

## Union Calendar No. 92

107<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2540

[Report No. 107-156]

To amend title 38, United States Code, to make various improvements to veterans benefits programs under laws administered by the Secretary of Veterans Affairs, and for other purposes.

---

### IN THE HOUSE OF REPRESENTATIVES

JULY 18, 2001

Mr. SMITH of New Jersey (for himself, Mr. EVANS, Mr. SIMPSON, Mr. REYES, Mr. STUMP, Mr. FILNER, Mr. BILIRAKIS, Ms. BROWN of Florida, Mr. BUYER, Mr. RODRIGUEZ, Mr. BAKER, Mr. SHOWS, Mr. SIMMONS, Mr. UDALL of New Mexico, Mr. BROWN of South Carolina, and Mrs. CAPPS) introduced the following bill; which was referred to the Committee on Veterans' Affairs

JULY 24, 2001

Additional sponsors: Mr. PICKERING, Mr. MANZULLO, Mr. GALLEGLY, Mr. ABERCROMBIE, Mr. SNYDER, Mr. PASCRELL, Mr. FALEOMAVAEGA, Ms. BERKLEY, Ms. MCKINNEY, Mr. HASTINGS of Florida, Mr. SANDERS, Mr. GONZALEZ, Mr. GUTIERREZ, Mr. DOYLE, Mrs. TAUSCHER, Ms. CARSON of Indiana, and Mr. EDWARDS

JULY 24, 2001

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in *italic*]

---

## A BILL

To amend title 38, United States Code, to make various

improvements to veterans benefits programs under laws administered by the Secretary of Veterans Affairs, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4        (a) SHORT TITLE.—This Act may be cited as the  
 5 “Veterans Benefits Act of 2001”.

6        (b) TABLE OF CONTENTS.—The table of contents for  
 7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. References to title 38, United States Code.

TITLE I—ANNUAL COST-OF-LIVING ADJUSTMENT IN  
 COMPENSATION AND DIC RATES

- Sec. 101. Increase in rates of disability compensation and dependency and indemnity compensation.
- Sec. 102. Publication of adjusted rates.

TITLE II—COMPENSATION PROVISIONS

- Sec. 201. Presumption that diabetes mellitus (type 2) is service-connected.
- Sec. 202. Inclusion of illnesses that cannot be clearly defined in presumption of service connection for Gulf War veterans.
- Sec. 203. Preservation of service connection for undiagnosed illnesses to provide for participation in research projects by Gulf War veterans.

TITLE III—ADMINISTRATION OF UNITED STATES COURT OF  
 APPEALS FOR VETERANS CLAIMS

- Sec. 301. Registration fees.
- Sec. 302. Administrative authorities.

TITLE IV—OTHER MATTERS

- Sec. 401. Payment of insurance proceeds to an alternate beneficiary when first beneficiary cannot be identified.
- Sec. 402. Extension of copayment requirement for outpatient prescription medications.
- ~~Sec. 403. Repeal of Department of Veterans Affairs Health Services Improvement Fund.~~
- Sec. 403. Department of Veterans Affairs Health Services Improvement Fund made subject to appropriations.*
- Sec. 404. Native American veteran housing loan pilot program.
- Sec. 405. Modification of loan assumption notice requirement.

Sec. 406. Elimination of requirement for providing a copy of notice of appeal to the Secretary.

Sec. 407. Pilot program for expansion of toll-free telephone access to veterans service representatives.

Sec. 408. Technical and clerical amendments.

Sec. 409. Codification of recurring provisions in annual Department of Veterans Affairs appropriations Acts.

1 **SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.**

2 Except as otherwise expressly provided, whenever in  
3 this Act an amendment or repeal is expressed in terms  
4 of an amendment to, or repeal of, a section or other provi-  
5 sion, the reference shall be considered to be made to a  
6 section or other provision of title 38, United States Code.

