

VARIOUS PRESIDENTIAL NOMINATIONS FOR THE DEPARTMENT OF VETERANS AFFAIRS

HEARING BEFORE THE COMMITTEE ON VETERANS' AFFAIRS UNITED STATES SENATE ONE HUNDRED SEVENTH CONGRESS FIRST SESSION

MAY 16, 2001

Printed for the use of the Committee on Veterans' Affairs



U.S. GOVERNMENT PRINTING OFFICE

81-403 PDF

WASHINGTON : 2002

For sale by the Superintendent of Documents, U.S. Government Printing Office
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C O N T E N T S

MAY 16, 2001

SENATORS

	Page
Collins, Hon. Susan M., U.S. Senator from Maine, prepared statement	5
Hutchison, Hon. Kay Bailey, U.S. Senator from Texas, prepared statement	3
Rockefeller, Hon. John D., IV, U.S. Senator from West Virginia, prepared statement	1
Specter, Hon. Arlen, U.S. Senator from Pennsylvania, prepared statement	5

WITNESSES

Cragin, Maureen Patricia, nominee for Assistant Secretary for Public and Intergovernmental Affairs, Department of Veterans Affairs	46
Prepared statement	47
Questionnaire for Presidential nominees	47
Response to written questions submitted by Hon. Arlen Specter	50
Higgins, Robin L., nominee for Under Secretary for Memorial Affairs, Department of Veterans Administration	30
Prepared statement	30
Questionnaire for Presidential nominees	31
Response to written questions submitted by Hon. Arlen Specter	33
Lozada, Jacob, nominee for Assistant Secretary for Human Resources and Administration, Department of Veterans Affairs	58
Prepared statement	59
Questionnaire for Presidential nominees	60
Response to written questions submitted by Hon. Arlen Specter	62
Mackay, Leo S., Jr., nominee to be Deputy Secretary of Veterans Affairs	7
Prepared statement	7
Questionnaire for Presidential nominees	8
Response to written questions submitted by Hon. Arlen Specter	10
Mansfield, Gordon H., nominee for Assistant Secretary for Congressional and Legislative Affairs, Department of Veterans Affairs	71
Prepared statement	72
Questionnaire for Presidential nominees	72
Response to written questions submitted by Hon. Arlen Specter	74

VARIOUS PRESIDENTIAL NOMINATIONS FOR THE DEPARTMENT OF VETERANS AFFAIRS

WEDNESDAY, MAY 16, 2001

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 9:30 a.m. in room SR-418, Russell Senate Office Building, Hon. Arlen Specter (chairman of the committee) presiding.

Present: Senators Specter, Rockefeller, Wellstone, and Nelson.

Also present: Senators Hutchison of Texas and Collins.

Chairman SPECTER. Good morning, ladies and gentlemen. The Committee on Veterans' Affairs will now proceed with nomination hearings.

We are honored this morning to have two of our colleagues to provide introductions. And before turning to Senator Hutchison and Senator Collins, let me yield to the distinguished Ranking Member, Senator Rockefeller, for whatever he chooses to say.

Senator ROCKEFELLER. Do you have an opening statement?

Chairman SPECTER. I do, but I am going to put it in the record. I want to turn to our colleagues as soon as we can.

Senator ROCKEFELLER. How shall I react to that?

Susan, I will take your advice. Shall I give my opening statement, which is brilliant but long?

Senator COLLINS. Absolutely.

Senator ROCKEFELLER. I think, in fact, I will do, Susan, what you are thinking, and that is—

[Laughter.]

Senator ROCKEFELLER [continuing]. That I will not give it but borrow from it as I question. I know that is what you and Kay Bailey Hutchison were thinking. I will put it in the record, Mr. Chairman.

[The prepared statement of Senator Rockefeller follows:]

PREPARED STATEMENT OF HON. JOHN D. ROCKEFELLER IV, U.S. SENATOR FROM
WEST VIRGINIA

I join Chairman Specter in welcoming our nominees, their family members, and friends to today's confirmation hearing. The large number of nominees being considered at this single hearing is a bit unusual, but I am certain that the nominees are pleased that the Committee is moving so quickly to consider them and to forward their nominations to the full Senate.

If all of you are confirmed—and at this time, I know of no impediment to your confirmation—you will face, individually and collectively, many challenges as part of Secretary Principi's team at VA. I'll highlight just a few—first to you as a group and then to each of you individually.

The overarching challenge you all will face in your new positions is to become, with Secretary Principi and the other top managers at VA, a true team, working together to make VA as good as it can be. You must find ways to integrate new technology and the Department's traditional commitment to veterans to meet the legitimate needs and expectations of the ever-changing veterans population.

To this end, the single biggest challenge will be to truly function as one VA. Individual veterans and all who deal with the Department must see a single entity, not disparate elements sharing little more than a name.

One specific challenge that I believe touches each of you in some way is to achieve maximum cooperation between VA and the organizations with which you deal, most particularly other units of government. Nowhere is this challenge greater than with the Department of Defense. We no longer have the luxury—if we ever did—of allowing the federal departments who deal most directly with those who serve in the Armed Forces to act as though there is no real need for cooperation.

VA and DoD simply must work together—for efficiency, for effectiveness, and to best serve those who serve our nation. I know that Secretary Principi is committed to seeing progress on this front, and I believe that each of you will have a role to play in that effort.

Now I'll highlight some brief, specific challenges to each of you. Please don't suppose that this is an exhaustive list. Rather, I see it as a starting point for further discussions.

Dr. Mackay, as the nominee for Deputy Secretary, you, of course, have the broadest challenge, as you will surely be expected to touch all parts of the Department. What will be most vital is that you bring the management skills and experience you have developed, especially in your recent time in the corporate world, to bring to bear on the management of VA. If VA is to function as I know we all want it to function, it must, first and foremost, be well managed. Working with Secretary Principi, you must be the one to see that that happens.

Ms. Higgins, the National Cemetery Administration is in the midst of a huge increase in demand and in scrutiny. You are fortunate to inherit an excellent career staff, but you must work very hard to figure where you want to take NCA and then work with the Congress and the veterans' community to begin to realize that vision. As you well know, nothing happens quickly in government—yet the need for vision and for action in the area of memorial affairs is now.

Dr. Lozada, VA must be able to attract and retain the very best employees. VA's workforce is very much in flux right now, with many, many new demands. I look to you to work with the three departmental administrations and the other elements in VA to make the prospect of working for VA as attractive and appealing as it can be. VA must also be forward thinking on the question of finding and training new employees as older workers near retirement age. I am particularly interested in seeing if VA can assume a leadership role in the area of nursing, to help find ways to address the shortage of nursing personnel. Also, I think your experience during your Army career may be of particular importance in the effort to improve VA/DoD cooperation.

Mr. Mansfield—Gordon—your biggest challenge will be to use your great skills honed over the years as a staunch advocate now to help educate and persuade the Congress to work with the leadership of the Department on fulfilling its vision. Your wealth of experience and personal credibility will be great assets in that effort. I know we will be able to count on you for timely and forthright advice and counsel.

Ms. Cragin, on the public affairs side of your position, I believe your greatest challenge will be to educate those who do not know the veterans' world about two things: first, the vital role military veterans have played, and continue to play, in the development of our nation; and second, the particulars of VA programs and services. Far too often, the only news about VA is bad news, thereby preventing the public from knowing about the many successes VA enjoys. With respect to intergovernmental affairs, you have a great responsibility to promote and advance VA's homeless initiatives. I know Secretary Principi shares the commitment of so many of us in Congress to aggressively attack the problem of homelessness in the veterans' population. Much has been done on that front, but more must be done.

As I noted earlier, this list of challenges you each will face in your new positions, assuming confirmation, is far from complete, but it gives you some sense of my immediate concerns and priorities. I look forward to working with each of you in the months ahead.

Thank you, Mr. Chairman.

Chairman SPECTER. Thank you very much, Senator Rockefeller.

Protocol requires the Chairman to speak and the Ranking Member to speak. And now that we have both spoken, when Senators

are here for introductions, we try to expedite that as much as possible on the accurate presumption that you are very busy.

Senator HUTCHISON, on the basis of seniority, I will ask you to speak first.

Senator HUTCHISON. Thank you, Mr. Chairman. I appreciate it because I do have another nominee in another committee at this exact time that I want to introduce. But I wanted to be here especially to introduce to you Dr. Leo Mackay and his wife, Heather, who are Texans. Dr. Mackay has been nominated to be Deputy Secretary at the Department of Veterans Affairs. I can truly say to you, having done a lot of introductions lately for this administration, that this man's qualifications and background and résumé are so outstanding that I feel I must tell you many of the key points, but I have never seen anyone who has blazed as many trails as Dr. Leo Mackay and I want you to know about this incredible individual.

Dr. Mackay has a master's degree in public policy from Harvard University. He has a Ph.D. in political and economic analysis from Harvard University. He was a Harvard MacArthur Scholar, a graduate Prize Fellow, and a Research Fellow with the Center for Science and International Affairs.

He also was a Top Gun Navy pilot. He is a graduate of the Naval Academy where he was Secretary of the Navy Distinguished Midshipman graduate. He then went on to complete the pilot training, where he graduated at the top of his class, to become an F-14 pilot. As a member of the Fighter Squadron 11, he spent 3 years completing operational deployments to the North Atlantic, Mediterranean, and Indian Ocean. From 1993 to 1995, he served in the Office of the Secretary of Defense as a Military Assistant to the Assistant Secretary for International Security Policy. To this day, he is still the youngest officer ever to have served as military assistant to an assistant secretary.

Dr. Mackay left active duty Naval service in 1995 for the corporate staff of Lockheed Martin and later joined Bell Helicopter in 1997. Today, he is vice president of their aircraft services business unit.

I believe that he has certainly shown his commitment to public service. I think that we so need in the Department of Veterans Affairs, and I believe we have in the Secretary and will now have in the Deputy Secretary, is real caring for our veterans, for those who have served our country that I think is so important. We need to take care of these people, we need to keep the promises that we have made to them, and we need to honor them for being willing to serve. And that is what the Veterans Administration is there to do. And I think with Secretary Principi's leadership and the leadership of Dr. Mackay, we will fulfill the mission of the Veterans Administration.

I thank you and I commend him to you totally.

[The prepared statement of Senator Hutchison follows:]

PREPARED STATEMENT OF HON. KAY BAILEY HUTCHISON, U.S. SENATOR FROM TEXAS

It is such an honor to be here today to introduce Dr. Leo Mackay, Jr. as the nominee for Deputy Secretary of the Department of Veterans Affairs. It's always a pleasure to witness a dear friend—and especially one who is a Texan!—receive recognition for all of his hard work and efforts.

Dr. Mackay has blazed trails at every stage of his life. In fact, he probably has one of the most unusual résumés you'll see for a deputy secretary candidate!

Not only does he have a master's degree in public policy from the Harvard University Kennedy School of Government. Not only does he have a Ph.D. in political and economic analysis from Harvard University Graduate School of Arts and Sciences. Not only was he a Harvard MacArthur Scholar, a Graduate Prize Fellow, and a Research Fellow at the Center for Science and International Affairs. He was also a Top Gun navy pilot.

He is a graduate of the Naval Academy, where he was a Secretary of the Navy Distinguished Midshipman Graduate. He then went on to complete pilot training, where he graduated at the top of his class, to become an F-14 pilot. As a member of Fighter Squadron Eleven, Dr. Mackay spent three years completing operational deployments to the North Atlantic, Mediterranean, and Indian Ocean.

From 1993 to 1995, Dr. Mackay served in the Office of the Secretary of Defense as a military assistant to the Assistant Secretary of Defense for International Security Policy. To this day, he is still the youngest officer ever to have served as military assistant to an Assistant Secretary in OSD history.

Dr. Mackay left active duty naval service in 1995 for the corporate staff of Lockheed Martin and then joined Bell Helicopter in 1997. Currently he is vice president of their Aircraft Services Business Unit.

Most important though, at least in my book, is that Dr. Mackay is a native of San Antonio, the second largest city in the great state of Texas.

Dr. Mackay's wealth of knowledge and experience more than qualifies him for this position. But more important than his professional background is his personal commitment, his vision, and his character. Throughout his career he has been able to not only overcome obstacles and challenges, but also to empathize with those around him. And, especially pertinent to this situation, he is a veteran and he understands the needs of our veterans community.

It is my honor to introduce my friend Leo Mackay, and to encourage all of you to support his nomination as Deputy Secretary of the Department of Veterans Affairs. Fort Worth's loss will be Washington's gain.

Thank you.

Chairman SPECTER. Thank you very much for coming, Senator Hutchison, and for those words of suggestion to the committee. We shall listen very closely.

Senator Collins.

Senator COLLINS. Thank you very much, Mr. Chairman, Senator Rockefeller, Senator Wellstone. I am delighted to be here this morning. It is a great honor to introduce Maureen Cragin to you as she is an outstanding selection to be the next Assistant Secretary for Public and Intergovernmental Affairs for the VA. I applaud the President for this nomination, and I respectfully urge the committee to act quickly on her confirmation.

Maureen's impressive record, as you will see, really speaks for itself. She is a graduate of the U.S. Naval Academy, she has served with distinction as a naval officer, and she has had extensive experience in public affairs both in the military and in civilian, governmental positions. She is also a member of Disabled American Veterans and other service organizations which advocate so effectively for the interests of those who have served our Nation in uniform.

Maureen also has had the good judgment to marry a Mainer, Charlie Cragin. They maintain a home in Raymond, ME, and frequently return to our great State.

This committee has helped to ensure that our Nation keeps faith with its solemn obligations to our veterans. But in order to continue to do this, we need talented, capable, experienced people at the VA. Maureen Cragin is such an individual. She has a true dedication to public service. After she left her job at the Hill, she went to work for a defense contractor for a brief while. But she found that inevitably the call of public service caused her to return to

Government work. So I am sure that this committee will be very proud of its action if it chooses to confirm her.

I thank you for allowing me the opportunity to be here this morning and for your courtesies in allowing us to go first. Thank you.

[The prepared statement of Senator Collins follows:]

PREPARED STATEMENT OF HON. SUSAN M. COLLINS, U.S. SENATOR FROM MAINE

Mr. Chairman, Senator Rockefeller, members of the Committee, it is an honor to introduce Maureen Cragin to you, as she is an outstanding selection to be the next Assistant VA Secretary for Public and Intergovernmental Affairs. I applaud President Bush for this nomination, and I respectfully urge the Committee to act quickly on her confirmation.

Maureen's impressive record, as you will see, speaks for itself. She is a graduate of the U.S. Naval Academy; she has served with distinction as a naval officer, and she has had extensive experience in public affairs—both in the military and in civilian governmental positions. She is also a member of Disabled American Veterans, and other service organizations which advocate so effectively for the interests of those who have served our nation in uniform.

Maureen also had the good judgment to marry a Mainer, Charlie Cragin. They maintain a home in Raymond, Maine, and return frequently to our great State.

Our nation must always keep faith with its solemn obligations to our veterans. In order to do this, we need talented, capable, and experienced people at the Department of Veterans Affairs. Maureen Cragin is such a person. I am sure that this Committee will be proud of its action if it chooses to confirm her. Mr. Chairman, thank you again for allowing me to be here this morning.

Chairman SPECTER. Thank you very much, Senator Collins. Thank you for coming and we shall weigh your words very heavily.

We have expedited these hearings at the request of Secretary Principi because we know how necessary it is to have these important positions filled. We have held this hearing on an expedited basis, and it is our intention to have these confirmations completed, if at all possible, before we break for recess. We did the same thing with VA's nominated General Counsel.

I am going to put my full statement in the record.

[The prepared statement of Chairman Specter follows:]

PREPARED STATEMENT OF HON. ARLEN SPECTER, U.S. SENATOR FROM PENNSYLVANIA

Good morning, ladies and gentlemen. It is a pleasure for me to be here to welcome the highly-capable nominees who will testify before the Committee this morning. It is also a pleasure for me to welcome two Senate colleagues to the Committee's Hearing Room. Senator Kay Bailey Hutchison of Texas graces us with her presence to introduce Dr. Leo S. Mackay, most recently a resident of Mansfield, Texas, who has been nominated to serve as Deputy Secretary of VA. And Senator Susan Collins of Maine has joined us to introduce Mrs. Maureen P. Cragin, a resident of both Maine and the District of Columbia, who has been nominated to serve as Assistant Secretary of VA for Public and Intergovernmental Affairs. I welcome you, Senators. And I welcome the five nominee-witnesses.

This is an extraordinary group. Two of the witnesses will have their backgrounds and qualifications summarized by the Senators who will introduce them. The other three will not be introduced by their home-State Senators—but no one should draw a negative inference from that. I will have the pleasure of summarizing for the Committee their backgrounds.

Ms. Robin Higgins is already known to the Committee's members since she served in the Labor Department's Veterans Employment and Training Service during the first Bush Administration, and has served Governor Jeb Bush since January 1999 as the Executive Director of the Florida Department of Veterans' Affairs. And all will remember—with anguish and outrage—the setting in which we have also come to know Mrs. Higgins. It was her husband, Colonel William R. ("Rich") Higgins, USMC, who was struck down by terrorists in Lebanon in 1989 as a supposed spy, it was said, for a "criminal America and the Zionist enemy." We have mourned with you, Mrs. Higgins, since Rich was struck down—but we can only imagine your suf-

fering. I am honored to join you in keeping the memory of your husband's service alive.

Mr. Gordon Mansfield served his country in Vietnam with distinction and valor similar to Colonel Rich Higgins'. On his second tour in Vietnam as a young 1st Lieutenant and Rifle Company Commander in the 101st Airborne Division, was hit by rifle fire twice during a three day period during the Tet offensive in 1968. This service earned him the Distinguished Service Cross, the Bronze Star, and two Purple Hearts, and the second "hit" he sustained during Tet placed him in the wheelchair he occupies today. Mr. Mansfield will join VA—and I do expect that he will be confirmed—after a distinguished career as a lawyer and veterans advocate for the Paralyzed Veterans of America where he served, most recently, as Executive Director.

Finally, we turn to Dr. Jacob Lozada. Dr. Lozada, like Mr. Mansfield is an Army veteran. But he served for over 25 years as an Army officer—the majority of those years as an officer in the Army's Medical Administration Service. He retired from active military service in 1993 and, since then, has served in the private sector as a management consultant focusing on health care management issues. He has a Masters Degree in Health Care Administration and a Ph.D. in Education, and is a Fellow in the prestigious American College of Healthcare Executives. These qualifications are directly relevant to the challenges facing VA health care today—and they are qualifications sorely needed by VA at the senior levels. Welcome, Dr. Lozada.

I now turn to the witnesses and ask that they provide us with brief statements.

Chairman SPECTER. I would yield now again to you, Senator Rockefeller.

Senator ROCKEFELLER. I have already done that, Mr. Chairman.

Chairman SPECTER. OK. If you all will rise and raise your right hands, I would appreciate it. Do you solemnly swear that the testimony you will give before the Senate Veterans' Committee will be the truth, the whole truth, and nothing but the truth, so help you God?

[Witnesses affirm.]

Chairman SPECTER. You may be seated.

Senator WELLSTONE. Mr. Chairman, since I will have to leave early, can I in 10 seconds say that I just came here to show my strong support for these excellent nominees. Secretary Principi has done an outstanding job. How about that for brevity. [Laughter.]

Chairman SPECTER. Right. [Laughter.]

Senator WELLSTONE. That is even better from you.

Chairman SPECTER. That was a direction, not a characterization. [Laughter.]

We welcome Mr. Leo Mackay, vice president of the Aircraft Services Business Unit of Bell Helicopter. Mr. Mackay has general management responsibility for the company's commercial sales, worldwide distribution logistics, aircraft completions, and revenue. He is a native of Texas, and is a 1983 graduate of the Naval Academy. We have two graduates from the Naval Academy already iconfirmed; we are getting a little heavy on Annapolis, but I am sure for good cause. He has a very distinguished academic record, a Ph.D. in political and economic analysis from the Kennedy School of Government, and a very extensive résumé which we will put in the record, Dr. Mackay, in the interest of proceeding with your hearing.

We welcome any comments you care to make at this time, Dr. Mackay.

**STATEMENT OF LEO S. MACKAY, JR., NOMINEE TO BE DEPUTY
SECRETARY OF VETERANS AFFAIRS**

Mr. MACKAY. Following the precedent established by you, Mr. Chairman, and the Ranking Member, for brevity I will submit my opening statement to the record. I would just like to say that I am very honored to appear before this committee today as a designee of President Bush. I am also very honored to be, if I am confirmed, in partnership with Secretary Principi. I have great confidence in his leadership and we have already begun to establish a rapport that will blossom I think into a true partnership.

I am ever grateful to my wife, Heather, who is with us today, and to my children Sarah and Josiah for allowing me to take them from the paradise we call Texas back to the DC area for public service.

I look forward, if confirmed, to serving with not only Secretary Principi, but with the fine people at Veterans Affairs, with the veteran service organizations that are so necessary and vital to delivering benefits and services to our veterans, and to the members of this committee, its counterpart on the House side, and the appropriators.

Once again, I am deeply honored to be here today. And I look forward to your questions.

Thank you.

[The prepared statement of Mr. Mackay follows:]

PREPARED STATEMENT OF LEO S. MACKAY, JR., NOMINEE TO BE DEPUTY SECRETARY
OF VETERANS AFFAIRS

Mr. Chairman, I am honored to appear before you and the members of the committee today as President Bush's designee to be Deputy Secretary of Veterans Affairs. Military service is an honored tradition in my family. My father made a career of service in the Air Force, and my two older brothers served in the Army—one made it a career. I was proud to serve in our nation's Navy for twelve years. Through uncles and cousins, my family also includes a doughboy who saw duty in France in World War I, a soldier with Patton's Third Army in WWII, and veterans of the Korean and Vietnam conflicts. Our nation's veterans are not an abstraction for me, they are an integral part of my family and a vital part of my being.

I am especially indebted to President Bush for the opportunity to serve in his administration. I think the President has signaled very clearly the high priority he places on the well being of this country's veterans. All veterans, and all those who serve and care about them, will benefit from his clear and steady leadership.

Veterans will also benefit from the leadership of Secretary Principi. He is a man who has, in the short time I have known him, deeply impressed me with his veterans and the institution that exists to serve them. We have already struck up a healthy working relationship and established a close rapport. He has made it clear that the only filter for all decisions is the greater good of veterans—that's a good standard. The Secretary has also begun to lay out and pursue a clear and concise agenda. I look forward to serving alongside him on behalf of America's veterans.

Perhaps the greatest debt I owe, however, is to my wife Heather and our children, Sarah and Josiah. Without their support, warmth, and love it would be impossible to accept this challenge. I want to thank them for their willingness to move from the paradise we call Texas back to the D.C. area, and to put up with the demands of public service. Like all husbands in my position, I can never repay nor scarcely acknowledge the true dimensions of the debt I owe to my wife for gracing my life. I do hope, however, that the mere mention of that fact, in this setting, will tell her again of my devotion and love. I also hope that my nomination will serve as an inspiration to my children: to spur them into episodes, if not a life, of public service.

The Department of Veterans Affairs finds its most eloquent mission statement in the words of President Lincoln, "to care for him who shall have borne the battle, and for his widow and his orphan." It is a testament to the generosity and largeness of spirit of the American people that this great organization exists to provide benefits and services to those who have served all of us so well. I am beginning to get

to know the people of the Department . . . and I like what I see very much. There are many able, eager, and knowledgeable professionals. I look forward to the day when I may be privileged to call them colleagues.

The Department is also supported by an invaluable network of Veterans Service Organizations that are an integral part of a team dedicated to the well being of our veterans. I look forward especially, should the Senate consent to the judgment of the President, to working with the fine professionals and volunteers of these organizations.

Finally, I recognize the critical oversight role of both this committee and the House Veterans Affairs Committee. They have provided leadership and support to VA and veterans programs. You have my commitment that I will work with you to achieve a common goal of serving veterans in a prompt, efficient and dedicated manner. Together we must tackle a diverse set of issues: reducing the large backlog of benefits claims; defining a clear overarching information technology architecture with uniform standards and metrics; coordinating with the DoD healthcare system to deliver ever-greater efficiencies and savings while maintaining the distinctive character of the VA system; rationalizing and updating the capital infrastructure and physical plant; attracting and retaining a quality workforce imbued with 21st century skills and motivated for career service. All of these, and so many more, are pressing needs of the Department.

I am not a long-service veteran of the Department of Veterans Affairs. I do not have great detailed knowledge of the Department's programs, people, and culture. But, I will learn . . . and quickly. I do have, however, the perspective of the outsider and the experience of having been in a number of organizational and cultural settings. Secretary Principi and I will undoubtedly have to make some very tough decisions, and quickly. I commit to you that we will make those decisions with alacrity, but also with judiciousness. And, I will further commit to you that we will make those decisions with one, and only one question in mind: "what is best for America's veterans?"

In closing, let me say again what an honor it is for me to appear before this committee as the designee of the President. I stand ready to serve and I look forward to any questions you may have.

QUESTIONNAIRE FOR PRESIDENTIAL NOMINEES

PART I: ALL THE INFORMATION IN THIS PART WILL BE MADE PUBLIC

1. Name: Leo S. Mackay, Jr.
2. Address: 1004 Hilton Dr., Mansfield, TX 76063
3. Position: Deputy Secretary of Veterans Affairs
4. Date of Nomination: April 30, 2001
5. Birth date: August 15, 1961
6. Birth place: San Antonio, Texas
7. Marital status: Married
8. Children, age: Sarah, 8; Josiah, 3
9. Education: Institution (city, state), dates attended, degrees received, dates of degrees.
 U.S. Naval Academy; 7/79–5/83; BS; May 25, 1983
 J.F. Kennedy School of Government, Graduate School of Arts and Sciences; 9/89–6/91; MPP; June 1, 1991
 Harvard University; 9/91–6/92; Ph.D; June 1, 1993
10. Honors: List all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.
 U.S. Treasury Dept., Medal of Merit, Feb. 2000
 Council on Foreign Relations, International Affairs Fellow (term not served), Mar. 1995
 Department of Defense, Defense Meritorious Service Medal, July 1995
 Department of Defense, Armed Forces Expeditionary Medal, Nov. 1988
 Department of Defense, Navy Achievement Medal, Aug. 1989
 MacArthur Foundation, Harvard MacArthur Scholarship, Aug. 1991
 Kennedy Fellowship, JF Kennedy School, Harvard University, Sep. 1989
 US Naval Academy, Distinguished Midshipman Graduate Award, May 1983
11. Memberships: List all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable, and other organizations for the last 5 years and other prior memberships or offices you consider relevant.
 Trustee, Cook Children's Medical Center and Foundation, Ft. Worth, Tex.

Trustee, Jarvis Christian College, Hawkins, Tex.
 Board Member, Henry L. Stimson Center, Wash. DC
 Advisory Board Member, DFI-Int'l. Wash. DC
 Executive Committee and Board Member, Arlington (Texas) Chamber of Commerce

President, Lutheran Inter-City Network Coalition—DFW
 Member, US Naval Academy Alumni Association
 Life Member, US Naval Institute
 Member, American Institute of Aeronautics and Astronautics
 Chairman, Ft. Worth Geographic Region, 1999 US Savings Bond Drive National Committee

President of the Congregation, St. Martin's Lutheran Church ('96-97) Annapolis, Md.

12. Employment Record: List all employment (except military service) since your twenty-first birthday, including the title or description of job, name of employer, location of work and inclusive dates of employment.

05/97-05/01, Vice President, Bell Helicopter, Textron Ft. Worth, Texas

07/95-05/97, Director, Market Development, Lockheed Martin, Bethesda, Md.

13. Military Service: List all military service (including reserve components and National Guard or Air National Guard), with inclusive dates of service, rank, permanent duty stations and units of assignment, titles, descriptions of assignments, and type of discharge.

05/83-07/95 Active Duty Service, US Navy, Honorable Discharge, 07/95

07/93-07/95 Military Assistant to Asst. Sec'y of Defense, International Security Policy, assigned to the Pentagon. Coordinated an organization of 200 responsible for U.S. defense policy in the areas of U.S. nuclear forces, export licensing, counterproliferation, defense conversion and arms control policy. Promoted to Lieutenant Commander 08/93.

09/92-07/93 Instructor, Department of History, US Naval Academy. Taught courses in Western Civilization and modern military/naval history. Sail instructor and AO-in-C for open-ocean training cruise from Annapolis to Halifax, Nova Scotia and back.

07/92-09/92 VF101. NAS Oceana, Virginia Beach, Va. Assigned various administrative duties after switching designator from pilot to general unrestricted line.

06/89-07/92 Attached to NROTC unit, MIT, Cambridge, Ma. Assigned to graduate study at J.F. Kennedy School of Government, Harvard University ('89-'91) and at the Graduate School of Arts and Sciences, Harvard University in residence at the Center for Science and International Affairs ('91-'92).

07/86-06/89 VF11. NAS Oceana, Virginia Beach, Va. Fighter pilot completing three deployments on USS Forrestal, with 235 carrier landings, and 1000 hours in the F-14. Promoted to Lieutenant 06/87.

9/85-07/86 VF101. NAS Oceana, Virginia Beach, Va. Fighter pilot under instruction at Fleet Readiness Squadron for F-14.

07/84-08/85 VT26 and VT24. NAS Chase Field, Beeville, Tx. Naval flight school basic jet and advanced jet training. Promoted to Lieutenant, j.g. 06/85.

01/84-07/84 VT27. NAS Corpus Christi, Corpus Christi, Tx. Naval flight school primary training.

06/83-11/83 Naval Aviation Schools Command. NAS Pensacola, Pensacola, Fla. Naval aviation indoctrination course.

07/79-05/83 Assigned to US Naval Academy as a midshipman. Graduated with merit and BS degree. Commissioned as an Ensign.

14. Government experience: List any advisory, consultative, honorary, or other part-time service or positions with Federal, State, or local governments other than listed above: N/A

15. Published writings: List titles, publishers, and dates of books, articles, reports or other published materials you have written.

Post-Cold War Frameworks for United States Nuclear Policy. Ann Arbor, Mi.: UMI Dissertation Services, A Bell & Howell Company, 1993.

"Bombs, Cities, and Civilians: American Airpower Strategy in World War II," *Proceedings of the U.S. Naval Institute*, (review of a book of the same title by Conrad C. Crane), 119, 12, (December 1993): 97-99.

"Voices from the Central Blue," *Proceedings of the U.S. Naval Institute*, (article commentary), 119, 3, (March 1993): 23-24.

"Naval Aviation, Information, and the Future," *Naval War College Review*, Spring, 1992: 7-19.

"Greek to Me," *New Republic*, 2 March 1992, p. 6.

"The Poverty of the American Liberal Consensus," *Samizdat*, (Kennedy School student newspaper), vol. I issue 2, 27 April, 1990.

