



Statement of the Fleet Reserve Association  
on its Goals for 2005  
Before a Joint Hearing of the  
House Veterans Affairs Committee  
and the  
Senate Veterans Affairs Committee

Presented by

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National President  
Fleet Reserve Association

&

Joseph L. Barnes  
National Executive Secretary  
Fleet Reserve Association

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**GEORGE R. KAYE**  
**NATIONAL PRESIDENT**  
**FLEET RESERVE ASSOCIATION**

At its 77<sup>th</sup> National Convention in Irving, Texas, members of FRA elected George R. Kaye to serve as the Association's National President for 2004-2005. Kaye was born in 1935 in Beaver Falls, Pennsylvania. He entered the U.S. Navy in 1952 and transferred to Fleet Reserve in 1972 after serving 20 years on various ships and stations as a Hospital Corpsman.

During his service, Kaye completed four tours as combat corpsman with U.S. Marine Corps. He served in Republic of Vietnam in 1968-69 with First Marine Air Wing as a crewmember on medical evacuation helicopters. Additionally, he served on the Staff of COMNAVAIRLANT, FMFLANT, CINCLANTFLT, and Fifth Naval District Medical Officer. Kaye transferred to Fleet Reserve from U.S. Naval Hospital, Portsmouth, Virginia.

Shipmate Kaye joined the Association in 1958 and has been actively involved with FRA for more than 46 years. A member of Ocean View Branch 60 in Norfolk, Virginia, Kaye was elected to FRA's top post after serving as Regional Vice President East Coast (1977 - 1978), Regional President East Coast (1978-1979), and National Vice President (2002 - 2004). He served as a member of FRA's National Headquarters staff for over 20 years, fulfilling duties as Director of Membership Development and Editor of Naval Affairs magazine. He was elected National Financial Secretary in 1981 and served in this capacity until 1997. In 1991, FRA and the delegates to the 65th National Convention awarded him FRA's highest award, the Certificate of Merit, in recognition of his distinguished service to FRA.

Shipmate Kaye was also a member of the Navy Memorial Foundation Board of Directors from 1989 through 1997, holding the position of foundation vice president for almost six years.

National President George Kaye lives with his wife Mary Batton in Wilmington, North Carolina.

**JOSEPH L. BARNES**  
**NATIONAL EXECUTIVE SECRETARY**  
**FLEET RESERVE ASSOCIATION**

Joseph L. (Joe) Barnes was selected to serve as the Fleet Reserve Association's (FRA's) National Executive Secretary (NES) in September 2002 during a pre-national convention meeting of the FRA's National Board of Directors (NBOD) in Kissimmee, Fla. He is FRA's senior lobbyist and chairman of the Association's National Committee on Legislative Service. He is also the chief assistant to the National President and the NBOD, and responsible for managing FRA's National Headquarters.

A retired Navy Master Chief, Barnes served as FRA's Director of Legislative Programs and advisor to FRA's National Committee on Legislative Service since 1994. During his tenure, the Association realized significant legislative gains, and was recognized with a certificate award for excellence in government relations from the American Society of Association Executives (ASAE).

In addition to his FRA duties, Barnes is a member of the Defense Commissary Agency's (DeCA's) Patron Council, and was elected Co-Chairman of the 35-organization Military Coalition (TMC) in November 2004. He also serves as Co-Chairman of TMC's Personnel, Compensation and Commissaries Committee and testifies frequently on behalf of FRA and TMC on Capitol Hill.

Barnes joined FRA's National Headquarters team in 1993 as editor of On Watch, FRA's bimonthly publication distributed to Navy, Marine Corps, and Coast Guard personnel. While on active duty, he was the public affairs director for the United States Navy Band in Washington, DC. His responsibilities included directing marketing and promotion efforts for extensive national concert tours, network radio and television appearances, and major special events in the nation's capital. His awards include the Defense Meritorious Service and Navy Commendation Medals.

Barnes holds a bachelor's degree in education and a master's degree in public relations management from The American University, Washington, DC, and earned the Certified Association Executive (CAE) designation from ASAE in 2003. He's an accredited member of the International Association of Business Communicators (IABC), a member of the ASAE, the American League of Lobbyists, the U.S. Naval Institute, and Navy League.

