

Prepared Statement

of

**The Honorable David S. C. Chu
Under Secretary of Defense (Personnel and Readiness)**

For the

Senate Committee on Veterans' Affairs

"Pending Benefits Legislation"

May 9, 2007

INTRODUCTION

Mr. Chairman and members of this distinguished Committee, thank you for the opportunity to provide views on draft benefits legislation. We are pleased to see such a comprehensive package of benefits legislation being proposed for our Service men and women who have borne the greatest burden of the Global War on Terror. Our comments on several of the bills are below.

S. 117, Lane Evans Veterans Health and Benefits Improvement Act of 2007, a bill to improve benefits and services for members of the Armed Forces, veterans of the Global War on Terrorism, and other veterans, to require reports on the effects of the Global War on Terrorism, and for other purposes.

We recommend changing, in section 101(a) of the bill, the amendment to section 1710(e)(1)(F)(ii) to read “medically indicated mental health treatment, and corresponding family therapy regarding such treatment, as indicated.” Family and marital counseling is not the treatment for many mental health conditions, and is always available through Military OneSource and other family support modalities. Many are not married nor in relationships with others; therefore, such therapy might not apply.

There may be significant costs associated with implementation of the provisions in section 103 of the bill. Without knowing the specific business processes for this provision, however, it is difficult to estimate the exact technology costs. If scanning of medical records were done at a Military Treatment Facility (MTF), each MTF would need a high speed scanner that we estimate would cost approximately \$4,200 each. In addition, the cost to provide medical

record data on a thumb drive for each separating Service member would be roughly \$20 per drive for each of the Service members who separate each year.

Section 104(b) of the bill would require the Secretary of Defense to conduct an outreach program for all members of the National Guard and Reserve of the same nature, duration, and quality as outreach provided to members of the regular components at discharge or release from the Armed Forces, except that such outreach shall be tailored to the specific employment and other transition needs of members of the National Guard and Reserve. Furthermore, this section would require that the outreach be provided to National Guard and Reserve members who are being released from active duty or discharged from the Armed Forces.

We recommend striking the word “duration.” If the programs are tailored to the specific needs of the Reserve component members, it may not take the same amount of time to provide the required information. Furthermore, if the programs are of the same nature and quality, there may be other more effective means of delivering the information where duration is not a factor. Finally, there may be subjects where more time should be devoted to the particular subject and should not be limited to the same duration devoted to that subject when it was provided to regular component Service members.

We recommend striking the phrase “or discharge or release from the Armed Forces.” Many members are transferred to the Individual Ready Reserve upon completion of their initial active duty service obligation in order to complete their initial eight-year military service obligation (MSO). While the Reserve components manage this manpower pool, there is often limited face-to-face contact with these members. They generally settle into their civilian life while remaining subject to mobilization, if needed. Requiring the Reserve components to

conduct briefings with all of these members upon completion of their MSO and subsequent discharge from the military would be resource and labor intensive, often with little additional benefit to the member since the member would be provided with the same information he or she received upon release from active duty. Moreover, if the member has not performed any military duty other than the required musters, there will be no new or additional information provided during the outreach effort.

The provisions in section 205 require the Secretary of Defense to provide quarterly reports to the Senate and House Committees of the Armed Services and Appropriation.

Recommend deleting section 205 for the following reasons:

- The quarterly submission of information requested is not consistent with the current deployment pattern of 12-15 months "boots-on-the-ground." Any data provided inside of this deployment cycle will not provide meaningful trend data.
- The volume of data requested makes the task onerous and resource intensive – both in terms of man-hours and/or funding if we determine it will require contract support. Further, the reporting requirements for the VA in Section 202 of the proposed bill, which are just as voluminous as DoD's, will require DoD to assist the VA in their data collection.
- The Department believes it would be more useful and an efficient use of resources, if DoD provides the information to address specific congressional concerns, on an ad hoc basis. The Department has been very responsive to these Congressional requests in the past. The preferred method would be to address specific data requirements, vice a bundled data request.

