THE AMERICAN BATTLE MONUMENTS COMMISSION AND THE WORLD WAR II MEMORIAL

HEARING

BEFORE THE

SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS, AND INTERNATIONAL RELATIONS

OF THE

COMMITTEE ON GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTH CONGRESS

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THE AMERICAN BATTLE MONUMENTS COMMISSION AND THE WORLD WAR II MEMORIAL

TUESDAY, JUNE 6, 2000

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS, AND INTERNATIONAL RELATIONS,
COMMITTEE ON GOVERNMENT REFORM,
Washington, DC.

The subcommittee met, pursuant to notice, at 10 a.m., in room 2154, Rayburn House Office Building, Hon. Christopher Shays (chairman of the subcommittee) presiding.

Present: Representatives Shays, Mica, Terry, Biggert, and Norton.

Staff present: Lawrence J. Halloran, staff director and counsel; R. Nicholas Palarino, senior policy advisor; Thomas Costa, professional staff member; Jason M. Chung, clerk; Jon Bouker and David Rapallo, minority counsels; and Earley Green, minority assistant clerk.

Mr. SHAYS. Good morning. I would like to call this hearing to order.

As the beneficiaries of past sacrifices, our duty as citizens is to remember, to mark for future generations, the milestones of our national honor.

Fifty-six years ago today, Operation Overlord's D-Day, 135,000 Allied troops began the historic amphibious invasion that would end the war in Europe. Today, in New Orleans, the National D-Day Museum opens to commemorate the courage and sacrifices of the 71,000 Americans who entered France that day. Let us pause to remember them.

An important milestone has yet to be marked. No memorial stands to the 16 million Americans who served in World War II, the men and women who defined their generation with quiet heroism and redefined our still-young Nation as a global power.

The Federal agency charged by Congress with the day-to-day duties of remembrance, the American Battle Monuments Commission [ABMC], has since 1993 moved the World War II Memorial from concept to construction. Today, we will hear how the Commission plans to complete this ambitious, noble enterprise. We will also discuss how the ABMC is performing its mission to preserve and maintain the hallowed ground around the world where U.S. servicemen and women rest.

We are privileged to be joined this morning by former Senator Robert Dole, who serves as the National chairman of the World War II Memorial Campaign. A living testimonial to the fortitude and the self-effacing sense of duty that won the war, he and the American Battle Monuments Commission leadership have worked to overcome the financial, artistic and political challenges inherent to so ambitious an undertaking. Through their efforts, the World War II Memorial will take its place among the great monuments to freedom on the Mall.

At this time, I would like to recognize Mrs. Biggert.

Mrs. BIGGERT. Thank you, Mr. Chairman. I am honored to be at this hearing today. I think there is nothing more important than remembering the past and what happened in World War II, so that we will not let something like that happen in the future.

Two weeks ago, we passed a congressional resolution to put the "memorial" back in Memorial Day, and certainly the World War II veterans, so many of them who made the ultimate sacrifice; and I think for generations to come when people come to Washington and visit the various memorials, the things that they remember and think about. So our future generations need to have that opportunity, because we need to remember what has happened in the past.

I welcome you all here today.

Mr. SHAYS. Thank you very much.

We also welcome a full member of the committee, Representative Norton from DC.

Ms. NORTON. Thank you, very much. I appreciate your courtesy and that of your ranking member, Rod Blagojevich, for responding to my request to sit in on this very important hearing. I am certainly grateful to my friend, Marcy Kaptur, for her 10-year fight to erect a memorial to the veterans of the Great War, which preserved democracy and freedom in our time.

Former Senator Bob Dole has my great respect not only for his 36 years in the Congress, but also for the time and effort that he is devoting to achieving a memorial to veterans, like himself, who served their country in the Great War of Liberation of the 20th century.

I appreciate the response of the National Capital Planning Commission to my plea and that of Senator Bob Kerrey and others in requiring that the original huge design for the memorial be reworked to a more appropriate size. Senator Kerrey and I also opposed the present Rainbow pool site, the last remaining visionary vista left in this small compact city. If this is the last opportunity to effect any change—and I would hope that it is not—then I would feel compelled to support the memorial, but only because of the eternal gratitude and enduring respect I have and I believe the entire world owes to the men and women who served in World War II.

However, I feel compelled to briefly lay out for the record what many Americans, like myself, regard as a Mall that is and should always remain sacrosanct from intrusions of any kind.

One does not have to be a historical preservationist or a conservationist or an environmentalist or a fourth-generation Washingtonian—and I am all of the above—to believe that the last re-

maining visionary space on the Mall should never be interrupted by the hand of man, however heroic and deserving the purpose. The space between the Lincoln Memorial and the Washington Monument has always been close to sacred in nationally symbolic terms. Equally sacred to me, a child of World War II, and for millions throughout the world, is the sacrifice that Brokaw's "Greatest Generation" made for the Nation and the world.

This memorial continues to have major flaws of design and placement. I support the present memorial only if it is the best we can do. However, I sincerely believe that a truly great memorial could be achieved just as prominently elsewhere with the artistry and imagination the extraordinary World War II generation richly deserves.

