

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

# H. R. 2540

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## AN ACT

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

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

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

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

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

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

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

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

TITLE II—COMPENSATION PROVISIONS

- Sec. 201. Presumption that diabetes mellitus (type 2) is service-connected.
- Sec. 202. Inclusion of illnesses that cannot be clearly defined in presumption of service connection for Gulf War veterans.
- Sec. 203. Preservation of service connection for undiagnosed illnesses to provide for participation in research projects by Gulf War veterans.
- Sec. 204. Presumptive period for undiagnosed illnesses program providing compensation for veterans of Persian Gulf War who have certain illnesses.

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

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

TITLE IV—OTHER MATTERS

- Sec. 401. Payment of insurance proceeds to an alternate beneficiary when first beneficiary cannot be identified.
- Sec. 402. Extension of copayment requirement for outpatient prescription medications.
- Sec. 403. Department of Veterans Affairs Health Services Improvement Fund made subject to appropriations.
- Sec. 404. Native American veteran housing loan pilot program.
- Sec. 405. Modification of loan assumption notice requirement.
- Sec. 406. Elimination of requirement for providing a copy of notice of appeal to the Secretary.
- Sec. 407. Pilot program for expansion of toll-free telephone access to veterans service representatives.
- Sec. 408. Technical and clerical amendments.
- Sec. 409. Codification of recurring provisions in annual Department of Veterans Affairs appropriations Acts.

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

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

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

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

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

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

21 (1) **COMPENSATION.**—Each of the dollar  
22 amounts in effect under section 1114 of title 38,  
23 United States Code.

24 (2) **ADDITIONAL COMPENSATION FOR DEPEND-**  
25 **ENTS.**—Each of the dollar amounts in effect under  
26 sections 1115(1) of such title.

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

3           (4) NEW DIC RATES.—The dollar amounts in  
4 effect under paragraphs (1) and (2) of section  
5 1311(a) of such title.

6           (5) OLD DIC RATES.—Each of the dollar  
7 amounts in effect under section 1311(a)(3) of such  
8 title.

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

12           (7) ADDITIONAL DIC FOR DISABILITY.—The  
13 dollar amounts in effect under sections 1311(c) and  
14 1311(d) of such title.

15           (8) DIC FOR DEPENDENT CHILDREN.—The  
16 dollar amounts in effect under sections 1313(a) and  
17 1314 of such title.

18           (c) DETERMINATION OF INCREASE.—(1) The in-  
19 crease under subsection (a) shall be made in the dollar  
20 amounts specified in subsection (b) as in effect on Novem-  
21 ber 30, 2001.

22           (2) Except as provided in paragraph (3), each such  
23 amount shall be increased by the same percentage as the  
24 percentage by which benefit amounts payable under title  
25 II of the Social Security Act (42 U.S.C. 401 et seq.) are

1 increased effective December 1, 2001, as a result of a de-  
2 termination under section 215(i) of such Act (42 U.S.C.  
3 415(i)).

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

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

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

15 At the same time as the matters specified in section  
16 215(i)(2)(D) of the Social Security Act (42 U.S.C.  
17 415(i)(2)(D)) are required to be published by reason of  
18 a determination made under section 215(i) of such Act  
19 during fiscal year 2002, the Secretary of Veterans Affairs  
20 shall publish in the Federal Register the amounts specified  
21 in subsection (b) of section 101, as increased pursuant to  
22 that section.

1           **TITLE II—COMPENSATION**  
2                           **PROVISIONS**

3   **SEC. 201. PRESUMPTION THAT DIABETES MELLITUS (TYPE**  
4                           **2) IS SERVICE-CONNECTED.**

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

7                   “(H) Diabetes Mellitus (Type 2).”.

8   **SEC. 202. INCLUSION OF ILLNESSES THAT CANNOT BE**  
9                           **CLEARLY DEFINED IN PRESUMPTION OF**  
10                          **SERVICE CONNECTION.**

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

17           (2) Subsection (c)(1) of such section is amended by  
18 inserting “or fibromyalgia, chronic fatigue syndrome, a  
19 chronic multisymptom illness, or any other illness that  
20 cannot be clearly defined (or combination of illnesses that  
21 cannot be clearly defined)” in the matter preceding sub-  
22 paragraph (A) after “illnesses”).

23           (b) SIGNS OR SYMPTOMS THAT MAY INDICATE  
24 UNDIAGNOSED ILLNESSES.—(1) Section 1117 is further

1 amended by adding at the end the following new sub-  
2 section:

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

6 “(1) Fatigue.