"Why I'm Black, Not African-American," *Samizdat*, vol. I issue 1, 4 April, 1990.
 "War, Morality, and the Military Professional," *Proceedings of the U.S. Naval Institute*, (commentary), 110, 1, (January 1984): 89.

16. Political affiliations and activities

(a) List all memberships and offices held in and financial contributions and services rendered to any political party or election committee during the last 10 years:
 Dole for President—\$150, defense and foreign policy committee (wrote policy papers)

Bush for President—\$150, defense policy adviser (wrote several policy papers)

Lazio for US Senate—\$200

Republican Party—approximately \$500

(b) List all elective public offices for which you have been a candidate and the month and year of each election involved: N/A

17. Future employment relationships

(a) State whether you will sever all connections with your present employer, business firm, association, or organization if you are confirmed by the Senate: Yes

(b) State whether you have any plans after completing Government service to resume employment, affiliation, or practice with your previous employer, business firm, association or organization: I have no such plans.

(c) What commitments, if any, have been made to you for employment after you leave Federal service? None

(d) (If appointed for a term of specified duration) Do you intend to serve the full term for which you have been appointed? N/A

(e) (If appointed for indefinite period) Do you intend to serve until the next Presidential election? Yes

18. Potential Conflicts of Interest

(a) Describe any financial arrangements, deferred compensation agreements, or other continuing financial, business, or professional dealings which you have with business associates, clients, or customers who will be affected by policies which you will influence in the position to which you have been nominated:

I will receive a separation bonus from Bell Helicopter, Textron, Inc. in recognition of my performance during my tenure with the firm. The bonus is customary for departing executives who have performed well and are going on to a non-competitive status. The bonus will be a one time cash payment of approximately six months of base salary.

(b) List any investments, obligations, liabilities, or other financial relationships which constitute potential conflicts of interest with the position to which you have been nominated:

I will have a continuing financial interest, through stock ownership, with Textron, Inc.

I also own a modest amount of stock in Tyco, Int'l.—a firm which does some business with the VA.

(c) Describe any business relationship, dealing, or financial transaction which you have had during the last 5 years, whether for yourself, on behalf of a client, or acting as an agent, that constitutes as potential conflict of interest with the position to which you have been nominated: N/A

(d) Describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any Federal legislation or for the purpose of affecting the administration and execution of Federal law or policy. N/A

(e) Explain how you will resolve any potential conflicts of interest that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements involved.)

I have recused myself from any VA matters pertaining to Textron, Inc. and Tyco Int'l. for as long as I own assets in either of these firms.

19. Testifying before the Congress

(a) Do you agree to appear and testify before any duly constituted committee of the Congress upon the request of such committee? Yes

(b) Do you agree to provide such information as is requested by such a committee? Yes

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. ARLEN SPECTER TO LEO S. MACKAY, JR.

Question 1. Have you discussed with Secretary Principi the duties he would like you to perform, or the role he would like you to assume, as Deputy Secretary if you are confirmed? If so, what has he asked you to do? Will you have a policy making

role at VA? Will you be the VA's Chief Operating Officer—a role which the Secretary assumed when he was Deputy?

Answer. Secretary Principi has asked me to assume the role of Chief Operating Officer: the day-to-day manager of the Department of Veterans Affairs with responsibility to ensure we fulfill our commitment to veterans and their families. Additionally, he has asked me to partner and assist him with his roles as representative of the Department to Congress, the White House, and the public. I anticipate, within the bounds of a close partnership, to have an integral role in the creation of policy.

The Secretary himself describes his style as 'hands-on' and decisive. He is intimately familiar with the Department, its people and policies. While he will not be divorced from the affairs of the Department, I will be the driver of day-to-day operations, and on issues of strategic importance. As Deputy Secretary I will drive the formulation of options and be a vital part of their consideration. Secretary Principi, like any CEO, will make the ultimate decision.

I fully expect to have a strong voice regarding matters including resource allocation, human resource planning and development, information technology planning and deployment, and strategic and performance planning and reporting. I plan to work with the Secretary and VA leadership to formulate an effective legislative program and develop a deliberative and inclusive policy formulation process that will result in detailed policy analysis, option development, and recommendations to the Secretary for his consideration.

Question 2. Independent of what the Secretary might have discussed with you in terms of duties, have you formulated any thoughts on how you will approach your new responsibilities? What do you see those responsibilities as being? What vision of this job motivated you to accept it when the President called?

Answer. I will approach my responsibilities with bottom-line tangible results as the ultimate arbiter of the success of this administration. My responsibility is to ensure the viability of the Department's processes, the effectiveness of its people, and the quality of its decision-making constantly improves so that its provision of health care and benefits to the veterans' community is further enhanced. As I said in my opening statement, the greater good of our nation's veterans will be the ultimate standard by which the Secretary and I will measure our success.

I am motivated to come to this job for three reasons: 1) I have a strong tradition of service in my family (virtually all the males in my family's preceding generations are veterans), and a great personal desire to serve our Nation and our Nation's veterans; 2) I was convinced of the desirability and reasonability of Secretary Principi's vision for the Department of Veterans Affairs and his overriding commitment to veterans, and 3) I have, by dint of education, previous experience and management training, the requisite skills to help implement that vision.

Question 3. Based on your understanding of the issues which confront VA, is there anything in particular you would like to accomplish as Deputy Secretary?

Answer. The Secretary and I are in agreement on the overall goals of the Department. I join the Secretary in committing myself to the improvement of claims processing and in the delivery of accessible, high-quality health care. I am committed to successful performance of all vital department missions.

As Deputy Secretary and COO, I will have responsibility for addressing operational process/policy issues facing the Department of Veterans Affairs. Workforce planning and VA/DoD collaborative endeavors will be among my responsibilities. I intend to support workforce planning initiatives to ensure long-term, quality benefits delivery by VA. I also recognize that improved coordination with the Department of Defense and integration of some overlapping functions will both improve the quality of service for our beneficiaries and allow us to make the best use of limited federal funds without diminishing our commitment to our respective obligations.

As Deputy Secretary I intend to bring to the department a unified decision-making structure that integrates planning, budget formulation and policy development. My vision for this structure is one that is both inclusive and critical. I also intend to bring a management structure where veteran's needs are first and strategies to achieve them are based on data, consultation, and sound judgment.

Question 4. How would you describe your management style? Do you believe that your style—however you describe it—is suited for the position you are seeking? If so, how?

Answer. My management style is disciplined and analytic. My style is suited to this position principally for two reasons: because the Department of Veterans Affairs faces complex transformational challenges, and because, like any bureaucracy, it has cultural and inertial impediments. As VA completes its change to outpatient-based health care, refreshes and retools its physical plant, overhauls its benefits claims process, moves to incorporate long-term care, and contemplates its role in a

closer partnership with DoD health care it will necessarily make decisions and take actions with long-term consequences. These decisions and actions must be based on a thorough, rigorous, yet timely evaluation of the relevant facts. Driving that process calls for strength and discipline, but also processes rooted analytically. Though I will not claim to be the tonic for entrenched culture, I have been in institutions of strong culture and I have witnessed and participated in both successes and failures to produce change. I bring the wisdom of this experience. Lastly, I have the habit of rigorous follow up and attention to metrics. These are the basis of producing current performance, e.g. producing in accordance with and at the direction of a strategic plan, following budgets, and producing on-time performance. Management is about clear goals, even clearer metrics, and the doggedness to attain both.

My management style is also one of informed action. As I mentioned, I would develop a structure that is inclusive and internally critical. The structure would also be based in action and not support long delays when decisions vital to service delivery are at stake. I believe my style is ideally suited to this position, and in support of the Secretary Principi's priorities.

Question 5. Did your training as a fighter pilot prepare you for this assignment? Can such training prepare one to prod and fight bureaucratic inertia? Do people who seek out the job of F-14 pilot—people of action, I should think—have the disposition to spend their days pushing against a bureaucracy like VA's?

Answer. Lessons learned in the cockpit and, especially in carrier flying, are useful in management: discipline, performance, and judgment. Management and leadership are active vocations and require people of action to succeed at them. The Secretary and I intend to lead the Department of Veterans Affairs actively, and to meet its myriad challenges. I think that requires a disposition not unlike that of a fighter pilot.

The VA operates under strict rules as a government agency, but I do not believe it is an insurmountable bureaucracy. The VA employs many motivated and talented people who are ready for action. Together I believe we can effect continued improvement in the Department.

Question 6. How did your training at Harvard prepare you for this job? Did your scholarly work assessing the United States strategic policy give you any training for this? Did your course work focus on systems or business processes analysis, or similar disciplines, that would serve you well at the VA?

Answer. In my academic training at Harvard, I studied public management as one of my fields for the doctorate. As well, I studied organizational implementation and leadership in the master's work. This work was valuable, primarily, in giving me a framework through which to view the subsequent years I have spent in large organizations in the private and public sector. The skills and knowledge acquired in my education will contribute to my abilities to successfully perform this job.

Question 7. As you know, the Secretary has more or less staked his reputation on improving the timeliness and quality of VA's adjudication system. As someone who proposes to come to VA with business management experience, please give the Committee your assessment of VA's claims adjudication system. Based on performance data you have seen, do you agree with the Secretary that improving timeliness and quality pertaining to VA claims processing is the principal challenge facing the VA? What changes would you recommend?

Answer. I agree with the Secretary that the most pressing immediate challenge is the claims processing backlog. It represents not only a disservice to the nation's veterans, but it threatens the credibility of VA as a responsive, productive organization. The ongoing Claims Processing Advisory Task Force headed by Admiral Cooper is studying this issue in depth. Its results are anticipated in the August timeframe. That study will define the parameters of our internal response to this situation. I look forward to its release and to being an integral part of its evaluation. Ultimately I intend to bring my management and business talents to bear in the successful implementation of the submitted recommendations.

Question 8. Secretary Principi has asked his Claims Processing Advisory Task Force to focus on proposed reforms that can be implemented within the bounds of current law. Do you agree that internal VA operation—not the law VA is entrusted to implement—should be the focus of the task force? Even so, do you have thoughts or recommendations on how Congress might modify the law to improve or streamline VA's claims processing system?

Answer. Internal reform is the focus of the Task Force and the Department's immediate concern. Once we address issues within our sphere of influence, we can better turn our attention to other issues, such as the potential need for legislative reform.

Question 9. In just four years, Congress has increased the maximum monthly Montgomery GI Bill (MGIB) education benefit by some 87 percent. However, there

is some belief—even consensus—that MGIB benefits should be increased even further. What do you feel the appropriate benefit level should be?

Answer. I believe that any individual who serves in one of our military services and who honorably discharges his or her duties, deserves a viable education benefit. A benefit that would permit a veteran to cover expenses to attend a four-year public institution is generally higher than the current MGIB benefit of \$650. I realize support for any increase must be balanced with fiscal constraints. Secretary Principi, with my full support, plans to fully explore all options for enhancing education benefits as the Department develops a legislation program in the coming months.

Question 10. I note from your biography that from 1989 until 1993 you studied at Harvard University where you earned both a Master's degree and a Ph.D. I also noted that, during this time, you were a Kennedy Fellow and a MacArthur Scholar. And I believe, it is true that you also incurred some student loan debt to finance your graduate education. One reason—I assume—is because service academy graduates are not eligible for educational assistance benefits which other service members can access. Do you think service academy graduates should be eligible for educational assistance benefits?

Answer. The law provides that an individual who after December 31, 1976, receives a commission as an officer upon graduation from a service academy is not eligible for MGIB education benefits. I believe this policy is understood by those service academy graduates accepting commissions. As the VA evaluates program outcomes and considers enhancements to the MGIB benefit, the Department may revisit this issue.

Question 11. If I understand the situation correctly, you incurred no additional service obligation by attending Harvard because the Navy did not pay your way. Am I correct?

Answer. I did incur an additional service obligation. I attended Harvard initially under the Advanced Education Program that provided for a two year period to complete a degree with no help from the Navy with tuition or other fees. This was extended for an additional year. Harvard awarded me a Kennedy Fellowship that provided for all tuition and fees for the first year. I incurred a personal debt to finance the second year. Once I advanced to doctoral candidacy the Graduate Prize Fellowship and Harvard MacArthur Scholarship covered all fees associated with attending the Graduate School of Arts and Sciences and with being a Fellow at the Center for Science and International Affairs. The Navy additional service obligation was 3 for 1 for the first year and 1 for 1 for additional years. I incurred a five year additional service obligation. After I left Harvard, I changed my designator from 1310 (pilot) to 1300 (general unrestricted line) for reasons I will explain in question 12. Subsequently, I served three years in two different capacities in which I used my graduate education while on active duty, what the Navy calls "payback tours." These tours are generally of only a two year duration. When I applied to resign my commission in 1995 it was the peak of the draw-down, and the Navy needed to reduce its 1300 force. I inquired about continuing Navy service in the Reserves, but the only paid drilling positions were for medical doctors. While I did not complete the specified duration of additional service, I did complete more than the usual time of service in a 'payback' tour.

Question 12. Why, following such an obviously outstanding Navy career, did you choose to leave active duty services after 12 years? Can you provide the Committee with any insights on how the Navy—and the other branches—can prevent the premature departure of outstanding young officers like yourself?

Answer. My reasons for leaving the Navy were basically personal although the effects of the post-Cold War downturn contributed to my exit from active duty. I grew up wanting nothing more than to be a Navy pilot. By God's grace, I achieved that dream. In fact, I had an excellent experience in my first squadron. We won battle efficiency and safety awards, cruised in two oceans and the Mediterranean Sea, and forged lifetime friendships. That said, I also harbored other interests—namely in public policy and business. My time at Harvard stoked those interests. Additionally, and perhaps most importantly, I met my wife, Heather, at Harvard. Heather spent her entire childhood and adolescence on the edge of a farm, and had no experience of the Navy life with its separation and other hardships (my previous marriage had ended in divorce when six of our first seven months of marriage were spent with me at sea). I simply became interested in things outside the Navy and I chose not to subject my wife and children to the rigors of service life. Additionally, the effects of the post-Cold War draw-down on the force were obvious: smaller fleets, older planes, fewer ships covering the same expansive deployments. The fleet of 1992 was not the same as the one I joined in 1983, and neither was I. Accordingly, in 1992 I changed my designator from pilot (1310) to general unrestricted line (1300) and, while continuing to serve, purposed to pursue the earliest opportunity to resign my

active-duty commission. I still retain a deep love and commitment to the Navy. I have served on Senator Hutchison's selection committee for the service academies, been a trustee of the Naval Academy's Alumni Association, and, as an outside expert, helped critique drafts of the Navy's current Quadrennial Defense Review (QDR) submission. In brief, my reasons for leaving the service had to do mainly with me, but the effects of the draw-down also contributed.

Question 13. I am concerned about reports that many of VA's Health Administration Network or "VISN" offices are becoming "staff heavy." I am concerned because bloated bureaucracy diverts needed health care resources from hospital centers where veterans receive the services that they need. Do you believe that a review of the staffing levels at the network offices would be an appropriate activity for the Deputy Secretary? Will you conduct such a review?

Answer. VA is actively involved in monitoring organizational and staffing changes. The Executive Resources Board in VHA approves all new senior executive service (SES) and GS-15 positions both at the facility and VISN level and, the Assistant Deputy Under Secretary for Health approves all VISN organizational charts and increases in GS-14, GS-15, and SES ceilings at the VISN level. VA determined that an assessment of organizational effectiveness should be conducted to promote best practices and to decide if additional guidelines are needed.

A VA taskforce to review field organization structures was convened on May 11, 2001 with a report due in 90 days. As Deputy Secretary, I intend to closely monitor this initiative and work with the taskforce and VHA management to ensure that resources are appropriately directed to serve our veteran patient population as efficiently as possible.

Question 14. Last year, VA central office provided supplemental funding to four of VA's 22 health care networks because they were not able to get through the year with the funding allocation they were originally assigned. Do you see a funding allocation problem here? Or do you see a mismanagement issue here? Will you work with the Chief Network Officer to monitor the progress of these networks to assure they operate successfully this year without diverting funding from other networks?

Answer. I do not believe that the presence of four VISNs coming in for supplemental funding in FY2001 clearly indicates that there is a funding problem or mismanagement. No allocation model is 100 percent perfect. Every model, especially one so new, has a certain margin of error or variance. The key is to identify the issues and minimize the magnitude of variance.

VA continuously reviews the Veterans Equitable Resource Allocation (VERA) model for potential improvements. As Deputy Secretary, I expect to stay engaged and have a voice in future adjustments and corrections to this model.

Question 15. "One VA" has been a rhetorical trade mark of speeches by VA officials for many years now. Yet, there still seems to be—to understate the issue just a bit—some residual coordination issues that VA's three major subagencies (VHA, VBA and NCA) have yet to resolve. Do you believe that the line authority position you hope to occupy could play a role in assisting these three organizations in their efforts to make the "One VA" vision a reality? More directly, do you see yourself—as Deputy Secretary—as having sufficient authority over VA's three Under Secretaries to force them to move toward actual fulfillment of the "One VA" philosophy?

Answer. I don't believe the issue of furthering the "One VA" philosophy is one of authority, but rather one of leadership. Collaborative efforts, like the VA Enterprise Architecture initiative, bring together senior leaders from throughout the VA to develop solutions that cross administration lines with service and access for veterans as their ultimate goal. In my support of the Secretary's vision, I hope to identify other opportunities for such collaboration and corporate success. The "One VA" philosophy, in pursuit of providing seamless, quality service to veterans, without being confined by internal departmental lines, will be the trademark of this administration, regardless of what it is called.

Question 16. Do you have any conflicts of interest which you have not fully disclosed to the Committee or do you know of any other matter which, if known to the Committee, might affect the Committee's recommendation to the Senate with respect to your nomination?

Answer. No.

Question 17. Have you fully and accurately provided financial and other information requested by the Committee, and do you now affirm that that information is complete, accurate, and provided in a form not designed to evade?

Answer. Yes.

Question 18. Do you agree to supply the Committee such non-privileged information, materials, and documents as may be requested by the Committee in its oversight and legislative capacities for so long as you serve in the position for which you now seek confirmation?

Answer. Yes.

Question 19. Do you agree to appear before the Committee at such times and concerning such matters as the Committee might request for so long as you serve in the position for which you now seek confirmation?

Answer. Yes.

Chairman SPECTER. Senator Nelson, would you care to make any opening statement?

Senator NELSON. First of all, I want to thank you for the opportunity to speak. And in the spirit of brevity today, I would like to say that I am very impressed with the quality of the nominees before us. In each and every case, I think you bring the right kind of experience and certainly the right kind of background to be able to do your jobs. I am looking forward to passing favorably on your nominations as soon as we have that opportunity. Thank you very much.

But one question I do have for Dr. Mackay, and maybe for others as well. In Nebraska, because it is a geographically challenged State in terms of distance from major locations to the rural part of the State, we have had some experiences where two rural inpatient hospitals in Nebraska were closed in recent years, and also, veterans from the western part of the State are forced to travel all the way to Omaha for care. That may not seem like quite a distance, but it is as far from the western edge of Nebraska to Omaha as it is from Omaha to Chicago. So it is a journey that requires considerable time and inconvenience. I hope that you will think about the provision of services to these individuals in the rural areas as you encounter your responsibilities and that we will find satisfactory arrangements to continue to provide where we can convenient as well as quality medical services and other services to these individuals.

As you get into your positions, I hope that you will make a concerted effort to do that, but also be able to get back to me and assure me, specifically on Nebraska, as well as other States, but particularly on Nebraska what your plans are to make sure that the services are provided in an accessible manner for the veterans in Nebraska.

Chairman SPECTER. Thank you very much, Senator Nelson.

Dr. Mackay, what do you seek to accomplish as Deputy Secretary of the Veterans Administration if you are confirmed? And address that question in the context of your reasons for leaving your current important position to take on this new job.

Mr. MACKAY. Yes, sir. Senator, you raise a very good point. I came to Washington and spent time with Secretary Principi. There are a number of challenges in front of the Department with regard to information technology, the backlog in benefit claims processing, forging a close coordinating relationship with the DoD health care system while retaining the special character of the VA health care system, challenges that are well known to you. I think that by dint of experience and management capabilities that I can contribute to that. And I also think that the veterans community requires and needs the kind of services that are provided by VBA and VHA.

Chairman SPECTER. Do you have any insights or experience with the veterans community which you believe require action or correction by the Department of Veterans Affairs?

Mr. MACKAY. No, sir, I do not. What I have is a bit of track record of working with organizations facing challenges.

Chairman SPECTER. Do you have any specific challenges in mind for service to veterans? To put it differently or more expansively, do you know anything about the duties of the Veterans Administration which gives you some special pause or some special concern about what is going on, things you would like to correct, see improved?

Mr. MACKAY. Yes, sir. The list that I started out with and I started this answer with respect to some of the IT challenges, the benefit backlog, those are areas where I think we are——

Chairman SPECTER. What do you know about the backlog, Dr. Mackay?

Mr. MACKAY. I know that it is large and that our processing times are expanding.

Chairman SPECTER. Do you have any ideas as to how to deal with that problem?

Mr. MACKAY. Specifically, at this time, no. But I have been taking briefings, educating myself about the dimensions of the problem.

Chairman SPECTER. What other problems do you look forward to tackling if confirmed?

Mr. MACKAY. If confirmed, I think that there is some potential to do a lot of beneficial cooperation in close coordination with the DoD health care system.

Chairman SPECTER. Such as what? What would you like to see accomplished?

Mr. MACKAY. In areas of data sharing, I think that there are beneficial coordination that can be made. I think that——

Chairman SPECTER. Data sharing?

Mr. MACKAY. Yes, sir.

Chairman SPECTER. What kind of data would you like to share? What I am trying to get at, Dr. Mackay, is how much do you know about this job? How much do you know about the sort of problems you will be facing? I ask this to give you an opportunity to give us some insight as to your level of interest, your level of experience, and your best projection as to what you could accomplish.

Mr. MACKAY. Senator, at this time, one of the things that I bring is an outsider's perspective. I know the general dimensions of some of the problems. I have——

Chairman SPECTER. Quite a few people, Dr. Mackay, would bring an outsider's perspective. That would not be a hard perspective to acquire. What we are looking for is what you know and what you can hit the ground running with, so to speak.

Mr. MACKAY. One area that Secretary Principi and I have discussed is in budgetary areas, in running through the budget cycle and making sure the priorities of this administration are reflected in the spending of the budget, in the day to day general management of the Department.

Chairman SPECTER. Tell us a little bit about your prior relationship with Secretary Principi.

Mr. MACKAY. Actually, I have no prior relationship with him before we met in the January timeframe when I sat down with him and discussed the dimensions of this job.

Chairman SPECTER. What was the background of your selection by the administration to be Deputy? My red light is on, so this is my last question.

Mr. MACKAY. I am not privy to the inner-workings. I was solicited for my résumé and background material in connection with—

Chairman SPECTER. You just got a call to send in your résumé and background material?

Mr. MACKAY. Yes, sir, from a political contact in Texas.

Chairman SPECTER. Senator Rockefeller?

Senator ROCKEFELLER. Dr. Mackay, you have a terrific background, but you are going to have to do a lot better than what you have done so far to convince us why you think that you deserve this job. Somebody, a political contact, called you up. I have served in two branches of the executive branch of government, but you do not just say I am glad to be here, I am honored to serve. Your testimony is, if I might say so with all due respect, kind of a cliché. It is just about how happy you are, how proud you are, and how much you look forward to working with the Secretary.

Who do you think ought to be the chief operating officer of the Department of Veterans Affairs?

Mr. MACKAY. Someone with—

Senator ROCKEFELLER. Who?

Mr. MACKAY. Me, Senator Rockefeller.

Senator ROCKEFELLER. Well, then, say that. Say that.

Mr. MACKAY. I think I should be the chief operating officer and Deputy Secretary of the Department of Veterans Affairs.

Senator ROCKEFELLER. But why did you not say that before? In other words, the chairman was trying to elicit from you some sense of intensity about 220,000 employees and you are going to be the No. 2 person; and you said you worry about the benefit backlog and all the things that we all worry about, but you did not talk about the most important thing of all, either in your testimony or in your statement, until I forced it out of you, saying that you are going to run the Department. The Secretary is going to worry about policy and you will be subject to his orders, but I assume you are going to be in his face when you think he is wrong. Will you?

Mr. MACKAY. Yes, sir. Very definitely.

Senator ROCKEFELLER. But nothing that you have said gives that indication. I am perplexed by this and already disturbed by it, because you seem to be intelligent and gentle, but not laser-like. You cannot do this job, nobody can do this job unless they have a brutal intensity. There was a fellow named Derwinski who was fired from the job because he made a decision that was very unpopular with the veteran service organizations. But at least he made a decision. I guess I want you to tell me how you are going to be the chief operating officer, how you are going to run that place. What is the difference between what you do and what Secretary Principi does?

Mr. MACKAY. I will concentrate on the day to day management, specifically in forcing decisions up to the policymaking level, which is where the Secretary and I are, decisions about budgets, about programs, about business process redesign, decisions about an over-arching IT scheme that will forge the VA from a VHA and a VBA and other culture into one unified single whole that is wholly

dedicated to providing the kinds of benefits and services that the taxpayers of this country pay to have provided. I will look for places where there are inefficiencies, places where there is waste, places where we are not performing to the standards that are appropriate in procurement.

Perhaps I had misinterpreted or misled you on who I am and what I can do. Believe me, Senator Rockefeller, I am intense, I am focused, I am a general manager of the first rank, and I can do this job.

Senator ROCKEFELLER. I am glad to hear that. I am just sorry that I had to get you a little bit annoyed in order to get you to say that. This is the second largest department of the Federal Government, second only to the Pentagon. It is a health care system with a budget, a health care system and a benefit system which is destined to not be able to do what it needs to do. And it needs not only a very good top guy, Principi, but it needs a really, really good chief operating officer. You did not indicate that in your written statement, you did not indicate that in your testimony, you did not indicate that in answer to the chairman's questions, but you did indicate that finally when the chairman and I conspired and agreed on the deficiencies in your presentation. And now you have come out and you have said something which is pretty useful.

Do you understand what the VA is like? Do you understand the frustrations in that? Do you understand what a bureaucracy it is?

Mr. MACKAY. Yes, sir, I do.

Senator ROCKEFELLER. And with the chairman's indulgence, could you just please tell me once again why you are, by nature and by experience, suited to be tough enough, intense enough, mean enough, and strong enough to stand up to anybody that you have to to get your job done in the way that it needs to be. In a way, the chief operating officer, in my judgment, is the most important position in the Department of Veterans Affairs.

Mr. MACKAY. Other than my track record, because we have no prior knowledge of one another, I can point to no other record but my record of success. I can assure you, however, that it is my only goal to succeed in this job, to bring to the Department of Veterans Affairs the kind of focus that a sprawling bureaucracy, as you pointed out, needs in order to coalesce around a single mission, and to deliver in a coordinated fashion the kinds of services, benefits that our veterans deserve.

I am in an organization that faces some of the same challenges now at Bell. We had a large hiring boom, kind of the pig and the python effect, in the Vietnam War. We produced a lot of the H-1 series aircraft. Those people are now leaving. We are ramping up to build the tilt-rotor series aircraft. We have huge challenges with regard to the acquisition of a work force with the proper skills and motivation to put in a career to build those aircraft. We have expanded with a brand new facility in Amarillo. I have seen this kind of organization.

I have been in the other great bureaucracy, as you pointed out, the Pentagon. I have had some experience in trying to get that bureaucracy to move in the nuclear review of 1994.

I have experience both in the private sector and in the public sector with organizations that are struggling with these self same

issues. And I commit to you here and now and before these witnesses that I will be the tough, no nonsense, day-to-day manager of this Department, in partnership with Secretary Principi, who has the vision, the experience and the leadership to lead this Department. I will be his right hand. We will forge a partnership. And if I am confirmed, that is the job I will do for you and for the taxpayers and veterans in our country, Senator Rockefeller.

Senator ROCKEFELLER. OK. Mr. Chairman, my time is up for the moment. I do not know if we are going to have a second round or not, but I thank you.

Chairman SPECTER. Senator Nelson?

Senator NELSON. Thank you, Mr. Chairman. Dr. Mackay, I think you are probably getting a sense here that people know that you are smart enough, you are experienced enough, and now you are in the process of telling us you are tough enough to do the job.

I think the reason that the Senators are asking questions that would get to the point of being tough enough is that very often veterans are fighting all kinds of odds working against them—for funding, for benefits, for access to care. They need to know, and I think we need to know, that somebody is going to be there on a day-to-day basis fighting that fight, making certain that every effort is made, that must be made to make sure the benefits and the services are available. I think that is what this is all about.

I am sure it has to be a little bit frustrating and you feel like you are being roughed up. But I think the whole point here is just to make sure that when the chips are all down that we know and the veterans know that you are going to be there fighting for them, you are going to be working for them in every way possible. I think that is what this is really all about.

That is why I made just a general statement with sort of an over-arching concern about can we count on all of you, but particularly the chief operating officer of the agency, to make certain that these services are accessible and that every effort is made to be sure that they are available to people in rural areas, in particular. Because if you think that we are just worried about whether the agency will be tough enough for veterans overall, my worry is even stronger, can we be tough enough for the veterans in rural areas that have even more special challenges.

Having enough resources, of course, is a problem for everybody in the veterans organizations. But it is even a greater challenge when you are from a rural State to be sure that that is the case. As a matter of fact, to give you an example of some numbers, the consolidations that are going on and the closing of rural hospitals, I do not have the statistics for 2000, but in 1999 29,500 veterans sought care in Nebraska, which was a 17 percent increase over the previous year and one of the highest growth rates in the Nation. People in Nebraska live longer. That is the good news. But as veterans live longer, they have less access to services. This will continue over the next several years as the pig and the python example is used to say this is what is going to happen when the Vietnam veterans actually come through the system as well. Yet, the policy seems to have been that there are fewer veterans coming into the system, therefore, we can reduce the number of opportunities for service, or that because we are losing a certain number of

World War II veterans every year, that the number of veterans may be going down. But, in fact, the access requirement is going to be even greater as time goes by.

I guess I am explaining what my colleagues might be doing, at least from my perspective.

Mr. MACKAY. Yes, Senator. The issue is, as I understand it, not just the size of the veterans community but that the demographics are changing. The ways we deliver services are changing. The big change is with VHA going from inpatient hospital-based to community-based services is one. And it certainly is of a piece with getting out into the community making health care more available. We are also looking at infrastructure restructuring. That will be another thing that will be uppermost in my mind as we restructure our infrastructure both in the VBA and the VHA is to provide access to veterans where they are as our demographics change and as we change the types of service that we give in accordance with the Millennium Health Care Act and other things that are coming.