I recently suggested the idea of a Mall preservation plan, which has since been approved, as a no-build zone by the Joint Memorials Task Force. All agree that a World War II Memorial belongs somewhere on the Mall with an appropriate design and in the right place. As one who knows this city inside out, however, I caution that the placement at the Rainbow Pool site would create a virtual nightmare tourist scenario. The memorial would front one of the busy, congested streets that receives traffic from several arteries and is often strangled with cars, especially at rush hour. To reach the memorial, there would be no transportation, no parking, and no public transit access without defacing the Mall.

The Nation's Capital is a planned city, but it was not meant to be finished. Washington was meant to develop, especially because, given its small and compact size, the city loses its beauty if it simply spreads to open spaces. A monument of the unique significance of the World War II Memorial should grace, not invade its space. To try to improve on the uniquely wondrous space between the Lincoln Memorial and the Washington Monument is like trying to add something to a Picasso or a Michelangelo.

I think of L'Enfant's celebrated plan creating our Capital in much the way I view the Constitution. Both the L'Enfant plan and the U.S. Constitution were created by men who, like the men and women of World War II, are in a class by themselves. I have learned to respect the Constitution by studying it as a constitutional scholar and lawyer. I have learned to respect the L'Enfant plan by living with it as a child and as a Congresswoman.

We are not smarter than Madison, and we are not more brilliant than L'Enfant. We are not nearly as brave, wise, and deserving as the World War II veterans. We fall short of the "greatest generation" of the 20th century if this space and this design is the best this generation can do.

I urge still more work, much deeper thought, and an effort fueled by the unparalleled magnificence of the achievement of the World War II veterans.

Thank you, Mr. Chairman.

Mr. SHAYS. Thank you. Congressman Mica, do you have any statement?

Mr. MICA. I don't have a formal statement. I will submit something for the record.

I just want to commend you, Mr. Chairman, for holding this hearing on such a historic day on a topic that certainly needs the

attention of this subcommittee and the Congress, and that is to commemorate the action of so many brave Americans, including my dad, who didn't die in battle but passed away as a result of his service to our country.

And I am also pleased to welcome Bob Dole, a great American patriot, whom I admire, and I look forward to his statement and also to the testimony that we will have here today; and hopefully it will result in us accomplishing the goal that we all want to set forward and complete, and that is a memorial fitting to those who served this country in their great effort.

Thank you, Mr. Chairman, and I yield back the balance of my time.

[The prepared statement of Hon. Eleanor Holmes Norton follows:]

ELEANOR HOLMES NORTON
DISTRICT OF COLUMBIA

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TRANSPORTATION AND
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ECONOMIC DEVELOPMENT, PUBLIC
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CIVIL SERVICE

Congress of the United States
House of Representatives
Washington, D.C. 20515

STATEMENT OF CONGRESSWOMAN ELEANOR HOLMES NORTON AT HEARING ON THE AMERICAN BATTLE MONUMENTS COMMISSION AND THE WORLD WAR II MEMORIAL

June 6, 2000

I am especially grateful to my friend and colleague Marcy Kaptur for her successful, ten-year fight to erect a memorial to the veterans of the great war that preserved democracy and freedom in our time. Former Senator Bob Dole, of course, has my great respect not only for his 36 years of service in the Congress but for the generosity of time and effort he is devoting to achieving a memorial to veterans like himself who served their country in the great war of liberation of the 20th century.

I appreciate the response of the National Capital Planning Commission to my plea and that of Senator Bob Kerrey and others in requiring that the original huge design for the Memorial be reworked to a more appropriate size. Sen. Kerrey and I also opposed the present Rainbow Pool site, the last remaining visionary vista left in this small compact city. If this is the last opportunity to effect any change--and I would hope that it is not--then I would feel compelled to support the memorial but only because of the eternal gratitude and enduring respect I have and I believe the entire world owes to the men and women who served in World War II.

However, I feel compelled to briefly lay out for the record many Americans like myself regard as a Mall that is and should always remain sacrosanct from intrusions of any kind. One does not have to be a historical preservationist, a conservationist, an environmentalist, or a fourth generation Washingtonian--and I am all of the above--to believe that the last remaining visionary space on the Mall should never be interrupted by the hand of man, however heroic and deserving the purpose. The space between the Lincoln Memorial and Washington Monument has always been close to sacred in nationally symbolic terms. Equally sacred for me, a child of World War II and for millions throughout the world is the sacrifice that Brokaw's "Greatest Generation" made for the nation and the world. This memorial continues to have major flaws of design and placement. I support the present memorial only if it is the best we can do. However, I sincerely believe that a truly great memorial could be achieved just as prominently elsewhere with the artistry and imagination the extraordinary World War II generation richly deserves.

I recently suggested the idea of a Mall Preservation Plan which has since been approved as a No-Build Zone by the Joint Memorials Task Force. All agree that a World War II memorial belongs somewhere on the Mall with an appropriate design and in the right place. As one who

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knows this city inside out, however, I caution that the placement at the Rainbow Pool site would create a virtual nightmare tourist scenario. The memorial would front a busy congested street that receives traffic from several arteries and is often strangled with cars, especially at rush hour. To reach the memorial, there would be no transportation, no parking, and no public transit access without defacing the Mall.

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Mr. SHAYS. I ask unanimous consent that all members of the subcommittee be permitted to place an opening statement in the record and that the record remain open for 3 days for that purpose. Without objection, so ordered.

