

VETERANS' COMPENSATION COST-OF-LIVING
ADJUSTMENT ACT OF 2016

SEPTEMBER 12, 2016.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. MILLER of Florida, from the Committee on Veterans' Affairs,
submitted the following

R E P O R T

[To accompany H.R. 4782]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 4782) to increase, effective as of December 1, 2016, the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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AMENDMENT

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Veterans’ Compensation Cost-of-Living Adjustment Act of 2016”.

SEC. 2. INCREASE IN RATES OF DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION.

(a) **RATE ADJUSTMENT.**—Effective on December 1, 2016, the Secretary of Veterans Affairs shall increase, in accordance with subsection (c), the dollar amounts in effect on November 30, 2016, for the payment of disability compensation and dependency and indemnity compensation under the provisions specified in subsection (b).

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

(1) **WARTIME DISABILITY COMPENSATION.**—Each of the dollar amounts under section 1114 of title 38, United States Code.

(2) **ADDITIONAL COMPENSATION FOR DEPENDENTS.**—Each of the dollar amounts under section 1115(1) of such title.

(3) **CLOTHING ALLOWANCE.**—The dollar amount under section 1162 of such title.

(4) **DEPENDENCY AND INDEMNITY COMPENSATION TO SURVIVING SPOUSE.**—Each of the dollar amounts under subsections (a) through (d) of section 1311 of such title.

(5) **DEPENDENCY AND INDEMNITY COMPENSATION TO CHILDREN.**—Each of the dollar amounts under sections 1313(a) and 1314 of such title.

(c) **DETERMINATION OF INCREASE.**—

(1) **PERCENTAGE.**—Except as provided in paragraph (2), each dollar amount described in subsection (b) shall be increased by the same percentage as the percentage by which benefit amounts payable under title II of the Social Security Act (42 U.S.C. 401 et seq.) are increased effective December 1, 2016, as a result of a determination under section 215(i) of such Act (42 U.S.C. 415(i)).

(2) **ROUNDING.**—Each dollar amount increased under paragraph (1), if not a whole dollar amount, shall be rounded to the next lower whole dollar amount.

(d) **SPECIAL RULE.**—The Secretary of Veterans Affairs may adjust administratively, consistent with the increases made under subsection (a), the rates of disability compensation payable to persons under section 10 of Public Law 85–857 (72 Stat. 1263) who have not received compensation under chapter 11 of title 38, United States Code.

(e) **PUBLICATION OF ADJUSTED RATES.**—The Secretary of Veterans Affairs shall publish in the Federal Register the amounts specified in subsection (b), as increased under this section, not later than the date on which the matters specified in section 215(i)(2)(D) of the Social Security Act (42 U.S.C. 415(i)(2)(D)) are required to be published by reason of a determination made under section 215(i) of such Act during fiscal year 2017.

SEC. 3. TRANSPORTATION OF DECEASED VETERANS TO VETERANS’ CEMETERIES.

(a) **IN GENERAL.**—Subsection (a) of section 2308 of title 38, United States Code, is amended to read as follows:

“(a) **IN GENERAL.**—(1) The Secretary may pay, in addition to any amount paid pursuant to section 2302 or 2307 of this title, the cost of transportation of the deceased veteran described in paragraph (1) or (2) of subsection (b) for burial in a national cemetery or a covered veterans’ cemetery. Such payment shall not exceed the cost of transportation to the national cemetery nearest the veteran’s last place of residence in which burial space is available.

“(2) The Secretary may pay, in addition to any amount paid pursuant to section 2302 or 2307 of this title, the cost of transportation of the deceased veteran described in subsection (b)(3) for burial in a national cemetery. Such payment shall not exceed the cost of transportation to the national cemetery nearest the veteran’s last place of residence in which burial space is available.”

(b) **COVERED VETERANS’ CEMETERY DEFINED.**—Section 2308 of such title is amended by adding at the end the following new subsection:

“(c) **COVERED VETERANS’ CEMETERY DEFINED.**—In this section, the term ‘covered veterans’ cemetery’ means, with respect to a deceased veteran described in subsection (b), a veterans’ cemetery owned by a State or a tribal organization (as defined in section 3765(4) of this title) in which the deceased veteran is eligible to be buried.”

(c) CONFORMING AMENDMENT.—Section 2308 of such title is amended in the section heading by adding at the end the following: “**or a veterans’ cemetery**”.

(d) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by striking the item relating to section 2308 and inserting the following new item:

“2308. Transportation of deceased veterans to a national cemetery or a veterans’ cemetery.”.

SEC. 4. EXPANSION OF ELIGIBILITY FOR HEADSTONES, MARKERS, AND MEDALLIONS FOR MEDAL OF HONOR RECIPIENTS.

Section 2306(d) of title 38, United States Code, is amended by adding at the end the following new paragraph:

“(5)(A) In carrying out this subsection with respect to a deceased individual described in subparagraph (C), the Secretary shall furnish, upon request, a headstone or marker under paragraph (1) or a medallion under paragraph (4) that signifies the deceased’s status as a Medal of Honor recipient.

“(B) If the Secretary furnished a headstone, marker, or medallion under paragraph (1) or (4) for a deceased individual described in subparagraph (C) that does not signify the deceased’s status as a Medal of Honor recipient, the Secretary shall, upon request, replace such headstone, marker, or medallion with a headstone, marker, or medallion, as the case may be, that so signifies the deceased’s status as a Medal of Honor recipient.

“(C) A deceased individual described in this subparagraph is a deceased individual who—

“(i) served in the Armed Forces on or after April 6, 1917;

“(ii) is eligible for a headstone or marker furnished under paragraph (1) or a medallion furnished under paragraph (4) (or would be so eligible for such headstone, marker, or medallion but for the date of the death of the individual); and

“(iii) was awarded the Medal of Honor (including posthumously).”.

SEC. 5. EXPANSION OF PRESIDENTIAL MEMORIAL CERTIFICATE PROGRAM.

(a) IN GENERAL.—Section 112(a) of title 38, United States Code, is amended by inserting after “conditions,” the following: “persons eligible for burial in a national cemetery by reason of paragraph (2), (3), or (7) of section 2402(a) of this title,”.

(b) APPLICATION.—The amendment made by subsection (a) shall apply with respect to the death of a person eligible for burial in a national cemetery by reason of paragraph (2), (3), or (7) of section 2402(a) of title 38, United States Code, occurring before, on, or after the date of the enactment of this Act.

SEC. 6. BURIAL PLOTS AT ARLINGTON NATIONAL CEMETERY FOR INDIVIDUALS AWARDED THE MEDAL OF HONOR.