7 “(2) Unexplained rashes or other dermato-  
8 logical signs or symptoms.

9 “(3) Headache.

10 “(4) Muscle pain.

11 “(5) Joint pain.

12 “(6) Neurologic signs or symptoms.

13 “(7) Neuropsychological signs or symptoms.

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

16 “(9) Sleep disturbances.

17 “(10) Gastrointestinal signs or symptoms.

18 “(11) Cardiovascular signs or symptoms.

19 “(12) Abnormal weight loss.

20 “(13) Menstrual disorders.”.

21 (2) Section 1118(a) is amended by adding at the end  
22 the following new paragraph:

23 “(4) For purposes of this section, signs or symptoms  
24 that may be a manifestation of an undiagnosed illness in-

1 clude the signs and symptoms listed in section 1117(g)  
2 of this title.”.

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

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

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

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

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



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

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

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

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

17 **SEC. 204. PRESUMPTIVE PERIOD FOR UNDIAGNOSED ILL-**  
 18 **NESSES PROGRAM PROVIDING COMPENSA-**  
 19 **TION FOR VETERANS OF PERSIAN GULF WAR**  
 20 **WHO HAVE CERTAIN ILLNESSES.**

21 Section 1117 is amended—

22 (1) in subsection (a)(2), by striking “within the  
 23 presumptive period prescribed under subsection (b)”  
 24 and inserting “before December 31, 2003”; and

25 (2) by striking subsection (b).

1 **TITLE III—ADMINISTRATION OF**  
2 **UNITED STATES COURT OF**  
3 **APPEALS FOR VETERANS**  
4 **CLAIMS**

5 **SEC. 301. REGISTRATION FEES.**

6 (a) FEES FOR COURT-SPONSORED ACTIVITIES.—

7 Subsection (a) of section 7285 is amended by adding at  
8 the end the following new sentence: “The Court may also  
9 impose registration fees on persons participating in a judi-  
10 cial conference convened pursuant to section 7286 of this  
11 title or any other court-sponsored activity.”.

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

16 “(1) Conducting investigations and proceedings,  
17 including employing independent counsel, to pursue  
18 disciplinary matters.

19 “(2) Defraying the expenses of—

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

22 “(B) other activities and programs that  
23 are designed to support and foster bench and  
24 bar communication and relationships or the  
25 study, understanding, public commemoration,

1 or improvement of veterans law or of the work  
2 of the Court.”.

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

5 **“§ 7285. Practice and registration fees”.**

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

“7285. Practice and registration fees.”.

9 **SEC. 302. ADMINISTRATIVE AUTHORITIES.**

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

12 **“§ 7287. Administration**

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

22 (b) CLERICAL AMENDMENT.—The table of sections  
23 at the beginning of such chapter is amended by inserting

1 after the item related to section 7286 the following new  
2 item:

“7287. Administration.”.

### 3 **TITLE IV—OTHER MATTERS**

#### 4 **SEC. 401. PAYMENT OF INSURANCE PROCEEDS TO AN AL-** 5 **TERNATE BENEFICIARY WHEN FIRST BENE-** 6 **FICIARY CANNOT BE IDENTIFIED.**

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

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

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

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

1 judgment of the Secretary be equitably entitled to  
2 the proceeds of the policy.

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

5 (b) USGLI.—Section 1951 is amended—

6 (1) by inserting “(a)” before “United States  
7 Government”; and

8 (2) by adding at the end the following new sub-  
9 section:

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

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

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

1 judgment of the Secretary be equitably entitled to  
2 the proceeds of the policy.

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

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

16 **SEC. 402. EXTENSION OF COPAYMENT REQUIREMENT FOR**  
17 **OUTPATIENT PRESCRIPTION MEDICATIONS.**

18 Section 1722A(d) is amended by striking “September  
19 30, 2002” and inserting “September 30, 2006”.

20 **SEC. 403. DEPARTMENT OF VETERANS AFFAIRS HEALTH**  
21 **SERVICES IMPROVEMENT FUND MADE SUB-**  
22 **JECT TO APPROPRIATIONS.**

23 (a) AMOUNTS TO BE SUBJECT TO APPROPRIA-  
24 TIONS.—Effective October 1, 2002, subsection (c) of sec-  
25 tion 1729B is amended by striking “Amounts in the fund

1 are hereby made available,” and inserting “Subject to the  
2 provisions of appropriations Acts, amounts in the fund  
3 shall be available,”.

4 (b) **TECHNICAL AMENDMENT.**—Subsection (b) of  
5 such section is amended by striking paragraph (1) and  
6 redesignating paragraphs (2), (3), and (4) as paragraphs  
7 (1), (2), and (3), respectively.

