



Statement of the Fleet Reserve Association

Presented to the  
Veterans Affairs Committee  
U.S. House of Representatives

By

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## **THE FRA**

The Fleet Reserve Association (FRA) is the oldest and largest organization serving personnel 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.

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.

As a congressionally chartered association, FRA's mission is to act as the premier "watch dog" organization in maintaining and improving the quality of life for Sea Service personnel and their families. FRA is a leading advocate on Capitol Hill for enlisted Active Duty, Reserve, retired and veterans of the United States Navy, Marine Corps, and Coast Guard.

FRA is actively involved in the Veterans Affairs Voluntary Services (VAVS) program, and has a seat as a national representative on the VAVS National Advisory Committee (NAC). The NAC was established in 1946 and advises the Under Secretary for Health on matters pertaining to the participation of volunteers in VA medical facilities. The NAC also assists in recruitment and orientation of volunteers, and keeps the officers and members informed of volunteer needs and accomplishments.

In 2005, FRA shipmates volunteered in more than 30 VA facilities throughout the country, enabling FRA to achieve "Service Member" status. Members of the Ladies Auxiliary of the Fleet Reserve Association are also actively involved in the VAVS program and hold an Associate Membership on the committee (which requires involvement at 15 or more VA facilities).

FRA also is a major participant in The Military Coalition (TMC) a 36-member consortium of military and veterans organizations. FRA hosts most TMC meetings and members of its staff serve in a number of TMC leadership roles, including co-chairing several committees.

FRA celebrated 80 years of service in November 2004. For over eight decades, its dedication to its members has resulted in legislation enhancing quality of life programs for Sea Services personnel and other members of the Uniformed Services while protecting their rights and privileges. CHAMPUS, now TRICARE, was an initiative of FRA, as was the Uniformed Services Survivor Benefit Plan (USSBP). FRA led the way in reforming REDUX, obtaining targeted pay increases for mid-level enlisted personnel, and sea pay for junior enlisted sailors. Currently, FRA strongly opposes the plan to impose a \$250 enrollment fee for veterans in Priority Groups 7 and 8, and the Administration's request to nearly double prescription drug co-payments from \$8 to \$15, for a 30 day supply.

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.

## **INTRODUCTION**

Mr. Chairman, and distinguished Members of the Committees, the membership of the Fleet Reserve Association (FRA) appreciates this opportunity to review the past fiscal year and look ahead to next year.

I am representing National President Edgar M. Zerr who is presiding at FRA's 79<sup>th</sup> National Convention in Oconomowoc, Wisconsin. Our membership appreciates the concern, active interest and progress to date generated by the Committee in protecting, improving, and enhancing benefits that are truly deserved by our Nation's veterans. We look forward to working with you to further enhance the quality of life for over 25 million of our Nation's veterans, their families and survivors.

## **VA DATA THEFT AND DATA SECURITY**

FRA appreciates Chairman Steve Buyer and House Majority Leader Boehner meeting with FRA National President Ed Zerr and other VSO leaders on 8 June to discuss various issues including the data security problem at the Department of Veterans Affairs (VA). FRA believes that VA needs more than just personnel changes at the top to address this serious breach of security. The Association appreciates the series of hearings this distinguished committee scheduled on the situation and supports a thorough and independent audit of the department's security procedures to ensure improved data security. One of the more worrying aspects of the case is that the data theft was not reported to the Secretary for two weeks. It was also originally reported that less than 50,000 names were stolen, when in fact the theft of personnel information (including Social Security numbers) from the home of a VA employee included more than 26 million veterans and more than two million active-duty personnel. Even though the data was recovered and apparently not accessed, the VA and Congressional oversight committees should continue to monitor the situation closely and pursue improvements in VA data security.

The Department's efforts to contract with a company that will provide free data breach analysis services to the VA will ensure that information contained on computer equipment stolen in May was not compromised. The Association understands that ID Analytics, a California-based company, will conduct the analysis across multiple industries to detect patterns of misuse and determine whether or not there is any suspicious activity specifically related to this computer equipment theft. The company will provide VA with an initial analysis, and will then continue to offer its assessments on a quarterly basis. Protecting veterans from fraud and abuse should be a top priority for the VA. Although the FBI has indicated that the stolen data was not accessed, the data breach analysis will reassure worried veterans that their personal information remains uncompromised. FRA supports the abundance of caution deployed by the VA and supports the VA announcement of 9 August that it will provide veterans with some form of credit protection against identity theft.