Senator NELSON. I see my time is up. I guess I would say it this way. I trust you to be tough enough, but I will also verify. I want to make sure that when it is appropriate you are going to pound on the table to fight for veterans.

Chairman SPECTER. Senator Rockefeller has one more question.

Senator ROCKEFELLER. Actually, one and a half, Mr. Chairman. How many people have you fired, Dr. Mackay?

Mr. MACKAY. Senator, I have never totaled it up, but I would think it is in the region of about a dozen, maybe a dozen and a half.

Senator ROCKEFELLER. OK. Second, you mentioned the Millennium Act. There has not been any attention paid to long-term care in this country since the passage of Medicaid. So the result is either that you have to be very, very rich, like Senator Specter—

[Laughter.]

Senator ROCKEFELLER [continuing]. Or you have to be on Medicaid, like Senator Nelson—

[Laughter.]

Senator ROCKEFELLER [continuing]. To get long-term care. Otherwise, you do not get it. And nobody has ever seemed to take any interest in what I consider to be one of the two great unresolved health care problems of this country.

In the very Millennium Act which you mentioned, we changed that and we gave long-term care on a noninstitutional basis to certain veterans. That was a good year and a half, 2 years ago, and it has not been implemented. And it has not been implemented because the VA was very slow on the rules and regulations, and then the President came in and abolished all rules and regulations that had been previously submitted. That is not something that I expect you to know about, but it is something I really do expect you to care about because that was a promise made to veterans, done for good reason, done in conference. It is a huge step. It is the first time long-term care has been done in any way by this Government in 36 years to help the American people, in this case the American veterans.

So this is the kind of thing where if the White House is being slow on reacting, if the VA is being slow in writing the rules and

regulations on long-term care which veterans were voted by the Congress to have, funded by the Congress to have, and do not have at least a year and a half later, I think that is outrageous and it is something that I hope that you would see as an outrage and is the kind of thing that you would pounce on. I do not expect you to know that now. But I do expect you to know it next week.

Mr. MACKAY. Yes, sir. That is fair.

Senator ROCKEFELLER. Thank you.

Chairman SPECTER. Dr. Mackay, as you see from our concerns, there has to be a certain level of intensity, passion for governmental service generally, but especially for the Veterans Administration which has so many problems and such heavy responsibilities. Your record suggests that you are a quick study. This committee has oversight functions and will be watching.

There are 14 questions that I have which are going to be submitted to you. We would appreciate your having them in no later than, say, Monday morning.

The committee would like to have a report from you within 60 days on the 10 key problems which you have identified in the Veterans Administration and what action you propose to address them. Senator Rockefeller has posed one of the key issues, that of long-term care, but there are many, many others. I think 60 days ought to give you time enough to at least identify and get a start on the proposed solutions.

[The information referred to follows:]

ISSUE 1: PROCESSING OF VETERANS CLAIMS FOR BENEFITS PROVIDED THROUGH THE
DEPARTMENT OF VETERANS AFFAIRS

Problem:

The Department of Veterans Affairs has a growing backlog of claims pending. For example, during the three-month period from November 24, 2000, to February 23, 2001, the inventory of pending claims grew from 329,278 to 459,572. As of May 2001, the Veterans Benefits Administration (VBA) has 515,768 Compensation and Pension (C&P) claims pending nationwide; on average it is taking 179 days to process C&P claims. Much of the current backlog is attributed to passage of Public Law 106-475, which instituted the "Duty to Assist" requirement. That Public Law requires VBA to readjudicate 98,000 claims that had previously been denied under the old claims standards based on decisions rendered by the U.S. Court of Appeals for Veterans Claims. In addition to the number of claims that must be readjudicated, VBA expects 35,000 claims for presumptive service connection for diabetes Type II resulting from exposure to Agent Orange.

Plan for resolving problem:

Secretary Anthony J. Principi has identified this problem as one of the top issues that needs to be corrected. In addition to acknowledging the extent and nature of the problem, he has directed senior management to develop strategies for dealing with the problem.

VBA has undertaken an aggressive claims inventory reduction plan. The plan began in late March when the average processing time for C&P claims was 185 days; the May 2001 processing time has now decreased to 179 days. VBA is planning to conduct centralized training for 1,349 FTE by October 2001—this is the first time national training has occurred. VBA will implement National Performance standards on October 1, 2001.

In April 2001, the Secretary of Veterans Affairs established the Claims Processing Task Force (the Task Force) to assess and critique the VBA organization, management and processes. As part of their charge, the Task Force will develop recommendations and propose actions to increase efficiency, shrink the backlog and reduce processing time. The Task Force has been charged to develop immediate, intermediate and longer-term solutions, which can be accomplished through policy, operational and regulatory changes and which will not require legislative action.

On June 18, 2001, the Under Secretary for Benefits instructed all VBA Regional Offices and Centers to implement interim recommendations made by the Task Force. To ensure that the recommendations of the Task Force are implemented consistently throughout the organization, conference calls will be held and work will be reviewed during site visits. The Task Force will deliver its final report and full recommendations to the Secretary later this summer.

As Deputy Secretary, it is my responsibility to ensure that the Secretary's directives are carried out. This involves establishment of goals and objectives and review of measuring devices to track achievement. As the Claims Processing Task Force develops recommendations and proposes actions, I will be involved in integrating these into the management requirements of the Veterans Benefits Administration and other relevant elements of the Department. This integration will include defining time lines for measurement of progress.

One further effort, which I will undertake, is to ensure that the total resources of all VA administrations and offices needed to correct this problem are identified and applied.

ISSUE 2: PROCUREMENT REFORM

Background:

The Department contracts annually for over \$5.5 billion in goods and services.

VA's Office of Acquisition and Materiel Management (OA&MM) provides program planning, guidance, policy and oversight for VA's contracting officers throughout the Department. In addition, OA&MM provides centralized acquisition support for most information technology, pharmaceutical, high tech medical equipment, consulting, prime vendor, and nursing home contracts and for VA-administered Federal Supply Schedule (FSS) contracts. VA administers the leveraged purchase of approximately \$1.5 billion annually for VA and DoD pharmaceuticals.

Each medical center has a local purchasing and contracting office that buys against national contracts (VA and FSS) and awards local contracts. Authorized individuals in VA facilities use the Government-wide purchase cards to make local purchases costing below the micro-purchase threshold (\$2,500). In excess of 90 percent of all VA acquisitions are below the micro-purchase threshold, and 95 percent of those are accomplished using the card.

Public Law 100-322, Section 8125, restricts local procurement of health care items to no more than 20 percent of the total healthcare procurement. For the past five years, VA has reported local procurement well below 20 percent; however, some purchase card transactions may not be included with the data.

Problem:

Past acquisition issues that have been raised throughout Government and in GAO and IG reports include Performance-Based Contracting, pricing safeguards, adequacy of the acquisition work force, and work force training and competency. In addition, the Senate Governmental Affairs Committee is conducting a review of how procurement reforms of the 1990's, such as the 1994 Federal Acquisition Streamlining Act and the 1996 Clinger-Cohen Act have been used by agencies.

Plan to resolve problem:

Secretary Principi has chartered a task force to review all facets of VA's acquisition system and to make specific recommendations that will optimize that system. The task force is charged with completing their review and developing their recommendations within 120 days.

Once we have the task force's recommendations, I will be responsible for ensuring that needed changes are communicated to the appropriate people in responsible positions in the Department. A preliminary review shows that VA is well-positioned to effect procurement reform within the Department and to participate in Federal acquisition reform.

VA is bringing its acquisition work force into compliance with the Clinger-Cohen Act. Our acquisition training program consists of eleven core acquisition courses and supplemental and continuing education. We have a contracting excellence program and an online university. Recently established, the Center for Acquisition and Materiel Management Education Online (CAMEO) allows online course registration and training at the desktop of all acquisition personnel and will collect training records in one database.

Senators Thompson and Lieberman of the Governmental Affairs Committee have asked GAO to determine if recommendations in a 2000 Defense Department report (Shaping the Civilian Acquisition Work force of the Future) could be applied to civilian agencies. VA is proud that many of the report recommendations are already in place in OA&MM.

Problem:

As resources for the provision of health care to members of the active duty military, veterans and their families are constrained, the call for review of possible sharing opportunities between DoD and VA healthcare organizations has increased.

Plan to resolve problem:

We need to improve review of existing sharing opportunities in the areas of procurement, data sharing, IT systems, and integrated service delivery needs. Executive leadership from VA and DoD have been meeting for several years to improve and expand sharing. Dr. Garthwaite recently testified before the House Armed Services Committee (HASC) Subcommittee and noted barriers and challenges that impede VA and DoD coordination including budgeting processes, timely billing, cost accounting, information technology, and reimbursement.

The Commission on Servicemembers and Veterans Transition Assistance (chaired by Secretary Principi) made a series of recommendations in the January 1999 report related to VA and DoD activities. Specifically, the Commission identified a number of issues and made recommendations to:

- Restructure budget, appropriations, and policy processes to increase healthcare delivery;
- Use combined purchasing power for medical products;
- Coordinate medical research;
- Leverage information to strengthen VA/DoD partnership;
- Improve cost accounting to improve resource utilization;
- Increase VA use of DoD's TRICARE;
- Review how VA and DoD conduct graduate medical education;
- Streamline the disability physical evaluation process; and
- Coordinate information management.

One of the requirements of the Capital Asset Realignment for Enhanced Services (CARES) process is to assess VA/DoD sharing opportunities. Expanded VA/DoD sharing is recommended in each of the four options being considered for Chicago area facilities under Phase 1 of CARES.

In recent months, congressional and executive branch interest in issues related to VA/DoD functional alignment has increased significantly, especially as it pertains to the sharing of resources between the two departments. Staff members from the House Veterans Affairs Committee (HVAC) and House Armed Services Committee (HASC) have traveled during the year to VA and DoD facilities to assess missions, infrastructure and facility needs, and workload and capacity (both present and future.) Staff have visited or received briefings about facilities in Charleston, SC; Los Angeles, CA; Fayetteville NC, Las Vegas, NV; San Antonio, TX; El Paso, TX; San Diego, CA; Albuquerque, NM; Chicago, IL; and the Washington DC area. HVAC staff hope to complete a staff report early this summer on their findings. HVAC and HASC staff are developing legislation that will likely require VA and DoD to plan to jointly provide health care at selected sites.

On Memorial Day, the President announced the creation of a task force to improve the way VA and DoD work together to provide health care. The taskforce's goals are to improve access to veterans benefits and strengthen VA/DoD partnerships for healthcare services. The task force will study budgeting processes, billing, reimbursement, procurement of supplies and services, data sharing and information technology. The task force has nine months from its first meeting to give the President an interim report. The final report is due at the end of the second year of operation.

VA will continue to review existing situations for opportunities to expand our sharing agreements. We will continue meetings at the senior management level as appropriate. I will continue to oversee ongoing efforts and make every effort to promote further discussion and information exchange at my level. As the two departmental leaders, Secretary Principi and Secretary Rumsfeld continue discussions, and as the Presidential Task Force issues reports and recommendations, we will follow-up at VA and with our DoD counterparts.

Problem:

To ensure that a major cabinet Agency with over 200,000 employees and multiple administrations and staff offices establishes a process and procedures by which the development of recommendations for the Secretary regarding policy, planning, budgeting, and management issues are formulated, implemented and monitored.

Plan to resolve problem:

In consultation with the Secretary, we have established a decision-making process to incorporate the Administrations, offices, agencies, boards, or other sub-units of the Department. The process creates two new entities, the VA Executive Board (VAEB) and the Strategic Management Council (SMC).

The VA Executive Board is the Department's senior management forum and is chaired by the Secretary. VAEB's mission is to review, discuss and through the decisions of the Secretary, provide direction on Departmental policy, strategic direction, resource allocation, and performance in key areas. VAEB implements its responsibilities by reviewing and approving proposals for new or revised policies.

The Strategic Management Council is chaired by the Deputy Secretary and serves as the operational management body for the Department. It has a broader membership and will be responsible for reviewing all major policy and management issues, assessing options, and making recommendations to the Secretary through the VAEB. The Council's mission is to review, discuss, and provide recommendations to the Secretary through the VAEB on Department-wide policy, strategic direction, resource allocation, and performance in key areas. The SMC oversees the implementation of the Department's Strategic Management Process. The SMC implements its responsibilities by:

- Reviewing proposals for new or revised policies, with or without financial implications, from VHA, VBA, NCA, staff offices, program offices, individuals, work groups, task forces, committees, etc. It also reviews the Department's Strategic Plan and other major management documents required by legislation, the annual budget submission, the annual legislative program, the prioritized list of capital investment proposals, and human resource plans and proposals.
- Assuring proposals and issues are fully developed and debated prior to review by the VAEB; and
- Forwarding recommendations to the Secretary through the VAEB.

I believe that the process will provide the mechanism to ensure fair and effective departmental governance. My responsibility will be to ensure that the senior management echelon of the Department works through this new process. Also, we must ensure that the decisions reached are communicated to all of our employees, and that they understand and accept the decisions reached. This will allow us to more completely carry out our mission of assisting veterans, their dependents, and survivors.

ISSUE 5: EFFICIENT USE OF CAPITAL ASSETS FOR HEALTHCARE

Problem:

The Department of Veterans Affairs (VA) has moved from a hospital-based health care system to an integrated delivery system that emphasizes a full continuum of care, and Veterans Health Administration's infrastructure was designed and built decades ago for an older style of medicine, and for a younger population with different geographic concentrations of veterans. As a result, VHA's capital assets often do not align with current health care needs for optimal quality, efficiency and access. Moreover, the cost to maintain and operate VA health care facilities that cannot provide efficient and accessible services substantially diminishes resources that could otherwise be used to provide better care in more appropriate settings. A March 1999 GAO Report concluded that VHA could significantly reduce funds used to operate and maintain its capital infrastructure by developing and implementing market-based plans for restructuring assets.

Plan to resolve problem:

The Department of Veterans Affairs has established a program designated CARES—Capital Asset Realignment for Enhanced Services.

The CARES program will assess veteran health care needs in VHA Networks, identify service delivery options to meet those needs in the future, and guide the realignment and allocation of capital assets to support the delivery of health care services. CARES will, thereby, improve quality as measured by access and veteran satisfaction, and improve the delivery of health care in the most accessible and cost-effective manner, while maximizing positive influences and minimizing any adverse impacts on staffing and communities and on other Department of Veterans Affairs' missions.

VA embarked on its CARES initiative to ensure that its capital infrastructure would meet veteran's needs for health care services in 2010 and beyond. CARES is a program that will assess veteran's health care needs, identify service delivery options to meet those needs in the future, and guide the realignment and allocation of capital assets to support the delivery of health care services. CARES teams work

at the network level to develop options for restructuring based on consistent, objective criteria to ensure a cost-effective healthcare system. Those criteria include;

- Demographics: Determine the number and health care needs of veterans in the market areas of the networks
- Sites: Maximize accessibility to veterans where they live
- Health care quality: Measure veterans' satisfaction
- Future direction of health care: Take into account new technologies and modern systems of health care delivery
- Functions: Analyze facility capacity and array of programs for special disability groups
- Work force and community assets: Availability in the market area
- Support other VA missions: VA must continue to support research, sharing agreements with DoD, education, and One VA initiatives
- Resources: VA should achieve optimal use of resources.

The implementation of the final results of CARES process reviews will be a realignment of facilities intended to provide veterans better access to improved care in more efficient settings. It is my goal to ensure that we use the resources we are provided to deliver the best possible health care to those eligible veterans in a patient-focused system that optimizes outpatient care integrated in a full continuum of care.

At the present time, the Department is conducting a pilot CARES study in a single Veterans Integrated Service Network to validate the process and ensure that it will be an efficient, timely and productive process to be used over the balance of the VA facilities nationwide. It will be one of my responsibilities to ensure that a full review of the process is completed and that necessary changes to the process are incorporated as we move forward.

ISSUE 6: TRANSITION TO PERFORMANCE BASED BUDGETING

Background:

The Government Performance and Results Act of 1993, P.L. 103-62, also called "the Results Act," or GPRA, encourages greater efficiency, effectiveness, and accountability in federal spending, and requires agencies to set goals and to use performance measures for management and, ultimately, for budgeting.

The Department transmitted to the Office of Management and Budget (OMB) and to Congress long-range strategic plans, beginning in 1997, which are updated every three to five years, and annual performance plans and performance goals that began with the FY 1999 budget. The Department's first performance reports, comparing actual performance to goals, was submitted in 2000 (for FY 1999) and in 2001 (for FY 2000).

Problem:

The problem we face is explained by the following quote from the Administration's FY 2002 Budget Request:

The initial years of GPRA implementation have focused on developing a performance management framework, accompanied by a growing increase in the use of this performance information to support budget decisions. However, a systematic integration of budgeting with program performance has yet to occur, and GPRA has not been fully harnessed to improve management and managerial accountability. Bringing about a better linkage between performance and budget information will be a priority of this Administration. As a first step, department and agency heads have been directed to ensure that their 2002 Performance Plans, which will be submitted to Congress in April, also include performance goals for Presidential initiatives and for Government-wide and agency-specific reform proposals.

Plan to resolve problem:

Funding levels and program priorities are typically driven by the President's budget request, political concerns, and the amount of funding provided in previous years. GPRA adds another factor: the performance of agencies in achieving their program outcomes.

The traditional funding debate has been on how much to spend—i.e., inputs. The budget is organized by accounts, and further broken down into various program activities. The accounts reflect the funding units in appropriation action.

On the other hand, GPRA focuses on "outcomes"—i.e., government provided goods and services. Performance plans and reports link expected results with budget expenditures. Performance budgeting takes the next step—linking anticipated results to alternative spending levels.

Performance-based budgeting is only effective if you know the relationship between the inputs, outputs and outcomes. The only way to know whether or not a program needs more resources after reviewing performance information is to be able to understand the relative contribution of money compared to other factors that contribute to performance. The relationship between costs and performance is unknown, however, unless the Department has good information on each.

The Department's most immediate need for successful implementation of performance-based budgeting is to employ systems that provide effective cost accounting and accurate performance data on outcomes and outputs.

In January 2001, leaders of the Senate Committee on Governmental Affairs and the GAO released the 21 reports in the "GAO Performance and Accountability Series and High Risk Updates." In a GAO report (GAO-01-255), entitled "Major Management Challenges and Program Risks," the Department of Veterans Affairs' performance and accountability challenges were identified as follows:

- Ensure timely and equitable access to quality VA healthcare;
- Maximize VA's ability to provide healthcare within available resources;
- Process veterans' disability claims promptly and accurately, and
- Develop sound agency-wide management strategies to build a high-performing organization.

In May 2001, the Mercatus Center released a critique of FY 2000 performance reports. For FY 2000, the Department of Veterans Affairs' performance report scored the highest. (The Department was rated third in FY 1999.) The ratings were based upon three criteria: transparency, public benefits, and leadership.

As we go forward, the 2003 budget will include more performance information and the new strategic plan will integrate detailed performance and budget data to establish a stronger, more extensive and public link between the agency budget requests and performance measurement in the President's budget. We will also be concentrating on the generation of credible, outcome-focused metrics for Fiscal Year 2002 and subsequent fiscal years budget execution.

ISSUE 7: WORK FORCE PLANNING

Problem:

The looming Federal personnel crisis has been prominently publicized in newspapers and periodicals. The average age of the Federal employee is 46 years old. By 2005, approximately 34 percent of the Federal work force will be eligible for regular retirement, and 20 percent more will be eligible for early retirement. A worse case scenario would be that, within the next four years, nearly 1 million employees could potentially leave the Federal work force. A more likely scenario, however, is that a few hundred thousand employees will leave the work force. In any event, the Government needs to have a plan in place to deal with a large number of departing employees and to plan work force needs in the future to prevent similar crises.

Plan to resolve problem:

For VA, this means developing a human capital strategy that begins by planning for and identifying which combination of people, processes, and technology solutions will best enable VA to fulfill its mission in the future. I am currently overseeing VA's ongoing initiatives to address work force planning which are:

Office of Work Force Planning

- Established February 2001,
- Staffed with a cadre of cross-functional experts (Management Analyst, Personnel Management Specialist, Employee Development Specialist, Computer Specialist)
- Responsibilities include facilitating the Departmental work force planning process and assisting the administrations and staff offices in their work force planning initiatives.

Work Force Planning Executive Steering Committee

- Established January 2001.
- Membership includes key Department executives in the administrations and staff offices.
- Responsibilities include championing, developing, and monitoring a One VA work force planning process that will enable management to determine what kinds of employees and infrastructure are required to accomplish VA's mission and develop and implement strategies to meet those needs.

Executive Steering Committee Work Group

- Established April 2001.

- Membership includes representatives from the Administrations and Staff Offices.
- The purpose is to develop a Departmental Work force Plan that identifies the Department's commitments to its work force in order to remain competitive in recruiting, retaining, and developing a top-quality work force to serve our Nation's veterans and their families.

Departmental Work force Plan

- Target date: December 2001. The Plan will:
 1. Articulate VA's corporate vision for its work force;
 2. Analyze current and future work force needs;
 3. Identify specific strategies to address the recruitment, retention, and development issues within the Department; and
 4. Align with the Department's strategic plan in order to ensure that work force planning efforts support the mission of the Department.

VA Administration Efforts

- VHA has established the Succession Planning Committee to oversee the implementation of a VHA succession plan and a Staffing Focus Committee to analyze the entire HR function in order to compare against the Baldrige Criteria and make improvements.
 - VBA has begun to address leadership development and training needs; Competency development; technical training; recruitment; and retention of Veterans Claims Examiner's expertise. NCA developed a work force plan for its National Cemetery Directors, has identified competencies for Directors, and is implementing a Cemetery Director Trainee Program.
- Additionally, at the direction of the Secretary we have initiated efforts to ensure the Department of Veterans Affairs continues and intensifies its efforts to achieve a work force reflecting the Nation's diversity.

ISSUE 8: CAPITAL ASSET MANAGEMENT

VA's need to efficiently manage and maximize its capital assets, as well as develop innovative and entrepreneurial methods for achieving its goals, has become even more critical during this time of dwindling capital appropriations.

Problem:

The lack of a Department-level capital asset management function resulted in a fragmented and uncoordinated approach to capital asset acquisition, management and disposal. The Department has made excellent strides toward linking its capital acquisitions with strategic planning through the capital investment process. However, this process focuses primarily on prioritizing capital acquisition proposals to meet specific Department goals. The Department does not have a "Department Capital Asset Plan" that will enable VA to fully consider the financial impacts of its acquisition, management and disposal strategies on Departmental resources and determine the best suited financial plan for such strategies.

Plan to resolve problem:

An initial review directed by Secretary Principi has shown the need for a comprehensive, corporate level, capital asset management function in the Department of Veterans Affairs. This need has been validated by VA's internal experiences as well as OMB, GAO and independent consultants. This was highlighted by a PriceWaterhouseCoopers independent study, requested by the Under Secretary for Health, which concluded that the VA, much like private industry, should view its capital as financial assets. Several task forces, congressional hearings, and inquiries into VA's lack of capital asset management arrived at similar findings.

Secretary Principi has implemented a Departmental-level capital asset functions, the Office of Asset Enterprise Management (OAEM). It is the principal policy office and business advisor to the Assistant Secretary for Management regarding the acquisition, management, and disposal of all Department capital assets and will provide oversight to ensure a consistent and cohesive Department approach to capital assets. The new office will first promulgate Department capital asset policy and set standards for investments, followed by establishment of a database portfolio of VA's capital assets. The office staff can then analyze and manage proposals to take full advantage of asset opportunities.

The OAEM will serve as the Department's advocate for capital investments with the Office of Management and Budget (OMB) and Congress. Development and submission of a long-term Capital Asset Plan will streamline current interactions with

OMB regarding capital issues by altering our submission to OMB, which currently results in detailed single project reviews.

ISSUE 9: VA'S INFORMATION TECHNOLOGY (IT) SYSTEMS

Problem:

Although it currently has over 400 IT legacy systems, the VA lacks a One-VA information technology architecture that is fully aligned with its program/business goals which enables data integration and communication across the department.

Plan to resolve the problem:

Secretary Principi has outlined his position on Information Technology before a number of congressional committees. He has directed senior managers to develop an Enterprise Architecture process which will allow the Department to provide an accessible source of consistent, reliable, accurate, useful, and secure information. The system will also provide knowledge to veterans and their families, our work force and stakeholders to support effective delivery of services and benefits, enabling effective decision-making and understanding of our capabilities and accomplishments.

To accomplish this task, a group of senior VA business line and information technology officials have been meeting in intensive off-site weekend sessions to develop a strategy that will act as the roadmap for the Department's transition from its current "as-is" state to a target "to-be" environment. These transition processes will include an agency's capital planning and investment control processes, agency EA planning processes, and agency systems life cycle methodologies. The EA will define principles and goals and set direction on such issues as the promotion of interoperability, open systems, public access, compliance with GPEA, end user satisfaction, and IT security.

A report to the Secretary from this group is expected in August. In the interim, the Secretary has directed that no new technology funds be sought or expended until the plan has been reviewed and accepted.

The Secretary is also reviewing a number of on-going projects and systems that have faced challenges, including whether VETSNET can successfully be implemented in a real world environment. An independent audit is currently being conducted to ascertain whether it can meet load test requirements. A report will be available in mid-August.

A Senior Executive Service level "Cyber-Security" Director position has been created, and a highly qualified candidate has been selected to fill the position. He is currently conducting an independent technical assessment of all of VA's security needs. A national conference of all VA IT security officials was held this month.

The VA is also taking active steps to ensure that all future VA IT acquisitions comply with Section 508 of the Rehabilitation Act of 1973, as recently mandated.

Information and Technology will be a special area for focus in our new governance process. I will continue to pay particular attention and work with our senior IT officials to improve the quality and structure of our program management.

ISSUE 10: VA ROLE IN NATIONAL DISASTERS/CRISES

Problem:

We at VA must recognize the changing nature of both internal and external threats. And, as we manage our work force and resources, we must continue to ensure that we are prepared to carry out the responsibilities assigned us in national plans. This effort requires constant management oversight and a continuous updating and training of our personnel.

Plan to resolve problem:

Our staffs initial review has shown that VA uses an all-hazards Comprehensive Emergency Management approach that includes four phases: mitigation, preparedness, response, and recovery. VA's role has focused around three interrelated efforts:

- Critical Infrastructure Protection;
- The Emergency Management Program; and
- The Response to Weapons of Mass Destruction.

Within the context of each of these programs, VA partners with other Federal Departments and agencies.

Critical Infrastructure Protection serves to protect the VA infrastructure from intentional acts that would significantly diminish our ability to perform our mission of serving veterans. The program serves to protect four key components: physical assets—consisting of facilities around the country; patients and staff—including veterans, employees, contractors and volunteers; telecommunications systems; and information systems.

VA's *Emergency Management Program* works with the Federal Emergency Management Agency to ensure that critical functions and operations continue under all circumstances and under a wide range of possible threats. Upon Presidential declaration of a major disaster, VA is prepared to provide support to lead agencies (DoD, American Red Cross, GSA, and HHS) for emergency support functions relating to public works and engineering, mass care, resource support, and health and medical services. Additionally, the Department serves as the primary back-up to DoD for military contingencies and is one of the four federal partners in the National Disaster Medical System that operates to provide capability for treating large numbers of patients who are injured in major peacetime disasters or to treat casualties from overseas military conflicts. A key component of VA's Emergency Management Program is Continuity of Operations (COOP) that ensures the continuance of VA operations under a wide range of possible threats ranging from local fires and flooding at VA facilities to the complete relocation of VA headquarters activities due to national disaster or deliberate attack. VA is involved in planning, coordination, training and exercises at the local, State, and national level to prepare for the full spectrum of catastrophic events.

VA supports other Departments and agencies in protecting against the use of *Weapons of Mass Destruction* against our country. VHA supports the HHS Office of Emergency Preparedness in ensuring that adequate stockpiles of antidotes and other necessary pharmaceuticals are maintained nationwide. VHA's Emergency Pharmacy Service maintains four pharmaceutical caches around the country that are available for immediate deployment in the event of an actual weapons of mass destruction incident. A fifth cache is placed on-site at special high-risk national events, such as the President's inauguration. Under the National Pharmaceutical Stockpile Program, VA has a separate agreement with the Centers for Disease Control and Prevention to procure pharmaceuticals for use in a WMD event.

Although VA has the extensive involvement I have just explained, the readiness of the Federal government to cope with widespread acts of terrorism and other catastrophe's is doubtful. FEMA has been given the lead within the government to coordinate a revamped preparedness effort through its Office of National Preparedness. I intend to work closely with that Office to enhance VA's role in the Federal government's ability to cope with these actions.

Chairman SPECTER. We will turn now to Ms. Robin Higgins. Let me say at the outset, Ms. Higgins, how so many of us in the Senate and the country were shocked with the brutal murder of your husband. I was on the Senate floor when Senator Dole made as impassioned a speech as I have ever heard about the brutal treatment which your husband sustained. We are delighted to see you here today and to see all that you have done, including your book, "Patriot Dreams: The Murder of Colonel Rich Higgins."

We look forward to hearing your views as to what ought to be done in the position for which you have been nominated as Under Secretary for Memorial Affairs. We note the excellent background that you bring to this job, the substantial experience in Government, which is obviously a big help to get off to a running start. You are now Executive Director of the Florida Department of Veterans Affairs. You served during George Herbert Walker Bush's administration as Deputy Assistant Secretary and then Acting Assistant Secretary for Veterans Employment and Training in the Department of Labor. You have an excellent educational background.

We look forward to your comments and then we will have some questions for you, on which the tone has been set. We would be pleased to hear your opening statement, Ms. Higgins, to the extent you care to make one.

STATEMENT OF ROBIN L. HIGGINS, NOMINEE FOR UNDER SECRETARY FOR MEMORIAL AFFAIRS, DEPARTMENT OF VETERANS ADMINISTRATION

Ms. HIGGINS. Thank you. I know that the entire brief statement will be put in the record. But I would like to make a shorter statement.

Chairman SPECTER. That is fine. Proceed. All written statements, without objection, will be made a part of the formal record.

Ms. HIGGINS. Mr. Chairman, members of the committee, thank you for the opportunity to appear before you today.

I am humbled and I am grateful for the confidence of President Bush in nominating me to be Under Secretary for Memorial Affairs in the U.S. Department of Veterans Affairs. I hope that I will earn your confidence as well.

I was a Marine officer working in the Pentagon when my husband, who was on a peacekeeping tour in the Middle East, was taken hostage in Lebanon and later murdered by his captors. Almost 4 years later, I was finally able to bring him home and bury him in beautiful Quantico National Cemetery right down the road from here. I know of the adversity that fills the lives of those who have worn this country's uniform.

