

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 2189  
OFFERED BY MR. RUNYAN OF NEW JERSEY**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. TABLE OF CONTENTS.**

**2** The table of contents for this Act is as follows:

Sec. 1. Table of contents.

TITLE I—IMPROVEMENT OF CLAIMS PROCESSING

Sec. 101. Evaluation of backlog of disability claims and appeals of claims of Department of Veterans Affairs.

Sec. 102. Timeline and metrics to resolve backlog of disability claims.

Sec. 103. Expedition of transfer of certain records.

Sec. 104. Claims processors training.

Sec. 105. Report by Comptroller General of the United States.

Sec. 106. Priority for processing claims of the Department of Veterans Affairs.

Sec. 107. Public availability of certain information about pending and completed claims for compensation under the laws administered by the Secretary of Veterans Affairs.

Sec. 108. Annual report on processing of claims.

Sec. 109. Department of Veterans Affairs notice of average times for processing claims and percentage of claims approved.

Sec. 110. Claim defined.

TITLE II—COMPENSATION AND PENSIONS

Sec. 201. Improvements to authority for performance of medical disabilities examinations by contract physicians.

Sec. 202. Consideration by Secretary of Veterans Affairs of resources disposed of for less than fair market value by individuals applying for pension.

Sec. 203. Bifurcated payments of compensation benefits under laws administered by the Secretary of Veterans Affairs.

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TITLE III—OTHER MATTERS

Sec. 301. Review of operation of certain ships during the Vietnam Era.

Sec. 302. Methods for validating certain service considered to be active service by the Secretary of Veterans Affairs.

Sec. 303. Designation of American World War II Cities.

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1           **TITLE I—IMPROVEMENT OF**  
2                           **CLAIMS PROCESSING**

3   **SEC. 101. EVALUATION OF BACKLOG OF DISABILITY**  
4                           **CLAIMS AND APPEALS OF CLAIMS OF DE-**  
5                           **PARTMENT OF VETERANS AFFAIRS.**

6           (a) IN GENERAL.—There is established a commission  
7 or task force to evaluate the backlog of claims within the  
8 Department of Veterans Affairs and the appeals process  
9 of claims.

10          (b) STUDIES.—

11               (1) BACKLOG STUDY.—

12                   (A) IN GENERAL.—The Commission or  
13 Task Force, acting through the subcommittee  
14 described in subsection (d)(2)(A), shall carry  
15 out a study on the backlog of claims, including  
16 the current process the Secretary of Veterans  
17 Affairs uses to evaluate claims and appeals and  
18 the laws and regulations applicable to such  
19 claims and appeals. Such study shall be a com-  
20 prehensive evaluation and assessment of the  
21 backlog of claims, an analysis of possible im-  
22 provements to the procedures used to process  
23 such claims, and any related issues that the  
24 Commission or Task Force considers relevant.

1 (B) MATTERS INCLUDED.—In carrying out  
2 the study under subparagraph (A), the Com-  
3 mission or Task Force shall examine the fol-  
4 lowing:

5 (i) The backlog of claims, including  
6 an analysis of—

7 (I) the most effective means to  
8 quickly and accurately resolve all  
9 claims pending as of the date of the  
10 study; and

11 (II) with respect to the Depart-  
12 ment, the annual funding, number of  
13 full-time employees, workload manage-  
14 ment practices, and the progress, as  
15 of the date of the study, of the stra-  
16 tegic plan.

17 (ii) Possible improvements to the  
18 claims process, including an evaluation and  
19 recommendations with respect to whether  
20 substantive and structural changes to the  
21 overall claims process are required.

22 (iii) In carrying out the evaluation  
23 and recommendations under subparagraph  
24 (B), an examination of—

1 (I) options that make no major  
2 substantive changes to the claims  
3 process;

4 (II) options that maintain the  
5 process but make minor changes; and

6 (III) options that make broad  
7 changes to the process.

8 (2) APPEALS PROCESS STUDY.—

9 (A) IN GENERAL.—The Commission or  
10 Task Force, acting through the subcommittee  
11 described in subsection (d)(2)(B), shall carry  
12 out a study on the anticipated increase of ap-  
13 peals of claims, including the current appeals  
14 process and the laws and regulations applicable  
15 to such appeals. Such study shall be a com-  
16 prehensive evaluation and assessment of such  
17 anticipated increase of appeals claims, an anal-  
18 ysis of possible improvements to the procedures  
19 used to process such appeals, and any related  
20 issues that the Commission or Task Force con-  
21 siders relevant.

22 (B) MATTERS INCLUDED.—In carrying out  
23 the study under subparagraph (A), the Com-  
24 mission or Task Force shall examine the fol-  
25 lowing:

- 1 (i) The anticipated surge in appeals of  
2 claims, including an analysis of—
- 3 (I) the most effective means to  
4 quickly and accurately resolve pending  
5 appeals and future appeals;
- 6 (II) with respect to both the  
7 Board and the Court of Appeals for  
8 Veterans Claims, the annual funding,  
9 number of full-time employees, work-  
10 load management practices, and the  
11 progress, as of the date of the study,  
12 of the strategic plan; and
- 13 (III) the efficiency, effectiveness,  
14 and utility of the Veterans Benefits  
15 Management System with respect to  
16 appeals operations, including an iden-  
17 tification of key changes that may  
18 need to be implemented to such sys-  
19 tem.
- 20 (ii) Possible improvements to the ap-  
21 peals process, including an evaluation and  
22 recommendations with respect to whether  
23 substantive and structural changes to the  
24 overall appeals process are required.

1 (iii) In carrying out the evaluation  
2 and recommendations under clause (ii), an  
3 examination of—

4 (I) options that make no major  
5 substantive changes to the appeals  
6 process;

7 (II) options that maintain the  
8 process but make minor changes;

9 (III) options that make broad  
10 changes to the process;

11 (IV) the necessity of the multi-  
12 tiered levels of appeals at the regional  
13 office level, including filing a notice of  
14 disagreement, receipt of a statement  
15 of the case, supplemental statement of  
16 the case (if applicable), and sub-  
17 stantive appeal (VA Form 9);

18 (V) the role of the Board and the  
19 Appeals Management Center, includ-  
20 ing—

21 (aa) the effectiveness of the  
22 workload management of the  
23 Board and the Center;

24 (bb) whether the Board and  
25 Center should be regionalized or

1 maintain the centralized struc-  
2 ture in the District of Columbia;  
3 (cc) whether Board members  
4 should be required to pass the  
5 administrative law judges certifi-  
6 cation examination; and  
7 (dd) whether the Board  
8 should continue to require de  
9 novo review of appeals; and  
10 (VI) the role of the Court of Ap-  
11 peals for Veterans Claims and the  
12 United States Court of Appeals for  
13 the Federal Circuit, including—  
14 (aa) the continued effective-  
15 ness and necessity of a multi-  
16 tiered structure of judicial re-  
17 view;  
18 (bb) whether the Court of  
19 Appeals for Veterans Claims  
20 should have Article I or Article  
21 III status;  
22 (cc) expansion of either the  
23 Court of Appeals for Veterans  
24 Claims or the United States  
25 Court of Appeals for the Federal

1 Circuit jurisdiction, including by  
2 allowing such courts to hear class  
3 action lawsuits with respect to  
4 claims; and

5 (dd) the possibility of ex-  
6 panding judicial review of claims  
7 to all Federal circuit courts of  
8 appeals or allowing judicial re-  
9 view beyond the Court of Appeals  
10 for Veterans Claims only by the  
11 Supreme Court.

12 (3) CONSIDERATION.—In carrying out the stud-  
13 ies under paragraph (1)(A) and (2)(A) and making  
14 any recommendations under this section, the Com-  
15 mission or Task Force shall consider the following:

16 (A) The interests of veterans, including  
17 with respect to accuracy, fairness, and trans-  
18 parency in the claims process of the Depart-  
19 ment.

20 (B) The values and requirements of the  
21 Constitution, including with respect to compli-  
22 ance with procedural and substantive due proc-  
23 ess.



1 (C) The public interest, including with re-  
2 spect to the responsible use of available re-  
3 sources.

4 (D) With respect to the study conducted  
5 under paragraph (1)(A), the importance of the  
6 claimant friendly, nonadversarial nature of the  
7 claims process.

8 (E) With respect to the study conducted  
9 under paragraph (2)(A), the importance of an  
10 appeals process that is efficient and easily un-  
11 derstandable by a claimant.

12 (4) ROLE OF SECRETARY, CHAIRMAN OF THE  
13 BOARD, AND CHIEF JUDGE.—

14 (A) INFORMATION.—In carrying out each  
15 study under paragraph (1)(A) and (2)(A), at  
16 times that the Commission or Task Force de-  
17 termines appropriate, the Commission or Task  
18 Force shall submit to the Secretary of Veterans  
19 Affairs, the Chairman of the Board, and the  
20 Chief Judge of the Court of Appeals for Vet-  
21 erans Claims, as the case may be, information  
22 with respect to remedies and solutions that the  
23 Commission or Task Force identifies pursuant  
24 to such a study.

1 (B) IMPLEMENTATION.—The Secretary,  
2 the Chairman of the Board, and the Chief  
3 Judge shall each—

4 (i) fully consider the remedies and so-  
5 lutions submitted to the Secretary, the  
6 Chairman, or the Chief Judge, as the case  
7 may be, under subparagraph (A);

8 (ii) implement such remedies and so-  
9 lutions as the Secretary, the Chairman, or  
10 the Chief Judge, respectively, determines  
11 appropriate; and

12 (iii) submit to Congress justification  
13 for failing to implement any such remedy  
14 or solution.

15 (C) PLAN.—The Commission or Task  
16 Force shall submit to the Secretary, the Chair-  
17 man of the Board, and the Chief Judge a fea-  
18 sible, timely, and cost-effective plan to eliminate  
19 the backlog of appeals of claims based on the  
20 remedies and solutions identified pursuant to  
21 the study under paragraph (2)(A) and the in-  
22 formation submitted under subparagraph (A).

