THE SECRETARY OF VETERANS AFFAIRS

WASHINGTON

January 4, 2001

The President
The White House
Washington, DC 20500

Dear Mr. President:

I am pleased to send you the enclosed Study on Filipino Veterans. The contributions made by Filipino Veterans, who served along side U.S. troops during World War II, made a lasting, positive impact for the U.S. and the Philippines. This Department strongly supports your efforts to ensure these special veterans receive the recognition they so richly deserve.

The Department of Veterans Affairs, Department of Defense, Department of State and the Office of Management and Budget have worked closely together to provide an overview of the benefits provided to Filipino veterans and explore the possible options for expanding those benefits. The enclosed study represents that coordinated effort.

I congratulate you on the recent enactment of several provisions expanding VA compensation and medical benefits for Filipino Veterans. We look forward to implementing these changes and enhancing our services for veterans.

Mr. President, thank you for your support and your leadership on this issue.

Respectfully,

Hershel W. Gober
Acting

Enclosure

A STUDY OF SERVICES AND BENEFITS

FOR

FILIPINO VETERANS

DEPARTMENT OF VETERANS AFFAIRS

IN COOPERATION WITH:

OFFICE OF MANAGEMENT AND BUDGET
DEPARTMENT OF STATE
DEPARTMENT OF DEFENSE

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INTRODUCTION

Through the years, the U.S. Government has considered the appropriate benefit levels for Filipino veterans. On February 12, 1946, President Harry Truman directed then Administrator of Veterans Affairs General Omar Bradley to "start a study . . . of a program of benefits for Philippine Army veterans, following in general along the lines of our G.I. Bill of Rights benefits, but adapted to the special conditions found in the Philippines." [1]

Groups who participated with the U.S. Armed Forces during World War II and subsequent conflicts have intermittently requested VA benefits. The U.S. Government does not generally provide benefits to non-U.S. veterans. For example, the Republic of Vietnam Command and a Cuban group have petitioned for recognition and benefits. Congress has not enacted legislation in response to the petitions. U.S. and foreign civilian employees and contractors of the Department of Defense (DoD) and the Central Intelligence Agency (CIA) also periodically inquire about veteran status and recognition, but Congress has not taken action.

Rare exceptions are made to the general policy of no benefits for non-U.S. veterans. For example, Public Law 94-491, enacted in October 1976, extended only health care benefits to veterans of World War I or II who served in the Armed Forces of either Czechoslovakia or Poland. These veterans must have served in armed conflict against enemies of the United States and must have been U.S. citizens for 10 years or more. They are eligible for health care services in the United States in the same manner as U.S. veterans.

In accordance with legislative direction, VA provides health care services to some allied veterans based on reciprocal agreements among the involved nations. These reciprocal agreements currently exist with the United Kingdom, Canada, and by extension Australia, New Zealand and South Africa. The agreements ensure that medical services are provided to service-connected veterans on a reimbursable basis.

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[1] February 12, 1946 letter from President Truman to General Bradley, Administrator of Veterans' Affairs.

Filipino veterans are one of the rare exceptions to the general policy of no benefits for non-U.S. veterans. The eligibility of a Filipino veteran for benefits depends on the category of military service and the veteran's location.

On July 27, 2000, President Clinton directed the Secretary of Veterans Affairs to again study the needs of Filipino veterans of World War II and develop options for addressing those needs. In response to President Clinton's directive, the Department of Veterans Affairs (VA) formed a working group in August 2000, to study the issues. VA's working group included personnel from the Department of State, DoD, and the Office of Management and Budget (OMB).

This study presents:

- a history of the laws related to and benefits provided to Filipino veterans by the United States since World War II,

- the recent changes enacted by the 106th Congress and signed by President Clinton to expand benefits for Filipino veterans, and

- options and cost estimates for further changes to benefits for Filipino veterans.

MEMORANDUM FROM PRESIDENT CLINTON

THE WHITE HOUSE

WASHINGTON

July 27, 2000

MEMORANDUM FOR THE SECRETARY OF VETERANS AFFAIRS
THE SECRETARY OF STATE
THE SECRETARY OF DEFENSE

SUBJECT: Study of Compensation and Benefits for Filipino Veterans

My Administration has recognized the unique contribution of Filipino veterans of the Second World War and worked to improve their compensation and benefits. In fact, for the last two sessions of Congress we have proposed legislation to eliminate the current dollar limitation for authorized compensation payments to Filipino beneficiaries residing in the United States. The proposed legislation has not been enacted. This reality, coupled with the fact that numerous Filipino veterans have immigrated to this country, suggests that the we need to raise awareness of the issues and options to help this group of deserving veterans.

To that end, I am directing the Secretary of Veterans Affairs to complete a study by October 31, 2000, of the needs of these veterans and the options available for addressing those needs. This study shall be conducted in coordination with the Office of Management and Budget (OMB), the Department of State, and the Department of Defense, and would include a historical background of, and the issues associated with, the benefits afforded to Filipino veterans. It should also take into consideration changes in the Filipino veteran population and review options relative to the benefits afforded these veterans. It also would include the cost implications of options approved by OMB.

William J. Clinton

DEFINITIONS

Citizens of the Philippines served in or with the U.S. Armed Forces during World War II and other periods of conflict/non-conflict. To differentiate between U.S. veterans and Filipino veterans, the following definitions will apply in this study.

United States (U.S.) Veterans

For the purposes of this study, *U.S. veterans* are defined as individuals, including Filipinos, who served in one or more of the following:

- **United States (U.S.) Armed Forces**
  Individuals in this category are U.S. veterans who served on regular active duty in one of the U.S. military branches. They are entitled to all VA benefits by the same criteria that apply to any veteran of U.S. military service.

- **Old Philippine Scouts**
  These veterans enlisted as Philippine Scouts prior to October 6, 1945. The Old Philippine Scouts were members of a small, regular component of the U.S. Army that was considered to be in regular active service. The Old Philippine Scouts were originally formed in 1901, long before any formal plan for Philippine independence and were part of the U.S. Army throughout their existence.

  Old Philippine Scouts are considered to be U.S. veterans and are entitled to all VA benefits by the same criteria that apply to any veteran of U.S. military service.

Filipino Veterans

For the purposes of this study, *Filipino veterans* are defined as individuals who served in one or more of the following:

- **Commonwealth Army of the Philippines**
  These individuals were ordered to service in the Commonwealth Army on or after July 26, 1941. Their service terminated June 30, 1946. They are eligible for partial VA benefits. Veterans of the Commonwealth Army who are permanent residents of the United States are entitled to expanded benefits.

- **Recognized Guerillas**
  These individuals served in resistance units recognized by and cooperating with U.S. Forces during the period April 20, 1942, to June 30, 1946. They are eligible for partial VA benefits. Veterans of the Recognized Guerilla forces who are permanent residents of the United States are entitled to expanded benefits.

- **New Philippine Scouts**
  New or Special Philippine Scouts began their service on or after October 6, 1945. They are eligible for partial VA benefits.

POPULATION

Table 1 provides estimates of the number of Filipino veterans in the United States and the Philippines, as well as the distribution of those who currently receive VA disability compensation and those who do not receive VA disability compensation.

Table 1[2]

Filipino Veteran Population – September 2000 Estimates

In United States	
Receiving VA compensation	950
Not receiving VA compensation	12,899
Total in United States	13,849
In Philippines (or outside the United States)	
Receiving VA compensation	4,222
Not receiving VA compensation	41,828
Total in Philippines	46,050
Total:	
Receiving VA compensation	5,172
Not receiving VA compensation	54,727
Total	59,899

The number of Filipino veterans is projected to decrease significantly over the next ten years as this population ages. In 2010, the total number of Filipino veterans is estimated to be approximately 20,000 or roughly one-third of the current population.

[2] Data provided by the Department of Veterans Affairs, Office of Policy and Planning.

HISTORY

The origins of the Commonwealth Army of the Philippines go back to the early 1900s when the United States assumed formal sovereignty over the Philippines. At this time, the U.S. Government was preparing for the Philippines to become a sovereign nation.

Public Law 73-127, also called the Tydings-McDuffy Act, enacted in 1934, reflects this. It required the Commonwealth Army to respond to the call of the President of the United States under specified conditions. The Commonwealth Army was in fact called to serve by President Roosevelt by military order dated July 26, 1941, and served with the U.S. Armed Forces in the Far East (USAFFE) command during World War II, but not later than July 1, 1946.[3]

The Armed Forces Voluntary Recruitment Act of 1945, Public Law 79-190 enacted in October 1945, authorized recruitment of 50,000 New Philippine Scouts in anticipation of the need for local occupational forces. The pay scale was the same as for the Commonwealth Army. Although the pay scale for these forces went up in 1946, it never equaled that of regular U.S. Army soldiers. There were several attempts to equalize pay, but all attempts were eventually abandoned.