There is no more sacred trust than that we hold our servicemen and women in the palms of our hands by burying them on hallowed ground when they die. I know how important it was for almost 4 years for me to find my husband and bring him home to be buried on American soil with his brothers and sisters in arms.

And everyday that I work to do the right thing for veterans is a day that I can show my gratitude for the favor that veterans showed me in holding me in the palm of their hand when I needed support.

Winston Churchill once said, "A Nation that does not honor its heroes will soon have no heroes to honor." If confirmed as Under Secretary for Memorial Affairs, I will serve with passion and with care, and will be committed to honor America's heroes as they deserve to be honored.

I will be glad to take any questions that you might have for me.
[The prepared statement of Ms. Higgins follows:]

PREPARED STATEMENT OF ROBIN L. HIGGINS, NOMINEE FOR UNDER SECRETARY FOR MEMORIAL AFFAIRS, DEPARTMENT OF VETERANS ADMINISTRATION

Mr. Chairman, members of the Committee, thank you for the opportunity to appear before you today.

I am humbled and grateful for the confidence of President Bush in nominating me to the Under Secretary for Memorial Affairs at the U.S. Department of Veterans Affairs. I hope that I will earn your confidence as well.

In 1988, I was a Marine officer serving in the Pentagon, and my husband, a Marine colonel, was on an overseas assignment with the United Nations in the Middle East.

One morning, he was captured by terrorists in Lebanon, and my life was changed forever. Until a gruesome picture of him hanging appeared in newspapers and TV screens around the world—a year and a half later—I had no idea whether he was dead or alive.

On December 23, 1991, almost 4 years after he was taken, his body was dumped on a Beirut street—on my 41st birthday and what would've been our 14th wedding anniversary. I buried him later that week in beautiful Quantico National Cemetery just down the road from here.

I know that those who wear and have worn their country's uniform are in a business filled with adversity. The world is still a dangerous place. Fighting wars and keeping peace is the most difficult and demanding of jobs.

Soldiers, Sailors, Airmen, Marines, Coast Guardsmen, Merchant Mariners—veterans all—understand the duty to country that causes a man or woman to risk his or her life to try to make a difference.

I believe there is a fabric that weaves together people of conscience through the ages and around the world. That fabric is bound with the moral and spiritual lineage of men and women of honor, courage and integrity; those who value something more than their own personal safety. Bound into this fabric are the lives and loves of service members and their families from all times, those who came home, and those who didn't, and those whose fate remains unknown.

George Washington said, "The willingness with which our young people are likely to serve in any war, no matter how justified, shall be directly proportional as to how they perceive the veterans of earlier wars were treated and appreciated by their nation."

That still rings true today.

There is no more sacred trust than that we hold our servicemen and women in the palms of our hand, and bury them on hallowed ground when they lose their personal battles on earth.

I know how important it was to me to find my husband and bring him home, to be buried on American soil with his brothers and sisters in arms.

And ever day that I work to do the right thing for veterans is a day I can show my gratitude for the favor veterans showed me in holding me in the palms of their hand when I needed their support.

Winston Churchill once said, "A nation that does not honor its heroes will soon have no heroes to honor."

If confirmed as Under Secretary for Memorial Affairs, I will serve with passion and with care, and will be committed to honoring America's heroes as they deserve to be honored.

I will be glad to take any questions you may have for me.

QUESTIONNAIRE FOR PRESIDENTIAL NOMINEES

PART 1: ALL THE INFORMATION IN THIS PART WILL BE MADE PUBLIC

1. Name: Robin L. Higgins
2. Address: 3026 White Ibis Way, Tallahassee, FL 32308
3. Position: Under Secretary of Memorial Affairs, Department of Veterans' Affairs
4. Date of Nomination: March 30, 2001
5. Birth date: December 23, 1950
6. Birth place: Bronx, NY
7. Marital status: Widowed
8. Children, age: None
9. Education: Institution (city, state), dates attended, degrees received, dates of degrees.
 CW Post College, Brookville, NY; 9/72–9/77; MS; 5/77
 State U of NY, Oneonta, NY; 9/68–1/72; BA; 1/72
 Hebrew U, Jerusalem, Israel; 6/70–8/71
10. Honors: List all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.
 Marine Corps League, Dickey Chappelle Award, 1990
 American Legion Auxiliary, Public Spirit Award, Feb 1992
 American Academy of Physician Assistants, Veterans Caucus Award, 1993
 Department of Defense, Defense Meritorious Service Medal, Jan 1989
 USMC, Meritorious Service Medal, Oct 1995
 USMC, Navy Commendation Medal
 USMC, National Defense Service Medal
11. Memberships: List all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable, and other organizations for the last 5 years and other prior memberships or offices you consider relevant.
 Disabled American Veterans, American Legion, The Retired Officers' Association, Jewish War Veterans, AMVETS, Marine Corps League, Marine Corps Association.
12. Employment Record: List all employment (except military service) since your twenty-first birthday, including the title or description of job, name of employer, location of work and inclusive dates of employment.

1/99–5/01, Executive Director, Florida Department of Veterans' Affairs, Tallahassee, FL

1/98–12/99, Self Employed (author, speaker, webmaster), Tallahassee, FL

8/95–12/97, Public Affairs Director, Office of the Comptroller, Tallahassee, FL

[break for military service]

9/74–6/75, English Teacher, Smithtown HS East, St James, NY

2/74–6/74, Substitute Teacher, North Shore HS, Glen Head, NY

9/73–2/74, Mendelsohn Zeller, San Francisco, CA

2/72–8/73, Sholkoff's Opticians, Glen Cove, NY

13. Military Service: List all military service (including reserve components and National Guard or Air National Guard), with inclusive dates of service, rank, permanent duty stations and units of assignment, titles, descriptions of assignments, and type of discharge.

United States Marine Corps, 10/75–10/95, Honorable Discharge

10/75–3/76, Officer Candidate School, The Basic School, Quantico, VA, 2nd Lt

3/76–5/76, MP School, Ft McClellan, AL

5/76–5/77, Effective Communication Instructor, Quantico, VA

6/77–5/78, MP, Security Company, Okinawa, 1st Lt

6/78–5/80, Academic Supervisor, Special Projects, Camp Lejeune, NC

6/80–8/83, Administrative Officer, Headquarters, USMC, Washington, DC, Capt

8/83–7/84, Student, Amphibious Warfare School, Quantico, VA

7/84–5/85, Adjutant, HQCO, HQSVCBN, Quantico, VA

6/85–8/90, Admin Officer, HQMC, Washington, DC, Major

8/90–6/91, Student, Command and Staff College, Quantico, VA

7/91–3/92, Public Affairs Officer, 4th MarDiv, New Orleans, LA

3/92–1/93, Deputy Assistant Sec of Labor for Veterans' Employment and Training; then Acting Assistant Sec of Labor for VETS (detailed), LtCol

1/93–10/95, Head, Media Branch; then Spokesman for the Commandant

14. Government experience: List any advisory, consultative, honorary, or other part-time service or positions with Federal, State, or local governments other than listed above: None

15. Published writings: List titles, publishers, and dates of books, articles, reports or other published materials you have written.

Patriot Dreams—The Murder of Colonel Rich Higgins, 1st edition published by Marine Corps Association (Mar 1999), 2nd edition published by Hellgate Press (Oct 2000)

16. Political affiliations and activities

(a) List all memberships and offices held in and financial contributions and services rendered to any political party or election committee during the last 10 years: None

(b) List all elective public offices for which you have been a candidate and the month and year of each election involved: None

17. Future employment relationships

(a) State whether you will sever all connections with your present employer, business firm, association, or organization if you are confirmed by the Senate: Yes

(b) State whether you have any plans after completing Government service to resume employment, affiliation, or practice with your previous employer, business firm, association or organization: No

(c) What commitments, if any, have been made to you for employment after you leave Federal service? None

(d) (If appointed for a term of specified duration) Do you intend to serve the full term for which you have been appointed? N/A

(e) (if appointed for indefinite period) Do you intend to serve until the next Presidential election? Yes

18. Potential Conflicts of Interest

(a) Describe any financial arrangements, deferred compensation agreements, or other continuing financial, business, or professional dealings which you have with business associates, clients, or customers who will be affected by policies which you will influence in the position to which you have been nominated: None

(b) List any investments, obligations, liabilities, or other financial relationships which constitute potential conflicts of interest with the position to which you have been nominated: None

(c) Describe any business relationship, dealing, or financial transaction which you have had during the last 5 years, whether for yourself, on behalf of a client, or acting as an agent, that constitutes as potential conflict of interest with the position to which you have been nominated: None

(d) Describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or

modification of any Federal legislation or for the purpose of affecting the administration and execution of Federal law or policy. None

(e) Explain how you will resolve any potential conflicts of interest that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements involved.) N/A

19. Testifying before the Congress

(a) Do you agree to appear and testify before any duly constituted committee of the Congress upon the request of such committee? Yes

(b) Do you agree to provide such information as is requested by such a committee? Yes

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. ARLEN SPECTER TO ROBIN L. HIGGINS

Question 1a. As you know, Ms. Higgins, the Commonwealth of Pennsylvania is very much underserved in terms of available National Cemetery space. I am pleased that VA—after legislative prodding—is moving forward in Western Pennsylvania with the impending acquisition of land for cemetery use south of Pittsburgh. The job, then, will soon be one-half done. As you know, however, Eastern Pennsylvania needs cemetery capacity as badly as Western Pennsylvania does—and Philadelphia cemetery is closed to new casketed remains, and so too are nearby VA cemeteries in New Jersey. And VA's cemetery in Indiantown Gap is simply too far—over 100 miles—for Philadelphians to find of practical use.

I have introduced legislation to transfer land in Valley Forge National Park to VA for development as a national cemetery. Do you support enactment of that legislation?

Answer. I recognize the large and aging veterans' population in Pennsylvania, and I am gratified to see the unmet need in the western part of your State is being addressed. I support having national or state veterans cemeteries as close as possible to as many veterans as possible. To fulfill the requirements of Section 613 of the Millennium Act, a study is now underway to determine the future burial needs of veterans. Using concentrations of veteran populations, the study will identify areas of the country most in need of national cemeteries. The study is due for completion by the end of the year. Once we have reviewed the data, we will be in a better position to determine where new national cemeteries should be located. While I, therefore, cannot respond specifically to your legislation at this time, I do agree and pledge that we are committed to serving veterans where they are currently not served, based on veteran demographics.

Question 1b. If you do not support the acquisition of Valley Forge lands, why do you not support it? Do you know of—or will you locate—other sites in or near Philadelphia where a VA cemetery might be established?

Answer. One of the very first things I am doing is getting briefed on the current status of our cemeteries and where our unmet needs are. Until I have information identifying the areas most in need, I cannot address where a cemetery should be located. Once the unserved areas are identified, I will ensure that all options for meeting those needs are fully explored, including those in Pennsylvania.

Question 1c. Will you commit to work with me to resolve the problem of the total unavailability of cemetery space in Eastern Pennsylvania?

Answer. I most certainly will work with you either to establish a national cemetery if the demographic data being collected supports it, or work with you and your State officials to establish a state veterans cemetery funded through the State Cemetery Grants Program.

Question 2. As a former State Director of Veterans Affairs, you are familiar with VA grant programs to encourage the construction of State veterans cemeteries. Do you support this program? If you are confirmed, how would you encourage increased participation in VA's State cemetery grant program.

Answer. First, I want to applaud the Congress for enacting Public Law 105-368, which provided for Federal participation of up to 100 percent for state cemetery grants. The law's enactment has effectively encouraged participation in the program. The State Cemetery Grants Program is an important part of the National Cemetery Administration's strategy for meeting the needs of our veterans. It is a successful program, and I support it wholeheartedly. In FY 1999, 43 operational state veterans cemeteries provided 14,354 burials to veterans and eligible family members. This figure represented a 7.7 percent increase over the previous year and accounted for approximately 15 percent of the total number of burials provided by VA national cemeteries and VA-assisted state cemeteries combined.

NCA works closely with the members of the National Association of State Directors of Veterans Affairs (NASDVA). That NCA now has on hand 35 pre-applications for cemetery grants, including 25 for the establishment of new cemeteries, is a measure of the State Directors' support for the program. I will use my relationship with the organization and its members to emphasize the value of the State Cemetery Grants Program.

In FY 2000, VA awarded more than \$20 million in grants. This was a record for one year and constituted nearly 25 percent of the total amount awarded in the history of the program since 1980. A total of 37 states (including Guam and the Commonwealth of the Northern Marianas Islands) has either received or applied for grants. It is expected that two or three more States will apply this year. I want to continue this level of participation to ensure more veterans have a burial option.

Question 3. Do you think that States ought to assist in the burial of those who served in the cause of national defense? Should this be a solely Federal responsibility? Or is it one that the States appropriately share with VA?

Answer. States have been involved in providing veteran burial services, including state veterans cemeteries, since the Civil War. This is appropriate because of the unique nature of our government as a federation of States. The State Cemetery Grants Program is a true partnership between the States and the Federal Government and has proven to be very effective in complementing the foundation of VA national cemeteries.

VA has more than doubled the acreage available to veterans in national cemeteries since they were transferred to its jurisdiction in 1973. It is not possible, however, to place cemeteries everywhere veterans reside. Some areas of the country will remain remote from available national cemeteries. Since 1980, the State Cemetery Grants Program helped to fill the gap.

Question 4. The National Cemetery Administration (NCA) has sought funding for its so-called "National Shrine Commitment." Are you familiar with this initiative? Would you please explain it to me? Do you support the "National Shrine Commitment?" What would be your criteria for allocating "National Shrine Commitment" funding? Do you—or will you—have a listing of projects ranked according to need?

Answer. I do believe in the National Shrine Commitment, and I fully support this initiative. Title 38, United States Code, Section 2403(c) states in part that "all national and other veterans' cemeteries under the control of the National Cemetery Administration shall be considered national shrines as a tribute to our gallant dead. . . ." A fair number of our cemeteries were established during or immediately after the Civil War; most were established before mid-20th Century. The National Shrine Commitment is an initiative to restore the appearance of burial grounds and historic structures of our national cemeteries. Aside from the natural aging of some of our infrastructure, as our burial workload has increased, needed maintenance and repair projects have been deferred to maintain interment operations. Some national cemeteries are in need of substantial repair. The National Shrine Commitment, therefore, is geared to bring those of our cemeteries found wanting up to the standard of a "national shrine" as stated in law.

The FY 2001 appropriation contained \$5 million to begin the National Shrine Commitment initiative. The President's 2002 Budget requested an increase in the amount of funding by another \$5 million, bringing the total requested amount in FY 2002 to \$10 million.

One criterion used to allocate funding has been through what cemetery visitors indicate they want from a national cemetery. NCA identified deficiencies in the appearance of headstones and markers and the condition of some gravesites at a number of its national cemeteries. These projects were selected because customer feedback from our surveys indicates that the appearance and condition of headstones or markers and individual gravesites are two factors that significantly impact the satisfaction families and visitors experience when they visit a national cemetery. The \$5 million provided in the 2001 appropriation will be used to address identified deficiencies at four national cemeteries: Long Island National Cemetery in New York, Willamette National Cemetery in Oregon, Golden Gate National Cemetery in California, and Fort Sam Houston National Cemetery in Texas. The cemeteries were established in 1936, 1950, 1941, and 1926 respectively.

When the study directed by Section 613 of the Veterans Millennium Health Care and Benefits Act to inventory one-time repairs at each national cemetery is completed later this year, this assessment will validate the already identified deficiencies. We anticipate the study results will assist us in identifying the most necessary one-time repairs so we can proceed in an orderly manner to achieve visible national shrine status for each of our cemeteries.

Question 5. Do you believe NCA is adequately prepared for the increasing number of veterans expected to be buried in the next few years? In short, can VA handle the accelerating demise of the World War II generation?

Answer. One of NCA's goals is to ensure that the burial needs of our Nation's veterans and eligible family members are met. We are projecting that the percent of veterans served by a burial option in a national or state veterans cemetery within a reasonable distance of their residence will increase from 76 percent in FY 2001 to 88 percent by FY 2006. At the end of 2001, of the 119 existing national cemeteries, 87 will have space for first interments, whether full-casket or cremated remains, to include either in-ground or in columbaria.

To ensure that burial options are provided for all eligible veterans, including those from World War II and their eligible family members, NCA is developing additional national cemeteries, expanding existing national cemeteries where appropriate, developing more effective use of available burial space, and encouraging individual States to establish state veterans cemeteries through the State Cemetery Grants Program.

NEW NATIONAL CEMETERIES: As you know, we are establishing new national cemeteries to serve veterans in the areas of Oklahoma City, Oklahoma, at Fort Sill; Atlanta, Georgia; Detroit, Michigan; Miami, Florida; Pittsburgh, Pennsylvania; and Sacramento, California. Beyond the opening of these six new national cemeteries, Section 613 of the Millennium Act directed that an independent study be conducted to, among other things, identify those areas of the United States with the largest number of unserved veterans and identify the number of new cemeteries needed from 2005 to 2020. This study will guide us in the future as we strive to achieve our long-range goal of providing all eligible veterans reasonable access to a burial option.

EXPANSION OF BURIAL SPACE AT EXISTING CEMETERIES: VA monitors gravesite usage and projects gravesite depletion dates at open national cemeteries that have land for future development. As these cemeteries approach their gravesite depletion dates, VA ensures that construction to make additional gravesites or columbaria available for burials is completed. Construction projects to make additional gravesites or columbaria available for burial are currently underway at many national cemeteries, including Barrancas National Cemetery, Florida; Florida National Cemetery; Fort Sam Houston National Cemetery in Texas; the National Memorial Cemetery of the Pacific in Hawaii; and Santa Fe National Cemetery in New Mexico. In addition, we have projects in progress for 26 other national cemeteries to increase burial space.

ACQUISITION OF LAND TO EXTEND CEMETERY LIFE: Appropriate land acquisition is a key component to providing continued accessibility to burial options. NCA continues to identify national cemeteries that are expected to close because of depletion of grave space, and will determine the feasibility of extending the service life of those cemeteries by acquiring adjacent or contiguous land, or by constructing columbaria. These actions, which depend on such factors as the availability of suitable land and the cost of construction, are not possible in every case. Efforts are underway now to acquire additional land for interments at Barrancas, Culpeper and Natchez national cemeteries.

STATE VETERANS CEMETERIES: In addition to our national cemeteries, state veterans cemeteries also provide burial options for our Nation's veterans. In FY 2000, four new state veterans cemeteries opened; more than 14,000 interments were performed by state veterans cemeteries; and funds were obligated to establish, expand or improve 12 veterans cemeteries in 10 States. To date, 42 operating state veterans cemeteries have been established, expanded or improved through the State Cemetery Grants Program. A new state veterans cemetery recently opened at Little Rock, Arkansas. We expect new state cemeteries to open in Northern Wisconsin, Massachusetts near Springfield, Eastern Montana, and Maine in Augusta all before mid-June. A state veterans cemetery in Milledgeville, Georgia, should open before the end of the year.

I believe that the strategies and efforts stated, well-managed and funded, will enable VA to address the increasing burial demand from America's veterans.

Question 6. I have heard that many families are choosing to have their loved one's remains cremated and placed in a columbaria rather than having a traditional casket burial. In your view, does NCA have the capacity to meet the demand for this form of burial? If not, will you propose any changes to meet the demand?

Answer. NCA recognizes the demand for access to burial of cremated remains. NCA offers the option of full casket interments, in-ground interment of cremated remains, columbaria niches, and memorial areas for markers in memory of those eligible persons whose remains are not interred. In-ground cremation sections exist in all open national cemeteries, and limited in-ground cremated remains sites are gen-

erally available at most national cemeteries that no longer have space to accept full casket burials. Columbaria units (freestanding, above-ground, concrete structures with individual niches) currently exist in 17 national cemeteries. NCA has noted a progressive increase in both actual numbers and in percentage of interment of cremated remains at our national cemeteries. NCA is constructing more columbaria to expand this option for veterans and their families.

Beginning with Tahoma National Cemetery (opened October 1997), all new national cemeteries include columbaria in their first phase of construction. Whenever an expansion project to a currently existing national cemetery is planned, the option of constructing columbaria is always considered and added, if feasible. Where columbaria already exist, NCA works to ensure that they are expanded when needed to meet this increasing demand. For example, two of the three major construction projects submitted in the President's Budget are for the expansion of the columbaria at Tahoma National Cemetery in Washington and Massachusetts National Cemetery. Also, we are currently building the first columbaria at the Florida National Cemetery, NCA's third busiest cemetery, to expand this important service to the veterans served at that location.

Question 7. To save on the costs of acquiring land for national cemeteries, do you believe the opportunity exists to collaborate with other Federal agencies to accomplish the transfer of unused or underutilized land? If so, what agencies might have lands available for transfer to VA for cemetery use?

Answer. NCA operates by using concentrations of veterans who are not currently served by a burial option as the determining factor for where a national cemetery should be established. If there are Federal facilities within that geographic area with available land suitable for a national cemetery, this land is always considered. For example, the new national cemetery being developed near Oklahoma City, Oklahoma, is on land formerly belonging to the U.S. Army at Fort Sill, Oklahoma. We received 982 acres of the former Joliet Army Ammunition Plant through transfer from the Army to establish the new Abraham Lincoln National Cemetery. Although significant dollars have been saved by not having to purchase privately-owned land, I do think that the overriding factor should be the provision of effective service to the veteran.

Expansion of existing national cemeteries to provide continual burial options to veterans is a primary goal of NCA, and will be mine as well. Our two busiest cemeteries, Riverside National Cemetery and Calverton National Cemetery, are located on land that formerly belonged to the Department of the Air Force and Department of the Navy respectively. Both cemeteries have benefited from additional land transfers from these agencies to provide for future burial space. On many occasions, we have found the means to expand within our own agency's holdings on adjacent, excess Veterans Affairs Medical Center land owned by the Veterans Health Administration. Such is the case at Jefferson Barracks National Cemetery in St. Louis, Missouri.

The Department of Defense is the Federal agency that has provided the bulk of land utilized by NCA for the establishment or expansion of national cemeteries. However, State governments have also been the source of some acquisitions. For instance the State of Florida provided land at no cost for the establishment of Florida National Cemetery and subsequently transferred additional acreage.

We are also grateful for the help Congress has provided to us in facilitating the transfer of land from other Federal agencies to VA for national cemetery use.

Question 8. Section 301 of Public Law 106-511 expressed the Sense of the Congress that a single repository of information be developed to inventory all public memorials that commemorate the military conflicts of the United States and the service of individuals in the Armed Services. Do you believe this might be an issue on which NCA might take the lead during your tenure?

Answer. I fully comprehend the debt owed to veterans and the significance of memorials erected to commemorate their sacrifices. We manage a number of such "military" memorials, and we would gladly participate in a project that would result in a comprehensive inventory of every one. Based upon my current understanding, however, I do not believe that the National Cemetery Administration (NCA) is best equipped to serve as the lead Federal agency in this task. The reason is twofold.

Foremost is the absence of infrastructure at NCA necessary to undertake a survey of this magnitude, as well as the subsequent development and maintenance of a repository for the findings. Just this year NCA established its first History Program, in its fledgling stage to be staffed by two historians. A nationwide inventory of memorials would exceed the capabilities of this staff.

In contrast, two other agencies—the National Park Service (NPS) of the Department of the Interior, and the American Battle Monuments Commission (ABMC)—have many decades of experience and missions specific to the care and maintenance

of memorials that commemorate conflicts in which U.S. soldiers died. The NPS, as the primary Federal agency responsible for historic preservation, oversees numerous programs devoted to the inventory, condition assessment, and conservation of historic resources such as outdoor sculpture and monuments—which include a variety of U.S. war memorials and 14 national cemeteries.

Since 1923, the ABMC has existed for the exclusive purpose of establishing and managing American military memorials dating to the beginning of World War I, both on U.S. soil and abroad. The exquisite care with which these sites are maintained is evidence of ABMC's standards of excellence and expertise. Both of these agencies are more appropriately staffed in terms of size and proficiency to undertake the proposed catalog project. There are also other federally affiliated programs already working to inventory and conserve all outdoor sculpture, such as the partnership between the non-profit organization Heritage Preservation and its Save Outdoor Sculpture! (SOS) Program. SOS is working with the Smithsonian American Art Museum to develop a national outdoor-sculpture database.

This is an excellent project with many benefits for commemorative memorials and veteran-appreciation alike, and we would hope to share in the undertaking. It is with the greatest respect and confidence, however, that I would defer the primary responsibility for this inventory to existing programs at more experienced agencies.

Question 9. Do you have any conflicts of interest which you have not fully disclosed to the Committee, or do you know of any other matter which, if known to the Committee, might affect the Committee's recommendation to the Senate with respect to your nomination?

Answer. No, I do not. I diligently completed all the required disclosures and feel confident that there are no conflicts or other matters that were not disclosed.

Question 10. Have you fully and accurately provided financial and other information requested by the Committee, and do you now affirm that that information is complete, accurate, and provided in a form not designed to evade?

A. Yes, I do affirm this. As I stated in response to Question 9, I exercised considerable diligence in completing required disclosures and I have provided the information with complete candor. I am so honored to be asked to serve my Country, I would do nothing to jeopardize the faith placed in me.

Question 11. Do you agree to supply the Committee such non-privileged information, materials, and documents as may be requested by the Committee in its oversight and legislative capacities for so long as you shall serve in the position for which you now seek confirmation?

Answer. I believe in open communication and collegial relationships. It is my intention to continue to act in this way. I would anticipate always providing you with the cooperation you expect.

Question 12. Do you agree to appear before the Committee at such times and concerning such matters as the Committee might request for so long as you serve in the position for which you now seek confirmation?

Answer. I would be honored to return before the Committee whenever asked to do so. As already stated, I believe in open communication.

Chairman SPECTER. Thank you, Ms. Higgins, for that statement.

I note that you served 20 years in the Marine Corps with the discharge rank of Lieutenant Colonel. What insights from your military experience do you think will serve you in the Veterans Department?

Ms. HIGGINS. I served for 20 years in the Marine Corps in jobs of increasing responsibility. I have served in a number of different military occupational specialties. But mostly the wide diversity of people that I served with, the wide diversity of things that I was able to do and accomplish, and the recognition, certainly during the years that my husband was in captivity, that we are a family, that there is a bond that joins men and women who have served in the military and that the bond does not end when we leave service to our country and we take off the uniforms, it extends through life and, indeed, through death.

I think that my experience after the Marine Corps, though, also lends a great deal of capability.

Chairman SPECTER. Picking up your experience after the Marine Corps in the Department of Labor, what will be transferable with

respect to veterans employment and training with respect to your work in the Labor Department?

Ms. HIGGINS. Well, the work in the Labor Department, unfortunately, it only turned out to be a year, but it also gave me the opportunity to understand that there are continuing issues that are important and that we all throughout the Government can take care of veterans. In this case, it was in transitioning military men and women from the military into the civilian work force and making sure that they have the training to do the jobs that they can do and assimilate.

I think, quite honestly, perhaps the most relevant experience is my latest experience in Florida. Naturally, we had a number of issues with a very large, in fact, the No. 2 population of veterans in the country, the No. 1 population of elderly veterans. I understand that Pennsylvania I think is No. 2. So we share many of the same concerns for veterans. And during the two and a half years that I was there, we also had a number of issues that I worked with the VA on on our cemeteries.

Chairman SPECTER. I am pleased to note your reference to Pennsylvania as having the No. 2 ranking for aging veterans. I would like for you to take a look at the specific problems with a new veterans cemetery in eastern Pennsylvania. It has come to the point where Congressman Fox and now Congressman Hoeffel in the House have introduced legislation, as I have in the Senate. I would like you to take a look at that legislation and give me your thinking as to what ought to be done there.

In light of your broader experience as the executive director of the Florida Department of Veterans Affairs, the Committee is going to give you the same assignment we gave to Dr. Mackay. And that is, within 60 days, give us an evaluation of the 10 key problems you see in the Veterans Administration and what your suggestions are for remedying those problems. And within that 60 day period, as one of those items, give me your thinking on the need for cemeteries across the country, including the issue of the one for the eastern portion of Pennsylvania and Pennsylvania generally.

[The information referred to follows:]

MEETING THE BURIAL NEEDS OF OUR VETERANS

The most basic National Cemetery Administration (NCA) goal is to ensure that the burial needs of our Nation's veterans and eligible family members are met. To ensure that a burial option in a national or state veterans cemetery is available for all eligible veterans within a reasonable distance of their residence, NCA is developing projects that will yield additional national cemeteries, expanding existing national cemeteries where appropriate, developing more effective use of available burial space, and encouraging individual States to establish state veterans cemeteries through the State Cemetery Grants Program.

NCA is establishing new national cemeteries to serve veterans in the areas of Sacramento, CA; Atlanta, GA; Southern Florida; Detroit, MI; Fort Sill, OK; and Pittsburgh, PA. Beyond the opening of these six new national cemeteries, Section 613 of the Veterans Millennium Health Care and Benefits Act directed that an independent study be conducted to, among other things, identify those areas of the United States with the largest number of unserved veterans and identify the number of new cemeteries that are needed from 2005 to 2020. This study will guide us in the future as we strive to achieve our long-range goal of providing all eligible veterans reasonable access to a burial option. It will also provide us data in order to reevaluate our policy regarding how to best define service areas.

NCA monitors gravesite usage and projects gravesite depletion dates at open national cemeteries that have land for future development. As these cemeteries ap-

proach their gravesite depletion dates, we will ensure that construction is completed in a timely fashion to make additional gravesites or columbaria available for burials. Construction projects to expand burial space are currently in progress at 30 national cemeteries.

Appropriate land acquisition is a key component to providing continued accessibility to burial options. NCA continues to identify national cemeteries that are expected to close because of depletion of grave space and determines the feasibility of extending the service life of those cemeteries by acquiring adjacent land, or by constructing columbaria. These actions are not possible in every case. Efforts are underway now to acquire additional land for interments at Barrancas (FL), Culpeper (VA) and Natchez (MS) national cemeteries.

In addition to our national cemeteries, state veterans cemeteries also provide burial options for our Nation's veterans. In FY 2000, 4 new state veterans cemeteries opened; more than 14,000 interments were performed in state veterans cemeteries; and funds were obligated to establish, expand or improve 12 veterans cemeteries in 10 States. New state veterans cemeteries recently opened at Little Rock, AR; Spooner, WI; Agawam, MA; Miles City, MT; and Augusta, ME. A state veterans cemetery in Milledgeville, GA, should open before the end of the calendar year.

I believe these strategies and efforts will enable us to address the increasing burial demand from America's veterans. Once we receive the results of the Millennium Act study, I expect to be able to continue our discussions on how best to meet the needs of the veterans in your State of Pennsylvania, particularly those within the Eastern part of the State. I want to reiterate that I am committed to serving veterans where they are currently not served, based on veteran demographics.

