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STATEMENT OF
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THE AMERICAN LEGION
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE
ON
NUMEROUS VETERANS' LEGISLATION

MAY 9, 2007

Mr. Chairman and Members of the Committee:

Thank you for this opportunity to present The American Legion's views on the bills being considered by the Committee today. The American Legion commends the Committee for holding a hearing to discuss these important and timely issues.

S. 117, the "Lane Evans Veterans Health and Benefits Improvement Act of 2007"

The American Legion supports the intent of Section 104 and Title II of S. 117. Specifically concerning Title II of the bill, The American Legion is in support of tracking veterans who serve in the Global War On Terrorism (GWOT) in a new database. This bill would make data on these veterans more accessible upon request. GWOT veterans require their own system, since the exposures and experiences they encountered are different from veterans of the first Gulf War. GWOT veterans experience more combat time, multiple deployments, continuous urban warfare, blast traumas and more women have participated. The veterans of the 1991 Gulf War experienced widespread oil well fires, possible nerve agent exposure and a shorter combat time.

This bill also addresses the need to differentiate veterans who served in OIF and OEF, those who served in both and those who served in neither. The environmental exposures may differ and the combat experiences may differ. The American Legion suggests that under the Health, Counseling and Related Benefits section (section 3), the conditions should also be tracked according to whether the veteran served in OIF, OEF or both or in neither - not just by inpatient outpatient status. This would show if any trends in illness are developing among the groups. It should also show a breakdown by gender.

S. 168 "A bill to direct the Secretary of Veterans Affairs to establish a national cemetery for veterans in the Pikes Peak region of Colorado"

While the American Legion is not for or against the building of a national cemetery in Pikes Peak, CO, The American Legion supports the establishment of additional national and state veterans cemeteries and columbaria wherever a need for them is apparent. As such The

American Legion supports the National Cemetery Administration (NCA) in completing its goals set forth in the "Millennium Act" and in Public Law (PL) 108-109. NCA has successfully established the cemeteries set forth in the "Millennium Act" and has received authorization for FY 2008 for the six cemeteries to be constructed in accordance with PL 108-109.

S. 225 "Traumatic Injury Benefits"

S. 225 seeks to enlarge the group of those who, while on active duty status from October 7, 2001 through November 30, 2005, suffered a traumatic injury and associated covered loss, and under certain conditions of service qualified for retroactive benefits payments under the Traumatic Injury Servicemembers Group Life Insurance (TSGLI) program, as initially established by PL 109-13 in 2005, by eliminating the original legislation's requirement that only those traumatic injuries and losses occurring from service directly in Operations Enduring Freedom or Iraqi Freedom would qualify for such retroactive benefits. S. 225 would open this group to include all service members on active duty status during the retroactive period, regardless of where the traumatic injury occurred. The Department of Veterans Affairs (VA) has issued a Final Rule to its Code of Federal Regulations, as published in the Federal Register of March 8, 2007, that for purposes of TSGLI payments service members did not have to actually be insured under the Servicemembers Group Life Insurance (SGLI) program in order to be eligible for this benefit. Therefore, were S. 225 to be enacted into law as currently presented, all such service members, insured under SGLI or not, who suffered a qualifying loss during the stated retroactive period, would be eligible for payment of TSGLI benefits.

The American Legion supports the intent of S. 225. It has always been the position of The American Legion that veterans' benefits entitlements should apply equally to all those in service on active duty. Military service members serve under the command of their respective service departments and it is not their prerogative to determine the location of such service and the duties assigned. Such service and duties may very well be located well outside a combat theatre of operations, but it is military service to the nation nonetheless, and the nature of such military service often exposes members to hazard of life and limb. The American Legion does not support the creation of different classes of veterans for purposes of different levels or types of veterans' benefits. We believe therefore that S. 225 should proceed successfully and be enacted into law.

S. 423, the "Veterans' Compensation Cost-of-Living Adjustment Act of 2007"

S. 423 will 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. The amount of increase shall be the same percentage as the percentage by which benefit amounts payable under title II of the Social Security Act (42 U.S.C. 401 et seq.) are increased effective December 1, 2007.

The American Legion supports this annual cost-of-living adjustment in compensation benefits, including dependency and indemnity compensation (DIC) recipients. It is imperative that Congress annually considers the economic needs of disabled veterans and their survivors and provide an appropriate cost-of-living adjustment to their benefits, especially should the adjustment need to be higher than that provided to other Federal beneficiaries, such as Social

Security.