He is a member of the FRA Branch 181 board of directors and has served in a variety of volunteer leadership positions in community and school organizations. He is married to the former Patricia Flaherty of Wichita, Kansas and the Barnes' have three daughters, Christina, Allison, and Emily and reside in Fairfax, Virginia.

## **THE FRA**

The Fleet Reserve Association (FRA) is the oldest and largest organization serving the men and women in the Active, Reserve, and Retired Components of the Navy, Marine Corps, and Coast Guard. It is Congressionally Chartered, recognized by the Department of Veterans Affairs (DVA) and entrusted to serve all veterans who seek its help.

FRA also is a major participant in the 35-member consortium, The Military Coalition (TMC). Members of its staff serve in a number of TMC leadership roles. Master Chief Barnes is the Coalition's co-chairman. He also co-chairs the Coalition's Military Personnel/ Compensation/Commissary Committee. Retired Navy Sr. Chief Bob Washington is co-chairman of the Health Committee and FRA's Legislative Counsel, Retired Marine Sgt. Major "Mack" McKinney, is the second of FRA associates serving as one of the four elected officers in the Coalition.

FRA celebrated its 80 years of service November 2004. Over eight (8) 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). As of late, FRA led the way in reforming REDUX, obtaining targeted pay increases for mid-level enlisted personnel, and sea pay for junior enlisted sailors.

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,

The membership of the Fleet Reserve Association (FRA) is again pleased that we have been invited by the Joint Committees to present the Association's legislative goals for fiscal year 2006. On behalf of more than 120,000 shipmates, I extend our sincere gratitude for the concern, active interest and progress to date generated by the Committees in protecting and enhancing benefits that are truly deserved by our Nation's veterans. FRA looks forward to working with you to further improve the quality of life for our Nation's nearly 25 million veterans and their families and hopes that more can be accomplished this year in spite of budget challenges.

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 not 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 premiere "watch dog" organization in maintaining and improving the pay, compensation and Quality of Life for enlisted Navy, Marine Corps and Coast Guard personnel. The Association works effectively on behalf of men and women who serve on active duty, in the reserve, retired or in a veteran status and their families before Congress and appropriate federal agencies.

## **FY 2006 BUDGET**

Although the budget sets VA spending at a record \$70.8 billion, FRA echoes the Senate VA Committee Chairman's recent comment which called the proposal "considerably less friendly" than VA budget plans of the past four years. The spending plan calls for \$33.4 billion in discretionary funding, mostly for veterans' health care, which represents a 2.7 percent increase in discretionary spending over the current year's budget according to the VA. In an era when health care costs are skyrocketing, FRA believes the White House's proposal is inadequate to meet the needs of the growing number of veterans who are eligible to seek services from the VA.

The FY 2006 VA budget focuses primarily on veterans with service-connected disabilities, low incomes and special needs; "the vets who count on the VA the most," according to VA Secretary Jim Nicholson. The Association finds this rationale particularly troubling in that it creates the perception of pitting one group of veterans against another.

Other veterans will be asked to pay a \$250 annual enrollment fee and a more-than-100-percent increase in prescription co-payments. Similar to proposals offered in previous years, the higher costs are targeted at veterans in Categories 7 and 8 – those who have no compensable disabilities and whose incomes exceed specified thresholds. Approximately 2.4 million veterans will be affected adversely if the proposal becomes law.

Some members of Congress are seeking additional funding for the VA and oppose the increase in prescription payments, but agree with the enrollment fee for vets above the income threshold. Their rationale being that military retirees must pay an annual fee to participate in TRICARE, so it is only fair to charge certain veterans a similar fee to access VA health care services. FRA contends that the TRICARE fee assures access to these services, while Category 7 and 8 veterans who pay the VA enrollment fee will remain at the bottom of the priority list for VA health benefits and still be forced to wait long periods for VA care. The Association has supported improved VA access standards for several years. Veterans should not be asked to pay to be eligible for a lesser category of care.

As in previous years, the Association recommends that the Committee on the Budget convert the veterans' health care account from discretionary to mandatory. FRA believes this change will ensure that the VHA has sufficient funding without the necessity for yearly budgetary hearings and competition from other congressional programs.