7 **TITLE I—ANNUAL COST-OF-LIV-**  
8 **ING ADJUSTMENT IN COM-**  
9 **PENSATION AND DIC RATES**

10 **SEC. 101. INCREASE IN RATES OF DISABILITY COMPENSA-**  
11 **TION AND DEPENDENCY AND INDEMNITY**  
12 **COMPENSATION.**

13 (a) **RATE ADJUSTMENT.**—The Secretary of Veterans  
14 Affairs shall, effective on December 1, 2001, increase the  
15 dollar amounts in effect for the payment of disability com-  
16 pensation and dependency and indemnity compensation by  
17 the Secretary, as specified in subsection (b).

18 (b) **AMOUNTS TO BE INCREASED.**—The dollar  
19 amounts to be increased pursuant to subsection (a) are  
20 the following:

1           (1) COMPENSATION.—Each of the dollar  
2 amounts in effect under section 1114 of title 38,  
3 United States Code.

4           (2) ADDITIONAL COMPENSATION FOR DEPEND-  
5 ENTS.—Each of the dollar amounts in effect under  
6 sections 1115(1) of such title.

7           (3) CLOTHING ALLOWANCE.—The dollar  
8 amount in effect under section 1162 of such title.

9           (4) NEW DIC RATES.—The dollar amounts in  
10 effect under paragraphs (1) and (2) of section  
11 1311(a) of such title.

12           (5) OLD DIC RATES.—Each of the dollar  
13 amounts in effect under section 1311(a)(3) of such  
14 title.

15           (6) ADDITIONAL DIC FOR SURVIVING SPOUSES  
16 WITH MINOR CHILDREN.—The dollar amount in ef-  
17 fect under section 1311(b) of such title.

18           (7) ADDITIONAL DIC FOR DISABILITY.—The  
19 dollar amounts in effect under sections 1311(c) and  
20 1311(d) of such title.

21           (8) DIC FOR DEPENDENT CHILDREN.—The  
22 dollar amounts in effect under sections 1313(a) and  
23 1314 of such title.

24           (c) DETERMINATION OF INCREASE.—(1) The in-  
25 crease under subsection (a) shall be made in the dollar

1 amounts specified in subsection (b) as in effect on Novem-  
2 ber 30, 2001.

3 (2) Except as provided in paragraph (3), each such  
4 amount shall be increased by the same percentage as the  
5 percentage by which benefit amounts payable under title  
6 II of the Social Security Act (42 U.S.C. 401 et seq.) are  
7 increased effective December 1, 2001, as a result of a de-  
8 termination under section 215(i) of such Act (42 U.S.C.  
9 415(i)).

10 (3) Each dollar amount increased pursuant to para-  
11 graph (2) shall, if not a whole dollar amount, be rounded  
12 down to the next lower whole dollar amount.

13 (d) SPECIAL RULE.—The Secretary may adjust ad-  
14 ministratively, consistent with the increases made under  
15 subsection (a), the rates of disability compensation pay-  
16 able to persons within the purview of section 10 of Public  
17 Law 85–857 (72 Stat. 1263) who are not in receipt of  
18 compensation payable pursuant to chapter 11 of title 38,  
19 United States Code.

20 **SEC. 102. PUBLICATION OF ADJUSTED RATES.**

21 At the same time as the matters specified in section  
22 215(i)(2)(D) of the Social Security Act (42 U.S.C.  
23 415(i)(2)(D)) are required to be published by reason of  
24 a determination made under section 215(i) of such Act  
25 during fiscal year 2002, the Secretary of Veterans Affairs

1 shall publish in the Federal Register the amounts specified  
2 in subsection (b) of ~~section 2~~ *section 101*, as increased pur-  
3 suant to that section.

## 4 **TITLE II—COMPENSATION** 5 **PROVISIONS**

### 6 **SEC. 201. PRESUMPTION THAT DIABETES MELLITUS (TYPE** 7 **2) IS SERVICE-CONNECTED.**

8 Section 1116(a)(2) is amended by adding at the end  
9 the following new subparagraph:

10 “(H) Diabetes Mellitus (Type 2).”

### 11 **SEC. 202. INCLUSION OF ILLNESSES THAT CANNOT BE** 12 **CLEARLY DEFINED IN PRESUMPTION OF** 13 **SERVICE CONNECTION.**

14 (a) ILLNESSES THAT CANNOT BE CLEARLY DE-  
15 FINED.—(1) Subsection (a) of section 1117 is amended  
16 by inserting “or fibromyalgia, chronic fatigue syndrome,  
17 a chronic multisymptom illness, or any other illness that  
18 cannot be clearly defined (or combination of illnesses that  
19 cannot be clearly defined)” after “illnesses”).

