STATEMENT OF
DENNIS MICHAEL DUGGAN, DEPUTY DIRECTOR
NATIONAL SECURITY/FOREIGN RELATIONS COMMISION
THE AMERICAN LEGION
BEFORE THE
SUBCOMMITTEE ON MILITARY CONSTRUCTION, VETERANS AFFAIRS AND RELATED ACTIVITIES
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES
ON
FISCAL YEAR 2008 DEFENSE APPROPRIATIONS REQUEST

MARCH 21, 2007

Mr. Chairman: The American Legion is grateful for the opportunity to present its views on defense appropriations for fiscal year (FY) 2008. The American Legion values your leadership in assessing and authorizing adequate funding for quality-of-life (QOL) features of the Nation's armed forces to include the active, reserve and National Guard forces and their families, as well as quality of life for military retirees and their dependents.

Since September 2001, the United States has been involved in the war against terrorism in Operations Iraqi Freedom and Enduring Freedom. American fighting men and women are again proving they are the best-trained, best-equipped and best-led military in the world. As Secretary of Defense Robert Gates has noted, the war in Iraq is part of a long, dangerous global war on terrorism. The war on terrorism is being waged on two fronts: overseas against armed insurgents and at home protecting and securing the Homeland. Casualties in the shooting wars, in terms of those killed and seriously wounded, continue to mount daily. Indeed, most of what we as Americans hold dear is made possible by the peace and stability that the Armed Forces provide by taking the fight to the enemy.

The American Legion adheres to the principle that this nation's armed forces must be well-manned and equipped, not just to pursue war, but to preserve and protect the peace. The American Legion strongly believes past and current military downsizing were budget-driven rather than threat-focused. Once Army divisions, Navy warships and Air Force fighter squadrons are downsized, eliminated or retired from the force structure, they cannot be reconstituted quickly enough to meet new threats or emergency circumstances. The Active-Duty Army, Army National Guard and the Reserves have failed to meet their recruiting goals, and the Army's stop-loss policies have obscured retention and recruiting needs. Clearly, the active Army has struggled to meet its recruitment goals. Military morale undoubtedly has been adversely affected by the extension and repetition of Iraq tours of duty.

The Administration's FY 2008 budget requests more than $481 billion for defense or about 20 percent of the total budget. The FY 2008 defense budget represents an 11.3 percent increase in defense spending over current funding levels. It also represents about 4 percent of our Gross National Product. Active duty military manpower end-strength is now over 1.55 million.

Selected Reserve strength is about 863,300 or reduced by about 25 percent from its strength levels during the Gulf War of 16 years ago.

Mr. Chairman, this budget must advance ongoing efforts to prevail in the global war on terrorism, defend the homeland against threats, maintain America's military superiority, and to support Servicemembers and their families. A decade of over-use of the military and past under-funding, necessitates a sustained investment. The American Legion believes the budget must continue to increase Army end-strengths by more than 92,000, fully fund Tricare programs, accelerate improved Active and Reserve Components' quality of life features, provide increased funding for the concurrent receipt of military retirement pay and VA disability compensation ("Veterans Disability Tax") and the elimination of the offset of survivors benefit plan (SBP) and Dependency and Indemnity Compensation (DIC) ("Widows' Tax") that continues to penalize military survivors.

If we are to win the war on terror and prepare for the wars of tomorrow, we must take care of the Department of Defense's greatest assets – the men and women in uniform. They do us proud in Iraq, Afghanistan and around the world. They need our help.

The American Legion fully supports the FY 2007 Emergency Supplemental Request for $93.4 billion as well as the FY 2008 GWOT requested Emergency Supplemental Request of $41.7 billion. We also firmly support the $5.6 billion for the ground and naval force reinforcement of Iraq.