[The prepared statement of Hon. John L. Mica follows:]

JOHN L. MICA
7TH DISTRICT, FLORIDA

COMMITTEE ON GOVERNMENT REFORM
CHAIRMAN, SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY AND HUMAN RESOURCES
SUBCOMMITTEE ON CIVIL SERVICE
SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS AND INTERNATIONAL RELATIONS
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Extension of Remarks:
Subcommittee on National Security, Veterans Affairs, and International Affairs
Hearing regarding the National World War II Memorial
on June 6, 2000
Submitted by the Honorable John L. Mica

I want to congratulate and thank Chairman Christopher Shays for holding such an important hearing recognizing and showing appreciation to the veterans of World War II.

I also want to commend former Senator Bob Dole for his accomplishments and heroic efforts in World War II, and as Chairman of the National World War II Memorial Campaign, for his efforts relating to the National World War II Memorial as a tribute to our veterans.

It is only fitting that this D-Day anniversary our Subcommittee on National Security, Veterans Affairs, and International Affairs hold a hearing regarding the American Battle Monuments Commission establishment of a National World War II Memorial to honor the 16 million Americans who served in our United States armed forces during World War II, the more than 400,000 who died and the millions who supported the war effort at home.

Many veterans throughout our country and from my district risked their lives and liberties in World War II to ensure the preservation of our freedom and security of our nation. This national memorial will deepen future generations' appreciation of what our soldiers accomplished in securing freedom and democracy. It will provide a lasting symbol of our appreciation to the generation that led our nation, and allies, to triumph in World War II.

Finally, there will be a single monument displaying our moral strength and unity to the entire world. A monument specifically dedicated to our veterans of World War II.

Again, I want thank Chairman Christopher Shays for this hearing and former Senator Bob Dole for his efforts relating to the National World War II Memorial.

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Mr. SHAYS. I ask further unanimous consent that all witnesses be permitted to include their written statements in the record; and without objection, so ordered.

Our first panel the Honorable Robert J. Dole, chairman, World War II Memorial Campaign. I could call you Senator, but you told me the title you like the best is veteran.

And Major General John P. Herrling, U.S.A. retired, Secretary, American Battle Monuments Commission, accompanied by Kenneth Pond, executive director from the Commission, as well as Jim Aylward, executive director, World War II Memorial Campaign.

As is our custom, we swear in all of our witnesses, and I would ask all that I called to stand and be sworn in.

[Witnesses sworn.]

Mr. SHAYS. I note for the record that all of our witnesses and the accompanying witnesses have been sworn. Thank you.

Senator Dole, you have the floor. It is wonderful to have you here.

STATEMENT OF ROBERT J. DOLE, FORMER U.S. SENATOR AND NATIONAL CHAIRMAN, WORLD WAR II MEMORIAL CAMPAIGN

Mr. DOLE. Mr. Chairman, thank you very much; and I thank all of my former colleagues who are here this morning. Judy wasn't here when I was here, but thank you for being here.

As Eleanor recalled, when I was here the last time was on prostate cancer. This is much more pleasant.

This is an effort that we have been making for several years. And as has been pointed out, it was initiated by Marcy Kaptur, and it shows the power of a visit from a constituent, Roger Durbin, who said, why don't we have a World War II Memorial in Washington, DC? And she looked around and others looked around, and we couldn't find one. So she introduced legislation to authorize a World War II Memorial, and that was sort of the start of the entire progress, and here we are 13 years later just about ready to say the money is in the bank or the money is pledged. And so it is a pleasure for me to be here to talk about the construction.

Major General John Herrling, Secretary of the American Battle Monuments Commission, will address the overall mission of ABMC and talk about these wonderfully kept cemeteries around the world. I know that you have all visited some of the American cemeteries, and they are a sight to behold for their beauty, and they are obviously well kept.

My co-chairman, Fred Smith, the CEO of Fed Ex, is unable to be here, but I understand that his statement will be summarized; and I request that it be inserted in the record in full. Fred Smith has a great record in Vietnam; and I remember going to ask him if he would help me, and I said that I need some help in corporate America. And without hesitation, he said, if you want me to do it, I will do it, because I think he had three uncles and other relatives in World War II; and he has been very, very helpful.

We have had literally dozens and maybe hundreds of corporations and foundations and veterans groups and everybody you can think of help us. I was in Michigan yesterday with the Governor of the State. Governor Engler gave me a check for $653,000, a dol-

lar for each person from Michigan who served in World War II, one of them, of course, former President Ford.

We just left a ceremony on the Mall, and I know Eleanor said that there is some disagreement on the site. I didn't pick the site; I wasn't on the selection committee. I have just been doing the fundraising, and we were given a check this morning for $14.5 million from Wal-Mart. Each one of their 3,000 stores participated over a 6-month period; and when I went to bed last night it was $14 million. When I woke up this morning, it was $14.5 million. Had I overslept, we might have had enough to finish the memorial.

It was a wonderful contribution, and Tom Coughlin and others at Wal-Mart certainly deserve our thanks. Over 1,900 World War II veterans still work for Wal-Mart, and they were able to put the squeeze on the customers when they came in, and they did a great job.

I accepted this challenge in March 1997 and someone said—as a matter of fact, I think it was Senator Bob Kerrey who said, "Why are you running around with a tin cup? Why don't you come to Congress and we will appropriate the money?"