(a) RESERVATION.—Of the number of in-ground burial plots available at Arlington National Cemetery as of the date of the enactment of this Act, the Secretary of the Army shall reserve 100 such plots to inter deceased individuals who have been awarded the Medal of Honor.

(b) TERMINATION.—The requirement under subsection (a) shall terminate on the date on which the Secretary of the Army to the Committees on Veterans’ Affairs and the Committees on Armed Services of the House of Representatives and the Senate a report on the interment and inurnment capacity of Arlington National Cemetery that includes—

(1) the estimated date that the Secretary determines the cemetery will reach maximum interment and inurnment capacity; and

(2) in light of the unique and iconic meaning of the cemetery to the United States, recommendations for legislative actions and nonlegislative options that the Secretary determines necessary to ensure that the maximum interment and inurnment capacity of the cemetery is not reached until well into the future, including such actions and options with respect to—

(A) redefining eligibility criteria for interment and inurnment in the cemetery; and

(B) considerations for additional expansion opportunities beyond the current boundaries of the cemetery.

SEC. 7. PILOT PROGRAM ON DEPARTMENT OF VETERANS AFFAIRS VETERAN ENGAGEMENT TEAM EVENTS.

(a) IN GENERAL.—

(1) PILOT PROGRAM.—Beginning not later than October 1, 2016, the Secretary of Veterans Affairs shall carry out a three-year pilot program under which the Secretary shall carry out events, to be known as “Veteran Engagement Team events”. The Secretary shall ensure that such events are carried out—

(A) during the first year during which the Secretary carries out the pilot program, at least once a month in a location within the jurisdiction of each

of 10 regional offices of the Department of Veterans Affairs, including at least two regional offices in each of the five districts of the Veterans Benefits Administration under the organization of such Administration in effect as of the date of the enactment of this Act; and

(B) during each of the second and third years during which the Secretary carries out the pilot program, at least once a month in a location within the jurisdiction of each of 15 regional offices of the Department, including at least three regional offices in each such district.

(2) VETERAN ENGAGEMENT TEAM EVENTS.—During each Veteran Engagement Team event, the Secretary shall provide assistance to veterans in completing and adjudicating claims for disability compensation under chapter 11 of title 38, United States Code, and for pension under chapter 15 of such title. The Secretary shall ensure that—

(A) all Veteran Engagement Team events occur during the normal business hours of the sponsoring regional office;

(B) the events are carried out at different locations within the jurisdiction of each regional office and at least 50 miles from any regional office;

(C) a sufficient number of physicians (to be available for opinions only), veteran service representatives and rating veteran service representatives, and other personnel are available at the events to initiate, update, and finalize the completion and adjudication of claims;

(D) veterans service organizations have access to the events for purposes of providing assistance to veterans; and

(E) a veteran who is unable to complete and adjudicate a claim at an event is informed of what additional information or actions are needed to finalize the claim.

(b) LOCATION.—In selecting locations for Veteran Engagement Team events under this section, the Secretary shall—

(1) coordinate with veteran service organizations and State and local veterans agencies; and

(2) seek to select locations that are community-based and easily accessible.

(c) TRANSFER OF PERSONNEL.—

(1) PHYSICIANS.—The Secretary may not permanently transfer any physician employed by the Veterans Health Administration for the purpose of staffing a Veteran Engagement Team event.

(2) PAYMENT OF SALARIES.—Any amount payable to an employee of the Department for work performed at a Veteran Engagement Team event is payable only from amounts otherwise available for the payment of the salary of the employee. No additional amounts are authorized to be appropriated under this section for the payment of salaries for Department employee.

(d) OTHER AUTHORITIES.—In carrying out the pilot program under this section, the Secretary may—

(1) coordinate with States, local governments, nonprofit organizations, and private sector entities to use facilities to host Veteran Engagement Team events for no or minimal costs; and

(2) accept, on a without compensation basis, services provided by non-Department physicians in rendering medical opinions relating to claims for compensation and pension.

(e) CUSTOMER SATISFACTION SURVEYS.—In carrying out the pilot program under this section, the Secretary shall collect and analyze information about the customer satisfaction of veterans who have received assistance at an Veteran Engagement Team event.

(f) REPORTS.—Not later than April 30, 2017, and annually thereafter beginning on October 1, 2017, for the duration of the program, the Secretary shall submit to Congress a report on the implementation and effectiveness of the events. Such report shall include—

(1) the number and types of claims completed and adjudicated at the events;

(2) the number and types of claims for which assistance was sought at the events that were not completed or adjudicated at the events and the reasons such claims were not completed or adjudicated; and

(3) an analysis of the customer satisfaction of veterans who have received assistance at an event based on the information collected under subsection (e).

PURPOSE AND SUMMARY

H.R. 4782, the “Veterans’ Compensation Cost-of-Living Adjustment Act of 2016,” was introduced by Representative Ralph Abraham of Louisiana on March 17, 2016. H.R. 4782, as amended, was

ordered to be favorably reported to the full House on May 18, 2016. This legislation incorporates text of H.R. 4782, as well as provisions from H.R. 3936, introduced by Representative Ryan Costello of Pennsylvania as well as H.R. 4757, H.R. 4758, and H.R. 4759, introduced by Representative Jeff Miller of Florida.

H.R. 4782, as amended, would (1) as of December 1, 2016, increase the rates of Wartime Disability Compensation, Compensation for Dependents, Clothing Allowance, Dependency and Indemnity Compensation (DIC) to Surviving Spouse, and Dependency and Indemnity Compensation to Children by the same percentage as the increase in benefits provided under title II (Old Age, Survivors, and Disability Insurance) of the Social Security Act; (2) authorize the Department of Veterans Affairs (VA) to pay the cost of transportation of deceased veterans for burial in the nearest veterans' cemetery owned by a State or tribal organization in which the deceased veteran is eligible to be buried; (3) allow VA to provide a headstone, marker, or medallion for deceased veterans who were awarded the Medal of Honor; (4) establish that families of certain deceased members of the National Guard and Reserve would be eligible to receive a Presidential Memorial Certificate; (4) require the Secretary of the Army to reserve 100 in-ground burial plots at Arlington National Cemetery for deceased individuals who have been awarded the Medal of Honor; and (5) establish a three-year pilot program of Veteran Engagement Team events to assist veterans in completing disability compensation and pension claims.