In order to attract and retain the necessary force over the long haul, the active duty force, Reserves, and National Guard continue to look for talent in an open market place and to compete with the private sector for the best young people this nation has to offer. If we are to attract them to military service in the active and reserve components, we need to count on their patriotism and willingness to sacrifice, to be sure, but we must also provide them the proper incentives. They love their country, but they also love their families – and many have children to support, raise and educate. We have always asked the men and women in uniform to voluntarily risk their lives to defend us; we should not ask them to forego adequate pay and allowances, adequate health care and subject their families to repeated unaccompanied deployments and sub-standard housing as well. Undoubtedly, retention and recruiting budgets need to be substantially increased if we are to keep and recruit quality service members.

The President's FY 2008 defense budget requests over $2.1 billion for military pay and allowances, including a 3 percent across-the-board pay raise. The American Legion believes that this should be increased to 3.5 percent to compensate for the 2.2 percent increase granted last year. It also includes billions to improve military housing, putting the Department on track to eliminate most substandard housing by 2007 – several years sooner than previously planned. The FY 2008 budget would further lower out-of-pocket housing costs for those living off base. The American Legion encourages the Subcommittee to continue the policy of no out-of-pocket housing costs in future years and to end the military pay differential with the private sector.

The American Legion supports $38.7 billion for health care for both active and retired service members; $15 billion for Basic Allowances for Housing should be adequate as well as the requested $2.9 billion for improved barracks and housing.

Together, these investments in people are critical, because smart weapons are worthless to us unless they are in the hands of smart, well trained Soldiers, Sailors, Airmen, and Marines.

During the past year American Legion National Commander Paul Morin has visited American troops in Europe and South Korea as well as a number of installations throughout the United States, including multiple visits to Walter Reed Army Medical Center and Bethesda National Naval Medical Center. During these visits, he was able to see first-hand the urgent, immediate need to address real quality of life challenges faced by service members and their families. Severely wounded service members who have families and are convalescing in military hospitals clearly need to continue to receive the best of care, particularly for Combat Stress and PTSD, and the DoD interface with the VA must be seamless. Also, the medical evaluation board process needs to be expedited so that military severance and disability retirement pays will be more immediately forthcoming. The soldiers' best interests must be fairly represented before the medical evaluation boards. Our National Commanders have spoken with families on Women's and Infants' Compensation (WIC), which is an absolute necessity to larger military families. Quality-of-life issues for service members, coupled with combat tours and other operational tempos, play a role in recurring recruitment and retention efforts and should come as no surprise. The operational tempo and lengthy deployments, to include multiple combat tours, must be reduced or curtailed. Military missions were on the rise before September 11 and deployment levels remain high. The only way to reduce repetitive overseas tours and the overuse of the Reserves is to recruit and fill authorized Army endstrengths and perhaps reserve endstrengths for the services.

Military pay must be on a par with the competitive civilian sector. Activated reservists must receive the same equipment, the same pay and timely health care as active duty personnel. The Reserve Montgomery GI Bill must be as lucrative as the MGI Bill for active duty personnel. If other benefits, like health care improvements, commissaries, adequate quarters, quality child care and impact aid for DoD education are reduced, they will only serve to further undermine efforts to recruit and retain the brightest and best this nation has to offer.

To step up efforts to bring in enlistees, all the Army components are increasing the number of recruiters. The Army National Guard sent 1,400 new recruiters into the field last February. The Army Reserve is expanding its recruiting force by about 80 percent. If the recruiting trends and the demand for forces persist, the Pentagon under current policies could eventually "run out" of reserve forces for war zone rotation, a Government Accountability Office expert warned. The Pentagon projects a need to keep more than 100,000 reservists continuously over the next three to five years. The Defense Appropriations bill for FY 2005 provided the funding for the first year force level increases of 10,000. The Army's end-strength increased 30,000 and the Marine Corps end-strength increased 3,000.

Army restructuring would have increased the number of active Army maneuver brigades by 30 percent by FY 2008 Neither Active Duty nor National Guard combat brigades should be

reduced. Clearly, reducing combat units during wartime should not be the bill payer for modernization.