A more recent theft indicates that data security at VA is going to be an ongoing concern of veterans with the news that a computer containing information on up to 38,000 veterans treated over the last four years at two VA medical centers in Pennsylvania is missing from the Virginia office of a VA contractor. If there is any "silver lining" in this episode, it is that upon learning the computer was missing, the VA took immediate steps to notify the appropriate senior VA leadership, congressional offices and committees, VA's Office of the Inspector General and other law enforcement authorities, including the FBI and the Department of Homeland Security.

FRA appreciates the efforts of the House Veterans Affairs Committee and its Senate counterpart for their tireless efforts to improve data security at the Department of Veterans Affairs. FRA fully supports the legislative efforts of this committee that culminated in Chairman Buyer introducing, and the full commit-

tee approving HR 5835. The bill aims to create more accountability at the VA for data security. It would create an Office of the Under Secretary for Information Security and would require the VA to report to Congress any data theft and provide credit monitoring and fraud remediation for affected individuals. Additionally, the bill would require a study on using personal identification numbers rather than Social Security numbers for veterans' benefits. The full House should expedite passage of this important legislation as soon as possible to give the Senate an opportunity to pass this legislation for the President's signature before the end of the 109th Congress. FRA is mindful that legislation alone can not fully remedy an internal bureaucratic culture that gives data security a low priority, but FRA believes that the public expects and the veteran community demands that it is now time for Congress to do its part to help correct this problem.

## **VA FY 2007 BUDGET**

FRA appreciates the efforts of this distinguished Committee and House Appropriations Committee in rejecting the Administration's call for shifting the cost of veteran's healthcare to beneficiaries. While working on the FY2007 Budget Resolution, the House Budget Committee approved an amendment that restored \$795 million to the VA's health care budget. The Administration assumed revenue from a \$250 enrollment fee for Priority Group 7 and 8 beneficiaries receiving VA care.

As noted in our statement in February, according to VA estimates, 200,000 veterans would be discouraged from seeking VA health care, and more than a million veterans currently enrolled in Priority Groups 7 and 8 would drop out of the system if this fee structure were implemented. Beneficiaries in these Priority Groups are veterans, and FRA adamantly opposes shifting costs to them.

In March, the Senate voted 100-0 on an FRA supported amendment that would eliminate the need to enact a \$250 annual enrollment fee and higher prescription co-pays for Priority Group 7 and 8 veterans seeking medical treatment at a VA facility. The amendment adds \$823 million to the approximately \$80 billion FY 2007 VA proposed budget. Healthcare is extremely important to all FRA members regardless of their status, and protecting and/or enhancing benefits is the Association's top legislative priority. This includes sustaining access, ensuring quality care, and adequate funding for the DoD and VA healthcare systems.

## **VHA**

### **VA/DoD Collaboration**

FRA strongly supports the recent executive order to require Federal Agencies which handle health care to work together to implement a standardized electronic health record. The agencies, including VA, will coordinate with the Department of Defense so that clinical information can be interchanged efficiently. A standardized electronic health record will enhance the sharing of information between healthcare providers and make this more cost effective for everyone. The executive order will be phased in by 1 January 2007, and will eliminate the cost of record duplication.

The Association supports adequate funding for DoD and VA health care resource sharing in delivering seamless, cost effective, quality services to personnel wounded while participating in Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF), other veterans, service members, reservists, military retirees and their families. FRA continues to believe that more needs to be done to ensure returning OIF/OEF combat veterans, as well as all other service men and women who complete their term or retire from military service, receive timely access to VA benefits and services.

The Government Accounting Office (GAO) Seamless Transition report released in July 2006 indicates that the VA has taken steps to provide timely information to OEF and OIF service members and families. The GAO report also noted the positive steps taken to increase training and sensitivity of staff and medical providers on the needs of OEF and OIF veterans. The report noted that VA continues to have problems accessing real time information from DoD treatment facilities. To help returning combat veterans and veterans of future conflicts, the Association has recommended accelerated efforts to realize the goal of “seamless transition” of plans and programs.

### **VA Medical Facilities**

FRA notes and appreciates House approval of H.R. 5815 which, if enacted, would authorize \$2.4 billion for VA medical facilities including the construction of two VA medical facilities in Biloxi, Mississippi, and New Orleans, Louisiana, damaged by Hurricane Katrina. The bill also authorizes \$406 million for the new facilities at Las Vegas and \$378 million for Orlando.