23 (c) COMPREHENSIVE REPORTS.—

24 (1) INITIAL COMPREHENSIVE REPORT.—Not  
25 later than 60 days after the date on which the Com-

1 mission or Task Force first meets, the Commission  
2 or Task Force shall submit to the President and  
3 Congress an initial comprehensive report on the  
4 studies conducted under paragraphs (1)(A) and  
5 (2)(A) of subsection (b), including—

6 (A) the findings of the causes of the back-  
7 log of claims;

8 (B) a proposed plan to handle the antici-  
9 pated surge in appeals of claims; and

10 (C) the level of cooperation the Commis-  
11 sion or Task Force has received from the Sec-  
12 retary and the heads of other departments or  
13 agencies of the Federal Government.

14 (2) INTERIM COMPREHENSIVE REPORTS.—Not  
15 later than 90 days after the date on which the Com-  
16 mission or Task Force first meets, and each 30-day  
17 period thereafter ending on the date on which the  
18 Commission or Task Force submits the final com-  
19 prehensive report under paragraph (3), the Commis-  
20 sion or Task Force shall submit to the President  
21 and Congress a comprehensive report on—

22 (A) the progress of the Secretary with re-  
23 spect to implementing solutions to expedite the  
24 elimination of the backlog of claims pursuant to  
25 subsection (b)(4)(B)(ii);

1 (B) the progress of the Secretary, the  
2 Chairman of the Board, and the Chief Judge of  
3 the Court of Appeals for Veterans Claims with  
4 respect to implementing solutions to complete  
5 appeals of claims in a timely manner in a time-  
6 ly manner pursuant to such subsection; and

7 (C) the level of cooperation the Commis-  
8 sion or Task Force has received from the Sec-  
9 retary and the heads of other departments or  
10 agencies of the Federal Government.

11 (3) FINAL COMPREHENSIVE REPORT.—Not  
12 later than 180 days after the date on which the  
13 Commission or Task Force first meets, the Commis-  
14 sion or Task Force shall submit to the President  
15 and Congress a comprehensive report on the fol-  
16 lowing:

17 (A) With respect to the study conducted  
18 under subsection (b)(1)(A)—

19 (i) The findings, conclusions, and rec-  
20 ommendations of the Commission or Task  
21 Force with respect to the matters referred  
22 to in such subsection.

23 (ii) The recommendations of the Com-  
24 mission or Task Force for revising and im-

1           proving the backlog of claims and the pro-  
2           cedures used to process claims.

3           (iii) The progress of the Secretary  
4           with respect to implementing solutions to  
5           expedite the elimination of the backlog of  
6           claims pursuant to subsection (b)(4)(B)(ii).

7           (iv) Other information and rec-  
8           ommendations with respect to claims as  
9           the Commission or Task Force considers  
10          appropriate.

11          (B) With respect to the study conducted  
12          under subsection (b)(2)(A)—

13           (i) The findings, conclusions, and rec-  
14           ommendations of the Commission or Task  
15           Force with respect to the matters referred  
16           to in such subsection.

17           (ii) The recommendations of the Com-  
18           mission or Task Force for revising and im-  
19           proving the appeals process;

20           (iii) The information described in sub-  
21           section (b)(4)(A).

22           (iv) The feasible, timely, and cost ef-  
23           fective plan described in subsection  
24           (b)(4)(C).

1 (v) The progress of the Secretary, the  
2 Chairman of the Board, and the Chief  
3 Judge of the Court of Appeals for Vet-  
4 erans Claims with respect to implementing  
5 solutions to provide timely appeals of  
6 claims.

7 (vi) Other information and rec-  
8 ommendations with respect to the appeals  
9 process as the Commission or Task Force  
10 considers appropriate.

11 (d) MEMBERSHIP.—

12 (1) NUMBER AND APPOINTMENT.—The Com-  
13 mission or Task Force shall be composed of 15  
14 members, appointed as follows:

15 (A) Two members appointed by the Speak-  
16 er of the House of Representatives, one of  
17 whom shall be designated to serve upon the  
18 Subcommittee on the Backlog of Claims and  
19 one of whom shall be designated to serve upon  
20 the Subcommittee on Appeals.

21 (B) Two members appointed by the minor-  
22 ity leader of the House of Representatives, one  
23 of whom shall be designated to serve upon the  
24 Subcommittee on the Backlog of Claims and

1 one of whom shall be designated to serve upon  
2 the Subcommittee on Appeals.

3 (C) Two members appointed by the major-  
4 ity leader of the Senate, one of whom shall be  
5 designated to serve upon the Subcommittee on  
6 the Backlog of Claims and one of whom shall  
7 be designated to serve upon the Subcommittee  
8 on Appeals.

9 (D) Two members appointed by the minor-  
10 ity leader of the Senate, one of whom shall be  
11 designated to serve upon the Subcommittee on  
12 the Backlog of Claims and one of whom shall  
13 be designated to serve upon the Subcommittee  
14 on Appeals.

15 (E) Three members appointed by the  
16 President, two of whom shall be designated to  
17 serve upon the Subcommittee on the Backlog of  
18 Claims and one of whom shall be designated to  
19 serve upon the Subcommittee on Appeals.

20 (F) One member appointed by the Sec-  
21 retary of Defense, whom shall be designated to  
22 serve upon the Subcommittee on the Backlog of  
23 Claims.

24 (G) Two members appointed by the Sec-  
25 retary of Veterans Affairs, one of whom shall be

1 designated to serve upon the Subcommittee on  
2 the Backlog of Claims and one of whom shall  
3 be designated to serve upon the Subcommittee  
4 on Appeals.

5 (H) One member appointed by the Chief  
6 Judge of the Court of Appeals for Veterans  
7 Claims, whom shall be designated to serve upon  
8 the Subcommittee on Appeals.

9 (2) SUBCOMMITTEES.—The Commission or  
10 Task Force shall have two subcommittees as follows:

11 (A) A Subcommittee on the Backlog of  
12 Claims consisting of the eight members des-  
13 igned in accordance with paragraph (1).

14 (B) A Subcommittee on Appeals consisting  
15 of the seven members designated in accordance  
16 with paragraph (1).

17 (3) QUALIFICATIONS.—Each member appointed  
18 under paragraph (1) shall be appointed based on the  
19 experience of the member as a veteran or on the  
20 subject matter expertise or other relevant experience  
21 of the member.

22 (4) ADVISORS.—

23 (A) IN GENERAL.—In addition to the 15  
24 members appointed under paragraph (1), the  
25 Commission or Task Force shall—



1 (i) have five nonvoting, nonmember  
2 advisors, appointed by a majority of the  
3 Commission or Task Force, each from a  
4 different organization that represents the  
5 interests of veterans; and

6 (ii) seek advice from experts from  
7 nongovernmental organizations (including  
8 veterans service organizations and military  
9 organizations), the Internet technology in-  
10 dustry, and the insurance industry.

11 (B) ADVICE.—Individuals described in  
12 clause (i) and (ii) of subparagraph (A) shall  
13 provide advice to both subcommittees described  
14 in paragraph (2).

15 (5) CHAIRMAN.—The President shall designate  
16 a member of the Commission or Task Force who is  
17 appointed by the President and designated to serve  
18 upon the Subcommittee on the Backlog of Claims to  
19 serve as the chairman of the Commission or Task  
20 Force. The chairman may designate a member to  
21 serve as the chairman of the Subcommittee on the  
22 Backlog of Claims and a member to serve as the  
23 chairman of the Subcommittee on Appeals to chair  
24 such subcommittees as the designee of the chairman  
25 of the Commission or Task Force.

1           (6) PERIOD OF APPOINTMENT.—Members of  
2 the Commission or Task Force shall be appointed  
3 for the life of the Commission or Task Force. A va-  
4 cancy shall not affect its powers.

5           (7) VACANCY.—A vacancy on the Commission  
6 or Task Force shall be filled in the manner in which  
7 the original appointment was made.

8           (8) APPOINTMENT DEADLINE.—The appoint-  
9 ment of members of the Commission or Task Force  
10 established in this section shall be made not later  
11 than 15 days after the date of the enactment of this  
12 Act.

13 (e) MEETINGS.—

14           (1) INITIAL MEETING.—The Commission or  
15 Task Force shall hold its first meeting not later  
16 than 15 days after the date on which a majority of  
17 the members are appointed.

18           (2) MEETINGS.—The Commission or Task  
19 Force shall meet at the call of the chairman.

20           (3) QUORUM.—A majority of the members of  
21 the Commission or Task Force shall constitute a  
22 quorum, but a lesser number may hold hearings.

23 (f) POWERS OF THE COMMISSION OR TASK FORCE.—

24           (1) HEARINGS.—The Commission or Task  
25 Force may hold such hearings, sit and act at such

1 times and places, take such testimony, and receive  
2 such evidence as the Commission or Task Force con-  
3 siders advisable to carry out the purposes of this  
4 section.

5 (2) INFORMATION FROM FEDERAL AGENCIES.—

6 The Commission or Task Force may secure directly  
7 from any department or agency of the Federal Gov-  
8 ernment such information as the Commission or  
9 Task Force considers necessary to carry out the pro-  
10 visions of this section. Upon request of the chair-  
11 man, the head of such department or agency shall  
12 furnish such information to the Commission or Task  
13 Force.

14 (3) POSTAL SERVICES.—The Commission or  
15 Task Force may use the United States mails in the  
16 same manner and under the same conditions as  
17 other departments and agencies of the Federal Gov-  
18 ernment.

19 (4) GIFTS.—The Commission or Task Force  
20 may accept, use, and dispose of gifts or donations of  
21 service or property.

22 (g) PERSONNEL MATTERS.—

23 (1) COMPENSATION OF MEMBERS.—Each mem-  
24 ber of the Commission or Task Force who is not an  
25 officer or employee of the United States shall be

1        compensated at a rate equal to the daily equivalent  
2        of the annual rate of basic pay prescribed for level  
3        IV of the Executive Schedule under section 5315 of  
4        title 5, United States Code, for each day (including  
5        travel time) during which the member is engaged in  
6        the performance of the duties of the Commission or  
7        Task Force. All members of the Commission or  
8        Task Force who are officers or employees of the  
9        United States shall serve without compensation in  
10       addition to that received for their services as officers  
11       or employees of the United States.