BACKGROUND AND NEED FOR LEGISLATION

The purpose of the disability compensation program is to provide relief from the impaired earning capacity of veterans disabled as the result of their military service. The amount of compensation payable varies according to the degree of disability. This amount in turn is required by law to represent, to the extent practicable, the average impairment in earning capacity in civilian occupations resulting from such disability or combination of disabilities.

To be eligible to receive disability compensation, a veteran must have a disability incurred or aggravated during military service, which is not the result of willful misconduct, and must have been discharged under other than dishonorable conditions. The responsibility for determining a veteran's entitlement to service-connection for a disability rests with VA.

Surviving spouses and dependent children of veterans who died of disabilities determined by VA to be service-connected (including veterans who died while on active duty) or who had a service-connected disability rated at 100 percent for certain periods of time prior to death are entitled to receive monthly DIC benefits. Additional amounts are paid to survivors who are housebound, in need of aid and attendance, or who have minor children. The purpose of DIC benefits authorized under chapter 13 of title 38, U.S.C. is to provide partial compensation to the appropriate survivors for the loss in financial support due to the service-connected death. Income and need are not factors in determining a surviving spouse's or child's entitlement because the nation, in part, assumes the legal and moral obligation of the veteran to support the spouse and children.

Each year, the Committee approves and reports legislation authorizing the cost-of-living adjustment (COLA) by reference to the yet-to-be-determined Social Security increase. Section 2 of H.R. 4782, as amended, would increase the rates of Wartime Disability Compensation, Additional Compensation for Dependents, Clothing Allowance, Dependency and Indemnity Compensation to Surviving Spouse, and Dependency and Indemnity Compensation to Children. Such increase in benefits would increase to be the same percentage as the increase in benefits provided under title II (Old Age, Survivors, and Disability Insurance) of the Social Security Act. Section 2 would also require that the amounts of any increase be rounded down to the nearest lower whole dollar amount.

Additionally, Section 2 of H.R. 4782, as amended, would require the Secretary to publish in the Federal Register the increased amounts specified in this Section, not later than the date on which the matters specified in section 415(i)(2)(D) of the Social Security Act (42 U.S.C. 415(i)(2)(D)) are required to be published by reason of determination made under section 415(i) of such Act during fiscal year 2017.

Section 3 would authorize VA to pay the cost of transporting the remains of a deceased veteran to the State or tribal veterans cemetery nearest to the deceased veteran's last residence, if the veteran is eligible to be buried in such State or tribal cemetery. The bill limits such payment to no more than the cost of transportation to an open national cemetery nearest to the veteran's last place of residence. Current law only allows VA to pay the cost of transporting the remains of a deceased veteran to the nearest open national cemetery. This provision would prevent families of deceased veterans from being financially penalized if they choose to lay their loved one to rest in a State or tribal veterans' cemetery.

Section 4 of the bill would require VA to furnish a distinct headstone, marker, or medallion, upon request to adorn the graves of deceased recipients of the Medal of Honor. Such headstone, marker, or medallion would be provided, upon request, to adorn the gravesites of deceased Medal of Honor recipients who served in the Armed Forces on or after April 6, 1917, the date the United States entered World War I. The bill provides for special markers for the gravesites of deceased Medal of Honor recipients who served on or after April 6, 1917, to help protect antique headstones and preserve the vista of historic cemeteries.

Section 5 of H.R. 4782, as amended, would expand eligibility for a Presidential Memorial Certificate to certain members of the Reserve component of the Armed Forces, and the Army National Guard or the Air National Guard. A Presidential Memorial Certificate bears the official signature of the President of the United States, and expresses the nation's gratitude for the individual's service. Under H.R. 4782, as amended, an individual would be eligible for such Presidential Memorial Certificate if he or she is eligible for interment or inurnment in national cemeteries.

Section 6 of H.R. 4782, as amended, would require the Secretary of the Army to reserve 100 in-ground burial plots at Arlington National Cemetery for deceased individuals who have been awarded the Medal of Honor. This requirement would terminate on the date in which the Secretary of the Army submits to the Committees on Armed Services and Committees on Veterans' Affairs of the House

and Senate a report on inurnment and internment capacity at Arlington National Cemetery. The report would include the estimated date Arlington National Cemetery is expected to reach capacity; recommendations for legislative or non-legislative actions that would ensue maximum interment or inurnment capacity is not reached until well into the future; options for redefining eligibility criteria for interment or inurnment at Arlington National Cemetery; and consideration for additional expansion beyond Arlington National Cemetery's current boundaries.

Furthermore, Section 7 of H.R. 4782, as amended, would authorize a three-year pilot program for Veteran Engagement Team events in which veterans would be assisted in completing VA disability and pension claims, beginning no later than October 1, 2016. Physicians, veteran service representatives, and rating veteran service representatives would be present at the events to provide assistance and inform veterans what information or action is required to apply for benefits. Section 7 of H.R. 4782, as amended, would dramatically help veterans receive the benefits they have earned by reducing the barriers between VA and the veterans it serves within the community by sending VA employees into the field to assist with their claims processing.

HEARINGS

On April 13, 2016, the Subcommittee on Disability Assistance and Memorial Affairs conducted a legislative hearing on various bills introduced during the 114th Congress, including H.R. 3936; H.R. 4087; H.R. 4757; H.R. 4758; H.R. 4759; H.R. 4782, all of which are included in H.R. 4782, as amended. The following witnesses testified:

The Honorable Jeff Miller of Florida, U.S. House of Representatives; the Honorable Corrine Brown of Florida, U.S. House of Representatives; The Honorable Ryan Costello of Pennsylvania, U.S. House of Representatives; The Honorable Mia Love of Utah, U.S. House of Representatives; Mr. David R. McLenachen, Deputy Under Secretary for Disability Assistance, Veterans Benefits Administration, U.S. Department of Veterans Affairs, accompanied by: Mr. Matt Sullivan, Deputy Under Secretary of Finance and Planning and CFO, National Cemetery Administration, U.S. Department of Veterans Affairs; Mr. Patrick K. Hallinan, Executive Director, Army National Military Cemeteries, Department of the Army; Mr. Carl Blake, Associate Executive Director for Government Relations, Paralyzed Veterans of America; Mr. Aleks Morosky, Deputy Director, National Legislative Service, Veterans of Foreign Wars of the United States; Mr. Paul R. Varela, Assistant National Legislative Director, Disabled American Veterans; Ms. Elizabeth Davis, Advocate for Survivors' Benefits; and Mr. Edward G. Lilley, Team Leader for Health Policy, National Veterans Affairs and Rehabilitation Division, The American Legion.

A statement for the record was submitted by the following:

Mr. John Rowan, National President, Vietnam Veterans of America.