20 (2) Subsection (c) of such section is amended by in-  
21 serting “or fibromyalgia, chronic fatigue syndrome, a  
22 chronic multisymptom illness, or any other illness that  
23 cannot be clearly defined (or combination of illnesses that  
24 cannot be clearly defined)” after “illnesses”).

1 (b) SIGNS OR SYMPTOMS THAT MAY INDICATE  
2 UNDIAGNOSED ILLNESSES.—(1) Section 1117 is further  
3 amended by adding at the end the following new sub-  
4 section:

5 “(g) For purposes of this section, signs or symptoms  
6 that may be a manifestation of an undiagnosed illness in-  
7 clude the following:

8 “(1) Fatigue.

9 “(2) Unexplained rashes or other dermato-  
10 logical signs or symptoms.

11 “(3) Headache.

12 “(4) Muscle pain.

13 “(5) Joint pain.

14 “(6) Neurologic signs or symptoms.

15 “(7) Neuropsychological signs or symptoms.

16 “(8) Signs or symptoms involving the res-  
17 piratory system (upper or lower).

18 “(9) Sleep disturbances.

19 “(10) Gastrointestinal signs or symptoms.

20 “(11) Cardiovascular signs or symptoms.

21 “(12) Abnormal weight loss.

22 “(13) Menstrual disorders.”.

23 (2) Section 1118(a) of such title is amended by add-  
24 ing at the end the following new paragraph:

1       “(4) For purposes of this section, signs or symptoms  
2 that may be a manifestation of an undiagnosed illness in-  
3 clude the signs and symptoms listed in section 1117(g)  
4 of this title.”.

5       (c) EFFECTIVE DATE.—The amendments made by  
6 this section shall take effect on April 1, 2002.

7 **SEC. 203. PRESERVATION OF SERVICE CONNECTION FOR**  
8                   **UNDIAGNOSED ILLNESSES TO PROVIDE FOR**  
9                   **PARTICIPATION IN RESEARCH PROJECTS BY**  
10                   **GULF WAR VETERANS.**

11       (a) AUTHORITY FOR SECRETARY TO PROVIDE FOR  
12 PARTICIPATION WITHOUT LOSS OF BENEFITS.—Section  
13 1117 is amended by adding after subsection (g), as added  
14 by section 202(b), the following new subsection:

15       “(h)(1) If the Secretary determines with respect to  
16 a medical research project sponsored by the Department  
17 that it is necessary for the conduct of the project that Per-  
18 sian Gulf veterans in receipt of compensation under this  
19 section or section 1118 of this title participate in the  
20 project without the possibility of loss of service connection  
21 under either such section, the Secretary shall provide that  
22 service connection granted under either such section for  
23 disability of a veteran who participated in the research  
24 project may not be terminated.



1 “(2) Paragraph (1) does not apply in a case in  
2 which—

3 “(A) the original award of compensation or  
4 service connection was based on fraud; or

5 “(B) it is clearly shown from military records  
6 that the person concerned did not have the requisite  
7 service or character of discharge.

8 “(3) The Secretary shall publish in the Federal Reg-  
9 ister a notice of each determination made by the Secretary  
10 under paragraph (1) with respect to a medical research  
11 project.”.

12 (b) EFFECTIVE DATE.—The authority provided by  
13 subsection (h) of section 1117 of title 38, United States  
14 Code, as added by subsection (a), may be used by the Sec-  
15 retary of Veterans Affairs with respect to any medical re-  
16 search project of the Department of Veterans Affairs,  
17 whether commenced before, on, or after the date of the  
18 enactment of this Act.

19 **TITLE III—ADMINISTRATION OF**  
20 **UNITED STATES COURT OF**  
21 **APPEALS FOR VETERANS**  
22 **CLAIMS**

23 **SEC. 301. REGISTRATION FEES.**

24 (a) FEES FOR COURT-SPONSORED ACTIVITIES.—  
25 Subsection (a) of section 7285 is amended by adding at

1 the end the following new sentence: “The Court may also  
2 impose registration fees on persons participating in a judi-  
3 cial conference convened pursuant to section 7286 of this  
4 title or any other court-sponsored activity.”.