12            (2) TRAVEL EXPENSES.—The members of the  
13        Commission or Task Force shall be allowed travel  
14        expenses, including per diem in lieu of subsistence,  
15        at rates authorized for employees of agencies under  
16        subchapter I of chapter 57 of title 5, United States  
17        Code, while away from their homes or regular places  
18        of business in the performance of service of the  
19        Commission or Task Force.

20            (3) STAFF.—

21            (A) APPOINTMENT.—The chairman of the  
22        Commission or Task Force may, without regard  
23        to the civil service laws and regulations, appoint  
24        an executive director and such other personnel  
25        as may be necessary to enable the Commission

1           or Task Force to perform its duties. The ap-  
2           pointment of an executive director shall be sub-  
3           ject to the approval of the Commission or Task  
4           Force.

5           (B) COMPENSATION.—The chairman of  
6           the Commission or Task Force may fix the  
7           compensation of the executive director and  
8           other personnel without regard to the provisions  
9           of chapter 51 and subchapter III of chapter 53  
10          of title 5, United States Code, relating to classi-  
11          fication of positions and General Schedule pay  
12          rates, except that the rate of pay for the execu-  
13          tive director and other personnel may not ex-  
14          ceed the rate payable for level V of the Execu-  
15          tive Schedule under section 5316 of such title.

16          (4) DETAIL OF GOVERNMENT EMPLOYEES.—  
17          Upon request of the chairman of the Commission or  
18          Task Force, the head of any department or agency  
19          of the Federal Government may detail, on a non-  
20          reimbursable basis, any personnel of that depart-  
21          ment or agency to the Commission or Task Force to  
22          assist it in carrying out its duties.

23          (5) PROCUREMENT OF TEMPORARY AND INTER-  
24          MITTENT SERVICES.—The chairman of the Commis-  
25          sion or Task Force may procure temporary and

1 intermittent services under section 3109(b) of title  
2 5, United States Code, at rates for individuals which  
3 do not exceed the daily equivalent of the annual rate  
4 of basic pay prescribed for level V of the Executive  
5 Schedule under section 5316 of such title.

6 (h) TERMINATION OF COMMISSION OR TASK  
7 FORCE.—The Commission or Task Force shall terminate  
8 60 days after the date on which the Commission or Task  
9 Force submits the final comprehensive report under sub-  
10 section (c)(3).

11 (i) FUNDING.—

12 (1) IN GENERAL.—The Secretary shall, upon  
13 the request of the chairman of the Commission or  
14 Task Force, make available to the Commission or  
15 Task Force such amounts as the Commission or  
16 Task Force may require to carry out the duties of  
17 the Commission or Task Force under this section.

18 (2) AVAILABILITY.—Any sums made available  
19 to the Commission or Task Force shall remain avail-  
20 able, without fiscal year limitation, until the termi-  
21 nation of the Commission or Task Force.

22 (j) DEFINITIONS.—In this section:

23 (1) The term “appeals process” means the  
24 process to appeal the determination by the Secretary  
25 of a claim beginning with the notice of disagreement

1 filed pursuant to section 7105 of title 38, United  
2 States Code, and ending with the review of a deci-  
3 sion by the Supreme Court pursuant to section  
4 7292(e) of such title.

5 (2) The term “Board” means the Board of Vet-  
6 erans’ Appeals.

7 (3) The term “strategic plan” means the Stra-  
8 tegic Plan to Eliminate the Compensation Claims  
9 Backlog, published by the Secretary of Veterans Af-  
10 fairs on January 25, 2013.

11 **SEC. 102. TIMELINE AND METRICS TO RESOLVE BACKLOG**  
12 **OF DISABILITY CLAIMS.**

13 (a) IMPLEMENTATION OF STRATEGIC PLAN TO  
14 ELIMINATE THE COMPENSATION CLAIMS BACKLOG.—In  
15 addition to, and consistent with, any actions taken pursu-  
16 ant to section 101(b)(4)(B)(ii), the Secretary of Veterans  
17 Affairs shall implement applicable recommendations of the  
18 Strategic Plan to Eliminate the Compensation Claims  
19 Backlog, published by the Secretary on January 25, 2013,  
20 to ensure that by Memorial Day (May 25), 2015, each  
21 claim is approved or denied by not later than 125 days  
22 after the date on which the claim is submitted with an  
23 accuracy rate of 98 percent.

24 (b) SUPPLEMENTAL REPORT.—Not later than 60  
25 days after the date of the enactment of this Act, the Sec-

1   retary of Veterans Affairs shall submit to Congress a sup-  
2   plemental report to the Strategic Plan to Eliminate the  
3   Compensation Claims Backlog that includes the following:

4           (1) Specific measures, procedures, and metrics  
5           to assess the implementation of the plan pursuant to  
6           subsection (a).

7           (2) A detailed timeline to implement each initia-  
8           tive contained in the Strategic Plan to Eliminate the  
9           Compensation Claims Backlog.

10 **SEC. 103. EXPEDITION OF TRANSFER OF CERTAIN**  
11 **RECORDS.**

12           (a) SSA RECORDS.—Not later than 60 days after the  
13   date of the enactment of this Act, the Secretary of Vet-  
14   erans Affairs shall enter into an agreement with the Com-  
15   missioner of the Social Security Administration to ensure  
16   that the Commissioner transfers to the Secretary disability  
17   or medical records of the Commissioner that the Secretary  
18   will use to evaluate a claim by not later than 30 days after  
19   the Secretary requests such records.

20           (b) DOD RECORDS.—Not later than 60 days after  
21   the date of the enactment of this Act, the Secretary of  
22   Veterans Affairs shall enter into an agreement with the  
23   Secretary of Defense to ensure that the Secretary of De-  
24   fense transfers to the Secretary of Veterans Affairs med-  
25   ical records of members or former members of the Armed



1 Forces that the Secretary will use to evaluate a claim by  
2 not later than 30 days after the Secretary requests such  
3 records.

4 (c) NATIONAL GUARD RECORDS.—Not later than 60  
5 days after the date of the enactment of this Act, the Sec-  
6 retary of Veterans Affairs and the Secretary of Defense  
7 shall jointly—

8 (1) submit to Congress a plan to reduce to 30  
9 days the amount of time needed to provide members  
10 of the National Guard and the Secretary of Veterans  
11 Affairs with the medical records of such members,  
12 including by partnering with appropriate officials of  
13 Federal or State departments or agencies; and

14 (2) implement such plan.

15 **SEC. 104. CLAIMS PROCESSORS TRAINING.**

16 (a) ESTABLISHMENT.—The Secretary of Veterans  
17 Affairs shall establish a training program to provide newly  
18 hired claims processors of the Department of Veterans Af-  
19 fairs with training for a period of not less than two years.  
20 In carrying out such program, the Secretary shall identify  
21 successful claims processors of the Department who can  
22 assist in the training of newly hired claims processors.

23 (b) ABILITY TO PROCESS CLAIMS.—The Secretary  
24 shall carry out the training program established under

1 subsection (a) without increasing the amount of time in  
2 which claims are processed by the Department.

3 **SEC. 105. REPORT BY COMPTROLLER GENERAL OF THE**  
4 **UNITED STATES.**

5 Not later than one year after the date of the enact-  
6 ment of this Act, the Comptroller General of the United  
7 States shall submit to Congress a report on the progress  
8 of the Secretary of Veterans Affairs in improving the time-  
9 liness of claims processing and eliminating the backlog of  
10 claims. The report shall include any recommendations of  
11 the Comptroller General with respect to improving the  
12 ability of the Secretary to make such progress.

13 **SEC. 106. PRIORITY FOR PROCESSING CLAIMS OF THE DE-**  
14 **PARTMENT OF VETERANS AFFAIRS.**

15 (a) IN GENERAL.—Subchapter I of chapter 51 of title  
16 38, United States Code, is amended by adding at the end  
17 the following new section:

18 **“§ 5109C. Priority for processing claims**

19 “(a) PRIORITY.—In processing claims for compensa-  
20 tion under this chapter, the Secretary shall provide the  
21 following claimants with priority over other claimants:

22 “(1) Veterans who have attained the age of 70.

23 “(2) Veterans who are terminally ill.

24 “(3) Veterans with life-threatening illnesses.

1           “(4) Homeless veterans (as defined in section  
2           2002 of this title).

3           “(5) Veterans who were awarded the Medal of  
4           Honor.

5           “(6) Veterans who are former prisoners of war.

6           “(7) Veterans whose claims are being reviewed  
7           again in relation to a previously denied claim relat-  
8           ing to military sexual trauma.

9           “(8) Veterans whom the Secretary determines,  
10          on a case-by-case basis, are seriously or very seri-  
11          ously injured.

12          “(9) Veterans whom the Secretary determines,  
13          on a case-by-case basis, should be given priority  
14          under this section based on an application for good  
15          cause established by the Secretary.

16          “(b) REGULATIONS.—The Secretary shall prescribe  
17          regulations to carry out subsection (a).”.

18          (b) CLERICAL AMENDMENT.—The table of sections  
19          at the beginning of such chapter is amended by inserting  
20          after the item relating to section 5109B the following new  
21          item:

          “5109C. Priority for processing claims.”.