S. 526 the "VET Act"

The American Legion supports the provisions of S. 526. Increasing the educational benefit available through the Montgomery GI Bill (MGIB) will provide a better incentive to veterans to complete a program with immediate employment results, without the concern of going in to short-term debt. The American Legion supports granting a veteran the option to request an accelerated payment of all monthly educational benefits upon meeting the criteria for eligibility for MGIB financial payments. The selection of courses veterans undergo remain exclusively the decision of the individual veteran. All earned veterans' education benefits should be made available to veterans in support of their endeavors. Accelerated payments allow veterans to achieve their education goals in the manner that they decide. Binding the time frame of an education payout may restrict educational options for some veterans.

In addition to the traditional institutions for higher learning, MGIB benefits can be used for training at Non-College-Degree Institutions, On-the-Job or Apprenticeship Training, Independent, and Distance or Internet training. The MGIB also allows VA to reimburse veterans for the fees charged for national tests for admission to institutions of higher learning and national tests providing an opportunity for course credit at institutions of higher learning. Examples of tests covered are SAT, GRE, CLEP, GMAT, LSAT, etc. The MGIB for veterans, and not those eligible under Survivors and Dependents Educational Assistance (DEA), is available for Flight Training and Correspondence Training.

The significance of expanding the scope of accelerated payments is that the preceding categories are eligible for MGIB payments, yet excluded from accelerated payments. The American Legion recommends that all MGIB-approved courses, including the On-the-job-training (OJT) and Apprenticeship courses, become eligible for accelerated payments.

S. 643 "Service-Disabled Veterans Insurance"

This bill would increase the amount of supplemental life insurance offered under the VA's Service-Disabled Veterans Insurance (SDVI) program from its present \$20,000 maximum to a \$40,000 maximum.

VA's SDVI program provides life insurance coverage for veterans who are rated service-disabled by the VA, and who apply within two years of their last VA rating for a new disability, and who are in good health except for their service-connected disabilities. The program is essentially divided into two parts; Basic SDVI coverage with a maximum face value of \$10,000 and a provision for a disability waiver of premiums if the insured is unable to follow any substantially gainful employment due to a disability beginning before age 65, and supplemental SDVI with a maximum coverage of \$20,000 and no provision for a disability waiver of premiums. Supplemental SDVI has stringent eligibility requirements in that a service-disabled veteran must have a basic SDVI policy in force, must qualify for a disability premium waiver on it, must be under age 65 at time of application, and must apply within one year of being advised of the approval of the disability premium waiver on the basic SDVI policy. These requirements, which are in addition to the already strict requirements for basic SDVI, naturally greatly limit participation in Supplemental SDVI coverage.

As a further consideration, SDVI premium rates, which are the same per \$1,000 of coverage per month for both basic SDVI and supplemental SDVI, are quite expensive as they are based on a long outdated 1941 insurance industry mortality table. VA has proposed on several occasions that these premium rates be set by an updated current mortality table, such as the 2001 or 2003 edition, thereby reducing these premium rates by an average of 30 percent to 40 percent, but such has not yet met with congressional approval. With the majority of applicants for SDVI coverage being currently from the Vietnam era (though an increasing number of veterans with service from the 1980s to 1990s are being seen), these premium costs can be very significant, especially since most insured veterans pay their premiums out of their VA disability compensation.

An increase of supplemental coverage to a new maximum of \$40,000 would bring the overall possible SDVI coverage for totally disabled veterans to a total of \$50,000, taking into consideration basic SDVI as well. This \$50,000 overall coverage figure has appeared in regards to enhancing SDVI, and continues to appear, for several years now in various combinations. Though such a proposed coverage increase is a positive step to attaining a much needed enhancement to the SDVI program, it remains far below, for example, the \$400,000 coverage maximum figure afforded to new and recent insured veterans under the Veterans Group Life Insurance program, and should not be regarded as a final long term solution. A congressionally initiated comprehensive private sector study of VA benefits for survivors of veterans with service-connected disabilities, completed in May 2001 (The Program Evaluation of Benefits for Survivors of Veterans with Service-Connected Disabilities), concluded that significant increases in the SDVI coverage amounts were fully warranted.

Relatively few disabled veterans who are insured under the basic SDVI program, and who are totally disabled for insurance purposes, and under age 65, actually apply for and maintain supplemental coverage due to its high premium cost. Of these, a large percentage take out only half the maximum, or \$10,000, coverage, again due to the high premium costs. Therefore, an enhancement to SDVI which consisted solely of an increase in supplemental coverage may actually have little impact on the severely (by definition) disabled veterans in this group and provide a very limited benefit to the whole. The increased coverage benefit would mainly accrue to those relative few able to afford the much higher premiums, and to those in near-term life threatening situations at the time the option to purchase supplemental coverage is available, and who make application within the one year supplemental coverage eligibility period.