8 **SEC. 404. NATIVE AMERICAN VETERAN HOUSING LOAN**  
9 **PILOT PROGRAM.**

10 (a) **EXTENSION OF NATIVE AMERICAN VETERAN**  
11 **HOUSING LOAN PILOT PROGRAM.**—Section 3761(c) is  
12 amended by striking “December 31, 2001” and inserting  
13 “December 31, 2005”.

14 (b) **AUTHORIZATION OF THE USE OF CERTAIN FED-**  
15 **ERAL MEMORANDUMS OF UNDERSTANDING.**—Section  
16 3762(a)(1) is amended—

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

18 (2) by striking “and” after the semicolon and  
19 inserting “or”; and

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

21 “(B) the tribal organization that has jurisdic-  
22 tion over the veteran has entered into a memo-  
23 randum of understanding with any department or  
24 agency of the United States with respect to direct  
25 housing loans to Native Americans that the Sec-

1       retary determines substantially complies with the re-  
2       quirements of subsection (b); and”.

3   **SEC. 405. MODIFICATION OF LOAN ASSUMPTION NOTICE**  
4                   **REQUIREMENT.**

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

6       “(d) With respect to a loan guaranteed, insured, or  
7       made under this chapter, the Secretary shall provide, by  
8       regulation, that at least one instrument evidencing either  
9       the loan or the mortgage or deed of trust therefor, shall  
10      conspicuously contain, in such form as the Secretary shall  
11      specify, a notice in substantially the following form: ‘This  
12      loan is not assumable without the approval of the Depart-  
13      ment of Veterans Affairs or its authorized agent’.”.

14   **SEC. 406. ELIMINATION OF REQUIREMENT FOR PROVIDING**  
15                   **A COPY OF NOTICE OF APPEAL TO THE SEC-**  
16                   **RETARY.**

17      (a) **REPEAL.**—Section 7266 is amended by striking  
18      subsection (b).

19      (b) **CONFORMING AMENDMENTS.**—Such section is  
20      further amended—

21              (1) by striking “(1)” after “(a)”;

22              (2) by redesignating paragraph (2) as sub-  
23      section (b);



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

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

7   **SEC. 407. PILOT PROGRAM FOR EXPANSION OF TOLL-FREE**  
8                           **TELEPHONE ACCESS TO VETERANS SERVICE**  
9                           **REPRESENTATIVES.**

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

19          (b) **INFORMATION TO BE PROVIDED.**—The Secretary  
20       shall ensure, as part of the pilot program, that veterans  
21       service representatives of the Department of Veterans Af-  
22       fairs have available to them (in addition to information  
23       about benefits provided under laws administered by the  
24       Secretary) information about veterans benefits provided  
25       by—

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

3           (2) State governments.

4           (c) CONSULTATION.—The Secretary shall establish  
5           the pilot program in consultation with the heads of other  
6           departments and agencies of the United States that pro-  
7           vide veterans benefits.

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

13          (e) PERIOD OF PILOT PROGRAM.—The pilot program  
14          shall—

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

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

19          (f) REPORT.—Not later than 120 days after the end  
20          of the pilot program, the Secretary shall submit to the  
21          Committees on Veterans’ Affairs of the Senate and House  
22          of Representatives a report on the pilot program. The re-  
23          port shall provide the Secretary’s assessment of the bene-  
24          fits and cost-effectiveness of continuing or making perma-  
25          nent the pilot program, including an assessment of the ex-

1 tent to which there is a demand for access to veterans  
2 service representatives during the period of expanded ac-  
3 cess to such representatives provided under the pilot pro-  
4 gram.

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

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

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

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

13 (2) Section 1710B(c)(2)(B) is amended by in-  
14 serting “on” before “November 30, 1999”.

15 (3) Section 3695(a)(5) is amended by striking  
16 “1610” and inserting “1611”.

17 (b) OTHER AMENDMENTS.—

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

22 (2) Section 12 of the Homeless Veterans Com-  
23 prehensive Service Programs Act of 1992 (38 U.S.C.  
24 7721 note) is amended in the first sentence by strik-  
25 ing “to carry out this Act” and all that follows in

1 that sentence and inserting “to carry out this Act  
2 \$50,000,000 for fiscal year 2001.”.

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

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

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

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

15 “(2) Pension benefits to or on behalf of vet-  
16 erans as authorized by chapters 15, 51, 53, 55, and  
17 61 of this title and section 306 of the Veterans’ and  
18 Survivors’ Pension Improvement Act of 1978.