Well, our view was that we ought to raise it in the private sector, and we ought to leave the money up here for veterans' needs. Present-day veterans who need help, and $100 million can help a lot of veterans.

Why would I agree to take on this responsibility? I think I said on that morning, those of us who served during World War II, we didn't hear the call of history, we heard only the voices of friends, voices that sometimes could end in a moment in a place far, far from home, whether Europe, the Pacific or wherever you might be. I can hear them. I was in the 10th Mountain Division, and I never quite understand how I got in the 10th Mountain Division because I came from the plains of Kansas, but in those days if you were warm and walking you were a good prospect for second lieutenant, and I became a second lieutenant.

But I remember hearing some of the voices, and we had some of the great skiers of America at that time in the 10th Mountain Division; and when the war ended, these young men fanned out across the country and kind of organized the American ski industry and sort of made it take off. Many of them were wounded or killed in Italy. So I could hear them as if it were yesterday. I can hear the voices. And I think it is almost frozen in time, because 56 years ago was D-Day, of course, and we think of some of the days that we shared and some of the experiences that we shared.

But I have thought more about it, and I thought about it in this sense: We spend 55 years, 56 years; in another 55 years, there will be no one left who heard those voices, nobody came and talked about it. And we build this memorial to bear them witness and remind future generations that preserving freedom and liberty sometimes calls for great sacrifice.

We throw the word "hero" around pretty easy in America, "this person is a hero" and "that person is a hero." I think there is a distinction between heroes and celebrities. I think some of the great sports stars are great, but they are not heroes in my view; they are celebrities, and they deserve a lot of praise and whatever.

But the heroes, as people on this committee know, are young men and women, or men and women of any age, who risked their lives—maybe in the District of Columbia, maybe in Kansas, maybe in uniform to save another life—and as a result of it, they may lose their life or spend their life with a lifetime of disability. And these are the heroes.

And there were 400,000-some killed in World War II, there were over 6,000 killed 56 years ago in the beaches of Normandy, 6,000 Americans in a 12-hour period on D-Day. World War II, of course, is really—this memorial is not just to those in uniform. We could not have prevailed in World War II had it not been for Rosie the Riveters and the people on the farms and the teachers and the preachers and the shopkeepers and those who provided the supplies and the equipment and machines and ammunition and all that we needed to be successful in the battlefield.

I am not on the site committee, but I have thought a lot about it because I know good people can disagree. And I know this is sacred land between the Lincoln Memorial and the Washington Monument, but you know, there was no certainty that we were going to win World War II. And I remember, on D-Day, Eisenhower praying that he made the right decision to start the invasion on June 6, and then going off in his little tent and writing a four-sentence statement in longhand because he wasn't certain of victory, and this was to be handed to the press in case the landings failed.

It went pretty much like this; I don't remember every word of it, but he said, "Our mission has failed and I have withdrawn the troops. We acted upon the best advice available at the time from every source we had. The soldiers, the sailors, the airmen and the Marines, everyone involved that duty could call forth, if there is any responsibility for the failure, it is mine alone."

We talk a lot about leadership and different things. That says it all: "if there is any responsibility for the failure, it is mine alone." And Eisenhower put that in his pocket and later threw it in the wastebasket, and somebody later retrieved it, and I now have a copy of it in my office which is one of my prouder possessions. But it demonstrates that had we not prevailed on D-Day 56 years ago, we could have lost the war. People don't think that would have happened, but it could have happened. Eisenhower wasn't certain, and he was the Supreme Commander, appointed by President Roosevelt.

Had we failed, I am not certain who would be deciding what would be the Mall. It wouldn't be me or some site selection commission, it would be some foreign power telling us what we could do and when and how to do it.

I can't think of any greater happening or event in the last 100 years than the victory in World War II.

We have become the greatest force in the world for peace because of World War II. We started integration in World War II, and all of the civil rights progress, in my view, is a direct result of what happened in World War II when they started integrating the troops as they should have a long time before. And you can look at the GI Bill of Rights, the 2 million or more veterans, men and women who would not have been able to go to college, were able to afford to because of the GI Bill of Rights. This one law changed America

for the better. Young men and women who couldn't go to college had this opportunity, and I was one of those. And because I had a disability, I had a recording machine to take to school, I had a left-handed typewriter, I had all of these advantages, I also had the best notes in class because I recorded, and I was very popular around final time. It changed America and I think it changed the world.

So I am not going to argue about the site, if there are things that should be changed; and Eleanor and Bob Kerrey and others did make significant recommendations, and they were accepted, and I think it is a much better memorial now. We appreciate that.

I went down to the site this morning and we collected this large check. We now have about $92 million, and we need a net of about $98.2 million. President Clinton has agreed to host a breakfast on June 29th for people from Hollywood and the TV industry, and they have not been particularly noteworthy to date. But hopefully on June 29th, they will be able to bring their checkbooks and that is one legitimate fundraiser we can have in the White House because this is for the World War II Memorial; and we will remind the movie industry that they have made millions and millions of dollars on World War II movies.

I will just conclude by saying that we have raised—we got $5 million from the government for startup money. We will try to pay that back. We hope that the government might pay for the dedication and maybe the groundbreaking, but everything else—the design, the construction, and maintenance, which is going to be millions of dollars in the future—we are going to raise; and we hope to pay back the government the $5 million that they initially gave us for startup money.

