members, and primary care givers.

HEALTH CARE

Adequately funding health care benefits for all beneficiaries is part of the cost of defending our Nation and a recent FRA survey indicates that more than 90 percent of all active duty, retired, and veteran respondents and most Reserve participants cited health care as their top quality-of-life benefit. Accordingly, protecting and/or enhancing health care access for all beneficiaries is FRA's top 2009 legislative priority.

Health care costs both in the military and throughout society have continued to increase faster than the Consumer Price Index (CPI) making this a prime target for those wanting to cut the DoD budget. Many beneficiaries targeted in recent proposals to drastically increase health care fees are those who served prior to enactment of the recent and significant pay and benefit enhancements and receive significantly less in retired pay than those serving and retiring in the same pay grade with the same years of service today. They clearly recall promises made to them about the benefit of health care for life in return for a career, and many believe they are entitled to "free" health care for life based on the government's past commitments.

For these reasons, FRA strongly supports "The Military Retirees' Health care Protection Act" (H.R. 816) sponsored by Representatives Chet Edwards (TX) and Walter Jones (NC). The legislation would prohibit DoD from increasing TRICARE fees, specifying that the authority to increase TRICARE fees exists only in Congress.

DoD must continue to investigate and implement other TRICARE cost-saving options as an alternative to shifting costs to retiree beneficiaries. FRA notes progress in this area in expanding use of the mail order pharmacy program, federal pricing for prescription drugs and a pilot program of preventative care for TRICARE beneficiaries under age 65, and elimination of co-pays for certain preventative services.

Our Nation is at war and imposing higher health care costs on retirees would send a powerful negative message not only to retirees, but to those currently serving about the value of their service. The prospect of drastically higher health care fees for retirees is also a morale issue with the senior enlisted communities who view this as an erosion of their career benefits. Unlike private sector employees, military retirees have answered the call to serve, and most have done so under extremely difficult circumstances while separated from their families to defend the freedoms we enjoy today.

FRA appreciates this Subcommittee's attention to addressing the excessively high premiums charged for the TRICARE Reserve Select (TRS) program

CONCURRENT RECEIPT

The FRA survey referenced above also indicates that more than 70 percent of military retirees cite concurrent receipt of military pay and VA disability benefits among their top priorities. The Association continues its unwavering support for the full concurrent receipt of military retired pay and veterans' disability compensation for all disabled retirees. Provisions of the FY 2008 National Defense Authorization Act reflect continued progress toward this goal and FRA appreciates the support of this distinguished Subcommittee on this issue.

ACTIVE DUTY PAY

A top quality of life issue for active duty service members is adequate pay and this is reflected in the fact that more than 93 percent (93.3%) of active duty respondents to FRA's on line survey (highest rating) labeled pay as "very important." From FY 1999-FY 2006 the Congress provided pay increases 0.5 percent above the ECI to close the gap (13.5 percent in 1999) between civilian and military pay. In FY 2007 the pay increase was equal to the ECI (2.2 percent which was the lowest increase since 1994), and the last two years this Subcommittee provided ECI plus 0.5 percent annual pay increases. FRA urges the Subcommittee to continue the increases above the ECI until the remaining 2.9 percent pay gap is eliminated.

BAH IMPROVEMENTS

A significant number of enlisted active duty respondents to FRA's survey (93.3 percent) indicate that adequate Basic Allowance for Housing (BAH) rates are "very important." In addition, housing allowances tie with pay as their most important quality of life programs.

Related to this is the need to update the housing standards used to establish BAH rates since only married E-9s now qualify for BAH based on single family housing costs. The Association continues to advocate for legislation authorizing more realistic housing standards, particularly for career senior enlisted personnel. As the inventory of military housing declines, private contractors are building or refurbishing units for occupancy of military personnel and their families. The result is a dwindling population living in base housing and a rising population who qualify for BAH.

ADEQUATE END STRENGTH

Prosecuting the Global War on Terror has caused an enormous strain on active duty personnel and the Reserve Component. Repeated and extended deployments are taking a toll on service members and their families and the solution to this problem is to ensure adequate end strengths. FRA continues to advocate for increased end strengths to meet the demands of Operation Iraqi Freedom (OIF), Operation Enduring Freedom (OEF) and other operational requirements.

REPEAL REDUX

Ten years ago FRA led efforts to repeal the 1986 REDUX retirement program formula which led to enactment of legislation authorizing personnel choosing that retirement program option to receive a $30,000 career status bonus at the 15-year career mark. Since then many enlisted person-

nel have chosen this option and accepted future capped retired pay cost of living adjustments and today to average take rate among the services is approximately 25%. While each individual's career situation is unique and service members are certainly entitled to make this choice, it's important to note that for most this is probably a very bad financial decision since the value of the $30,000 bonus is significantly less than it was at the time of enactment. And in most instances individuals selecting this option are in fact forfeiting significant sums of potential retired pay over their lifetimes. FRA therefore believes that it's time to repeal the REDUX retirement program.

RESERVE COMPONENT EDUCATION BENEFITS

The Association is grateful for the enactment of the Post 9/11/2001 GI Bill last year, however benefits authorized under the separate Reserve Montgomery GI Bill program are only 25% of the benefits provided for active duty participants despite the intended 47% to 50% level of benefits. FRA urges attention to this inequity by authorizing a restoration of the benefits for Selected Reserve personnel.

PAID-UP SBP

Under current law, retirees are no longer required to pay SBP premiums after they have paid for 30 years and reach age 70. This punishes those who may have entered the service at age 17 or 18 and will be required to pay for 33 or 32 years respectively until attaining paid-up SBP status. Therefore, FRA supports changing the minimum age for paid-up SBP from age 70 to age 67 to ensure that those who joined the military at age 17, 18 or 19 and serve 20 years will only have to pay SBP premiums for 30 years.

RETENTION OF FINAL FULL MONTH'S RETIRED PAY

FRA urges the Subcommittee to authorize the retention of the full final month's retired pay by the surviving spouse (or other designated survivor) of a military retiree for the month in which the member was alive for at least 24 hours. FRA strongly supports "The Military Retiree Survivor Comfort Act" (H.R. 613), introduced by Rep. Walter Jones (NC) which addresses this issue.

Current regulations require survivors of deceased military retirees to return any retirement payment received in the month the retiree passes away or any subsequent month thereafter. Upon the demise of a retiree the surviving spouse is required to notify the Defense Finance and Accounting Service (DFAS) of the death. DFAS then stops payment on the retirement account, recalculates the final payment to cover only the days in the month the retiree was alive, forwards a check for those days to the surviving spouse (beneficiary) and, if not reported in a timely manner, recoups any payment(s) made covering periods subsequent to the retiree's death.

The measure is related to a similar pay policy enacted by the Department of Veterans Affairs (VA). Congress passed a law in 1996 that allows a surviving spouse to retain the veteran's disability and VA pension payments issued for the month of the veteran's death. FRA believes military retired pay should be no different. This proposal is also in response to complaints from surviving spouses who were unaware of the notification requirement and those with joint bank accounts, in which retirement payments were made electronically, who gave little if any thought

that DFAS could swoop down on the joint account and recoup any overpayments of retirement pay. This action could easily clear the account of any funds remaining whether they were retirement payments or money from other sources.

To offset some of the costs, if the spouse is entitled to survivor benefit annuities (SBP) on the retiree's death, there will be no payment of the annuity for the month the retirement payment is provided the surviving spouse.

VOTING

The Overseas Vote Foundation released the results of its 2008 Post Election UOCAVA (Uniform Overseas Citizens Absentee Voting Act) Voter Survey that indicates that 31 percent of experienced overseas voters continue to have questions or problems with voting; and that 39 percent of overseas voters did not get their ballot until mid-October or later;

Despite efforts to remedy past problems, voting from overseas is a long and cumbersome process and paper ballots from military personnel are frequently contested because they arrive late and often without postage or a postmark date. The 1986 UOCAVA law and the Help America Vote Act (HAVA) of 2002 address voting rights of active duty military personnel and all citizens that are outside the country during an election. Despite these efforts serious challenges still exist that include interfacing and lack of uniformity with state and local election officials.

Electronic communications are secure enough for our Nation's most sensitive secrets and for transferring huge sums of money, and FRA questions why is it not possible to develop and implement a system for the military and overseas Federal employees to vote by secure electronic means?

FRA believes legislation could streamline the current process by allowing service members to request and receive an absentee ballot electronically but continue to return the signed completed ballot by regular mail as is done now. The legislation should also require states to identify one state official to administer absentee ballots from overseas military rather than county clerks and other local officials; limit participation only to military personnel and federal employees overseas; and shift federal responsibility away from DoD to another agency such as the U.S. Election Assistance Commission.

In recent years, Congress has recognized the need for electronic voting for service members who are deployed overseas, and has mandated the DoD Federal Voting Assistance Program to administer a pilot program for internet voting since 2000. Unfortunately there were technical and security challenges and many states and local election jurisdictions refused to participate. The Association seeks support for improved active duty voter participation in Federal elections and to expedite the military mail processing of overseas ballots.

USFSPA

FRA continues to advocate for hearings and the introduction of legislation addressing the inequities of the Uniformed Service Former Spouses Protection Act (USFSPA). The Association be-

lieves that USFSPA should be more balanced in its protection for both the service member and the former spouse and that Congress needs to review and amend it so that the Federal government is required to protect its service members against State courts that ignore its provisions.

FRA has long supported several recommendations in the Department of Defense's September 2001 report, which assessed USFSPA inequities and offered recommendations for improvement. Last year, the Department sent a more extensive list of recommendations to staff of the House and Senate Armed Services Committees regarding amending the USFSPA that include the following FRA supported provision:

- Base former spouse award amount on member's grade/years of service at the time of divorce (and not retirement)
- Prohibit award of imputed income while still on active duty
- Permit designation of multiple SBP beneficiaries
- Permit SBP premiums to be withheld from former spouse's share of retired pay if directed by the court

Few provisions of the USFSPA protect the rights of the service member, and none are enforceable by the Department of Justice or DoD. If a State court violates the right of the service member under the provisions of USFSPA, the Solicitor General will make no move to reverse the error. Why? Because the Act does not have the enforceable language required for Justice or the Defense Department to react. The only recourse is for the service member to appeal to the court, which in many cases gives that court jurisdiction over the member. Some State courts also award a percentage of veterans' compensation to ex-spouses, a clear violation of U.S. law, yet nothing has been done to stop this transgression.

FRA believes Congress needs to take a hard look at the USFSPA with the intent to amend it so that the Federal government is required to protect its service members against State courts that ignore provisions of the Act.

RESERVE EARLY RETIREMENT

FRA believes that the effective date of the early Reserve retirement age provision of the FY 2008 NDAA should be changed to 7 October 2001. The legislation authorizes a retirement date reduction of three months for each cumulative 90-days ordered to active duty. The FRA supports "The National Guardsmen and Reservists Parity for Patriots Act" (H.R. 208) sponsored by ranking member Representative Joe Wilson (SC) to allow Reservists mobilized since 7 October, 2001, to receive credit in determining eligibility for receipt of early retired pay.

Reserve Component deployments since 9/11/2001 reflect the change from a strategic Reserve to an operational Reserve that now plays a vital role in the Global War on Terror. This has resulted in more frequent and longer deployments which have had a significant impact on individual careers and changing the effective date of the Reserve early retirement would help partially offset

lost salary increases, promotions, 401K and other benefit contributions. The Association urges the Subcommittee to make the provision retroactive to 7 October 2001.

MANDATE TRAVEL COST REIMBURSEMENT

FRA appreciates the FY 2008 NDAA provision (Section 631) that permits travel reimbursement for weekend drills, not to exceed $300, if the commute is outside the normal commuting distance. However, the Association urges the Subcommittee to make this a mandatory provision due to the importance of this issue with many enlisted Reservists who are forced to travel lengthy distances to participate in weekend drill without any reimbursement for travel costs. This is a retention and recruitment issue for the Reserves and directly related to increased reliance on these personnel in order to sustain our war and other operational commitments.