5 (b) USE OF FEES.—Subsection (b) of such section  
6 is amended by striking “for the purposes of (1)” and all  
7 that follows through the period and inserting “for the fol-  
8 lowing purposes:

9 “(1) Conducting investigations and proceedings,  
10 including employing independent counsel, to pursue  
11 disciplinary matters.

12 “(2) Defraying the expenses of—

13 “(A) judicial conferences convened pursu-  
14 ant to section 7286 of this title; and

15 “(B) other activities and programs that  
16 are designed to support and foster bench and  
17 bar communication and relationships or the  
18 study, understanding, public commemoration,  
19 or improvement of veterans law or of the work  
20 of the Court.”.

21 (c) CLERICAL AMENDMENTS.—(1) The heading for  
22 such section is amended to read as follows:

1 **“§ 7285. Practice and registration fees”.**

2 (2) The item relating to such section in the table of  
3 sections at the beginning of chapter 72 is amended to read  
4 as follows:

“7285. Practice and registration fees.”.

5 **SEC. 302. ADMINISTRATIVE AUTHORITIES.**

6 (a) IN GENERAL.—Subchapter III of chapter 72 is  
7 amended by adding at the end the following new section:

8 **“§ 7287. Administration**

9 “Notwithstanding any other provision of law, the  
10 Court of Appeals for Veterans Claims may exercise, for  
11 purposes of management, administration, and expenditure  
12 of funds, the authorities provided for such purposes by  
13 any provision of law (including any limitation with respect  
14 to such provision) applicable to a court of the United  
15 States as defined in section 451 of title 28, except to the  
16 extent that such provision of law is inconsistent with a  
17 provision of this chapter.”.

18 (b) CLERICAL AMENDMENT.—The table of sections  
19 at the beginning of such chapter is amended by inserting  
20 after the item related to section 7286 the following new  
21 item:

7287. Administration.”.

**TITLE IV—OTHER MATTERS****SEC. 401. PAYMENT OF INSURANCE PROCEEDS TO AN ALTERNATE BENEFICIARY WHEN FIRST BENEFICIARY CANNOT BE IDENTIFIED.**

(a) NSLI.—Section 1917 is amended by adding at the end the following new subsection:

“(f)(1) Following the death of the insured—

“(A) if the first beneficiary otherwise entitled to payment of the insurance proceeds does not make a claim for such payment within three years after the death of the insured, payment of the proceeds may be made to another beneficiary designated by the insured, in the order of precedence as designated by the insured, as if the first beneficiary had predeceased the insured; and

“(B) if within five years after the death of the insured, no claim has been filed by a person designated by the insured as a beneficiary and the Secretary has not received any notice in writing that any such claim will be made, payment of the insurance proceeds may (notwithstanding any other provision of law) be made to such person as may in the judgment of the Secretary be equitably entitled to the proceeds of the policy.

1       “(2) Payment of insurance proceeds under paragraph  
2 (1) shall be a bar to recovery by any other person.”.

3       (b) USGLI.—Section 1951 is amended—

4           (1) by inserting “(a)” before “United States  
5 Government”; and

6           (2) by adding at the end the following new sub-  
7 section:

8       “(b)(1) Following the death of the insured—

9           “(A) if the first beneficiary otherwise entitled to  
10 payment of the insurance proceeds does not make a  
11 claim for such payment within three years after the  
12 death of the insured, payment of the proceeds may  
13 be made to another beneficiary designated by the in-  
14 sured, in the order of precedence as designated by  
15 the insured, as if the first beneficiary had pre-  
16 deceased the insured; and

17           “(B) if within five years after the death of the  
18 insured, no claim has been filed by a person des-  
19 ignated by the insured as a beneficiary and the Sec-  
20 retary has not received any notice in writing that  
21 any such claim will be made, payment of the insur-  
22 ance proceeds may (notwithstanding any other provi-  
23 sion of law) be made to such person as may in the  
24 judgment of the Secretary be equitably entitled to  
25 the proceeds of the policy.