SUBCOMMITTEE CONSIDERATION

On May 11, 2016, the Subcommittee on Disability Assistance and Memorial Affairs met in open markup session, a quorum being present, and ordered H.R. 4782, as amended, favorably forwarded to the full Committee by record vote. During consideration of H.R. 4782, the following amendment in the nature of a substitute was considered and failed by record vote:

An Amendment in the Nature of a Substitute offered by Ms. Titus of Nevada, which would have amended the definition of “spouse” under section 101 of title 28, United States Code, failed by a recorded vote of 3 yeas and 4 noes.

SUBCOMMITTEE VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, the following reflects the record votes taken on amendments or in connection with ordering H.R. 4782, as amended, forwarded to the full Committee on May 11, 2016:

An Amendment in the Nature of a Substitute offered by Representative Dina Titus of Nevada, which would have amended the definition of “spouse” under section 101 of title 28, United States Code, failed by a recorded vote of 3 yeas and 4 noes.

COMMITTEE ON VETERANS' AFFAIRS

RECORDED VOTE 4

H.R. 4782

Date: May 11, 2016

Amendment in the Nature of a Substitute offered by Ms. Titus to H.R. 4782
Not Agreed to: 3 yeas and 4 noes.

Representative	Yea	Nay	Present	Not Voting	Representative	Yea	Nay	Present	Not Voting
Mr. Abraham, Chairman		X			Ms. Titus, Ranking Member	X			
Mr. Lamborn		X			Ms. Brownley				X
Mr. Zeldin		X			Mr. Ruiz	X			
Mr. Costello	X								
Mr. Bost		X							
Vote Total:						3	4	0	1

A motion offered by Representative Abraham of Louisiana to favorably forward H.R. 4782 to full Committee was accepted by a recorded vote of 7 yeas and 0 noes, with 1 Member not voting.

COMMITTEE ON VETERANS' AFFAIRS

RECORDED VOTE 5

H.R. 4782

Date: May 11, 2016

Motion by Mr. Abraham to pass H.R. 4782
Passed: 7 yeas and 0 noes.

Representative	Yea	Nay	Present	Not Voting	Representative	Yea	Nay	Present	Not Voting
Mr. Abraham, Chairman	X				Ms. Titus, Ranking Member	X			
Mr. Lamborn	X				Ms. Brownley				X
Mr. Zeldin	X				Mr. Ruiz	X			
Mr. Costello	X								
Mr. Bost	X								
Vote Total:						7	0	0	1

COMMITTEE CONSIDERATION

On May 18, 2016, the full Committee met in open markup session, a quorum being present, and ordered H.R. 4782, as amended, favorably reported to the House of Representatives by voice vote. During consideration of the bill, the following amendments were considered:

An Amendment in the Nature of a Substitute was offered by Representative Ralph Abraham of Louisiana, which combined the text of H.R. 4757; 4758; 4759; H.R. 3936; and, H.R. 4782; was agreed to by voice vote.

An Amendment to the Amendment in the Nature of a Substitute offered by Representative Corrine Brown of Florida, to H.R. 4782 which would have eliminated section 2(c)(2) of the amendment in the nature of a substitute pertaining to the round-down provision was not agreed to by a recorded vote of 13 nays and 9 yeas.

COMMITTEE VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, the following record vote was taken on amendments or in connection with ordering H.R. 4782, as amended, reported to the House:

An Amendment to the Amendment in the Nature of a Substitute offered by Representative Corrine Brown of Florida, to H.R. 4782 which would have eliminated section 2(c)(2) of the amendment in the nature of a substitute pertaining to the round-down provision. The amendment failed by a recorded vote of 13 nays and 9 yeas, with 2 not voting.

COMMITTEE ON VETERANS' AFFAIRS

RECORDED VOTE 5

H.R. 4782

Date: May 18, 2016

Amendment offered by Ms. Brown of Florida to the Amendment in the Nature of a Substitute to H.R. 4782

Not Agreed to: 9 yeas and 13 nays.

Representative	Yea	Nay	Not Voting	Representative	Yea	Nay	Not Voting
Mr. Miller, Chairman		X		Ms. Brown, Ranking Member	X		
Mr. Lamborn		X		Mr. Takano	X		
Mr. Bilirakis			X	Ms. Brownley	X		
Mr. Roe		X		Ms. Titus	X		
Mr. Benishek		X		Mr. Ruiz	X		
Mr. Huelskamp		X		Ms. Kuster	X		
Mr. Coffman		X		Mr. O'Rourke	X		
Mr. Wenstrup		X		Miss Rice	X		
Mrs. Walorski		X		Mr. Walz	X		
Mr. Abraham		X		Mr. McNerney			X
Mr. Zeldin		X					
Mr. Costello		X					
Mrs. Radewagen		X					
Mr. Bost		X					
				Vote Total:	9	13	2

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Commit-

tee's oversight findings and recommendations are reflected in the descriptive portions of this report.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee establishes the following performance goals and objectives for this legislation:

The Secretary will use this authority to increase the rates of Wartime Disability Compensation, Compensation for Dependents, Clothing Allowance, Dependency and Indemnity Compensation to Surviving Spouse, and Dependency and Indemnity Compensation to Children by the same percentage as the increase in benefits provided under title II (Old Age, Survivors, and Disability Insurance) of the Social Security Act; pay the cost of transporting deceased veterans to certain state and tribal cemeteries; provide a distinctive headstone, marker, or medallion for recipients of the Congressional Medal of Honor; expand the Presidential Memorial Certificate Program; reserve 100 in-ground burial plots at Arlington National Cemetery for deceased recipients of the Medal of Honor; and authorize Veteran Engagement Team events.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

EARMARKS AND TAX AND TARIFF BENEFITS

H.R. 4782, as amended, does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the Rules of the House of Representatives.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate on H.R. 4782, as amended, prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate for H.R. 4782, as amended, provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
 CONGRESSIONAL BUDGET OFFICE,
 Washington, DC, September 9, 2016.

Hon. JEFF MILLER,
 Chairman, Committee on Veterans' Affairs,
 House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4782, the Veterans' Compensation Cost-of-Living Adjustment Act of 2016.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Dwayne M. Wright.

Sincerely,

KEITH HALL.

Enclosure.

H.R. 4782—Veterans' Compensation Cost-of-Living Adjustment Act of 2016

Summary: H.R. 4782 would modify several programs administered by the Department of Veterans Affairs (VA), including veterans' disability and burial benefits. H.R. 4782 also would create a pilot program intended to help veterans apply for VA benefits and would reserve burial plots at Arlington National Cemetery for recipients of the Medal of Honor. CBO estimates that enacting H.R. 4782 would, on net, decrease direct spending by \$312 million over the 2017–2026 period. Pay-as-you-go procedures apply because enacting the legislation would affect direct spending. Enacting the bill would not affect revenues.