CONCLUSION

FRA is grateful for the opportunity to present these recommendations to this distinguished Subcommittee. The Association reiterates its profound gratitude for the extraordinary progress this Subcommittee has made in advancing a wide range of military personnel benefits and quality-of-life programs for all uniformed services personnel and their families and survivors. Thank you again for the opportunity to submit the FRA' views on these critically important topics.

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Statement for
the Record

Reserve Officers Association of the United States

For the

Subcommittee on Personnel
House Armed Services Committee
United States House of Representatives

February 26, 2009

ROA™
RESERVE OFFICERS ASSOCIATION

"Serving Citizen Warriors through Advocacy and Education since 1922."™

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The Reserve Officers Association of the United States (ROA) is a professional association of commissioned and warrant officers of our nation's seven uniformed services, and their spouses. ROA was founded in 1922 during the drawdown years following the end of World War I. It was formed as a permanent institution dedicated to National Defense, with a goal to teach America about the dangers of unpreparedness. When chartered by Congress in 1950, the act established the objective of ROA to: "...support and promote the development and execution of a military policy for the United States that will provide adequate National Security." The mission of ROA is to advocate strong Reserve Components and national security, and to support Reserve officers in their military and civilian lives.

The Association's 65,000 members include Reserve and Guard Soldiers, Sailors, Marines, Airmen, and Coast Guardsmen who frequently serve on Active Duty to meet critical needs of the uniformed services and their families. ROA's membership also includes officers from the U.S. Public Health Service and the National Oceanic and Atmospheric Administration who often are first responders during national disasters and help prepare for homeland security. ROA is represented in each state with 55 departments plus departments in Latin America, the District of Columbia, Europe, the Far East, and Puerto Rico. Each department has several chapters throughout the state. ROA has more than 450 chapters worldwide.

ROA is a member of The Military Coalition where it co-chairs the Tax and Social Security Committee. ROA is also a member of the National Military/Veterans Alliance. Overall, ROA works with over 75 military, veterans and family support organizations.

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Reserve Officers Association is a private, member-supported, congressionally chartered organization. Neither ROA nor its staff receive, or have received, grants, sub-grants, contracts, or subcontracts from the federal government for the past three fiscal years. All other activities and services of the Association are accomplished free of any direct federal funding.

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INTRODUCTION

On behalf of its 65,000 members, the Reserve Officers Association also thanks the committee for the opportunity to submit testimony on military personnel issues. ROA applauds the ongoing efforts by Congress to address recruiting and retention as evidenced by incentives in several provisions included in the FY2009 National Defense Authorization Act (NDAA). We further would like to pass along the thankfulness that was shared with ROA from TRICARE Reserve Select beneficiaries to the committee for actions taken that allowed adjustments to the TRS Premiums.

EXECUTIVE SUMMARY

The Reserve Officers Association CY-2009 Legislative Priorities are:

- Reset the whole force to include fully funding equipment and training for the National Guard and Reserves.
- Providing adequate resources and authorities to support the current recruiting and retention requirements of the Reserves and National Guard.
- Support citizen warriors, families and survivors.
- Assure that the Reserve and National Guard continue in a key national defense role, both at home and abroad.

Issues supported by the Reserve Officers Association are to:

Changes to retention policies:

- continue support incentives for affiliation, reenlistment, retention and continuation in the Reserve Component (RC).
- continue to correct and improve legislation on reducing the RC retirement age.
- permit mobilized retirees to earn additional retirement points.
- permit service beyond the current ROPMA limitations.
- ensure that new non-prior servicemembers, who are over 40 years of age, are permitted to qualify for non-regular retirement.

Pay and Compensation:

- ensure Army policy on mobilization and allowances doesn't destabilize retention.
- compensate a RC member for expenses incurred in connection with round-trip travel in excess of 100 miles to any inactive training location, including travel and lodging and subsistence, and permit tax deductions for unreimbursed travel over 50 miles.
- seek differential pay for federal employees.
- provide professional pay for RC medical professionals.
- eliminate the 1/30th rule for Aviation Career Incentive Pay, Career Enlisted Flyers Incentive Pay, Diving Special Duty Pay, and Hazardous Duty Incentive Pay.
- simplify the Reserve duty order system without compromising drill compensation.

Education:

- place all GI Bill funding and administration belongs under the jurisdiction of the Senate and House committees on Veteran Affairs.

- extend MGIB-SR, chapter 1606, eligibility for 10 years following separation or transfer from the Selected Reserve in paid drill status.
- return the MGIB-SR (Chapter 1606) payment rate to 47 percent of MGIB-Active.
- include 4-year as well as 6- year reenlistment contracts to qualify for a prorated MGIB-SR (Chapter 1606) benefit.
- stipulate that RC personnel can use their education benefits while mobilized.
- allow use of the MGIB benefit to pay off student loans.

Spouse Support:

- repeal the SBP-Dependency Indemnity Clause (DIC) offset.

Health Care:

- support allowing gray-area retirees to buy into TRICARE Reserve Select
- encourage hearings on DoD's response to recommendations made by the Task Force on the future of Military Health care.
- examine sustaining the TRICARE health system by:

  TRICARE Prime:
  - adjustments to the enrollment fee if tied to true health care costs.
  - reviewing the independently evaluation of the current total cost of DoD health care benefits. Such an audit will permit Congress to validate proposals made by all parties.
  - cost-sharing adjustments being spread over at least five years to permit household budgets to adjust.
  - not tying annual increases to the market-driven Federal Employee Health Benefits Plan (FEHBP).

  TRICARE Standard:
  - not including an annual enrollment fee for either DoD or VA beneficiaries.
  - by limiting TRICARE Standard beneficiary enrollment to only a one-time minimal administrative fee, if even necessary.
  - adjustments to TRICARE Standard being made to the deductibles.
  - analyzing the total cost rather than initial cost perspective, because of 25 percent co-payments after the deductible.
  - decoupling TRICARE standard deductible increases from TRS as Reservists pay more upfront.

  On Pharmacy Co-payments:
  - not applying higher retail pharmacy co-payments to initial prescriptions, but on maintenance refills only.
  - continuing DoD efforts to enhance usage of the mail-order prescription benefit.

- Continuing to improve health care continuity to all drilling Reservists and their families by:
  - allowing gray-area retirees to buy into TRICARE Reserve Select.
  - providing the individual Reservist an option of DoD paying a stipend toward employer's health care.

- allowing demobilized Retirees and Reservists involuntarily returning to IRR to qualify for subsidized TRS.
- providing TRS coverage to mobilization ready IRR members; with levels of subsidy varying for different levels of readiness.
- allowing demobilized FEHBP beneficiaries the option of TRS coverage.

- Extending military coverage for restorative dental care following deployment as a means to insure dental readiness for future mobilization.
- Evaluating the post deployment Medical Screening process.

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Only issues needing additional explanation are included below. Self-explanatory or issues covered by other testimony will not be elaborated upon, but ROA can provide further information if requested.

PAY AND COMPENSATION DISCUSSION

Operational versus strategic missions for the Reserve Component: The Reserve forces are no longer just a part-time strategic force but are an integral contributor to our nation's operational ability to defend our soil, assist other countries in maintaining global peace, and fight the global war on terror.

Concerns have been expressed that "operationalizing" the Reserve Components will eventually destroy the concept of the citizen warrior. ROA shares such concerns as citizen warriors cannot be expected to maintain their professional edge if an entire career is operational. Families, civilian careers, and civic pursuits distinguish Guard and Reserve members from the nation's Active duty service members. Those who would be long-serving citizen warriors must balance the many demands on their time. Currently, deployment frequency is close between the Active and Reserve Components, creating disproportionate obligations. The Reserve Component can ill afford to be strictly a full-time operational reserve, as it is impacting the sustainability of the Reserve Component. Sustainment means not burning up all of our reserve capability in any one national effort.

National security demands both a strategic and an operational reserve. The operational reserve requires a more significant investment of training and equipment resources, and places greater demands on its personnel as compared to the strategic reserve. Those serving in operational reserve units must be fully aware of the commitment required to maintain the expected level of readiness. A similar awareness and commitment is necessary for those responsible for providing resources to the operational reserve.

A strategic reserve component comprises of units that provide a surge capability, and also provide domestic security and defense. While the traditional view is that members in a strategic reserve are at a lower level of readiness, training and equipping are still significant resource commitments in order to respond to natural and man-made disasters, and to retain the Guard and Reserve members who are operationally experienced.

Each service has its own force generation models and the services organize, train and equip their Reserve Components to a prescribed level of readiness prior to mobilization to limit

post-mobilization training and to maximize operational deployment time. **ROA urges Congress to continue to support and fund each service's authority to manage the readiness of its own reserve forces as one model does not fit all.**

Planners also must recognize that few individuals can remain in the operational reserve for an entire career. There will be times when family, education, civilian career, and the other demands competing for their time and talents take priority. Such an approach requires the ability to move freely and without penalty between the operational and strategic elements of the Reserve Component.

Congress can play an important role by requiring reports from service leaders to ensure they have a plan for systematic augmentation, that the plan is adequately resourced, and that Reserve training and equipment will permit interoperability with the units they augment and reinforce. In an era of constrained budgets, a capable and sustainable Reserve and National Guard is a cost-effective element of national security.

PROPOSED LEGISLATION

Retirement

ROA again thanks the committee for passing the early retirement benefit in the Fiscal Year 2008 National Defense Authorization Act, as a good first step toward changing the retirement compensation for serving Guard and Reserve members, but ...

Guard and Reserve members feel that with the change in the roles and missions of the Reserve Component, their contracts have also changed. Informal surveys keep indicating that earlier retirement remains a top issue asked for by Guardsmen and Reservists. They ask why so many Guard and Reserve members who have served in the Global War on Terrorism were excluded from the new benefit; they also ask why earlier duty is not included; and why if they are facing the same risks as Active duty, is there a 20 year difference in access to retirement pay?

1. ROA endorses H.R. 208, the Parity for Patriots Act, which is a corrective measure to the Fiscal Year 2008 National Defense Authorization Act, including those Guard and Reserve members who have been mobilized since 9/11/2001. Over 600,000 were unfairly excluded. ROA recognizes the expense of this corrective measure scored by CBO at $1.8 billion over ten years, but hopes that the committee staff will work with Representative Joe Wilson (S.C.) to find offset dollars.

2. ROA doesn't view this congressional solution as the final retirement plan. The Commission on the National Guard and Reserve recommends that Congress should amend laws to place the active and reserve components into the same retirement system. Secretary of Defense Roberts Gates refers to the Tenth Quadrennial Review of Military Compensation's comprehensive review of the military retirement systems for suggested reform. The later report suggests a retirement pay equal to 2.5 percent of basic pay multiplied by the number of years of service.

ROA agrees that a retirement plan, at least for the Reserve Component, should be based on accruement of active and inactive duty. Early retirement should not be based on the type of service, but on the aggregate of duty. It shouldn't matter if a member's contributions were paid or non-paid; inactive duty, active duty for training, special works or for mobilization. Under a continuum of service, this approach would provide both the Active or Reserve Component members with an element of personal control to determine when they retire and will encourage increased frequency of service and service beyond 20 years within the Reserve. The Reserve Officers Association would like to continue discussions with the committee on this approach.

3. With changes in the maximum recruitment age, ROA urges Congress to ensure that new non-prior servicemembers, who are over 40 years old, are permitted to qualify for non-regular retirement. While Congress took action to extend the military Mandatory Retirement Age to 62 years, services aren't necessary electing to increase their MRA policies.