1 **SEC. 107. PUBLIC AVAILABILITY OF CERTAIN INFORMA-**  
2 **TION ABOUT PENDING AND COMPLETED**  
3 **CLAIMS FOR COMPENSATION UNDER THE**  
4 **LAWS ADMINISTERED BY THE SECRETARY OF**  
5 **VETERANS AFFAIRS.**

6       (a) IN GENERAL.—Subchapter I of chapter 51 of title  
7 38, United States Code, is amended by adding after sec-  
8 tion 5109C, as added by section 106, the following new  
9 section:

10 **“§ 5109D. Information about pending and completed**  
11 **claims**

12       “(a) AVAILABILITY OF INFORMATION.—The Sec-  
13 retary shall maintain on the Internet website of the De-  
14 partment publicly accessible information about pending  
15 and completed claims for compensation under chapter 11  
16 of this title. Such information shall include each of the  
17 following:

18               “(1) For each regional office and for the De-  
19 partment as a whole—

20                       “(A) the average number of days between  
21 the date of the submittal of a claim and the  
22 date of the decision with respect to the claim  
23 for each of the preceding three-month and one-  
24 year period;

1           “(B) the average number of days such a  
2 claim is pending during the preceding three-  
3 month and one-year periods;

4           “(C) the quality and accuracy rating of the  
5 claims adjudication process during the pre-  
6 ceding three-month and one-year periods;

7           “(D) the number of claims pending;

8           “(E) the number of pending claims that  
9 have been pending for more than 125 days; and

10          “(F) the number of claims completed dur-  
11 ing—

12           “(i) the current month, to date;

13           “(ii) the month preceding the current  
14 month;

15           “(iii) the current calendar year, to  
16 date; and

17           “(iv) the calendar year preceding the  
18 current calendar year; and

19          “(2) For each medical condition for which a  
20 claim for compensation is submitted, for each re-  
21 gional office and for the Department as a whole—

22           “(A) the average number of days between  
23 the date of the submittal of a claim relating to  
24 such medical condition and the date of the deci-

1           sion with respect to the claim for each of the  
2           preceding three-month and one-year period;

3           “(B) the average number of days such a  
4           claim is pending during the preceding three-  
5           month and one-year periods;

6           “(C) the quality and accuracy rating of the  
7           claims adjudication process as applied to claims  
8           relating to such medical condition during the  
9           preceding three-month and one-year periods;

10          “(D) the number of pending claims relat-  
11          ing to such condition;

12          “(E) the number of such pending claims  
13          that have been pending for more than 125 days;  
14          and

15          “(F) the number of claims relating to such  
16          medical condition completed during—

17                  “(i) the current month, to date;

18                  “(ii) the month preceding current  
19                  month;

20                  “(iii) the current calendar year, to  
21                  date; and

22                  “(iv) the calendar year preceding the  
23                  current calendar year.

1 “(b) UPDATES.—The Secretary shall update the in-  
2 formation on the website under subsection (a) not less fre-  
3 quently than once every seven days.”.

4 (b) CLERICAL AMENDMENT.—The table of sections  
5 at the beginning of such chapter is amended by adding  
6 after the item relating to section 5109C, as added by sec-  
7 tion 106, the following new item:

“5109D. Information about pending and completed claims.”.

8 **SEC. 108. ANNUAL REPORT ON PROCESSING OF CLAIMS.**

9 (a) IN GENERAL.—Subchapter I of chapter 51 of title  
10 38, United States Code, is amended by adding after sec-  
11 tion 5109D, as added by section 107, the following new  
12 section:

13 **“§ 5109E. Annual report on processing of claims**

14 “(a) ANNUAL REPORT.—The Secretary shall include  
15 in the annual report to Congress required under section  
16 529 of this title information on the following:

17 “(1) The automatic processing of claims for  
18 compensation.

19 “(2) The performance of any regional office  
20 that fails to meet the administrative goals of the re-  
21 gional office with respect to timeliness and accuracy  
22 in processing claims for compensation.

23 “(3) The timeliness of receiving information  
24 pursuant to a request by the Secretary to the head  
25 of another department or agency of the United

1 States for information required by the Secretary in  
2 adjudicating a claim for compensation under chapter  
3 11 of this title.

4 “(b) MATTERS INCLUDED.—In carrying out sub-  
5 section (a) to include information in the report required  
6 under section 529 of this title, the Secretary shall include  
7 the following:

8 “(1) With respect to the information required  
9 by subsection (a)(1)—

10 “(A) each medical condition for which  
11 claims relating to such condition were processed  
12 in an electronic automated fashion during the  
13 fiscal year covered by the report;

14 “(B) the feasibility of processing any addi-  
15 tional medical conditions in an electronic auto-  
16 mated fashion and any barriers to such proc-  
17 essing, including any such barriers relating to  
18 the schedule for rating disabilities under section  
19 1155 of this title;

20 “(C) the number of claims for compensa-  
21 tion relating to each medical condition sub-  
22 mitted during such fiscal year; and

23 “(D) for each medical condition, the per-  
24 centage of claims denied and the percentage of  
25 claims approved during such fiscal year.



1           “(2) With respect to the information required  
2           by subsection (a)(2), in the case of any regional of-  
3           fice that, for the fiscal year covered by the report,  
4           did not meet the administrative goal of having no  
5           claim pending for more than 125 days and achieving  
6           an accuracy rating of 98 percent—

7                   “(A) a signed statement prepared by the  
8           individual serving as director of the regional of-  
9           fice as of the date of the submittal of the report  
10          containing—

11                   “(i) an explanation for why the re-  
12          gional office did not meet the goal;

13                   “(ii) a description of the additional re-  
14          sources needed to enable the regional office  
15          to reach the goal; and

16                   “(iii) a description of any additional  
17          actions planned for the subsequent fiscal  
18          year that are proposed to enable the re-  
19          gional office to meet the goal; and

20                   “(B) a statement prepared by the Under  
21          Secretary for Benefits explaining how the fail-  
22          ure of the regional office to meet the goal af-  
23          fected the performance evaluation of the direc-  
24          tor of the regional office.

1           “(3) With respect to the information required  
2           by subsection (a)(3)—

3                   “(A) the number of requests described in  
4                   such paragraph made during the fiscal year  
5                   covered by the report; and

6                   “(B) the average response time for such  
7                   requests made during each month of such fiscal  
8                   year, as determined based on the period begin-  
9                   ning on the date on which the Secretary made  
10                  the request and ending on the date on which  
11                  the Secretary determines that the request is  
12                  completed.”.

13           (b) CLERICAL AMENDMENT.—The table of sections  
14           at the beginning of such chapter is amended by adding  
15           after the item relating to section 5109D, as added by sec-  
16           tion 107, the following new item:

          “5109E. Annual report on processing of claims.”.

17   **SEC. 109. DEPARTMENT OF VETERANS AFFAIRS NOTICE OF**  
18                                   **AVERAGE TIMES FOR PROCESSING CLAIMS**  
19                                   **AND PERCENTAGE OF CLAIMS APPROVED.**

20           (a) PUBLIC NOTICE.—The Secretary of Veterans Af-  
21           fairs shall post the information described in subsection  
22           (c)—

23                   (1) in a conspicuous place in each regional of-  
24                   fice and claims intake facilities of the Department of  
25                   Veterans Affairs; and

1 (2) on the Internet website of the Department.

2 (b) NOTICE TO APPLICANTS.—

3 (1) IN GENERAL.—The Secretary shall provide  
4 to each person who submits a claim for benefits  
5 under the laws administered by the Secretary before  
6 the person submits such claim—

7 (A) notice of the information described in  
8 subsection (c); and

9 (B) notice that, during the period ending  
10 on August 6, 2015, the person is eligible to re-  
11 ceive up to an extra year of benefits payments  
12 if the person files an original claim that is fully  
13 developed.

14 (2) ACKNOWLEDGMENT OF RECEIPT OF NO-  
15 TICE.—Each person who submits a claim for bene-  
16 fits under the laws administered by the Secretary  
17 shall include in such application a signed form ac-  
18 knowledging that the person received the informa-  
19 tion described in subsection (c).

20 (c) INFORMATION DESCRIBED.—

21 (1) IN GENERAL.—The information described in  
22 this subsection is the following:

23 (A) The average processing time of the  
24 claims described in paragraph (2) and the per-

1           centage of such submitted claims for which ben-  
2           efits are awarded.

3           (B) The percentage of each of the fol-  
4           lowing types of submitted claims for benefits  
5           under the laws administered by the Secretary of  
6           Veterans Affairs for which benefits are award-  
7           ed:

8                   (i) Claims filed by veterans who au-  
9                   thorized a veterans service organization to  
10                  act on the veterans' behalf under a durable  
11                  power of attorney.

12                  (ii) Claims filed by veterans who au-  
13                  thorized a person other than a veterans  
14                  service organization to act on the veterans'  
15                  behalf under a durable power of attorney.

16                  (iii) Claims filed by veterans who did  
17                  not authorize a person to act on the vet-  
18                  erans' behalf under a durable power of at-  
19                  torney.

20           (2) CLAIMS DESCRIBED.—The claims described  
21           in this paragraph are each of the following types of  
22           claims for benefits under the laws administered by  
23           the Secretary of Veterans Affairs:

24                   (A) A fully developed claim that is sub-  
25                   mitted in standard electronic form.

1 (B) A fully developed claim that is sub-  
2 mitted in standard paper form.

3 (C) A claim that is not fully developed that  
4 is submitted in standard electronic form.

5 (D) A claim that is not fully developed  
6 that is submitted in standard paper form.

7 (E) A claim that is not fully developed that  
8 is submitted in nonstandard paper form.

9 (3) UPDATE OF INFORMATION.—The informa-  
10 tion described in this subsection shall be updated not  
11 less frequently than once each fiscal quarter.

12 **SEC. 110. CLAIM DEFINED.**

13 Except as otherwise provided, in this title, the term  
14 “claim” means a claim for disability compensation under  
15 the laws administered by the Secretary of Veterans Af-  
16 fairs.

17 **TITLE II—COMPENSATION AND**  
18 **PENSIONS**

19 **SECTION 201. IMPROVEMENTS TO AUTHORITY FOR PER-**  
20 **FORMANCE OF MEDICAL DISABILITIES EX-**  
21 **AMINATIONS BY CONTRACT PHYSICIANS.**

22 (a) EXTENSION OF TEMPORARY AUTHORITY.—Sub-  
23 section (c) of section 704 of the Veterans Benefits Act  
24 of 2003 (38 U.S.C. 5101 note) is amended by striking

1 “December 31, 2013” and inserting “December 31,  
2 2016”.