## **VA MEDICARE + CHOICE INITIATIVE**

More than 40% of veterans enrolled in the VA health care system have paid into Medicare over a lifetime of labor, yet the VA is not authorized to provide Medicare-funded services in its system to those non-disabled, Medicare-eligible veterans who would prefer to obtain their Medicare benefits in a VA facility. Late in 2002, the VA announced creation of a Medicare + Choice Plan for Medicare-eligible Priority Group 8 veterans. FRA recommends Congress enact any technical authority needed for the VA to implement its "VA + Choice" plan and work towards testing the direct use of Medicare funds in under-utilized VA facilities for the care of Medicare-eligible veterans.

## **VA/DOD RESOURCE SHARING**

More needs to be done to ensure returning Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (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. This encompasses developing and deploying an interoperable, bi-directional and standards-based electronic medical record; a "one-stop" separation physical supported by an electronic separation

document (DD-214); benefits determination before discharge; sharing of information on occupational exposures from military operations and related initiatives.

The Presidential Task Force to Improve Veterans Care's Final Report addressed some issues that would smooth the transition of service members to veterans' status and speed the development of their claims. Additionally, some of the services are actively working to ensure personnel wounded in battle receive the medical treatment they deserve vice falling through the cracks.

In conjunction with DoD and DVA's efforts, FRA recommends that the House and Senate Veterans Affairs Committees continue to hold hearings reviewing the progress in implementing major PTF recommendations that would enable "seamless transition" of service members to veteran status and shed light on outcome measures for assessing CARES and DOD Military Treatment Facilities initiatives.

## **WAITING TIMES FOR TREATMENT**

FRA welcomes the clarification of 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 VA system. The Association believes a 30 day maximum wait is reasonable for routine care and to require VA Medical Center directors monitor all appointments and make any necessary changes in a more timely manner.

## **NURSING HOMES, LONG TERM CARE, AND OTHER HEALTH CARE PROGRAMS**

Once again, the VA has missed the mark in ensuring the availability and quality of its institutional and non-institutional long-term care programs to meet the growing demand from our aging veteran population. World War II and Korean veterans are in their late 60's and older, as are some Viet Nam veterans, and many require a greater level of long-term care. No one can argue that as veterans grow older, more and more of them will become dependent upon the VA to provide the necessary care in nursing homes, domiciles, state home facilities, and its under-used hospital beds. The Nation can ill afford to wait for out-year funds before it expands nursing or long-term care.

Some of the problems of Long Term Care and Nursing Home Care are addressed in the CARES Commission recommendations. Examples include the Commission's call for the VA to develop a long-term care strategic plan as soon as possible and its recommendation to cultivate the assisted living industry as a possible market to fill vacant and underutilized VA space while maintaining a "veteran preference" policy. FRA urges the Secretary to adopt the recommendations as the best solution for the immediate future.

## **TOBACCO-RELATED ILLNESSES**

In 1998, Congress changed the law prohibiting service-connection for disabilities related to smoking. Many veterans began using tobacco during their military service. It was a way of life and information detailing the health risks associated with tobacco use and nicotine addiction was nonexistent. In earlier years there were many who believed the Armed Services facilitated smoking by including cigarettes in meal rations, and cigarettes were sold at discounted prices in military exchanges. FRA recommends that Congress revisit and repeal the 1998 decision.

## **MEDICAL AND PROSTHETIC RESEARCH**

Dollar for dollar, VA is widely recognized for its effective research program. FRA continues to 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. However the FY 2006 proposed VA Budget for Medical and Prosthetic Research shows a \$9 million reduction in one of the most successful aspects of all VA Medical Programs, according to The FY 2006 Independent Budget for the Department of Veterans Affairs. With a war on multiple fronts and the increasing number of returning injured service members, the need to ensure sufficient funds to maintain this world-class research program is a must.