4. An additional problem has arisen for O-4 officers who, after a break in service, have returned to the Reserve Component. After being encouraged to return a number of officers find they are not eligible for non-regular retirement. When reaching 20 years of commissioned service they find they may have only 15 good federal years. Current policy allows these individuals to have only 24 years of commissioned time to earn 20 good federal years. **ROA urges Congress to make changes to allow O-4s with 14 to 15 good federal years to remain in the Reserve until they qualify for non-regular retirement.**

Pay and Service Recognition

1. *Differential Pay for Federal Reservists*: The federal government is one of the largest employers of Guard and Reservists. While it asks private employers to support deployed employees and praises employers who pay the differential between civilian and military salaries, the federal government does not have a similar practice. Federal pay differential should be viewed as a no cost benefit, as this pay has been budgeted to federal agencies before the individual Guard or Reserve member is recalled. As the pay differential will be less that the budgeted pay, there will be a net savings. Because of this, ROA feels that each federal agency, and not the Department of Defense, should pay this differential. **ROA urges Congress to enact legislation that would require a federal agency to pay the difference between the federal government civilian and military pays of its Reservist-employees who are mobilized.**

Education

1. *Montgomery "GI" Bill-Selected Reserve (MGIB-SR):* To assist in recruiting efforts for the Marine Corps Reserve and the other uniformed services, **ROA urges Congress to reduce the obligation period to qualify for MGIB-SR** (Section 1606) from six years in the Selected Reserve to four years in the Selected Reserve plus four years in the Individual Ready Reserve, thereby remaining a mobilization asset for eight years.

2. *Extending MGIB-SR eligibility beyond Selected Reserve Status:* Because of funding constraints, no Reserve Component member will be guaranteed a full career without some period in a non-pay status. Whether attached to a unit or as an individual mobilization

augmentee, this status represents periods of drilling without pay. BRAC realignments are also restructuring the RC force and reducing available paid billets. **MGIB-SR eligibility should extend for 10 years beyond separation or transfer out of a paid billet.**

Military Voting

Just because last November's ballots have been tallied, the problems with military voting should not be set aside. Military personnel, overseas citizens and their families residing outside their election districts deserve every reasonable opportunity to participate in the electoral process. Yet, tens of thousands of military and family members are being deprived of the right to vote by ballots not delivered, received or counted by States and local jurisdictions.

ROA urges Congress to direct the Government Accountability Office to report on the effectiveness of absentee voting assistance to Military and Overseas Citizens for the 2008 General Election and determine how Federal Voting Assistance Program's efforts to facilitate absentee voting by military personnel and overseas citizens differed between the 2004 and 2008 national elections. ROA also hopes the Congress encourages the Secretary of Defense, in conjunction with States and local jurisdictions, to gather and publish national data about the 2008 election on disqualified military and overseas absentee ballots and reasons for disqualification.

HEALTH CARE DISCUSSION

1. ROA endorses H.R.270 which allows gray area retirees to buy into TRICARE Reserve Select (TRS). Gray-area Reservists are currently in limbo between TRS eligibility while a Selected Reservist and TRICARE with retirement-in-pay. TRS buy-in would provide a continuity of health care. TRS buy-in would be at the full monthly cost, and provide a healthcare option for those waiting for TRICARE retirement. With recent reduction in TRS premiums the cost to a gray-area retiree at current rates would be about $645 a month. Costs will be minimal.

2. Sustaining Military Health care. ROA applauds the efforts by Congress to address the issue of increasing Department of Defense (DoD) health care costs and its interest to initiate dialogue and work with both the Pentagon and the beneficiary associations to find the best solution. The time has come to examine the cost of TRICARE and the level of beneficiary contribution.

ROA is committed to its membership to sustain this health care benefit. ROA fears that we will be unable to continue to sustain prohibitions on health care fees into the future. We need to work together to find a fair and equitable solution that protects our beneficiaries and ensures the financial viability of the military health care system for the future. Some associations seek to continue a freeze on premium fees permanently; others have joined ROA by admitting that some increases are necessary.

Reserve Component members have a different perspective on the issue of TRICARE fees as they have relied on private health insurance for most of their careers. Guard and Reserve

retirees only qualify for TRICARE from age 60 until age 65, and participate in TRICARE for Life once in Medicare.

The Task Force on the Future of Medical Health Care has published their final report with 12 recommendations. These include responsible cost accounting, wellness programs and fee adjustments. The recommendation by the Task Force is that and fee increases be limited to retirees, and not affect Active Duty members or their families. **ROA reminds the committee that recommendations for changes to deductibles should not be applied to the serving Reservist either.**

A. TRICARE Reserve Select has evolved into a stand alone health plan. While it uses the TRICARE standard as an engine, it is no longer a TRICARE standard program. **TRICARE standard fee increases must not be rolled over into TRS.**

B. TRICARE PRIME: ROA clearly understands that health care costs must be brought back into alignment.

ROA endorses a tiered enrollment fee and congratulations the Task Force for developing one **based on annual income**. As Guard and Reserve members retire at 25 to 30 percent of active duty retirement pay, it makes sense that G-R enrollment fees should be lower. **ROA does suggest that if enrollment fees are based on income that it be based just on military retirement income for Active and Reserve retirees.**

C. TRICARE Standard: Following the Task Force report, the Reserve Officers Association still has concerns with recommended enrollment fees and deductible increases for TRICARE Standard. While it was intended as the low cost option to TRICARE Prime, Standard is already more expensive than Prime.

Offered as an option to TRICARE Prime to active duty retirees, TRICARE Standard (TRS) is the required choice for serving Reservists and may be the health care plan of choice for Guard and Reserve retirees between the ages of 60 and 65 because most live outside the TRICARE Prime network of health care providers.

Geographically removed, Standard areas have fewer authorized TRICARE providers. It becomes incumbent upon the TRICARE beneficiary to find a physician that accepts TRICARE Standard and often the beneficiaries must administer their own TRICARE health plan. Because of its costs and problems with availability, TRICARE Standard can only be viewed as DoD's "basic model" health care program.

TRICARE Standard is a fee for service plan. With a $150 deductible for singles and a $300 deductible for families, TRICARE Standard retiree beneficiaries also pay co-payments (cost-share) of 25 percent per visit after the deductible.

The Reserve Officers Association does not endorse annual enrollment fees for individuals who don't use the TRICARE Standard plan. Eligibility should remain universal; a one-time administrative enrollment fee might be implemented with first use of the program.

If TRICARE Standard enrollment fees are increased, Congress needs to review the recommended deductibles and current co-payment levels. While TRICARE Prime is in the top 90 percent for cost, TRICARE Standard is at a lower level of the spectrum of plan generosity.

The Task Force recommends that there be one annual enrollment or disenrollment period. **If an enrollment fee is implemented, the individuals should have an ability to disenroll at any point during that first year.** TRICARE Standard has no guaranteed access, and Standard beneficiaries may be unable to find a health care provider.

3. Dental Readiness. Currently, dental readiness has the largest impact on mobilization. In the fourth quarter of FY-2007, the Army Reserve was 51.8% dental class 1 or 2, Navy was 90%, Air Force 83.5 %, USMCR 77.2%, Air Guard 87.3%, Army Guard 45.6% and USCGR 74.6%.

The services require a minimum of Class 2 (where treatment is needed, however no dental emergency is likely within six months) for deployment. Current policy relies on voluntary dental care by the Guard or Reserve member. Once alerted, dental treatment can be done by the military, but often times there isn't adequate time for proper restorative remedy.

The services admit that dental hygiene and treatment is lacking during overseas deployments.

ROA suggests that the services are responsible to restore a demobilized Guard or Reserve member to a Class 2 status to ensure the member maintains deployment eligibility.

Because there is inadequate dental assets at Military Treatment Facilities for active, family and reservists, **ROA further recommends that dental restoration be included as part of the six months TAMP period following demobilization.** DoD should cover full costs for restoration, but it could be tied into the TRICARE Dental program for cost and quality assurance.

4. Employer health care option: **The Reserve Officers Association continues to support an option for individual Reservists where DoD pays a stipend to employers** of deployed Guard and Reserve members to continue employer health care during deployment. Because TRICARE Prime or Standard is not available in all regions that are some distance from military bases, it is an advantage to provide a continuity of health care by continuing an employer's health plan for the family members. This stipend would be equal to DoD's contribution to Active Duty TRICARE.

CONCLUSION

ROA reiterates its profound gratitude for the progress in providing parity on pay and compensation between the Active and Reserve Components, with the sub-committee also understanding the difference in service between the two components.

ROA looks forward to working with the personnel sub-committee where we can present solutions to these and other issues, and offers our support in anyway.

VETERANS OF FOREIGN WARS OF THE UNITED STATES

STATEMENT OF

MICHAEL H. WYSONG, DIRECTOR
NATIONAL SECURITY & FOREIGN AFFAIRS
VETERANS OF FOREIGN OF THE UNITED STATES

FOR THE RECORD

SUBCOMMITTEE ON MILITARY PERSONNEL
HOUSE ARMED SERVICES COMMITTEE
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

MILITARY PERSONNEL ISSUES

WASHINGTON, DC FEBRUARY 25, 2009

MADAM CHAIRWOMAN AND MEMBERS OF THE COMMITTEE:

On behalf of the 2.3 million men and women of the Veterans of Foreign Wars of the U.S. (VFW), the nation's largest combat veterans' organization, we thank you for the opportunity to submit written testimony on a few issues under the purview of this committee.

The issues I outline before you, as well as many other military and defense issues, are derived from direct contact with active duty, guard and reserve members, military retirees, and their families. VFW national and state leaders meet regularly with these groups and take note of their challenges, hardships, and concerns as we crisscross the country and travel overseas visiting military installations.

We are pleased to present the following issues for your consideration.

Military Pay

The VFW calls on Congress to continue its recent progress toward restoring military pay comparability with the private sector. The capping of military pay raises below private sector pay growth for extended periods during the past 30 years led to significant retention problems among second-term and career members of the Armed Forces. Such retention problems cost the United States more in terms of lost military experience, decreased readiness, and increased training costs than maintaining the principle of pay comparability.

Congress, especially this subcommittee, is to be complimented on their work over recent years to narrow the gap between private sector wages and military pay. This pay gap, which was as great as 13.5 percent in the late 1990s, has been reduced to 2.9 percent today. However, to continue to attract high-quality personnel and reward the service of our brave men and women in uniform, Congress must eliminate this inequity. We should never lose sight of the fact that our DoD manpower policy needs a compensation package that is reasonable and competitive.

Therefore we call upon the new administration and Congress to provide a military base pay raise that will restore full comparability with private-sector wages. As a bare minimum, we encourage you to set the raise one-half of one percent above the Employment Cost Index (ECI).

Reserve Retirement Pay

The VFW supports upgrading the Guard and Reserve retirement system to reflect their increased operational role. When the current age requirement was established, this nation didn't utilize the Reserve Component forces the way we do now. In peacetime and in wartime the Reserve Component is deployed side by side with our active duty counterparts and has taken on more missions than ever before. It is well known that the active force cannot sustain the readiness posture to meet our national military strategy without the Guard and Reserve. The reserve forces have proven their worth and cost effectiveness over and over again. It's time for a change to reflect a retirement benefit that recognizes today's contributions of our Reserve and Guard members. The fundamental assumption for keeping the retired pay at age 60 was that Reserve Component members had a primary career in the private sector with a full civilian retirement.

That assumption fails to recognize that the increased military service demands of an "Operational Reserve" force and long absences from their civilian employment have severely limited their ability to contribute to a 401(k) retirement plan and harmed the growth of their civilian retirement account and personal financial security. Many have taken significant pay cuts, and some have lost their jobs or businesses as a result of extended or repeated mobilizations. It is also important to note that Reserve Component members are the only federal annuitants that are not eligible to retire at age 55.

There needs to be a reciprocal commitment between Congress and military members. And keeping that commitment requires an upgrade to the Reserve retirement system. One straightforward way to recognize that is to reduce the age at which Guard and Reserve members qualify for retired pay and health care.

The VFW urges Congress to lower the retirement pay age to 55 for all Reserve Component members and allow the pay computation to include all earned retirement points.

The VFW also supports legislation (H.R. 208, Rep. Joe Wilson) that will allow National Guard and Reserve warriors to retire earlier than age-60 by three months for every 90 days served on active duty in support of a contingency operation since September 11, 2001. The current law only credits this service from January 28, 2008.

With the increase in reliance on the Guard and Reserve in the war on terrorism, the Reserve Components have become an essential element of national security strategy. But their increasingly important role carries implications beyond the nation's security standing. There's also an important effect on the members of those units, who are being called on more and more to serve. The military benefits, including retirement benefits, accruing for them from their Guard and Reserve status become all the more important to them and their families.