3 (b) LICENSURE OF CONTRACT PHYSICIANS.—

4 (1) TEMPORARY AUTHORITY.—Such section  
5 704 is further amended—

6 (A) by redesignating subsection (d) as sub-  
7 section (e); and

8 (B) by inserting after subsection (c) the  
9 following new subsection (d):

10 “(d) LICENSURE OF CONTRACT PHYSICIANS.—

11 “(1) IN GENERAL.—Notwithstanding any law  
12 regarding the licensure of physicians, a physician de-  
13 scribed in paragraph (2) may conduct an examina-  
14 tion pursuant to a contract entered into under sub-  
15 section (b) at any location in any State, the District  
16 of Columbia, or a Commonwealth, territory, or pos-  
17 session of the United States, so long as the examina-  
18 tion is within the scope of the authorized duties  
19 under such contract.

20 “(2) PHYSICIAN DESCRIBED.—A physician de-  
21 scribed in this paragraph is a physician who—

22 “(A) has a current license to practice the  
23 health care profession of the physician; and

1           “(B) is performing authorized duties for  
2           the Department of Veterans Affairs pursuant to  
3           a contract entered into under subsection (b).”.

4           (2) PILOT PROGRAM.—Section 504 of the Vet-  
5           erans’ Benefits Improvement Act of 1996 (38  
6           U.S.C. 5101 note) is amended—

7           (A) by redesignating subsections (c) and  
8           (d) as subsections (d) and (e), respectively; and

9           (B) by inserting after subsection (b) the  
10          following new subsection (c):

11         “(c) LICENSURE OF CONTRACT PHYSICIANS.—

12           “(1) IN GENERAL.—Notwithstanding any law  
13           regarding the licensure of physicians, a physician de-  
14           scribed in paragraph (2) may conduct an examina-  
15           tion pursuant to a contract entered into under sub-  
16           section (a) at any location in any State, the District  
17           of Columbia, or a Commonwealth, territory, or pos-  
18           session of the United States, so long as the examina-  
19           tion is within the scope of the authorized duties  
20           under such contract.

21           “(2) PHYSICIAN DESCRIBED.—A physician de-  
22           scribed in this paragraph is a physician who—

23           “(A) has a current license to practice the  
24           health care profession of the physician; and

1           “(B) is performing authorized duties for  
2           the Department of Veterans Affairs pursuant to  
3           a contract entered into under subsection (a).”.

4           (c) EXPANSION OF PILOT PROGRAM.—Subsection (b)  
5 of such section 504 is amended to read as follows:

6           “(b) LOCATIONS.—

7           “(1) NUMBER.—The Secretary may carry out  
8           the pilot program under this section through not  
9           more than 15 regional offices of the Department of  
10          Veterans Affairs.

11          “(2) SELECTION.—The Secretary shall select  
12          the regional offices under paragraph (1) by ana-  
13          lyzing appropriate data to determine the regional of-  
14          fices that require support. Such appropriate data  
15          shall include—

16                  “(A) the number of backlogged claims;

17                  “(B) the total pending case workload;

18                  “(C) the length of time cases have been  
19          pending;

20                  “(D) the accuracy of completed cases;

21                  “(E) the overall timeliness of completed  
22          cases;

23                  “(F) the availability and workload of the  
24          examination units and physicians of the medical  
25          centers in the regional office; and



1           “(G) any other data the Secretary deter-  
2           mines appropriate.

3           “(3) ANNUAL ANALYSIS.—The Secretary shall  
4           carry out the data analysis of the regional offices  
5           under paragraph (2) during each year in which the  
6           program under this section is carried out to deter-  
7           mine the regional offices selected under paragraph  
8           (1) for such year.”.

9   **SEC. 202. CONSIDERATION BY SECRETARY OF VETERANS**  
10                   **AFFAIRS OF RESOURCES DISPOSED OF FOR**  
11                   **LESS THAN FAIR MARKET VALUE BY INDIVID-**  
12                   **UALS APPLYING FOR PENSION.**

13           (a) VETERANS.—Section 1522 of title 38, United  
14 States Code, is amended—

15                   (1) in subsection (a)—

16                           (A) by inserting “(1)” before “The Sec-  
17                           retary”; and

18                           (B) by adding at the end the following new  
19                   paragraph:

20                   “(2)(A) If a veteran otherwise eligible for payment  
21 of pension under section 1513 or 1521 of this title or the  
22 spouse of such veteran disposes of covered resources for  
23 less than fair market value on or after the look-back date  
24 described in subparagraph (C)(i), the Secretary shall deny  
25 or discontinue the payment of pension to such veteran

1 under section 1513 or 1521 of this title, as the case may  
2 be, for months during the period beginning on the date  
3 described in subparagraph (D) and equal to the number  
4 of months calculated as provided in subparagraph (E).

5 “(B)(i) For purposes of this paragraph, a covered re-  
6 source is any resource that was a part of the corpus of  
7 the estate of the veteran or, if the veteran has a spouse,  
8 the corpus of the estates of the veteran and of the vet-  
9 eran’s spouse, that the Secretary considers that under all  
10 the circumstances, if the veteran or spouse had not dis-  
11 posed of such resource, it would be reasonable that the  
12 resource (or some portion of the resource) be consumed  
13 for the veteran’s maintenance.

14 “(ii) For purposes of this paragraph, the Secretary  
15 may consider, in accordance with regulations the Sec-  
16 retary shall prescribe, a transfer of an asset (including a  
17 transfer of an asset to an annuity, trust, or other financial  
18 instrument or investment) a disposal of a covered resource  
19 for less than fair market value if such transfer reduces  
20 the amount in the corpus of the estate of the veteran or,  
21 if the veteran has a spouse, the corpus of the estates of  
22 the veteran and of the veteran’s spouse, that the Secretary  
23 considers, under all the circumstances, would be reason-  
24 able to be consumed for the veteran’s maintenance.

1       “(C)(i) The look-back date described in this clause  
2 is a date that is 36 months before the date described in  
3 clause (ii).

4       “(ii) The date described in this clause is the date on  
5 which the veteran applies for pension under section 1513  
6 or 1521 of this title or, if later, the date on which the  
7 veteran (or the spouse of the veteran) disposes of covered  
8 resources for less than fair market value.

9       “(D) The date described in this subparagraph is the  
10 first day of the first month in or after which covered re-  
11 sources were disposed of for less than fair market value  
12 and which does not occur in any other period of ineligi-  
13 bility under this paragraph.

14       “(E) The number of months calculated under this  
15 subparagraph shall be equal to—

16               “(i) the total, cumulative uncompensated value  
17 of the portion of covered resources so disposed of by  
18 the veteran (or the spouse of the veteran) on or  
19 after the look-back date described in subparagraph  
20 (C)(i) that the Secretary determines would reason-  
21 ably have been consumed for the veteran’s mainte-  
22 nance; divided by

23               “(ii) the maximum amount of monthly pension  
24 that is payable to a veteran under section 1513 or  
25 1521 of this title, including the maximum amount of

1 increased pension payable under such sections on ac-  
2 count of family members, but not including any  
3 amount of pension payable under such sections be-  
4 cause a veteran is in need of regular aid and attend-  
5 ance or is permanently housebound,

6 rounded, in the case of any fraction, to the nearest whole  
7 number, but shall not in any case exceed 36 months.”;

8 (2) in subsection (b)—

9 (A) by inserting “(1)” before “The Sec-  
10 retary”; and

11 (B) by adding at the end the following new  
12 paragraph:

13 “(2)(A) If a veteran otherwise eligible for payment  
14 of increased pension under subsection (c), (d), (e), or (f)  
15 of section 1521 of this title on account of a child, the  
16 spouse of the veteran, or the child disposes of covered re-  
17 sources for less than fair market value on or after the  
18 look-back date described in subparagraph (C)(i), the Sec-  
19 retary shall deny or discontinue payment of such increased  
20 pension for months during the period beginning on the  
21 date described in subparagraph (D) and equal to the num-  
22 ber of months calculated as provided in subparagraph (E).

23 “(B)(i) For purposes of this paragraph, a covered re-  
24 source is any resource that was a part of the corpus of  
25 the estate of the child that the Secretary considers that

1 under all the circumstances, if the veteran, the spouse of  
2 the veteran, or the child had not disposed of such resource,  
3 it would be reasonable that the resource (or some portion  
4 of the resource) be consumed for the child's maintenance.

5       “(ii) For purposes of this paragraph, the Secretary  
6 may consider, in accordance with regulations the Sec-  
7 retary shall prescribe, a transfer of an asset (including a  
8 transfer of an asset to an annuity, trust, or other financial  
9 instrument or investment) a disposal of a covered resource  
10 for less than fair market value if such transfer reduces  
11 the amount in the corpus of the estate of the child that  
12 the Secretary considers, under all the circumstances,  
13 would be reasonable to be consumed for the child's mainte-  
14 nance.

15       “(C)(i) The look-back date described in this clause  
16 is a date that is 36 months before the date described in  
17 clause (ii).

18       “(ii) The date described in this clause is the date on  
19 which the veteran applies for payment of increased pen-  
20 sion under subsection (c), (d), (e), or (f) of section 1521  
21 of this title on account of a child or, if later, the date  
22 on which the veteran, the spouse of the veteran, or the  
23 child disposes of covered resources for less than fair mar-  
24 ket value.

1       “(D) The date described in this subparagraph is the  
2 first day of the first month in or after which covered re-  
3 sources were disposed of for less than fair market value  
4 and which does not occur in any other period of ineligi-  
5 bility under this paragraph.

6       “(E) The number of months calculated under this  
7 subparagraph shall be equal to—

8           “(i) the total, cumulative uncompensated value  
9 of the portion of covered resources so disposed of by  
10 the veteran, the spouse of the veteran, or the child  
11 on or after the look-back date described in subpara-  
12 graph (C)(i) that the Secretary determines would  
13 reasonably have been consumed for the child’s main-  
14 tenance; divided by

15           “(ii) the maximum amount of increased month-  
16 ly pension that is payable to a veteran under sub-  
17 section (c), (d), (e), or (f) of section 1521 of this  
18 title on account of a child,

19 rounded, in the case of any fraction, to the nearest whole  
20 number, but shall not in any case exceed 36 months.”;  
21 and

22           (3) by adding at the end the following new sub-  
23 sections:

24       “(c)(1) The Secretary shall not deny or discontinue  
25 payment of pension under section 1513 or 1521 of this

1 title or payment of increased pension under subsection (c),  
2 (d), (e), or (f) of section 1521 of this title on account of  
3 a child by reason of the application of subsection (a)(2)  
4 or (b)(2) of this section to the disposal of resources by  
5 an individual to the extent that—

6           “(A) a satisfactory showing is made to the Sec-  
7           retary (in accordance with regulations promulgated  
8           by the Secretary) that all resources disposed of for  
9           less than fair market value have been returned to  
10          the individual who disposed of the resources; or

11          “(B) the Secretary determines, under proce-  
12          dures established by the Secretary, that the denial  
13          or discontinuance of payment would work an undue  
14          hardship as determined on the basis of criteria es-  
15          tablished by the Secretary.