MAINTAINING NATIONAL CEMETERIES AS NATIONAL SHRINES

Our national cemeteries are national shrines dedicated to preserving the Nation's history, nurturing patriotism, and honoring the service and sacrifice veterans have made. More than half of our national cemeteries were established around the time of the Civil War; and most were established before the mid-20th century. The National Shrine Commitment is an initiative to restore the appearance of burial grounds and historic structures in our national cemeteries. Over the years as the burial workload has increased, needed maintenance and repair projects were deferred to maintain interment operations. Some National cemeteries are in need of substantial repair.

NCA has identified deficiencies in the appearance of headstones and markers and the condition of some gravesites at a number of its national cemeteries. Deficiencies in these areas impact the satisfaction families and visitors experience when they visit a national cemetery. Funding provided in the FY 2001 appropriation will be used to begin addressing these deficiencies at four national cemeteries: Long Island (NY); Willamette (OR); Golden Gate (CA); and Ft. Sam Houston (TX).

When the study directed by Section 613 of the Veterans Millennium Health Care and Benefits Act to inventory one-time repairs at each national cemetery is completed later this year, I believe the assessment will validate the already identified deficiencies. We plan to use the study results to assist us in identifying the most urgent one-time repairs so we can proceed in an orderly manner to achieve visible national shrine status for each of our cemeteries.

After we ensure crucial one-time repairs are accomplished, we need to ensure that we maintain the highest standards of appearance in all our national cemeteries.

BALANCING RESOURCE NEEDS

In considering balancing competing demands, it is important that NCA not lose sight of its current expansion, which is resulting from a surge in the demand for services provided by NCA that is expected to continue. This is most plainly demonstrated by the continued increase in the number of annual interments at national cemeteries: More veterans are dying, and NCA workload is increasing.

NCA currently maintains more than 2.4 million gravesites at 120 national cemeteries in 39 states and Puerto Rico, as well as 33 other cemetery installations. The number of annual interments since 1973, when Congress created the National Cemetery System under the jurisdiction of the Veterans Administration, has more than doubled from 36,400 to 82,717 in FY 2000. Veteran burials within our national cemeteries are expected to peak in 2008 at 109,000. It is expected that for nearly a decade following this peak the number of burials within our national cemeteries will not go below the FY 2000 level. Annual gravesite maintenance workload increases have a compounding effect on NCA budget requirements. Six new national cemeteries are presently in various stages of development. NCA will continue to expand existing national cemeteries by completing projects to make additional

gravesites or columbaria available for interments. To do this, NCA must use its resources wisely to continue to provide dignified burials for veterans and their eligible family members without adversely impacting our ability to maintain our cemeteries as national shrines.

NCA will place increased emphasis on further integrating budget and performance data. The performance plan, with the applicable goals and objectives, is an integral part of our budget planning process. NCA has integrated its performance plan and budget so that all requests for budget increases and new budget initiatives are clearly linked to the achievement of performance goals and objectives.

NCA has sharpened its focus on performance and service to the veteran. In order to determine the extent to which NCA is achieving many of its goals and objectives, we have developed and conducted surveys and convened focus groups to receive direct input from veterans and their families, as well as other stakeholders. This information is used by NCA to determine future program and budget requirements. NCA will work to strengthen the linkage between customer-based performance results and resource expenditures.

AGING WORKFORCE/SUCCESSION PLANNING

In recognition of the anticipated significant retirements expected within NCA during the next five years, and of the need to establish a cadre of fully competent staff, particularly cemetery directors, NCA has been actively engaged in planning and taking actions to build the future workforce of NCA. There are currently 64 national cemetery directors responsible for 120 national cemeteries. Analysis of the incumbents of these positions shows that as of July 1999, 22 percent were eligible for retirement or early outs. By 2004, this percentage will increase to 53 percent, and one-third of these will be eligible for full retirement benefits. Furthermore, we have recognized the need to reassess the competency level in the existing cadre, as well as in new recruits.

A similar pattern exists throughout NCA in many occupations, where a change in workforce demographics will result in an increased number of retirements. This fact raises the potential for a tremendous loss in management and institutional knowledge.

In recognition of these facts, NCA volunteered to be part of a pilot sponsored by the Department's Office of Human Resources Management. This allowed us to apply a systematic approach to evaluating our strategic plan, and to analyze the current status of our cemetery directors, the grades of the position in relation to the scope of the work performed, and the competencies and qualifications required for selection. The result has been the improvement and development of a formal Cemetery Director Intern Program and a redefinition of the competencies, skills and specialized experience necessary for qualification and success as a cemetery director. NCA received over 140 applications for this program and we anticipate selecting and appointing interns prior to the end of the fiscal year. The trainee program will be announced periodically to permit for an established cadre of well-trained and competent individuals to fill positions as others retire or separate.

Our analysis also revealed that the definition of specialized experience necessary for qualification as a cemetery director or cemetery director intern was much too restrictive, resulting in a very limited pool of applicants. For example, it did not allow us to qualify the majority of recently retired military personnel. Previously, direct cemetery management experience was required in order for an applicant to qualify for the position. However, after a panel of subject matter experts reviewed the competencies and skills necessary for success, we determined that a definition that focuses on leadership and managerial qualifications was a more appropriate indicator of the specialized skills needed for the job. As a result, we have redefined the definition of specialized experience necessary for qualification as a cemetery director or cemetery director intern. A candidate must now demonstrate experience in budget, finance, human resources, contracting, supervision, and procurement in order to qualify. This change was implemented approximately one year ago. The numbers and quality of the candidates have improved dramatically. We believe this will be manifested in the quality of applicants for the Cemetery Director Intern Program as well.

As a result of the success of the workforce-planning pilot on cemetery director positions, NCA will apply the process and lessons learned on other occupations in need of the same attention.

NCA recognizes that the recruitment of quality employees is as important as retaining current employees. We are accomplishing this in a variety of ways: (1) enhancing the employee award and recognition system; (2) increasing employee skills through training; and (3) providing employees greater opportunities for involvement

and decision-making in daily cemetery operations and in establishing cemetery goals and objectives.

MAINTAINING TOP-NOTCH CUSTOMER SERVICE

The stakeholders of NCA are varied and diverse. The list begins with those who are the direct beneficiaries of NCA services: veterans and their families. Veterans' service organizations and professionals in the funeral and mortuary industry are also noteworthy stakeholders. The inclusion of veterans and their families as primary stakeholders is obvious. It takes into account the significance of next of kin, since not only eligible veterans but also their eligible family members may receive burial benefits. It is important that these veterans, widows, widowers, and other family members are treated with compassion and dignity at the time of their bereavement and when they return to visit the gravesite, and that the cemetery's entire appearance is maintained in a manner befitting a national shrine.

Veterans and their families have high expectations concerning burial in national cemeteries, and NCA has done an outstanding job in providing high quality, courteous, and responsive service. Recent results from the American Customer Satisfaction Index, conducted by the University of Michigan, the American Society for Quality and the Federal Consulting Group, gave NCA a score of 93 out of 100. This unusually high score indicates a high level of satisfaction and trust with NCA and the services it provides. The bar is set very high and it will be a challenge not only to maintain high levels of customer satisfaction, but also to make improvements in service delivery. NCA will continue to obtain feedback from veterans, their families, and other cemetery visitors to ascertain how they perceive the quality of service provided. NCA will also continue to convene focus groups to collect data on stakeholder expectations and their perceptions related to the quality of service provided by national cemeteries.

For FY 2001 and subsequent years, NCA will use a new customer satisfaction survey process to measure its success in delivering service with courtesy, compassion, and respect. In the past, Visitor Comment Cards were used for collecting data to measure customer satisfaction. The new survey will be done via mail and data will be collected annually from family members and funeral directors that have recently received services from a national cemetery. To ensure sensitivity to the grieving process but timely collection of data, NCA will wait a minimum of three months and a maximum of eight months after an interment before including a respondent in the sample population.

NCA will also use the new survey process to continue to collect information from the families of individuals who are interred in national cemeteries and funeral directors to measure how the public perceives the appearance of the cemeteries. This information provides a gauge by which to assess maintenance conditions at individual cemeteries as well as the overall system. The information obtained is analyzed to ensure that NCA addresses those issues most important to its customers. This approach provides us with data from the customer's perspective, which is critical to developing our objectives and associated measures.

FOSTERING THE STATE CEMETERY GRANTS PROGRAM

The State Cemetery Grants Program is an effective complement to the 120 Department of Veterans Affairs (VA) national cemeteries. The grants program has assisted 47 operational state veterans cemeteries. That number includes several cemeteries that now serve populations that were formerly served by national cemeteries, such as Little Rock, AR. It also includes several cemeteries that serve moderately large veterans populations in densely populated areas such as northern Delaware, central Massachusetts, and central New Jersey. Grant supported state veteran cemeteries also serve thinly populated areas that are extremely remote from any national cemetery, such as the Rocky Mountain States of Montana, Wyoming, Utah and Nevada.

Currently, NCA's State Cemetery Grants Program is reviewing plans for 38 projects totaling more than \$130 million in grant funds. VA must approve design plans for each project before the State advertises for bids. Once bids have been received, VA awards the grant based on the low, responsive bid. This system makes most effective use of available grant funding, assuring that funds are used to construct projects rather than to simply develop plans.

At the same time, it is of utmost importance that NCA review plans with professionalism and for economy and efficiency. As the design and planning workload increases, it will be necessary to increase staff to provide appropriate review. Plans are now underway to hire an architect to assist with these tasks.

In addition to providing grant funding, NCA must seek opportunities to assist our State partners through other means. We are currently providing training opportunities, sharing best practices in cemetery operations, and providing computer and electronic support through shared databases and information kiosks. After the initial equipment configuration and training to use the marker ordering application are completed at newly established state veterans cemeteries, an additional benefit afforded the States is access to the same information technology support provided to NCA's cemeteries. The States receive continual support, for both hardware and software issues, from NCA via the cemetery helpdesk and an internal Internet homepage.

EXPANDING ELECTRONIC GOVERNMENT

NCA is considering several initiatives to make its policy information as well as its benefits and services more available to the public on-line. The most promising of these, to be implemented in FY 2002, is a web-based homepage for every national cemetery. An NCA taskforce, consisting of headquarters and field personnel, has been working on a standardized model to better serve veterans and their families. Local communities will have greater access to information about every national cemetery within close proximity, and will thus be better served by their NCA neighbors.

The national cemetery homepages are tied into the One-VA concept. The NCA website is accessible through the VA homepage. In turn, each national cemetery homepage will be accessible from the NCA website. With a uniform approach, it will be possible for anyone using any national cemetery homepage to learn of services offered, and cemetery policies and procedures which are standard across the Nation. This initiative assures compliance to standard regulations governing Federal websites.

NCA is currently verifying its old interment records and recreating them into an electronic format. Many of the old records are on microfilm or in an electronic format not conducive to on-line public access. We receive many requests from the public doing genealogy searches or looking for the remains of a lost relative. NCA plans to post all its interment records on our website so the public can perform its own genealogy searches and have access to the data at their leisure. Almost 60 percent of interment records are verified at this time. There is an active project incorporating all of our cemeteries to review their historical interments and prepare them to be posted on the Internet. NCA plans to have most of its interment records posted in the next 18 months.

NCA is installing grave locator kiosks at each national cemetery. The kiosks provide cemetery visitors with gravesite information and general NCA information. They also provide a map of the cemetery as well as information on current NCA rules and regulations, burial eligibility requirements, floral regulations, historical cemetery information, upcoming events, and hours of operations. They provide visitors with an automated, easy-to-use vehicle for information both on weekdays and weekends, particularly outside normal business hours.

Currently, customers can access applications for a Government headstone or marker from the VA website and print a copy to complete manually. Because of the current need for original signatures, we are looking into privacy issues and verification of eligibility on-line, so customers may eventually be able to order through the Internet. However, all of our national cemeteries are ordering headstones and markers electronically and NCA has now added the state veterans cemeteries to the NCA Network and provides them access to our Burial Operations Support System (BOSS) where 90 percent of all their marker requests are handled online with their input. Arlington National Cemetery, which is operated by the Department of Army, also has access to BOSS. This will further reduce the workload of redundant data transcription and improve the accuracy and timeliness of ordering their headstones and markers. NCA is conducting research on the feasibility of allowing private cemeteries to access NCA systems to order their VA-provided markers, thus further reducing NCA manual workloads and putting a premium on marker quality and timeliness of delivery.

In the interim, NCA is now electronically scanning all paper applications and accompanying documents when they are received at the main office in Washington, DC. Applications can now be distributed to our caseworkers electronically at our field sites around the country. This process improvement has eliminated the need to mail the actual applications to the field sites, which used to take several days.

IMPROVING AND EXPANDING RELATIONSHIPS WITH PARTNERS

NCA recognizes the importance of maintaining strong relationships with our partners. Several of our partners include: State governments; the Department of Defense (DoD); and other Federal agencies.

As more state cemeteries come on-line to serve veterans, attention must be given to issues of maintenance and operation. The State Cemetery Grants Program is working with the States to schedule a state cemetery directors conference that will provide state cemetery directors with a better understanding of how the national cemeteries are maintained and operated and also how their fellow states perform their duties.

While DoD is responsible for the Military Funeral Honors program, NCA has worked closely with DoD to ensure that veterans buried in our national cemeteries receive the honors they deserve. NCA currently tracks military funeral honors provided in our cemeteries and indicates whether or not they were provided by veteran service organizations or by DoD. NCA provides changing facilities for teams as well as storage facilities for their equipment. NCA advises families to request honors through their funeral home. We also include information on funeral honors within our national brochures and individual cemetery pamphlets as well as on our Internet website. NCA is installing sound systems in new cemetery committal shelters for the electronic playing of "Taps" when a bugler is not available. VA will eventually install sound systems in older committal shelters. We have recently produced a public outreach video entitled "A Sacred Trust: The Story of the National Cemetery Administration" which highlights the two person DoD military funeral honor detail and how to arrange the honors through DoD.

An issue that impacts VA and other Federal agencies is the transfer of Federal property between agencies. States participating in the State Cemetery Grants Program are also involved in this issue. VA has been successful in the past in obtaining Federal land to expand or to establish national cemeteries. Too often, once a specific tract of land has been identified, the administrative process can be extremely time consuming. We plan to continue building our relationships with our fellow Federal departments and agencies, such as the Department of Interior and DoD, to make sure these processes continue to run smoothly. VA and DoD have already made commendable steps towards better coordination and cooperation in regards to providing better service to our uniformed men and women as well as all veterans. Our Secretary has already begun a dialogue with the Secretary of Defense to work to improve the processes for providing health care to veterans and I foresee that this collaboration will lead to many other opportunities to work together on other issues, such as the timely transfer of land between Federal agencies.

EMPLOYEE SAFETY AND WORKERS COMPENSATION

NCA must continually redesign its work processes to provide more efficient service to veterans and their families, and to reduce the risk of injury to its estimated 1,450 employees. When employees are injured we are challenged to modify their duties to both accommodate their injury and make them productive members at their work unit. The work performed at national cemeteries (e.g., the operation of heavy equipment and the setting of headstones that can weigh in excess of 200 pounds) is physically demanding. This work is also performed in all types of weather conditions and on all types of terrain. Currently, there are about 290 NCA employees who are in receipt of benefits for job-related injuries through the Department of Labor's Office of Workers Compensation Program (OWCP) at an annual cost of \$1.8 million.

An effective way of reducing OWCP costs is preventing injuries and illnesses. NCA is working to strengthen accountability for OWCP case management by linking organizational and financial incentives. Funding and payment responsibility is assigned to NCA cemeteries. The establishment of appropriate workplace safety programs and employee safety education programs is a key component of a successful occupational safety and health program.

NCA maintains a proactive safety program to assure that all employees receive appropriate job health, safety awareness, hazard recognition, and specialized safety training. We are in the process of developing several Job Hazard Analyses, including upgrading our Ergonomics Program. Our plan is to emphasize both programs in an effort to energize the workforce to reduce on-the-job injuries. In addition, we have initiated independent safety inspections at national cemeteries to ensure that existing safety methods are being fully utilized. Our goal is to continue to provide a safe workplace ensuring that injuries to our wage grade staff are prevented at the cemetery level.

Oversight of our safety program has been performed as a collateral duty in the past. Our plan is to hire a full-time safety official who will have responsibility for developing and directing a comprehensive nationwide safety program. We are confident that this position, when filled, will enable us to strengthen our safety program and reduce the use of OWCP by NCA employees. NCA will continue to be a full and active participant in the development of safety policies and procedures in response to a changing work environment.

CAPITAL CRIME CASES

Public Law 105-116, enacted on November 21, 1997, prohibits, under specified circumstances, the interment or memorialization in a VA national (or state veterans cemetery that received grant funding) of individuals convicted of Federal or State capital crimes for which they have been sentenced to death or life imprisonment, or would have been convicted but were not because they were unavailable for trial due to death or flight to avoid prosecution.

Several recent cases illustrate potential problem areas NCA is facing in its implementation of P.L. 105-116. Currently, when a request for interment or memorialization is received at a national cemetery, the cemetery director does not routinely ask whether or not the person has been convicted of a crime or inquire into the circumstances of the person's death. NCA sees these types of questions as being inappropriate to ask of grieving family members. Only when a fact surfaces that indicates a capital crime was or may have been committed by the deceased, does an inquiry begin.

If an inquiry takes place, the cemetery director must first contact his or her regional general counsel who acts as a legal resource and who contacts the appropriate Federal or State officials to obtain a copy of the conviction or to gather information to support a decision being made that "there appears to be clear and convincing evidence" that a Federal or State capital crime was committed. All of this must take place in a very tight time frame, which adds additional stress to the family during an emotional period. VA must also deal with 50 different State judicial systems, each with its own set of definitions of crimes and views on how much they need to assist VA by providing information. This leads to the perception that cases are being handled differently based on location.

VA is currently finalizing regulations that set forth procedures for handling eligibility determinations for cases that may fall within the restrictions set forth in P. L. 105-116 when VA becomes aware of information suggesting that an individual has been or would have been convicted of a Federal or State capital crime. Once the final rule is published, NCA will develop further guidance to assist cemetery directors when they must make a determination on one of these cases as well as describing the appeals process available to families.

Chairman SPECTER. My yellow light just went on, so I am going to have only one more question for you. Of interest is your studies at Hebrew University in Jerusalem. How proficient are you in Hebrew now?

Ms. HIGGINS. [Responds in Hebrew language.]

Chairman SPECTER. What did you say?

Ms. HIGGINS. I spoke Hebrew pretty well when I lived in Israel. I lived there for about a year and a half. And since I do not get an opportunity to speak it very often here, my Hebrew has deteriorated. I have had the wonderful opportunity of being able to visit Israel a number of times since I was there several lifetimes ago as a college student and I find that I can speak enough to get by. But, of course, if you have been there, as I am sure you have, just about everybody speaks English and so it is easy to not speak Hebrew when you are over there.

Chairman SPECTER. Thank you very much, Ms. Higgins.

Senator Rockefeller?

Senator ROCKEFELLER. Thank you, Mr. Chairman.

Ms. Higgins, the VA has a program—and if you are not aware of this I do not hold that against you, it is just I want to inform you of this—something called the State Cemetery Grant Program.

It has been very successful in offering a burial option, so to speak, to veterans who live in lower density areas, which would be Senator Nelson's Nebraska, my West Virginia, and large parts of Senator Specter's Pennsylvania. But there are some large States, including your own in Florida where you served, that have not participated in the program.

What are your thoughts on modifying this grant program to allow VA grants to cities or counties to open a veterans cemetery or set aside a portion of their public cemetery for veterans?

Ms. HIGGINS. Well, as you have recognized, I have only been at the job for a short time, since Monday I guess, trying to learn these things. I am somewhat familiar, of course, with the State Cemetery Grants Program. We in Florida have not opted to explore that program yet because we have been so focused on trying to get that National Cemetery in south Florida.

But it is a wonderful opportunity and I know it has been made better over the years by allowing 100 percent of funding for construction. It is a great program. There are many States that have opted to it, but there are some others that might need to be looking at that. I will certainly have the opportunity, if confirmed, to look into if we can make that program better, I think we ought to do that and we ought to market it and make sure that the States understand what the positive aspects can be of having a State Veterans Cemetery.

Senator ROCKEFELLER. Thank you. I have one more question. You are facing many demands now, between opening new cemeteries in underserved areas—and you just heard of one in Pennsylvania, extending the service of current cemeteries, and attempting to maintain the facilities as places of honor despite the fact that some of our National Cemeteries date back to the Civil War. Of these different options, if you do have a priority, it would be interesting to know it; if you do not, that is OK, too. How does one meet all these demands?

Ms. HIGGINS. Well, again, having been involved in this for a very short time, it is difficult for me to say whether I would in fact have a priority. I think they are all equally good in helping to ensure that we meet the burial needs of all the veterans. In the next 10 years, we will be burying more veterans than we ever have before. And so I think it is important that we have a number of different options that we can all look at together and work together with the States and with the communities to make sure that those burial options are met. Veterans also, and their families, have different needs themselves and different requirements.

So we will have to look at all those things. And I do not know that we will ever really come up with a priority. The priority is to make sure that we provide veterans with the burial option that they need and deserve.

Senator ROCKEFELLER. Thank you.

Chairman SPECTER. Thank you, Senator Rockefeller.

We are going to submit questions for the record to you as well, Ms. Higgins—we have questions for everybody—to which we would like answers no later than Monday morning so we can proceed and try to get you confirmed before the next week is up.

Mrs. Cragin graduated from the U.S. Naval Academy in 1985. She has substantial experience in Government, having worked as Director of Communications for the Committee on Armed Services of the House of Representatives from May 1995 to January 2001. She currently is Director of Congressional Relations for the Raytheon Company. She holds the rank of Commander in the Naval Reserve. She served as a public affairs officer, and served for 7 years in active duty in the U.S. Navy.

Welcome, Mrs. Cragin. We look forward to your testimony.

STATEMENT OF MAUREEN PATRICIA CRAGIN, NOMINEE FOR ASSISTANT SECRETARY FOR PUBLIC AND INTERGOVERNMENTAL AFFAIRS, DEPARTMENT OF VETERANS AFFAIRS

Mrs. CRAGIN. Thank you, Mr. Chairman. Mr. Chairman and members of the committee, it has been my honor to have served my country as a member of the U.S. Navy and, currently, as a member of the U.S. Naval Reserve. I have also been privileged to serve Chairman Floyd Spence as his Communications Director on the House Armed Services Committee. However, I can think of no greater honor than the one President Bush bestows by nominating me for your consideration as Assistant Secretary for Public and Intergovernmental Affairs. I would also like to thank Secretary Principi for his confidence in me to fulfill the responsibilities of this office.

As President Bush has said, all that America's veterans ask is that "their government honor its commitments as they honored theirs." The Department of Veterans Affairs was established to do just that—honor and serve America's veterans. I believe this to be a basic obligation of our country. And if confirmed, I will work tirelessly to serve my fellow veterans.

Secretary Principi has made it clear that he is fully committed to serving veterans and, more importantly, he is committed to making a difference. I believe he can, and I believe he will. The Secretary's commitment and enthusiasm is what drew me back to Government service, as Senator Collins mentioned earlier, after only just a few months with Raytheon. I came back because I believe there is no greater opportunity to serve than at the Department of Veterans Affairs where Priority One is in service in honor of the defenders of our freedom.

The Department of Veterans Affairs has a great story to tell about the more than 200,000 dedicated employees who honor veterans everyday through their work on cutting-edge research in spinal cord injuries, brain trauma, prosthetic devices, geriatric care, and so much more. If confirmed, I will work hard to get these and many other good stories told.

America's 24 million veterans live in big cities, rural communities, overseas, and their needs are equally as widespread. No matter where they live, it is imperative that veterans have access to complete and accurate information regarding the benefits available to them. If confirmed, I will look for ways to increase and enhance communications efforts, not only to veterans, their families, and service organizations, but also internally within the Department, with the Congress, and with other Federal, State, and local Governments.

I would like to thank the committee for considering my nomination. I will be pleased to answer any questions you may have.
[The prepared statement of Mrs. Cragin follows:]

PREPARED STATEMENT OF MAUREEN PATRICIA CRAGIN, NOMINEE FOR ASSISTANT SECRETARY FOR PUBLIC AND INTERGOVERNMENTAL AFFAIRS, DEPARTMENT OF VETERANS AFFAIRS

Mr. Chairman and members of the committee, it has been my honor to have served my country as a member of the U.S. Navy and, currently, as a member of the U.S. Naval Reserve. I have also been privileged to serve Chairman Floyd Spence as his Communications Director on the House Armed Services Committee. I have also served at the Departments of Labor and Energy. However, I can think of no greater honor than the one President Bush bestows by nominating me for your consideration as Assistant Secretary for Public and Intergovernmental Affairs. I am deeply grateful for the opportunity to serve America's veterans. I would also like to thank Secretary Principi for his confidence in me to fulfill the responsibilities of this office.

As President Bush has said, all that America's veterans ask is that "their government honors its commitments as they honored theirs and that their interests be protected as they protected their country's in foreign lands." The Department of Veterans Affairs was established to do just that—honor and serve America's veterans. I believe this to be a basic obligation of our country. If confirmed, I will work tirelessly to serve my fellow veterans.

Secretary Principi has made it clear that he is fully committed to serving veterans and, more importantly, he is committed to making a difference. I believe he can, and he will. The Secretary's commitment and enthusiasm is what drew me back to government service—after only three months in a wonderful and challenging position with Raytheon. This committee knows far better than I that government service is a noble calling—a calling where you have a chance to make a difference every day. I believe there is no greater opportunity to serve than at the Department of Veterans Affairs where Priority One is service in honor of the defenders of our freedom.

Throughout my career as a public affairs practitioner, I have strived to tell the story, completely and accurately, of the agencies I represented. The Department of Veterans Affairs has a great story to tell about the more than 200,000 dedicated employees who honor veterans everyday through their work on cutting-edge research in spinal chord injuries, brain trauma, prosthetic devices, and geriatric care. These employees are committed to excellence in patient safety and providing quality health care. If confirmed, I will work hard to get these and many other good news stories told.

And when the story is not as positive, I will live by the principles taught to me as a Navy public affairs officer: "maximum disclosure, minimum delay." I truly believe it is the responsibility of government to release information in a timely and accurate manner.

Americas 24 million veterans live in big cities, rural communities and overseas, and their needs are equally as widespread. No matter where they live, it is imperative that veterans have access to complete and accurate information regarding the benefits available to them. If confirmed, this will be my highest priority. I will look for ways to increase and enhance communications efforts, not only to veterans, their families and service organizations, but also internally within the Department, with Congress and with the other federal, state, and local governments.

In closing, I would like to thank the committee, the President and the Secretary for providing me with the opportunity to serve at the Department that is so committed to meeting the needs of our nation's veterans. I will be pleased to respond to any questions that you may have.

QUESTIONNAIRE FOR PRESIDENTIAL NOMINEES

PART 1: ALL THE INFORMATION IN THIS PART WILL BE MADE PUBLIC

1. Name: Maureen Patricia Cragin
2. Address: 311 11th Street, N.E., Washington, DC 20002
3. Position: Assistant Secretary for Public and Intergovernmental Affairs
4. Date of Nomination: April 23, 2001
5. Birth date: September 14, 1963
6. Birth place: Huntington, New York

7. Marital status: Married
8. Children, age: None
9. Education: Institution (city, state), dates attended, degrees received, dates of degrees.
U.S. Naval Academy, Annapolis, MD; 07/81–05/85; BS; 05/85
10. Honors: List all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.
Commander in Chief, U.S. Pacific Fleet, Pearl Harbor, HI, Navy Commendation Medal, 09/88
Navy Office of Information, Northeast, Boston, MA, Navy Achievement Medal, 02/90
LISS Lexington (AVT 16), Pensacola, FL, Navy Commendation Medal, 11/91
Naval Media Center, Washington, DC, Navy Commendation Medal, 10/98
11. Memberships: List all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable, and other organizations for the last 5 years and other prior memberships or offices you consider relevant.
Disabled American Veterans (Life Member)
Naval Academy Alumni Association (Life Member)
Reserve Officers Association
Naval Reserve Association
Sovereign Military Order of the Temple of Jerusalem (fraternal)
Service Academy Advisory Board (Office of Congresswoman Holmes Norton)
12. Employment Record: List all employment (except military service) since your twenty-first birthday, including the title or description of job, name of employer, location of work and inclusive dates of employment.
01/01–04/01, Director of Congressional Relations, Raytheon Company, Arlington, VA
05/95–01/01, Director of Communications, Committee on Armed Services, U.S. House of Representatives, Washington, DC
05/94–05/95, Communications Specialist, MELE Associates, Rockville, MD
10/92–05/94, Public Affairs Specialist, U.S. Department of Labor, Washington, DC
05/92–08/92, Director of Volunteer Administration, Republican National Convention, Houston, TX
13. Military Service: List all military service (including reserve components and National Guard or Air National Guard), with inclusive dates of service, rank, permanent duty stations and units of assignment, titles, descriptions of assignments, and type of discharge.
Commander, U.S. Naval Reserve, Office of the Chairman Joint Chiefs of Staff, Washington, DC, Public Affairs Officer, 10/00–Present
Commander, U.S. Naval Reserve, Chief of Naval Operations Staff (Operations and Plans)/N3/N5, Washington, DC Assigned to Office of Political-Military Affairs (NATO/Europe/N528), Staff Officer, 10/99–09/00
Lieutenant Commander, U.S. Naval Reserve, Commander Naval Expeditionary Logistics Support Force, Williamsburg, VA, Public Affairs Officer, 10/98–09/99
Lieutenant Commander, U.S. Naval Reserve, Naval Media Center, Washington, DC, Officer in Charge/Public Affairs Officer 07/97–09/98
Lieutenant Commander, U.S. Naval Reserve, Office of the Chief of Information, U.S. Navy, Washington, DC, Assistant Operations Officer/Public Affairs Officer, 10/96–07/97
Lieutenant, U.S. Naval Reserve, Commander Second Naval Construction Brigade, Little Creek, VA, Public Affairs Officer, 10/94–09/96
Lieutenant, U.S. Naval Reserve, Office of the Chief of Information, U.S. Navy, Washington, DC, Assistant Operations Officer/Public Affairs Officer, 09/92–09/94
Lieutenant, U.S. Navy, Naval Air Station Pensacola, FL, Assistant Public Affairs Officer, 11/91–04/92, Honorable Discharge
Lieutenant, U.S. Navy, USS Lexington (AVT 16), Pensacola, FL, Public Affairs Officer, 02/90–11/91
Lieutenant, U.S. Navy, Naval Office of Information, Boston, MA, Assistant Director/Public Affairs Officer, 12/88–02/90
Lieutenant, (junior grade), U.S. Navy, Defense Information School, Fort Benjamin Harrison, IN, Public Affairs Officers' Course (PAOC 1–89)/Student, 10/88–12/88
Lieutenant (junior grade), U.S. Navy, Commander in Chief, U.S. Pacific Fleet, Pearl Harbor, HI, Assistant Protocol Officer, 02/87–10/88
Ensign, U.S. Navy, Patrol Squadron One, Naval Air Station, Barbers Point, HI, Aviation Maintenance Duty Officer, 11/85–02/87
Ensign, U.S. Navy, Aviation Maintenance Duty Officer School, Pensacola, FL, Student, 08/85–11/85

Ensign, U.S. Navy, Officer assigned to Sailing Center, U.S. Naval Academy, Annapolis, MD, Awaiting further assignment and follow on orders, 05/85–08/85

Midshipman, U.S. Navy, United States Naval Academy, Annapolis, MD, Student, 07/81–05/85

14. Government experience: List any advisory, consultative, honorary, or other part-time service or positions with Federal, State, or local governments other than listed above. None.