## **COURT-ORDERED DIVISION OF VETERANS COMPENSATION**

The intent of service-connected disability payments is to financially assist a veteran whose disability may restrict his or her physical or mental capacity to earn a greater income from employment. FRA maintains that this payment is that of the veteran and should not be a concern in the states' Civil Courts. If a Civil Court finds the veteran must contribute financially to the support of his or her family, let the court set the amount allowing the veteran to choose the method of contribution. FRA has no problem with child support payments coming from any source. However VA disability should be exempt from garnishment for alimony. If the veteran chooses to make payments from the VA compensation award, then so be it. The Federal government should not be involved in enforcing collections ordered by the states. Let the states bear the costs of their own decisions. FRA recommends the adoption of stronger language offsetting the provisions in 42 USC, now permitting Federal enforcement of state court-ordered divisions of veterans' compensation payments.

## **EDUCATION BENEFITS**

FRA advocates the creation of a benchmark for the MGIB so its benefits will keep pace with the cost of an average four-year college education. Even with the October 1, 2004 increases in basic rates, the MGIB only covers about 60 percent of current tuition expenses.

In addition, there are thousands of senior enlisted personnel who entered service during the Veterans Education Assistance Program (VEAP) era (1977-1985) seeking an opportunity to sign up for the MGIB. FRA urges authorization of an open enrollment period giving enlisted leaders the opportunity to sign up for increased educational benefits provided by the GI Bill.

Too often the MGIB is characterized exclusively as a form of compensation or as a “recruiting tool.” However, FRA would argue that it is also an investment in our nation’s future. Military personnel can use the MGIB on active duty to aid in their professional development, giving them the tools to become better leaders, mentors and representatives of their respective services. Many veterans who opted to leave the military and use the GI bill to further their education have gone on to become highly productive members of our society. From the offensive backfield of the Denver Broncos to the halls of Congress to several Fortune 500 Companies to small businesses on Main Street, America, there are college graduates who used the MGIB stipend to help pay for their education. These individuals also pay taxes, returning more revenue to the U.S. Treasury than what they might have been able to without a degree, and easily more than what was spent paying for their education.

The MGIB *investment* must remain a relevant benefit for service members completing their education. The military has a well-deserved reputation for taking young Americans and transforming them into better citizens. Giving them the tools to excel in the academic environment has, and will continue to result in building upon that transformation.

## **DISABILITY COMPENSATION CLAIMS PROCESSING**

FRA believes VA’s efforts in decreasing the backlog of initial disability claims are commendable and continuing at a very good rate despite the court ruling last year that once again swelled the lists of veterans waiting for decisions on their claims.

Despite reaching some performance goals in VA disability and survivor claims management, the VA has recently fallen significantly behind its own performance metrics. During this time of war, the nation owes to its service men and women accurate and comprehensive support for their disability claims and to reduce the

rising backlog of claims of those who served in earlier conflicts. Unfortunately, recent improvements have been followed by plans to reduce “full time equivalent” (FTE) positions in the claims area. FRA supports restoration of claims-worker positions and additional investment in process and technology so that VA can meet its performance standards and sustain them over the long haul.

## **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 125 national cemeteries in 39 states, the District of Columbia and Puerto Rico.

Of our nation’s 25 million veterans, 25 percent are over the age of 65. Rapidly aging veteran populations coupled with the death rate of World War II and Korean War veterans create resource challenges within the NCA. It was estimated that the number of deaths in 2002 were over 680,000 veterans, and by 2006 that number will increase to 687,000 annually, or an average of 1,900 funerals a day. During this time period, the interment rate will continue to rise thereby placing even greater strain on NCA’s workforce and equipment.

FRA is grateful to Congress for funding new cemetery sites in Bakersfield, California; Birmingham, Alabama; Columbia/Greenville, South Carolina; Jacksonville, Florida; Southeastern Pennsylvania; and Sarasota, Florida. FRA urges increased funding, structured so the NCA has exclusive use 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.

## **CONCURRENT RECEIPT**

The FY 2003 National Defense Authorization Act (NDAA) authorized a special compensation for certain military retirees injured in combat. This so-called “beachhead” marked progress toward the authorization of full concurrent receipt of military non-disability retired pay and any VA compensation for service-connected disabilities without a reduction in one or the other payment. The FY 2004 and 2005 National Defense Authorization Acts have since expanded the benefit to most military retirees with combat related disabilities and personnel with service-connected VA disability ratings of 50 percent or higher. FRA is very appreciative of the great strides Congress has made in previous years, but there is a continuing concern amongst the Association’s membership to authorize full concurrent receipt for all disabled retirees, particularly for those who have completed at least 20 years of service.