The American Legion believes that a much more equitable approach to enhancing VA's SDVI program, and of much greater benefit to these service-connected disabled veterans, would be to increase the maximum amount of coverage under the program's basic insurance portion, with its provision for a disability waiver of premiums, and to increase the supplemental coverage maximum as well. If an overall coverage maximum of \$50,000 were the goal, an increase of basic coverage to \$20,000 or \$25,000, and supplemental coverage to a maximum of \$30,000 or \$35,000, would be much more beneficial to program insured veterans than an increase in supplemental coverage alone. Such would be a significant step to meeting the proven insurance needs of the most severely disabled veterans.

In conclusion, while The American Legion agrees with the basic intent of this legislation, for the reasons stated previously, attention should be given to a more equitable division in this insurance

increase between basic and supplemental SDVI. Barring this, we feel that at the least the premium rates for supplemental SDVI coverage should be based on a more updated insurance industry mortality table than the obsolete 1941 table currently in use.

S. 698, the "Veterans Survivors Education Enhancement Act of 2007"

As this legislation was not received in time for us to thoroughly review, The American Legion defers comment and respectfully requests the Committee to allow us to submit for the record at a later date.

S. 847, "to extend the period of time during which a veteran's multiple sclerosis is to be considered to have been incurred in, or aggravated by, military service during a period of war"

This bill would eliminate the current seven-year period after service in which a wartime veteran must develop multiple sclerosis, in order for it to be presumptively service-connected, and extend it indefinitely so such a veteran would qualify for service-connection on a presumptive basis if the disease developed anytime after the veteran's separation from the military.

Multiple sclerosis is an autoimmune disease, the cause of which is unknown, affecting the central nervous system. The American Legion fully supports this legislation. Given the nature of this terrible disease, elimination of a delimiting period for the establishment of presumptive disability benefits is certainly warranted.

S. 848, the "Prisoner of War Benefits Act of 2007"

This bill would repeal the current requirement in Title 38, United States Code (USC) that an individual had to have been detained or interned for a period of not less than 30 days in order to be entitled to presumptive service-connection for certain prisoner-of-war (POW) diseases. It would also expand the list of POW diseases presumed to be service-connected, currently set forth in Title 38, USC section 1112(b), to include diabetes Type II and osteoporosis. The legislation would also specifically authorize the Secretary of Veterans Affairs to create regulations adding or deleting diseases enumerated in section 1112(b), on the basis of sound medical and scientific evidence, to include recommendations from VA's Advisory Committee on Former Prisoners of War.

The issue of the welfare and well being of those veterans who have endured the hardship and trauma of being held as a POW has long been one of the major concerns of The American Legion. To ensure that the Federal government fulfills its obligation to these brave men and women, The American Legion has actively supported improvements in benefits provided to these individuals and their survivors. We are pleased to support the addition of the two conditions, specified in this bill, to the list of those currently presumed to be service-connected. It is hoped this legislation will provide the impetus for continuing action to further broaden the list of presumptive diseases and disabilities, which former POWs are known to suffer from. Toward this end, we are encouraged that the bill recognizes and emphasizes the important role played by VA's Advisory Committee on Former Prisoners of War. This group of esteemed individuals, many of who are themselves former POWs, provide the necessary mechanism and forum to evaluate scientific and medical studies on former POWs to make appropriate recommendations

to the Secretary regarding needed changes in VA's outreach, benefits, and medical care program for this community of veterans.

Additionally, The American Legion has long supported the elimination of the arbitrary 30-day requirement for internment. Studies have shown there can be long lasting adverse health effects resulting from even a relatively short period of confinement as a prisoner of war. Such findings are especially important considering the nature of today's warfare and the rather short period of confinement most American POWs have faced during the post-Vietnam era.

This legislation represents a solid step toward ensuring former POWs receive the compensation and medical care to which they are clearly entitled. However, in addition to those diseases that would be presumed service-connected, The American Legion recommends that the list also include chronic pulmonary disease, where there is a history of forced labor in mines during captivity, and generalized osteoarthritis, as differentiated from the currently listed disability of post-traumatic osteoarthritis.

S. 961 "Belated Thank You to the Merchant Mariners of WWII Act of 2007"

S. 961 would amend title 46, U.S.C., to provide benefits to certain individuals who served in the United States merchant marine (including the Army Transport Service and the Naval Transport Service) during World War II. The benefit would be a special pension of \$1,000 a month to Merchant Mariners who served between December 7, 1941 and December 31, 1946, and their spouses.

Merchant Marines (Mariners) who served during the period from December 7, 1941 through August 15, 1945 were granted veteran status by the Civilian Military Service Review Board in January 1988. They were issued a DD214 from the Coast Guard and are entitled to the same medical, disability, and burial benefits as other veterans.

The American Legion does not have an official position on this legislation.