A truly seamless and integrated Total Force is one that does not make rigid distinctions among Active, Guard and Reserve forces, and one that provides a retirement benefit equal to their contributions.

TRICARE Fees

The VFW calls upon Congress to continue to oppose efforts to increase any TRICARE fees. We wholeheartedly support Rep. Chet Edwards' bill (H.R. 816) that would prohibit TRICARE fee increases.

It is no secret that military recruiters in past decades promised potential recruits free lifetime healthcare in return for a career of military service. In fact, it was that unwritten promise, along with senior military leaders' concerns for recruiting and retention, which sparked the Congress to establish TRICARE for Life for military retirees at the age of 65.

It has always been the VFW's contention that the Congress did not adequately fulfill the promise of free lifetime healthcare by leaving out an important segment of the military retired population, those under age 65. Instead, this group was offered TRICARE for a fee. The VFW did not oppose this compromise, as long as those established fees remained constant and were not increased. The tide is now changing.

For the past several years, this subcommittee has heard testimony from military and civilian leaders within the Department of Defense bemoaning the increase in the cost of providing health care benefits to retired military personnel. This cost, we have been told, is putting a tremendous strain on a DoD budget that must also fund personnel accounts, weapons systems, equipment and other important programs that are necessary for the military to accomplish its mission at home and abroad.

To defray the increase in health care costs DoD continues to propose raising TRICARE enrollment fees, copayments, and deductibles. Over the past few years, Congress has resisted these proposals; and for that we are grateful.

The VFW believes strongly that America can afford and must continue to fully fund both military readiness and healthcare needs. We support increasing defense spending to a minimum level of at least 5% of the Gross Domestic Product. This would provide for not only the cost of

health care, but readiness, training, and modernization of our armed forces. It's important to note that costs associated with the wars in Iraq and Afghanistan, typically funded through supplemental appropriations, would be in addition to the five (5) percent of GDP we are calling for.

We also believe that it is inappropriate to compare healthcare costs between military and private sector beneficiaries because premiums are not just measured in dollars. Military beneficiaries have already paid higher premiums by virtue of their decades of extraordinary service, and personal and family sacrifices associated with a military career. Military healthcare and retirement benefits must reflect the harsh conditions of military service endured by retirees and their families.

Moreover, we believe that imposing undue health care costs on retirees sends a powerfully negative message, not only to those retirees but also to those currently serving this country in uniform, about the value of their service.

The VFW opposes any increase in TRICARE enrollment fees, co-pays and deductibles, and we continue to urge Congress to require the Department of Defense to pursue other means to make TRICARE cost efficient without seeking to "tax" beneficiaries whose service has more than paid for this benefit. We also support legislative action to move the authority to set TRICARE fees from DoD to the U.S. Congress, so this issue doesn't have to be revisited year after year. Military healthcare and retirement benefits are earned entitlements.

TRS for "Gray Area" Retirees

The VFW calls on Congress to enact permanent legislation allowing "Gray Area" retired Reserve and Guard members, those caught between retirement and age 60, to purchase TRICARE Standard healthcare coverage at full premium cost. This cost neutral initiative would close the healthcare gap between Reserve service and TRICARE Standard eligibility at age 60. The VFW supports H.R. 270, the TRICARE Continuity of Coverage for National Guard and Reserve Families Act of 2009, introduced by Rep. Robert Latta.

Reduce Age for Paid-up SBP

Under current law, military retirees stop paying Survivors Benefits Plan (SBP) premiums when they have paid into the plan for 30 years and reach age 70. This eliminates servicemembers who entered the military at age 17, 18, or 19 and will have to pay into the plan for up to 33 years until they qualify for paid-up SBP status.

The VFW is asking Congress to correct this inequity by changing the minimum age for paid-up SBP from 70 to 67 so those who enlisted at a young age and retired after serving 20 years will qualify for SBP paid-up status after paying into the plan for 30 years.

SBP-DIC Offset

The surviving spouse of a retired military member who dies of a service-connected cause is entitled to Dependency and Indemnity Compensation (DIC) from the Department of Veterans Affairs. However, if the military retiree was also enrolled in the Survivors Benefit Plan (SBP), then the spouse's SBP benefits are reduced dollar for dollar by the amount of DIC. This offset also affects all survivors of members who are killed on active duty.

SBP and DIC payments have distinct purposes. SBP is purchased by the retiree and is intended to provide a portion of retired pay to the survivor. DIC, which is tax free, is a special indemnity compensation paid to the survivor when a member's service causes his or her premature death. In such cases, the VA indemnity compensation should be added to the SBP the retiree paid for, not substituted for it.

The VFW strongly urges Congress to repeal the law that reduces military Survivor Benefit Plan (SBP) annuities by the amount of any survivor benefits payable under the VA Dependency and Indemnity Cc...pensation (DIC) program.

Concurrent Receipt

For decades, the VFW has called on Congress to provide full relief from the antiquated law that requires a dollar-for-dollar offset of military retired pay for VA disability compensation. Military retired pay is an earned entitlement for a career of uniformed service, and VA disability compensation is recompense for pain, suffering, and lost future earning power due to service-connected disabilities. Therefore, there should be no offset. Congress has already recognized this by phasing in full concurrent receipt for disabled military retirees rated 50% or higher. Now is the time for Congress to finish the job by expanding the authority to include members with 40 percent and lower ratings, elimination of the 10-year phase-in period, and inclusion of military disability retirees from non-combat causes with less than 20 years of service.

The VFW urges this subcommittee to spearhead the legislative action to eliminate the law that makes disabled uniformed services retirees forfeit part or all of their military retired pay for VA disability compensation.

POW/MIA Full Accounting Effort

The VFW has long been deeply committed to achieving the fullest possible accounting for all U.S. military personnel missing and unaccounted for from all of our nation's wars. So committed that we have traveled to Vietnam and other Southeast Asia countries every year since 1991 to meet with host country senior government officials and press upon them the need for their fullest cooperation in recovering our missing. We also visit with Joint POW/MIA Accounting Command (JPAC) headquarters staff, detachment commanders, and recovery teams in the field. These teams are made up of highly experienced, motivated, and dedicated military men and women who are doing a remarkable job under the harshest of conditions. They deserve the fullest support of this Congress in providing all the funds needed to accomplish their mission.

It has recently come to our attention that JPAC operations have once again been shortchanged in their budget by $2.35 million, which is going to translate into curtailing operations in Europe and canceling two recovery team missions. This is not the way the VFW expects the U.S. government to fund a American national priority.

The Congress has a moral obligation to appropriate all the funds necessary for all government agencies to carry out all their programs and operations to resolve this issue and bring closure for the families of the missing. The VFW asks this subcommittee to exert its influence and urges this Congress to make up the JPAC budget shortfall and fully fund all future initiatives and operations.

Navy and Marine Corps Combat Action Medal

The Department of Defense has a policy of maintaining uniformity between existing and newly authorized decorations. This uniformity was recently evidenced by the inscription change on four existing campaign and service medals, as well as the resizing of eight other medals.

All the personnel decorations for all military branches have corresponding ribbons and medals except for the Navy Combat Action Ribbon (CAR). Numerous military decorations require no exceptional performance, sacrifice or engagement with the enemy, but have ribbons with corresponding medals authorized, such as the National Defense Service Medal. The level of sacrifice required to qualify for the Combat Action Ribbon, by engaging the enemy in combat, should warrant the issuance of a corresponding medal.

Therefore, the VFW urges Congress to establish a suitable corresponding medal to the Combat Action Ribbon and rename it the Navy Combat Action Medal. This medal should replace the CAR, require the same eligibility criteria, and be authorized to wear by all who previously were awarded the CAR.

This Congressional action will bring all the military services' combat action decorations into equal standing and provide uniformity between these decorations.

Conclusion

The VFW is steadfast in its commitment to improve the quality of life for all active duty military personnel, Reserve Component members, military retirees, and their families. We know this subcommittee shares our commitment as well. We thank you for the many improvements you have supported and achieved in the past, and I hope we can continue to count on you in the 111th Congress.

The VFW stands ready to provide you or your staff with further information on these or any other military and defense related issues.

Thank you for the opportunity to provide the views of the Veterans of Foreign Wars of the United States.

Michael H. Wysong, Director
National Security and Foreign Affairs
Veterans of Foreign Wars of the U. S.

Michael H. Wysong was appointed the Director, National Security and Foreign Affairs for the Veterans of Foreign Wars of the United States in May 2005, and as such, is responsible for representing and promoting VFW interests, views, and goals before various U.S. government policymakers, elected officials, congressional committees, federal agencies, other veterans groups, and military/defense coalitions. He works closely with all branches of the armed services and the Departments of Defense, State and Homeland Security. The Director, in coordination with the VFW National Security Committee, Military Affairs Committee, and POW/MIA Subcommittee, develops the strategy and implements the National Security and Foreign Affairs program.

A native of New Jersey, Mr. Wysong enlisted in the Air Force in 1967 and served seven years on active duty as an aircraft weapons technician. His assignments included tours in Korea, Vietnam, and Thailand.

He entered the Air Force Reserve in 1974 and was assigned to McGuire Air Force Base, New Jersey. He held the position of Aircraft Loadmaster Superintendent where he managed a department with over 50 reservists and civilians employees, responsible for training, evaluating and ensuring the wartime mission ready posture of all assigned personnel. He further served as a Flight Instructor and Flight Examiner Loadmaster on the C-141 aircraft.

As an aircrew member, he has amassed more than 8,800 flying hours and has participated in such operations as the Vietnam Babylift, the Evacuation of Vietnam, the Grenada rescue operation, and Operation Just Cause, the invasion and liberation of Panama. In 1990 he was recalled to active duty for 11 months in support of Operations Desert Shield and Desert Storm, and served in Operation Iraqi Freedom in 2003. Mr. Wysong retired from the Air Force Reserve in 2005, after 38 years of total service, with the rank of Chief Master Sergeant.

His many decorations include the Meritorious Service Medal with 5 oak leaf clusters; the Air Medal; the Aerial Achievement Medal with 1 oak leaf cluster; the Air Force Commendation Medal with 2 oak leaf clusters; the Air Force Achievement Medal; the Armed Forces Expeditionary Medal with 3 campaign stars; the Korean Defense Service Medal; the Vietnam Service Medal with 8 campaign stars; the Southwest Asia Service Medal with 3 campaign stars; and the Global War on Terrorism Service Medal. In 1993, he was selected as one of the U.S. Air Force Twelve Outstanding Airman of the Year.

Mr. Wysong was employed by the Department of the Air Force from 1975 – 2005 as an Air Reserve Technician, a federal civil service position with duties comparable to his Air Force Reserve assignment, retiring in 2005.

He joined the VFW in 1978 at Post 9503 in Bayville, New Jersey where he maintains his Life Membership. Since that time he has served in a variety of leadership positions throughout the VFW at every organizational level, including All American Post Commander in 1983-1984 and District Commander in 1986-1987. He has held many VFW committee assignments at the state and national levels. Before assuming his present position he served as National Chairman of the VFW Political Action Committee, New Jersey VFW State Legislative Director, and as a member of the VFW National Legislative Committee. Appointed by the Governor, he served on the New Jersey Veterans Service Council for six years before coming to Washington, DC.

He is a member of many civic and fraternal organizations, including the American Legion, Air Force Association, and Air Force Sergeants Association.

IRAQ *and* AFGHANISTAN
VETERANS *of* AMERICA

Testimony of
Todd Bowers, Director of Government Affairs
Iraq and Afghanistan Veterans of America
Before the
United States House of Representatives Committee on Armed Services
Military Personnel Subcommittee

February 25, 2009

Rates of psychological and neurological injuries among troops and new veterans are high and rising. But many troops and veterans are not getting the treatment they need. IAVA's top priority for the Department of Defense is **mandatory, face-to-face and confidential mental health and TBI screening by a licensed medical professional, for all servicemembers, before and after their combat tour.**

In a landmark 2008 RAND study, "Invisible Wounds of War," almost 20 percent of Iraq and Afghanistan veterans screened positive for Post Traumatic Stress Disorder (PTSD) or major depression. But less than half of those suffering from mental health injuries are receiving sufficient treatment. Multiple tours and inadequate time at home between deployments increase rates of combat stress.