Despite frequent visits to Walter Reed Army Medical Center, The American Legion was shocked and disappointed by the publicized shortcomings that surfaced at Walter Reed. Clearly, the first priorities are to beef up its military medical staff, improve its facilities, expand its treatment and living space, and most importantly, evaluate and improve the Medical Evaluation Board process. Clearly, the MEB/PEB process is too time-consuming and too often inappropriate judgments and ratings are being rendered which appear to shortchange the troops.

Walter Reed Army Medical Center is a National Treasure, not merely the Army's flagship hospital. Two years ago, Walter Reed AMC treated over 1.1 million Army outpatients, and continues to treat Active Army, Army Reservists, Army National Guardsmen, and Army military retiree veterans and their families. There is no other military or civilian medical center or hospital in the United States that can treat patients of this magnitude or severity; and Walter Reed has been doing this since the turn of the last century.

Frankly, The American Legion has overwhelmingly opposed putting Walter Reed on the Base Realignment and Closure (BRAC) List, and continues to oppose its closure. The American Legion recommends in light of the emergent need to renovate the Medical Center, that Walter Reed be removed from the BRAC list and that military construction funding be dedicated for major phased-in renovations of the Medical Center, rather than constructing other medical facilities and tearing Walter Reed down. This appears to be the practical and economical thing to do especially during time of war when severely wounded soldiers need the best in medical care.

As a major step toward resolving the problems brought to light at Walter Reed AMC, The American Legion signed a Memorandum of Understanding with Walter Reed which will establish an office there to assist in the transition of wounded service members from the Department of Defense to the Department of Veterans Affairs. The American Legion also supports the retention of the Armed Forces Institute of Pathology, located on the grounds of Walter Reed, as an absolute necessity and value both to the Department of Defense and Department of Veterans Affairs.

FORCE HEALTH PROTECTION (FHP)

As American military forces are again engaged in combat overseas, the health and welfare of deployed troops is of utmost concern to The American Legion. The need for effective coordination between the Department of Veterans Affairs and the DoD in the force protection of U.S. forces is paramount. It has been sixteen years since the first Gulf War, yet many of the hazards of the 1991 conflict are still present in the current war.

Prior to the 1991 Gulf War deployment, troops were not systematically given comprehensive pre-deployment health examinations nor were they properly briefed on the potential hazards, such as fallout from depleted uranium munitions they might encounter. Record keeping was poor. Numerous examples of lost or destroyed medical records of active duty and reserve

personnel were identified. Physical examinations (pre- and post-deployment) were not comprehensive and information regarding possible environmental hazard exposures was severely lacking. Although the government had conducted more than 230 research projects at a cost of $240 million, lack of crucial deployment data resulted in many unanswered questions about Gulf War veterans' illnesses.

The American Legion would like to specifically identify an element of FHP that deals with DoD's ability to accurately record a service member's health status prior to deployment and document or evaluate any changes in his or her health that occurred during deployment. This is exactly the information VA needs to adequately care for and compensate service members for service-related disabilities once they leave active duty. Although DoD has developed post-deployment questionnaires, they still do not fulfill the requirement of "thorough" medical examinations nor do they even require a medical officer to administer the questionnaires. Due to the duration and extent of sustained combat in Operations Iraqi Freedom and Enduring Freedom, the psychological impact on deployed personnel is of utmost concern to The American Legion. VA's ability to adequately care for and compensate our nation's veterans depends directly on DoD's efforts to maintain proper health records/health surveillance, documentation of troop locations, environmental hazard exposure data and the timely sharing of this information with the VA.