In addition, CBO estimates that implementing the bill would have discretionary costs totaling \$7 million over the 2017–2021 period; that spending would be subject to the availability of appropriated funds.

CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

H.R. 4782 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary effect of H.R. 4782 is shown in Table 1. The costs of this legislation fall within budget function 700 (veterans benefits and services).

TABLE 1.—ESTIMATED BUDGETARY EFFECTS OF H.R. 4782, THE VETERANS' COMPENSATION COST-OF-LIVING ADJUSTMENT ACT OF 2016

	By fiscal year, in millions of dollars—					
	2017	2018	2019	2020	2021	2017–2021
DECREASES IN DIRECT SPENDING ^a						
Estimated Budget Authority	–22	–22	–25	–28	–29	–125
Estimated Outlays	–22	–22	–25	–28	–29	–125
INCREASES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	2	3	3	*	*	7
Estimated Outlays	2	3	3	*	*	7

Note: Components may not sum to totals because of rounding; * = less than \$500,000.

^aIn addition to the changes in direct spending shown above, enacting H.R. 4782 would have effects beyond 2021. CBO estimates that enacting H.R. 4782 would decrease net direct spending by \$312 million over the 2017–2026 period.

Basis of estimate: For this estimate, CBO assumes that H.R. 4782 will be enacted near the beginning of fiscal year 2017, that appropriations will reflect the estimated changes each year, and that outlays will follow historical spending patterns for the affected programs.

Direct spending

H.R. 4782 contains several provisions that would affect direct spending. On net, CBO estimates that enacting H.R. 4782 would decrease direct spending by \$125 million over the 2017–2021 period, and \$312 million over the 2017–2026 period (see Table 2).

Cost-of-Living Adjustment round down. Section 2 would increase the amounts paid to veterans for disability compensation, and to their survivors for dependency and indemnity compensation, by the same cost-of-living adjustment (COLA) that recipients of Social Security will receive in 2017. Those increased payments would be effective December 1, 2016.

The COLA that would be authorized by this bill is assumed in CBO's baseline, consistent with section 257 of the Balanced Budget and Emergency Deficit Control Act. Because that COLA is assumed in CBO's baseline, authorizing the COLA would have no budgetary effect relative to the baseline. Relative to current law, CBO estimates that enacting this bill would increase spending for those programs by \$396 million in fiscal year 2017. (The annualized cost would be about \$528 million in subsequent years.) That estimate assumes that the COLA effective on December 1, 2017, would be 0.7 percent.

TABLE 2.—IMPACT OF H.R. 4782 ON DIRECT SPENDING

	By fiscal year, in millions of dollars—												
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017– 2021	2017– 2026	
Cost-of-Living Adjust- ment Round Down:													
Estimated Budget													
Authority	-23	-25	-28	-31	-33	-36	-39	-42	-44	-47	-140	-348	
Estimated Outlays	-23	-25	-28	-31	-33	-36	-39	-42	-44	-47	-140	-348	
Transportation of De- ceased Veterans to Cemeteries:													
Estimated Budget													
Authority	1	3	3	3	4	4	4	4	4	5	15	36	
Estimated Outlays	1	3	3	3	4	4	4	4	4	5	15	36	
Total Changes:													
Estimated Budget													
Authority ..	-22	-22	-25	-28	-29	-32	-35	-38	-40	-42	-125	-312	
Estimated Outlays	-22	-22	-25	-28	-29	-32	-35	-38	-40	-42	-125	-312	

Note: Components may not sum to totals because of rounding.

Section 2 also would require that the increased payments resulting from the cost-of-living adjustment be rounded down to the next lower whole dollar. The previous authority to round down the COLA expired at the end of calendar year 2013. Based on projections of the number of people receiving benefits and payments

made each year, CBO estimates that enacting this section would reduce direct spending by \$348 million over the 2017–2026 period.

Transportation of Deceased Veterans to Cemeteries. Section 3 would allow VA to pay for the costs of transporting the remains of deceased veterans to state or tribal cemeteries up to the amount it would cost to transport those remains to the nearest national cemetery. Under current law, VA may pay the costs for transporting the remains of deceased veterans to the nearest national cemetery.

Over the 2011–2014 period, VA paid to transport the remains of about 20 percent of the veterans who were buried in national cemeteries. The average amount paid for that service in 2015 was about \$600. CBO expects that, under this provision, requests for payment of transportation costs to state or tribal cemeteries would be made at a similar rate and that the average cost would be the same.

The number of veterans buried in state or tribal cemeteries grew from 21,300 in 2011 to 23,200 in 2014. CBO expects that rate of growth to continue over the 2017–2026 period and estimates that the number of such burials will increase from 24,600 in 2017 to 31,900 in 2026. CBO expects that VA would pay to transport remains for about 20 percent of those burials, or about 4,900 in 2017, increasing to about 6,400 in 2026. The average cost of transporting a veteran's remains grew from \$565 in 2011 to \$601 in 2015 and CBO also estimates a similar rate of growth in the average payment per veteran over the 2017–2026 period, leading to an average cost of transport per veteran of \$762 in 2026.

On that basis, CBO estimates that enacting section 3 would increase direct spending by \$36 million over the 2017–2026 period.

Burial Markers for Medal of Honor Recipients. Section 4 would make all Medal of Honor recipients who died after April 6, 1917, eligible for a headstone, marker, or medallion that signifies the veteran's status as a recipient of the Medal of Honor. Because of the small number of individuals who would be made eligible under section 4 (about 1,100) and the small average cost per headstone, marker, or medallion (about \$200 for a headstone or marker and \$34 for a medallion in 2015), CBO estimates that enacting section 4 would increase direct spending by less than \$500,000 over the 2017–2026 period.

Spending subject to appropriation

H.R. 4782 contains provisions that would affect spending subject to appropriation, including the creation of a pilot program to assist veterans with filing claims for benefits. The bill also would require Arlington National Cemetery to reserve 100 burial plots for recipients of the Medal of Honor. CBO estimates that implementing those provisions would cost \$7 million over the 2017–2021 period, subject to the availability of appropriated amounts.

Veterans Engagement Teams. Section 7 would require VA to implement a three-year pilot program to carry out monthly events at 10 locations in the first year and 15 locations in the second and third years, staffed by VA personnel to help veterans file claims for benefits. VA also would be required to submit annual reports on the implementation and effectiveness of such monthly events.