In addition the bill authorizes \$70 million for a joint-use medical facility with the University of South Carolina in Charleston, S.C.

### **Waiting Times**

FRA is encouraged by the goal of VA to schedule 93.7 percent of all appointments within 30 days of a patient’s desired date. The Association welcomes a detailed clarification on waiting times for appointments for veterans rated less than 50% service connected either on their first visit or those veterans who are already in the Veterans Healthcare Administration (VHA) system. FRA believes that a 30-day maximum wait is reasonable for routine care and will require that VA Medical Center directors monitor all appointments and make any necessary changes in a timelier manner.

### **VA Medicare Subvention**

FRA supports HR 4992, sponsored by Representative Sue Kelly (NY) and introduced on 16 March 2006. This bill changes the law to allow the VA to bill Medicare, which would enable veterans to use Medicare coverage to help them pay their bills at a VA hospital. It is puzzling to our members why this program has not been given serious consideration and enacted long ago.

In 2003, then VA Secretary Principi suspended enrollment in Priority Group 8. According to Congressional estimates, more than 260,000 veterans who do not have illnesses or injuries incurred during military service and earn more than the average wage in their community have been prevented from enrolling. Although termed “temporary” at the time, it appears that this suspension will continue with no end in sight. FRA urges sufficient funding be authorized and appropriated to allow resumption of the enrollment process for all veterans.

As previously stated, FRA opposes the imposition of a “user’s fee” and an increase in co-payments for prescriptions and believes a much better alternative would be the full and immediate implementation of VA Medicare Subvention. The funds recovered from the Department of Health and Human Services (HHS) and specifically the Centers for Medicare and Medicaid Services (CMS), for health care provided to those eligible veterans, would go a long way in ensuring adequate health care for more veterans. However, it would be incumbent that Congress mandates any funds recovered from CMS be provided to the VA and not put in the General Fund.

## **VA+Choice**

In 2003, VA announced that a VA+Choice program would be established for veterans unable to enroll in the VA Health Care System. Subsequently, VA's Health Services Research and Development Service conducted a study in 2005 to investigate the potential of developing a program now known as "VA Advantage" and how it would impact veterans' care to VA beneficiaries.

FRA urges Congress to closely examine the report from this study before "VA Advantage" is fully implemented. There are numerous problems with Medicare+Choice programs in the country and it is becoming more difficult for Medicare-eligible beneficiaries to locate plans and doctors willing to accept new Medicare insured patients.

## **Nursing Homes, Long Term Care, and other Health Care Programs**

FRA appreciates the restoration of requested funding of \$19 million for the Brain Injury Center which is located at Walter Reed Army Medical Center as part of the Senate's FY 2007 Defense Appropriations Bill. Unfortunately, the House approved a reduction of \$7 million as part of the larger 2007 National Defense Authorization Bill earlier this year. Their current 2006 budget is \$14 million.

The Veterans Millennium Health Care Act, Public Law 106-117, Section 101, made great strides in providing long-term care for our veterans. However, this program is only authorized for a four-year period, and only for veterans who need care for a service-connected disability, and/or those with service-connected disability ratings of 70% or more. This program should be extended, and expanded to include veterans with service-connected disability ratings of 50% or more.

Congress and the Administration must ensure sufficient funding for the construction of new facilities and renovation of existing hospitals outlined by the CARES plan. Funding intended for implementation of CARES initiatives should not be diverted to other projects and CARES-based construction should be allowed to proceed as planned. In implementing the CARES plan, Mental health services and long-term care must be made part of the full continuum of care for veterans. FRA commends VA for moving forward on implementing the national strategic plan for mental health services, and progress on this plan should be incorporated into VA's reporting to Congress on its capacities to care for veterans.

## **Medical and Prosthetic Research**

VA is widely recognized for its effective research program and FRA continues to strongly support adequate funding for medical research and for the needs of the disabled veteran. The value of both programs within the veterans' community cannot be overstated. Noteworthy is the fact that the FY 2007 proposed VA Budget for Medical and Prosthetic Research shows a slight one percent increase (\$17.3 million) in one of the most successful aspects of all VA Medical Programs. The DVA CARES Commission also recommends the improvement and expansion of VA Medical Research Facilities. FRA is concerned about relying on other government agencies to help support and fund important research related to disabled veterans.