The signs of Combat Stress and PTSD must be detected early and completely treated by the military and the VA. The American Legion strongly urges Congress to mandate separation physical exams for all service members, particularly those who have served in combat zones or have had sustained deployments. DoD reports that only about 20 percent of discharging service members opt to have separation physical exams. During this war on terrorism and frequent deployments with all their strains and stresses, this figure, we believe, should be substantially increased. The Army is trying to determine the extent of Combat Stress but it is increasing with multiple combat tours. The Army greatly needs to have more trained mental health specialists to work with Combat Stressed soldiers on or near the battlefield. This treatment needs to extend all the way to outpatient and inpatient short and long-term treatment modalities. There are no quick fixes for Combat Stresses and PTSD as many of our Vietnam War veterans can attest to.

MILITARY QUALITY OF LIFE

Our major national security concern continues to be the enhancement of the quality of life issues for active duty service members, reservists, National Guardsmen, military retirees and their families. During the last Congressional session, President Bush and the Congress made marked improvements in an array of quality of life issues for military personnel and their families. These efforts are vital enhancements that must be sustained.

Mr. Chairman, during this period of the War on Terrorism, more quality of life improvements are required to meet the needs of servicemembers and their families as well as military retiree veterans and their families. For example, the proposed 3.0 percent pay-raise needs to be increased to 3.5 percent. The 4.0 percent military comparability gap with the private sector needs to be eliminated; the improved Reserve MGIB for education needs to be completely funded as well; combat wounded soldiers who are evacuated from combat zones to military hospitals need

to retain their special pays and base pay and allowances continued at the same level so as not to jeopardize their family's financial support during recovery. Furthermore, the medical evaluation board process needs to be expedited and considerate of the soldiers' best interest so that any adjudicated military severance or military disability retirement payments will be more immediately forthcoming; recruiting and retention efforts, to include the provision of more service recruiters, needs to be fully funded as does recruiting advertising. The Defense Health Program and, in particular, the Tricare healthcare programs need to be fully funded.

The Defense Department, Congress and The American Legion all have reason to be concerned about the rising cost of military healthcare. But it is important to recognize that the bulk of the problem is a national one, not a military specific one. It is also extremely important, in these days of record deficits, that we focus on the government's unique responsibility and moral obligation to fully fund the Defense Health program, particularly its Tricare programs, to provide for the career military force that has served for multiple decades under extraordinarily arduous conditions to protect and preserve our national welfare. In this regard, the government's responsibility and obligations to its servicemembers and military retirees go well beyond those of corporate employers. The Constitution puts the responsibility on the government to provide for the common defense and on the Congress to raise and maintain military forces. No corporate employer shares such awesome responsibilities.

The American Legion recommends against implementing any increases in healthcare fees for uniformed services and retiree beneficiaries. Dr. William Winkenwerder, the former Assistant Secretary of Defense (Heath Affairs), briefed The American Legion and other VSOs/MSOs that rising military healthcare costs are "impinging on other service programs." Other reports indicate that the DoD leadership is seeking more funding for weapons programs by reducing the amount it spends on military healthcare and other personnel needs. The American Legion believes strongly that America can, and must, afford to pay for both weapons and military healthcare. The American Legion also believes strongly that the proposed defense budget is too small to meet the needs of national defense. Today's defense budget, during wartime, is at 4 percent of GDP, well short of the average for the peacetime years since WWII. Defense leaders assert that substantial military fee increases are needed to bring military beneficiary costs more in line with civilian practices. But such comparisons with corporate practices is inappropriate, as it disregards the service and sacrifices military members, retirees and families have made in service to the nation.

The reciprocal obligation of the government to maintain an extraordinary benefit package to offset the extraordinary sacrifices of career military members is a practical as well as moral obligation. Eroding benefits for career service can only undermine long-term retention and readiness. One reason why Congress enacted Tricare for Life is that the Joint Chiefs of Staff at the time said that inadequate retiree healthcare was affecting attitudes among active duty troops. The American Legion believes it was inappropriate to put the Joint Services in the untenable position of being denied sufficient funding for current readiness needs if they didn't agree to beneficiary benefit cuts.

