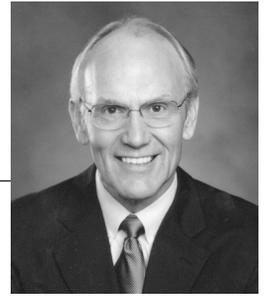




Idaho Senator Larry Craig: **VETERANS UPDATE**



May 2004

I am pleased to bring you this report from Washington, DC, on issues affecting veterans in Idaho. As one of only two Senators who serve on both the authorizing and appropriating committees for veterans, I wanted to take a minute and update you on legislation and issues under consideration in those committees and the U.S. Senate.

Larry E. Craig, U.S. Senator

Veterans Funding and Benefits

I am pleased to report that over the past three years Congress and the Bush Administration have significantly increased funding for the Department of Veterans Affairs (VA). In fact, overall veterans funding has increased every year since fiscal year (FY) 2002.

Enacted budgets over the past three years include a \$52.095 billion budget in FY02, an increase of 9.5 percent over the previous year; a \$59.071 billion budget in FY03, an increase of 13.4 percent; and a \$61.45 billion budget in FY04, an increase of 4 percent. Overall the average increase for the past three fiscal years has been 8.97 percent for veterans funding and benefits. In contrast, in the final three fiscal years of the previous administration, the average percentage increase was only 3.6 percent.

VA Medical Care Budget

I recently had the opportunity to visit the VA hospital in Boise. I enjoyed meeting with Idaho's veterans, and was able to see firsthand the ways VA health funding is being used to benefit Idaho's veterans. Without question, funding for the VA medical care budget has seen tremendous increases in recent years. Under the Bush Administration, we have increased this VA medical care funding an astonishing 34.16 percent in just the past few years. With these substantial increases, we have now doubled the veterans medical care budget since 1993. With the recent passage of the FY05 Senate Budget Resolution, we hope to see an additional increase of 5 percent over the 2004 budget amount. This planned increase will amount to an additional \$1.4 billion for veterans medical care next year.

Included in the VA medical care budget is spending for TRICARE, a health care program used extensively by our retired military veterans. Once again, it should be noted that this program has seen massive increases under our current leadership. In fiscal year 2002 we achieved a 29.8 percent increase over the 2001 budget, followed by a 33 percent increase for fiscal year 2003, and a nearly 3 percent increase for 2004. I am pleased to note that these increases far outpaced the medical inflation rates for the same years.

Many veterans may recall that in 1998 the Clinton Administration proposed a reduction of \$83.3 million in VA medical care spending, followed by a proposed reduction of \$16.3 million in 1999, and a complete freeze in medical care funding in fiscal year 2000. Fortunately, Congress denied President Clinton these reductions in medical care spending.



*Visit to the Boise VA hospital
in March 2004*

Concurrent Receipt

Late last year the United States Senate passed the FY04 National Defense Authorization Act. Included in this authorization was language regarding the sometimes controversial "concurrent receipt" issue. Under this act, both the Senate and the House of Representatives passed a "phased-in" concurrent receipt. Basically, those service members who have a disability of 50% or greater will be included and receive both their retirement and disability pay, regardless of whether their disability is service-connected. This phase-in will take less than ten years.

Also included in the act are disability ratings if veterans meet certain criteria for a combat-related disability, popularly known as "Purple Hearts Plus." Additionally, Guard and Reserve retirees who meet the criteria under "Purple Hearts Plus" and have 20 or more years of service also qualify.

This expansion and phase-in of "concurrent receipt" is estimated to increase spending by \$521 million in 2004, \$5.5 billion from 2004 through 2008, and ultimately \$20.7 billion for the 2004-2013 period. It is important to note that all of this funding will come out of the active Department of Defense budget, not the Veteran's Administration budget.

Update on the War in Iraq

On April 9th, the Iraqi people, along with the U.S.-led coalition, marked the one-year anniversary of the liberation of Iraq and the removal of Saddam Hussein from power. However, Iraqi insurgents and terrorists continue to attack U.S. and coalition forces in an attempt to destroy any hope of a democratic and free Iraq. Our troops are resolved in their mission to rid the country of these aggressors, and eliminate the threat against U.S. and allied security interests in the region. I am pleased to say that I recently had the opportunity to travel to Iraq to get a firsthand view of our progress in the region. Iraqis both young and old received our delegation with gratitude and demonstrated their openness to a better future of peace and freedom. I was also able to meet with Idaho soldiers serving on the ground in both Iraq and Afghanistan, and I was able to thank them personally for their service and dedication to our country.