Based on information from VA, CBO expects each such event to be staffed by 15 employees of the Veterans Benefits Administration

and two employees of the Veterans Health Administration. After accounting for the necessary resources to complete the events, including supplies, rental space, mileage, and potential overtime costs, CBO estimates that the cost per event would be about \$14,000. CBO estimates that the cost for completing a total of 480 events over the three-year period would be about \$7 million over the 2017–2019 period.

Burial Plots for Medal of Honor Recipients. Section 6 would require the Department of the Army to reserve 100 burial plots at Arlington National Cemetery for deceased veterans who have been awarded the Medal of Honor. Because the cemetery has limited capacity, reserving spaces for such recipients would not increase the total number of interments at the cemetery. Eligible persons would be interred in the order in which requests were submitted until no more interments were possible. Therefore, CBO estimates that there would be no additional costs associated with reserving spaces for recipients of the Medal of Honor.

Section 6 also would require the Army to submit a report on the capacity of Arlington National Cemetery and the ability to expand that capacity in order to accommodate interments and inurnments in the future. CBO estimates that preparing that report would cost less than \$500,000 over the 2017–2021 period.

Expansion of Presidential Memorial Certificates Program. Section 5 would make certain deceased veterans who served in the National Guard or Reserves eligible to receive a Presidential Memorial Certificate. According to VA, the average cost in 2015 for a Presidential Memorial Certificate was \$1. After accounting for the small pool of individuals who would be made eligible under section 5, CBO estimates that the cost for implementing that requirement would be less than \$500,000 over the 2017–2021 period.

Pay-As-You-Go considerations: The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays that are subject to those pay-as-you-go procedures are shown in the following table.

CBO ESTIMATE OF PAY-AS-YOU-GO EFFECTS FOR H.R. 4782 AS ORDERED REPORTED BY THE HOUSE COMMITTEE ON VETERANS' AFFAIRS ON MAY 18, 2016

	By fiscal year, in millions of dollars—												
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2016–2021	2016–2026
NET DECREASE IN THE DEFICIT													
Statutory Pay-As-You-Go Impact	0	-22	-22	-25	-28	-29	-32	-35	-38	-40	-42	-125	-312

Increase in long-term direct spending and deficits: CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2027.

Intergovernmental and private-sector impact: H.R. 4782 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Previous CBO estimate: On January 22, 2016, CBO transmitted an estimate for H.R. 677, the American Heroes COLA Act of 2015, as ordered reported by the House Committee on Veterans' Affairs on September 17, 2015. Section 2 of H.R. 4782 is similar to section 101 of H.R. 677 except H.R. 677 extended the COLA round down permanently and H.R. 4782 only makes the extension for one year. Differences in the estimates reflect those differences in the legislation.

Estimate prepared by: Federal costs: Dwayne Wright; Impact on state, local, and tribal governments: Jon Sperl; Impact on the private sector: Paige Piper/Bach.

Estimate approved by: H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates regarding H.R. 4782, as amended, prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act would be created by H.R. 4782, as amended.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to Article I, section 8 of the United States Constitution, H.R. 4782, as amended is authorized by Congress' power to "provide for the common Defense and general Welfare of the United States."

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that H.R. 4782, as amended does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

STATEMENT ON DUPLICATION OF FEDERAL PROGRAMS

Pursuant to section 3(g) of H. Res. 5, 114th Cong. (2015), the Committee finds that no provision of H.R. 4782, as amended, establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

DISCLOSURE OF DIRECTED RULEMAKING

Pursuant to section 3(i) of H. Res. 5, 114th Cong. (2015), the Committee estimates that H.R. 4782, as amended, contains no directed rule making that would require the Secretary to prescribe regulations.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1—Short title

Section 1 would provide the short title of the “Veterans’ Compensation Cost-of-Living-Adjustment Act of 2016.”

Section 2—Increase in rates of Disability Compensation and Dependency and Indemnity Compensation.

Section 2(a) would authorize the Secretary of Veterans Affairs to increase, effective December 1, 2016, the dollar amounts in effect for the payment of Disability Compensation and Dependency and Indemnity Compensation.

Section 2(b) would specify the amounts that would be increased regarding the Wartime Disability Compensation under section 1114 of title 38, U.S.C., the Additional Compensation for Dependents under section 1115(1) of title 38, U.S.C., the Clothing Allowance under section 1162 of title 38, U.S.C., the Dependency and Indemnity Compensation to Surviving Spouses under section 1311 of title 38, U.S.C., and the Dependency and Indemnity Compensation to Children, under sections 1313(a) and 1314 of title 38, U.S.C.

Section 2(c) would specify that each amount shall be increased by the same percentage by which benefits are increased under title II of the Social Security Act.¹ When the amount is not a whole dollar amount, it would be rounded down to the next lower dollar amount for all compensation and DIC benefits.

Section 2(d) would provide a special rule authorizing the Secretary of VA to adjust administratively, consistent with the increases made under subsection (a), the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85–857, who are not in receipt of compensation payable pursuant to chapter 11 of title 38, U.S.C.

Section 2(e) would require the Secretary of VA to publish in the Federal Register the amounts specified in subsection (b), as increased pursuant to that section.

Section 3—Transportation of deceased veterans to veterans’ cemeteries

Section 3(a) would authorize VA to pay the cost of transporting the remains of a deceased veteran to a covered veterans’ cemetery. Such payment would not exceed the cost of transportation to the national cemetery nearest to the veteran’s last place of residence in which burial space is available.

Section 3(b) would define covered veterans’ cemetery as a cemetery owned by a State or tribal organization, in which the deceased veteran is eligible to be buried.

Section 3(c) would provide a conforming amendment.

Section 3(d) would provide a clerical amendment.

Section 4—Expansion of eligibility for headstones, markers, and medallions for Medal of Honor recipients

Section 4 would authorize VA to provide a distinctive headstone, marker, or medallion to adorn the gravesites of Medal of Honor recipients who served in the Armed Forces on or after April 6, 1917.

¹ 42 U.S.C. §§401 et seq.

Section 5—Expansion of Presidential Memorial Certificate Program

Section 5(a) would expand eligibility for a Presidential Memorial Certificate to members of the Reserve component of the Armed Forces, and the Army National Guard or the Air National Guard who are eligible to be buried in a national cemetery.

Section 5(b) would establish that this Section would apply with respect to the death of an eligible person occurring before, on, or after the date of enactment of this Act.

