

July 27, 2022

NTU urges all Senators and Representatives to vote "NO" on S. 3373, the legislative vehicle for the Honoring our PACT Act of 2021. Though the legislation is well-intentioned – and though the U.S. government absolutely has a responsibility to pay for veterans' service-connected medical conditions and/or disabilities – S. 3373 is not offset and would add up to \$277 billion to deficits over the next decade. NTU has long held that Congress has a responsibility to offset even necessary new spending, including disaster relief spending. Lawmakers could instead consider bipartisan legislation (S. 3541) that addresses veterans with toxin exposure, has passed the Senate, and would increase spending only \$7.6 billion (subject to appropriation). Alternatively, Congress could cover the costs of S. 3373 with cuts to wasteful spending.

NTU has no doubt that the sponsors behind the Honoring our PACT Act are well-intentioned in supporting the expansion of VA health care and disability compensation. Hopefully, all Members of Congress would agree that veterans who have medical conditions or disabilities as a result of their service to the country should receive comprehensive care and generous benefits paid for by the federal government (and taxpayers). However, even necessary spending authorized or appropriated by Congress should be offset elsewhere in the budget. Unfortunately, S. 3373 would not offset any new proposed spending. The Congressional Budget Office (CBO) estimates that the bill would increase spending by \$667 billion over 10 years. While \$390 billion of this spending is current-law discretionary spending reclassified as mandatory (or direct) spending, the CBO estimate indicates the bill will still increase spending and deficits above the baseline by about \$277 billion. In other words, the deficit impact of the bill would be larger than the bipartisan infrastructure law and most other legislation Congress has considered in the current session.

Military.com <u>notes</u> that the VA "is reviewing data and research to determine whether some types of cancer and a rare lung disease, known as constrictive bronchiolitis, should be added to the list of presumptive illnesses" for veterans exposed to toxins in the post-9/11 era, and that VA decisions "are expected this year." It is premature to pass a significant spending bill before full VA data and research on these complicated matters have been shared with Congress and the public.

Fortunately, there is bipartisan legislation that has already passed the Senate that would take a "<u>first step</u>" in assisting veterans exposed to toxins, and would only have a likely budget impact of <u>around \$7.6 billion</u>. The Senate and House should consider this legislation, <u>S. 3541</u>, rather than S. 3373, and should offset the \$7.6 billion in increased spending. If Congress instead would like to pass S. 3373 and offset its \$277 billion cost, we would encourage them to look at cuts to the <u>Department of Defense</u> (DoD) budget and/or <u>wasteful spending</u>. We have made deficit reduction suggestions for both DoD individually and the federal government as a whole that would more than offset the cost of this legislation.

Roll call votes on S. 3373 will be included in NTU's annual Rating of Congress and a "NO" vote will be considered the pro-taxpayer position.