S. 1096, the "Veterans' Housing Benefits Enhancement Act of 2007"

The American Legion is pleased to support this pending legislation that would allow the Secretary of the Department of Veteran Affairs improve the housing arrangements to better suit the disabled veterans' needs, with specific emphasis on severe burn injuries, and to accommodate those veterans with severe burns. The American Legion additionally applauds the intent of the legislation to assist disabled veterans to receive adaptive equipment for automobiles.

The American Legion conveys that specially adaptive housing should also include those veterans suffering from Traumatic Brain Injury (TBI), and other debilitating injuries. We are also concerned with the ambiguity of the term "severe" in that there are many different levels of injury where a severe injury to one individual may not be as severe to another.

S. 1163, "Blinded Veterans Paired Organ Act of 2007"

This bill would amend title 38, USC, to improve compensation and specially adapted housing for veterans in certain cases of impairment of vision involving both eyes, and to provide for the use of the National Directory of New Hires for income verification purposes.

Specifically, this bill would strike the word "blindness" in both places it appears in section 1160(a)(1) of title 38, USC, and replace it with "an impairment of vision." It would also establish specific visual acuity levels constituting an "impairment of vision" under this section. The American Legion supports this portion of the legislation as it is consistent with provisions of the Veterans' Benefits Act of 2002 (PL 107-330), which instituted similar changes for hearing loss evaluations.

The American Legion also supports the changes to the visual impairment requirements for specially adapted housing under section 2101 of title 38, U.S.C., as such changes conform to the visual impairment changes in section 1160.

The American Legion has no position or comment on the portion of this legislation pertaining to National Directory of New Hires.

S. 1215 "To amend title 38, United States Code, to extend and improve certain authorities of the Secretary of Veterans Affairs, and for other purposes"

Section 1

The American Legion supports the provision that will maintain the current level of funding for the State Approving Agencies at an annual rate of \$19 million.

The American Legion believes that honorable military service, combined with improved education and vocational training opportunities, enhances an individual, increases diversity, and betters society as a whole. The education pillar is continuous and ever evolving. Diminishment in support for education and ability to gain knowledge for veterans will harm the nation as a whole, decrease the ability to recruit new service members, and unfairly subject veterans to barriers of benefits that they have earned.

State Approving Agencies are instrumental in the education process. The American Legion fully supports all efforts to maintain and enhance veterans' education benefits and recommends that State Approving Agencies remain funded at \$19 million.

Section 2

The American Legion supports the extension of the pilot project on-training-on-the-job for claims adjudicators.

Section 4

The American Legion applauds the modification to create an unemployment study on Global War on Terrorism era veterans, but we are concerned with the exclusion of Vietnam era veterans. The American Legion feels that veterans of the Vietnam era unemployment study continue to be conducted in addition to a study on unemployment of Veteran of the Global War on Terrorism.

Section 5

The American Legion supports the provisions that would extend the rates of education benefits for Apprenticeship and On-the-Job-Training from 2008 to 2010; however, we feel that this date should be extended indefinitely.

S. 1261 "The Montgomery GI Bill (MGIB) for Life Act 2007" and S. (S. 22 revised) the "Post 9/11 Veterans Education Assistance Act of 2007"

The American Legion supports passage of major enhancements to the current All-Volunteer Force Education Assistance Program, better known as the Montgomery GI Bill (MGIB). We note that the current make up of the operational military force requires that adjustments be made to support all armed forces members. The American Legion applauds S. 22 in that it allows for members of the armed services to receive enhanced educational benefits more in line with today's needs. Enactment of this law will greatly increase the recruitment and retention ability of the branches of the armed services. While this legislation is aimed towards the active duty force, The American Legion supports legislation that will allow Reservists to earn credits for education while mobilized, just as active-duty troops do, and then use them after they leave the military service.

The Montgomery GI Bill for life aims to repeal all time limits to use the MGIB. This bill is a step in the right direction and we support the measures that would be enacted. In addition to the positive measures that the bill encompasses, The American Legion feels that all veterans be treated equally regardless of their Reserve/National Guard status in such that an individual who was called to duty and served honorably should not have to remain in the selected reserve to use their earned benefits. We support legislation that would allow all Reservists and National Guard members to use their MGIB benefits, to include the Reserve Educational Assistance Program (REAP) for up to ten years after separation regardless of disability status and if their enlistment contract expires.

Under current law, members of the Reserve component face many challenges in using the MGIB-SR benefits. Since September 11, 2001, the utilizations of the Reserve components to augment the Active Duty Force (ADF) presents complications for those members of the Guard and Reserves enrolled in college programs. The uncertainty associated with unit activations, lengthy activations, individual deactivations, and multiple unit activations makes utilization of educational benefits extremely difficult. Such decisions as whether to enroll for a semester, long-range planning for required courses, or whether to finish a semester are among the challenges confronted. Other factors include accrued student loan debt, falling behind peers in studies, and limbo status due solely to the military's indecision.