I was also able to view the infrastructural improvements that have been made since the fall of the former regime. I visited schools that have been refurbished and opened, giving more than 5 million children the opportunity to go back to school, where they found new educational equipment and textbooks. More than 2,300 schools have been refurbished by USAID and the Coalition Provisional Authority, and with support from the U.S. supplemental funding program, another 1,047 schools will be rehabilitated for use. More importantly, Iraqi teachers now have the opportunity to teach their students freely, and not be limited in the curriculum as they were under the former regime.

Approximately 240 hospitals and more than 1,200 clinics have been reopened, and funding has been provided for pharmaceutical supplies, equipment, and power generators, so they can be fully functional and help the injured and ill Iraqi people. Now, more than 90 percent of Iraqi children receive routine immunizations.

Iraq's annual oil revenue has almost doubled since 2003 as oil capacity has increased. This is a major step toward improving the economic stability and self-dependence of Iraq.

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Veterans History Project and National World War II Memorial Dedication

On May 29th the dedication of the National World War II Memorial will be the focal point of this year's Memorial Day celebration on the National Mall here in Washington, DC. This tribute to our World War II Veterans is long overdue, and I am pleased to see "The Greatest Generation" finally get the recognition they deserve. As part of this year's Memorial Day events, the Library of Congress will conduct the largest oral history project in American history as part of the Veterans History Project. This project will be conducted by volunteers who will interview veterans who are invited to come and share their stories or donate their memorabilia. A group of 44 Idaho veterans, one from each county, recently participated in the project. One of the products of that effort was the Idaho "Veterans History Quilt," which I presented to Veterans Affairs Secretary Anthony J. Principi last year. All information collected will become a permanent part of the Library of Congress to be made available to veterans and researchers. I would like to invite all veterans and family members to join us in this historic project so that future generations have access to the stories and sacrifices made by those in service to their country. If you would like to participate in this project please contact the Library of Congress at: www.loc.gov/vets, via email at: vohp@loc.gov, or call (888) 371-5848. I hope that you will be able to help us preserve the history of World War II through the eyes of those who lived it.



Presenting the Idaho "Veterans History Quilt" to VA Secretary Anthony Principi

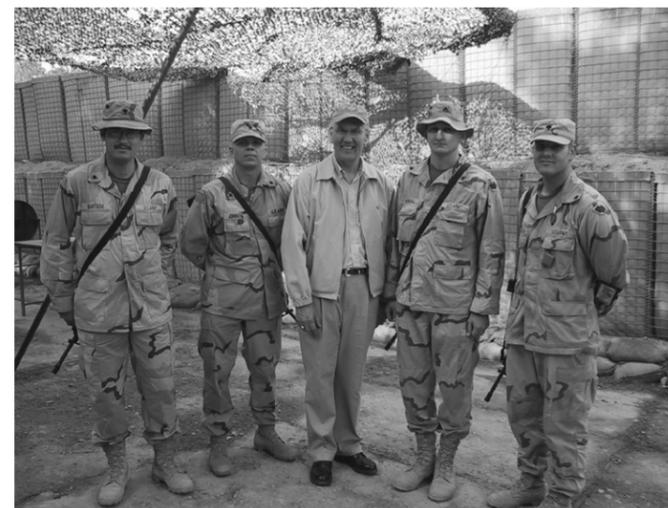
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Dining with troops in Iraq

We are also quickly approaching the June 30th deadline for transfer of power from the Coalition Provisional Authority over to the Iraqi Interim Government. This is an important deadline to meet, as it will show the Iraqi people that we are not an occupying force, but a liberating force. This will also allow the Iraqi people to have a greater say in the future governance of their country. As of July 1st, the new Transitional Administrative Law, including a bill of rights, will become the law of the land, giving all Iraqis the basic freedoms that we appreciate every day, but they have never experienced. A general national assembly is scheduled to take place in January 2005, which will be the beginning step in creating a permanent and democratic Iraqi government.

Although U.S. and allied troops still face danger in Iraq, we are all more resolved than ever to ensure that our efforts bring about a free and stable Iraq and bring our troops home safely. I understand that this has been a daunting task, but this war will continue to receive my utmost attention, and our troops my full support - whether it be providing the necessary equipment or troop strength. Right now, many Idaho men and women are preparing for deployment to provide support for our forces serving in Iraq. I am confident that they will serve bravely and make Idaho proud. I will continue to do all that I can to ensure their safe return home.