15. Published writings: List titles, publishers, and dates of books, articles, reports or other published materials you have written.

I have authored and coauthored numerous press releases and statements while serving as Communications Director and Press Secretary for the Committee on Armed Services, U.S. House of Representatives (05/95–01/01).

16. Political affiliations and activities

(a) List all memberships and offices held in and financial contributions and services rendered to any political party or election committee during the last 10 years:

Served as Director of Volunteer Administration at the 1992 Republican National Convention in Houston, TX (05/92–08/92).

Contributed to Susan Collins for Governor Campaign (1994).

Contributed to Susan Collins for Senate Campaign (1996).

(b) List all elective, public offices for which you have been a candidate and the month and year of each election involved: None.

17. Future employment relationships

(a) State whether you will sever all connections with your present employer, business firm, association, or organization if you are confirmed by the Senate:

I have terminated my employment with Raytheon Company effective April 13, 2001.

(b) State whether you have any plans after completing Government service to resume employment, affiliation, or practice with your previous employer, business firm, association or organization: None.

(c) What commitments, if any, have been made to you for employment after you leave Federal service? None.

(d) (if appointed for a term of specified duration) Do you intend to serve the full term for which you have been appointed? N/A.

(e) (if appointed for indefinite period) Do you intend to serve until the next Presidential election? Yes.

18. Potential Conflicts of Interest

(a) Describe any financial arrangements, deferred compensation agreements, or other continuing financial, business, or professional dealings which you have with business associates, clients, or customers who will be affected by policies which you will influence in the position to which you have been nominated: None.

(b) List any investments, obligations, liabilities, or other financial relationships which constitute potential conflicts of interest with the position to which you have been nominated: None.

(c) Describe any business relationship, dealing, or financial transaction which you have had during the last 5 years, whether for yourself, on behalf of a client, or acting as an agent, that constitutes a potential conflict of interest with the position to which you have been nominated: None.

(d) Describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any Federal legislation or for the purpose of affecting the administration and execution of Federal law or policy.

During my employment as Director of Congressional Relations (Navy and Marine Corps Programs) at Raytheon Company, Arlington, VA, I served from January until April 2001 during which time no legislative activities on either the defense authorization or appropriations act were taking place. While I met with numerous members of Congress and staff members, my activities were confined to reports on the ongoing implementation of existing contracts that Raytheon has with the U.S. Navy and Marine Corps.

(e) Explain how you will resolve any potential conflicts of interest that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements involved.) N/A.

19. Testifying before the Congress

(a) Do you agree to appear and testify before any duly constituted committee of the Congress upon the request of such committee? Yes.

(b) Do you agree to provide such information as is requested by such a committee? Yes.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. ARLEN SPECTER TO
MAUREEN PATRICIA CRAGIN

Question 1. I am concerned that VA has not done an adequate job of making veterans aware of the benefits for which they may be eligible. In fact, there are currently three bills pending before the Committee, which would direct VA to better address outreach efforts to make veterans, and veterans' survivors, aware of their entitlements to benefits. Do you think veterans and other potential VA beneficiaries are unaware of the benefits to which they are entitled? Do such benefits need to be "marketed" to VA beneficiaries? Assuming that you conclude that the word needs to get out, how will you—if you are confirmed—get it out?

Answer. I do believe that many veterans and potential VA beneficiaries are unaware of the benefits to which they are entitled. Therein lies opportunity. If I am confirmed, I will direct the Office of Public and Intergovernmental Affairs to develop a joint communications strategy that integrates public and intergovernmental outreach efforts across local, regional, state, and federal levels. In so doing, VA can exploit all avenues of communications available to us, and embrace the power of the Internet. However, because not all veterans have access to the Internet, VA must continue to provide information in print and by other mediums.

Too often information produced in Washington never reaches the customer. VA must aggressively and resourcefully market its services at the local level. Commercial advertising is not a legal option for VA; however, use of the "bully pulpit" by the Secretary and members of the Department's secretariat will draw attention to VA's accomplishments and create demand for information. As Secretary Principi and his leadership team travels around the country, VA must generate and exploit media coverage. VA's local and regional public affairs officers are vital to seize this opportunity. VA also has a great story to tell about the more than 200,000 dedicated employees who honor veterans through their work on cutting-edge research in spinal cord injuries, brain trauma, prosthetic devices, geriatric care and much more. VA is also a leader in patient safety and in providing quality health care. If confirmed, I will work hard to get these stories told. I will ensure the regional PAOs, to the maximum extent possible, leverage localized media coverage to directly provide consumer information and to influence facility visits by veterans and family members. I will also ask the regional PAOs to send local news to Washington for use in VA public and intergovernmental communications vehicles, closing the feedback loop.

VA must also leverage the dedication and expertise resident in the veterans service organizations. Every town in America has its VSO posts and chapters. Every governor in each state has a Director of Veterans Affairs (or equivalent); State Veterans Homes are located in most states; and most towns in America have public libraries. If confirmed, I will work hard to get information to them, and I will direct further development of collaborative efforts with these great grassroots resources.

Question 2. The array of veterans' benefits provided at the Federal, State, and local level is overwhelming to many. To my knowledge, there is no single repository of information on what benefits are provided at the three levels of government. If you are confirmed, will you make it a priority to develop such information? Do you think this would be a useful service for VA to provide?

Answer. I believe a single repository of information would be a powerful resource, not only to veterans, but also to VA employees. Telling veterans and their families about the programs that they have available to them at all levels of government is a critical part of VA's mission, and one it must continue to refine and develop.

The Federal Benefits for Veterans and Dependents booklet, in English and Spanish at all VA facilities, is available from the Government Printing Office and online (linked to the VA homepage). It is provided to active duty service members as they separate from the services. In October 2000, the Veterans Benefits Administration completed a reference system, which VA believes contains the most accurate, complete inventory of benefits for the 50 states ever compiled. Currently, this is available VA-wide. I understand that the next phase will provide access to Congress and other stakeholders and that Nationwide Internet Access will be available before the end of 2001. If confirmed, I will make it a priority to ensure that veterans are aware of this service, and I will work with VBA to explore how this information can be made even more available to veterans—and available in one place.

The Department's liaison activities with State and local veterans affairs programs are the responsibility of the Assistant Secretary for Public and Intergovernmental Affairs. Therefore, if confirmed, I will oversee the coordination of the Department's work with other federal, state and local agencies and departments. I will continue to improve the level of communication with the State Directors of Veterans Affairs,

State Home Directors and local governments. I will encourage the participation of senior VA leaders at these groups' national, state and local meetings.

Question 3. In a February 26, 2001, Washington Post article, OMB Director Mitch Daniels made the following statement about government programs that may be duplicative and inefficient: "We have 50 programs for the homeless sprawling across eight departments . . . we have to be careful with duplication of that kind." If you are confirmed, you will bear some responsibility for coordinating the VA effort on homelessness and developing partnerships with other Federal agencies. If you encounter duplication of efforts that have negative impact on services to homeless veterans, what action will you take? Do you agree with those who state that funding expended on bureaucracy directly reduces the supply of dollars available to provide housing and job-training assistance to those in need?

Answer. To operate the government, some bureaucracy—some governmental infrastructure—is necessary. When the bureaucracy becomes redundant, excessive, and wasteful, further expenditures unnecessarily reduce the money available to provide housing, job training, and other services. Redundancies that degrade results must be reduced wherever found, not just in VA's homeless veteran programs. Under Public Law 106-377, the Secretary of Veterans Affairs is a rotating chair of the Interagency Council on the Homeless. The council provides Federal leadership for activities assisting the homeless. VA thus has a voice in determining and conducting policy in this important arena. Secretary Principi has further directed the formation of an advisory committee on homeless veterans. Already, VA and HUD have collaborated on several successful projects assisting homeless veterans. If confirmed, I will use the resources of the Office of Public and Intergovernmental Affairs to aggressively communicate the Department's activities and assist the council with appropriate intergovernmental coordination.

If confirmed, I will direct VA's Homeless Veterans Program director to keep a watchful eye for and report wasteful, redundant activities, and to seek opportunities for enhanced VA and interagency efficiencies. Communications outreach and coordination with other council members will necessarily yield insights that I will in turn bring to Secretary Principi or, through the interagency process, to the current chair.

Question 4. As you may have learned already, the Committee believes that VA and the Department of Defense can better cooperate in their shared mission of directly providing medical care services to their respective beneficiary populations. What role can the Office of the Assistant Secretary for Public and Intergovernmental Affairs take in fostering increase interdepartmental cooperation?

Answer. President Bush directed that the departments of Veterans Affairs and Defense explore ways to cooperate in the provision of health care to their respective beneficiary populations. Secretary Principi supports that effort. VA/DOD sharing occurs among 165 VA Medical Centers and most military medical treatment facilities. The two departments have agreed to share 7,963 services covering a broad range of hospital related activities. These initiatives are coordinated through the Veterans Health Administration's Office of VA/DOD Sharing and Joint Ventures. If confirmed, I will ensure that the Office of Public and Intergovernmental Affairs fulfills Secretary Principi's intent for us to serve as a liaison to other executive branch agencies, coordinating and promoting intergovernmental programs that affect veterans and their family members.

If confirmed, I will direct that my office support the interagency process with external and internal communications products and services integrated with other VA communications activities. I will ensure that the office collaborates fully with appropriate Defense public affairs and intergovernmental activities.

Question 5. Do you have any conflicts of interest, which you have not fully disclosed to the Committee, or do you know of any other matter, which, if known to the Committee, might affect the Committee's recommendation to the Senate with respect to your nomination?

Answer. No.

Question 6. Have you fully and accurately provided financial and other information requested by the Committee, and do you now affirm that that information is complete, accurate, and provided in a form not designed to evade?

Answer. Yes.

Question 7. Do you agree to supply the Committee such non-privileged information, materials, and documents as may be requested by the Committee in its oversight and legislative capacities for so long as you shall serve in the position for which you now seek confirmation?

Answer. I do.

Question 8. Do you agree to appear before the Committee at such times and concerning such matters as the Committee might request for so long as you serve in the position for which you now seek confirmation?

Answer. I do.

Chairman SPECTER. Thank you very much, Mrs. Cragin. You have had considerable experience in public relations. One of the issues which the committee is concerned about is informing survivors of their benefits. What ideas will you suggest to tell survivors what their benefits are? How would you disseminate such information across the country?

Mrs. CRAGIN. Sir, I believe the Department needs to have a very strong relationship with the veteran service organizations who can reach out to their veterans in their communities. In addition, as Senator Nelson talked about, it is difficult to reach some people in rural communities. And if I am confirmed, I am going to do all that I can to make sure that we are reaching the weekly newspapers and radio/television in the smaller communities in addition to the major population areas.

Chairman SPECTER. How would you do that? Take my hometown of Russell, KS. It is a small town on the prairie. They have a newspaper. They do not have a radio station. What would you suggest to reach survivors there?

Mrs. CRAGIN. Sir, there are seven regional offices that work public affairs and, if I am confirmed, will be under me. I will need to take a look and make sure that they are getting out there and reaching those communities. Also, working with veteran service organizations to see where they are in these communities so that we can get information to individuals that may not have access to the Internet or other avenues to receive information.

Chairman SPECTER. To what extent will your work with the Armed Services Committee be of assistance to you in respect to the new job with the Veterans Administration?

Mrs. CRAGIN. Many of the issues facing veterans are shared by those serving in uniform, a lot of the health care benefits, in particular, which was a very big issue, as you know, last year in the Defense Authorization Act. Those impact retirees and veterans as well. So being exposed to those issues is important, and there may be opportunities where, if confirmed, I can work with the Department of Defense to help recruit and retain people in service and maybe after they leave the military they may be able to perhaps take a position in civil service.

Chairman SPECTER. Mrs. Cragin, when you went to the Naval Academy were you considering a career in the Navy?

Mrs. CRAGIN. Yes, sir, I was.

Chairman SPECTER. And why did you terminate after 7 years?

Mrs. CRAGIN. I absolutely loved the Navy but I chose to leave the service because it was time for me to do something different, which is the reason I stayed in the Reserves. It has really been a privilege to serve in the Navy.

Chairman SPECTER. What factors led you to change your initial thinking on making the Navy a career?

Mrs. CRAGIN. Hard to say, sir. At that time in my life, in fact, I was having the time of my life serving on board the U.S.S. *Lexington*, which was the training aircraft carrier in Pensacola. At the time, that was the only aircraft carrier that women could serve on. It was a terrific job. I worked with wonderful people. I had great commanding officers. It was just time for me to try to do something

else. I was not unhappy at all. In fact, like I said, that was really a privilege to have that opportunity. It was just time for me.

Chairman SPECTER. OK. Thank you very much, Mrs. Cragin. We are going to ask you for a report, too, within 60 days, but of a more limited nature. We ask you to report on what problems you have identified within the scope of your duty assignment, what your thoughts are about improving the situation, and what action you have taken in the course of the first 60 days.

[The information referred to follows:]

ISSUE 1: COMMUNICATING WITH ONE VOICE

Problem:

There is a lack of effective communication throughout the Department. Departmental spokespersons do not consistently communicate the same message.

Plan for addressing problem:

The Department of Veterans Affairs has several excellent public affairs programs, such as the National Story Program,¹ and the four national rehabilitative special events.² Additionally, Secretary Principi has actively engaged in and encouraged greater outreach to the media, veterans, and the general public. However, VA lacks a comprehensive, Department-wide communications strategy with which to focus, organize, and direct the communications effort.

VA communications is complicated by the fact that its stakeholders are numerous and diverse. They include veterans and their beneficiaries, VA employees, volunteers, veterans service organizations, Congress, other federal agencies/departments, state and local governments and private sector interests. Each stakeholder has a different perspective and concerns, crossing all organizational boundaries.

VA is obligated to communicate directly and honestly with all of our stakeholders regarding critical VA issues. That means not just notifying them of a change in the way VA conducts a program or that it has put a new initiative in place; it also means keeping stakeholders informed on those programs and initiatives on a recurring, effective basis.

As Assistant Secretary for Public and Intergovernmental Affairs, I will develop a deliberate and proactive communications process that strives to reach every segment of our constituency. The communications plan will involve the Administrations within the Department (Veterans Health Administration, Veterans Benefits Administration and the National Cemeteries Administration) and the staff offices. This joint communications strategy will integrate public and intergovernmental outreach efforts across local, regional, state, and federal levels. In so doing, VA can exploit all avenues of communications available to us, and embrace the power of the Internet and permission-based email. Because not all veterans have access to the Internet, VA must continue to provide information in print and by other mediums. Using our regional public affairs staff we will invigorate this more traditional approach to public outreach by aggressive placement of news in community-based newspapers, across the airwaves on local talk radio and even local cable access TV where appropriate.

ISSUE 2: INSUFFICIENT PUBLIC AFFAIRS TRAINING ACROSS THE DEPARTMENT

Problem:

Most of the staff performing public affairs in the field do so as a collateral duty. They often have limited public affairs training and experience, which can reduce their willingness to proactively represent VA issues through the news media.

Plan for addressing problem:

Effective communication is a critical component of organizational success for the Department of Veterans Affairs. Communications cannot be delegated to the professionals in public affairs. Effective communications is the responsibility of every VA employee. From the benefits counselor providing assistance to a homeless veteran,

¹ VA's National Story Program is an Office of Public Affairs initiative that secures favorable media placement of VA stories, primarily on health care and medical research.

² The four events are: The National Disabled Veterans Winter Sports Clinic, the National Veterans Wheelchair Games, the National Veterans Golden Age Games and the National Veterans Creative Arts Festival. These rehabilitative events are developed at VA medical centers and increase the health and quality of life of veterans.

to the hospital director explaining the details of a new program, to the VA Secretary appearing on a nationwide broadcast, the need to communicate clearly and accurately is of paramount importance.

The Office of Public Affairs hosts an annual training conference for VA's full-time and collateral-duty public affairs professionals. The forum provides beginner and advanced public affairs training. As Assistant Secretary for Public and Intergovernmental Affairs, I have directed that we explore and implement new ways to enhance the training. We will bring new emphasis to the use of technology and the skills of developing grassroots outreach. Additionally, standardized training in public and media relations should be required for all VA executives, facility directors and other key staff likely to have contact with VA's stakeholders. I understand that every general in the Army and every admiral in the Navy must attend that service's excellent media training program; these are fine benchmarks for VA. This training should develop public and media relations skills, fostering an exchange of consistent information and a focused VA message. Providing for this kind of training at the Department level will help minimize the stovepipe effect and reduce barriers to public outreach among VA leaders. It will create a network for employees to use both formally and informally to improve the dissemination of VA messages and information. As Assistant Secretary for Public and Intergovernmental Affairs, I will work with the Veterans Health Administration, Veterans Benefits Administration and the National Cemeteries Administration to identify cost-effective, efficient means (within existing training dollars) of providing this training to VA executives, managers and supervisors on a recurring basis.

ISSUE 3: PROCESSING OF VETERANS CLAIMS FOR BENEFITS PROVIDED THROUGH THE DEPARTMENT OF VETERANS AFFAIRS

Problem:

Many veterans have lost faith in VA's ability to decide their claims in a fair and timely manner.

Plan for addressing problem:

Secretary Principi has identified this problem as one of the top issues that needs to be corrected. In addition to acknowledging the extent and nature of the problem he has directed senior management to develop strategies for dealing with the issue.

As Assistant Secretary for Public and Intergovernmental Affairs, it is my responsibility to ensure that the Secretary's goals are being communicated effectively and ensuring that veterans have, in a timely manner, access to complete and accurate information regarding the benefits available to them.

As Assistant Secretary for Public and Intergovernmental Affairs, the Department's liaison for veteran programs with State and local governments are the responsibility of the Office of Intergovernmental Affairs, a component within my office. This office oversees VA's involvement with other federal, state and local agencies and departments. In this capacity, I will continue to improve the level of communication between State Directors of Veterans Affairs (or equivalent), State Home Directors, local governments and the Department of Veterans Affairs.

ISSUE 4: TELLING VA'S POSITIVE STORIES ON A REGULAR BASIS

Problem:

The true story of the Department's accomplishments is not being told.

Plan for addressing problem:

The 217,000 employees of the Department of Veterans Affairs provide exceptional service to America's veterans as partial repayment for the exemplary service and sacrifices veterans have made for our nation while in uniform. Unfortunately, too many veterans do not know about much of the work that is being done on their behalf, and too many American taxpayers do not have a full idea of the use to which their tax dollars are being put at VA.

For example, VA is a nationwide leader in the health care industry, particularly in areas like patient safety, computerized patient records, telemedicine, surgical quality assessment, rehabilitation, mental health care, and clinical and health services research. Our benefits claims processing procedures are being comprehensively reviewed, and more than 900 new claims examiners have been added since January 20 to reduce claim backlog and decrease processing times. Additionally, VA has renewed our efforts to insure that our National Cemeteries are operated and maintained as National Shrines, hallowed grounds where all Americans can gain a greater appreciation of the noble sacrifices of the generations of men and women who served our nation in uniform in order to keep our nation free.

The Office of Public and Intergovernmental Affairs is well aware of the need to have positive stories placed about VA people, activities and accomplishments in news media outlets. However, all too often the task of keeping the news media informed about such stories is superseded by the need to respond to inquiries generated by the news media themselves. As Assistant Secretary for Public and Intergovernmental Affairs, I intend to do what I can to see that positive, interesting stories about VA activities are provided to reporters on a regular basis. I will direct my staff to “pitch” stories of popular interest aggressively to media outlets whose readership would be interested in those stories. I will work more closely with specialty media, especially the publications of the veterans service organizations. My staff will prepare more products of use to the media, especially op-ed pieces, feature stories and ideas, and “hometown” pieces. We will not neglect our responsibility to provide the media with timely and accurate responses to inquiries they have generated; but we also hope to provide them with information that will illuminate activities the Department undertakes on behalf of veterans and their families of which they may not have previously been aware.

ISSUE 5: ENHANCING COMMUNICATIONS WITH VSO'S AND NON-VSO VETERANS AT THE STATE AND LOCAL LEVEL

Problem:

Washington does not always hear the issues of veterans at the local/grassroots level.

Plan for addressing problem:

During Secretary Principi's confirmation hearing, he pledged his commitment to strengthen VA's partnerships with veterans' service organizations. To that end, he established a Regional Veterans Service Organization Liaison Staff to address the needs and concerns of veterans service organizations at the State and local levels nationwide.

The Regional Veterans Service Organization Liaison Staff is organizationally located in the Office of Intergovernmental Affairs, a component of the Office of the Assistant Secretary for Public and Intergovernmental Affairs. The office consists of a regional veterans service liaison coordinator, six regional liaisons and one program support assistant. They report directly to the coordinator located in VA central office. The VSO liaison officers are charged with developing and enhancing partnerships with the State and local veterans service organizations, as well as State Directors of Veterans Affairs, attending conventions, meetings and other functions in order to provide an effective communication channel for the Department with these groups. The liaisons are also responsible for developing and facilitating outreach activities to inform the non-VSO veteran population and the general public in their regions of the various programs, initiatives and goals of VA, and gathering feedback that will potentially inform every facet of the Department's policy and outreach efforts.

As Assistant Secretary for Public and Intergovernmental Affairs, I will directly participate in establishing goals for and monitoring the progress of this new function to ensure it brings VA closer to the pulse of the veteran community; thereby better serving veterans affiliated with VSOs as well as those unaffiliated millions whose interests are often similar and related to veterans in VSOs. Thus, developing a linkage with VSOs holds the potential to benefit all veterans.

ISSUE 6: REACHING THE INTERNAL AUDIENCE

Problem:

There is a lack of effective communication to the internal VA audience.

Plan for addressing problem:

VA's internal audience—our employees and volunteers—constitutes a critical stakeholder group as well as a powerful communications medium reaching the veterans VA serves, deep into the communities in which VA programs and facilities work. Employee awareness and understanding of VA organization, mission, and issues not only impacts operational effectiveness; it directly impacts the public's (America's veterans') knowledge and perception of what the department does and how it performs.

The Office of Public and Intergovernmental Affairs has a responsibility to ensure the VA internal audience has accurate, current and clear information about the organization, issues and management priorities that affect their work. As Assistant Secretary, I will assess the scope and effectiveness of VA's internal communications efforts. This assessment will inventory current products and programs, seek gaps

or omissions in reaching the internal audience and explore ways of integrating appropriate themes, messages and topics into all internal media.

We have already identified areas of improvement: We will seek to enhance the appearance and content of our internal journal, VAanguard. We are enhancing the functionality of our website. We are developing the ability to feed VA-produced “news” programs to our facilities in a timelier manner.

ISSUE 7: REACHING MINORITY VETERANS

Problem:

Recent studies indicate underutilization of some veterans benefits by minority veterans.

Plan for addressing problem:

Minorities make up an increasing percentage of the armed forces and, consequently, of the veterans’ population, which itself comprises virtually every minority sector in America. However, there are indications that minority veterans are under-using some veterans benefits. While we do not yet know the cause, it may be that they are simply unaware of the benefits available to them. As Assistant Secretary for Public and Intergovernmental Affairs, I will work closely with the Department’s Center for Minority Veterans to increase outreach efforts to minority veterans by insuring VA informational products are distributed directly to mass media outlets serving minority populations in the format, style and language these media require.

The Office of Public Affairs (OPA) will develop and update comprehensive lists of electronic and print media serving minority populations, nationally, regionally and locally. OPA will prepare material specifically to meet the format and language requirements of those media and the needs of their audiences. This information will focus on issues of particular interest and value to veterans served by those media, as well as information regarding access to the VA health care, benefits and cemetery administrations. This initiative will emphasize direct contact and service for these media through OPA regional offices. This effort will be coordinated with facility public affairs officers and minority veterans coordinators who will localize OPA products for use with local minority media outlets.

ISSUE 8: IMPROVING COMMUNICATIONS WITH VETERANS RESIDING IN RURAL AREAS

Problem:

Too often information produced in Washington never reaches the customer.

Plan for addressing problem:

America’s 24 million veterans live in big cities, rural communities and overseas. No matter where they live, it is imperative they have access to complete and accurate information regarding the benefits available to them.

While commercial advertising is not a legal option for VA, the use of the “bully pulpit” by the Secretary and members of the Department’s secretariat will draw attention to VA’s accomplishments and create demand for information. As Secretary Principi and his leadership team travels around the country, VA must generate and exploit media coverage. As Assistant Secretary for Public and Intergovernmental Affairs, I will ensure the regional public affair professionals leverage localized media coverage to directly provide consumer information and to influence facility visits by veterans and family members. Every town has its weekly community-based newspaper, for example; we will develop the ability to reach into these channels to address veterans who may not have access to the Internet.

VA must also leverage the dedication and expertise resident in the veterans service organizations. Every town in America has its VSO posts and chapters. Every governor in each state has a Director of Veterans Affairs (or equivalent); State Veterans Homes are located in most states; and most towns in America have public libraries. As Assistant Secretary for Public and Intergovernmental Affairs, I will work hard to get information to them using traditional and electronic means, and I will direct further development of collaborative efforts with these great grassroots resources.

ISSUE 9: GETTING HOMELESS VETERANS BACK ON THEIR FEET

Problem:

Research and experience has shown that veterans are far sicker than the general homeless population and are reluctant to seek services.

Plan for addressing problem:

The Office of Homeless Veterans Programs within my organization will actively participate and lead efforts with the Interagency Council on the Homeless and other Federal agencies to collaboratively work to improve coordination of services at the Federal level. We will actively work with State and local governments and Native American Tribal Governments, national housing and homeless advocacy groups and Veteran Service Organizations to further develop and enhance our partnerships to ensure comprehensive programs for homeless veterans are implemented.

We will continue to work to improve the community meetings designed to assess the needs of veterans. Efforts to increase veterans access to in-patient, outpatient and outreach efforts (efforts like Stand Downs) need to be maintained or increased. As Assistant Secretary for Public and Intergovernmental Affairs, I will work to enhance the outreach efforts that are a vital component in the effort to assist these veterans in need.

ISSUE 10: OUTREACH BEYOND THE MORNING NEWSPAPER: GETTING BEYOND MASS MEDIA

Problem:

Traditional public affairs outreach is not consistently effective. Too often releases don't get picked up; too often, few veterans get the word.

Plan for addressing problem:

VA has "wholesaled" media releases to national and regional media outlets, hoping for hits. A relative few editors, news directors and reporters selected for their receptivity or importance are "hand-sold" the story. The core problem is reliance on the traditional mass media. The problem is aggravated with minority and rural veterans and their families who potentially have less access and thus even less information.

As Assistant Secretary for Public and Intergovernmental Affairs, I will encourage and emphasize creativity in marketing VA's story. The office will augment traditional media outreach efforts with permission-based email and local, grassroots media. Every county, every cultural group, has its weekly community-based paper, focused on local people and hungry for news pertinent to them. Every city has its talk radio and cable-access TV. Every town has its VFW, American Legion, DAV, or Rotary Club with veteran members meeting to discuss issues of interest. We can no longer rely solely on the big-city daily to reach our customers. We must go where they are.

VA has the resources to do this. Public affairs professionals staff the seven regional public affairs offices. I will direct them to aggressively identify and "hand-sell" community-based media that serve our veterans, especially our minority, rural, and special-interest veterans, such as women veterans.

Chairman SPECTER. Senator Rockefeller?

Senator ROCKEFELLER. Mrs. Cragin, I liked what you said. And I think that people come to a point where they say I need to do something different, even though they are happy doing what they are doing. I went through exactly the same experience, probably a little bit earlier in life, which totally changed my life. I think that happens in America, it ought to happen in America.

One of the things that sometimes gets people nervous is when people talk about Department of Defense and VA cooperation. Senator Specter may not agree with what I am about to say, but I am on the Finance Committee and we are in the process of doing something which I think is going to eviscerate Federal moneys over the next 20 years. I believe this tax cut is not only going to pass, but it is going to grow over the next year and a half so that we will be in budget deficit funding within another year or so once again, as we were back in the 1980's and it took us 15 years to get ourselves out of that. So the case for working with the Department of Defense, for which you have worked yourself, I think is compelling in a whole variety of ways. I think that the old cliches that the VA does what it does, and the DoD does what it does, and never the twain shall meet is a way of thinking that is past.

I do not actually need to get a whole lot of answer from you on that right now, unless you have something that you would like to think out loud about, but it is something that I would just like to put at you because I think there is going to have to be a lot more cooperation, because I think veterans' budgets are not going to keep up with veterans' needs. I think they will fall farther behind than they are now because of what we are doing.

And so I think your job is going to be harder because you are going to have to explain to people who do not understand what it is we are doing, or do not then like what they like now; but then when they do not get the services they have a right to expect, they cannot understand that. You are going to have to be the one at the top, so to speak, who initiates that explaining process.

But I am just interested in whatever thoughts you have about cooperation between the Department of Veterans Affairs and the Department of Defense.

Mrs. CRAGIN. I do not have any specific ideas. I just recognize that those serving in uniform and veterans, as Robin Higgins mentioned, there is a common thread and it is a common audience. There may be ways to together tap into that audience that would benefit both Department of Veterans Affairs and DoD.

Senator ROCKEFELLER. OK. And that is fine. I would just like to put that thought out there for everybody to think about. I thank you very much.

Chairman SPECTER. Thank you, Senator Rockefeller.

We turn now to Dr. Jacob Lozada. He comes to this nomination with 25 years of experience in a variety of positions relating to the health care sector. He was in the United States Army Medical Department, retiring with the rank of Colonel. He has served in the private sector in a variety of health care positions. He has a master's degree in health care administration from Baylor, a Ph.D. in education from Walden.

Dr. Lozada, the floor is yours for any opening statement you care to make.