The unique contributions of the Filipino veterans during World War II are often recognized. For example, historians and the Philippine Army website describe how the Americans and Philippine people worked together against significant odds under the umbrella of USAFFE command to defend the Philippine Islands against occupation by the Japanese.[4]

In a letter to General Omar N. Bradley, then Administrator of Veterans Affairs, on February 12, 1946, President Truman acknowledged these contributions as "struggles and sacrifices of the heroic legions of Philippine fighting men during the war." In 1946, President Truman also directed the initiation of a study to determine a level of benefits "adapted to the special conditions in the Philippines."[5]

VA officials considered that Filipino military service met the statutory definition of a U.S. veteran until Congress passed Public Laws 79-301 and 79-391 in 1946. Public Law 79-301, The First Supplemental Surplus Appropriation Rescission Act, authorized a $200 million[6] appropriation to the Commonwealth Army of the Philippines, with the provision that service in the Commonwealth Army of the Philippines should not be deemed to be or to have been service in the military or naval forces of the United States. Public Law 79-391, The Second Supplemental

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[3] Statement of Facts prepared by the VA Office of General Counsel.

[4] See the Philippine Army Homepage at http://www.army.mil.ph/history . Also see Morton, Louis. U.S. Army in World War II: The War in the Pacific, "The Fall of the Philippines."

[5] February 12, 1946, letter from President Truman to General Bradley, Administrator of Veterans Affairs.

[6] $1.8 billion in 1999 dollars.

Surplus Appropriation Rescission Act enacted in 1946, further provided that service in the New Philippine Scouts was not deemed U.S. military service.

These Rescission Acts applied only to those defined in this study as Filipino veterans. Veterans with service as Old Philippine Scouts continued to be categorized as U.S. veterans.

Although the Rescission Acts eliminated U.S. veteran status for Filipino veterans, they did provide for compensation for service-connected disabilities and survivors' benefits for service-connected death. The Rescission Acts provided that these benefits would be paid at the rate of one Philippine peso for each dollar authorized. In addition, the limitations imposed by the Rescission Acts did not affect contracts of National Service Life Insurance that were entered into before February 18, 1946 in the case of Commonwealth Army veterans and organized guerillas, and May 27, 1946, in the case of New Philippine Scouts.

Congress then enacted Public Law 80-865 in 1948, also known as the Rogers Act, to construct and equip the Veterans Memorial Hospital in Manila. Under this authorization, VA constructed and equipped the hospital at a cost of $9.4 million.[7] This facility was turned over to the Philippine Government in 1955.[8]

The facility was originally intended to provide care to service-connected Filipino veterans only, but Public Law 85-461, enacted in 1958, expanded its use to include care for U.S. veterans. This was financed under a separate U.S. appropriation. The hospital, currently known as the Veterans Memorial Medical Center (VMMC), is now organized under the Philippine Department of National Defense.[9]

Also in 1958, VA established the VA Outpatient Clinic in Manila as a separate organization. The mission for this clinic was to provide outpatient treatment, authorize and pay for fee basis outpatient treatment, and authorize and pay for contract hospitalizations for U.S. veterans for their service-connected conditions only. The clinic also provides compensation and pension examinations for both U.S. veterans and specific categories of Filipino veterans.[10]

In 1963, Public Law 88-40 extended authority to the contract with VMMC for care of non-service-connected (NSC) conditions of Filipino and U.S. veterans. It also stated that payments for hospital care and for medical services provided to Commonwealth Army veterans or to U.S. veterans may consist, in whole or in part, of available medicines, medical supplies, and equipment furnished by the Administrator of Veterans Affairs to the VMMC.

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[7] $78 million in 1999 dollars.
[8] Assessment of the VA Operations in the Philippines, Section 5 "Background," page 6, September 1997.
[9] Assessment of the VA Operations in the Philippines, Section 5 "Background," page 6, September 1997.
[10] Assessment of the VA Operations in the Philippines, Section 7, "VHA Activities," page 26, September 1997.

In addition, the U.S. Government provided separate grant-in-aid funds to the Philippine Government for more than 30 years to assist the VMMC to replace and upgrade its equipment and rehabilitate the physical plant and facilities. This grant money was generally appropriated for 2-year periods and ranged from $500,000 to $1,000,000 per year.[11]

In 1966, Public Law 89-641 changed the compensation and survivors' benefit payment rate to $.50 for each U.S. dollar authorized.

In 1973, Public Law 93-82 authorized assistance to the Philippine Government in providing medical care and treatment for Commonwealth Army and New Philippine Scout veterans in need of care or treatment for service-connected disabilities and for treatment of non-service-connected disabilities under certain circumstances. This service was unique to the Philippines.[12]

Public Law 97-72, enacted in 1981, continued the U.S. Government's support. This law gave the President authority to assist the Republic of the Philippines in fulfilling its responsibility to provide medical care and treatment to Commonwealth Army and New Philippine Scout veterans.

In 1993, VA reviewed the quality of care offered at the VMMC. Because it was determined that the VMMC was not providing a reasonable standard of care, referrals of U.S. veterans were discontinued. Until this time, the VMMC had been the primary contract hospital for VA. Because of this change in the referral process, the grant-in-aid funding for the VMMC was discontinued at the end of Fiscal Year 1995.[13]

The first session of the 106th Congress enacted legislation to expand benefits for Filipino veterans. Public Law 106-169 expanded U.S. income-based social security disability benefits to certain World War II veterans. This includes Filipino veterans of World War II who served in the organized military forces of the Philippines while those forces were in the service of the U.S. Armed Forces. Until the passage of Public Law 106-169, recipients of Supplemental Security Income (SSI) generally were required to reside in the United States to maintain their eligibility. This law allows eligible Filipino veterans to return to the Philippines and retain 75 percent of their SSI benefits (administered and funded by Social Security Administration budget).

In the second session of the 106th Congress, two separate laws affecting two groups of Filipino veterans were passed. Public Law 106-377, signed on October 27, 2000, provides that Commonwealth Army veterans and veterans of Recognized Guerilla forces may be paid veterans disability compensation at the full statutory rate, if they are permanent legal residents of the United States. This

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[11] Assessment of the VA Operations in the Philippines, Section 5, "Background," page 6, September 1997.
[12] Assessment of the VA Operations in the Philippines, Section 7, "VHA Activities," page 26, September 1997. See also reference to discontinuation of this service in the period 1993 – 1995.
[13] Assessment of the VA Operations in the Philippines, Section 5 "Background," page 6 and "VHA Background," page 26, September 1997.

law also extends VA hospital care, medical services, and nursing home care to Commonwealth Army veterans and veterans of Recognized Guerilla forces, as if they were U.S. veterans, if they permanently reside in the United States and are receiving VA disability compensation. Another provision of this act allows the VA Outpatient Clinic in Manila to provide medical services to service-connected U.S. veterans for their non-service-connected disabilities.

Public Law 106-419, signed on November 1, 2000, provides for full burial benefits on behalf of Commonwealth Army veterans and veterans of Recognized Guerilla forces if the veteran was a permanent resident of the United States and met certain other entitling conditions. Enactment of this law allows these veterans to be buried in national cemeteries if they were permanent residents of the United States at the time of their deaths.

HEALTH CARE SERVICES

For U.S. veterans, Public Law 104-262, dated October 9, 1996, made significant changes in veterans' eligibility for medical care. This law established seven priority groups for care and retained the two categories of veterans who are eligible for care: those to whom the VA *shall* furnish any needed hospital or outpatient care and those to whom the VA *may* furnish care and who are required to make co-payments to receive care. It is important to note that discretionary dollars fund all VA health care.

VA health care is not an entitlement, but a service. Those in the *shall* category are considered high priority and include compensable service-connected disabled veterans as well as low-income veterans (generally Priority Groups 1 –5 below). Since October 1, 1998, most veterans must enroll in the VA health care system in order to receive treatment. VA resources and congressionally-mandated priority groups determine how many veterans receive care each year. Service-connected disabled veterans have the highest enrollment priority.

The seven priority groups are listed and described below:

Priority Group 1: Veterans with service-connected (SC) conditions rated at 50 percent or more disabling.

Priority Group 2: Veterans with SC conditions rated 30 or 40 percent disabling.

Priority Group 3: Veterans who are former POWs, or who have been awarded the Purple Heart,
Veterans with SC conditions rated 10 or 20 percent disabling,
Veterans discharged from active duty for compensable conditions, and
Veterans awarded special eligibility classification (38 U.S.C. Section 1151).

Priority Group 4: Veterans who are receiving aid and attendance or housebound benefits, and
Veterans who have been determined by VA to be catastrophically disabled.

Priority Group 5: Non-service-connected (NSC) veterans and SC veterans rated 0 percent disabled, whose income and net worth are below the established dollar threshold.

Priority Group 6: All other eligible veterans who are not required to make co-payments for care:

- World War I and Mexican Border War veterans,
- Veterans receiving care for exposure to toxic substances or environmental hazards while in service, and
- Compensable 0 percent SC veterans.

Priority Group 7: NSC veterans and noncompensable 0 percent SC veterans with income or net worth above the statutory threshold and who agree to specified co-payments.