With the number of activations of the Reserve component since September 11, 2001, these same Reservists, who are attending colleges and universities around the country, are discovering that their actual graduation date may be extended well past their initial anticipated graduation date. It's also taking longer for students to graduate, raising the overall cost of a college degree. The College Board, an association composed of more than 5,200 schools, colleges, universities, and other educational organizations, states that the average public university student now takes 6.2 years to finish. They also report that tuition and fees represent only a fraction of the total cost of attending college. The overall cost (tuition, fees, room, board, books, and including transportation) of a typical public college is about \$16,400 a year. (College Board)

In the 20 years since the MGIB went into effect on June 30, 1985, the nation's security has changed radically from a fixed Cold War to a dynamic Global War on Terrorism. In 1991, the

Active-Duty Force (ADF) of the military stood at 2.1 million; today it stands at 1.4 million. Between 1915 and 1990 the Reserve Force (RF) was involuntarily mobilized only nine times.

There is now a continuum of service for military personnel, beginning with those who serve in the Reserve component only, extending through those in the Reserve component who are called to active-duty for a considerable period of time, and ending with those who enlist in the ADF and serve for a considerable period of time. Since 9/11 more than 600,000 members of the 860,000-member Selected Reserve have been activated.

Today, approximately 40 percent of troops in Iraq are Guard personnel or Reservists. Despite this, both the MGIB-AD and the MGIB-SR still reflect benefits awarded 20 years ago with increases well behind the annual educational inflation rate. The Reserve component members rarely served on active duty at that time. The idea that any projection of U.S. power would require the activation of at least some Reservists was never considered in creating these programs.

According to the FY 2007 MGIB pay rates, troops who serve on active-duty three or more years can collect up to \$1,075 a month for 36 months as full-time students totaling \$38,700. That benefit is available up to 10 years after discharge.

Reserve and Guard personnel can earn percentages of the full-time active-duty rate depending on length of their mobilization. If they are mobilized for 15 months - the average length of deployment - and then go to school full-time they can only receive up to a maximum of \$23,220 (FY 2007 rates) using their Reserve Education Assistance Program (REAP) benefits. However, they can collect only if they remain in a Guard or Reserve unit. If they go into the inactive Reserve (Individual Ready Reserve) or are discharged, they no longer are eligible for education benefits.

The American Legion recommends that activated Reservists get one month of benefits, at the active-duty rate, for each month of mobilization up to 36 months and there should be no delimiting date for use of the benefits from the last date of active or Reserve service.

The American Legion recommends that Congress move Montgomery GI Bill-Selected Reserve (MGIB-SR) from title 10, USC, to title 38, USC, and that VA have administrative authority for both the MGIB and the MGIB-SR. We recommend that the annual appropriations for the MGIB and the MGIB-SR become one annual appropriation within the VA.

The American Legion supports the termination of the current military payroll deduction (\$1200) required for enrollment in MGIB.

The American Legion supports eliminating the ten-year delimiting period for veterans to use Montgomery GI Bill educational benefits and support legislation that would allow all Reservists and National Guard members to use their MGIB-SR benefits for up to ten years after separation.

The American Legion supports an MGIB-SR participant reimbursement rate adjusted for time spent on Federalization activation, State activation, and normal service for a period not to exceed 36 months is created.

The American Legion recommends that the dollar amount of the entitlement should be indexed to the average cost of college education including tuition, fees, textbooks and other supplies for a commuter student at an accredited university, college or trade school for which they qualify and that the educational cost index should be reviewed and adjusted annually.

The American Legion supports that a monthly tax-free subsistence allowance indexed for inflation must be part of the educational assistance package,

The American Legion believes that if a veteran enrolled in the MGIB program acquired educational loans prior to enlisting in the Armed Forces, MGIB benefits may be used to repay existing educational loans.

The American Legion supports that enrollment in the MGIB shall be automatic upon enlistment. However, benefits will not be awarded unless eligibility criteria have been met and if a veteran enrolled in the MGIB becomes eligible for training and rehabilitation under Chapter 31 of title 38, USC. In such a case, the veteran shall not receive less educational benefits than otherwise eligible to receive under MGIB.

The American Legion supports that any veteran with six years of service will be qualified to transfer education entitlements upon re-enlistment for four years and to amend title 38, USC, to restore the reimbursement rate for correspondence and distance learning training to 90 percent of tuition.