Troops in Iraq and Afghanistan are also facing neurological damage. When troops are near an exploding mortar or roadside bomb, the blast can damage their brains, often without leaving a visible injury. The vast majority of Traumatic Brain Injuries (TBIs) are mild or moderate. But the injury is widespread: 19 percent of troops report a probable TBI during deployment. Tens of thousands of troops are suffering from both psychological *and* neurological injuries.

Untreated mental health problems can and do lead to family issues, substance abuse, homelessness and suicide. For female service members in particular, divorce rates are very high; female soldiers faced an 8.8 percent annual divorce rate, more than 2.5 times the national average. As of December 2008, there have been at least 196 military suicides in Iraq and Afghanistan. These numbers do not include the many veterans who commit suicide after their service is complete, whose fatalities are not tracked or reported.

Troops and veterans face significant barriers to mental health care. The Department of Defense (DOD) relies on an ineffective, antiquated system of paperwork to conduct mental health evaluations. According to a June 2007 Government Accountability Office (GAO) report, the

DOD cannot ensure that service members are mentally fit to deploy, nor accurately assess troops' mental health condition when they return.[i] Recently, the DOD has taken steps to expand pre- and post- deployment screening, particularly for TBI, but there are still significant gaps in troops' physical, psychological and neurological evaluations.

Concerns over DOD screening have been stoked by the mounting evidence that some troops who have deployed again are still coping with the effects of an earlier combat tour. In surveys of troops redeploying to Iraq, 20 to 40 percent "still had symptoms of past concussions, including headaches, sleep problems, depression, and memory difficulties."[ii] In addition, many troops are being redeployed to a combat zone despite their reliance on antidepressants. Among combat troops, about 12% in Iraq and 17% in Afghanistan are taking prescription antidepressants or sleeping medication, and prescriptions for these medications are increasing, according to the Army's Mental Health Advisory Team report.[iii]

The single biggest shortfall in the DOD screening process is the lack of a mandatory in-person mental health assessment of troops deploying to or returning from combat. Experts agree that a face-to-face interview with a mental health professional is the optimum approach to PTSD diagnosis. But the only mandatory psychological screening troops receive is a paperwork process, the pre- and post-deployment health forms.

Troops fill out one health form before deployment and two more when they return. Immediately after their tour, troops must fill out the Post Deployment Health Assessment (PDHA). Six months later, service members complete a second form, the Post Deployment Health Re-Assessment (PDHRA). The forms are later reviewed by health care providers who are typically not mental health professionals. These providers contact service members in person or by phone, and are responsible for giving referrals to those troops they deem to be at serious mental health risk.iv

The PDHA/PDHRA system was only universally implemented years after the current wars started – questions on TBI were only added in January of 2008v – and their effectiveness is questionable. A 2006 study led by Army Col. Charles Hoge, MD, at the Walter Reed Army Institute of Research, looked at the results of Iraq veterans' PDHAs. Only 19 percent of troops returning from Iraq self-reported a mental health problem. But 35 percent of those troops actually sought mental health care in the year following deployment. If the PDHA is intended to correctly identify troops who will need mental health care, it simply does not work.

A follow-up study in 2007, also published in the Journal of the American Medical Association, concluded: "Surveys taken immediately on return from deployment substantially underestimate the mental health burden."

Although the PDHRA, which troops fill out six months after deployment, is more likely to identify mental health injuries, its overall effectiveness is also dubious. According to former Army Surgeon General Kevin Kiley, "If an individual checks nothing, I have no mental health issues, they're not necessarily being sent to mental health counseling." Yet there are serious disincentives for returning troops to disclose their psychological injuries.

Part of the problem is the stigma attached to mental health care. Admitting a psychological wound can also slow troops' reunification with their family after a combat tour, and many troops are concerned about the effect of a mental health diagnosis on their career.vi According to the National Alliance on Mental Illness, "One in three individuals with severe mental illness has been turned down for a job for which he or she was qualified because of a psychiatric label."[vii] Given such obvious disincentives, it is common knowledge that troops do not fill out their assessments accurately. Even the VA's own Special Committee on Post-Traumatic Stress Disorder admits, "No one seems to expect them to answer truthfully."

Moreover, those who do ask for help may not actually receive it. The referral process for psychological counseling has been rife with gaps for years.[viii] Particularly in the case of National Guardsmen and Reservists, it is unclear whether troops who receive referrals through the PDHA/PDHRA actually get mental health care.[ix]

To address this immense gap in the assessment of troops' mental health injuries, IAVA has made our top mental health priority the implementation of mandatory, face-to-face, professional and confidential screening.
One vital reason for mandatory screening is that it overcomes the issue of mental health stigma. More than half of soldiers and Marines in Iraq who test positive for a psychological injury report concern that they will be seen as weak by their fellow service members. One in three of these troops worry about the effect of a mental health diagnosis on their career. As a result, many troops who need care do not seek it out.

IAVA has already taken action to address this issue. IAVA has recently launched a multi-tiered veteran's outreach campaign in partnership with the Ad Council. The goal of this national media effort is to drive veterans to the nation's first online social networking website exclusive for OIF and OEF veterans. This website communityofveterans.org has established a secure online community for veterans to voice their concerns about issues ranging from PTSD disability compensation to difficulty accessing VA care. Below are highlights from the campaign.

Campaign Overview:

•IAVA has partnered with the Ad Council to launch a groundbreaking Public Service Advertising (PSA) campaign on Veterans Day 2008. This multiyear, national effort addresses readjustment issues and seeks to ease the transition for veterans returning home from Iraq and Afghanistan.

•The campaign will feature two distinct series of PSAs (including TV, radio, print, outdoor, Web and rich media); one focused on Iraq and Afghanistan veterans and a second on the families and loved ones of veterans who are also impacted by transitional issues.

•The new campaign was developed in partnership with the Ad Council, a non-profit organization that has created some of the country's most iconic PSA campaigns including "Friends Don't Let Friends Drive Drunk" and Smokey Bear.

Strategy:

•The Ad Council, IAVA and ad agency BBDO conducted extensive research to develop this campaign. We held several rounds of focus groups in three cities across the country with veterans, their families, and members of the general public. We also regularly consulted with a panel of distinguished mental health experts about the direction of the campaign. We will continue to hold briefings with a range of experts to solicit feedback and input going forward.

Online Component:

• The works aimed at veterans directs them to the first and only online community exclusive to Iraq and Afghanistan veterans through a new social networking website, communityofveterans.org

•The innovative website will offer a platform for veterans to connect with one another and act as a portal for comprehensive mental health resources, with the goal of increasing the number of veterans who seek treatment for issues including PTSD and depression.

•The campaign takes advantage of web 2.0 by reaching the modern veterans online -- where they are already. It will act as a MySpace or Facebook plus exclusively for veterans, transforming the way that veterans interact with one another and talk about transitional issues.

About the Ad:

• Created *pro bono* by ad agency BBDO in New York, the compelling TV PSA, *Alone,* follows a young servicemember when he returns from Iraq. He is filmed in a completely empty airport terminal, alone on a subway and walking through desolate New York City streets. Eventually, he is approached by another Iraq veteran who extends his hand and welcomes him home. When the two men shake hands, the deserted city comes alive, illustrating the power of connecting with another veteran.

•The magnitude of this shoot was incredible and required extraordinary help from the city of New York. With the City's aid, we shut down an entire terminal at JFK International Airport, a subway car on the 7 line, and multiple New York City blocks, including in front of the Flat Iron Building and in the financial district.

Issue Background:

• IAVA and Ad Council developed this campaign to address the urgent challenges facing America's newest generation of veterans. There are 1.7 million men and women who have served, or are currently serving, in Iraq and Afghanistan.

• 1 in 5 Iraq and Afghanistan veterans will suffer from a mental health problem, ranging from depression to Post Traumatic Stress Disorder (PTSD), and over time, as many as 30-40% of new veterans could face serious psychological injuries.

•Untreated mental health conditions can cause or aggravate other debilitating problems in the Veterans' community including high rates of unemployment, homelessness, substance abuse, divorce, child abuse, and suicide. Many avoid seeking help because of the stigmas around seeking treatment or being diagnosed with a mental illness.

Campaign Long-term Objective

• The challenges facing returning veterans are broad and multi-faceted and will not be solved overnight. There is no quick fix or cookie cutter solution. This campaign's long-term objective is to gradually decrease the depression and PTSD-related outcomes among returning veterans and encourage them to take that safe, first step in getting help. Through this campaign we can begin to change the way that both private citizens and the government talk about and address these issues.

Family Campaign:

•A complementary PSA effort that will launch in the coming months will seek to engage the families and loved ones of these veterans. That body of work will empower veterans' loved ones to start a conversion and encourage the veteran to seek help if necessary. A website dedicated to providing resources and information for families, supportyourvet.org, will also launch in the coming months.

For further information on IAVA's other recommendations, please find attached IAVA's complete legislative agenda for 2009.

Respectfully Submitted for the Record,
Todd Bowers
Director of Government Affairs
Iraq and Afghanistan Veterans of America

2009 LEGISLATIVE AGENDA

INTRODUCTION BY EXECUTIVE DIRECTOR PAUL RIECKHOFF

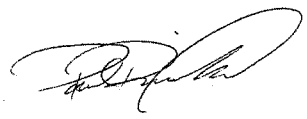
After seven years of war, it has never been more critical to care for our nation's newest warriors. At Iraq and Afghanistan Veterans of America (IAVA), we are committed to making sure that no service member, and no veteran, is ever left behind.

With the unwavering support of our 125,000 members, IAVA is proud to have worked in local communities, with the media, and in Washington to draw attention to the crucial issues facing our troops and veterans, and to get those problems solved. Our work has been the subject of profiles in *The New York Times*, *The Washington Post*, the *Wall Street Journal*, and on every major TV network. In addition to our regular meetings with Congressional offices, IAVA staff and members testified twenty times in 2008, on issues from the new GI Bill to suicide prevention.

IAVA's aggressive advocacy yielded unprecedented legislative victories in 2008. First and foremost was the passage of the new GI Bill, which will ensure an affordable college education for all veterans of Iraq and Afghanistan. IAVA also worked to increase veterans' health care funding by $4.5 billion, to improve benefits for disabled veterans, to expand suicide prevention, and to improve treatment for Traumatic Brain Injury. All in all, IAVA saw progress on 20 of our 28 legislative recommendations last year. These successes were possible because Congress demonstrated a real commitment to bipartisan support of the troops. We hope to see the same level of cooperation between the new Administration and the 111th Congress. Working together, we can put patriotism ahead of politics and ensure that all troops coming home get the hero's welcome they have earned.

To ease the transition for veterans returning home from combat, IAVA launched a historic, national Public Service Announcement (PSA) campaign with the Ad Council. Joining such iconic Ad Council PSA campaigns as "Only You Can Prevent Forest Fires" and "Friends Don't Let Friends Drive Drunk," the groundbreaking Veteran Support campaign will feature TV, radio, print, and online PSAs, both in English and in Spanish. The ads direct troops and veterans to the first and only online community exclusive to Iraq and Afghanistan veterans, CommunityofVeterans.org. This innovative website will help veterans connect with one another and link them with comprehensive services, benefits assistance, and mental health resources. A companion PSA campaign launching in 2009 will engage and support the families and loved ones of Iraq and Afghanistan veterans.

We have accomplished landmark successes in 2008, but there is still much more to do. The 2009 IAVA Legislative Agenda makes recommendations in four areas crucial to today's veterans: **Mental Health**, **Homecoming**, **Health Care and Benefits**, and Government Accountability. To develop our recommendations, we performed an extensive poll of our rapidly-growing membership; some of their comments and recommendations, in their own words, are highlighted in this document. As the voice of our nation's newest generation of combat veterans, we look forward to making all of these recommendations a reality.