1       “(2) Payment of insurance proceeds under paragraph  
2 (1) shall be a bar to recovery by any other person.”.

3       (c) **TRANSITION PROVISION.**—In the case of a person  
4 insured under subchapter I or II of chapter 19 of title  
5 38, United States Code, who dies before the date of the  
6 enactment of this Act, the three-year and five-year periods  
7 specified in subsection (f)(1) of section 1917 of title 38,  
8 United States Code, as added by subsection (a), and sub-  
9 section (b)(1) of section 1951 of such title, as added by  
10 subsection (b), shall for purposes of the applicable sub-  
11 section be treated as being the three-year and five-year  
12 periods, respectively, beginning on the date of the enact-  
13 ment of this Act.

14 **SEC. 402. EXTENSION OF COPAYMENT REQUIREMENT FOR**  
15 **OUTPATIENT PRESCRIPTION MEDICATIONS.**

16       Section 1722A(c) is amended by striking “September  
17 30, 2002” and inserting “September 30, 2006”.

18 **SEC. 403. REPEAL OF DEPARTMENT OF VETERANS AFFAIRS**  
19 **HEALTH SERVICES IMPROVEMENT FUND.**

20       (a) **REPEAL.**—(1) Section 1729B is repealed. Any  
21 balance as of the date of the enactment of this Act in the  
22 Department of Veterans Affairs Health Services Improve-  
23 ment Fund established under such section shall be trans-  
24 ferred to the Department of Veterans Affairs Medical

1 Care Collections Fund established under section 1729A of  
2 title 38, United States Code.

3 (2) The table of sections at the beginning of chapter  
4 17 is amended by striking the item relating to section  
5 1729B.

6 (b) ADDITIONAL DEPOSITS FOR MEDICAL CARE  
7 COLLECTIONS FUND.—Section 1729A(b) is amended—

8 (1) by redesignating paragraph (7) as para-  
9 graph (9); and

10 (2) by inserting after paragraph (6) the fol-  
11 lowing new paragraphs:

12 “(7) Section 8165(a) of this title.

13 “(8) Section 113 of the Veterans Millennium  
14 Health Care and Benefits Act (Public Law 106–117;  
15 38 U.S.C. 8111 note).”.

16 (c) CONFORMING AMENDMENTS.—

17 (1) Section 1722A(c) is amended—

18 (A) in the first sentence, by striking  
19 “under subsection (a)” and inserting “under  
20 this section”; and

21 (B) by striking the second sentence.

22 (2) Section 8165 is amended by striking “De-  
23 partment of Veterans Affairs Health Services Im-  
24 provement Fund established under section 1729B of  
25 this title” and inserting “Department of Veterans

1       Affairs Medical Care Collections Fund established  
2       under section 1729A of this title”.

3           ~~(3)~~ Section 113(b) of the Veterans Millennium  
4       Health Care and Benefits Act (Public Law 106–117;  
5       38 U.S.C. 8111 note) is amended by striking “De-  
6       partment of Veterans Affairs Health Services Im-  
7       provement Fund established under section 1729B of  
8       title 38 United States Code, as added by section  
9       202” and inserting “Department of Veterans Affairs  
10      Medical Care Collections Fund established under  
11      section 1729A of title 38, United States Code”.

12   **SEC. 403. DEPARTMENT OF VETERANS AFFAIRS HEALTH**  
13                   **SERVICES IMPROVEMENT FUND MADE SUB-**  
14                   **JECT TO APPROPRIATIONS.**

15       (a) *AMOUNTS TO BE SUBJECT TO APPROPRIATIONS.*—  
16   *Effective October 1, 2002, subsection (c) of section 1729B*  
17   *is amended by striking “Amounts in the fund are hereby*  
18   *made available,” and inserting “Subject to the provisions*  
19   *of appropriations Acts, amounts in the fund shall be avail-*  
20   *able.”.*

21       (b) *TECHNICAL AMENDMENT.*—*Subsection (b) of such*  
22   *section is amended by striking paragraph (1) and redesign-*  
23   *ating paragraphs (2), (3), and (4) as paragraphs (1), (2),*  
24   *and (3), respectively.*



1 **SEC. 404. NATIVE AMERICAN VETERAN HOUSING LOAN**  
2 **PILOT PROGRAM.**

3 (a) EXTENSION OF NATIVE AMERICAN VETERAN  
4 HOUSING LOAN PILOT PROGRAM.—Section 3761(c) is  
5 amended by striking “December 31, 2001” and inserting  
6 “December 31, 2005”.