Reducing military retirements budgets, such as Tricare healthcare, would be penny-wise and pound-foolish when recruiting is already a problem and an overstressed and understrengthed force is at increasing retention risks. Very simply DoD should be required to pursue greater

efforts to improve Tricare and find more effective and appropriate ways to make Tricare more cost-effective without seeking to "tax" beneficiaries and making unrealistic budget assumptions.

The American Legion applauds Congress for extending Tricare Reserve Select coverage to all members of the Selected Reserve. DoD is relying on the Guard and Reserve more heavily and deployments are becoming longer and more frequent as they are indispensable parts of our armed forces, and many Reservists and their families have no medical insurance.

Likewise, military retiree veterans as well as their survivors, who have served their Country for decades in war and peace, require continued quality of life improvements as well. First and foremost, The American Legion strongly urges that FULL concurrent receipt and Combat-Related Special Compensation (CRSC) be authorized for disabled retirees whether they were retired for longevity (20 or more years of service) or military disability retirement with fewer than 20 years. In particular, The American Legion urges that disabled retirees rated 40 percent and below be authorized CRPD and that disabled retirees rated between 50 percent and 90 percent disabled be authorized non-phased-in concurrent receipt. Additionally, The American Legion strongly urges that ALL military disability retirees with fewer than 20 years service be authorized to receive CRSC and VA disability compensation provided, of course, they're otherwise eligible for CRSC under the combat-related conditions. The funding for these military disability retirees with fewer than 20 years is a "cost of war" and perhaps should be paid from the annual supplemental budgets.

Secondly, The American Legion urges that the longstanding inequity whereby military survivors have their survivors benefit plan (SBP) offset by the Dependency and Indemnity Compensation (DIC) be eliminated. This "Widows' Tax" needs to be corrected as soon as possible. It is blatantly unfair and has penalized deserving military survivors for years. A number of these military survivors are nearly impoverished because of this unfair provision. As with concurrent receipt for disabled retirees, military survivors should receive both SBP AND DIC. They have always been entitled to both and should not have to pay for their own DIC. The American Legion will continue to convey that simple, equitable justice is the primary reason to fund FULL concurrent receipt of military retirement pay and VA disability compensation, as well as the SBP and DIC for military survivors. Not to do so merely perpetuates the same inequity. Both inequities need to be righted by changing the unfair law that prohibits both groups from receiving both forms of compensation.

Mr. Chairman, The American Legion – as well as the armed forces and veterans – continue to owe you and this Subcommittee a debt of gratitude for your support of military quality of life issues. Nevertheless, your assistance is needed in this budget to overcome old and new threats to retaining and recruiting the finest military in the world. Service members and their families continue to endure physical risks to their well-being and livelihood, as well as the forfeiture of personal freedoms that most Americans would find unacceptable. Worldwide deployments have increased significantly and the Nation is at war. The very fact that over 300,000 Guardsmen and Reservists have been mobilized since September 11, 2001 is first-hand evidence that the United States Army desperately needs to increase its end-strengths and maintain those end-strengths so as to help facilitate the rotation of active and reserve component units to active combat zones.

The American Legion congratulates and thanks Congressional subcommittees such as this one for military and military retiree quality of life enhancements contained in past National Defense Appropriations Acts. Continued improvement, however, is direly needed to include the following:

- Completely Closing the Military Pay Gap with the Private Sector: With U.S. troops battling insurgency and terrorism in Iraq and Afghanistan, The American Legion supports a proposed 3.1 percent military pay raise as well as increases in Basic Allowance for Housing (BAH).

- Commissaries: The American Legion urges the Congress to preserve full federal subsidizing of the military commissary system and to retain this vital non-pay compensation benefit for use by active duty families, reservist families, military retiree families and 100 percent service-connected disabled veterans and others.

- DoD Domestic Dependents Elementary and Secondary Schools (DDESS): The American Legion urges the retention and full funding of the DDESS as they have provided a source of high quality education for military children attending schools on military installations.

- Funding the Reserve Montgomery GI Bill for Education.