Paul Rieckhoff
Iraq War Veteran
Founder and Executive Director
Iraq and Afghanistan Veterans of America

IAVA 2009 LEGISLATIVE PRIORITIES

The IAVA Legislative Priorities are the most urgent actions Congress must take to ensure that veterans of Iraq and Afghanistan get the care and support they have earned.

- ★ **Ensure Thorough, Professional, and Confidential Screening for Invisible Injuries.** IAVA supports mandatory, face-to-face and confidential mental health and TBI screening by a licensed medical professional, for all servicemembers, before and after their combat tour. *See recommendation 1.1.*

- ★ **Advance-Fund Veterans' Health Care.** The best way to ensure timely funding of veterans' health care is to fully fund the Department of Veterans Affairs (VA) health care budget one year in advance. In addition, IAVA endorses the annual Independent Budget, produced by leading veterans' organizations (including IAVA), as a blueprint for the VA funding levels. *See recommendation 3.1.*

- ★ **End the Passive VA System.** The VA has traditionally been a passive, inward-looking system. Veterans must overcome tremendous bureaucratic obstacles to get the benefits and services that the VA provides. Many veterans do not even know what benefits they are eligible for. The VA must develop a national strategy to promote the use of its services, including advertising VA benefits, expanding VA outreach, and modernizing the VA's online presence. *See recommendations 1.2, 2.4, and 3.2.*

- ★ **Combat Veterans' Unemployment.** IAVA supports the expansion of employment training for troops leaving the military, tax credits for employers who hire troops and veterans, and a new "Green-to-Green" program to retrain veterans for high-paying jobs in the clean energy economy. *See recommendation 2.3.*

- ★ **Cut the Claims Backlog in Half.** Hundreds of thousands of disabled veterans are awaiting an answer on their VA benefits claims. Errors in claims decisions are a primary source of the backlog. IAVA recommends a new evaluation system that holds claims processors accountable for the accuracy of their work. *See recommendation 3.2.*

- ★ **Improve Health Care for Female Veterans.** 11 percent of Iraq and Afghanistan veterans are women. They deserve the same access to health care as any other American veteran. IAVA supports prioritized hiring of female practitioners and outreach specialists, increased funding for specialized in-patient women-only PTSD clinics, and significant expansion of the resources available to women coping with Military Sexual Trauma. *See recommendations 1.5, 3.3, and 3.5.*

- ★ **Eradicate Homelessness Among Veterans.** About 150,000 veterans are homeless on any given night, and foreclosure rates in military towns are increasing at four times the national average. IAVA calls for 20,000 new HUD-VA Supportive Housing vouchers, an increase in the Grant and Per Diem allowances for community organizations to help homeless veterans, and an extensive outreach campaign to promote VA home loan and financial counseling services. *See recommendation 2.4.*

1. MENTAL HEALTH

Rates of psychological and neurological injuries among troops and new veterans are high and rising. But many troops and veterans are not getting the treatment they need.

In a landmark 2008 RAND study, "Invisible Wounds of War," almost 20 percent of Iraq and Afghanistan veterans screened positive for Post Traumatic Stress Disorder (PTSD) or major depression. But less than half of those suffering from mental health injuries are receiving sufficient treatment. Multiple tours and inadequate time at home between deployments increase rates of combat stress.

Troops in Iraq and Afghanistan are also facing neurological damage. When troops are near an exploding mortar or roadside bomb, the blast can damage their brains, often without leaving a visible injury. The vast majority of Traumatic Brain Injuries (TBIs) are mild or moderate. But the injury is widespread: 19 percent of Iraq and Afghanistan veterans report a probable TBI during deployment. Tens of thousands of troops are suffering from both psychological and neurological problems.

Untreated mental health problems can and do lead to family issues, substance abuse, homelessness and suicide. For female servicemembers in particular, divorce rates are very high; female soldiers faced an 8.8 percent annual divorce rate, more than 2.5 times the national average. As of December 2008, there have been at least 196 military suicides in Iraq and Afghanistan. These numbers do not include the many veterans who commit suicide after their service is complete, whose fatalities are not tracked or reported.

Troops and veterans face significant barriers to mental health care. The Department of Defense (DOD) relies on an ineffective, antiquated system of paperwork to conduct mental health evaluations, and access to mental health care is difficult. According to the Pentagon's Task Force on Mental Health, the military's "current complement of mental health professionals is woefully inadequate." The National Defense Authorization Act for 2009 singled out mental health professionals as a critically short wartime specialty, and authorized new recruitment and multi-year retention bonuses for psychologists. But as of December 2008, the bonuses had yet to be implemented.

Effective treatment is also scarce for veterans who have left the military. The VA has given mental health diagnoses to more than 178,000 Iraq and Afghanistan veterans, or almost 45 percent of new veterans who visit the VA. But VA care is not always convenient. Veterans in rural communities are especially hard hit, and the availability and quality of health care for female veterans ranges widely.

Exacerbating the problem of inadequate screening and treatment is the heavy stigma associated with receiving mental health care. More than half of soldiers and Marines in Iraq who test positive for a psychological injury report concern that they will be seen as weak by their fellow servicemembers. One in three of these troops worry about the effect of a mental health diagnosis on their career. As a result, many troops who need care do not seek it out.

To learn more about troops' and veterans' psychological injuries, please see the 2009 IAVA Issue Report, "Invisible Wounds: Psychological and Neurological Injuries Confront a New Generation of Veterans." All IAVA reports are available at www.iava.org/reports.

1.1 Ensure Thorough, Professional, and Confidential Screening for Invisible Injuries

- The Defense Department must supply mandatory, face-to-face and confidential mental health and TBI screening by a licensed medical professional, for all servicemembers, before and between 90 and 180 days after return from combat.

- To maximize the effectiveness of the TBI Veterans Health Registry, the DOD and the VA should establish a joint protocol to share existing and future operational situation reports (SITREPS) of all servicemembers exposed to blasts and other causes of head and neck injury.

1.2 Advertise VA Mental Health Services

- The VA must receive specially-allocated funds to research, test and implement an effective national and local media strategy, that includes use of new and traditional media, to combat stigma and to promote the use of VA services such as Vet Centers and the Suicide Prevention hotline. The VA's campaign strategy should include a comprehensive plan to involve Veterans Service Organizations, and should promote behavioral and mental health services to underserved groups, including homeless veterans, rural veterans and female veterans.

1.3 Increase Mental Health Support for Military Families

- Vet Centers should be authorized and funded to provide services to active-duty military servicemembers and their families. IAVA supports the expansion of VA mental health services to veterans' families, including children, parents, siblings and significant others, if the veteran is receiving VA treatment for mental health or behavioral health problems.

- Adequate funding must be provided to implement fully the National Guard and Reserve Yellow Ribbon Reintegration Program, which provides reintegration training to reserve component troops and their families.

- IAVA calls for a study to better identify the causes of marital strain and high divorce rates among active and reserve component servicemembers, including multiple deployments, mental health injuries, and gaps in family support programs, particularly for the families of female servicemembers.

- IAVA supports funding for an independent review of the scope of family violence in the military, and an analysis of the effectiveness of the Department of Defense's response to the problem.

1.4 Combat the Shortage of Mental Health Professionals

- DOD must implement a full range of special pays, including accession and multi-year retention bonuses, as well as incentive and bonus pays, at a sufficient level to effectively recruit and retain critically needed behavioral and mental health professionals. Congress should require a biannual report on the implementation and effectiveness of the current recruitment and retention bonuses for mental health professionals.

- IAVA supports providing suicide prevention training within combat life-saver training, the emergency medical training troops receive from combat medics.

1.5 Address the Mental Health Needs of Female Troops and Veterans

- IAVA supports increased funding for specialized in-patient women-only PTSD clinics.
- To improve the quality of health care for female veterans, Vet Centers and VA medical facilities must be encouraged to hire female practitioners and outreach specialists, and especially female veterans.
- The veterans' suicide hotline operators should receive additional training to respond to sexual assault-related calls.
- IAVA supports increased funding for the Department of Defense's Sexual Assault Prevention and Response Office in order for it to expand its oversight role.

1.6 End Discrimination against Psychologically Wounded Troops

- To ensure that servicemembers suffering from service-connected psychological or neurological injuries have not been improperly discharged, IAVA recommends imposing an immediate moratorium on personality disorder discharges for combat veterans until an audit of past personality discharges is completed.
- When troops seek voluntary alcohol and substance-abuse counseling and treatment, command notification should be at the discretion of the treating mental health professional.

2. HOMECOMING

Even in the best of times, troops coming home from war face serious challenges reintegrating into civilian life. But as the economy falters, our newest veterans are being hit especially hard.

Troops are facing serious challenges returning to the civilian workforce. Among Iraq and Afghanistan-era veterans of the active-duty military, the unemployment rate was over 8 percent in 2007, about 2 percent higher than their civilian peers. In addition, National Guardsmen and Reservists, "citizen soldiers" who leave behind their civilian lives to serve alongside active-duty troops, are inadequately protected against job discrimination.

In the most severe cases, economic hardship can push veterans into homelessness. Foreclosure rates in military towns are increasing at four times the national average, and almost 2,000 Iraq and Afghanistan veterans have already been seen in the Department of Veterans Affairs' homeless outreach program. Given the state of the economy, the problem is likely to worsen in the coming years.

One major step forward for improving veterans' economic opportunities is almost complete. IAVA led the fight to provide today's veterans with the same kind of education benefits America provided to veterans of World War II. In June 2008, we won. The new "Post-9/11" GI Bill makes college affordable to 1.7 million veterans of Iraq and Afghanistan, but a number of technical fixes are necessary in 2009 to maximize the GI Bill's effectiveness.

For more information about the transition challenges of new veterans, please see the 2009 IAVA Issue Reports, "Careers After Combat: Employment and Education Challenges for Iraq and Afghanistan Veterans" and "Coming Home: The Housing Crisis and Homelessness Threaten New Veterans." All IAVA reports are available at www.iava.org/reports.

2.1 Streamline and Simplify the Post-9/11 GI Bill

- IAVA calls on Congress to oversee the accurate and timely implementation of all portions of the Post-9/11 GI Bill, including the tuition benefit, housing allowance, book stipend, and transferability provisions.
- Eliminate the confusion of multiple education benefits by ensuring that the Post 9/11 GI Bill covers all types of education programs.
- Veterans pursuing vocational and distance learning programs should be entitled to the same tuition benefits as veterans attending traditional colleges.
- Rather than an unwieldy state-by-state benefit system, the Post-9/11 GI Bill benefit should have a national tuition cap tied to the price of the most expensive public school (currently about $13,000/yr). Partial tuition payments should be based on a percentage of *this* cap, not individual tuition costs.

- The Yellow Ribbon Program, which provides matching federal funds for private school scholarships given to GI Bill recipients, should be universally available to those in the reserve component.
- Veterans with remaining educational entitlement should be able to use their benefit to pay back student loans.
- Veterans attending school part time should receive a pro-rated housing benefit.
- Active Guard Reserve (AGR) service should be counted toward benefits calculations.

2.2 Defend Troops Against Job Discrimination

- USERRA, the Uniformed Services Employment and Reemployment Rights Act, protects National Guardsmen and Reservists from discrimination based on their military service. IAVA supports the extension of USERRA protections to servicemembers working in domestic response operations, such as hurricane or wildfire missions.
- Federal and state governments should be held to the same standard of USERRA compliance as private sector employers.
- Employers who knowingly violate USERRA job protections should face civil and criminal prosecution. Congress must direct tough enforcement of USERRA by the Departments of Justice and Labor, and give these agencies specific resources for this function. Violation of USERRA should be explicitly added to the list of offenses for which suspension or debarment from eligibility for federal government contracts is authorized.
- Servicemembers who face employment discrimination based on their military service must be afforded their day in court, as intended by the original USERRA statute. USERRA complaints should be exempt from pre-dispute binding arbitration agreements.
- To prevent employers from firing an employee while a USERRA claim is being processed, courts hearing USERRA complaints should be required to use their full range of legal powers, including injunctions.
- The DOD should implement a notification program for servicemembers' employers specifically informing them of their USERRA obligations.