In March 1997, the American Battle Monuments Commission was completing the initial startup of the campaign, developing a strategy and recruiting a projects staff; and prior to March 1997, they received less than $350,000 from private donors.

I said the best thing that has happened to us is that Fred Smith has agreed to help us and we brought Jim Aylward on board from New Jersey on board. We have a great staff working night and day to make this happen. I want to mention also, and I think I did mention, Roger Durbin, and one other group that is the veterans group. I hosted a luncheon in 1997, and it was the DAV, the VFW, the American Legion, AmVets, you name it, they were all there; and the American Legion agreed to raise $3 million, the VFW, $7.5 million, and they will make $5 million. They are behind us 100 percent.

It took awhile for people to become aware of this memorial. And then a fellow named Tom Hanks, who was Captain Miller in "Saving Private Ryan," Fred Smith and I had this big long list of things to tell him, and within 10 seconds he said, "I'm your man. What do you want me to do," has made a number of public service announcements for us and raised the recognition. We have also had a little help from Mr. Spielberg, and I think he will be willing to help us more.

So the awareness is out there. We think that we are making progress, and we think that we will make more progress. We think

that we will have support from the Hollywood and TV community later this month and early in July.

I think others appearing this morning can give you the details, but it takes money to get there, and we think we will have raised about $144 million and the cost is going to be $100 million; and those details are available obviously.

I will just finally say this: Another thing this whole project has done is alerted school children. I was out in St. Hugh's School in Greenbelt, MD, 2 months ago, where the students of grades 1 through 6, I think it was, had raised $1,300. And it was a Saturday afternoon, much like a town meeting that you all go to; and their parents and grandparents, who were World War II veterans, and these young children understood what the World War II Memorial was all about.

A couple of weeks ago, Marcy Kaptur accepted a memorial gift of $3,800 from students at Dakota Hills Middle School in Egan, MN. So we have dozens and dozens of schools all across America who participated.

We have been asked to raise money from sources other than the Federal Government. We are extremely pleased with the results of our fundraising efforts to date. It has been a struggle at times, but we are in the home stretch and not any time too soon.

Let me close with one note. There is some urgency about this. We are losing 1,000 World War II veterans a day. We have lost over 1 million since March 1997 and that is going to compound as they get into their late 1970's and 1980's. This is not being built for those of us who served, it is being built to remind future generations of the sacrifice, but we would like to have a few people there for the dedication. I know Strom is going to be there, he has already asked for tickets, but there may be others who want to be there and we hope to finish it by the year 2002.

Time is running out 16 million, now fewer than 6 million. We believe that we are going to make it.

I want to thank the committee. I think this is very important that you take a look at what we have done and what we intend to do and that Congress—because you know there have been a couple of efforts. They were going to build a Liberty Wall in France, took a lot of money from veterans and nothing ever happened, it went in their pocket or went somewhere else. I think to have the American Battle Monuments Commission in charge and have Congress with an oversight authority, the American people are going to know that every dollar that went into this memorial was properly spent and that you ended up with a wonderful project and a wonderful memorial that is going to be dignified and it is going to, I think, be a place that will please most everybody in America.

Thank you very much. I ask that my entire statement be made a part of the record.

Mr. SHAYS. Thank you for your testimony.

You stood up to be sworn in as a World War II veteran, and I would like to know if there are any other World War II veterans in this room, and I would like them to stand up. Would they please stand up?

Mr. SHAYS. Gentlemen, can you tell us your names?

Mr. MUCKLER. My name is Bob Muckler. I live in Crossville, TN.

Mr. SHAYS. Where did you serve, sir?

Mr. MUCKLER. The U.S. Navy, Pacific.

Mr. SHAYS. Thank you, sir.

Mr. HANSON. Dan Hanson from Tennessee. I served in Greenland in the Air Force.

Mr. SHAYS. Thank you very much.

Mr. CHOPER. Herman Choper, Boynton Beach, FL; and I served in Iceland.

Mr. SHAYS. So the Tennessee guys served in Iceland; and Senator Dole, you got to serve in the mountains. Go figure.

Gentlemen, thank you very much.

I would just like to ask one more question. Is there anyone here who lost a family member, a cousin, a dad, a granddad? Is there anyone here who lost a family member?

Can you tell us who?

Mr. HANSON. My older brother was with Patton, and he was killed.

Mr. SHAYS. What was his name?

Mr. HANSON. Arthur Hanson.

Mr. DOLE. Can I mention one thing, Mr. Chairman? I had a man who was in his 50's come up to me yesterday in Michigan and say, "You didn't mention orphans." You talk about widows, but his father went off to Europe and never came back and he was 1 or 2 years old at the time. I said, "You make a good point."

You think of all of these young men going over there single. Some left families behind, and certainly Congress over the years made certain that we provided for the widows and orphans. I omitted that from my remarks and so I think they are young men, fairly young men and women out there today whose fathers left and never came back. They are in their 50's now.

Mr. SHAYS. I was at an event a few years ago with Candice Marino, and I was talking about the men and women who never came back and their families, and he told me that he lost his brother, and I had never known that. I marveled that I had never known than, and then he said his wife lost her brother, and there is just a whole group of Americans who lost their loved ones during this horrific war. You put the ball in play and we are going to invite Kenneth Pond and Jim Aylward as you give your testimony.