7 (b) AUTHORIZATION OF THE USE OF CERTAIN FED-  
8 ERAL MEMORANDUMS OF UNDERSTANDING.—Section  
9 3762(a)(1) is amended—

10 (1) by inserting “(A)” after “(1)”;

11 (2) by striking “and” after the semicolon and  
12 inserting “or”; and

13 (3) by adding at the end the following:

14 “(B) the tribal organization that has jurisdic-  
15 tion over the veteran has entered into a memo-  
16 randum of understanding with any department or  
17 agency of the United States with respect to direct  
18 housing loans to Native Americans that the Sec-  
19 retary determines substantially complies with the re-  
20 quirements of subsection (b); and”.

21 **SEC. 405. MODIFICATION OF LOAN ASSUMPTION NOTICE**  
22 **REQUIREMENT.**

23 Section 3714(d) is amended to read as follows:

24 “(d) With respect to a loan guaranteed, insured, or  
25 made under this chapter, the Secretary shall provide, by  
26 regulation, that at least one instrument evidencing either

1 the loan or the mortgage or deed of trust therefor, shall  
2 conspicuously contain, in such form as the Secretary shall  
3 specify, a notice in substantially the following form: ‘This  
4 loan is not assumable without the approval of the Depart-  
5 ment of Veterans Affairs or its authorized agent’.”.

6 **SEC. 406. ELIMINATION OF REQUIREMENT FOR PROVIDING**  
7 **A COPY OF NOTICE OF APPEAL TO THE SEC-**  
8 **RETARY.**

9 (a) REPEAL.—Section 7266 is amended by striking  
10 subsection (b).

11 (b) CONFORMING AMENDMENTS.—Such section is  
12 further amended—

13 (1) by striking “(1)” after “(a)”;

14 (2) by redesignating paragraph (2) as sub-  
15 section (b);

16 (3) by redesignating paragraph (3) as sub-  
17 section (c) and redesignating subparagraphs (A) and  
18 (B) thereof as paragraphs (1) and (2); and

19 (4) by redesignating paragraph (4) as sub-  
20 section (d) and by striking “paragraph (3)(B)”  
21 therein and inserting “subsection (c)(2)”.

1 **SEC. 407. PILOT PROGRAM FOR EXPANSION OF TOLL-FREE**  
2 **TELEPHONE ACCESS TO VETERANS SERVICE**  
3 **REPRESENTATIVES.**

4 (a) PILOT PROGRAM.—The Secretary of Veterans Af-  
5 fairs shall conduct a pilot program to test the benefits and  
6 cost-effectiveness of expanding access to veterans service  
7 representatives of the Department of Veterans Affairs  
8 through a toll-free (so-called “1–800”) telephone number.  
9 Under the pilot program, the Secretary shall expand the  
10 available hours of such access to veterans service rep-  
11 resentatives to not less than 12 hours on each regular  
12 business day and not less than six hours on Saturday.

13 (b) INFORMATION TO BE PROVIDED.—The Secretary  
14 shall ensure, as part of the pilot program, that veterans  
15 service representatives of the Department of Veterans Af-  
16 fairs have available to them (in addition to information  
17 about benefits provided under laws administered by the  
18 Secretary) information about veterans benefits provided  
19 by—

20 (1) all other departments and agencies of the  
21 United States; and

22 (2) State governments.

23 (c) CONSULTATION.—The Secretary shall establish  
24 the pilot program in consultation with the heads of other  
25 departments and agencies of the United States that pro-  
26 vide veterans benefits.

1 (d) VETERANS BENEFITS DEFINED.—For purposes  
2 of this section, the term “veterans benefits” means bene-  
3 fits provided to a person based upon the person’s own  
4 service, or the service of someone else, in the Armed  
5 Forces.