2.3 Combat Veteran's Unemployment

- The employment training in the Transition Assistance Program for separating servicemembers should be modernized and made mandatory for all active-duty troops leaving the military
- IAVA recommends tax credits for employers who, when their reserve component employees are called to active-duty for over 90 days, continue to support their employees by paying the difference between the servicemembers' civilian salary and their military wages.
- IAVA supports a tax credit to promote the hiring of homeless veterans by reimbursing the employer for a percentage of the salary of the hired veteran.
- Any economic stimulus proposals that promote "green collar" jobs should include a "Green-to-Green" program to retrain veterans for the new clean energy economy, and to encourage green employers to hire veterans.

- The DOD should conduct a study of the differences between DOD and civilian vocational certifications in order to ease the transition of certifications into the civilian world.
- To help mitigate the effect of frequent and lengthy deployments, IAVA supports new programs to provide small businesses owners in the National Guard and Reserves with additional access to capital, insurance, and bonding.

2.4 Eradicate Homelessness among Veterans

- IAVA calls for a one-year moratorium on mortgage foreclosure for any servicemember returning from a combat tour. This provision should not sunset before 2012, at the earliest. Lenders who fail to abide by the moratorium should face stiff civil and criminal penalties.
- Congress should appropriate funding for a VA outreach and advertising campaign in regions hard-hit by the mortgage crisis that have high veteran and servicemember populations. The campaign should promote VA home loan and financial counseling services. Adequate funding should also be provided to ensure that the VA has enough loan counselors to cope with call volume.
- IAVA calls for a dramatic expansion of the HUD-VA Supportive Housing voucher program, to include the funding of an additional 20,000 housing vouchers. To ensure that vouchers are reaching eligible homeless veterans, a study must be conducted to examine voucher utilization rates, barriers to finding housing, service delivery and coordination, and housing retention among veterans participating in the program.
- The Grant and Per Diem (GPD) program payment rate should better match the actual cost to help a homeless veteran. The VA should be given the discretion to increase GPD payment rates up to 150% of the daily rate for programs that are high-cost due to their location or range of services.
- IAVA supports a pilot program to test preventative strategies against homelessness at VA facilities. Potential strategies should include emergency cash assistance, help with utilities, and short-term rental subsidies.
- IAVA endorses a VA "GreenHomes" program that would convert underutilized VA properties into energy-efficient permanent housing for homeless veterans.

2.5 Protect Servicemembers from Unfair Contracts

- Students who are deployed overseas should be reimbursed by their college or university for tuition paid towards interrupted coursework.
- Servicemembers should be protected from early termination fees if a servicemember terminates a lease due to a deployment.
- Protections allowing servicemembers to suspend or cancel cell phone contracts should be extended to servicemembers whose service contract is a part of a shared family account.
- Active-duty and recently separated servicemembers and their families should not be denied in-state tuition rates at local public universities due to a failure to meet state residency requirements.

2.6 Steer Veterans to Alternative Sentencing

- A pilot program should be funded to test the effects of alternative sentencing for veterans suffering from combat-related stress injuries who are arrested for non-violent crimes. The pilot should build on the work of the Veterans Court in Buffalo, NY. The results of this pilot should be used to create guidelines for other states on effective alternative sentencing programs.
- The VA should repeal the standing prohibition on treatment for incarcerated veterans, and should coordinate with local municipalities to develop counseling, recovery, and peer-support services for veterans in the criminal justice system.

3. HEALTH CARE AND BENEFITS

Far too many military families and veterans are struggling with the bureaucratic barriers to health care and benefits. Accessing medical care requires long waits for appointments, and is often too far away. Even when a wounded veteran is too disabled to work, the disability compensation process can take years.

Millions of veterans rely on the health care and benefits provided by the Department of Veterans Affairs, and about 42 percent of eligible Iraq and Afghanistan veterans have already gone to the VA for health care. But accessing the system can be a problem. Wait times for appointments can be months long, and hospitals and clinics are often inconveniently located. As of 2003, more than 25% of veterans enrolled in VA health care live over an hour from any VA hospital. The VA has already taken steps to expand access to health care, but much more must be done.

A fundamental problem with VA health care is unreliable funding from Congress. Unlike the allocations for Medicaid and Medicare, funding for the Veterans Health Administration is not mandatory. As a result, veterans' groups must fight each year to ensure that Congress provides adequate funding. In the past two years, however, Congress finally made veterans a priority, providing the VA with record budget increases. But when the VA budget is passed late, as it has been 17 of the past 20 years, hospitals are forced to ration care and scrape by with temporary funding bills. Appropriating funding the VA one year in advance would allow veterans' hospitals to better plan their budgets, cut wait times, and ensure veterans have access to the care they need — *and it would cost no additional money*.

The VA also provides benefits to promote veterans' education, to help veterans buy a home, to compensate for combat-related disabilities, to provide for veterans' funerals, and to support troops and veterans' survivors. Almost 4 million veterans receive VA benefits, but for many, accessing the benefits they have earned is a difficult process. The DOD and the VA each have their own complicated and confusing disability benefits systems. As troops transition from the DOD to the VA, medical records and military service records regularly get lost in the shuffle, leading to long waits for benefits processing. Even within the VA system, veterans face inexcusable delays. With over 800,000 claims filed annually, the current average wait time of 6 months is unacceptable. According to the VA's own numbers, about 12% of ratings decisions are inaccurate. These wrongly-decided claims can take two years to complete the appeals process, and are a primary source of the claims backlog.

Since the scandal at Walter Reed Army Medical Center in 2007 drew attention to the bureaucratic red tape that wounded troops face, the VA has added more claims processors. However, the current VA system rewards the quantity of claims processed, not the quality of processors' decisions. The VA must refocus its efforts to effectively train the new workforce and to link performance reviews to both *quantity* and *quality* of claims processed. With these systems in place, stories of VA backdating claims or shredding paperwork could finally become a distant memory.

For more on troops and veterans' health care and compensation issues, consult the 2008 IAVA Issue Report, "Battling Red Tape: Veterans Struggle for Care and Benefits." All IAVA reports are available at www.iava.org/reports.

3.1 Reform Veteran's Health Care Funding

- To ensure timely and predictable funding, the VA budget should be appropriated at least one year in advance.
- IAVA endorses the annual Independent Budget, produced by leading veterans' organizations (including IAVA) as the blueprint for VA funding levels.
- The Government Accountability Office should audit the VA's internal budget model. The VA must be prepared to accurately project the number of veterans who will use VA health care, taking into account increases in demand due to an influx of Iraq and Afghanistan veterans and the downturn in the economy.

3.2 Cut the Claims Backlog in Half

- IAVA supports the Veterans' Disability Benefits Commission's call to mandate a 50% decrease in the claims backlog in 2 years. To make this possible, IAVA recommends a new evaluation system that rewards claims processors based on the accuracy of their work, not just the quantity of claims processed.
- To make claims more consistent between regional offices, the VBA must reassess training requirements. Claims processors at the VA regional offices should receive annual standardized training specific to the errors found in each office's processing during the previous fiscal year. The VBA should hold claims processors and their managers accountable for meeting the annual training requirement, and should provide opportunities for knowledge-sharing, in the model of CompanyCommand.army.mil and PlatoonLeader.army.mil.
- IAVA believes it is VA's responsibility to clearly inform veterans about the requirements to substantiate a claim. The VA should publicize the criteria for claims establishment, and the VA's "Duty to Notify" should include providing the claimant with a thorough explanation of the elements needed to substantiate a claim.
- Veterans should be able to waive the waiting period for evidence submission if the claim is fully developed.
- Appeals forms should be sent out with Notice of Decision letters, to expedite the process if the veteran chooses to appeal.

3.3 Improve Access to Care

- Military families face significant barriers to receiving mental health care under TRICARE, including inaccurate lists of local providers, low provider reimbursement rates, and high levels of paperwork. IAVA recommends a study to determine the extent of these barriers and how they can be minimized.
- IAVA recommends that the VA mandate uniform services at women's clinics. Currently, women's clinics vary in the services they deliver, from gender-specific care to general primary care. Women veterans should have access to female primary care providers when requested, and if necessary, the VA should contract with local health care providers to offer this service.
- The Secretary of the VA should design and implement national guidelines to instruct VA facilities when it is appropriate to contract with local community health care providers in areas where rural veterans do not have reasonable access to care.

- VA funding should be provided to promote, oversee, and evaluate a pilot program that creates a network of drivers for veterans struggling to find transportation to the nearest VA hospital.

3.4 Smooth the Transition from the Military to the VA

- Enrollment in VA health care should be required for all troops leaving active-duty service, whether from the active or reserve component, with the opportunity to opt out, rather than opt in. Participation in the Benefits Delivery at Discharge program must be mandatory.
- The disability process should be streamlined, so that the DOD determines fitness for duty, and the VA determines disability compensation. The DOD should perform a thorough medical examination for all troops prior to their separation, and DOD records, including the DD-214, should be electronic and interoperable with a state-of-the-art VA system. The DD-214 should be updated to include email addresses.
- Benefit Resource Counselors should be available for all National Guard and Reserve units. An incentivized training program should be established in coordination with the DOD and VA that would train at least one member of every National Guard and Reserve unit on available federal and state benefits for servicemembers and their families.

3.5 Ensure Benefits are Fair

- The VA disability benefits schedule should be revised to provide adequate compensation for both loss of earning capacity and quality of life, and to accommodate new kinds of disability, including Post Traumatic Stress Disorder. While the Rating Schedule is revised, all compensation rates should be increased as recommended by the Veterans' Disability Benefits Commission.
- As recommended by the VA's Advisory Committee on Women Veterans, the Veterans Benefits Administration should put in place a procedure to identify, track and report to Congress the outcomes of disability claims that involve Military Sexual Trauma (MST), in order to better understand the number of MST-related claims submitted annually, length of processing times, denial rates, and the types of disabilities that are associated with MST.
- IAVA supports concurrent receipt of veterans' disability and military separation or retirement benefits.
- IAVA urges the complete repeal of the Widow and Widower's Tax.
- All National Guardsmen and Reservists who are veterans of the wars in Iraq and Afghanistan should qualify for early retirement based on the length of their active-duty service.

3.6 Expand Health Tracking for Iraq and Afghanistan Veterans

- Congress should fund a pre- and post-deployment longitudinal study that bridges the gap from Department of Defense and the Department of Veterans Affairs to track veterans' mental health problems, diseases and mortality.
- Troops returning from a tour in Iraq or Afghanistan should be required to enroll in the Gulf War Registry Program, with the opportunity to opt out, rather than opt in.

3.7 Care for the Caregivers

- IAVA recommends the creation and expansion of pilot programs to certify and train family caregivers of veterans as personal care attendants, so that they can receive compensation from the Department of Veterans Affairs.
- The VA should build on its current partnership with local universities to provide respite care to family caregivers. Graduate students should be trained to provide respite care for families caring for wounded warriors.

4. GOVERNMENT ACCOUNTABILITY

American troops and military families have responded to the demands of a prolonged two-front war with tremendous courage and dedication. But the government has not consistently shown the same commitment to supporting those called to serve.

The wars in Iraq and Afghanistan have been a heavy burden for our Armed Forces, who represent less than one half of one percent of the American people. The military now regularly requires troops to serve multiple, extended combat tours. As General Peter Schoomaker, the former Chief of Staff of the United States Army, warns: "While our Soldiers are responding with extraordinary commitment, particularly in the face of adversity and personal hardships, we cannot allow this condition to persist."

At the same time, funding for the Iraq and Afghanistan wars has become a political football, used by politicians on both sides of the aisle to disguise the wars' cost and fund unrelated pet projects.

Finally, although our troops and military families prove their dedication to our country every day, they are all too often stripped of their rights as citizens. Military voters regularly receive their absentee ballots too late to allow them to vote. In addition, over 40,000 non-citizens serve in the U.S. military today, but they receive little protection for themselves or their families against unfair application of immigration laws. The last thing troops in the American military should be worrying about while deployed is the possibility that their spouses at home may be deported.