Prior to enactment of Public Law 106-377, Section 1734 of Title 38 U.S.C. provided that Filipino veterans may be furnished hospital, nursing home and medical services in the United States for treatment of service-connected disabilities within the limitations of VA resources. No data are available on the actual number of Filipino veterans who have received care under this discretionary authority. It is estimated to be a small number.

Section 1734 of Title 38 U.S.C. has recently been amended to provide that those veterans of the Commonwealth Army and Recognized Guerilla forces who reside in the United States and who are receiving VA compensation shall receive VA hospital care, nursing home care, and medical services on the same basis as U.S. service-connected veterans. Health care for service-connected New Philippine Scouts in the United States remains discretionary, within the limits of VA resources.

In the Philippines, the Philippine Government provides medical care to eligible Filipino veterans. Filipino veterans are ineligible for VA health care in the Philippines. Due to the recent change in the law, U.S. veterans are eligible for medical care for both service-connected and non-service-connected disabilities at the VA Outpatient Clinic in Manila. U.S. veterans are also eligible for hospital care for service-connected disabilities, which is provided under VA contract.

Table 2 outlines health care eligibility for U.S. and Filipino veterans in the United States and the Philippines.

Table 2

VA Health Care Benefits for U.S. and Filipino Veterans in the United States and the Philippines

	U.S. Veterans (including Old Philippine Scouts)	Service-Connected Commonwealth Army or Recognized Guerillas legally residing in the United States	Service-Connected Commonwealth Army or Recognized Guerillas not residing in the United States	Service-Connected New Philippine Scouts not residing in the United States	Service-Connected New Philippine Scouts in the United States
Health Care Benefits in the United States					
Hospital Care – Service Connected Disability	Yes	Yes*	N/A	N/A	Yes**
Hospital Care – Non Service Connected Disability	Yes	Yes*	N/A	N/A	No
Outpatient Care – Service Connected Disability	Yes	Yes*	N/A	N/A	Yes**
Outpatient Care – Non Service Connected Disability	Yes	Yes*	N/A	N/A	No
Health Care Benefits in the Philippines					
Hospital Care – Service Connected Disability	Yes	N/A	No	No	N/A
Hospital Care – Non Service Connected Disability	No	N/A	No	No	N/A
Outpatient Care – Service Connected Disability	Yes	N/A	No	No	N/A
Outpatient Care – Non Service Connected Disability	Yes**	N/A	No	No	N/A

*Updated by Public Law 106-377.
**Section 1734 of title 38 U.S.C. provides that care for service-connected disabilities may be provided within the limits of VA facilities.
**Public Law 106-377 expanded outpatient eligibility to authorized treatment for non-service-connected conditions of U.S. service-connected veterans within the limits of the VA Manila Outpatient Clinic.
N/A indicated services not provided U.S. veterans under the same conditions.

VA health care eligibility is subject to enrollment prioritization and space and resource availability. VA health care is not an entitlement program. Means-testing requirements may apply. See Table 5 for information about health care benefits for Filipino veterans paid for by the Philippine Government.

NON-HEALTH CARE BENEFITS

Table 3 summarizes VA non-health care benefits available to U.S. and Filipino veterans.

Table 3

Non-Health Care Benefits for U.S. and Filipino Veterans

	U.S. Veterans (Including Old Philippine Scouts)	Commonwealth Army or Recognized Guerillas Legally Residing in the United States	Commonwealth Army or Recognized Guerillas Not Residing in the United States	New Philippine Scouts
Disability Compensation Service-Connected	Yes	Yes	Yes (Half Rate)	Yes (Half Rate)
Disability Pension – Non Service Connected	Yes	No	No	No
Dependency and Indemnity Compensation (DIC)	Yes	Yes (Half Rate)	Yes (Half Rate)	Yes (Half Rate)
Death Pension	Yes	No	No	No
Burial (National Cemetery)	Yes	Yes	No	No
Burial Allowance	Yes	Yes*	Yes (Half Rate)	No
Burial Flag	Yes	Yes*	No	No
Headstones	Yes	Yes*	No	No

*Subject to entitlement criteria in 38 U.S.C. Section 107. Generally, a veteran must have been entitled to disability compensation or pension to receive these benefits.

Compensation

According to September 2000 data, VA pays service-connected disability compensation to approximately 5,200 Filipino veterans. These Filipino veterans must meet the same disability requirements as U.S. veterans to be entitled to receive service-connected disability compensation.

Under Public Law 106-377, veterans of the Commonwealth Army and Recognized Guerilla forces who are permanent lawful residents of the United States are now entitled to compensation at the full statutory rate corresponding to the level of disability. VA is currently drafting regulations to implement full-rate payments for these veterans. VA is also developing standard procedures for verifying residence, as well as making necessary changes to the benefit payment system. These activities are being expedited so field offices can process the increased payments as soon as possible.

VA disability compensation benefits for Filipino veterans residing outside the United States will continue to be paid at one-half the statutory rate corresponding to the level of disability. In the United States, payment at one-half the statutory rate will continue to apply to veterans of the New Philippine Scouts.

Dependency and Indemnity Compensation (DIC) is paid to survivors of Filipino veterans who die of service-connected disability at one-half the statutory rate, irrespective of residence.

Pension

Filipino veterans are not eligible for non-service-connected disability pension benefits. Pension is an income-based benefit. When the Rescission Act was enacted, Congress understood that almost all veterans who resided in the Philippines would have qualified for an income-based program because of the low average annual income in the Philippine economy.

Public Laws 106-377 and 106-419 enacted in October and November 2000 do not affect pension entitlement.

BENEFITS PAID TO FILIPINO VETERANS BY PHILIPPINE GOVERNMENT

Table 4 summarizes the categories of Filipino veterans who are eligible to receive benefits from the Philippine Government.

Table 4[14]

Categories of Veterans Who Receive Benefits From the Philippine Government

CATEGORY OF SERVICE	DATES
Veterans of Revolution against Spain and Philippine-American War	August 23, 1896 through May 6, 1902
U.S. Armed Forces Far East (USAFFE)/Guerillas	December 8, 1941 through December 2, 1945
New Philippine Scouts	Enlistment on or before June 3, 1946
Armed Forces of the Philippines/Philippine Constabulary (AFP)	On or after July 4, 1946
Philippine Expeditionary Force To Korea (PEFTOK) and AFP	September 15, 1950 through May 31, 1955
Philippine Civic Action Group (PHILCAG) and AFP	October 1, 1966 through September 30, 1969
PHILCON	December 31, 1970 through January 1, 1973

Table 5 (in the following several pages) charts the benefits paid by the Philippine Government, who receives the benefits, the specific eligibility requirements, and statutory authority for the benefits.

[14] Information received from the VARO Manila and verified by Philippine Office of Veterans Affairs.

Table 5[15]

General Information About Veterans Benefits Paid by the Philippine Government

BENEFIT	FEATURES & LIMITS	WHO IS ENTITLED	ELIGIBILITY REQUIREMENTS	PHILIPPINE STATUTORY AUTHORITY
HOSPITALIZATION, MEDICAL CARE AND TREATMENT AT STATE LEVEL	Philippine Veterans Affairs Office (PVAO) pays P200 (approx. $5.00) per day inclusive of professional fee, medicine, and other hospital expenses.	USAFFE, Guerilla, and New Philippine Scout Veterans;	No minimum length of service for wartime veterans. Minimum 6 years of service for peacetime veterans. For peacetime veterans with complete disability discharge, no minimum length of service. No requirement for service-connected disability. Disability treated may be S/C or NSC.	Republic Act No. 7696, an Act amending certain sections of Republic Act No. 6948 otherwise known as "An Act Standardizing and Upgrading the Benefits for Military Veterans and Their Dependents."
		Members of the Armed Forces of the Philippines (AFP) and the Philippine Constabulary with service on or after July 4, 1946;		
		AFP retirees; and		
		Spouses, Children, and Parents.		
		Dependents limited to spouse, unmarried minor children or children who are mentally or physically incompetent, regardless of age, and parents regardless of the veteran's civil status.		
		Children may be natural, adopted, or stepchildren. In the case of a stepchild, the natural parent does not have to be deceased.		

[15] Information received from the VARO Manila and verified by the Philippine Office of Veterans Affairs. The information supplied by the Philippine Office of Veterans Affairs was used as the source if there was a difference in the information received.

Table 5(continued)

General Information About Veterans Benefits Paid by the Philippine Government (continued)

BENEFIT	FEATURES & LIMITS	WHO IS ENTITLED	ELIGIBILITY REQUIREMENTS	PHILIPPINE STATUTORY AUTHORITY
DISABILITY PENSION FOR VETERANS	P1,000 (approx $23) to P1,700 (approx $40) monthly depending on disability rating.	USAFFE and Guerrilla Veterans.	Honorable discharge with casualty report. No minimum length of service for wartime veterans. Minimum 6 years of service for peacetime veterans. For peacetime veterans with complete disability discharge, no minimum length of service. Disability must be service-connected and incurred during line of duty. No income/net worth requirements.	Section 2 of Republic Act No. 7696. (Section 5 of RA 6948) amended
	In 1994, a law was passed automatically granting administrative disability pension to veterans, with or without disability, upon reaching the age of 70. They are deemed totally disabled and are entitled to receive P1,700 (approx. $40) and P500 for the wife, the same amount given to veterans with 100% disability. However, there is no current funding for this law	Wartime and peacetime veterans who are disabled due to sickness, disease, wounds or injuries sustained in line of duty.		
	Not payable if veteran paid same benefit under U. S. laws.	Benefit can be transferred to surviving spouse if veteran's death is service-connected. Benefit terminates if spouse remarries.		
		Unmarried minor children shall receive disability pension concurrently with veteran-pensioner. Children may be natural, adopted, or stepchildren. In the case of a stepchild, the natural parents need not be deceased.		