Senator Dole, what have you done with that $14.5 million check?

Mr. DOLE. They gave me a great big one. It won't fit in my wallet.

Mr. SHAYS. That is great news. Thank you very much.

General HERRLING. Thank you, Mr. Chairman. With your permission, Frederick W. Smith would like his statement put in the record.

Mr. SHAYS. It will be part of the record.

STATEMENT OF MAJOR GENERAL JOHN P. HERRLING, USA (RET), SECRETARY, AMERICAN BATTLE MONUMENTS COMMISSION

General HERRLING. I will read Frederick W. Smith's short statement:

Mr. Chairman and distinguished members of the subcommittee, I regret I am unable to appear before you with Senator Dole and General Herrling. However, I ap-

preciate the opportunity to present comments on my experience as the Co-chairman of the National World War II Memorial Campaign.

I have many friends and relatives who were involved in World War II. When Senator Dole asked me to take part in this campaign, all I could think of was my Uncle Bill, my Uncle Sam and my Uncle Arthur and my father, all of whom served in World War II, and what a shame it was that there wasn't an appropriate memorial to represent the tremendous sacrifices made by their generation, including the more than 400,000 young people who lost their lives.

I cannot imagine what this country or, for that matter, what this world would have been like had Senator Dole and all others who served so nobly not prevailed. It was the most important event of the 20th century. This memorial will be a living educational forum to teach future generations the true costs of freedom and liberty.

Fortunately, this has become America's campaign. In little more than 3 years we have begun closing in on our fundraising goal. As of April 30th and excluding today's Wal-Mart's donation, 192 corporations gave $29.6 million, including 13 that donated $500,000 or more and 10 that have given at least a million. Seventy-four private foundations have contributed $9.2 million. Twenty-seven States passed legislation to donate $1 for each citizen who served in the Armed Forces during World War II, generating $9.9 million. The remaining 23 States and Puerto Rico have introduced similar legislation this year. Three hundred eighty-six thousand individual Americans contributed more than $30 million, $27 million in response to direct mail solicitations, $2.7 million from calls to our toll-free number and $1.2 million through our Web site. Major individual donors contributed another $1.8 million, including 37 who contributed $10,000 and nine who have given at least a $100,000. Two hundred eighty schools also reported raising money. I am pleased that the schools in my hometown of Memphis lead this effort, having raised $10,344. Milwaukee High School in Oregon is a close second at $10,000 even. It goes without saying that we could not have accomplished so much without the unwavering support of this Nation's veterans, who are at the heart of this campaign. Overall, veterans' groups are raising millions of dollars through their internal campaigns, including the VFW, which committed $7.5 million, the American Legion, $3 million. Another six organizations each gave a $100,000 or more, and thousands of World War II reunion groups across the country that have sent in contributions.

Our success is due in large part to the public awareness generated by Tom Hanks's role as our national spokesperson, the History Channel's documentary watched by more than 2 million people, and the promotional and fundraising support of our cause-related marketing partners.

We also have been helped by the aggressive efforts of more than 400 grass-roots volunteers and 60 community action councils, who solicit local businesses, organize fundraising activities, and plan special events in their communities. Many civic, fraternal and professional organizations, and numerous corporations are also developing campaigns in support of the memorial.

At times, it's easy to get caught up in the day-to-day fundraising efforts and lose sight of our mission. We must never forget that we are here to pay tribute to those who did so much to ensure the freedom and prosperity we enjoy today. Thus, I am heartened that in addition to donations, the names of more than 400,000 Americans have been submitted for our World War II Registry of Remembrances that will honor those killed or missing in action, those who served in uniform, and those on the home front. There is no charge to enter your name on the registry.

As you can see, we have received support across the country, from veterans to companies to classrooms. It is my hope that children who visit the memorial in the future will grasp the sense of sacrifice and accomplishment of the World War II generation and the tremendous pride our country showed for their achievement. I am proud to be a part of this effort to say thank you to what many have considered to be the 'greatest generation' our country has produced.

I thank the subcommittee for the opportunity to discuss my involvement in this long overdue project.

Mr. Chairman, this concludes Frederick W. Smith's remarks.

[The prepared statement of Mr. Smith follows:]

MR. FREDERICK W. SMITH

STATEMENT BEFORE

THE HOUSE COMMITTEE ON GOVERNMENT REFORM SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS' AFFAIRS AND INTERNATIONAL RELATIONS

JUNE 6, 2000

Mr. Chairman and distinguished members of the Subcommittee, I regret I am unable to appear before you with Senator Dole and General Herrling. However, I appreciate the opportunity to present comments on my experience as Co-Chairman of the National World War II Memorial Campaign.

I have many friends and relatives who were involved in World War II. When Senator Dole asked me to be a part of this campaign, all I could think of was my Uncle Bill, my Uncle Sam, my Uncle Arthur and my father – all of whom served in World War II – and what a shame it was that there wasn't an appropriate memorial to represent the tremendous sacrifices made by their generation, including the more than 400,000 young people who lost their lives.

I can't imagine what this country, or for that matter, what this world would have been like had Senator Dole and all the others who served so nobly not prevailed. It was the most important event of the 20th century. This memorial will be a living educational forum to teach future generations the true costs of freedom and liberty.