## **Discretionary versus Mandatory Funding**

FRA concurs with, and endorses recommendations that the Committee on the Budget convert the veterans' health care account from discretionary to mandatory spending. FRA understands the jurisdictional and other challenges associated with this issue and believes that veterans' health care is as important as

other federal benefits funded in this manner. Regardless of the method used, the Association supports any efforts to help ensure full funding for VA Healthcare to ensure care for all beneficiaries.

## **GAO STUDY OF IU BENEFITS**

FRA appreciates the Veterans Disability Benefits Commission review of a recently released GAO study on Individual Unemployable (IU) benefits. This refers to a total disability evaluation assigned to an individual because of any service-connected impairment (or combination of impairments) of mind or body that fails to meet the criteria for a total disability rating under the Schedule for Rating Disabilities but nonetheless renders it impossible for that person to follow substantial gainful employment. The report states that the VA needs to improve criteria, guidance, and procedures concerning award and verification of Individual Unemployable (IU) determinations. Specifically, the report takes issue with the VA's:

- Inconsistent awarding of IU benefits on the basis of information the GAO considers not well supported;
- Inefficient and ineffective process to ensure the continuing eligibility for IU status;
- Outdated compensation programs that don't reflect the current state of science, technology, medicine, and the labor market;
- Management practices that lag behind those of other disability programs such as those for Social Security Disability Insurance; and
- Awards to older veterans - the GAO reported that 79 percent of new IU beneficiaries were awarded IU benefits at the age of 60 or older, and 19 percent were 75 or older.

GAO recommended putting an "age cap" on IU similar to SSDI where it converts to Social Security at age 65.

FRA cautions about overreacting to such reports and using them as justification to taint the entire IU system and block appropriate benefit fixes – such as the need to provide consistent treatment of IU ratings for purposes of concurrent receipt and combat-related special compensation. With CRDP and CRSC the GAO acknowledges that the numbers are relatively small - about eight percent of the IU-eligible population. FRA believes the process should be validated rather than simply assume that all IU ratings are suspect.

## **VHA**

Older veterans often use both the Veterans Health Administration (VHA) and Medicare to obtain health care services. Medicare reimbursement rates directly impact TRICARE reimbursements to healthcare providers and affects beneficiaries access to care. Despite this, the Administration recently proposed 5.1 percent across the board cuts in Medicare payments for services provided by doctors to elderly and disabled patients in 2007. It said the cut was required because spending on doctors' services was increasing faster than expected, and faster than the annual goals set by a statutory formula. The increase directly affects beneficiaries because their premiums are set each year to cover about 25 percent of projected spending under Part B of Medicare, which pays for doctors' services and other outpatient care. The premium for this coverage would probably rise to \$98.40 next year, up \$9.90 or 11 percent over this year's premium. The figures do not include separate premiums paid by many beneficiaries for prescription drug coverage.

## VETERANS BENEFITS ADMINISTRATION

### Disability Compensation Claims Processing

Claims processing delays are a continuing concern. VA can promptly deliver benefits to entitled veterans only if it can process and adjudicate claims in a timely and accurate fashion. Given the critical importance of disability benefits, VA has a paramount responsibility to maintain an effective delivery system, taking decisive and appropriate action to correct any deficiencies as soon as they are evident. As stated in February, VA has neither maintained the necessary capacity to match and meet its claims workload, nor corrected systemic deficiencies that compound the problem of inadequate capacity.

Rather than making headway and overcoming the chronic claims backlog and consequent protracted delays in claims disposition, VA has lost ground on the problem, with the backlog of pending claims growing substantially larger. **And now, even the Court of Appeals for Veterans Claims is experiencing a growing backlog of cases.**

FRA commends the Chairman for his statements at the December 8, 2005 hearing on VBA claim processing, and agrees that “the increase in disability claims can be directly related to the increase in U.S. military operations abroad. Doing more with less is not a strategy of success.” An increase in staffing levels within the VBA claims processing system is essential to moving forward to reduce this backlog.

### Total Force Montgomery GI Bill

FRA appreciates Chairman Buyer’s and the Committee’s interest in MGIB reform and supports provisions in the Senate version of the NDAA (S. 2766) that allows Reservists to draw benefits up to 10 years after leaving the Reserves. Currently only active duty members can draw benefits after service. Unfortunately, reform initiatives discussed earlier this year appear to have been overshadowed by the theft of personal data from a VA employee and urgent and extensive attention to the Department’s data management and security measures.