16          “(2) At the time a veteran applies for pension under  
17          section 1513 or 1521 of this title or increased pension  
18          under subsection (c), (d), (e), or (f) of section 1521 of  
19          this title on account of a child, and at such other times  
20          as the Secretary considers appropriate, the Secretary  
21          shall—

22               “(A) inform such veteran of the provisions of  
23               subsections (a)(2) and (b)(2) providing for a period  
24               of ineligibility for payment of pension under such  
25               sections for individuals who make certain disposi-

1 tions of resources for less than fair market value;  
2 and

3 “(B) obtain from such veteran information  
4 which may be used in determining whether or not a  
5 period of ineligibility for such payments would be re-  
6 quired by reason of such subsections.

7 “(d) Subsections (a)(2) and (b)(2) shall not apply  
8 with respect to the disposal of resources or the transfer  
9 of an asset if such disposal or transfer is to a trust de-  
10 scribed in section 1917(d)(4) of the Social Security Act  
11 (42 U.S.C. 1396p(d)(4)) that is established for the benefit  
12 of a child of the veteran.”.

13 (b) SURVIVING SPOUSES AND CHILDREN.—Section  
14 1543 of such title is amended—

15 (1) in subsection (a)—

16 (A) by redesignating paragraph (2) as  
17 paragraph (3);

18 (B) by inserting after paragraph (1) the  
19 following new paragraph (2):

20 “(2)(A) If a surviving spouse otherwise eligible for  
21 payment of pension under section 1541 of this title dis-  
22 poses of covered resources for less than fair market value  
23 on or after the look-back date described in subparagraph  
24 (C)(i), the Secretary shall deny or discontinue the pay-  
25 ment of pension to such surviving spouse under section



1 1541 of this title for months during the period beginning  
2 on the date described in subparagraph (D) and equal to  
3 the number of months calculated as provided in subpara-  
4 graph (E).

5 “(B)(i) For purposes of this paragraph, a covered re-  
6 source is any resource that was a part of the corpus of  
7 the estate of the surviving spouse that the Secretary con-  
8 siders that under all the circumstances, if the surviving  
9 spouse had not disposed of such resource, it would be rea-  
10 sonable that the resource (or some portion of the resource)  
11 be consumed for the surviving spouse’s maintenance.

12 “(ii) For purposes of this paragraph, the Secretary  
13 may consider, in accordance with regulations the Sec-  
14 retary shall prescribe, a transfer of an asset (including a  
15 transfer of an asset to an annuity, trust, or other financial  
16 instrument or investment) a disposal of a covered resource  
17 for less than fair market value if such transfer reduces  
18 the amount in the corpus of the estate of the surviving  
19 spouse that the Secretary considers, under all the cir-  
20 cumstances, would be reasonable to be consumed for the  
21 surviving spouse’s maintenance.

22 “(C)(i) The look-back date described in this clause  
23 is a date that is 36 months before the date described in  
24 clause (ii).

1       “(ii) The date described in this clause is the date on  
2 which the surviving spouse applies for pension under sec-  
3 tion 1541 of this title or, if later, the date on which the  
4 surviving spouse disposes of covered resources for less  
5 than fair market value.

6       “(D) The date described in this subparagraph is the  
7 first day of the first month in or after which covered re-  
8 sources were disposed of for less than fair market value  
9 and which does not occur in any other period of ineligi-  
10 bility under this paragraph.

11       “(E) The number of months calculated under this  
12 subparagraph shall be equal to—

13               “(i) the total, cumulative uncompensated value  
14 of the portion of covered resources so disposed of by  
15 the surviving spouse on or after the look-back date  
16 described in subparagraph (C)(i) that the Secretary  
17 determines would reasonably have been consumed  
18 for the surviving spouse’s maintenance; divided by

19               “(ii) the maximum amount of monthly pension  
20 that is payable to a surviving spouse under section  
21 1541 of this title, including the maximum amount of  
22 increased pension payable under such section on ac-  
23 count of a child, but not including any amount of  
24 pension payable under such section because a sur-

1       viving spouse is in need of regular aid and attend-  
2       ance or is permanently housebound,  
3       rounded, in the case of any fraction, to the nearest whole  
4       number, but shall not in any case exceed 36 months.

5       “(F) In the case of a transfer by the surviving spouse  
6       during the veteran’s lifetime that resulted in a period of  
7       ineligibility for the veteran under section 1522 of this title,  
8       the Secretary shall apply to the surviving spouse any re-  
9       maining ineligibility for that period.”; and

10               (C) by adding at the end the following new  
11               paragraph:

12       “(4)(A) If a surviving spouse otherwise eligible for  
13       payment of increased pension under subsection (c), (d),  
14       or (e) of section 1541 of this title on account of a child  
15       or the child disposes of covered resources for less than fair  
16       market value on or after the look-back date described in  
17       subparagraph (C)(i), the Secretary shall deny or dis-  
18       continue payment of such increased pension for months  
19       during the period beginning on the date described in sub-  
20       paragraph (D) and equal to the number of months cal-  
21       culated as provided in subparagraph (E).

22       “(B)(i) For purposes of this paragraph, a covered re-  
23       source is any resource that was a part of the corpus of  
24       the estate of the child that the Secretary considers that  
25       under all the circumstances, if the surviving spouse or the

1 child had not disposed of such resource, it would be rea-  
2 sonable that the resource (or some portion of the resource)  
3 be consumed for the child's maintenance.

4       “(ii) For purposes of this paragraph, the Secretary  
5 may consider, in accordance with regulations the Sec-  
6 retary shall prescribe, a transfer of an asset (including a  
7 transfer of an asset to an annuity, trust, or other financial  
8 instrument or investment) a disposal of a covered resource  
9 for less than fair market value if such transfer reduces  
10 the amount in the corpus of the estate of the child that  
11 the Secretary considers, under all the circumstances,  
12 would be reasonable to be consumed for the child's mainte-  
13 nance.

14       “(C)(i) The look-back date described in this clause  
15 is a date that is 36 months before the date described in  
16 clause (ii).

17       “(ii) The date described in this clause is the date on  
18 which the surviving spouse applies for payment of in-  
19 creased pension under subsection (c), (d), or (e) of section  
20 1541 of this title on account of a child or, if later, the  
21 date on which the surviving spouse (or the child) disposes  
22 of covered resources for less than fair market value.

23       “(D) The date described in this subparagraph is the  
24 first day of the first month in or after which covered re-  
25 sources were disposed of for less than fair market value

1 and which does not occur in any other period of ineligi-  
2 bility under this paragraph.

3 “(E) The number of months calculated under this  
4 clause shall be equal to—

5 “(i) the total, cumulative uncompensated value  
6 of the portion of covered resources so disposed of by  
7 surviving spouse (or the child) on or after the look-  
8 back date described in subparagraph (C)(i) that the  
9 Secretary determines would reasonably have been  
10 consumed for the child’s maintenance; divided by

11 “(ii) the maximum amount of increased month-  
12 ly pension that is payable to a surviving spouse  
13 under subsection (c), (d), or (e) of section 1541 of  
14 this title on account of a child,

15 rounded, in the case of any fraction, to the nearest whole  
16 number, but shall not in any case exceed 36 months.”;

17 (2) in subsection (b)—

18 (A) by inserting “(1)” before “The Sec-  
19 retary”; and

20 (B) by adding at the end the following new  
21 paragraph:

22 “(2)(A) If a child otherwise eligible for payment of  
23 pension under section 1542 of this title or any person with  
24 whom such child is residing who is legally responsible for  
25 such child’s support disposes of covered resources for less

1 than fair market value on or after the look-back date de-  
2 scribed in subparagraph (C)(i), the Secretary shall deny  
3 or discontinue the payment of pension to such child under  
4 section 1542 of this title for months during the period be-  
5 ginning on the date described in subparagraph (D) and  
6 equal to the number of months calculated as provided in  
7 subparagraph (E).

8 “(B)(i) For purposes of this paragraph, a covered re-  
9 source is any resource that was a part of the corpus of  
10 the estate of the child or the corpus of the estate of any  
11 person with whom such child is residing who is legally re-  
12 sponsible for such child’s support that the Secretary con-  
13 siders that under all the circumstances, if the child or per-  
14 son had not disposed of such resource, it would be reason-  
15 able that the resource (or some portion of the resource)  
16 be consumed for the child’s maintenance.

17 “(ii) For purposes of this paragraph, the Secretary  
18 may consider, in accordance with regulations the Sec-  
19 retary shall prescribe, a transfer of an asset (including a  
20 transfer of an asset to an annuity, trust, or other financial  
21 instrument or investment) a disposal of a covered resource  
22 for less than fair market value if such transfer reduces  
23 the amount in the corpus of the estate described in clause  
24 (i) that the Secretary considers, under all the cir-

1 cumstances, would be reasonable to be consumed for the  
2 child's maintenance.

3 “(C)(i) The look-back date described in this clause  
4 is a date that is 36 months before the date described in  
5 clause (ii).

6 “(ii) The date described in this clause is the date on  
7 which the child applies for pension under section 1542 of  
8 this title or, if later, the date on which the child (or person  
9 described in subparagraph (B)) disposes of covered re-  
10 sources for less than fair market value.

11 “(D) The date described in this clause is the first  
12 day of the first month in or after which covered resources  
13 were disposed of for less than fair market value and which  
14 does not occur in any other period of ineligibility under  
15 this paragraph.