Visiting with some Idaho soldiers stationed in Iraq

Issues raised by some Veterans organizations:

Several veterans groups and organizations have proposed the complete removal of all co-payments for medical services and pharmaceuticals. Many veterans organizations have expressed the concern that asking veterans to pay for part of their benefit is contrary to the spirit surrounding the provisions of benefits to veterans.

As you may know, veterans receiving medical benefits from the VA are placed in priority groups. These groups are given a number between 1 and 8, with a designation of "1" as being the highest priority for enrollment. A veteran in category "1" is a veteran with service-connected disabilities rated 50% or greater.

Proposals have been offered to completely eliminate co-payments for all poor veterans with non-service-connected disabilities, and for all former POWs, while increasing co-payments on veterans who are in the lower priority categories, such as those with a designation of a 7 or 8. The VA anticipates that if this proposal were enacted there would be approximately 200,000 fewer users in priority groups 7 and 8, resulting in significant savings. The VA estimates potential savings at \$83 million annually while increasing revenues by approximately \$135 million.

Please be assured that I will continue to monitor any such proposals and help create and strike an appropriate balance that Congress, the VA, and our dedicated veterans can agree on.

In addition to many groups calling for the removal of all co-payments, many groups have called for mandatory spending on and funding for veterans medical care, as opposed to our current annual discretionary spending. Some veterans groups want a mandatory spending level so veterans groups can avoid the uncertainties of the annual appropriations process. In many ways, that would be a preferable situation, but we must look at some of the potential drawbacks of limiting ourselves to a certain and set level.

Many proposals to create a mandatory spending level base these levels on the number of veterans enrolled in VA medical care programs, not the number of actual users. It is important to note that currently we have 7.6 million veterans enrolled in programs; however, only 4.9 million are actual users of these programs. It is entirely possible that we could see an increase in the number of enrolled veterans and a drop in actual users. The reverse could also happen, and we could see a drop in the amount of veterans enrolled and an increase in the amount of veteran users - placing a potential burden on our veterans as set by these proposed mandatory spending levels. I will continue to monitor this situation and make sure our veterans are receiving adequate funding.

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*"Those who choose to defend
our freedom deserve the
best medical care available,
provided in a timely manner,
with as little inconvenience
as possible!"*

Larry E. Craig
United States Senator

Veterans Legislation passed and approved by both the Senate and the House

During the first session of the 108th Congress, the Senate Veterans Affairs Committee approved several important pieces of legislation relating to our nation's veterans. The following is a list of those bills, which have been signed into law by President Bush:

"The Veterans' Compensation Cost-of-Living Adjustment Act of 2003"

- Established a 2.1% cost-of-living increase in VA compensation and other "cash transfer" benefits for veterans.

"Veterans Health Care, Capital Asset, and Business Improvement Act of 2003"

- Extends VA mandates to provide nursing home care, outpatient-based long-term care services, and homeless assistance services;
- Improves VA assisted living and mental health programs;
- Grants higher priority healthcare eligibility for radiation-exposed veterans;
- Eliminates pharmaceutical co-payments for former prisoners of war;
- Authorizes major medical facility construction projects;
- Requires VA advance notice of proposed CARES-related actions;
- Includes various personnel-related provisions; and
- Creates a VA Office of Research Oversight.

"Veterans Benefits Act of 2003"

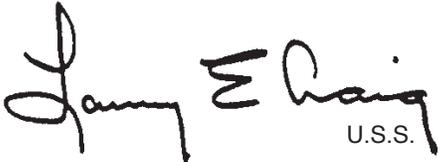
- Increases educational assistance benefits for surviving spouses and orphans;
- Allows widows to retain survivors' compensation despite remarriage (after age 57);
- Provides benefits to spina bifida-afflicted children of veterans exposed to Agent Orange in Korea;
- Improves compensation benefits afforded to former POWs and Filipino veterans;
- Increases automobile and housing adaptation grants to wheelchair-bound veterans;
- Improves VA life insurance and State Cemetery grant programs; and
- Improves federal contracting opportunities for disabled veteran-owned small businesses.

"Servicemembers Civil Relief Act"

- Extends to servicemembers (and dependents) protections against foreclosures, evictions, contract defaults, lien enforcements, and tax liabilities during periods of service;
- Authorizes termination of real estate and automobile leases during periods of service;
- Sets maximum rate of interest on debts incurred before military service at 6%;
- Protects life and professional liability insurance policies during periods of service;
- Reinstates civilian health insurance policies upon release from service; and
- Protects servicemembers' voting rights during periods of service.

United States Senate
WASHINGTON, D.C.

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