4.1 Issue a National Call to Service

- IAVA supports Congressional efforts to expand nonmilitary service opportunities. The President must call on all Americans to show their support for our nation's troops and veterans by joining them in serving the nation in the military or on the homefront.

4.2 Prevent Military Voter Disenfranchisement

- All too often, military personnel receive their ballots too late to be counted. States should provide uniform, simple access procedures for military and military-dependent absentee voting that is valid in all 50 states. These procedures should include a re-examination of the dates limiting how early one can apply for an absentee ballot and protections for election mail to ensure troops overseas receive their ballots on time.

4.3 Provide a Road to Citizenship for Military Families

- IAVA believes that the deportation of spouses of troops deployed to a combat zone should be deferred until at least two years after the deployed servicemember returns from combat. In addition, surviving widows and widowers of those killed in action should be eligible for expedited citizenship and/or "bereavement visas" to allow them to visit family in their country of origin in the years after their spouse's death

4.4 End Abuse of the Emergency Supplement Process

- IAVA recommends that the DOD be obligated to report detailed equipment reset expenditures within the

procurement accounts in a way that confirms that funds are correctly expended.

- Emergency supplemental funding undercuts Congressional oversight of spending. While supplemental funding is crucial for real emergencies, IAVA opposes the use of emergency supplemental to fund predictable military needs.

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[i] GAO-07-831, "Comprehensive Oversight Framework Needed to Help Ensure Effective Implementation of a Deployment Health Quality Assurance Program," June 2007, p. 1: http://www.gao.gov/highlights/d07831high.pdf.

[ii] Emily Singer, "Brain Trauma in Iraq," *Technology Review*, May June 2008.

[iii] Mark Thompson, "America's Medicated Army," Time Magazine, June 5, 2008.

[iv] GAO-08-615

[v] GAO-08-615

[vi] Mental Health Advisory Team (MHAT) IV Final Report," November 17, 2006.

[vii] "Stigma creates employment barriers," USA Today (Society for the Advancement of Education) February 1998: http://findarticles.com/p/articles/mi_m1272/is_n2633_v126/ai_20305748.

[viii] In 2006, the Government Accountability Office found that only 22 percent of returning troops whose forms showed that they were at risk for mental health problems were actually referred to a mental health professional. (GAO-06-397, "Post-Traumatic Stress Disorder: DOD Needs to Identify the Factors Its Providers Use to Make Mental Health Evaluation Referrals for Servicemembers," May 2006, p. 5: http://www.gao.gov/new.items/d06397.pdf. See also: Miliken, Auchterlonie, and Hoge, "Longitudinal Assessment of Mental Health Problems Among Active and Reserve Component Soldiers Returning From the Iraq War," Journal of the American Medical Association, November 14, 2007, p 2145.) There are also questions about *pre*-deployment screening and referrals; in 2006, referrals were only given to 6.5 percent of deploying service members who indicate a mental health problem. (Lisa Chedekel and Matthew Kauffman, "Mentally Unfit, Forced to Fight," *Hartford Courant*, May 14, 2006.) In short, the DOD could not "provide reasonable assurance that...service members who need referrals receive them." (GAO-06-397, "Post-Traumatic Stress Disorder: DOD Needs to Identify the Factors Its Providers Use to Make Mental Health Evaluation Referrals for Servicemembers," May 2006, p. 5.)

[ix] GAO-08-615

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Statement of

Gold Star Wives of America, Inc.

For the Record

United States House of Representatives

Committee on Armed Services

Subcommittee on Military Personnel

Hearing

February 25, 2009

Presented by
Kathryn A Witt
Co-Chair, Government Relations Committee
Gold Star Wives of America, Inc.

"With malice toward none; with charity for all; with firmness in the right, as God gives us to see right, let us strive to finish the work we are in; to bind up the nation's wounds, to care for him who has borne the battle, his widow and his orphan."
...President Abraham Lincoln, Second Inaugural Address, March 4, 1865

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Gold Star Wives of America, Inc (GSW) is a congressionally chartered veterans service organization for the surviving spouses of military service members who died on active duty or who died from a service-connected injury or illness.

GSW commends Representative Solomon Ortiz (TX) and Representative Henry Brown (SC) for sponsoring H.R. 775 that eliminates the Dependents Indemnity Compensation (DIC) offset to the Survivor Benefit Plan (SBP) for all surviving spouses eligible for both DIC and SBP.

Background:

- Military personnel who die on active duty or as the result of a service-connected illness or injury have sacrificed their life for this great country.
- By law, SBP is currently offset dollar-for-dollar by DIC for the surviving spouses of military personnel who died on active duty and the surviving spouses of retired military service members who died of a service connected illness or injury and who purchased SBP for their surviving spouses. Some surviving spouses receive a reduced SBP benefit, but for most, the SBP annuity is completely eliminated by the DIC offset.
- DIC is paid from VA funds. DIC is an ***indemnification or reparations*** payment paid to the surviving spouse as compensation for loss or damage incurred due to the death of the military service member.
- SBP is an annuity purchased by the retired military service member to ensure that the surviving spouse continues to receive a portion of retired pay after the death of the retired military service member. SBP is awarded to the surviving spouses of those who die on active duty based on the fact that the military services make annual contributions to the Military Retirement Trust Fund to provide for retirement pay.
- The congressionally appointed Veterans Disability Benefits Commission recommended that the DIC offset to SBP be removed.
- According to GAO figures there were approximately 54,000 surviving spouses eligible for SBP in 2008. Approximately 4000 of the 54,000 are the surviving spouses of those who have died on active duty since 2001. These surviving spouses are the widows of younger, lower ranking service members and are eligible for a lower amount of SBP.

Discussion:

Surviving Spouses of military personnel who died on active duty since 2001.

- Military service members who die on active duty are assumed to have retired with full disability as of the date of their death and to have elected full SBP coverage. Military families are dependent on an active duty paycheck that includes numerous allowances in addition to base pay. Retirement pay and therefore SBP are calculated on the average of the last 3 years of **base** pay. When the active duty spouse dies, there is a substantial reduction in family income; the DIC offset to SBP creates an even greater deficit in family income.
- For the majority of the surviving spouses of military personnel who died on active duty the SBP annuity is completely eliminated by the DIC offset. Some surviving spouses of military personnel with higher rank and more time in service receive a small portion of the SBP annuity.
- Most active duty service members are never informed about the DIC offset to SBP.
- In 2003, Congress approved the SBP "child only" option that allows the surviving spouse of a military member who died on active duty to reassign the SBP annuity to the children without suffering the DIC offset. When the surviving spouse reassigns the annuity to the

children, the family receives this income only until all the children reach majority and the surviving spouse forfeits the SBP annuity for life. Many of the surviving spouses of military personnel who died on active duty were forced to forfeit their SBP annuity due to financial circumstances encountered after the death of the military service member.

- If a surviving spouse followed his/her military service member from station to station, it is improbable that he/she would have been able to maintain a career and would therefore lack expertise and experience to offer to an employer after the death of the military service member.
- Many surviving spouses are solely responsible for the care of young children. If the surviving spouse works, he/she will have significant childcare expenses. Childcare expenses are often one of the most expensive items in the family budget and are usually exceeded only by mortgage payments.
- If a female spouse becomes a widow in her late forties or fifties, establishing any kind of a career that pays decently and has retirement benefits is improbable, if not impossible.
- Some surviving spouses are themselves disabled, and the military service member was both their financial support and their caregiver.

Surviving spouses of military personnel who died on active duty and were retirement eligible when they died.

- Surviving spouses of service members who died on active duty and who were retirement eligible (20 years) when they died are also eligible to receive SBP. These surviving spouses also suffer the DIC offset to SBP. (The law has been now been changed so that surviving spouses of all service members who die on active duty are eligible for SBP.)

Surviving spouse of 100 percent service connected disabled retirees.

- Many military retirees who died of a service-connected illness or injury purchased SBP for their spouses when they retired from the military services. Most surviving spouses of retired disabled personnel who purchased SBP receive an actuarially calculated taxable partial refund of the premiums their deceased spouses paid. In most cases the partial refund is approximately 1/3 of the premiums that were paid, and the surviving spouses receives approximately 1/3 of the amount of SBP for which she is eligible.
- Most of these retired military service members were not informed about the DIC offset to SBP when SBP was offered at retirement. As one retirement officer said recently, if the military service member were informed of the DIC offset they would not buy SBP.
- Disabled retirees who were aware of the offset were forced to purchase SBP anyway because their disabilities made them ineligible for civilian insurance, and they had no way of knowing when they would die or if they would die of a service connected disability.
- Military service members demonstrate personal responsibility when they voluntarily elect to purchase SBP for their surviving spouses at retirement.
- The premiums for SBP are 6 ½ percent of retired pay. Depending on rank and time in service, these premiums can be several hundred dollars per month.
- If a disabled military retiree is unable to work and is living solely on VA Disability Compensation, paying these premiums is a major financial sacrifice.
- Until recently disabled retirees had their retirement pay offset by VA Disability Compensation, so the SBP premiums had to be paid from other funds.
- In situations where the service-connected disability is catastrophic or severe, the surviving spouse has often spent many years as a full-time caregiver. As such, the surviving spouse

was unable to establish any kind of a career that would offer a decent wage and benefits. Additionally, many published studies indicate that spouses who have been long-term caregivers suffer from major health problems themselves due to the unrelieved stress of caregiving.

- Some surviving spouses are themselves disabled, and the military service member was both their financial support and their caregiver.
- If a spouse followed his/her military service member from station to station before he was disabled, it is improbable that he/she would have been able to maintain a career and would therefore lack expertise and experience to offer to an employer after the death of the military service member.
- If a female spouse becomes a widow in her late forties or fifties, establishing any kind of a career that pays decently and provides benefits is improbable, if not impossible.

Other groups of survivors do not suffer this offset or similar offsets:

- When Senator Bill Nelson (FL) introduced S. 935 in the 110th Congress, he said, "The SBP offset is no less painful for the survivors of our 100 percent disabled military retirees. SBP is a purchased annuity plan. Before coming to the U.S. Senate, I served as Insurance Commissioner for the State of Florida, and I know of no other purchased annuity program that can then turn around and refuse to pay you the benefits you purchased on the grounds that you are getting a different benefit from somewhere else."
- The surviving spouses of Federal civil service employees receive the full survivor annuity as well as full DIC.
- The Social Security offset to SBP at age 62 has been removed for the surviving spouses and the surviving spouses of non-disabled retirees benefit substantially from this removal. Surviving spouses of disabled retirees and military personnel who died on active duty receive little or no benefit from this action because if one receives little or no SBP, one receives little or no benefit from removing the Social Security offset to SBP.
- Retired disabled military personnel who are rated with a service-connected disability between 50 percent and 100 percent are now receiving both VA Compensation and retired pay (concurrent receipt). In FY 2004, when concurrent receipt was implemented for the disabled retirees, the surviving spouses of disabled retirees should have been included as their military spouses were rated with 100 percent service connected disabilities and would have received the benefit of concurrent receipt were they not deceased.

Recommendations:

- Eliminate the DIC offset to SBP for all surviving spouses eligible to receive both SBP and DIC.
- Allow the surviving spouses of military personnel who died on active duty and elected the "child only" option to reselect the spousal option and reclaim their SBP annuity.

BIOGRAPHY
Mrs. Kathryn A. Witt
Mrs. Kathryn (Kay) Witt is the widow of Sergeant Major Keith M. Witt, U.S. Army, Retired, who served in Vietnam, Italy and numerous stateside posts. He died of a service-connected disability in September of 2001. Kay has two children and three grandchildren. Mrs. Witt was appointed as Co-Chair of the Government Relations Committee in July of 2008. Mrs. Witt is a retired civil service employee who worked most of her career for Department of the Army.

DISCLOSURE STATEMENT

Neither Mrs. Witt nor the Gold Star Wives of America, Inc. have received any Federal grant or contract, relevant to the subject matter of this testimony, during the current or previous two fiscal years.

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