The Montgomery GI Bill is important and aids in the recruitment and retention of high-quality individuals for service in the active and Reserve forces; assists in the readjustment of service men and women to civilian life after they complete military service; extends the benefits of higher education (and training) to service men and women who may not be able to afford higher education; and enhances the Nation by providing a better educated and productive workforce.

Double-digit education inflation is dramatically diminishing the value of MGIB. Despite recent increases, benefits fall well short of the actual cost of education at a four-year public college or university. In addition, thousands of career service members who entered service during the Veterans Education Assistance Program (VEAP) era, but declined to enroll in that program (in many cases, on the advice of government education officials) have been denied a MGIB enrollment opportunity. In addition, the Nation’s active duty, Guard and Reserve forces are effectively being integrated under the Total Force concept, and educational benefits under the Montgomery GI Bill should be re-structured accordingly.

FRA, along with its partners in The Military Coalition, the American Legion, the Veterans Independent Budget for FY2007, and major higher education associations support enactment of a “Total Force Montgomery GI Bill” for the 21st century. The integration of active and Reserve force MGIB programs under Title 38 is very important and will provide equity of benefits for service performed, enable improved administration, and facilitate accomplishment of statutory purposes intended by Congress for the MGIB.



Mobilized Reservists lack of a readjustment benefit. They must leave behind remaining MGIB benefits upon separation unless the separation is for disability.

## **National Cemetery Administration**

### **Cemetery Systems**

The National Cemetery Administration (NCA) has undergone many changes since its inception in 1862. Currently, the administration maintains almost 2.5 million gravesites at 124 national cemeteries in 39 states, the District of Columbia, and Puerto Rico.

VA estimates that about 24.4 million veterans are alive today. They include veterans from World War I, World War II, the Korean War, the Vietnam War, the Gulf War, and the global war on terrorism, as well as peacetime veterans. Nearly 688,000 veteran deaths are estimated to occur in 2006 and it is expected that one in every six of these veterans will request burial in a national cemetery.

FRA is grateful to the Committee for recommending an additional \$14 million in NCA operations and maintenance and additional \$16 million in NCA construction in FY 2007. FRA urges increased funding, which is fenced for the purchase of land, preparation, construction and operation of new cemeteries, the maintenance of existing cemeteries, and the expansion of grants to States to construct and operate their own cemeteries.

As part of the Veterans Education and Benefits Act of 2001, the government is to provide grave markers for veterans whenever requested, even if there is another marker on the grave. However, as written, the law only applies to burials after December 27, 2001. FRA supports H.R. 3082 which would repeal this expiration and expand application options for veterans buried in private cemeteries.

### **Respect for America's Fallen Heroes Act**

FRA is thankful that this committee, Congress and the President approved HR 5037, the "Respect for America's Fallen Heroes Act" that would ban protests before, during and after service members funeral services and requires protestors to stay at least 500 feet from a funeral site under the control of the NCA and at Arlington Cemetery. The new law expresses a "Sense of Congress" that all states should enact similar bans for state and private cemeteries, as well as funeral homes.

"Respect for America's Fallen Heroes Act" allows grieving families the right to bury family members who died defending our Nation with dignity, and without anti-war protest. More than 2,300 service members have been buried across the country in the last three years as a result of their service in Operation Enduring Freedom and Operation Iraqi Freedom. Unfortunately more than 100 of those funerals have been interrupted by anti-war protestors. Everyone respects the rights of individuals to protest public policy, but the rights of the grieving family should surpass the rights of the protestors at the cemetery during the burial ceremony in recognition of these Service Members' ultimate sacrifice to ensure our security and protect our freedoms.

## **OTHER RECOMMENDATIONS FOR CONSIDERATION**

### **Concurrent Receipt**

FRA continues its advocacy for full concurrent receipt of military retired pay and veterans' service-connected disability payments. An amendment (Sec. 649) to the Senate version of the National Defense Authorization Act (NDAA) authorizes an end to the benefit offset on military retirees deemed 100% "unemployable" by the VA retroactively to Jan. 1, 2005.

The FY2006 Defense Authorization Act reduced the phase in period for disabled military retirees deemed "individual unemployable" (IU) from 2014 to 2009, and FRA appreciates this progress. However, our members are extremely disappointed and perplexed that such undeserved discrimination will be allowed to continue for three more years.