6 (e) PERIOD OF PILOT PROGRAM.—The pilot program  
7 shall—

8 (1) begin not later than six months after the  
9 date of the enactment of this Act; and

10 (2) end at the end of the two-year period begin-  
11 ning on the date on which the program begins.

12 (f) REPORT.—Not later than 120 days after the end  
13 of the pilot program, the Secretary shall submit to the  
14 Committees on Veterans’ Affairs of the Senate and House  
15 of Representatives a report on the pilot program. The re-  
16 port shall provide the Secretary’s assessment of the bene-  
17 fits and cost-effectiveness of continuing or making perma-  
18 nent the pilot program, including an assessment of the ex-  
19 tent to which there is a demand for access to veterans  
20 service representatives during the period of expanded ac-  
21 cess to such representatives provided under the pilot pro-  
22 gram.

1 **SEC. 408. TECHNICAL AND CLERICAL AMENDMENTS.**

2 (a) AMENDMENTS TO TITLE 38, UNITED STATES  
3 CODE.—Title 38, United States Code, is amended as fol-  
4 lows:

5 (1)(A) Section 712 is repealed.

6 (B) The table of sections at the beginning of  
7 chapter 7 is amended by striking the item relating  
8 to section 712.

9 (2) Section 1710B(c)(2)(B) is amended by in-  
10 sserting “on” before “November 30, 1999”.

11 (3) Section 3695(a)(5) is amended by striking  
12 “1610” and inserting “1611”.

13 (4) Section 4303(13) is amended by striking  
14 the second period at the end.

15 (b) OTHER AMENDMENTS.—

16 (1) Section 1001(a)(2) of the Veterans’ Bene-  
17 fits Improvements Act of 1994 (38 U.S.C. 7721  
18 note) is amended by striking “and” at the end of  
19 subparagraph (C).

20 (2) Section 12 of the Homeless Veterans Com-  
21 prehensive Service Programs Act of 1992 (38 U.S.C.  
22 7721 note) is amended in the first sentence by strik-  
23 ing “to carry out this Act” and all that follows in  
24 that sentence and inserting “to carry out this Act  
25 \$50,000,000 for fiscal year 2001.”.

1 **SEC. 409. CODIFICATION OF RECURRING PROVISIONS IN**  
2 **ANNUAL DEPARTMENT OF VETERANS AF-**  
3 **FAIRS APPROPRIATIONS ACTS.**

4 (a) CODIFICATION OF RECURRING PROVISIONS.—  
5 Section 313 is amended by adding at the end the following  
6 new subsections:

7 “(c) COMPENSATION AND PENSION.—Funds appro-  
8 priated for Compensation and Pensions are available for  
9 the following purposes:

10 “(1) The payment of compensation benefits to  
11 or on behalf of veterans as authorized by section 107  
12 and chapters 11, 13, 51, 53, 55, and 61 of this title.

13 “(2) Pension benefits to or on behalf of vet-  
14 erans as authorized by chapters 15, 51, 53, 55, and  
15 61 of this title and section 306 of the Veterans’ and  
16 Survivors’ Pension Improvement Act of 1978.

17 “(3) The payment of benefits as authorized  
18 under chapter 18 of this title.

19 “(4) Burial benefits, emergency and other offi-  
20 cers’ retirement pay, adjusted-service credits and  
21 certificates, payments of premiums due on commer-  
22 cial life insurance policies guaranteed under the pro-  
23 visions of article IV of the Soldiers’ and Sailors’  
24 Civil Relief Act of 1940 (50 U.S.C. App. 540 et  
25 seq.), and other benefits as authorized by sections  
26 107, 1312, 1977, and 2106 and chapters 23, 51, 53,

1 55, and 61 of this title and the World War Adjusted  
2 Compensation Act (43 Stat. 122, 123), the Act of  
3 May 24, 1928 (Public Law No. 506 of the 70th  
4 Congress; 45 Stat. 735), and Public Law 87–875  
5 (76 Stat. 1198).