Section 6—Burial plots at Arlington National Cemetery for individuals awarded the Medal of Honor

Section 6(a) would require the Secretary of the Army to reserve 100 in-ground burial plots at Arlington National Cemetery for deceased individuals who have been awarded the Medal of Honor.

Section 6(b) would terminate the requirement under Section 6(a) on the date in which the Secretary of the Army sends a report to the Committees on Veterans' Affairs and Committees on Armed Services of the House and Senate on the interment and inurnment capacity at Arlington National Cemetery. The report would include the estimated date Arlington National Cemetery will reach maximum interment and inurnment capacity as well as legislative and non-legislative options to extend the capacity of Arlington National Cemetery.

Section 7—Pilot program on Department of Veterans Affairs Veteran Engagement Team events

Section 7(a) would authorize the Secretary of VA to carry out a three year pilot program of events known as "Veteran Engagement Team" (VET) events, beginning no later than October 1, 2016. During the first year, this Section would direct VA to carry out VET events in ten regional offices around the country. The number of VET events would increase to fifteen regional offices in the second and third year of the pilot program.

Section 7(b) would direct the Secretary of VA to coordinate with veterans service organizations and state and local veterans agencies to select locations for VET events to take place. The Secretary should seek locations that are community-based and easily accessible.

Section 7(c) would not allow the Secretary of VA to permanently transfer any physician employed by the Veterans Health Administration for the purpose of staffing a VET event. Section 7(c) would also not provide any additional amounts authorized to be appropriated for payment to Department employees working VET events. Such payment must come from amounts otherwise available for payment of the salary.

Section 7(d) would authorize VA to coordinate with states, local governments, nonprofit organizations, and private sector entities to use facilities to carry out VET events at no or minimal cost. VA may also accept services from non-Department physicians in rendering medical opinions relating to claims for compensation and pension, on the basis that the Department will not provide compensation.

Section 7(e) would allow the Secretary of VA to collect and analyze satisfaction surveys from veterans who receive assistance at VET events.

Section 7(f) would require VA to submit to Congress specific reports on the implementation and effectiveness of the VET events beginning not later than April 30, 2017, and annually thereafter beginning on October 1, 2017 for the duration of the program.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

* * * * *

PART I—GENERAL PROVISIONS

* * * * *

CHAPTER 1—GENERAL

* * * * *

§ 112. Presidential memorial certificate program

(a) At the request of the President the Secretary may conduct a program for honoring the memory of deceased veterans, discharged under honorable conditions, *persons eligible for burial in a national cemetery by reason of paragraph (2), (3), or (7) of section 2402(a) of this title*, and persons who died in the active military, naval, or air service, by preparing and sending to eligible recipients a certificate bearing the signature of the President and expressing the country’s grateful recognition of the deceased individual’s service in the Armed Forces. The award of a certificate to one eligible recipient will not preclude authorization of another certificate if a request is received from some other eligible recipient.

(b) For the purpose of this section an “eligible recipient” means the next of kin, a relative or friend upon request, or an authorized service representative acting on behalf of such relative or friend.

(c) A certificate may not be furnished under the program under subsection (a) on behalf of a deceased person described in section 2411(b) of this title.

* * * * *

PART II—GENERAL BENEFITS

* * * * *

CHAPTER 23—BURIAL BENEFITS

Sec.
2301. Flags.

* * * * *

2308. Transportation of deceased veteran to a national cemetery.
2308. Transportation of deceased veterans to a national cemetery or a veterans' cemetery.

* * * * *

§ 2306. Headstones, markers, and burial receptacles

(a) The Secretary shall furnish, when requested, appropriate Government headstones or markers at the expense of the United States for the unmarked graves of the following:

- (1) Any individual buried in a national cemetery or in a post cemetery.
- (2) Any individual eligible for burial in a national cemetery (but not buried there), except for those persons or classes of persons enumerated in section 2402(a)(4), (5), and (6) of this title.
- (3) Soldiers of the Union and Confederate Armies of the Civil War.
- (4) Any individual described in section 2402(a)(5) of this title who is buried in a veterans' cemetery owned by a State.

(5) Any individual who at the time of death was entitled to retired pay under chapter 1223 of title 10 or would have been entitled to retired pay under that chapter but for the fact that the person was under 60 years of age.

(b)(1) The Secretary shall furnish, when requested, an appropriate memorial headstone or marker for the purpose of commemorating an eligible individual whose remains are unavailable. Such a headstone or marker shall be furnished for placement in a national cemetery area reserved for that purpose under section 2403 of this title, a veterans' cemetery owned by a State, or, in the case of a veteran, in a State, local, or private cemetery.

(2) For purposes of paragraph (1), an eligible individual is any of the following:

- (A) A veteran.
- (B) The spouse or surviving spouse of a veteran.
- (C) An eligible dependent child of a veteran.

(3) For purposes of paragraph (1), the remains of an individual shall be considered to be unavailable if the individual's remains—

- (A) have not been recovered or identified;
- (B) were buried at sea, whether by the individual's own choice or otherwise;
- (C) were donated to science; or
- (D) were cremated and the ashes scattered without interment of any portion of the ashes.

(4) For purposes of this subsection:

- (A) The term "veteran" includes an individual who dies in the active military, naval, or air service.

(B) The term “surviving spouse” includes a surviving spouse who had a subsequent remarriage.

(5) For purposes of this section, the term “eligible dependent child” means a child—

(A) who is under 21 years of age, or under 23 years of age if pursuing a course of instruction at an approved educational institution; or

(B) who is unmarried and became permanently physically or mentally disabled and incapable of self-support before reaching 21 years of age, or before reaching 23 years of age if pursuing a course of instruction at an approved educational institution.

(c) A headstone or marker furnished under subsection (a), (b), or (d) of this section may be of any material, including but not limited to marble, granite, bronze, or slate, requested by the person entitled to request such headstone or marker if the material requested is determined by the Secretary (1) to be cost effective, and (2) in a case in which the headstone or marker is to be placed in a national cemetery, to be aesthetically compatible with the area of the cemetery in which it is to be placed.

(d)(1) The Secretary shall furnish, when requested, an appropriate Government headstone or marker at the expense of the United States for the grave of an individual described in paragraph (2) or (5) of subsection (a) who is buried in a private cemetery, notwithstanding that the grave is marked by a headstone or marker furnished at private expense. Such a headstone or marker may be furnished only if the individual making the request for the Government headstone or marker certifies to the Secretary that the headstone or marker will be placed on the grave for which the headstone or marker is requested, or, if placement on the grave is impossible or impracticable, as close as possible to the grave within the grounds of the cemetery in which the grave is located.

