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The Honorable Bernard Sanders
United States Senate
332 Dirksen Senate Office Building
Washington, D.C. 20510-4503

Dear Senator Sanders:

On behalf of the DAV, a national veterans service organization with 1.2 million members, all of whom are wartime disabled veterans, I write to express our strongest opposition to any attempts by Congress to replace the current consumer price index (CPI) formula used for calculating the annual Social Security cost-of-living adjustment (COLA) with the Bureau of Labor Statistics (BLS) new formula commonly termed the "chained CPI." As you know, the Social Security COLA is applied annually to the rates for VA disability compensation, dependency and indemnity compensation, and pensions for wartime veterans and survivors with limited incomes. Since the "chained CPI" is specifically intended to lower the annual Social Security COLA, its application would mean systematic reductions for millions of veterans, their dependents and survivors who rely on VA benefit payments.

In recent years, it has become apparent that even the current COLA has failed to meet the rising costs faced by disabled veterans, their dependents and survivors. These men and women are not traditional consumers of goods and services in the U.S. economy; they are significantly older and suffer disabilities at higher rates than average citizens across the age range of residents of this country. In general, they are heavy consumers of health care, both within the VA and DOD systems, from Medicare and Medicaid, and from private sector providers. The sickest and most infirm among them are unemployable. They are substantial consumers of prescription medications and other health aids. In many cases, they live on fixed incomes and some must subsist on a single source of income: their monthly government disability or pension payment. The current COLA does not even take into account the rising costs of food or fuel. Lowering VA benefit payments using a new formula designed to reduce federal spending at large seems an unconscionable policy and would threaten their financial security and must be rejected. In addition, we urge you to examine whether there are better, more appropriate indexes that recognize the uniqueness of this population's needs and consumption patterns.

Furthermore, these millions of disabled veterans, dependents and survivors suffer the additional indignity of the novel "rounding down" policy Congress imposed in 1991 as a "temporary" means to lower the federal deficit in fiscal year 1992 by reducing the annual COLA increase to the next-lower dollar. Adding a chained CPI formula to this reduction of benefits would serve to lower their standard of living even more, an ironic reversal of the very purposes of these payments.

On behalf of all disabled veterans and their families, we stand with you in firm opposition to the application of the chained CPI to disability and pension payments for veterans, dependents and survivors of veterans. America's heroes deserve better from a grateful and caring nation.

Sincerely,

BARRY A. JESINOSKI
Executive Director
Washington Headquarters

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