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

21 “(4) Burial benefits, emergency and other offi-  
22 cers’ retirement pay, adjusted-service credits and  
23 certificates, payments of premiums due on commer-  
24 cial life insurance policies guaranteed under the pro-  
25 visions of article IV of the Soldiers’ and Sailors’

1 Civil Relief Act of 1940 (50 U.S.C. App. 540 et  
2 seq.), and other benefits as authorized by sections  
3 107, 1312, 1977, and 2106 and chapters 23, 51, 53,  
4 55, and 61 of this title and the World War Adjusted  
5 Compensation Act (43 Stat. 122, 123), the Act of  
6 May 24, 1928 (Public Law No. 506 of the 70th  
7 Congress; 45 Stat. 735), and Public Law 87–875  
8 (76 Stat. 1198).

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

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

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

17 “(3) Furnishing recreational facilities, supplies,  
18 and equipment.

19 “(4) Funeral and burial expenses and other ex-  
20 penses incidental to funeral and burial expenses for  
21 beneficiaries receiving care from the Department.

22 “(5) Administrative expenses in support of  
23 planning, design, project management, real property  
24 acquisition and disposition, construction, and ren-

1       ovation of any facility under the jurisdiction or for  
2       the use of the Department.

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

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

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

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

14          “(10) Administrative and legal expenses of the  
15       Department for collecting and recovering amounts  
16       owed the Department as authorized under chapter  
17       17 of this title and Public Law 87–693, popularly  
18       known as the Federal Medical Care Recovery Act  
19       (42 U.S.C. 2651 et seq.).

20          “(e) MEDICAL ADMINISTRATION AND MISCELLA-  
21       NEOUS OPERATING EXPENSES.—Funds appropriated for  
22       Medical Administration and Miscellaneous Operating Ex-  
23       penses are available for the following purposes:

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

4           “(2) Administrative expenses in support of  
5           planning, design, project management, architectural  
6           work, engineering, real property acquisition and dis-  
7           position, construction, and renovation of any facility  
8           under the jurisdiction or for the use of the Depart-  
9           ment, including site acquisition.

10          “(3) Engineering and architectural activities  
11          not charged to project costs.

12          “(4) Research and development in building con-  
13          struction technology.

14          “(f) GENERAL OPERATING EXPENSES.—Funds ap-  
15          propriated for General Operating Expenses are available  
16          for the following purposes:

17                 “(1) Uniforms or allowances therefor.

18                 “(2) Hire of passenger motor vehicles.

19                 “(3) Reimbursement of the General Services  
20                 Administration for security guard services.

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

23                 “(5) Administration of the Service Members  
24                 Occupational Conversion and Training Act of 1992  
25                 (10 U.S.C. 1143 note).

1       “(g) CONSTRUCTION.—Funds appropriated for Con-  
2 struction, Major Projects, and for Construction, Minor  
3 Projects, are available, with respect to a project, for the  
4 following purposes:

5           “(1) Planning.

6           “(2) Architectural and engineering services.

7           “(3) Maintenance or guarantee period services  
8 costs associated with equipment guarantees provided  
9 under the project.

10          “(4) Services of claims analysts.

11          “(5) Offsite utility and storm drainage system  
12 construction costs.

13          “(6) Site acquisition.

14       “(h) CONSTRUCTION, MINOR PROJECTS.—In addi-  
15 tion to the purposes specified in subsection (g), funds ap-  
16 propriated for Construction, Minor Projects, are available  
17 for—

18           “(1) repairs to any of the nonmedical facilities  
19 under the jurisdiction or for the use of the Depart-  
20 ment which are necessary because of loss or damage  
21 caused by a natural disaster or catastrophe; and

22           “(2) temporary measures necessary to prevent  
23 or to minimize further loss by such causes.”.

24       (b) DEFINITION.—(1) Chapter 1 is amended by add-  
25 ing at the end the following new section:



1 **“§ 117. Definition of cost of direct and guaranteed**  
2 **loans**

3 “For the purpose of any provision of law appro-  
4 priating funds to the Department for the cost of direct  
5 or guaranteed loans, the cost of any such loan, including  
6 the cost of modifying any such loan, shall be as defined  
7 in section 502 of the Congressional Budget Act of 1974  
8 (2 U.S.C. 661a).”.

9 (2) The table of sections at the beginning of such  
10 chapter is amended by adding at the end the following  
11 new item:

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

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

Passed the House of Representatives July 31, 2001.

Attest:

*Clerk.*



107TH CONGRESS  
1ST SESSION

**H. R. 2540**

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**AN ACT**

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