(2) Any headstone or marker furnished under this subsection shall be delivered by the Secretary directly to the cemetery where the grave is located or to a receiving agent for delivery to the cemetery.

(3) The headstone or marker furnished under this subsection shall be the headstone or marker selected by the individual making the request from among all the headstones and markers made available by the Government for selection.

(4) In lieu of furnishing a headstone or marker under this subsection, the Secretary may furnish, upon request, a medallion or other device of a design determined by the Secretary to signify the deceased’s status as a veteran, to be attached to a headstone or marker furnished at private expense.

(5)(A) In carrying out this subsection with respect to a deceased individual described in subparagraph (C), the Secretary shall furnish, upon request, a headstone or marker under paragraph (1) or a medallion under paragraph (4) that signifies the deceased’s status as a Medal of Honor recipient.

(B) If the Secretary furnished a headstone, marker, or medallion under paragraph (1) or (4) for a deceased individual described in subparagraph (C) that does not signify the deceased’s status as a Medal of Honor recipient, the Secretary shall, upon request, replace such headstone, marker, or medallion with a headstone, marker, or

medallion, as the case may be, that so signifies the deceased's status as a Medal of Honor recipient.

(C) A deceased individual described in this subparagraph is a deceased individual who—

- (i) served in the Armed Forces on or after April 6, 1917;*
- (ii) is eligible for a headstone or marker furnished under paragraph (1) or a medallion furnished under paragraph (4) (or would be so eligible for such headstone, marker, or medallion but for the date of the death of the individual); and*
- (iii) was awarded the Medal of Honor (including posthumously).*

(e)(1) The Secretary of Veterans Affairs shall provide an outer burial receptacle for each new grave in an open cemetery under the control of the National Cemetery Administration in which remains are interred in a casket. The Secretary of the Army may provide an outer burial receptacle for such a grave in the Arlington National Cemetery.

(2) The use of outer burial receptacles in a cemetery under the control of the National Cemetery Administration or in the Arlington National Cemetery shall be in accordance with regulations or procedures approved by the Secretary of Veterans Affairs or Secretary of the Army, respectively.

(3) Regulations or procedures under paragraph (2) may specify that—

(A) an outer burial receptacle other than a grave liner be provided in lieu of a grave liner at the election of the survivors of the interred veteran; and

(B) if an outer burial receptacle other than a grave liner is provided in lieu of a grave liner upon an election of such survivors, such survivors be required—

(i) to pay the amount by which the cost of the outer burial receptacle exceeds the cost of the grave liner that would otherwise have been provided in the absence of the election; and

(ii) to pay the amount of the administrative costs incurred by the Secretary (or, with respect to Arlington National Cemetery, the Secretary of the Army) in providing the outer burial receptacle in lieu of such grave liner.

(4) Regulations or procedures under paragraph (2) may provide for the use of a voucher system, or other system of reimbursement approved by the Secretary (or, with respect to Arlington National Cemetery, the Secretary of the Army), for payment for outer burial receptacles other than grave liners provided under such regulations or procedures.

(f) The Secretary may furnish a casket or urn, of such quality as the Secretary considers appropriate for a dignified burial, for burial in a national cemetery of a deceased veteran in any case in which the Secretary—

(1) is unable to identify the veteran's next of kin, if any; and

(2) determines that sufficient resources for the furnishing of a casket or urn for the burial of the veteran in a national cemetery are not otherwise available.

(g)(1) When the Secretary has furnished a headstone or marker under subsection (a) for the unmarked grave of an individual, the Secretary shall, if feasible, add a memorial inscription to that head-

stone or marker rather than furnishing a separate headstone or marker under that subsection for the surviving spouse or eligible dependent child of such individual.

(2) When the Secretary has furnished a memorial headstone or marker under subsection (b) for purposes of commemorating a veteran or an individual who died in the active military, naval, or air service, the Secretary shall, if feasible, add a memorial inscription to that headstone or marker rather than furnishing a separate memorial headstone or marker under that subsection for the surviving spouse or eligible dependent child of such individual.

(h)(1) A headstone or marker may not be furnished under subsection (a) for the unmarked grave of a person described in section 2411(b) of this title.

(2) A memorial headstone or marker may not be furnished under subsection (b) for the purpose of commemorating a person described in section 2411(b) of this title.

(3) A headstone or marker may not be furnished under subsection (d) for the grave of a person described in section 2411(b) of this title.

(4) A casket or urn may not be furnished under subsection (f) for burial of a person described in section 2411(b) of this title.

* * * * *

§ 2308. Transportation of deceased veteran to a national cemetery or a veterans' cemetery

[(a) IN GENERAL.—The Secretary may pay, in addition to any amount paid pursuant to section 2302 or 2307 of this title, the cost of transportation of the deceased veteran described in subsection (b) for burial in a national cemetery. Such payment shall not exceed the cost of transportation to the national cemetery nearest the veteran's last place of residence in which burial space is available.]

(a) *IN GENERAL.—(1) The Secretary may pay, in addition to any amount paid pursuant to section 2302 or 2307 of this title, the cost of transportation of the deceased veteran described in paragraph (1) or (2) of subsection (b) for burial in a national cemetery or a covered veterans' cemetery. Such payment shall not exceed the cost of transportation to the national cemetery nearest the veteran's last place of residence in which burial space is available.*

(2) *The Secretary may pay, in addition to any amount paid pursuant to section 2302 or 2307 of this title, the cost of transportation of the deceased veteran described in subsection (b)(3) for burial in a national cemetery. Such payment shall not exceed the cost of transportation to the national cemetery nearest the veteran's last place of residence in which burial space is available.*

(b) **DECEASED VETERAN DESCRIBED.**—A deceased veteran described in this subsection is any of the following veterans:

(1) A veteran who dies as the result of a service-connected disability.

(2) A veteran who dies while in receipt of disability compensation (or who but for the receipt of retirement pay or pension under this title, would have been entitled to compensation).

(3) A veteran whom the Secretary determines is eligible for funeral expenses under section 2302 of this title by virtue of the Secretary determining that the veteran has no next of kin

or other person claiming the body of such veteran pursuant to subsection (a)(2)(A) of such section.

(c) *COVERED VETERANS' CEMETERY DEFINED.*—*In this section, the term “covered veterans’ cemetery” means, with respect to a deceased veteran described in subsection (b), a veterans’ cemetery owned by a State or a tribal organization (as defined in section 3765(4) of this title) in which the deceased veteran is eligible to be buried.*

* * * * *