16 “(E) The number of months calculated under this  
17 clause shall be equal to—

18 “(i) the total, cumulative uncompensated value  
19 of the portion of covered resources so disposed of by  
20 the child (or person described in subparagraph (B))  
21 on or after the look-back date described in subpara-  
22 graph (C)(i) that the Secretary determines would  
23 reasonably have been consumed for the child's main-  
24 tenance; divided by

1           “(ii) the maximum amount of monthly pension  
2           that is payable to a child under section 1542 of this  
3           title,  
4 rounded, in the case of any fraction, to the nearest whole  
5 number, but shall not in any case exceed 36 months.”;  
6 and

7           (3) by adding at the end the following new sub-  
8           sections:

9           “(c)(1) The Secretary shall not deny or discontinue  
10 payment of pension under section 1541 or 1542 of this  
11 title or payment of increased pension under subsection (c),  
12 (d), or (e) of section 1541 of this title on account of a  
13 child by reason of the application of subsection (a)(2),  
14 (a)(4), or (b)(2) of this section to the disposal of resources  
15 by an individual to the extent that—

16           “(A) a satisfactory showing is made to the Sec-  
17 retary (in accordance with regulations promulgated  
18 by the Secretary) that all resources disposed of for  
19 less than fair market value have been returned to  
20 the individual who disposed of the resources; or

21           “(B) the Secretary determines, under proce-  
22 dures established by the Secretary, that the denial  
23 or discontinuance of payment would work an undue  
24 hardship as determined on the basis of criteria es-  
25 tablished by the Secretary.



1       “(2) At the time a surviving spouse or child applies  
2 for pension under section 1541 or 1542 of this title or  
3 increased pension under subsection (c), (d), or (e) of sec-  
4 tion 1541 of this title on account of a child, and at such  
5 other times as the Secretary considers appropriate, the  
6 Secretary shall—

7           “(A) inform such surviving spouse or child of  
8 the provisions of subsections (a)(2), (a)(4), and  
9 (b)(2), as applicable, providing for a period of ineli-  
10 gibility for payment of pension or increased pension  
11 under such sections for individuals who make certain  
12 dispositions of resources for less than fair market  
13 value; and

14           “(B) obtain from such surviving spouse or child  
15 information which may be used in determining  
16 whether or not a period of ineligibility for such pay-  
17 ments would be required by reason of such sub-  
18 sections.

19       “(d) Paragraphs (2) and (4) of subsection (a) and  
20 subsection (b)(2) shall not apply with respect to the dis-  
21 posal of resources or the transfer of an asset if such dis-  
22 posal or transfer is to a trust described in section  
23 1917(d)(4) of the Social Security Act (42 U.S.C.  
24 1396p(d)(4)) that is established for the benefit of a child  
25 of the veteran or surviving spouse.”.

1           (c) EFFECTIVE DATE.—Subsections (a)(2), (b)(2),  
2 and (c) of section 1522 of title 38, United States Code,  
3 as added by subsection (a), and subsections (a)(2), (a)(4),  
4 (b)(2), and (c) of section 1543 of such title, as added by  
5 subsection (b), shall take effect on the date that is one  
6 year after the date of the enactment of this Act and shall  
7 apply with respect to payments of pension and increased  
8 pension applied for after such date and to payments of  
9 pension and increased pension for which eligibility is rede-  
10 terminated after such date, except that no reduction in pen-  
11 sion shall be made under such subsections because of any  
12 disposal of covered resources made before such date.

13           (d) ANNUAL REPORTS.—

14           (1) IN GENERAL.—Not later than two years  
15 after the date of the enactment of this Act and not  
16 less frequently than once each year thereafter  
17 through 2018, the Secretary of Veterans Affairs  
18 shall submit to the appropriate committees of Con-  
19 gress a report on the administration of subsections  
20 (a)(2), (b)(2), and (c) of section 1522 of title 38,  
21 United States Code, as added by subsection (a), and  
22 subsections (a)(2), (a)(4), (b)(2), and (c) of section  
23 1543 of such title, as added by subsection (b), dur-  
24 ing the most recent 12-month period.

1           (2) ELEMENTS.—Each report submitted under  
2 paragraph (1) shall include the following, for the pe-  
3 riod covered by the report:

4           (A) The number of individuals who applied  
5 for pension under chapter 15 of such title.

6           (B) The number of individuals who re-  
7 ceived pension under such chapter.

8           (C) The number of individuals with respect  
9 to whom the Secretary denied or discontinued  
10 payment of pension under the subsections re-  
11 ferred to in paragraph (1).

12           (D) A description of any trends identified  
13 by the Secretary regarding pension payments  
14 that have occurred as a result of the amend-  
15 ments made by this section.

16           (E) Such other information as the Sec-  
17 retary considers appropriate.

18           (3) APPROPRIATE COMMITTEES OF CONGRESS  
19 DEFINED.—In this subsection, the term “appro-  
20 priate committees of Congress” means—

21           (A) the Committee on Veterans’ Affairs  
22 and the Select Committee on Aging of the Sen-  
23 ate; and

24           (B) the Committee on Veterans’ Affairs of  
25 the House of Representatives.

1 **SEC. 203. BIFURCATED PAYMENTS OF COMPENSATION BEN-**  
2 **EFITS UNDER LAWS ADMINISTERED BY THE**  
3 **SECRETARY OF VETERANS AFFAIRS.**

4 (a) IN GENERAL.—Subchapter III of chapter 51 of  
5 title 38, United States Code, is amended by adding at the  
6 end the following new section:

7 **“§ 5127. Bifurcated payments of compensation bene-**  
8 **fits**

9 “(a) IN GENERAL.—During the eight-year period be-  
10 ginning on the date of the enactment of this section, in  
11 the case of a claim described in subsection (b), prior to  
12 adjudicating the claim, the Secretary shall make payments  
13 of monetary benefits to the claimant based on any dis-  
14 ability for which the Secretary has made a decision. Upon  
15 the adjudication of the claim, the Secretary shall pay to  
16 the claimant any monetary benefits awarded to the claim-  
17 ant for the period of payment under section 5111 of this  
18 title less the amount of such benefits paid to the claimant  
19 under this section.

20 “(b) CLAIM DESCRIBED.—A claim described in this  
21 subsection is a claim for disability compensation under  
22 chapter 11 of this title—

23 “(1) the adjudication of which requires the Sec-  
24 retary to make decisions with respect to two or more  
25 disabilities; and

1           “(2) for which, before completing the adjudica-  
2           tion of the claim, the Secretary makes a decision  
3           with respect to a disability that would result in the  
4           payment of monetary benefits to the claimant upon  
5           the adjudication of the claim.”.

6           (b) CLERICAL AMENDMENT.—The table of sections  
7           at the beginning of such chapter is amended by adding  
8           at the end of the items relating to such subchapter the  
9           following new item:

          “5127. Bifurcated payments of compensation benefits.”.

10   **SEC. 204. PENSION FOR CERTAIN VETERANS COVERED BY**  
11                           **MEDICAID PLANS FOR SERVICES FURNISHED**  
12                           **BY NURSING FACILITIES.**

13           Section 5503(d)(7) of title 38, United States Code,  
14           is amended by striking “November 30, 2016” and insert-  
15           ing “September 30, 2017”.

16           **TITLE III—OTHER MATTERS**

17   **SEC. 301. REVIEW OF OPERATION OF CERTAIN SHIPS DUR-**  
18                           **ING THE VIETNAM ERA.**

19           (a) REVIEW REQUIRED.—By not later than one year  
20           after the date of the enactment of this Act, the Secretary  
21           of Defense shall review the logs of each ship under the  
22           authority of the Secretary of the Navy that is known to  
23           have operated in the waters near Vietnam during the pe-  
24           riod beginning on January 9, 1962, and ending on May  
25           7, 1975, to determine—

1 (1) whether each such ship operated in the ter-  
2 ritorial waters of the Republic of Vietnam during  
3 such period; and

4 (2) for each such ship that so operated—

5 (A) the date or dates when the ship so op-  
6 erated; and

7 (B) the distance from the shore of the lo-  
8 cation where the ship operated that was the  
9 closest proximity to shore.

10 (b) PROVISION OF INFORMATION TO THE SECRETARY  
11 OF VETERANS AFFAIRS.—Upon a determination that any  
12 such ship so operated, the Secretary of Defense shall pro-  
13 vide such determination, together with the information de-  
14 scribed in subsection (a)(2) about the ship, to the Sec-  
15 retary of Veterans Affairs.

16 (c) PUBLIC AVAILABILITY OF INFORMATION.—The  
17 Secretary of Veterans Affairs shall make publicly available  
18 all unclassified information provided to the Secretary  
19 under subsection (b).

20 **SEC. 302. METHODS FOR VALIDATING CERTAIN SERVICE**  
21 **CONSIDERED TO BE ACTIVE SERVICE BY THE**  
22 **SECRETARY OF VETERANS AFFAIRS.**

23 (a) FINDINGS.—Congress makes the following find-  
24 ings:

1           (1) The Merchant Marine Act, 1936 established  
2           the United States Maritime Commission, and stated  
3           as a matter of policy that the United States should  
4           have a merchant marine that is “capable of serving  
5           as a naval and military auxiliary in time of war or  
6           national emergency”.

7           (2) The Social Security Act Amendments of  
8           1939 (Public Law 76–379) expanded the definition  
9           of employment to include service “on or in connec-  
10          tion with an American vessel under contract of serv-  
11          ice which is entered into within the United States or  
12          during the performance of which the vessel touches  
13          at a port in the United States, if the employee is  
14          employed on and in connection with such vessel”.

15          (3) The Joint Resolution to repeal sections 2,  
16          3, and 6 of the Neutrality Act of 1939, and for  
17          other purposes (Public Law 77–294; 55 Stat. 764)  
18          repealed section 6 of the Neutrality Act of 1939 (re-  
19          lated to the arming of United States vessels) and  
20          authorized the President during the national emer-  
21          gency to arm or permit to arm any United States  
22          vessel.