STATEMENT OF JACOB LOZADA, NOMINEE FOR ASSISTANT SECRETARY FOR HUMAN RESOURCES AND ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS

Mr. LOZADA. Thank you very much, Mr. Chairman. Chairman Specter, Senator Rockefeller, members of this committee, it is a great honor and privilege for me to appear before you today as President Bush's nominee for the position of Assistant Secretary for Human Resources and Administration of the Department of Veterans Affairs. Should I be confirmed, I will be deeply humbled by this opportunity to serve my country and our veterans those who have sacrificed for their country so valiantly. I would like to express my deepest appreciation to Secretary Principi for his support of my nomination, and also to my family for their support throughout my entire professional career and throughout this process.

The Department of Veterans Affairs faces significant challenges in the area of human resources, and we must look at innovative ways of addressing them. I am confident that working as a team, with the support from the Congress, the veterans service organizations, and those organizations that represent our workforce, we can

achieve the vision that you and the Secretary have defined for the Department.

I strongly believe that human resources are the most important element of any organization. They are not a cost of doing business, but a valued asset that must be nurtured. I also believe that the Department of Veterans Affairs can be a leader in hiring, developing, and nurturing the best and the brightest in the marketplace. I want to be part of this exciting journey and, if confirmed, I promise to dedicate all my efforts and all my energy, and all the experience that I have gained throughout 26 years of active military service and 7 years of consulting in large organizations in the private sector to help Secretary Principi and this committee achieve the goals of the Department.

As I mentioned, I bring to this position 26 years of experience in the military where I served in positions of responsibility, including force structure, organizational realignments, a health care executive, and an Inspector General. And for the last 7 years I have provided consulting services for large corporations and developed various IT-related capabilities to empower human resources.

Mr. Chairman, I would consider it an honor to work with you and other committee members, and to work with your staff to meet the challenges facing the Department. It would also be an honor to continue to serve our country and to serve our veterans. I would be pleased to respond to any questions that you may have. Again, thank you very much.

[The prepared statement of Mr. Lozada follows:]

PREPARED STATEMENT OF JACOB LOZADA, NOMINEE FOR ASSISTANT SECRETARY FOR HUMAN RESOURCES AND ADMINISTRATION, DEPARTMENT OF VETERANS AFFAIRS

Chairman Specter, Senator Rockefeller, and members of the Committee, it is a great honor and privilege for me to appear before you today as President Bush's nominee for the position of Assistant Secretary for Human Resources and Administration of the Department of Veterans Affairs. Should I be confirmed, I will be deeply humbled by this opportunity to serve my country and our veterans who have sacrificed for their country so valiantly. I would like to express my deepest appreciation to Secretary Principi for his support of my nomination to this position. I would also like to thank my family for their support throughout my entire professional career.

The Department of Veterans Affairs faces many of the same human resources challenges which most government agencies face. These challenges result from an aging workforce, the competition for human resources in a prosperous economy, and the need for established organizations to transform themselves into lifelong learning and high performing enterprises. We can meet these challenges by working together and with the strong support and involvement of the Congress, the veterans service organizations and our workforce representatives. We must focus our efforts on developing innovative human resources strategies that fully support the mission of the Department of Veterans Affairs, on improving the quality and access to services, and by supporting the strategic goals that Secretary Principi has defined for the Department.

Human resources constitute the most important element of any organization. They are not a cost of doing business, but a valued asset that must be nurtured. The Department of Veterans Affairs can be a leader in hiring, developing, and maintaining a highly motivated human resource force. I want to be a part of this exciting journey and if confirmed, I promise to dedicate my efforts, and apply my experience, to achieve this vision.

If I am honored with your confirmation, I will bring to this position 26 years of experience as a Commissioned Officer and healthcare executive in the U.S. Army Medical Department, coupled with seven years as a consultant in large corporations in the private sector. During my military career I had the opportunity to lead large organizations undergoing radical change; manage force structure, personnel allocations and staffing; train and develop staff; and maintain high performing teams. During my tenure in the private sector, I have developed human resources programs

for large organizations, and led in the development of innovative training and knowledge management capabilities in support of human resources programs.

Mr. Chairman, I would consider it an honor to work with you, other committee members, and your staff, in meeting the human resources challenges of the Department of Veterans Affairs. It would also be an honor to continue to serve our nation's veterans. I would be pleased to respond to any questions that you and other committee members may have.

Thank you.

QUESTIONNAIRE FOR PRESIDENTIAL NOMINEES

PART 1: ALL THE INFORMATION IN THIS PART WILL BE MADE PUBLIC

1. Name: Jacob Lozada
2. Address: 3847 Farr Oak Circle, Fairfax VA 22030
3. Position: Assistant Secretary of Veterans Affairs for Human Resources and Administration
4. Date of Nomination:
5. Birth date: July 21, 1944
6. Birth place: San Lorenzo, Puerto Rico
7. Marital status: Divorced
8. Name of Spouse: N/A
9. Children, age: Valerie M. Lozada (29 years old) and Jason M. Lozada (27 years old)
10. Education: Institution (city, state), dates attended, degrees received, dates of degrees.
University of Puerto Rico, Rio Piedras, PR; 08/62–06/66; Baccalaureate in Arts; 06/66
Baylor University, Waco, TX; 08/77–09/79; Master in Health Care Admin.; 09/79
WALDEN University, Minneapolis, MN; 11/91–08/94; Ph.D. (Education); 08/94
11. Honors: List all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.
Department of the Army, Legion of Merit, 1993
Department of Defense, Defense Meritorious Service Medal, 1991
Department of the Army, Meritorious Service Medal, 1990
Department of the Army, Meritorious Service Medal, 1989
Department of the Army, Army Commendation Medal, 1989
Department of the Army, Meritorious Service Medal, 1987
Department of the Army, Meritorious Service Medal, 1985
Department of the Army, Meritorious Service Medal, 1983
Department of the Army, National Defense Service Medal, 1980 (est.)
Department of the Army, Meritorious Service Medal, 1978
Department of the Army, Army Commendation Medal, 1970
Department of the Army, Armed Forces Expeditionary Medal, 1970
Department of the Army, National Defense Service Medal, 1966
Department of the Army, Armed Forces Reserve Medal, 1966 (est.)
University of Puerto Rico, Merit Scholarship, 1962
12. Memberships: List all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable, and other organizations you consider relevant for the last 5 years and other prior memberships or offices
Fellow—American College of Healthcare Executives (ACHE)—1997 to present.
President—Fort Detrick Chapter of the Association of the United States Army (AUSA)—1996 to 1997.
Member—The Retired Officers Association (TROA)—1997 to present.
Participant and Mentor—Interamerican College of Physicians and Surgeons National Hispanic Youth Initiative (NHYI)—1993 to present.
Member—Baylor University Alumni—1979 to present.
Member—WALDEN University Alumni—1994 to present.
13. Employment Record: List all employment (except military service) since your twenty-first birthday, including the title or description of job, name of employer, location of work and inclusive dates of employment.
10/96 to Present, Managing Consultant EDS, Herndon, Virginia
04/95 to 09/96, Senior Healthcare Planner SHERIKON, Inc., Chantilly, Virginia
04/93 to 04/95, Principal, Booz, Allen & Hamilton, McLean, Virginia
14. Military Service: List all military service (including reserve components and National Guard or Air National Guard), with inclusive dates of service, rank, per-

manent duty stations and units of assignment, titles, descriptions of assignments, and type of discharge.

05/93—Retired from active military service with honorable discharge.

06/91 to 05/93—Colonel, Deputy Chief of Staff (Operations), United States Army Medical Research and Development Command (USAMRDC), Fort Detrick, MD. Responsible for international programs, training, and security.

06/90 to 06/91—Colonel, Executive Officer, Combat Casualty Care Course (C4), Medical Readiness Training Institute, Fort Sam Houston, TX. Responsible for directing the operations of the Combat Casualty Care Course.

06/89 to 06/90—Colonel, Executive Officer, 121 Evacuation Hospital, Seoul, Korea. Responsible for providing administrative management and support to a U.S. Army Hospital.

06/88 to 06/89—Lieutenant Colonel, Special Action Officer, Academy of Health Sciences, Fort Sam Houston, TX. Responsible for the Regional Medical Expert (RME) and the Medical System Program Review (MSPR) Programs.

06/85 to 06/88—Lieutenant Colonel, Chief of Force Structure, Realignment, and Security, United States Army Health Services Command, Fort Sam Houston, TX. Responsible for healthcare studies, force structure, realignments, and security.

06/83 to 06/85—Lieutenant Colonel, Commander, 8th Evacuation Hospital, Fort Ord, CA. Responsible for leading and managing a field hospital.

09/79 to 06/83—Major, Assistant Inspector General, Office of the Inspector General, United States Army Health Services Command (USAHSC), Fort Sam Houston, TX. Responsible for evaluating Patient Administration activities, Quality Assurance, Credentialing, Troop Medical Clinics, and Health Clinics.

06/77 to 09/79—Major, United States Army Academy of Health Sciences, Fort Sam Houston, TX and Eisenhower Army Medical Center, Fort Gordon, GA. Student completing the U.S. Army-Baylor University Master Degree program in Healthcare Administration.

04/74 to 06/77—Captain, Officer in Charge, United States Army Health Clinic, Fort Buchanan, Puerto Rico. Responsible for managing the delivery of medical care to eligible beneficiaries and providing managerial and logistical support to a health clinic.

11/71 to 04/74—Captain, Chief of Admissions and Dispositions, Valley Forge General Hospital, Phoenixville, PA. Responsible for Admissions and Dispositions of Patients, Equal Opportunity Programs, and administrative support to the Alcohol and Drug Rehabilitation Program of the hospital.

09/70 to 11/71—Captain, Student, United States Army Medical Department Officer Advanced and Patient Administration Courses, U.S. Army Medical Field Service School, Fort Sam Houston, Texas.

09/69 to 09/70—Captain, Executive Officer, 618th Medical Company (Clearing), Seoul, Korea. Responsible for the administration and logistics of several dispensaries and the maintenance of field medical equipment.

09/68 to 09/69—Operations Officer, 36th Medical Battalion, Fort Hood, TX. Responsible for medical operations of a Medical Battalion.

06/66–09/68, Training Officer, Executive Officer, and Company Commander, 2nd Battalion, The United States Army Medical Training Center, Fort Sam Houston, TX. Responsible for leading and managing an Advanced Individual Training (AIT) unit.

15. Government experience: List any advisory, consultative, honorary, or other part-time service or positions with Federal, State, or local governments other than listed above: None.

16. Published writings: List titles, publishers, and dates of books, articles, reports or other published materials you have written. None.

17. Political affiliations and activities

(a) List all memberships and offices held in and financial contributions and services rendered to any political party or election committee during the last 10 years: None.

(b) List all elective public offices for which you have been a candidate and the month and year of each election involved: None.

18. Future employment relationships

(a) State whether you will sever all connections with your present employer, business firm, association, or organization if you are confirmed by the Senate: Yes.

(b) State whether you have any plans after completing Government service to resume employment, affiliation, or practice with your previous employer, business firm, association or organization: No.

(c) What commitments, if any, have been made to you for employment after you leave Federal service? None.

(d) (If appointed for a term of specified duration) Do you intend to serve the full term for which you have been appointed? N/A

(e) (If appointed for indefinite period) Do you intend to serve until the next Presidential election? Yes.

19. Potential Conflicts of Interest

(a) Describe any financial arrangements, deferred compensation agreements, or other continuing financial, business, or professional dealings which you have with business associates, clients, or customers who will be affected by policies which you will influence in the position to which you have been nominated: None.

(b) List any investments, obligations, liabilities, or other financial relationships which constitute potential conflicts of interest with the position to which you have been nominated: None.

(c) Describe any business relationship, dealing, or financial transaction which you have had during the last 5 years, whether for yourself, on behalf of a client, or acting as an agent, that constitutes as potential conflict of interest with the position to which you have been nominated: None.

(d) Describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any Federal legislation or for the purpose of affecting the administration and execution of Federal law or policy. None.

(e) Explain how you will resolve any potential conflicts of interest that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements involved.) N/A

20. Testifying before the Congress

(a) Do you agree to appear and testify before any duly constituted committee of the Congress upon the request of such committee? Yes

(b) Do you agree to provide such information as is requested by such a committee? Yes

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. ARLEN SPECTER TO JACOB LOZADA

Question 1. What is your assessment of VA's plans to deal with the anticipated wave of "Vietnam generation" retirements in the next several years? Do you believe VA is adequately prepared for the imminent loss of experienced personnel?

Answer. VA is potentially facing a major crisis within the next few years in terms of having the necessary skilled workforce to meet the Department's needs across a variety of programs. Recognizing that these projected staff shortages could have a negative impact on VA's ability to serve veterans, the Department has already begun to take action to address this important issue. To remain a competitive employer and address this human capital challenge, VA's staff offices and Administrations are working together to ensure that VA has a corporate strategy that allows the Department to successfully compete for and retain highly capable and experienced personnel.

I am very supportive of the actions already taken by the Department to address its workforce planning needs and look forward to ensuring that the Department has the ability to recruit, develop, and retain a competent, committed, and diverse workforce that provides high quality service to veterans and their families.

Question 2. What is your impression of VA's use of its special hiring authorities—e.g., veterans preference, Veterans Readjustment programs, Disabled Veterans Affirmative Action programs, etc.—to facilitate the employment of veterans? How would you, if you are confirmed, encourage greater use of these special hiring authorities?

Answer. VA enjoys a well-established track record of being a leading Federal employer of disabled veterans, other preference eligibles, and veterans who are not eligible for preference. VA employment data, as of September 30, 2000, reveals that 28 percent of VA employees are veterans, nearly 7 percent are disabled veterans, and over 3 percent are veterans with 30 percent or more disability.

VA appointments comprised a major proportion of these special hires Federal-wide in FY 2000. During this period, VA hired about 34 percent of all VRA and 30 percent disabled veterans hired by the Federal Government.

At every opportunity, as the Assistant Secretary for Human Resources and Administration, I will aggressively promote and emphasize VA's employment of veterans as well as the full use of all related special hiring authorities.

Question 3. What lessons in leadership will you bring to the VA as the Assistant Secretary for Human Resources and Administration from your service in the Army Medical Corps? There, you spent many years in the field of hospital administration

and health care management. What lessons have you learned in that service which you can bring to VA?

Answer. My varied experiences in the military and the private sector have afforded me multiple opportunities to learn valuable lessons that can be easily transferred to my role as the Assistant Secretary for Human Resources and Administration. In applying these lessons and leveraging my experience, I will focus on VA's mission, and develop goals in Human Resources and Administration to help achieve VA's vision.

During my service as a Commissioned Officer in the Army Medical Department, I had the opportunity to serve in numerous positions of leadership both in permanent as well as field health-care facilities. Some of the lessons in leadership, which I learned from my 26 years of active military duty, include:

- (1) Change is inevitable, and leaders must be proactive in finding change before change finds them;
- (2) Leaders must be visionaries and be willing to challenge the status quo;
- (3) Leaders must inspire and motivate others but to do so must first be motivated themselves;
- (4) Leaders must set high standards of excellence for themselves, as well as others, and lead by example.

Some of the lessons, which I learned from my military experience in hospital administration and health-care management, include:

- (1) Providing services at low cost and high quality and with high access is a highly demanding task; therefore, it is incumbent for health-care administrators and providers to develop innovative ways to deliver these services;
- (2) Behind every direct health-care service provided in support of the health-care team there is a human resource person who must be hired, developed, trained, nurtured, and motivated;
- (3) Providing health-care services within an environment of limited resources requires the development of highly efficient teams;
- (4) Beneficiaries will continue to demand improved access and quality services while the cost for the provision of health-care services increases;
- (5) Human resources in health-care management must adapt continually to the changes in health-care delivery and technology;
- (6) Health-care managers in the government health-care system must be knowledgeable about issues that were normally assumed to be private sector specific (i.e. managed care, financing).

Question 4. During your Army service, you rose to the rank of full Colonel—a rank where, typically, you were the superior of all but a few within the Army hospital setting. Will working in a civilian medical environment require a different management approach than the one that worked for an Army Colonel? Do you anticipate that the VA management environment will differ from the Army's?

Answer. There are many similarities between working in a civilian medical environment and service in the Army hospital setting. In both cases, the mission is similar: providing high quality health-care services to beneficiaries. In addition, civilian and Army health-care leaders alike must perform under a constantly changing environment and be good managers of resources, which are often limited.

I strongly believe that good management and leadership principles can be universally applied. Leaders, regardless of the environment, must have a vision and believe in that vision to inspire and motivate others. Leaders must handle multiple demands, deal with changing priorities, and practice sound communication skills with employees at all levels of the organization. More importantly, leaders must recognize the potential of their employees, value their diversity, and create a team or unit that works efficiently and effectively together to achieve a common goal.

In terms of VA, I do not believe that the management environment will be that much different from the Army's. Both organizations have great leaders, a well-defined mission, and similar challenges. In terms of my Army service, the ability to lead highly effective teams, work well with people, and work under considerable stress can be leveraged well to the challenges facing VA.

Question 5. It is widely reported that a nurse shortage looms ahead. Do you believe that is the case? Will VA be "hit" by this shortage? How would you resolve it?

National nursing leaders and health-care organizations are projecting a shortage of registered nurses, and I have no basis on which to question this projection. The future supply of registered nurses is not ensured given the current aging of the registered nurse workforce and the decreasing number of students who choose nursing as a professional career.

Answer. It appears to me that VA is taking positive action to address the looming staffing crisis for nurses. VA's approach includes education initiatives, attention to

workplace issues, and improved pay and benefits. VA is providing extensive education assistance through the Employee Incentive Scholarship Program, the National Nursing Education Initiative, and the Education Debt Reduction Program. VA is using its flexibility to grant a variety of bonuses, awards, allowances, and other cash compensation to nurses; providing non-cash benefits, such as continuing education opportunities and flexible work hours; working to leverage technology to support nurses; paying attention to workplace issues, such as collegial decision-making, team autonomy, and recognition of nurses' contributions; supporting outreach efforts to students to consider nursing as a career; and mentoring new hires to reduce turnover.

These efforts are excellent ways to deal with the looming nursing crisis. Nevertheless, in my role as Assistant Secretary for Human Resources and Administration, I will continue to explore any additional options that could be implemented to ensure that VA has adequate nursing staff resources to ensure veterans receive the care they deserve.

Question 6. I am advised that VA has several programs designed to recruit and retain nurses. But I have also heard that the programs are, in many cases, not readily available to the people who truly need them. How can VA assist those who need advanced training but who cannot afford to take time off from work to secure it? How can VA assist nurses in upgrading their qualifications if child care issues prevent them from simultaneously working a shift at VA and also attending school?

Answer. I have been advised that VA has implemented a National Nursing Education Initiative (NNEI) that allocated \$50 million over a 5-year period to assist nurses in attaining baccalaureate and higher degrees in nursing. VA has also implemented an Employee Incentive Scholarship Program (EISP) to make funds available to employees pursuing academic education in a health-care occupation. One drawback to both programs is that by legislative mandate, employees must be employed for two years before being eligible for funding—this presents a recruitment and retention disincentive, which we may want to look again as we search for acceptable solutions to our nurse shortage challenge.

VA recognizes that lifestyle and career responsibilities often preclude many nurses from participating in traditional academic programs. To address this issue, VA has implemented a number of initiatives to support nurses in nontraditional academic programs. The VA/Department of Defense

Distance Learning Post-Master's Nurse Practitioner Program was the first of its kind to totally prepare clinical practitioners via distance technology.

In addition, a number of VA facilities have entered into agreements with local colleges and universities to provide course work to groups of nurses taught at the VA facilities or via distance learning. Finally, VA has entered into a Memorandum of Understanding with the American Association of Colleges of Nursing (AACN) to facilitate nursing programs across the country that better meet the needs of VA employed nurses.

As Assistant Secretary for Human Resources and Administration, I will promote the use of these initiatives and seek to discover other ways to enable nurses to pursue advanced training as well as upgrade their qualifications.

Question 7. Union members in the VA hospital system in Pennsylvania are concerned that management is not recruiting staff at lower pay scale levels fast enough to relieve overworked conditions that affect job satisfaction and morale. Will you pledge to work with local human resource directors, especially in Pennsylvania, to ensure that these positions are quickly filled and staffing levels are proper?

Answer. In my role as Assistant Secretary, I will work with all Administration Heads to ensure that their human resources program officials receive appropriate guidance in order to effectively manage human resources. In this specific case, I will work with the Under Secretary for Health to assist him in determining the reasons for the expressed concern that the Pennsylvania facilities are not staffing at appropriate levels and to help them, if necessary, resolve any impediments identified.

Question 8. Do you have any conflicts of interest which you have not fully disclosed to the Committee, or do you know of any other matter which, if known to the Committee, might affect the Committee's recommendation to the Senate with respect to your nomination?

Answer. To the best of my knowledge, no conflicts of interest exist that potentially could affect the Committee's recommendation to the Senate.

Question 9. Have you fully and accurately provided financial and other information requested by the Committee, and do you now affirm that that information is complete, accurate, and provided in a form not designed to evade?

Answer. I affirm that the information that I have provided is complete and accurate.

Question 10. Do you agree to supply the Committee such non-privileged information, materials, and documents as may be requested by the Committee in its oversight and legislative capacities for so long as you shall serve in the position for which you now seek confirmation?

Answer. I agree to supply the Committee information, materials, and documents as requested by the Committee in its oversight capacity for as long as I serve in the position of Assistant Secretary for Human Resources and Administration.

Question 11. Do you agree to appear before the Committee at such times and concerning such matters as the Committee might request for so long as you serve in the position for which you now seek confirmation?

Answer. I will be pleased to appear before the Committee as necessary.

Chairman SPECTER. Thank you, Dr. Lozada. You identify or make reference to issues within the Department of Veterans Affairs. Are you familiar with any specific problems that you would like to tackle, if you are confirmed?

Mr. LOZADA. Senator, the Department faces some challenges which I am sure other departments in the U.S. Government face. One of the challenges is the aging work force of the Department. Another challenge is the competition that the Department faces with corporations in terms of hiring and attracting staff. Last, but not least, is the need for established organizations such as the Department of Veterans Affairs to transform themselves into life-long, learning and high-performance organizations. So those are, in my opinion, the three main challenges that the Department faces.

Chairman SPECTER. When you identify those you are really talking about the problems that any organization faces. I would suggest to you that the Veterans Administration faces much more intensive problems, with an enormous workload, an enormous number of veterans to serve, and it must do so with limited resources. When you are a consultant in private industry, you can pick your clientele and you can charge the clientele. The Veterans Administration cannot do that. And there is a continuing problem of inadequacy of funds.

The title of your position, Assistant Secretary for Human Resources and Administration, could cover a vast array of issues. Do you have any sense of the enormity of the problems VA faces in trying to give care to veterans with the limited resources it has?

Mr. LOZADA. Senator, the challenges that the VA faces have to do with access, quality, and the use of information technology. Some trends, for example, in nursing and the forecasted shortage of nurses, which should take place within the next 2 or 3 years also present challenges. But all these issues have a face behind, which is a human resource face and a human resource initiative that needs to be developed and placed within the context of the entire strategic plan of the organization to make sure that the effects of these challenges are minimized.

Chairman SPECTER. You identify the shortage of nurses, which is very real, and your experience gives you that insight. Do you have any thinking as to how to deal with the shortage of nurses?

Mr. LOZADA. I do not have any specific ideas or solutions at this time. However, recent research suggests that there are some factors that impact on this issue, and one of them has to do with what is known as "personal factors"—the work environment. Interestingly enough, pay is the No. 5 factor; but the organizational environment, empowering the nurses to do their job, giving the nurses the place within the organization that they should have is one of

the main factors. So those are personnel issues or human resources issues that we need to address.

Chairman SPECTER. Dr. Lozada, the committee is going to ask you to do the same thing as we have asked others. We ask that you get to us a report on the 10 key problems which you have observed, within 60 days, and the suggested solutions you have. And put the issue of nurses at the top of the list as to how you think the Veterans Department ought to face that.

Mr. LOZADA. Yes, sir.

[The information referred to follows:]

POTENTIAL NURSING SHORTAGE

Registered nurses comprise the largest segment of health care workers within VA. Currently, VA employs over 35,000 registered nurses and nurse anesthetists. VA has traditionally been able to successfully recruit to fill vacancies as they occur. However, VA medical centers are experiencing difficulty in recruiting nurses in certain specialties such as intensive care nurses, nurse practitioners, and nurse anesthetists. Certain VA medical centers also report difficulties recruiting licensed practical nurses (LPNs) and nursing assistants (NAs). If nationwide projections for the next several years bear out, VA is facing a potential shortage of skilled nurses, which could have a significant effect on VA's quality of care initiatives. As of June 2001, 12 percent of the VA nursing population is eligible to retire. Each year, an additional 3.7 to 5.3 percent of VA nurses become eligible to retire. By 2005, 35 percent of the current VA nursing workforce will be retirement eligible. Based on past experience, VA is predicting that two-thirds of these nurses will actually retire by that date. In summary, over one in five VA nurses today will be gone by 2005. The retirement eligibility projections for allied nursing occupations are similarly high with 29 percent of LPNs and 34 percent of NAs eligible for retirement by 2005.

Mitigating Action Plan:

Considering attrition and retirement eligibility, it is important for VA to continue to devise recruitment and retention strategies to ensure that we have the needed nursing staff to serve our veterans. For example:

- The Employee Incentive Scholarship Program (EISP) provides scholarships of up to \$10,000 per year for up to three years for employees to pursue degrees for education in health care occupations for which VA is experiencing staffing problems. As of June 2001, the Veterans Health Administration (VHA) has awarded 189 scholarships for over \$1.7 million for employees pursuing degrees in the fields of nursing and pharmacy.
- The National Nursing Education Incentive (NEI) is similar to the EISP, but awards scholarships only to nurses to obtain baccalaureate or post-graduate degrees and training. Since March 2000, 1,639 VHA nurses have been awarded more than \$18.5 million support for tuition and expenses.
- The VA Learning Opportunities Residency (VALOR) program provides opportunities for outstanding students (at least 3.0 GPA at end of junior year of college) to develop competencies in clinical nursing while at an approved VA medical center.
- Flexibilities in the Nurse Locality Pay Systems.
- Establishment of youth program (VA CADET) to attract young people (ages 14 or older) to experience the nursing care environment in VA medical centers.
- Education Debt Reduction Program to provide tax-free payments to newly hired employees to help with costs of obtaining training or degrees.
- Extra salary step(s) for exemplary job performance or exemplary job achievement. Employee recognition and incentive awards programs. Recruitment bonuses, relocation bonuses, and retention allowances. Travel expenses for interviews and new appointments. Family friendly policies, flexible work arrangements, and on-site day care centers.

AGING WORKFORCE

The VA workforce is getting older and fewer young people are entering into the Federal service. As of September 30, 2000, only 6 percent of the VA workforce was under the age of 31, 19 percent were between the ages of 31–40, 36 percent were between the ages of 41–50, and 39 percent of the VA workforce was over age 50. A significant number of current employees are eligible to retire, including 16 percent of VA's health care staff, 24 percent of VBA staff, and 22 percent of cemetery directors. An even greater number of employees will be able to retire by 2005. As a result

of the projected turnover and retirements in critical positions, VA is potentially facing a major crisis within the next few years in terms of having the skilled workforce to meet the Department's needs across a variety of programs. Further, rapid changes in technology, an increasingly diverse labor and beneficiary pool, higher turnover rates among new employees, and different expectations of younger workers are forces that strongly suggest the need for new recruitment and retention practices to meet program goals. VA needs to define more precisely the workforce it needs.

Mitigating Action Plan:

VA has made great strides in establishing a workforce planning process. However, the following actions need to be implemented:

- Develop and implement a workforce forecasting system.
- Establish a Workforce Planning Council to oversee the planning and operations of VA's workforce planning process. This Council will be composed of top level, Department-wide VA executives and will be formally established in September 2001.
- Develop a Departmental Workforce and Succession Plan that will articulate VA's corporate vision for workforce planning and identify specific strategies to address the recruitment, retention, and development issues within the Department.
- Explore the use of emerging technologies to recruit and hire young staff.

COMPETITION FOR HUMAN RESOURCES IN A PROSPEROUS ECONOMY

Competition for human resources is a source of serious concern for the entire Department. Due to the economic boom of the past decade, the labor market has become extremely competitive, and knowledge and technical workers are in high demand. This comes at a time when the Government is less competitive. After decades of downsizing, criticism of the Federal Government, and diminishing Federal budgets, the Government is no longer seen as a secure, lifetime employer and often cannot offer the same type of competitive salaries and rapid job offers as the private sector.

Mitigating Action Plan:

VA needs to be more competitive. Examples of strategies to achieve this goal include:

- Making greater use of the recruitment and retention tools already available.
- Offering no-cost or low-cost educational assistance programs to individuals in key occupations who commit to a number of years of VA service in return for this assistance.

VA needs to be seen as a desirable place to work where skills can be developed, advancement is possible, and employees have high degrees of job satisfaction. The following incentives must be leveraged to accomplish this difficult task:

- The VA Learning University;
- Leadership VA;
- Increased use of Alternate Dispute Resolution to resolve work place disputes;
- Flexible work schedules;
- Child care;
- Transit subsidies.

SUCCESSION PLANNING

In view of the VA workforce demographics, VA anticipates a Department-wide loss of seasoned leadership and institutional knowledge due to the large percentage of employees eligible for retirement within 5 to 10 years. Moreover, VA is presently experiencing difficulty in filling positions for senior leadership and for certain occupations, e.g., nurses, pharmacists, and information technology specialists.

Mitigating Action Plan:

VA will develop a succession plan for predicting turnover in senior positions and tracking the pipeline of candidates in the preceding grades, so that steps can be taken to ensure an even flow of qualified candidates. VA will develop a systematic training plan for senior positions, focusing on human resources management, diversity, and change management. In addition, VA will:

- Identify individuals with potential leadership;
- Provide leadership opportunities as well as mentoring programs;
- Publicize the use of VA's Intranet to heighten the awareness of these opportunities.

CHANGE MANAGEMENT

Since 1993, VA has undergone significant change. Changes in how we deliver health care and benefits coupled with reductions-in-force, loss of talent, buyouts, streamlining, reorganizations, and changes politically make most hesitant to change and less responsive to priorities. Change can be turbulent, chaotic, and confusing to those on the receiving end. However, effective change management reduces the amount of fear, hesitation, and anguish. Change should be an inclusive part of the governance process, which includes defining the outcomes of the change effort, identifying the changes necessary to produce outcomes, implementing those changes in the least intrusive way, and involving the employees in the process to ensure that they understand the necessity.