- Providing FULL concurrent receipt of military retirement pay and VA disability compensation for those disabled retirees rated 40 percent and less; providing non-phased concurrent receipt for those disabled retirees rated between 50 percent and 90 percent disabled by the VA; authorizing those military disability retirees with fewer than 20 years service to receive both VA disability compensation and Combat-Related Special Compensation (CRSC); and moving up the payment of 100 percent Individually Unemployability (IU) as soon as possible.

- Eliminating the offset of the survivors benefit plan (SBP) and Dependency and Indemnity Compensation (DIC) for military survivors.

OTHER QUALITY OF LIFE INSTITUTIONS

The American Legion strongly believes that quality of life issues for retired military members and their families are augmented by certain institutions which we believe need to be annually funded as well. Accordingly, The American Legion believes that Congress and the Administration must place high priority on insuring these institutions are adequately funded and maintained:

- The Uniformed Services University of the Health Sciences: The American Legion urges Congress to resist any efforts to less than fully fund, downsize or close the USUHS through the BRAC process. It is a national treasure, which educates and produces military physicians and advanced nursing staffs. We believe it continues to be an economical source of CAREER medical leaders who enhance military health care

readiness and excellence and is well-known for providing the finest health care in the world.

- The Armed Forces Retirement Homes: The United States Soldiers' and Airmen's Home in Washington, D.C. and the United States Naval Home in Gulfport, Mississippi, have been under-funded as evidenced by the reduction in services to include on-site medical health care and dental care. Increases in fees paid by residents are continually on the rise. The medical facility at the USSAH has been eliminated with residents being referred to VA Medical Centers or Military Treatment Facilities such as Walter Reed Army Medical Center. The Naval Home at Gulfport, Mississippi was destroyed by Hurricane Katrina, The American Legion recommends that the Congress conduct an independent assessment of the USSAH facilities and the services being provided with an eye toward federally subsidizing the Home as appropriate. The facility has been recognized as a national treasure until recent years when a number of mandated services had been severely reduced and resident fees have been substantially increased.

- Arlington National Cemetery: The American Legion urges that the Arlington National Cemetery be maintained to the highest of standards. We urge also that Congress mandate the eligibility requirements for burial in this prestigious Cemetery reserved for those who have performed distinguished military service and their spouses and eligible children.

- 2005 Defense Base Realignment and Closure Commission: The American Legion was disappointed that certain base facilities – such as military medical facilities, commissaries, exchanges and training facilities and other quality of life facilities – were not preserved for use by the active and reserve components and military retirees and their families. We urge that Walter Reed Medical Center be removed from the BRAC list and that it be Military Construction funded for phased-in renovations in order to preserve the medical capabilities of this National Treasure especially during time of war.

THE AMERICAN LEGION FAMILY SUPPORT NETWORK

The American Legion continues to demonstrate its support and commitment to the men and women in uniform and their families. The American Legion's Family Support Network is providing immediate assistance primarily to activated National Guard families as requested by the Director of the National Guard Bureau. The American Legion Family Support Network has reached out through its Departments and Posts to also support the Heroes to Hometowns program. Many thousands of requests from these families have been received and accommodated by the American Legion Family across the United States. Military family needs have ranged from requests for funds to a variety of everyday chores which need doing while the "man or woman " of the family is gone. The American Legion, whose members have served our nation in times of adversity, remember how it felt to be separated from family and loved ones. As a grateful Nation, we must ensure than no military family endures those hardships caused by military service, as such service has assured the security, freedom and ideals of our great Country.

CONCLUSIONS

Thirty-four years ago, America opted for an all-volunteer force to provide for the National Defense. Inherent in that commitment was a willingness to invest the needed resources to bring into existence and maintain a competent, professional and well-equipped military. The FY 2008 defense budget, while recognizing the War on Terrorism and Homeland Security, represents another good step in the right direction. Likewise our military retiree veterans and military survivors, who in yesteryear served this Nation for decades, continue to need your help as well.

Mr. Chairman, this concludes our statement.