Fortunately, this has become America's campaign. In little more than three years, we have begun closing in on our fund-raising goal. As of April 30th and excluding today's Wal-Mart's donation:

- 192 corporations gave $29.6M, including 13 that donated $500,000 or more and 10 that gave at least $1M.
- 74 private foundations contributed $9.2M.
- 27 states passed legislation to donate $1 for each of their citizens who entered the armed forces during World War II, generating $9.9M. The remaining 23 states and Puerto Rico introduced similar legislation this year.

- 386,000 individual Americans contributed more than $30M: $27M in response to direct mail solicitations, $2.7M from calls to our toll-free number, and $1.2M through our Web site.

- Major individual donors contributed another $1.8M, including 37 who contributed $10,000 or more and 9 who gave at least $100,000.

- 280 schools also reported raising money. I'm pleased that the schools in my hometown of Memphis lead this effort, having raised $10,344. Milwaukie High School in Oregon is a close second at $10,000 even.

It goes without saying that we could not have accomplished so much without the unwavering support of the nation's veterans, who are the heart of the campaign. Overall, veterans' groups are raising millions of dollars through their internal campaigns, including the VFW, which committed $7.5M, and the American Legion, $3M. Another 6 organizations each gave $100,000 or more, and thousands of World War II reunion groups across the country sent in contributions.

Our success is due in large part to the public awareness generated by

- Tom Hanks' role as our national spokesman;
- The History Channel's documentary watched by more than 2 million people; and
- The promotional and fund-raising support of our cause-related marketing partners.

We also have been helped by the aggressive efforts of more than 400 grassroots volunteers and 60 Community Action Councils who solicit local businesses, organize fund-raising activities, and plan special events in their communities. Many civic, fraternal and professional organizations and numerous corporations are also developing campaigns in support of the memorial.

At times, it's easy to get caught up in the day to day fund-raising efforts and lose sight of our mission. We must never forget that we are here to pay tribute to those who did so much to ensure the freedom and prosperity we enjoy today. Thus, I am heartened that, in addition to donations, the names of more than 400,000 Americans have been submitted for our World War II Registry of Remembrances that will honor those killed or missing in action, those who served in uniform, and those on the home front. There is no charge to enter a name for the Registry.

As you can see, we have received support across the country, from veterans to companies to classrooms. It is my hope that children who visit the memorial in the future will grasp the sense of sacrifice and accomplishment of the World War II generation and the tremendous pride our country showed for their achievement. I am proud to be a part of the effort to say thank you to what many consider to be the greatest generation our country has produced.

I thank the subcommittee for the opportunity to discuss my involvement in this long-overdue project. Mr. Chairman, this concludes my remarks.

Mr. SHAYS. We will now hear your remarks.

General HERRLING. Thank you, Mr. Chairman, members of the committee. On behalf of the Commissioners of the American Battle Monuments Commission, I am pleased to appear before you today, along with Senator Dole.

As you know the American Battle Monuments Commission administers, operates and maintains 24 permanent memorial cemeteries and 27 monuments, memorials and markers in 15 countries around the world.

We have 8 World War I and 14 World War II cemeteries located in Europe, the Mediterranean, North Africa and the Philippines. In addition, we are responsible for American cemeteries in Mexico City and Panama. The maintenance of these facilities is labor intensive, so personnel costs amount to about 61 percent of our budget in fiscal year 2001.

The remaining 39 percent is required to fund our engineering, maintenance, utilities, horticulture, equipment and administrative costs.

We have now established an ABMC Web site which continues to grow in popularity. Through the Web our customers can access information on each of our memorial cemeteries, and the Korean War Veterans Memorial Honor Roll. We have recently brought on-line 172,000 names registered in the ABMC World War II cemetery data base, and 33,700 names registered in the World War I data base.

During fiscal years 1998 and 1999, we conducted a comprehensive manpower review. The results indicated that a number of downgrades, and upgrades, and new position descriptions were needed. Based on the survey results, and with the concurrence of OMB, we implemented position downgrades and upgrades in May 1999.

This year ABMC and OMB undertook a study to determine if technology, outsourcing and automation improvements could reduce the growing cost of foreign employment. The study indicated we could defer or offset manpower growth by better using technology, outsourcing and automation. We will now look at the best way to implement these labor-saving measures.

During fiscal year 2001, we will begin an infrastructure modernization program. Our cemeteries range in age from 50 to 70 years old. With the help of the Congress and the OMB over the last 3 years, we have made excellent progress in reducing our backlog of maintenance and engineering projects. We must now begin to examine the infrastructure of these aging facilities and develop a plan to modernize our outdated systems.

With regard to fiscal responsibility, the U.S. General Accounting Office gave the ABMC an unqualified opinion on our financial audits for 1997 and 1998, and I am pleased to report our recently completed fiscal year 1999 audit also received an unqualified opinion.

In 1993, Congress directed the American Battle Monuments Commission to establish the World War II Memorial. Senator Dole and Mr. Smith have each spoken of the success of our fundraising campaign. I would like to take this opportunity to highlight the equally positive support we have received from the Congress.

In 1999, Congress approved several legislative items which support the memorial's fundraising efforts. Public Law 106–58, signed in September 1999, makes the American Battle Monuments Commission and the World War II Memorial Advisory Board eligible to use nonprofit standard mail rates for official mail sent to solicit funds to support the memorial. This legislation will save the campaign approximately $800,000 in postage, and was introduced by your committee colleague, Congressman John McHugh.