S. 225, a bill to expand the number of individuals qualifying for retroactive benefits from Traumatic Injury Protection Coverage under Servicemembers' Group Life Insurance (T-SGLI).

We oppose expansion of the number of individuals qualifying for retroactive T-SGLI. T-SGLI is an insurance program funded through the payment of \$1 premiums by the members of the program, similar to SGLI. The T-SGLI program is able to provide low-cost insurance, similar to death and dismemberment insurance, to members who could not typically obtain this type of coverage in the commercial sector.

Because T-SGLI benefits are provided for losses that were a direct result of injuries incurred in Operation Iraqi Freedom/Operation Enduring Freedom (OIF/OEF) prior to enactment of the T-SGLI program and before premiums were collected therefore, the entire cost for these injuries is born by DoD. If the benefit is further extended retroactively to non-OIF/OEF injuries by S. 225, the cost for an estimated [for these] additional 700 claims would again be funded by DoD. This would represent an unfunded requirement (\$50 Million).

The purpose of T-SGLI is to ensure that payment is made to severely injured service members as soon as possible following a traumatic injury in order to reduce the financial burden resulting from a severe loss and hospitalization. Payment of retroactive benefits for injured members does not address the need for which the payment was intended. Payment can only be made for losses that occurred before December 1, 2005 (going back as far as October 7, 2001).

S. 423, Veterans' Compensation Cost-of-Living Adjustment Act of 2007, a bill to increase, effective as of December 1, 2007, the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans.

We support an increase of rates of compensation for veterans with service-connected disabilities and rates of dependency and indemnity compensation for survivors of certain disabled veterans.

S. 643, Disabled Veterans Insurance Act of 2007, a bill to increase the amount of supplemental insurance available for totally disabled veterans.

Subject to Congress' enactment of legislation offsetting the increased costs associated with the enactment of the new authority for VA, we would not object to an increase to the amount of supplemental insurance available for totally disabled veterans.

S. 961, Belated Thank You to the Merchant Mariners of WW II Act of 2007, a bill to provide benefits to certain individuals who served in the United States Merchant Marines (including the Army Transport Service and the Naval Transport Service) during World War II, and for other purposes.

We do not support a pension for Merchant Mariner veterans of WWII and their spouses, since the benefit would be duplicative of VA benefits already available to Merchant Mariner veterans and would treat Merchant Mariner veterans differently from the remaining six million WWII veterans.

Post-9/11 Veterans Educational Assistance Act of 2007

We oppose the Post 9/11 Veterans Educational Assistance Act of 2007. The legislation is correct in stating that the Montgomery GI Bill (MGIB) was primarily designed for a "peacetime force." However, the current MGIB program for active duty is basically sound and serves its purpose in support of the all-volunteer force.

- While it may warrant some changes at the margin, there is definitely no need for the kind of sweeping (and expensive) changes offered.
- Today's basic monthly benefit rate of \$1,075 for full-time study covers about 75 percent of the average cost of tuition, fees, room, and board at a four-year public institution. And those who enlist with one of the Service College Funds can receive up to \$950 on top of the basic benefit.
- Because there is no provision for "kickers," which the Services routinely use to channel high quality youth into hard to fill and critical skills, this bill will have a negative impact on the Department's force management programs. The level of the proposed benefit far exceeds the maximum level of the current MGIB as augmented by a maximum "kicker" of \$950.
- In concept, the Department does support using the aggregate period of active duty (rather than the current continuous period of active duty) to qualify for benefits as proposed in S. 22. This is consistent with the Department's continuum of service construct and recognizes Department's approach to the use of the Reserve Component -- judicious and prudent use, with periods of service that of limited duration and occur at predictable intervals.
- The DoD and VA are finalizing a joint study on a GI Bill to support the Total Force and are in the process of determining the resource implications of such an initiative.

S. 698. Veterans' Education Enhancement Act of 2007

We defer to the VA for comment on this legislation as it will affect their budget.