FRA urges the Congress to end the disability offset to retired pay immediately for otherwise-qualifying members rated as "individual unemployable" by the VA.

Progress has been made in recent years to expand Combat-Related Special Compensation (CRSC) to all retirees with combat-related disabilities and authorize concurrent receipt of retired pay and veterans' disability compensation for retirees with disabilities of at least 50 percent.

While the concurrent receipt provisions enacted by Congress benefit tens of thousands disabled retirees, an equal number are still excluded from the same principle that eliminates the disability offset for those with 50 percent or higher disabilities. The fiscal challenge notwithstanding, eliminating the disability offset for those with disabilities of 50 percent is just as valid for those with 40 percent and below, and FRA urges the Congress to be sensitive to the thousands of disabled retirees who are excluded from current provisions.

FRA also asks the Committee to consider those who had their careers cut short solely because they became disabled by combat or combat-related events, and were forced into medical retirement before they could complete their careers.

### **Veterans Disability Benefits Commission**

FRA understands that many in Congress are looking to the Veterans Disability Benefits Commission (VDDB) for recommendations on this and other issues, however the Association is concerned that the extension of the Commission's work can only delay an equitable outcome further.

### **Uniformed Former Spouses Protection Act (USFSPA)**

FRA is concerned that provisions (Sec. 644, 645 and 646) in the Senate FY 2007 Defense Authorization bill only eliminate the ten-year rule, allow for DFAS cost-of-living adjustments if ordered by court and allow targeted member to waive DFAS notification requirements. The Association questions why other recommendations in the long delayed Department of Defense's Report of September 2001 are not addressed – particularly the need to prohibit awarding retired pay division before retirement. The Federal government should do significantly more to protect service members from State courts that ignore provisions of the USFSPA.

The USFSPA was enacted over 20 years ago; the result of Congressional maneuvering that denied the opposition an opportunity to express its position in open public hearings. With one exception, only pri-

vate and public entities favoring the proposal were permitted to testify before the Senate Manpower and Personnel Subcommittee. Since then, Congress has made 23 amendments to the Act: eighteen benefiting former spouses. All but two of the amendments were adopted without public hearings, discussions, or debate. Since adoption, opponents of the USFSPA or many of its existing inequitable provisions have had opportunities to voice their concern to a Congressional panel. The last hearing, in 1999, was conducted by the House Veterans Affairs Committee and not the Armed Services Committee that has the oversight authority for amending the USFSPA.

One of the major problems with the USFSPA, of its few provisions protecting the rights of the service member, 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 fails to 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. Another infraction is committed by some State courts awarding a percentage of veterans' compensation to ex-spouses, a clear violation of U. S. law, yet, the Federal government does nothing to stop this transgression.

**Survivor Benefit Plan (SBP)**

FRA strongly supports the Senate amendment to S. 2766 (Senate version of the NDAA) to accelerate from 2008 to 2006 the time the military retiree will be a paid-up participant after paying premiums for 30 years and is at least 70 years of age. This is an equity issue for participants who've paid premiums since the program was established in 1972. The repeal of the SBP/DIC offset is also addressed in this provision.

**CONCLUSION**

Mr. Chairman. In closing, allow me to again express the sincere appreciation of the Association's membership for the opportunity to present these recommendations.

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John Davis served in the United States Marine Corps Reserve in an artillery unit (155 self-propelled howitzers) in the early 1980s and later received a direct commission to serve in the Army National Guard. He joined the FRA team as Director of Legislative Programs in February 2006.

In December 2005, John received a Masters of Public Policy (MPP) degree from Regent University, Alexandria, Virginia. He also holds a Bachelor's degree in Political Science and History from Illinois State University.

Before coming to FRA, John served as Director of Legislative Affairs for U.S. English for three years lobbying Capitol Hill and supervising marketing activities for the association. Prior to this, he worked for almost 13 years with the National Federation of Independent Business, including nine years as Director of the Illinois chapter and over three years as a Regional Political Director. John administered the PAC for the National Association of Mutual Insurance Companies during the 2000 election cycle, and assisted with lobbying Capitol Hill and grassroots member mobilization. John has lobbied on a variety of issues including healthcare, tort reform, insurance, taxation, and labor law.

John is a member of FRA Navy Department Branch 181, Arlington, Virginia, and lives with his wife of more than 27 years in Vienna, Virginia. They have a daughter, Anne age 23 and a son, Michael age 20 who is currently serving in the Marine Corps Reserve while he attends college.