S. 1265 "Veterans Mortgage Life Insurance Eligibility Expansion"

S. 1265 addresses the expansion of Veterans Mortgage Life Insurance (VMLI), a VA program offering \$90,000 of mortgage life insurance to severely disabled veterans who are awarded grants by VA for specially adapted housing, to include members of the military service who meet similar disability requirements, yet who are still in an active-duty status either due to a lengthy separation process for various reasons, or who are retained in such status due to their occupational specialties being needed by their service department or due to other manpower requirements.

The American Legion supports this proposal as these individuals obviously meet the same criteria as is used for those presently insured under the VMLI program. The only difference here is that this group is not yet separated from service, which is a requirement of the current statute. We believe the justification here is, in essence, the same and that these individuals should also have the option of being insured under the VMLI program.

S. 1266 "Veterans Dignified Burial Assistance Act of 2007"

This bill seeks to: increase the burial plot allowance from \$300 to \$400; repeal the time limitation for state filing of reimbursement costs; and, modify the grants to state veterans' cemeteries for operation and maintenance.

The American Legion strongly supports the portion of this bill that would repeal the time limitation for state filing of reimbursement costs for veterans who are interred in a private or state cemetery. This portion of the legislation will assist in the location and burial of cremated

remains of veterans that go unclaimed for over two years as well as give families more time in the grieving process as they will not have to be concerned about deadlines in claiming these benefits.

The American Legion urges Congress to enact legislation that would:

1. Increase the burial allowance for veterans now eligible under title 38, U.S.C., section 2302 and 2303 from \$300 to \$1135.
2. Increase the burial allowance for veterans who died as a result of a service-connected condition as set forth in title 38, U.S.C., section 2307 from \$2000 to \$3712.
3. That the burial plot allowance be increased from \$300 to \$670.
4. That VA be required to annually adjust burial allowances and burial plot allowance for inflation by tying the increased allowances to the Consumer Price Index.

The American Legion also has concerns with the provision that allows state cemeteries to receive grants up to \$5 million for improvements to state cemeteries. The purpose of the State Cemetery Grants program is to pay for the cost of establishing a state veterans' cemetery that will then be maintained by the state and not the Federal government. States that ask for improvement money will be breaking their obligation to maintain those cemeteries they agreed to be responsible for. Funds for improvements would take money away from new projects as well.

Draft Legislation "Disabled Veterans Insurance Improvement Act of 2007"

This proposed bill is comprised of three separate veterans insurance issues.

First, it would raise the maximum coverage in the Veterans' Mortgage Life Insurance (VMLI) program from the current \$90,000 up to \$200,000. The current maximum, established on December 1, 1992, covers only approximately 64 percent of veterans' outstanding mortgage balances; raising it to \$200,000 would cover approximately 93 percent of outstanding balances and accords with previous VA recommendations that the coverage level be increased to keep pace with rising housing costs. The American Legion supports this increase as one that is long overdue and that is certainly justified by the obvious rise in housing costs and values over the past fifteen years. However, we believe this \$200,000, which should be enacted into law, should only be regarded as a starting point and that the VMLI coverage maximum should be tied to an appropriate economic indicator to maintain a reasonable level of coverage for the extremely disabled veterans in this group of insured veterans.

Second, the bill introduces a major, long awaited, addition to the VA's Service-Disabled Veterans Insurance benefit area in a proposal to establish a Level Term Insurance program for disabled veterans with a maximum face value coverage of \$50,000.

This proposal again mirrors certain findings by the private sector study on Program Evaluation of Benefits for Survivors of Veterans with Service-Connected Disabilities, completed in spring 2001, which found an enhancement was needed in insurance coverage options for veterans with

service-connected disabilities. The proposed legislation would provide such veterans up to \$50,000 Term insurance coverage on a level, permanent premium basis up to age 70, at which point the amount of insurance would reduce to 20 percent of the face value held, but which would then be in a paid-up insurance state. A standard disability waiver of premiums provision would also apply, and the aggregate of service-disabled coverage held under all such programs would not exceed \$50,000.

Qualifying criteria would be the same as for the current SDVI program, but with the added significant constraint of an overall eligibility period of applying for such within 10 years of release from active-duty, a period on principle chosen to orient this new program wholly to the current generation of disabled veterans to lower program costs, avoiding the need to offer coverage to older or even slightly older disabled veterans, and which further reflects an assumption that loss of insurability because of service-connected disabilities impacts far more heavily on those in the younger age groups. We find both this concept arguable and the 10-year time period to be nothing less than arbitrary. In many, many cases service-connected disabilities, or substantial increase in severity to them, arise more than 10-years after service, and loss of insurability can impact just as heavily at older ages as at younger one for many reasons as we all know well.