23          (4) On February 7, 1942, President Franklin  
24          D. Roosevelt, through Executive Order Number  
25          9054, established the War Shipping Administration

1 that was charged with building or purchasing, and  
2 operating the civilian shipping vessels needed for the  
3 war effort.

4 (5) During World War II, United States mer-  
5 chant mariners transported goods and materials  
6 through “contested waters” to the various combat  
7 theaters.

8 (6) At the conclusion of World War II, United  
9 States merchant mariners were responsible for  
10 transporting several million members of the United  
11 States Armed Forces back to the United States.

12 (7) The GI Bill Improvement Act of 1977  
13 (Public Law 95–202) provided that the Secretary of  
14 Defense could determine that service for the Armed  
15 Forces by organized groups of civilians, or contrac-  
16 tors, be considered “active service” for benefits ad-  
17 ministered by the Veterans Administration.

18 (8) Department of Defense Directive 1000.20  
19 directed that the determination be made by the Sec-  
20 retary of the Air Force, and established the Civilian/  
21 Military Service Review Board and Advisory Panel.

22 (9) In 1987, three merchant mariners along  
23 with the AFL–CIO sued Edward C. Aldridge, Sec-  
24 retary of the Air Force, challenging the denial of  
25 their application for veterans status. In *Schumacher*



1 v. *Aldridge* (665 F. Supp. 41 (D.D.C. 1987)), the  
2 Court determined that Secretary Aldridge had failed  
3 to “articulate clear and intelligible criteria for the  
4 administration” of the application approval process.

5 (10) During World War II, women were repeat-  
6 edly denied issuance of official documentation af-  
7 firming their merchant marine seaman status by the  
8 War Shipping Administration.

9 (11) Coast Guard Information Sheet #77  
10 (April 1992) identifies the following acceptable  
11 forms of documentation for eligibility meeting the  
12 requirements set forth in the GI Bill Improvement  
13 Act of 1977 (Public Law 95–202) and Veterans  
14 Programs Enhancement Act of 1998 (Public Law  
15 105–368):

16 (A) Certificate of shipping and discharge  
17 forms.

18 (B) Continuous discharge books (ship’s  
19 deck or engine logbooks).

20 (C) Company letters showing vessel names  
21 and dates of voyages.

22 (12) Coast Guard Commandant Order of March  
23 20, 1944, relieved masters of tugs, towboats, and  
24 seagoing barges of the responsibility of submitting  
25 reports of seamen shipped or discharged on forms,

1 meaning certificates of shipping and discharge forms  
2 are not available to all eligible individuals seeking to  
3 document their eligibility.

4 (13) Coast Guard Information Sheet #77  
5 (April 1992) states that “deck logs were tradition-  
6 ally considered to be the property of the owners of  
7 the ships. After World War II, however, the deck  
8 and engine logbooks of vessels operated by the War  
9 Shipping Administration were turned over to that  
10 agency by the ship owners, and were destroyed dur-  
11 ing the 1970s”, meaning that continuous discharge  
12 books are not available to all eligible individuals  
13 seeking to document their eligibility.

14 (14) Coast Guard Information Sheet #77  
15 (April, 1992) states “some World War II period log  
16 books do not name ports visited during the voyage  
17 due to wartime security restrictions”, meaning that  
18 company letters showing vessel names and dates of  
19 voyages are not available to all eligible individuals  
20 seeking to document their eligibility.

21 (b) METHODS FOR VALIDATING CERTAIN SERVICE  
22 CONSIDERED TO BE ACTIVE SERVICE BY THE SEC-  
23 RETARY OF VETERANS AFFAIRS.—

24 (1) IN GENERAL.—For the purposes of  
25 verifying that an individual performed service under

1        honorable conditions that satisfies the requirements  
2        of a coastwise merchant seaman who is recognized  
3        pursuant to section 401 of the GI Bill Improvement  
4        Act of 1977 (Public Law 95–202; 38 U.S.C. 106  
5        note) as having performed active duty service for the  
6        purposes described in paragraph (3)(A), the Sec-  
7        retary of Homeland Security shall accept the fol-  
8        lowing:

9                    (A) In the case of an individual who served  
10                   on a coastwise merchant vessel seeking such  
11                   recognition for whom no applicable Coast  
12                   Guard shipping or discharge form, ship logbook,  
13                   merchant mariner’s document or Z-card, or  
14                   other official employment record is available,  
15                   the Secretary shall provide such recognition on  
16                   the basis of applicable Social Security Adminis-  
17                   tration records submitted for or by the indi-  
18                   vidual, together with validated testimony given  
19                   by the individual or the primary next of kin of  
20                   the individual that the individual performed  
21                   such service during the period beginning on De-  
22                   cember 7, 1941, and ending on December 31,  
23                   1946.

24                    (B) In the case of an individual who served  
25                   on a coastwise merchant vessel seeking such

1 recognition for whom the applicable Coast  
2 Guard shipping or discharge form, ship logbook,  
3 merchant mariner's document or Z-card, or  
4 other official employment record has been de-  
5 stroyed or otherwise become unavailable by rea-  
6 son of any action committed by a person re-  
7 sponsible for the control and maintenance of  
8 such form, logbook, or record, the Secretary  
9 shall accept other official documentation dem-  
10 onstrating that the individual performed such  
11 service during period beginning on December 7,  
12 1941, and ending on December 31, 1946.

13 (C) For the purpose of determining wheth-  
14 er to recognize service allegedly performed dur-  
15 ing the period beginning on December 7, 1941,  
16 and ending on December 31, 1946, the Sec-  
17 retary shall recognize masters of seagoing ves-  
18 sels or other officers in command of similarly  
19 organized groups as agents of the United States  
20 who were authorized to document any indi-  
21 vidual for purposes of hiring the individual to  
22 perform service in the merchant marine or dis-  
23 charging an individual from such service.

24 (2) TREATMENT OF OTHER DOCUMENTA-  
25 TION.—Other documentation accepted by the Sec-

1       retary of Homeland Security pursuant to paragraph  
2       (1)(B) shall satisfy all requirements for eligibility of  
3       service during the period beginning on December 7,  
4       1941, and ending on December 31, 1946.

5               (3) BENEFITS ALLOWED.—

6                       (A) BURIAL BENEFITS ELIGIBILITY.—

7       Service of an individual that is considered ac-  
8       tive duty pursuant to paragraph (1) shall be  
9       considered as active duty service with respect to  
10      providing burial benefits under chapters 23 and  
11      24 of title 38, United States Code, to the indi-  
12      vidual.

13                      (B) MEDALS, RIBBONS, AND DECORA-  
14      TIONS.—An individual whose service is recog-  
15      nized as active duty pursuant to paragraph (1)  
16      may be awarded an appropriate medal, ribbon,  
17      or other military decoration based on such serv-  
18      ice.

19                      (C) STATUS OF VETERAN.—An individual  
20      whose service is recognized as active duty pur-  
21      suant to paragraph (1) shall be honored as a  
22      veteran but shall not be entitled by reason of  
23      such recognized service to any benefit that is  
24      not described in this subsection.

1           (4) DETERMINATION OF COASTWISE MERCHANT  
2 SEAMAN.—The Secretary of Homeland Security  
3 shall verify that an individual performed service  
4 under honorable conditions that satisfies the require-  
5 ments of a coastwise merchant seaman pursuant to  
6 this section without regard to the sex, age, or dis-  
7 ability of the individual during the period in which  
8 the individual served as such a coastwise merchant  
9 seaman.

10           (5) DEFINITION OF PRIMARY NEXT OF KIN.—  
11 In this section, the term “primary next of kin” with  
12 respect to an individual seeking recognition for serv-  
13 ice under this section means the closest living rel-  
14 ative of the individual who was alive during the pe-  
15 riod of such service.

16           (6) EFFECTIVE DATE.—This section shall take  
17 effect 90 days after the date of the enactment of  
18 this Act.

19 **SEC. 303. DESIGNATION OF AMERICAN WORLD WAR II CIT-**  
20 **IES.**

21           (a) IN GENERAL.—The Secretary of Veterans Affairs  
22 shall designate at least one city in the United States each  
23 year as an “American World War II City”.

24           (b) CRITERIA FOR DESIGNATION.—After the des-  
25 ignation made under subsection (c), the Secretary, in con-

1 sultation with the Secretary of Defense, shall make each  
2 designation under subsection (a) based on the following  
3 criteria:

4 (1) Contributions by a city to the war effort  
5 during World War II, including those related to de-  
6 fense manufacturing, bond drives, service in the  
7 Armed Forces, and the presence of military facilities  
8 within the city.

9 (2) Efforts by a city to preserve the history of  
10 the city's contributions during World War II, includ-  
11 ing through the establishment of preservation orga-  
12 nizations or museums, restoration of World War II  
13 facilities, and recognition of World War II veterans.

14 (c) **FIRST AMERICAN WORLD WAR II CITY.**—The  
15 city of Wilmington, North Carolina, is designated as an  
16 “American World War II City”.

17 **SEC. 304. OBSERVANCE OF VETERANS DAY.**

18 (a) **TWO MINUTES OF SILENCE.**—Chapter 1 of title  
19 36, United States Code, is amended by adding at the end  
20 the following new section:

21 **“§ 145. Veterans Day**

22 “The President shall issue each year a proclamation  
23 calling on the people of the United States to observe two  
24 minutes of silence on Veterans Day in honor of the service

1 and sacrifice of veterans throughout the history of the Na-  
2 tion, beginning at—

3 “(1) 3:11 p.m. Atlantic standard time;

4 “(2) 2:11 p.m. eastern standard time;

5 “(3) 1:11 p.m. central standard time;

6 “(4) 12:11 p.m. mountain standard time;

7 “(5) 11:11 a.m. Pacific standard time;

8 “(6) 10:11 a.m. Alaska standard time; and

9 “(7) 9:11 a.m. Hawaii-Aleutian standard  
10 time.”.

11 (b) CLERICAL AMENDMENT.—The table of sections  
12 for chapter 1 of title 36, United States Code, is amended  
13 by adding at the end the following new item:

“145. Veterans Day.”.

Amend the title so as to read: “A bill to improve the  
processing of disability claims by the Department of Vet-  
erans Affairs, and for other purposes”.