Table 5 (continued)

General Information About Veterans Benefits Paid by the Philippine Government (continued)

BENEFIT	FEATURES & LIMITS	WHO IS ENTITLED	ELIGIBILITY REQUIREMENTS	PHILIPPINE STATUTORY AUTHORITY
OLD AGE PENSION FOR VETERANS	P4,000 (approx. $93) paid monthly.	USAFFE, Guerrilla, Old and New Philippine Scout Veterans. Also Recognized Guerillas, Deserving Guerillas, Not Carried by Pay Guerillas, and Military Police command.	Honorable discharge. No minimum length of service for wartime veterans. Minimum 6 years of service for peacetime veterans. For peacetime veterans with complete disability discharge, no minimum length of service.	Section 6 of Republic Act No. 7696.
	Only to veterans who are 65 years old and above.	Members of the Armed Forces of the Philippines (AFP) and the Philippine Constabulary with service on or after July 4, 1946.		
	Not payable if veteran paid same benefit under U.S. laws.	Benefit can be transferred to surviving spouse. Benefit terminates if spouse remarries.		
	No additional benefits paid for dependents, except surviving spouse.			

Table 5 (continued)

General Information About Veterans Benefits Paid by the Philippine Government (continued)

BENEFIT	FEATURES & LIMITS	WHO IS ENTITLED	ELIGIBILITY REQUIREMENTS	PHILIPPINE STATUTORY AUTHORITY
DEATH PENSION	P1,000 (approx. $23) for spouse paid monthly.	Surviving spouse and unmarried minor children or in default thereof, the indigent parents for USAFFE, Guerilla, and New Philippine Scout veterans.	Honorable discharge with casualty report. No minimum length of service for wartime veterans. Minimum 6 years of service for peacetime veterans. For peacetime veterans with complete disability discharge, no minimum length of service. Cause of death must be service-connected.	Section 12 of Republic Act No. 7696.
	Additional P1,000 (approx. $23) for unmarried minor children (below 18 years of age).	Benefit is terminated if spouse remarries. Additional benefits for children are terminated upon marriage and upon reaching the 18th birthday.		
	Paid to surviving spouse and unmarried minor or in default thereof, the indigent parents of a veteran who died in line of duty or at anytime after honorable discharge or separation from the service as a result of wounds or injury received, or sickness or disease incurred in line of duty or as a consequence of the performance of duty.	In the absence of natural parents, a father or mother by adoption is eligible.		
	Income/net worth requirement for parents: their income must be below poverty line.	In the absence of a legal parent, any person who stood in loco parentis to the veteran at least one (1) year prior to his entry into the active service.		
	Not payable if veteran paid same benefit under U.S. laws.			

Table 5 (continued)

General Information About Veterans Benefits Paid by the Philippine Government (continued)

BENEFIT	FEATURES & LIMITS	WHO IS ENTITLED	ELIGIBILITY REQUIREMENTS	PHILIPPINE STATUTORY AUTHORITY
BURIAL ASSISTANCE	P1,000 (approx. $23).	Next-of-kin of deceased veteran who defrayed the burial expenses of the deceased veteran.	Honorable discharge. No minimum length of service for wartime veterans. Minimum 6 years of service for peacetime veterans (cumulative active service). For peacetime veterans with complete disability discharge, no minimum length of service.	Republic Act No. 7696.
	Claim must be filed within 2 years from date of veteran's death.	Unrelated person provided that person defrayed the burial expenses.		
	Not payable if claimant paid same benefit under U. S. laws.			
	Death of veteran need not be service-connected.			

In several cases, benefits paid to Filipino veterans can be transferred or do automatically transfer to extended family of the veteran. Often, the Philippine Government specifies that it will not pay a benefit if the veteran/claimant receives payment under U.S. laws.

The History section of this report includes additional information about appropriations, grants-in-aid, and other programs or funds paid by the Philippine Government to benefit Filipino veterans.

OPTIONS[16]

The following pages outline a broad range of options for expanding benefits provided to Filipino veterans in the United States and in the Philippines beyond the provisions recently enacted by Public Laws 106-377 and 106-419. Each option includes the estimated number of Filipino veterans that would receive the expanded benefit and the additional cost if the option is enacted. Options are costed and explained individually. Options could be combined to produce many different benefit packages.

The cost of enacting more than one option could be higher or lower than the sum of the cost of each option because of interactive effects. The costs presented assume no change in immigration caused by the individual proposals.

[16] Estimated costs, population statistics, and cost methodologies were developed jointly by the Department of Veterans Affairs, the Department of State, the Department of Defense, and the Office of Management and Budget.

COMPENSATION AND PENSION BENEFITS OPTIONS

Option A

Pay all service-connected Filipino veterans and survivors at the full dollar rate.

Current law provides for service-connected disability compensation to be paid at one-half the statutory rate to all service-connected Filipino veterans residing outside the United States, as well as to all service-connected New Philippine Scouts residing in the United States.

Option A proposes to pay all service-connected Filipino veterans and survivors at the full dollar rate. This option would affect approximately 3,900 service-connected veterans. The cost of compensating these veterans at the full statutory rate is $18.0 million dollars in the first year and $75.2 million cumulatively for five years.

Dependency and Indemnity Compensation (DIC) is also paid at one-half the statutory rate to survivors. For purposes of consistency and parity, it would be reasonable to apply any increase in the compensation payment ratio to survivors' benefits as well. This option would apply to survivors of service-connected veterans of the New Philippine Scouts, Commonwealth Army, and Recognized Guerilla forces. Paying the full dollar amount to the approximately 6,200 DIC recipients would cost the Government an additional $35.8 million in the first year and $207.1 million cumulatively for five years.

The total cost for this option would be $53.8 million in the first year and $282.4 million cumulatively over the first five years.

Potential Implications

Option A has been proposed by Congress to provide equity to all Filipino veterans as intended before the passage of Rescission Acts in 1946.

Under current law, U.S. veterans are paid at the full rate regardless of where they reside. No locality differentials are applied within or outside the United States for U.S. veterans.

Option A by increasing the service-connected disability compensation and DIC payment to the full statutory rate for all Filipino veterans and survivors would provide those beneficiaries residing in the Philippines a far higher standard of living relative to the average Philippine citizen. This could create an inequity in the relative value of the benefit provided to U.S. veterans and survivors in comparison to the value of the benefits provided to Filipino veterans and survivors.

Option B

Pay service-connected New Philippine Scouts residing in the United States at the full dollar rate.

Current law provides payment of disability compensation at one-half the statutory rate to New Philippine Scouts with service-connected disabilities whether they reside in the United States or abroad. This option would authorize disability payments to service-connected New Philippine Scouts residing in the United States at the full statutory rate.

The estimated cost of compensating approximately 120 service-connected New Philippine Scouts residing in the United States at the full statutory rate is estimated to be $568,000 in the first year and $2.5 million cumulatively for five years.

Potential Implications

Option B would increase the economic value of the benefit for veterans of the New Philippine Scouts in the United States. It would also establish consistency of payments to all Filipino veterans permanently residing in the United States. VA would establish regulations and standardized verification procedures to implement the change.

Option C

Pay survivors of Filipino veterans living in the United States at the full dollar rate.

Veterans of the Commonwealth Army and Recognized Guerilla forces permanently residing in the United States are now entitled to receive compensation payments at the full statutory rate. Option C would authorize a similar increase for the survivors of these veterans.

Paying the full statutory DIC benefit to approximately 360 recipients residing in the United States would cost the Government an additional $2.1 million in the first year and $13.3 million cumulatively for five years.

Potential Implications

Option C would increase the economic value of the benefit for survivors who are permanent legal residents of the United States. This option would establish parity in the administration of benefits to veterans and survivors.

Option D

Pay survivors of New Philippine Scouts living in the United States at the full dollar rate.

Option D proposes to pay the full statutory DIC rate to entitled survivors of New Philippine Scouts residing in the United States. Option D would complement Option B that proposes to pay full compensation rates to the service-connected veterans of the New Philippine Scouts. Increased payments to the full statutory rate for approximately 30 survivors of New Philippine Scouts living in the United States are estimated at $191,000 in the first year and $1.4 million cumulatively for the first five years.

Potential Implications

Option D would increase the economic value of the benefit for entitled survivors who are permanent residents of the United States. This would establish parity in the administration of benefits to veterans and survivors.

Option E

Authorize non-service-connected disability pension to all Filipino veterans.

Under current law, Filipino veterans have no eligibility for VA pension benefits. Non-service-connected (NSC) disability pension is an income-based benefit. The program is intended to afford a certain standard of living for veterans who served during a war period and later become too disabled to work. Income limitations for pension entitlement are defined in statute and are based on economic conditions in the United States. Under these income criteria, it is likely almost all Filipino veterans residing in the Philippines would be eligible. This assumption is based on the age and income status of this group.

Option E proposes to authorize non-service-connected disability pension to all Filipino veterans.

The cost to the U.S. Government to provide this benefit to the assumed-eligible population of approximately 35,550 veterans would be $265.9 million in the first year and $1.1 billion cumulatively over the first five years.

Potential Implications

Option E would help needy Filipino veterans. However, for Filipino veterans living in the Philippines where the average income is approximately $1,200, almost all Filipino veterans living in the Philippines would likely qualify for this benefit because of the age, employment, and expected income status of these veterans. The value of the benefit in the Philippine economy would likely enrich Filipino veterans beyond the intent of the U.S. Government's NSC disability pension program, which is to ensure basic dignity for needy wartime veterans.

Also, this Option E would provide would benefits to Filipino veterans that are not available to certain U.S. veterans (i.e. those with only peacetime service).

See Table 5 for details about pensions and other benefits available to Filipino veterans from the Philippine Government. It is assumed that this payment level accommodates a financial threshold or standard of living appropriate to living in the Philippines and serves the same purpose as the U.S. Government payment made to U.S. veterans.

Option F

Authorize non-service-connected disability pension to Filipino veterans residing in the United States

NSC disability pension is an income-based benefit. The program is intended to afford basic dignity for needy wartime veterans who are too disabled to work. Providing this benefit to the estimated 390 Filipino veterans assumed eligible would cost $2.2 million for the first year and $9.7 million cumulatively over the course of five years.

Potential Implications

Option F would increase the economic value of the benefit for needy Filipino veterans in the United States while not creating the economic difficulties outlined in Options A or E. The rate established and paid by the Philippine Government is not sufficient for a minimum standard of living in the United States.

Option G

Provide VA health care benefits for all non-service connected Filipino veterans and New Philippine Scouts (service-connected and non-service-connected) residing in the United States using the same eligibility criteria as are used for U.S. veterans.

Facilities operated or contracted by VA provide a wide range of health-related services. The health care needs of Filipino veterans vary, but in general, should be in line with the health care needs of U.S. veterans in the same age groups currently using the VA system. The cost estimate for Option G assumes the same usage rates and costs as similarly-situated U.S. veterans.

As of September 2000, VA estimates there are approximately 12,900 non-service connected Filipino veterans residing in the United States. The estimated cost for Option G is $12.1 million in the first year based on approximately 2,000 new users in the first year and $56.0 million cumulatively over the first five years.

Potential Implications

Option G would extend the same priority eligibility categories to Filipino veterans living in the United States as apply to U.S. veterans and thereby provide equity of access and expand eligibility for VA health care for Filipino veterans.

The impact of this workload depends on the geographic locations of these veterans and the existing demands on the facilities where these veterans would seek care. It is expected that the greatest impacts would be experienced in California and Hawaii.

VA health care is funded as discretionary spending. If VA were not to receive more appropriations to cover the additional costs associated with this option, future enrollment level decisions for all veterans could be affected. This may raise concerns among U.S. veterans about access and waiting times for health care.

The eligibility for health care for this group of veterans would become greater than benefits provided under current law for other non-U.S. veterans such as Polish and Czechoslovakian veterans of World War II. These veterans must reside in the United States for 10 years before becoming eligible for VA care for their service-connected conditions. The change to benefits for Filipino veterans might encourage others to seek similar access to VA health care.

Option H

Provide VA health care benefits for service-connected New Philippine Scouts residing in the United States by the same eligibility criteria as U.S. veterans and other Filipino veterans residing in the United States.

As in Option G, the cost for Option H assumes the same usage rates and costs as U.S. veterans in the same age group. This option would extend the same priority eligibility categories to service-connected Filipino veterans living in the United States as apply to service-connected U.S. veterans. The cost for the estimated 20 new users would be approximately $119,000 in the first year and $529,000 cumulatively over the first five years.

Potential Implications

Based on the small number of veterans involved, it does not appear this population could impact enrollment level decisions.

However, Option H would provide a level of eligibility for VA health care greater than for any other allied veteran group. Also, this level of eligibility is greater than for U.S. service-connected veterans who reside in other countries. With the exception of the new legislation extending care in Manila for the non-service-connected conditions of service-connected U.S. veterans, VA only pays for care for service-connected conditions of U.S. veterans residing abroad.

Option I

Provide VA health care benefits for service-connected Filipino veterans residing in the Philippines, using the same eligibility criteria as U.S. veterans.

In fiscal year 2001, it is estimated that approximately 3,750 Filipino veterans residing in the Philippines will receive compensation for service-connected disabilities. Based on the cost of VA care in the Philippines, the total cost of Option I is estimated to be $7.4 million in the first year and $32.0 million cumulatively for the first five years. Although the new authority provides that VA may provide these additional services within the limits of the VA's outpatient clinic, that capacity is limited. For this option, the cost estimate assumes a 100 percent use rate for Filipino veterans and that VA would provide for those services through both VA and contract care arrangements.

To put this option into context, it is important to understand some history about the VA Clinic in Manila related to U.S. veterans. In 1999, VA submitted a legislative proposal requesting authority to provide care at the VA Clinic in Manila for the non-service-connected disabilities of service-connected U.S. veterans. Because the VA Clinic in Manila had the authority to treat U.S. veterans only for service-connected disabilities, the clinic was precluded from providing other needed preventive care and primary care services for U.S. veterans. VA's legislative proposal noted that this limitation was inconsistent with the goals of Public Law 104-262, the Veterans Health Care Eligibility Reform Act of 1996, which authorized VA to provide a broader range of primary care and preventive services to all enrolled veterans. The legislative proposal also noted that the VA Clinic in Manila had some additional capacity to provide this additional service to U.S. veterans.

Public Law 106-377, enacted in October 2000, approved authority for treatment of non-service-connected disabilities of service-connected U.S. veterans. Based on this new authority, the VA will now review its capacity and resources at the VA Clinic in Manila in order to determine what additional medical services can be provided.

Potential Implications

Having access to VA health care services in the Philippines would be a very attractive option for Filipino veterans compared to other health care options that are currently available to them. Many of these veterans have already used the VA Clinic in Manila for compensation and pension examinations. The VA Clinic in Manila offers a very high quality of health care services compared to other health care providers in the Philippines. The VA also contracts with some of the best quality community hospitals for inpatient services. This would also be an attractive option for Filipino veterans.

It should be noted that while there is some excess capacity at the VA Clinic in Manila, the amount of workload under this option would greatly exceed capacity.

Option I, *Potential Implications* (continued)

This increased workload would require VA to significantly expand its capacity and pay for significant amounts of contract care. The quality of contract care is difficult to manage and would require a significant amount of administrative time to process authorizations and payments.

If this option were implemented, Filipino veterans would receive a higher level of VA care than would U.S. veterans residing in other foreign countries. The Philippines is the only country outside the United States where VA provides care for non-service-connected conditions. This may cause concerns or perceived inequities for U.S. veterans living in other countries that do not receive the same level of VA health care benefits.

Option J

Provide VA health care benefits for Filipino veterans residing in the Philippines for their service-connected conditions only.

Another option for health care in the Philippines is to provide VA health care benefits for only the service-connected conditions of Filipino veterans. This would be a lower cost option than Option I, where other medical services would be authorized. In fiscal year 2001 it is estimated that 3,750 Filipino veterans residing in the Philippines will receive compensation for service-connected disabilities. Using this number of veterans at a 100 percent usage rate, the cost of this option is estimated to be $3.9 million in the first year and $16.6 million cumulatively for the first five years.

Potential Implications

This would be a very attractive option for service-connected Filipino veterans. VA would not be able to meet the needs of this additional population within the limits of the VA Clinic in Manila. VA would need to expand space and staffing at the Manila Clinic as well as increase the contract inpatient care and other fee basis programs to meet the needs of this new patient population. Managing this increased contract care workload would also require additional VA staff.

Providing VA care only for service-connected conditions of Filipino veterans would be consistent with what U.S. veterans are authorized for in other foreign countries.

Option K

Provide annual grant to assist the government of the Philippines in providing health care services to Filipino veterans.

This option would resume the grant-in-aid program to assist the Philippine Government in meeting the health care needs of Filipino veterans. The amount of the annual grant would have to be determined by the Administration and Congress.

There is a long history of the U.S. Government providing assistance to the Philippine Government toward meeting the health care needs of Filipino veterans. For example, as noted in the History section, Public Law 80-865, known as the Rogers Act, authorized funds to construct and equip the Veterans Memorial Hospital (VMMC) in Manila. Subsequent legislation provided separate grant-in-aid funding to the Philippine Government for more than 30 years to assist this hospital. This grant funding was generally appropriated for 2-year periods in the amounts of $500,000 to $1 million per year. This grant-in-aid funding was discontinued in fiscal year 1996, after a VA site review determined that VMMC was not providing a reasonable standard of care. At the same time, referral of U.S. veterans to VMMC was suspended.

Potential Implications

Direct transfer of funds to the Philippine Government through a grant-in-aid program would mean that the VA would not be required to directly provide or contract for health care services for Filipino veterans, as would be required in Options I and J. It would not require VA to rapidly expand its health care capacity and infrastructure for a population that is decreasing rapidly. Under this option, however, there would still need to be a VA oversight function to assure that grant funds are appropriately targeted to help meet the needs of this population.

Option L

Provide burial benefits to Filipino veterans residing in the United States beyond those who are currently eligible.

This option would authorize burial allowances, plot allowances, burial flags, burials in national cemeteries and/or provision of headstones or markers for Filipino veterans who reside in the United States according to the same criteria that apply to U.S. veterans. Public Law 106-419, enacted in November 2000, extended eligibility for burial benefits to certain Commonwealth Army veterans and Recognized Guerillas veterans, including service-connected veterans, permanently residing in the United States. Option L would extend the same burial benefits to New Philippine Scouts and to NSC Filipino veterans residing in the United States.

For burial in VA national cemeteries, costs are estimated at $ 18,500 in the first year and $89,000 cumulatively for the first five years. These costs cover interment including grave liners, headstones and markers. Incremental costs for interment (other than the costs for grave liners, headstones, and markers) are minimal. About 100 New Philippine Scouts and NSC Filipino veterans in the United States are expected to use this benefit in the first year.

For Filipino veterans not interred in VA national cemeteries, costs for headstones and markers costs are estimated at $39,700 in the first year and $190,700 cumulatively for the first five years. An estimated 430 headstones and markers are expected to by provided in the first year.

Potential Implications

The projected total interments are approximately one-tenth of one percent of the total interments to be performed by the National Cemetery Administration (NCA) in the next five years. This will have a negligible affect on NCA workloads.

Some U.S. veterans might object to draping U.S. flags on caskets of non-U.S. veterans as is done with standard interments conducted at VA national cemeteries.

THE WHITE HOUSE

WASHINGTON

July 27, 2000

MEMORANDUM FOR THE SECRETARY OF VETERANS AFFAIRS
THE SECRETARY OF STATE
THE SECRETARY OF DEFENSE

SUBJECT: Study of Compensation and Benefits for Filipino Veterans

My Administration has recognized the unique contribution of Filipino veterans of the Second World War and worked to improve their compensation and benefits. In fact, for the last two sessions of Congress we have proposed legislation to eliminate the current dollar limitation for authorized compensation payments to Filipino beneficiaries residing in the United States. The proposed legislation has not been enacted. This reality, coupled with the fact that numerous Filipino veterans have immigrated to this country, suggests that the we need to raise awareness of the issues and options to help this group of deserving veterans.

To that end, I am directing the Secretary of Veterans Affairs to complete a study by October 31, 2000, of the needs of these veterans and the options available for addressing those needs. This study shall be conducted in coordination with the Office of Management and Budget (OMB), the Department of State, and the Department of Defense, and would include a historical background of, and the issues associated with, the benefits afforded to Filipino veterans. It should also take into consideration changes in the Filipino veteran population and review options relative to the benefits afforded these veterans. It also would include the cost implications of options approved by OMB.

William J. Clinton

January

PHILIPPINE
Mabuhay News

San Diego's Premiere Filipino American Newspaper

Justifying delay in release of Fil WWII veterans study

by MERCEDES TIRA ANDREI
Washington Correspondent

WASHINGTON D.C. -- The White House is fine-tuning the report on Filipino World War II veterans that was commissioned by President Clinton on July 27, following his meeting at the White House with Philippine President Joseph Estrada during the latter's official working visit to the United States.

The President ordered the study to be completed on October 31, 2000 by an interagency team including the Department of Veterans Affairs, the Office of Management and Budget, the Department of State and the Department of Defense.

However, the report was not completed on deadline, despite the representations and follow-ups with the Dept. of Veterans Affairs made by leaders of the Filipino veterans community, among them Pat Ganio of the American Coalition for Filipino Veterans (ACFV) and Gen. Raul Urgello, head of the Veterans Affairs Office of the Philippine Embassy here.

In a telephone interview, Irene Bueno, a legal aide of the President, told this writer the delay in releasing the report "doesn't mean the (Clinton Administration) is ignoring the plight of the Filipino veterans."

The report is being polished, she said, and "updated since so much legislation has been made for the veterans' cause. The President wants all of that information included in the report."

Ms. Bueno implied that she is the point person in the Clinton White House concerning the report and the Filipino veterans issue. "I am aware of the veterans' plight everyday. I hope we can release the report very soon." She did not specify a date as to how soon the report can be made available to the Filipino community.

But the non-release of the report has been holding back any presidential action on the request of the ACFV, a major veterans lobby group based here, for medical and humanitarian aide for the veterans who have returned to the Philippines. The group has been working on a presidential executive order to release medical and humanitarian assistance to the veterans now back in their hometowns.

Ms. Bueno said the White House is aware of the pending request but she denied any linkage of it to the study's release. She expressed optimism, however, that the study and the medical help will both be released "very soon."

The ambiguity of the White House on these promised efforts to help the war vets has started to frustrate the veterans groups here.

"You can only wait, " cautioned General Urgello, in an earlier interview. Instead of public pressure, he prefers private diplomacy in pushing for the release of the study.

"We cannot go to the White

See DELAY *on Page A6*

Delay

From Page A1

House and scold them for missing their own deadline. We'll have to wait," he said.

But others like the ACFV have been weary of "delaying tactics that have been like Chinese torture to our vets," says Eric Lachica, executive director of the lobby group.

Others speculate that the Clinton White House might want to endorse a glowing report on the Filipino vets issue, with claims that it did the right things for the vets, to the incoming administration.

"It's possible they are fine-tuning the report so the Clinton-Gore White House can say that they delivered the best goodies to our vets," said a Filipino veteran, speaking on the condition he remains unnamed. "We need to push for the release of the report even if we have to go back to chain ourselves to the White House gates this winter."

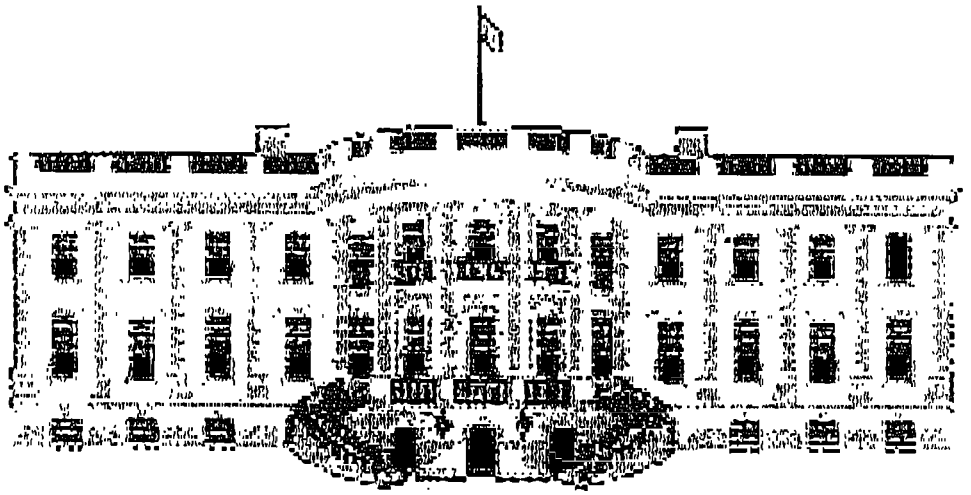
In his July memo, President Clinton said: "For several years, my administration has worked with members of congress to recognize the contributions of Filipino veterans and to improve the compensation and benefits of those living in the United States.

"As this population ages," he continued, "it has a growing need for health care. That is why I am asking the Department of Veterans Affairs to look at ways we can address their needs. I look forward to the department's recommendations. I am eager to find a way to fulfill the needs of the this deserving group of veterans."

The study's scope includes a historical background of the Filipino vets issue and all other issues associated with it, the benefits provided to them, the Filipino vets' demographic changes, review options relative to the benefits afforded these as well as the cost implications of options approved by the OMB.

The White House urges readers interested in the report to contact the Office of Public Liaison Asian American and Pacific Islander Outreach through e-mail at laura_efurd@who.eop.gov or call (202) 456-2930.

THE WHITE HOUSE



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Page one of: 3

Comments: Article on Filipino American Veterans

November 1-15, 2000

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PHILIPPINE Mabuhay News

Presidential candidates "ignores" Fil-Am vets

By MERCEDES TIRA ANDREI
PMN Washington Correspondent

WASHINGTON, DC -- The Filipino American World War II veterans are "invisible and ignored" in the issues slates of the two presidential candidates, according to veteran advocates here.

After writing letters to the two major candidates -- Vice President Albert Gore (Democrat) and Governor George W. Bush (Republican)-the American Coalition for Filipino Veterans, an advocacy group for Filipino American vets, said no formal support has been given by any candidate to the vets' struggle to get fair and just benefits.

"Only lip service" has been made, said ACFV President Patrick Ganio, the 80-year-old leader of the national action network of more than 3,000 members and a defender of Bataan and Corregidor.

Ganio witnessed the signing of the 2001 VA-HUD Appropriations bill into law by President Bill Clinton last October 27th in simple ceremonies at the White House.

The law provides at last the full and equal compensation for Filipino veterans and their widows who reside in the United States as well as some

PATRICK "Pat" GANIO, Sr.

hospitalization and burial benefits.

"I was disappointed with President Clinton's reaction," he told PMN in an interview after the signing. "I asked the President when we shook hands and after he gave me a pen he used for signing the bill if he could issue an executive order that would release the health care benefits of our vet-

See IGNORES *on Page A6*

Ignores

From Page A1

erans. His response was tentative and lukewarm."

The President was quoted by Mr. Ganio as responding "We'll see, we'll see."

The sense of tentativeness in the White House towards the Filipino vets is palpable in the Gore and Bush presidential campaigns, noted Mr. Ganio. The letters he personally signed three weeks ago and sent by fax, post and e-mail to the campaigns have been "ignored", he said.

To be sure, Kristin Gore, the vice president's daughter told a recent Filipino American conference in Las Vegas that her father "supports the Filipino American veterans." Democratic Party leader Norman Mineta, currently commerce secretary, also threw in verbal support for the vets.

The Bush camp, on the other hand, have similarly thrown words of support for the former soldiers, now in their twilight years, many of them unable to get full health care benefits.

The Filipino veterans advocates should not ask for support from the campaign noted Sandra King, the Asian American liaison officer of the Gore-Lieberman office in Nashville. "They should go to the White House and put their issues at their doors (on behalf of the vets)."

So far, the ACFV has persevered in pushing the cause of their aging and dying members. "With a $268 billion revenue surplus, we have appealed to the White House for a $85 million budget (for the vets). Unfortunately, President Clinton only delivered $5 million, an offer he made two years go to Congress," said Eric Lachica, the ACFV's executive director.

"We'll take anything given to our vets, even on a piece meal basis, but we will not stop fighting for their cause until all their needs are fulfilled. The Filipino veterans are most deserving of justice and equity," he said.

October 26, 2000

PROVISIONS OF INTEREST RELATING TO FILIPINO VETERANS IN LEGISLATION CLEARED FOR THE PRESIDENT

PROVISIONS FROM THE ENROLLED VERSION OF S. 1402 RELATING TO FILIPINO VETERANS

1. Extend eligibility for burial in national cemeteries to those Philippine Commonwealth Army veterans who die after enactment of section 331 of this legislation who 1) have either become citizens of the United States or have been lawfully admitted for permanent residence, and 2) who reside in the United States.

2. Provide a full-rate burial benefit and plot allowance to Philippine Commonwealth Army veterans who, at the time of death, 1) are citizens of the United States or have been lawfully admitted for permanent residence and are residing in the U.S. and 2) are receiving compensation for a service connected disability or would have been eligible for VA pension benefits had their service been deemed to have been active military, naval, or air service.

PROVISIONS FROM THE CONFERENCE REPORT OF THE ENROLLED VERSION OF H.R. 4635, FY 2001 VA, HUD, AND INDEPENDENT AGENCIES APPROPRIATIONS BILL RELATING TO FILIPINO VETERANS

Excerpt from H.Rept. 106-988

TITLE V-FILIPINO VETERANS' BENEFITS IMPROVEMENTS

The conference agreement includes a new title that provides more equitable veterans benefits for certain Filipino Army veterans who served with the U.S. Armed Forces and under the U.S. Command during World War II. Under current law these veterans are entitled to compensation from the VA but at a lower level than other veterans and medical care only for service-connected conditions. The changes covered by this amendment include equal disability payments and health care services for those covered veterans who live permanently and legally in the United States, and expanded outpatient healthcare at the Manila VA Outpatient Clinic for these covered veterans who live in the Philippines.

During WW II the Philippines was a Commonwealth of the United States and members of the Commonwealth Army and the New Philippine Scouts were called into service with the U.S. Armed Forces at the order of President Roosevelt. The bravery, sacrifice and commitment of these soldiers to the cause of winning the war are legendary. In 1946, Congress provided $200,000,000 to the Philippines to create their own veterans benefit system and passed the Rescissions Act of 1946 which authorized disability pay at a rate for Filipino veterans significantly below that paid to American veterans, except to the Old Philippine Scouts, who to date receive compensation and medical benefits equal to U.S. veterans. The language added by this title restores a portion of these benefits to the small number of these veterans who live in the U.S. The changes include:

- Increasing the disability benefits compensation paid to such veterans who live legally and permanently in the United States to full parity with benefits paid to other entitled veterans. Currently these benefits are paid at a 50 percent level. This affects only the level of benefits paid. No new eligibility is established under this section.

- Filipino veterans who already receive medical care at VA facilities for service-connected conditions are made eligible for full medical and related care at medical care facilities on the same basis as other U.S. veterans. Currently these veterans are only eligible for care for treatment of service-connected problems.

- Veterans living in the Philippines who already receive medical care at a VA facility for service-connected conditions are made eligible for full medical care at the VA outpatient facility in the Philippines.

The conferees believe that recognizing the service of these loyal veterans through enactment of a more equitable benefit structure is long overdue. Because of the advanced age of this small population, enacting legislation has been given special consideration in this conference agreement.

MEMORANDUM

July 21, 2000

TO: **MARIA ECHAVESTE**
FROM: **IRENE BUENO**
RE: **FILIPINO VETERANS UPDATE MEETING** – Monday, July 24, 2000 at 2 pm in your office.

PURPOSE:

You are meeting to get an update on the Filipino Veterans issues to make sure that we are prepared to make an announcement on the VA study on July 27th. Also, we will discuss a response to the upcoming protest by Filipino Veterans.

BACKGROUND:

As you may recall, Representative Filner (D-CA) requested that the President Clinton direct the VA to do a report within 90 days with a plan to provide access to VA health care facilities for Filipino veterans. Jeanne and VA have drafted a letter that we would send to VA (see attached). Also, we are Laura is drafting a letter from the President to Representative Filner responding to his request.

ATTENDEES:

Jeanne Lambrew (pronounced "Jean"), OMB
Laura Efurd, OPL
Josh Ackil, WH Leg Affairs

DRAFT

The Honorable Hershel Gober
Acting Secretary
Department of Veterans Affairs
Washington, DC 20420

Dear Secretary Gober:

As you know, this Administration has recognized the unique contribution of Filipino veterans and worked to improve compensation and benefits. In fact, for the last two sessions of Congress we have proposed legislation to eliminate the current dollar limitation for authorized compensation payments to Filipino beneficiaries residing in the United States. The proposed legislation has not been enacted, and similar proposals have not been given a committee hearing. This reality, coupled with the fact that numerous Filipino veterans have immigrated to this country, suggests that the we need to raise awareness of the issues and options to help this group of deserving veterans.

To that end, I am requesting that you produce a study of the historical background and issues associated with the benefits afforded Filipino veterans no later than October 31, 2000. There was a study produced by the Department of Veterans Affairs in December 1997 that was coordinated with the Executive Office of the President, the Department of State, and the Department of Defense. We are now asking for the Department of Veterans Affairs, along with these same agencies, to review, update and expand that study taking into consideration changes in the Filipino veteran population and its needs, as well as other pertinent current events. Certainly, this review should include recommendations relative to the benefits afforded these veterans and should include current cost estimates, approved by OMB, for any recommendations. We are particularly interested in your analysis of the health care needs of these veterans and the options you determine are available for addressing those needs.

Thank you for your cooperation in this effort. If you have any questions, please do not hesitate to contact me.

Sincerely,

BOB FILNER
50TH DISTRICT, CALIFORNIA

2463 RAYBURN BUILDING
WASHINGTON, DC 20515
TEL: (202) 225-8045
FAX: (202) 225-9073

333 F STREET, SUITE A
CHULA VISTA, CALIFORNIA 91910
TEL: (619) 422-5963
FAX: (619) 422-7290

TRANSPORTATION AND INFRASTRUCTURE COMMITTEE

VETERANS' AFFAIRS COMMITTEE

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES

June 8, 2000

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

I understand that President Joseph Estrada of the Philippines will be visiting our country at the end of June.

You are aware that one of the issues of great importance to Filipino-Americans throughout the United States is the restoration of compensation and health care to Filipino World War II veterans who were drafted into service by President Franklin D. Roosevelt and were promised benefits which were rescinded by Congress in 1946.

As a Congressman representing the largest number of Filipino-Americans in any Congressional District on the mainland, I deeply appreciate your interest and attention to this issue—and especially the Presidential Proclamation which you issued in October, 1996 to recognize the contribution of Filipino World War II veterans to the successful outcome of this war.

I have met with several members of your staff who have agreed to work towards restoring access to VA health care facilities for these veterans, both in the United States and in the Philippines. The cost of this limited initiative has been estimated by the Department of Veterans Affairs as $30.7 million, significantly less than the $500 million to $1 billion estimated to restore all benefits to these veterans and their families.

Congressman Benjamin Gilman and I have introduced H.R. 1594, The Filipino Veterans Benefits Improvements Act, to accomplish this goal of health care for Filipino World War II veterans. Because these veterans are in their 70s and 80s, health care is of eminent importance to them. That is why I suggest that during President Estrada's visit, you make a Presidential announcement, calling for the Secretary of Veterans Affairs to report directly to you within 90 days with a plan to provide access to VA health care facilities for these World War II patriots.

Thousands of Filipino World War II veterans are dying each year. That is why I believe that now is the time for Presidential action. Your leadership is needed to move the resolution to this problem.

I appreciate your attention to this request.

Sincerely,

BOB FILNER
Member of Congress

BF/ss
2005636

THE INDEPENDENT BUDGET

A Budget for Veterans by Veterans

July 13, 2000

The Honorable William J. Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

On behalf of AMVETS, Blinded Veterans Association, Disabled American Veterans, Paralyzed Veterans of America and Veterans of Foreign Wars of the United States, we are writing in support of efforts to grant Filipino WWII veterans access to health care through the Department of Veterans Affairs (VA).

We are indeed mindful of the brave and historic contributions made by Filipino nationals during WWII as members of the United States Armed Forces. Their actions as part of the allied force are legendary. We believe that funding to help support the provision of these services should be added to the VA medical care baseline budget request to augment overall health care spending for veterans for the next fiscal year and beyond. This amount, estimated to be approximately $30 million, should be included in the VA appropriation for FY 2001 as an additional request over and above the $1.5 billion increase requested by the Administration and approved by the House of Representatives for FY 2001.

A Joint Project of:

AMVETS
4647 Forbes Boulevard
Lanham, Maryland 20706
301/459-9600

DISABLED AMERICAN VETERANS
807 Maine Avenue, S.W.
Washington, D.C. 20024-2410
202/554-3506

PARALYZED VETERANS OF AMERICA
801 Eighteenth Street, N.W.
Washington, D.C. 20006-3517
202/872-1300

VETERANS OF FOREIGN WARS
OF THE UNITED STATES
200 Maryland Avenue, N.E.
Washington, D.C. 20002
202/543-2239

Measured in these terms, we believe Filipino veterans of WWII should be granted access to the VA health care system. These brave soldiers answered our nation's call to duty and now it is our duty to honor our commitment to them.

Sincerely,

David E. Woodbury
Executive Director
AMVETS

Thomas H. Miller
Executive Director
Blinded Veterans Association

David W. Gorman
Executive Director
Disabled American Veterans

Gordon H. Mansfield
Executive Director
Paralyzed Veterans of America

Robert E. Wallace
Acting Executive Director
Veterans of Foreign Wars
of the United States

cc: The Honorable Togo D. West, Jr., Secretary, Department of Veterans Affairs
The Honorable Hershel W. Gober, Deputy Secretary, Department of Veterans Affairs
The Honorable Jacob Joseph Lew, Director, Office of Management and Budget
Maria Echavesta, White House Deputy Chief of Staff

June 19, 2000

BRIEFING

MEMORANDUM FOR MARIA ECHAVESTE

FROM: Laura Efurd
Irene Bueno

CC: Jeanne Lambrew

RE: Meeting with Hershel Gober, Deputy Secretary of Veterans Affairs on Health Benefits for Filipino American Veterans

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DATE\TIME: Wednesday, June 21, 2000
1:30 pm

LOCATION: Your Office

ATTENDEES: Maria Echaveste, Deputy Chief of Staff
Hershel Gober, Deputy Secretary, Dept of Veterans Affairs
Irene Bueno, Senior Advisor to the Deputy Chief of Staff
Laura Efurd, Deputy Director, OPL
Jeanne Lambrew, Associate Director, OMB

PURPOSE: To discuss with VA 1) White House efforts to facilitate meeting between the VSO's and the Members of Congress supporting benefits for Filipino Veterans; and 2)Rep. Filner's recent request to the President for a VA study

BACKGROUND:

Prior Meetings on this Subject:
In October of last year you met with several Members of Congress led by Reps. Filner and Mink regarding the possibility of including funding (approx $30 mil) in the budget for health benefits for Filipino Veterans who fought in the U.S. military during WWII. In past years Filner and other Members have proposed more extensive benefits for the Filipino Veterans, but have recently chosen to concentrate their efforts on health care.

Budget Decision:
Since the October meeting, we met internally in December with OMB and DPC to discuss

funding in the FY01 budget. OMB felt that we could not include the $30 mil for Filipino Veteran Health Care because the funding would come from the discretionary health care monies and the Veteran's organizations would see this as taking money away from their health care. At that time the decision was made not to pursue funding in the budget, but to discuss other possible avenues for the Administration to demonstrate support for the H.R. 1594, such as an endorsement of the bill or statement of support for the bill.

Note that there was agreement to continue to include in the budget the provision which would provide equitable treatment for Filipino Veterans with service-connected disability, raising their compensation from 50% to 100% of what other Veterans receive (this provision affects mandatory money, so the issue of taking funds away from other Veterans does not apply to this provision). This has been proposed in previous budgets.

White House to Facilitate Meeting between VSO's and MOC's

As a result, OPL has suggested that since opposition of the Veterans Organizations is our major concern, that we facilitate a meeting among all involved parties to see if the Veterans Organizations would not oppose the Administration should it be possible to pursue the $30 million for health care. Prior to the release of the President's budget you discussed this proposed plan with Hershel Gober to assure that VA had no objection to that plan. At that time he had no objection.

Filner Letter/Estrada Visit

In addition, the President recently received a letter from Representative Filner suggesting that the President call on the Secretary of Veterans Affairs to devise a plan to provide access to VA health care facilities for Filipino Veterans within 90 days. And that such announcement is made during Philippine President Estrada's visit to the U.S. The Official Working Visit with Estrada is scheduled for July 27th. We plan to reach out to VA about this proposal prior to this meeting.

VA Budget Udpate:

VA-HUD appropriations bill is on the floor this week in the House. Filner is expected to offer an amendment which follows the provisions of the Gilman/Filner Bill -- $30 million for health care for Filipino Veterans, $500,000 to VA outpatient clinic in the Philippines, $5 million for increase from 50% to 100% for Filipino Veterans with service-connected disability (This amendment is not expected to pass).

What needs to be accomplished in this meeting:

1. **Gain assurance that VA is on board with the plan to bring VSO's and Members of Congress together. VA should be represented in that meeting, but we must have assurance that they will not oppose our effort.**

2. **Follow-up on with Gober the possibility of Filner's idea to have the VA come up with a plan to provide access to VA health care facilities for Filipino Veterans.**

FORMAT: Informal discussion

TALKING POINTS:

- Thank you Hershel for taking the time to come here today. I want to discuss with you this very important issue of benefits for Filipino Veterans. I know this issue comes up time and time again, and we have done reviews of this issue in the past. Each time we have come up with the very limited proposal of increasing benefits for service-connected.

- This issue to me is one of plain equity and fairness. These veterans served under the U.S. flag and it seems to me that we can come up with some way to show this Administration's willingness to address a moral wrong against these veterans.

- We made the decision not to put any new funding in our budget, largely as I understand due to concerns about the reaction from VSO's. The Members of Congress don't understand our concern, because many VSO's have supported efforts on Filipino Veterans, at least on paper.

- We have an opportunity here to demonstrate good faith on our part to resolve this issue. And that is by facilitating a meeting between the Members of Congress supporting benefits for Filipino Veterans and the VSO's to see if there is any real opposition to the idea of providing $30 million to the Filipino Veterans. If there is no opposition, it paves the way for the Administration to support (or at the least not to oppose) any effort to include $30 million for Filipino Veterans in the final budget.

- I want to make sure that VA is aware of our effort and is on board. I would like to have VA represented at the meeting we have with the Members and VSO's. We are looking at dates for early next week.

- In addition, another suggestion has been brought to our attention that I would like to raise. Rep. Filner recently sent a letter to the President suggesting that the President call upon the Secretary of Veterans Affairs to draft a plan to provide health services to Filipino veterans. At first glance this sounds like a reasonable request. It sets forth a time frame within our Administration and lays the groundwork for a plan to address the problem in the likelihood that we will not be able to get the $30 million.

- I would like your support to draft this report. Please get back to me by the end of the week to let me know if:

    1) VA could accomplish such a study
    2) What are the funding implications

The idea would be to make such and announcement during the visit of President Estrada of the

Philippines.

ATTACHMENTS:

1) Memo on precedence
2) Filner's letter