The American Legion has long been in favor of an enhancement to the VA's SDVI program which would bring it into line with today's economic realities. The standard SDVI maximum of \$10,000 has long been insufficient, and only the most disabled veterans under age 65 who cannot follow gainful employment because of their disability qualify for supplemental SDVI coverage, for which they must pay high premiums.

We feel this legislation to be a step in the right direction to address the deficiencies of the present program, but we favor a more extensive overall eligibility period than the 10-years after release from active duty specified in the bill. We also believe that service-connected disabled veterans who receive increases in their service-connected disabilities, rather than only those who receive original ratings for service-connection, should be eligible to apply for such coverage and that such provision be extended to the regular SDVI program as well. In connection with this, it has been our experience that the present two-year eligibility period from the date of notification of a rating is too restrictive and should be extended to a more appropriate time period for all SDVI programs.

In a related area, this proposed legislation does not permit the provisions of regular SDVI Gratuitous insurance to apply, retaining that limit to \$10,000 even for those veterans who would have qualified for coverage under this new program. Gratuitous SDVI permits an insurance settlement in cases where a veteran, otherwise eligible, could not apply for SDVI because of a service-connected disability rendering him or her mentally incompetent and hence unable to do so, thus placing them on an even footing with other qualifying service-connected veterans.

The American Legion believes the same principle should govern with this new program. Beneficiaries of those deceased veterans who would otherwise have qualified for insurance under this proposed legislation, and also meet the rigorous criteria for Gratuitous insurance, should be permitted the full \$50,000 settlement. Given the rarity of such cases we do not believe this should impact adversely on program costs to a significant extent. Beneficiaries of those veterans

meeting Gratuitous insurance criteria outside the overall eligibility period eventually chosen for this program (i.e. from date of release from service) for such new coverage, where the veteran would have qualified only for standard SDVI, would still be eligible for the regular \$10,000 Gratuitous insurance. The SDVI programs would then be more consistent in their application should this program proposal be enacted.

The American Legion is in full agreement with VA's proposal to switch to the Commissioners 2001 Standard Ordinary Table of Mortality for the determination of premium rates for this SDVI program, rather than the outdated 1941 Table presently in use. It is neither sensible nor fair to base premium rates for service-disabled veterans on mortality tables over sixty-five years old, and long rendered obsolete by changes in American living conditions and modern medicine, evident to all. Such action constitutes a deliberate overcharging of disabled veterans for their own benefits, and works to negate the original intent of Congress in such programs.

The American Legion supports the proposal to add a new insurance program for service-connected veterans, and strongly believes both the new issue presently under consideration, hopefully with the adjustments discussed previously, and the current SDVI program, are necessary to a viable and proper set of benefits for our country's veterans who, as recent experience has again shown, we continue to rely on in times of recurring crisis.

Lastly, The bill would offer to those in the mobilization category of the reserves within the Individual Ready Reserve, the option to be covered by Servicemembers Group Life Insurance (SGLI), instead of only the option to be covered by Veterans Group Life Insurance (VGLI) as is now the case. The American Legion supports this provision, which corrects an omission in previous legislation. These individuals are in an essentially on-call status because of their professional or occupational specialties, and can be sent to active duty at any time. The option to be insured under SGLI allows them access to dependent coverage and to SGLI's much lower group premium rates. We believe this addition to be correct and fully justifiable.

Draft Legislation "The Veterans Justice Assurance Act of 2007"

As this legislation was not received in time for us to thoroughly review, The American Legion defers comment and respectfully requests the Committee to allow us to submit for the record at a later date.

Draft Legislation "Veterans' Education and Vocational Benefits Enhancement Act of 2007"

The American Legion supports granting veterans the option to request an accelerated payment of all monthly educational benefits upon meeting the criteria for eligibility for Montgomery GI Bill (MGIB) financial payments. The selection of courses veterans undergo remain exclusively the decision of the individual veteran, and all earned veterans' education benefits should be made available to veterans in support of their endeavors. Accelerated education payments allow veterans to achieve education goals in the manner that they decide. Binding the time frame of an education payout may restrict educational options for some veterans.

In addition to the traditional institutions for higher learning, MGIB benefits can be used for training at Non-College-Degree Institutions, On-the-Job or Apprenticeship Training,

Independent, and Distance or Internet training. The MGIB also allows the VA to reimburse veterans for the fees charged for national tests for admission to institutions of higher learning and national tests providing an opportunity for course credit at institutions of higher learning. Examples of tests covered are SAT, GRE, CLEP, GMAT, LSAT, etc. The MGIB for veterans, and not those eligible under Survivors and Dependents Educational Assistance (DEA), is available for Flight Training and Correspondence Training.