6 “(d) MEDICAL CARE.—Funds appropriated for Med-  
7 ical Care are available for the following purposes:

8 “(1) The maintenance and operation of hos-  
9 pitals, nursing homes, and domiciliary facilities.

10 “(2) Furnishing, as authorized by law, inpatient  
11 and outpatient care and treatment to beneficiaries of  
12 the Department, including care and treatment in fa-  
13 cilities not under the jurisdiction of the Department.

14 “(3) Furnishing recreational facilities, supplies,  
15 and equipment.

16 “(4) Funeral and burial expenses and other ex-  
17 penses incidental to funeral and burial expenses for  
18 beneficiaries receiving care from the Department.

19 “(5) Administrative expenses in support of  
20 planning, design, project management, real property  
21 acquisition and disposition, construction, and ren-  
22 ovation of any facility under the jurisdiction or for  
23 the use of the Department.

24 “(6) Oversight, engineering, and architectural  
25 activities not charged to project cost.

1           “(7) Repairing, altering, improving, or pro-  
2           viding facilities in the medical facilities and homes  
3           under the jurisdiction of the Department, not other-  
4           wise provided for, either by contract or by the hire  
5           of temporary employees and purchase of materials.

6           “(8) Uniforms or uniform allowances, as au-  
7           thorized by sections 5901 and 5902 of title 5.

8           “(9) Aid to State homes, as authorized by sec-  
9           tion 1741 of this title.

10           “(10) Administrative and legal expenses of the  
11           Department for collecting and recovering amounts  
12           owed the Department as authorized under chapter  
13           17 of this title and Public Law 87–693, popularly  
14           known as the Federal Medical Care Recovery Act  
15           (42 U.S.C. 2651 et seq.).

16           “(e) MEDICAL ADMINISTRATION AND MISCELLA-  
17           NEOUS OPERATING EXPENSES.—Funds appropriated for  
18           Medical Administration and Miscellaneous Operating Ex-  
19           penses are available for the following purposes:

20           “(1) The administration of medical, hospital,  
21           nursing home, domiciliary, construction, supply, and  
22           research activities authorized by law.

23           “(2) Administrative expenses in support of  
24           planning, design, project management, architectural  
25           work, engineering, real property acquisition and dis-



1 position, construction, and renovation of any facility  
2 under the jurisdiction or for the use of the Depart-  
3 ment, including site acquisition.

4 “(3) Engineering and architectural activities  
5 not charged to project costs.

6 “(4) Research and development in building con-  
7 struction technology.

8 “(f) GENERAL OPERATING EXPENSES.—Funds ap-  
9 propriated for General Operating Expenses are available  
10 for the following purposes:

11 “(1) Uniforms or allowances therefor.

12 “(2) Hire of passenger motor vehicles.

13 “(3) Reimbursement of the General Services  
14 Administration for security guard services.

15 “(4) Reimbursement of the Department of De-  
16 fense for the cost of overseas employee mail.

17 “(5) Administration of the Service Members  
18 Occupational Conversion and Training Act of 1992  
19 (10 U.S.C. 1143 note).

20 “(g) CONSTRUCTION.—Funds appropriated for Con-  
21 struction, Major Projects, and for Construction, Minor  
22 Projects, are available, with respect to a project, for the  
23 following purposes:

24 “(1) Planning.

25 “(2) Architectural and engineering services.



1 in section 502 of the Congressional Budget Act of 1974  
2 (2 U.S.C. 661a).”.

3 (2) The table of sections at the beginning of such  
4 chapter is amended by adding at the end the following  
5 new item:

“117. Definition of cost of direct and guaranteed loans.”.

6 (c) EFFECTIVE DATE.—Subsections (c) through (h)  
7 of section 313 of title 38, United States Code, as added  
8 by subsection (a), and section 117 of such title, as added  
9 by subsection (b), shall take effect with respect to funds  
10 appropriated for fiscal year 2003.

**Union Calendar No. 92**

107<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R. 2540**

**[Report No. 107-156]**

---

---

**A BILL**

To amend title 38, United States Code, to make various improvements to veterans benefits programs under laws administered by the Secretary of Veterans Affairs, and for other purposes.

---

---

JULY 24, 2001

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed