



DEPARTMENT OF VETERANS AFFAIRS

8320-01

38 CFR Part 0

RIN 2900-AQ60

Core Values, Characteristics, and Customer Experience Principles of the Department

AGENCY: Department of Veterans Affairs.

ACTION: Final rule.

SUMMARY: This document amends the Department of Veterans Affairs' (VA) regulations concerning the standards of ethical conduct and related responsibilities of its employees by adding a new section to the subpart for VA's Core Values and Characteristics, which includes VA's Customer Experience Principles. VA's Customer Experience Principles add to the foundational values and organizational characteristics that define VA employees and articulate what VA stands for, respectively, and these principles are a set of guidelines that will be applied Department-wide to all VA employees. This final rule establishes VA's Customer Experience Principles and ensures their proper application to the VA workforce.

DATES: This final rule is effective on **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

FOR FURTHER INFORMATION CONTACT: Justin Madigan, Action Officer, Veterans Experience Office (30), Department of Veterans Affairs, 810 Vermont Avenue NW., Washington, DC 20420, (202) 632-5939. (This is not a toll-free telephone number.)

SUPPLEMENTARY INFORMATION: This rulemaking amends 38 CFR part 0 to add Customer Experience Principles to Subpart A. Maintaining a sustained organizational commitment to, and institutionalized focus on, the voice of the customer is a critical component of modernizing VA to meet the needs and expectations of Veterans, their families, caregivers, and survivors. VA is privileged to serve a vast and diverse population: in Fiscal Year (FY) 2018 VA had 9.15 million enrollees in VA health care; 4.74 million Veterans receiving VA disability compensation (as of September 30, 2018); 3.12 million active VA home loan participants (as of September 30, 2018); and 946,829 VA education beneficiaries (FY17). With hundreds of facilities and over 350,000 employees, VA must provide consistent and exceptional experiences to every customer across all the different ways in which Veterans, servicemembers, their families, caregivers, and survivors interact with VA. Codifying these principles will ensure that they receive the proper emphasis at all levels within VA, are clearly understood by the workforce, and, most importantly, become an enduring part of the VA culture. Adding Customer Experience Principles to the Core Values and Characteristics further demonstrates that VA is a people-centric organization.

Administrative Procedure Act

This final rule establishes internal guidelines relating to agency practice or procedure and sets forth general statements of agency policy. Accordingly, it is exempt

from the prior notice-and-comment requirements of the Administrative Procedure Act pursuant to 5 U.S.C. 553(b)(A). Also, because this final rule only establishes internal guidelines relating to agency practice or procedure and sets forth general statements of agency policy, VA finds application of the delayed-effective-date requirement of 5 U.S.C. 553(d) is unnecessary, and consequently there is good cause to exempt this rule from that requirement in accordance with 5 U.S.C. 553(d)(3).

Effect of Rulemaking

Title 38 of the Code of Federal Regulations, as revised by this final rulemaking, represents VA's implementation of its legal authority on this subject. Other than future amendments to this regulation or governing statutes, no contrary guidance or procedures are authorized. All existing or subsequent VA guidance must be read to conform with this rulemaking if possible or, if not possible, such guidance is superseded by this rulemaking.

Paperwork Reduction Act

This document contains no provisions constituting a collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3521).

Regulatory Flexibility Act

The Regulatory Flexibility Act, 5 U.S.C. 601-612, is not applicable to this rulemaking because notice of proposed rulemaking is not required. 5 U.S.C. 601(2), 603(a), 604(a). In any event, the Secretary hereby certifies that this rule does not have

a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act. Therefore, pursuant to 5 U.S.C. 605(b), this rulemaking is exempt from the initial and final regulatory flexibility analysis requirements of 5 U.S.C. 603 and 604.

Executive Orders 12866, 13563 and 13771

Executive Orders 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity). Executive Order 13563 (Improving Regulation and Regulatory Review) emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility. Executive Order 12866 (Regulatory Planning and Review) defines a “significant regulatory action,” requiring review by the Office of Management and Budget (OMB) unless OMB waives such review, as “any regulatory action that is likely to result in a rule that may: (1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) Raise novel legal or

policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive Order.”

The economic, interagency, budgetary, legal, and policy implications of this final rule have been examined and it has been determined not to be a significant regulatory action under Executive Order 12866. VA's impact analysis can be found as a supporting document at <http://www.regulations.gov>, usually within 48 hours after the rulemaking document is published. Additionally, a copy of the rulemaking and its impact analysis are available on VA's Web site at <http://www.va.gov/orpm/>, by following the link for “VA Regulations Published From FY 2004 Through Fiscal Year to Date.” This rule is not an EO 13771 regulatory action because this rule is not significant under EO 12866.

Unfunded Mandates

The Unfunded Mandates Reform Act of 1995 requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before issuing any rule that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more (adjusted annually for inflation) in any given year. This final rule will have no such effect on State, local, and tribal governments, or on the private sector.

Catalog of Federal Domestic Assistance Numbers

There are no Catalog of Federal Domestic Assistance program numbers for this rule.

List of Subjects in 38 CFR part 0

Conflict of interests, Employee ethics and related responsibilities, Government employees.

Signing Authority

The Secretary of Veterans Affairs, or designee, approved this document and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs. Robert L. Wilkie, Secretary, Department of Veterans Affairs, approved this document on April 8, 2019, for publication.

Dated: May 14, 2019.

Consuela Benjamin,

Regulations Development Coordinator,
Office of Regulation Policy & Management,
Office of the Secretary,
Department of Veterans Affairs.

For the reasons stated in the preamble, Department of Veterans Affairs amends 38 CFR part 0 as follows:

PART 0 - Values, Standards of Ethical Conduct, and Related Responsibilities

1. The authority citation for 38 CFR part 0 continues to read as follows:

Authority: 5 U.S.C. 301; 38 U.S.C. 501; see sections 201, 301, and 502(a) of E.O. 12674, 54 FR 15159, 3 CFR, 1989 Comp., p. 215 as modified by E.O. 12731, 55 FR 42547, 3 CFR, 1990 Comp., p. 306.

2. Revise the heading of Subpart A to read as follows:

Subpart A—Core Values, Characteristics, and Customer Experience Principles of the Department

3. Revise §0.600 to read as follows:

§0.600 General.

This section describes the Core Values, Characteristics, and Customer Experience Principles that serve as internal guidelines for employees of the Department of Veterans Affairs (VA). These Core Values, Characteristics, and Customer Experience Principles define VA employees, articulate what VA stands for, and underscore its moral obligation to veterans, their families, and other beneficiaries. They are intended to establish one overarching set of guidelines that apply to all VA Administrations and staff offices, confirming the values already instilled in many VA employees and enforcing their commitment to provide the best experience possible to veterans, servicemembers, their families, caregivers, and survivors.

4. Add § 0.603 to read as follows:

§0.603 Customer Experience principles.

VA will provide the best customer experience in its delivery of care, benefits, and memorial services to veterans, servicemembers, their families, caregivers, and

survivors. The delivery of exceptional customer experience is the responsibility of all VA employees and will be guided by VA's Core Values and Characteristics. Customer experience is the product of interactions between an organization and a customer over the duration of their relationship. VA measures these interactions through Ease, Effectiveness, and Emotion, all of which impact the overall trust the customer has in the organization.

(a) *Ease.* VA will make access to VA care, benefits, and memorial services smooth and easy.

(b) *Effectiveness.* VA will deliver care, benefits, and memorial services to the customer's satisfaction.

(c) *Emotion.* VA will deliver care, benefits, and memorial services in a manner that makes customers feel honored and valued in their interactions with VA. VA will use customer experience data and insights in strategy development and decision-making to ensure that the voice of veterans, servicemembers, their families, caregivers, and survivors inform how VA delivers care, benefits, and memorial services.

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