The significance of expanding the scope of accelerated education payments is that the preceding categories are eligible for MGIB payments, yet excluded from accelerated education payments. The American Legion recommends that all MGIB-approved courses, including the On-the-job training (OJT) and Apprenticeship courses, become eligible for accelerated education payments.

The American Legion supports the expansion of PL 107-103 to include but not limited to:

1. Survivors and Dependents Educational Assistance (DEA, or Chapter 35)
2. Post-Vietnam Era Veterans' Educational Assistance Program (VEAP, or Chapter 32)
3. Reserve Educational Assistance Program (REAP, or Chapter 1607)

Furthermore, The American Legion expressed that all active duty time served, regardless of continuous or aggregate service, be applied towards MGIB benefits at the active duty rate in tune with a month for month benefit.

According to FY 2007 MGIB pay rates, this bill would provide an opportunity for REAP eligibles to "buy-up" to receive a total of \$860 per month times 36 months for full-time study totaling \$30,960 (title 10, Chapter 1607). However, a provision already exists that if a service member has served 2 or more continuous years active duty, they retain the option of buying the MGIB-AD (title 38, Chapter 30) with \$1200 and receiving a total of \$38,700 in benefits.

Furthermore, the provision would force the veteran that enrolls to remain in the selected reserve to use their benefits compared to the current 10-year period following discharge an MGIB-AD participant could use. It would create an unfair element to the veteran.

Draft Legislation "A bill to amend title 38, United States Code, to provide additional discretion to the Secretary of Veterans Affairs in contracting with State Approving Agencies, and for other purposes"

The American Legion has no position on accrediting courses.

Draft Legislation "Comprehensive Veterans Benefits Improvement Act of 2007" (Titles II-VI only)

As this legislation was not received in time for us to thoroughly review, The American Legion defers comment and respectfully requests the Committee to allow us to submit for the record at a later date.

Draft Legislation "A bill to amend section 2306 of title 38, United States Code, to make permanent authority to furnish government headstones and markers for graves of veterans at private cemeteries, and for other purposes"

The government furnished headstones and markers are a recognized symbol of service and honor. The American Legion supports this legislation that would make permanent the authority to furnish government headstones and markers for graves of veterans at private cemeteries.

Draft Legislation "Servicemembers' Cellular Phone Contract Fairness Act of 2007"

This bill seeks to amend the Servicemembers Civil Relief Act to provide relief for service members with respect to contracts for cellular phone services, and other purposes.

The American Legion supports this bill.

Draft Legislation "To amend title 38, United States Code, to improve the outreach activities of the Department of Veterans Affairs (VA), and for other purposes"

The American Legion believes that proper and thorough outreach is essential to ensuring this nation's veterans and their dependents are fully informed and aware of all of the benefits to which they may be entitled to receive based on their honorable military service to our nation.

The American Legion supports the provisions of this bill that would establish a separate account for the funding of outreach activities as well as separate subaccounts for the funding of such outreach activities pertaining to the Veterans Benefits Administration (VBA), Veterans Health Administration (VHA) and the National Cemetery Administration (NCA). We also support the provision that would require the Secretary to establish and maintain procedures for ensuring the effective coordination of the outreach activities of VA between and among the Secretary's office, Public Affairs, VBA, VHA, and NCA. The aforementioned provisions would undoubtedly provide for better accountability as well as help to ensure that VA's outreach activities are conducted in a more efficient and systematic manner.

The American Legion supports the provision of this legislation pertaining to cooperative activities with, and grants to, states to accomplish the goal of improving outreach and assistance to veterans and their family members who may be eligible to receive veterans' or veterans'-related benefits (including benefits and services provided under state veterans' programs). We are, however, concerned that the scope of this provision is limited to or otherwise favors urban locations or other areas with larger concentrations of veterans while neglecting rural areas or locations with lower veteran populations. All veterans, no matter where they live, deserve equal treatment and access to information or assistance regarding the benefits and services to which they may be entitled. Accordingly, we strongly encourage the establishment or designation of rural veteran outreach coordinators to ensure that veterans and their families residing in areas with low veteran populations are not left out. We further recommend that an oversight hearing be conducted to assess the overall effectiveness of VA's outreach program, especially as it pertains to outreach and dissemination to veterans living in rural areas.

Draft Legislation "Iraq and Afghanistan Veterans Mental Health and Advocacy Act of 2007"

As this legislation was not received in time for us to thoroughly review, The American Legion defers comment and respectfully requests the Committee to allow us to submit for the record at a later date.

Conclusion

Thank you again, Mr. Chairman, for allowing The American Legion to present comments on these important measures. We will provide the Committee with additional views on those draft bills we did not have time to thoroughly review. As always, The American Legion welcomes the opportunity to work closely with you and your colleagues on enactment of legislation in the best interest of America's veterans and their families.