Mitigating Action Plan:

VA will have a strategic change management plan approved by the Strategic Management Council and assigned to a specific individual responsible for change management such as a change management officer. A change management officer will work collaboratively with each leader to leverage change, customize the change process where necessary, conduct gap analysis between the “as is” and the “to be” models, and personalize the transition to the organization and its culture, ensuring full communication with the employees. Managing change will require a broad set of skills:

- **ANALYTICAL SKILLS**—A Change Management Officer will know how system analysis and financial analysis systems work within the organization and determine the impacts to ensure continuity of change management and its effectiveness during implementation.
- **PEOPLE SKILLS**—People come characterized by all manner of intelligence, ability, gender, sexual preferences, national origins, race, religious preferences, disabilities, socio-economic backgrounds, education, beliefs, attitudes toward life and work, personalities, and priorities. A Change Management Officer will be skilled in organizational culture and communication or interpersonal skills.
- **BUSINESS SKILLS**—A Change Management Officer will know and understand how VA works. The skill set requires knowledge of the organization, its culture, previous change efforts, customers, hiring, rules of conduct, removals, equal employment, workforce development, and business acumen.

WORKFORCE DEVELOPMENT

Patterns for providing efficient and effective care to our veterans are changing. These changes may influence the types of employee competencies needed and, therefore, the quality and structure of the workforce we currently have. The challenge for VA today is to realign our capital assets and human capital based on changing demographics and veteran needs in order to ensure that we can perform our mission now and in the future.

Mitigating Action Plan:

- VA will continue training and development opportunities. Specifically, VA will:
- Review our current level of competency.
 - Establish programs that offer a wide range of educational seminars and courses that improve overall performance and enhance consultative skills.
 - Identify required future competencies.
 - Establish on-line human resources tool kits and libraries that will provide current information to supplement and support new skills and competencies.

DIVERSITY

VA is not effectively managing its diverse workforce and may not be ready to manage an even more diverse group in the near future. The changing demographics of the U. S. population reflect a mobile population with a wide array of regional and national origin differences. A diverse workforce will enable VA to relate to and better serve veterans and their families. Aligning diversity with our mission and business will also increase employee satisfaction and retention, thus improving our competitiveness and productivity, increasing our responsiveness, and adding value to our services.

Mitigating Action Plan:

VA executives will fully understand their roles and be ready to manage the change. To achieve this goal, VA supports the following initiatives:

- A training program to help executives understand how diversity issues impact organization cohesion, mission, performance, accomplishments, increased awareness, and sensitivity.
- Consolidation of recruitment efforts directed at institutions with diverse populations to attract interns and scholars to occupations in which VA has under-representation or projected hiring needs. VA will involve more institutions of higher education and create an internal system whereby disabled veterans are included in the internship programs.
- A strong affiliation with veterans service organizations, minority institutions of higher education, and high schools for internships at VA.
- Partnerships with the Hispanic Association of Colleges and Universities and the National Association of Equal Opportunity in Higher Education to support internships for students attending Hispanic-Serving Institutions or Historically Black Colleges and Universities.

TIMELINESS OF COMPLAINT PROCESSING

Equal Employment Opportunity Commission (EEOC) regulation 29 CFR 1614.108(f) requires agencies to complete investigations within 180 days from the filing of a formal complaint. Although VA has made great strides in decreasing timeliness and reducing our investigative backlog, we are currently averaging 230 days to complete the investigations.

Mitigating Action Plan:

All complaints pending over 180 days will be assigned to contract investigators. This should achieve the following results:

- Eliminate the backlog of cases pending over 180 days;
- Increase the timelines of the investigative process.

RECRUITMENT/RETENTION OF HEALTH CARE PROFESSIONALS AND COMPENSATION

Stiff competition remains in recruiting and retaining health care professionals in the Federal Government. This issue is more noticeable in efforts to recruit health care professionals, but includes employees who work in connection with health care professionals to deliver patient care services to veterans. Most private companies are paying considerable bonuses to new doctors, nurses, and pharmacists, in addition to starting salaries. Although Title 38 (which governs the hiring regulations for health care professionals at VA) contains more flexibility, its limitations do not fully meet the needs of the facilities. Additionally, Title 5 employees are often limited in the amount of compensation they can receive, e.g., overtime pay rates are capped, certain employees are excluded from on-call pay and Sunday premium pay.

Mitigating Action Plan:

In order to attract and retain high quality professionals, greater compensation flexibility is essential:

- VA will publicize OPM's less stringent approach to allow Federal annuitants to become re-employed without a reduction in annuity.
- Policy development and implementation of Repayment of Student Loans for new employees will allow VA to be competitive with private companies to recruit new talent.

INCORPORATING ADR INTO THE EEO COMPLAINT PROCESS

The Equal Employment Opportunity Commission (EEOC) requires Federal agencies to incorporate Alternative Dispute Resolution (ADR) into the EEO complaint process. ADR is a range of dispute resolution mechanisms that provide for the settlement of disputes outside traditional court procedures and structure. Various benefits of using non-traditional methods to resolve disputes include savings of time and money, party satisfaction with the ADR process and outcomes, high settlement rates, and improved relationships. In spite of VA Directive 5978, Alternative Dispute Resolution, which requires each Administration to establish an ADR program, some facilities involved in EEO complaints are not in compliance with the directive. Further, there is no consistent buy-in from VA management across the board.

Mitigating Action Plan:

The following strategies will be employed:

- VA will continue to encourage the use of ADR throughout the various stage of the discrimination complaint process, up to and including the EEOC hearing stage.
- VA's Office of Resolution Management (ORM) will provide mediation training for senior executives in the Department.

- ORM field offices will provide extensive training to key facility individuals within their jurisdiction.
- VA will continue to promote the use of ADR, particularly mediation, and educate employees and management regarding the benefits of ADR to the Department.

Chairman SPECTER. I note that your work in the military was with the medical department. What experience did you have in the United States Army Medical Department which would be applicable to your new responsibilities in the Veterans Department if you are confirmed?

Mr. LOZADA. Senator, for 4 years I was the Chief of Force Structure and Realignment for the Army Medical Command. So I managed the entire force structure of in excess of 50,000 soldiers and civilian employees. I was also involved in realignment actions that resulted in downsizing or right-sizing of several organizations. In addition, while serving as an Inspector General for 4 years, I inspected every hospital, clinic, and organization within the Army Medical Department at least three times. So I am intimately familiar with all the challenges dealing with the provision of health care and access which should translate very well into the Department of Veterans Affairs.

Chairman SPECTER. Thank you, Dr. Lozada.

Senator Rockefeller?

Senator ROCKEFELLER. Dr. Lozada, I was really impressed by the way you answered those questions. I think you know your stuff really well, and early, which is just the good fortune of your career. Actually, I think you are a good person to reflect on the question that I asked Mrs. Cragin. People have been at work a long time trying to get VA and DoD to work together. There really has not been a whole lot of progress. I have been to a couple of hospitals which are shared by both and everybody says that they work really well. I am sure there are some cultural differences, but it is like everybody in Government has to do everything their own way, they have to have their own departments and it becomes a battle of turf.

Can you give some of your own reflections on why you think the problems have existed in getting these two, in many ways quite similar, organizations to work together, and what you think might be done? Or just your reflections on it. I am not going to hold you accountable for what you think ought to be done.

Mr. LOZADA. Senator, at the risk of losing some of my friends on the DoD health care side, I think it is an issue of culture. It is also an issue of a perceived threat of loss of power, authority, scope of responsibilities. I believe there is an issue of not understanding very well what the landscape should look like. I believe that people like me who come to the Department with a very good understanding of DoD health care, and who also have a network and one-to-one relationships with some of the DoD health care officials should help map out and look for opportunities where there could be some gain. Because, in the final analysis, there should be a win-win situation; otherwise, it would be very difficult to engage both parties into this kind of partnership going forward.

Senator ROCKEFELLER. Do you foresee progress?

Mr. LOZADA. Oh, yes. Yes.

Senator ROCKEFELLER. Different parts of the world have their cultures and they last thousands of years sometimes. We are not

that old as a Nation, but nobody has been able to change a lot of our Government cultures very much. Do you think because of budget situations or because of information technology or whatever, that is beginning to change? What gives you a sense that we can do better?

Mr. LOZADA. I think it is beginning to change. I know personally some of the leaders. For example, in the Army Surgeon General's Office there are far-thinking, innovative staff who are committed to making the system better. Really, the beneficiaries are almost the same. The only difference between an individual in uniform and a retiree is 1 day. You are on active duty and then you retire or you ETS and the following day you become a veteran. It is the same person with similar health-care needs. I am very confident that there is going to be a lot of progress.

Senator ROCKEFELLER. Not for you to respond to, but the most extraordinary experience I have had in my 17 years here on the Veterans' Committee took place related to what we call the Persian Gulf War Syndrome. To this day, my mind is boggled by the unwillingness and inability of both organizations—I think, in this case, particularly DoD—to respond to this, to admit to this, to react to this. I know you remember those days. It is just so important that we make the most of what we have, and I think you understand that very well. I look forward to working with you.

Chairman SPECTER. Thank you, Senator Rockefeller.

We turn now to Mr. Gordon Mansfield who is up for confirmation as Assistant Secretary for Congressional Affairs. Mr. Mansfield brings a record which should serve him well in this position. In 1968, during a second tour in Vietnam, while serving as a Company Commander with 101st Airborne Division, he sustained a spinal cord injury which has incapacitated him. He is a lawyer by profession, with a degree from the University of Miami, has a Pennsylvania connection with a bachelor's degree from Villanova University in 1964, always a good credential, Mr. Mansfield, before this committee, along with a connection to West Virginia. He is serving as Executive Director of the Paralyzed Veterans of America since 1993. He had been for 4 years the Assistant Secretary for Fair Housing in HUD, so there is a record and understanding of the problems of the Veterans Administration.

We welcome you here, Mr. Mansfield, and look forward to your testimony.

STATEMENT OF GORDON H. MANSFIELD, NOMINEE FOR ASSISTANT SECRETARY FOR CONGRESSIONAL AND LEGISLATIVE AFFAIRS, DEPARTMENT OF VETERANS AFFAIRS

Mr. MANSFIELD. Thank you, Mr. Chairman, and thank you, Senator Rockefeller. Also, I would like to add my thanks to you for having this expeditious hearing. I would like to mention that I am honored by the President nominating me for this position, and for Secretary Principi's involvement in that and I look forward to working with him.

I have indicated the reasons in my statement that has been submitted for the record why I believe that I am qualified for the job. That includes, as you indicated, being a veteran, also being a user

of the system, having worked with the Congress, and having had previous Government experience.

The Office of Congressional and Legislative Affairs responsibility in the Veterans Administration is to coordinate communication between the agency and Congress. The office has a good, experienced staff and I look forward to leading them.

The common goal here is serving veterans. I believe that working with the committee members and staff that we can continue to accomplish that goal.

Also, I would like to mention that my wife, Linda Mansfield, is here in the audience. I would like to thank her once again for her encouragement. She truly is the reason why I have been able to serve as much as I have.

I would be pleased to answer any questions that you may have. [The prepared statement of Mr. Mansfield follows:]

PREPARED STATEMENT OF GORDON H. MANSFIELD, NOMINEE FOR ASSISTANT SECRETARY FOR CONGRESSIONAL AND LEGISLATIVE AFFAIRS, DEPARTMENT OF VETERANS AFFAIRS

Chairman Specter, Senator Rockefeller, and members of the Committee, Good Morning. I am, Gordon H. Mansfield, nominee for Assistant Secretary for Congressional and Legislative Affairs of the Department of Veterans Affairs. I wish to add my thanks to you for the expeditious scheduling of this hearing. I also wish to express my thanks to President George W. Bush for nominating me to serve in this position. I am also grateful for the confidence and trust demonstrated by Secretary Anthony J. Principi in requesting my nomination. He has truly energized this Agency and laid out a vision for serving veterans. I look forward to aiding him in fulfilling that vision, should I be confirmed.

I believe I am qualified to fill this position by reason of my education, my experience and my commitment to service on behalf of our Nation's veterans. As a veteran of the Armed Forces of the United States, I believe I have the background to understand the needs of fellow veterans. As a combat wounded veteran, who is a user of the Department's programs and services, I believe I can bring a special insight to my position. My education, including law school, and professional experience, working for a veterans service organization as an Associate Legislative Director, Associate Executive Director for Government Relations and as Executive Director have allowed me to understand and appreciate the role that this Committee and the Congress play in providing the needed authorizations and funds for the medical services and benefit programs due our veterans.

The Office of Congressional and Legislative Affairs' mission is to serve as the principal advisor to the Secretary and other senior Department of Veterans Affairs (VA) officials concerning all legislative and congressional liaison matters, and to develop productive working relationships with Members of Congress and their staffs, as well as, congressional committees, in support of VA's goals to better serve our Nation's veterans. I believe my role in accomplishing this mission is to ensure that the dedicated, professional employees of the office are empowered and supported in their work to achieve our defined goals.

Should I be confirmed, I view my role as leading an experienced, professional and knowledgeable staff whose functions are to advise and assist in maintaining open and effective communications between the various elements of the Agency and the United States Congress. I intend to carry out that role with diligence and enthusiasm. I look forward to working with the Members of these Committees and their respective staffs to achieve our common goal of serving our Nation's Veterans.

Mr. Chairman, that concludes my statement, I will answer any questions you may have.

QUESTIONNAIRE FOR PRESIDENTIAL NOMINEES

PART 1: ALL THE INFORMATION IN THIS PART WILL BE MADE PUBLIC

1. Name: Gordon Hall Mansfield
2. Address: 2401 Daphne Lane, Alexandria, Virginia 22306
3. Position: Assistant Secretary for Congressional Affairs

4. Date of Nomination: 30 April 2001
5. Birth date: 15 September 1941
6. Birth place: Pittsfield, Massachusetts
7. Marital status: Married to Linda K.C. Mansfield
8. Children, age: Gordon, age 29; Leon, age 28
9. Education: Institution (city, state), dates attended, degrees received, dates of degrees.
 University of Miami Law School; 1971–1973; Juris Doctor; June 1973
 Washington College of Law; 1969–1971; n/a
 Villanova University; 1959–1964; B.S.; June 1964
 The Peddie School; 1957–1959; Diploma; June 1959
10. Honors: List all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.
 US Army—Distinguished Service Cross, Bronze Star, Purple Heart/OLC, Vietnam Campaign Medal, National Defense Service Medal, Gallantry Cross with Silver Star, Combat Infantrymans Badge, Presidential Unit Award All awarded during period of service, 1964–1968
 Villanova University—Alumni Medal for Distinguished Service 1996
 President George H. W. Bush—Presidential Service Award 1991
11. Memberships: List all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable, and other organizations for the last 5 years and other prior memberships or offices you consider relevant.
 The Florida Bar; American Bar Association; Federal Bar Association; Legion of Valor of the United States; Disabled American Veterans; Military Order of the Purple Heart; Paralyzed Veterans of America (Executive Director, Ex Officio Member of Board of Directors)—resigned February 2001; American Legion; The Army and Navy Club of Washington D.C., The Capitol Hill Club; Civic Association of Hollin Hills; Nurses of the Veterans Administration Foundation (Board of Directors)—resigned February 2001; The Mills Brothers Society
12. Employment Record: List all employment (except military service) since your twenty-first birthday, including the title or description of job, name of employer, location of work and inclusive dates of employment.
 4/01 to present, Consultant, Department of Veterans Affairs, Washington, D.C.
 4/93 to 3/01, Executive Director, Paralyzed Veterans of America, Washington, D.C.
 12/89 to 1/93, Assistant Secretary FHEO, Department of Housing and Urban Development, Washington, D.C.
 7/89 to 12/89, Special Advisor to The Secretary, Dept of HUD, Washington, D.C.
 6/86 to 7/89, Associate Executive Director of Government Relations, Paralyzed Veterans of America, Washington, D.C.
 10/82 to 6/86, National Advocacy Director, Paralyzed Veterans of America, Washington, D.C.
 1/81 to 10/82, Associate Legislative Director, Paralyzed Veterans of America, Washington, D.C.
 3/79 to 1/81, Attorney, Private Practice, Ocala, Florida
 9/76 to 3/79, Staff Attorney, Marion County Legal Aid, Ocala, Florida
 1/62 to 6/63, Proof Reader, Triangle Publications, Inc., Philadelphia, PA
13. Military Service: List all military service (including reserve components and National Guard or Air National Guard), with inclusive dates of service, rank, permanent duty stations and units of assignment, titles, descriptions of assignments, and type of discharge.
 9/68—Retired in grade of Captain, US Army for medical reasons, Valley Forge Army Hospital, Valley Forge, PA.
 3/68–9/68—Patient in various military facilities, Vietnam, Japan, United States
 11/67–2/68—Company Commander, C CO, 1st BN, 501st ABN INF, 101st ABN DIV, US Army, Vietnam
 6/67–11/67—Company Commander, C CO, 1st BN, 501st ABN INF, 101st ABN DIV, US Army, Ft. Campbell, KY.
 9/66–6/67—Staff Officer and Recon PLT Leader, HHH, 1st BN, 501st ABN INF, 101st ABN DIV, Ft. Campbell, KY
 8/65–8/66—Platoon Leader, 2nd LT, C CO, 1st BN, 5th CAV, 1st Cav DIV, Vietnam
 6/64–8/65—Basic Training, AIT Training, Officer Candidate School, Ranger Training, Airborne Training, Grade of PVT E–1 to 2nd LT, Ft. Gordon and Ft. Benning, Georgia
14. Government experience: List any advisory, consultative, honorary, or other part-time service or positions with Federal, State, or local governments other than listed above:

Executive Committee, Presidents Committee on Employment of PWD
 Advisor, National Council on Disability
 Member, Secretary of Labor's Committee on Veterans Employment
 Member and Chairman, Architectural & Transportation Barriers Compliance Board

15. Published writings: List titles, publishers, and dates of books, articles, reports or other published materials you have written.

Monthly column for Paraplegia News, the national publication of Paralyzed Veterans of America; last written in July 1989.

16. List all memberships and offices held in and financial contributions and services rendered to any political party or election committee during the last 10 years:

(a) List all elective public offices for which you have been a candidate and the month and year of each election involved: None

17. Future employment relationships

(a) State whether you will sever all connections with your present employer, business firm, association, or organization if you are confirmed by the Senate:

Yes, I have resigned from Paralyzed Veterans of America.

(b) State whether you have any plans after completing Government service to resume employment, affiliation, or practice with your previous employer, business firm, association or organization: No

(c) What commitments, if any, have been made to you for employment after you leave Federal service? None

(d) (If appointed for a term of specified duration) Do you intend to serve the full term for which you have been appointed? N/A

(e) (If appointed for indefinite period) Do you intend to serve until the next Presidential election? Yes

18. Potential Conflicts of Interest

(a) Describe any financial arrangements, deferred compensation agreements, or other continuing financial, business, or professional dealings which you have with business associates, clients, or customers who will be affected by policies which you will influence in the position to which you have been nominated: None

(b) List any investments, obligations, liabilities, or other financial relationships which constitute potential conflicts of interest with the position to which you have been nominated: None

(c) Describe any business relationship, dealing, or financial transaction which you have had during the last 5 years, whether for yourself, on behalf of a client, or acting as an agent, that constitutes as potential conflict of interest with the position to which you have been nominated: None

(d) Describe any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any Federal legislation or for the purpose of affecting the administration and execution of Federal law or policy.

I have testified on behalf of and supported various initiatives that relate to and support veterans, people with disabilities, and issues regarding access to the built environment, while serving as executive director of Paralyzed Veterans of America.

(e) Explain how you will resolve any potential conflicts of interest that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements involved.) N/A

19. Testifying before the Congress

(a) Do you agree to appear and testify before any duly constituted committee of the Congress upon the request of such committee? Yes

(b) Do you agree to provide such information as is requested by such a committee? Yes

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. ARLEN SPECTER TO GORDON H. MANSFIELD

Question 1. Veterans have complained to the Committee staff that VA discourages them from seeking help from Members of Congress regarding their claims; they are told, we hear, that Congressional involvement will delay an already lengthy process. If you are confirmed, you will head the VA office which is the primary point of contact for the Congress on matters of constituent casework. How will you address what many veterans perceive as VA "scare tactics" in discouraging communications with Congress?

Answer. I regret to hear that any communication between the Department and those veterans it serves would be perceived as "scare-tactics." I have heard, in the past, that veterans may have been advised that a congressional inquiry would result

in pulling that claim out of its place in the queue. I have been told that the Veterans Service Representatives do not discourage veterans from contacting Members of Congress for assistance with their claims. If confirmed, I would seek to ensure that no veteran feels that the Department would, directly or indirectly, discourage anyone from fully pursuing his or her rights. If I learned of a situation where this practice was not being followed, I would personally intervene.

Question 2. Timely receipt of information requests from VA is essential if this Committee is to carry out its legislative and oversight responsibilities. Can we count on you, if you are confirmed, to treat requests for information with the utmost importance? Can we rely on you to assure that short deadlines placed on your office by those requests will be met? Do you think you will have the power to force a reluctant or nonresponsive VA bureaucracy to comply with Congressional information requests on a timely basis?

Answer. I am personally committed to improving the Department's communications with Congress. In my view, it is paramount that VA's communications with Congress be prompt, accurate and responsive. I recognize that if confirmed, I would have a unique opportunity to foster a positive relationship and to improve the Department's record with regard to quality and timeliness of responses to requests and inquiries from Congress. Further, one aspect of the role of the Assistant Secretary for Congressional and Legislative Affairs is to develop relationships with the senior leadership in the various VA administrations and staff offices and to increase their understanding of the benefits of being responsive and timely to Congressional inquiries.

Question 3. United States Senators require that their personal offices—both in Washington and within their States—receive accurate, responsive, and timely service from VA medical centers and regional offices when they seek to provide constituent services. Do you agree? Will you perform a review of how local VA facilities respond to such inquiries—starting, for example, in Pennsylvania?

Answer. I absolutely agree that all Members of Congress should expect no less than accurate and timely responses to inquiries they may have of the Department, both at the local level and here in Washington. If confirmed, I intend to meet with each of the Under Secretaries to review how well their field facilities respond to requests and inquiries from State and District offices of Members. Where I find areas of concern, I and my staff will work closely with those offices to correct the specific problems. I would be happy to make the initial evaluation in the State of Pennsylvania.

Question 4. Do you have the authority to require that VHA and VBA staff be properly responsive to Congressional office requests for constituent service assistance? If not, can you be of any assistance in assuring such responsiveness?

Answer. While I do not have specific authority to require other VA elements to be responsive, one of my first actions will be to meet with all Administration Heads, Assistant Secretaries and Key Officials asking that they and their managers make a commitment to provide Congress quality information to meet assigned deadlines, in Washington and at the field level. Further, I will review the current constituent service processes in place and assist with any adjustments that may be needed for their improvement.

Question 5. With the exception of your service as Assistant Secretary at HUD from 1989 to 1993, you have been with the Paralyzed Veterans of America since 1981. You served, most recently, as Executive Director of PVA. Can a former CEO of a veterans service organization adequately set aside the goals of the organization and faithfully serve the Secretary and the President? Do you believe that you will be able to carry out orders to take actions at VA that are contrary to the positions you held and believed in and presumably still believe in at PVA?

Answer. I assure you that I will faithfully serve the Secretary and the President. I understand and appreciate the concerns you express about my ability to carry out orders to take actions at VA that may be contrary to positions I held at PVA. Not having a specific issue or issues identified makes answering this question very theoretical, though I can say that I am here to serve because I believe that Secretary Principi has a personal commitment to carrying out the Agency's mission to serve veterans and their families. I intend to assist him to the very best of my ability in fulfilling that commitment.

Question 6. Congressionally mandated reports are frequently not delivered by VA until well after statutory deadlines. More often than not, Committee staff must request progress reports on the status of mandated reports which are past due. For example, a program evaluation report on benefits for widows, mandated by law in the 105th Congress and due one year ago, has still not been delivered to Congress. How will you, if confirmed, address this problem? How will you assure that requested or mandated reports are delivered on time.

Answer. As you know, the Office of Congressional and Legislative Affairs (OCLA) was reorganized last year and a Congressional Reports and Correspondence Service (CRCS) was created. The Service, in particular, will focus on facilitating VA review and ensuring the accuracy, consistency and the timely furnishing of materials to Capitol Hill. I have already held meetings with the recently hired Service Director to share with him my personal view that VA must do better in meeting deadlines for mandated reports. If confirmed, I will be receiving regular reports on timeliness of reports and will take appropriate actions if I do not see quantifiable improvements.

I firmly believe the newly organized OCLA is an integral component to successfully improving our communications with Congress. All VA organizations have been asked to identify a primary point of contact to work closely with the staff of CRCS to ensure the quality and promptness of the Department's Congressional Communications. You have my assurance and commitment that improving VA's responsiveness to Congressional concerns will be one of my primary goals.

Question 7. Many members of this Committee, and the Senate as a whole, are concerned about the implications of the CARES process. Will you pledge to devote time to assuring that concerned members of the Congress are kept abreast of progress and changes as a result of the CARES process?

Answer. I share your view that decisions made as an outgrowth of the CARES process could be far reaching and have significant ramifications of interest and concern to Members. Consequently, I would commit to devoting whatever time and effort are needed to ensure that all affected Members of Congress are kept informed of the process, of the recommendations, and of the decisions made in the context of CARES. Indeed, as a former Veterans Service Organization official, I am keenly aware of VA's responsibility to keep all stakeholders informed of and involved in the process, so that ultimately, the history, plans and decisions emanating from the process are fully understood by Members. I am told that the CARES process currently includes requirements for soliciting input and keeping Congress informed. If confirmed, I will closely review the communications plan in place to ensure that it is appropriate.

Question 8. Do you have any conflicts of interest which you have not fully disclosed to the Committee, or do you know of any other matter which, if known to the Committee, might affect the Committee's recommendation to the Senate with respect to your nominations?

Answer. No.

Question 9. Have you fully and accurately provided financial and other information requested by the Committee, and do you now affirm that that information is complete, accurate, and provided in a form not designed to evade?

Answer. Yes.

Question 10. Do you agree to supply the committee such non-privileged information, materials, and documents as may be requested by the Committee in its oversight and legislative capacities for so long as you shall serve in the position for which you now seek confirmation?

Answer. Yes.

Question 11. Do you agree to appear before the Committee at such times and concerning such matters as the Committee might request for so long as you serve in the position for which you now seek confirmation?

Answer. Yes.

Chairman SPECTER. Thank you, Mr. Mansfield. Your reference to your wife suggests that we be very pleased to welcome her here. If she would rise.

[Applause.]

Chairman SPECTER. Welcome.

Ms. Higgins, do you have any family members here?

Ms. HIGGINS. I do, but I think they might have gone out to feed the meter. [Laughter.]

Chairman SPECTER. Well, first things first.

Ms. HIGGINS. Exactly. I have some family that lives here in the area, my sister-in-law, Barbara Ross, and her daughter, my niece, Hannah Ross.

Chairman SPECTER. They are not here at the moment?

Ms. HIGGINS. They are not here, but maybe they will read this in the record.

Chairman SPECTER. Dr. Mackay, any relatives here?

Mr. MACKAY. Yes, Senator, my wife, Heather, who is a native Pennsylvanian, and her parents still live there. Heather. [Applause.]

Chairman SPECTER. Where in Pennsylvania?

Mrs. MACKAY. Springtown, PA. It is a very small town.

Chairman SPECTER. Nice to have you here.

Dr. Lozada, any relatives here?

Mr. LOZADA. Yes, sir, I have Dr. Enrique Mendez, who is my mentor of 30 years and was Assistant Secretary of Defense for Health Affairs during the first Bush administration.

Chairman SPECTER. Would you stand, please.

Mr. LOZADA. And Ms. Jane Sneed. [Applause.]

Chairman SPECTER. Thank you.

Mrs. Cragin, do you have relatives here?

Mrs. CRAGIN. Yes, sir, my husband, Charlie. [Applause.]

Chairman SPECTER. Senator Rockefeller is due in another meeting, so he is going to have to leave us, although he has done yeoman work here today. Thank you, Senator Rockefeller.

Mr. Mansfield, it was a surprise to me to hear complaints from veterans that the Veterans Administration discourages them from seeking help from Members of Congress regarding their claims. Do you know that to be true?

Mr. MANSFIELD. No, sir, I do not know it to be true, and I would like to followup on exactly where that information came from.

Chairman SPECTER. I would appreciate it if you would.

We have a series of questions for you, as we do for others, to be submitted for the record.

We send a lot of requests over to the Veterans Administration and they customarily come back, as is the practice with other Federal agencies, signed by the Liaison Officer. We would like you to give special attention to inquiries which come from this committee. I would be surprised if your answer was other than we will certainly do that. [Laughter.]

Mr. MANSFIELD. You can be absolutely sure that I will certainly do that, sir.

Chairman SPECTER. We have good cooperation generally, but cooperation is never quite as good as it is before confirmation. That is important to carry forward our responsibilities.

What suggestions do you have, Mr. Mansfield? You have been in the field for a long time. What should the Veterans Administration be doing that it is now not doing? You only have 5 minutes to answer. [Laughter.]

Mr. MANSFIELD. I would prefer to concentrate on what the Office of Congressional and Legislative Affairs would be doing in the future because that is going to be my focus.

Chairman SPECTER. Start there.

Mr. MANSFIELD. What I would also recognize is the fact that, in my view, the Office of Congressional and Legislative Affairs is vitally important. The reason for the existence of the agency, the authorizing legislation, the funding for the agency on a yearly basis, and the oversight that is performed on the agency comes from Congress. So, therefore, the agency's relationship with Congress is vitally important to ensure that it has the authority to do what it

needs to do, that changes are made as we go along and seek corrections that need to be made, that the funding——

Chairman SPECTER. Do you have any insights as to what congressional relations could do better than it is now doing?

Mr. MANSFIELD. I think the concentration needs to be on the communications and the timeliness, making sure that we understand exactly what the members of the committee and the staff want and need, and that we get it to them in a timely manner. Another important issue for the Office of Congressional and Legislative Affairs deals with congressional reports. That is a new responsibility for Congressional Affairs, one that we are currently assessing and establishing process and procedures for, and one that I would like to concentrate on so that, again, we can get the Congress the information that it needs to do its job in authorizing or budgeting or oversight.

The overall agency issues which need attention I think have been identified by the Secretary. He has made the point that in the area of benefits, he wants to ensure that the backlog is taken care of. In health care, he wants to make sure that we deliver good quality health care in a timely manner. He has indicated that the personnel change that is coming with the aging work force is important. The information technology issue is important. Also the interaction and cooperation of the various administrations and staff offices within the Department have been identified by the Secretary as an important issue to focus on.

Chairman SPECTER. Anybody have anything else they would like to say?

[No response.]

Chairman SPECTER. That concludes our hearing. Thank you all very much.

[Whereupon, at 1112 a.m., the committee was adjourned, to reconvene at the call of the Chair.]