FRA also encourages Congress to support the authorization of funding concurrent payments of military non-disabled retirement pay and veterans' compensation for all military retirees. The men and women who chose to make the military a career certainly deserve the opportunity to have equity with their counterparts in the Federal service who can earn both without a penalty to one or the other.

## **UNIFORMED SERVICES FORMER SPOUSES PROTECTION ACT (USFSPA)**

The USFSPA is a statute adopted without hearings on the House side and no up-or-down vote in the Senate. As one member of the House said at the time, the law will cause more problems than it will solve. So it has been since the adoption of the USFSPA in 1982, more than two-thirds of states have adopted community property laws. More turned to no-fault decisions in determining the outcome of divorces. State Courts embrace the USFSPA as a means to automatically strip military retirees of their hard-earned retirement pay for the payment supporting former spouses who in far too many cases, failed to dedicate the same number of years to the marriage and the military. Whether serving in war or peace, the military member is credited for retirement purposes only 2 1/2 percentage points for each year of active duty. It takes at least 20 years to receive sufficient credits to qualify for retirement. On reaching that plateau the member becomes entitled to 50 percent of his or her active duty pay. Fifty (50) percent of the member's active duty pay, by the way, is nearer to 30 percent of all pay and allowances earned while serving in uniform.

One of the major problems with USFSPA is it permits state courts to consider military retired pay as property that may be divided between the retiree and the spouse/former spouse. This act has encouraged the civil courts to not only divide military retired pay, but veterans' disability compensation payments. The courts, with little or no sympathy as to how the payments were earned, grants the spouse/former spouse a portion of the payments for life, often without regard to the number of years of marriage.

FRA recommends that Congress accept the responsibility of conducting a review and the possible adoption of amendments to the Uniformed Services Former Spouses Protection Act [10 USC, 1408] to establish a more equitable division of the service member's retirement pay with a spouse/former spouse upon dissolution of a marriage. Further, to enforce the provision of Title 38 that forbids the division of veterans' disability compensation.

## **SURVIVOR BENEFIT PLAN**

FRA has experienced a greater concern for improving the Uniformed Services Survivor Benefit Program (USSBP) than any issue on its website ([www.fra.org](http://www.fra.org)). With an average age of 68 on the Association's membership roll, the concern is justified. Most convincing is the need to continue refining the program. There are many FRA members, and other military retirees, age 70 and older, who have been paying into the Plan for more than 30 years with the only relief more than three-plus years into the future.

There are three compelling reasons to amend the Plan. One, the cost of participating in USSBP has increased from 60% for the military retiree to more than 80% allowing the Department of Defense to renege on its original charge to provide 40% of the cost. Two, the USSBP was fashioned from the survivor program for retired federal employees, yet the military retiree on the average will pay more for participating in his or her Plan. Three, the military retiree on the average will pay into the USSBP over a longer period than the federal retiree. Although Congress has adopted a time for USSBP participants to halt payments of premiums (when payments of premiums equal 30 years and the military retiree is 70 years of age) the date is more than three years away. Military retirees enrolling on the initial enrollment date (1972) will this September be paying premiums for 33 years, by 2008, thirty-six years.

FRA recommends and urges the Committees to support a change to the Uniformed Services Survivor Benefit Plan (USSBP) to restore the value of participating in the program by changing the date 2008 to October 31, 2005 when certain participants attaining the age of 70 and having made payment to the Plan for at least 30 years are no longer required to make such payments.

## **CONCLUSION**

Mr. Chairman. In closing, allow me to again express the sincere appreciation of the Association's membership for all that you and the Committees have done for our Nation's veterans over these many years.

Our Legislative Team stands ready to meet with you, other members of the Committees or their staffs at any time, to work together to improve Veterans benefits and entitlements. FRA again thanks the Joint Committees for having its representatives aboard for a review of the Association's 2005 goals.