Public Law 106–17 signed in November 1999 authorized the ABMC $65 million in borrowing authority to ensure the timely construction of the memorial and to comply with the requirements of the Commemorative Works Act. This authority and our cash holdings may be used as available funds for the construction and the 10 percent maintenance fee required to obtain a construction permit.

The legislation also extended the authorization to build the memorial to December 31, 2005, and granted the ABMC permanent authority to solicit and receive funds for the memorial. These funds will be preserved in the American Battle Monuments Commission's interest-bearing Treasury accounts including any funds remaining after the completion of the memorial.

This committee, as well as the authorizers in the Veterans' Affairs Committee and the appropriators from the House and Senate Appropriations Committees, provide us congressional oversight. The American Battle Monuments Commission World War II Memorial Trust Fund has been audited annually since 1993 by the General Accounting Office and an independent CPA firm. As noted above, we are proud of our unqualified opinions from these auditors in the last 3 years. In addition, our cost to raise the dollars is well within the standards established by the charitable oversight watchdog organizations, such as the National Charities Information Bureau and the Council of Better Business Bureaus.

Since 1923, the ABMC's cemeteries and memorials have been held to a very high standard that reflects America's continuing commitment to its Honored War Dead, their families and to the U.S. national image. The Commission intends to continue to fulfill this sacred trust while seeking ways to improve our overall management and operational efficiency.

Mr. Chairman, this concludes my statement, and I will be pleased to answer your questions.

[The prepared statement of General Herrling follows:]

BEFORE THE HOUSE COMMITTEE ON GOVERNMENT REFORM

SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS, AND INTERNATIONAL RELATIONS

STATEMENT OF MAJOR GENERAL JOHN P. HERRLING, USA (RET)
SECRETARY
AMERICAN BATTLE MONUMENTS COMMISSION

June 6, 2000

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to testify before the Subcommittee on National Security, Veterans Affairs and International Relations. The special nature of the American Battle Monuments Commission places it in a unique and highly responsible position with the American people. The manner in which we care for our country's Honored War Dead is, and should remain, a reflection of the high regard in which we, as a nation, respect their service and sacrifice. I am pleased to be joined today by Senator Bob Dole, the national chairman of the World War II Memorial Campaign.

CORE MISSION

The American Battle Monuments Commission is a small, one-of-a-kind, Federal Agency that is responsible for commemorating the services of American Armed Forces where they have served since April 6, 1917 (the date of U.S. entry into World War I) through the establishment of suitable memorial shrines; and for designing, constructing, operating, and maintaining permanent American burial grounds in foreign countries. In performing these functions, the American Battle Monuments Commission administers, operates, and maintains twenty-four permanent memorial cemeteries and twenty-seven monuments, memorials, and markers in the United States and fifteen countries around the world.

We have eight World War I and 14 World War II cemeteries located in Europe, the Mediterranean, North Africa and the Philippines. All of these cemeteries are closed to burials except for the remains of the War Dead who may occasionally be discovered in World War I or World War II battlefield areas. In addition, we are responsible for the American cemeteries in Mexico City, established after the Mexican War, and in Panama.

Presently, 124,914 U.S. War Dead are interred in these cemeteries - 30,921 of World War I, 93,243 of World War II and 750 of the Mexican War. Additionally, 5,857 American veterans and others are interred in the Mexico City and Corozal (Panama) American Cemeteries. Commemorated individually by name on stone tablets at the World War I and II cemeteries and three memorials on U.S. soil are the 94,120 U.S. servicemen and women who were Missing in Action, or lost or buried at sea during the World Wars and the Korean and Vietnam Wars.

We continue to provide services and information to the public, friends, and relatives of those interred in, or memorialized at ABMC cemeteries and memorials. This includes information about grave and memorialization sites as well as location, suggested routes, and modes of travel to the cemeteries or memorials. Immediate family members are provided letters authorizing fee-free passports for overseas travel to specifically visit a loved one's grave or memorial site. Annually, over 10 million people visit our locations worldwide, half of which are American. Photographs of headstones and sections of the Tablets of the Missing on which the service person's name is engraved are also available. These photographs are mounted on large color lithographs of the cemeteries or memorials. In addition, we assist those who wish to purchase floral decorations for placement at a grave or memorial site in our cemeteries. A photograph of the in-place floral arrangement is provided to the donor.

The care of these shrines to our War Dead requires a formidable annual program of maintenance and repair of facilities, equipment, and grounds. This care includes upkeep of 131,000 graves and headstones; 73 memorial structures; 41 quarters, utilities, and maintenance facilities; 67 miles of roadways and walkways; 911 acres of flowering plants, fine lawns and meadows; nearly 3,000,000 square feet of shrubs and hedges and over 11,000 ornamental trees. Care and maintenance of these resources is exceptionally labor intensive, therefore, personnel costs account for nearly 61 percent of our budget for FY 2001. Some of this maintenance is performed by casual labor, in peak seasons, since permanent cemetery staffs are not sized to provide all the required maintenance during the peak-growing season. The remaining 39 percent of our budget is required to fund our engineering, maintenance, utilities, equipment, and administrative costs.

As an organization responsible for permanent burial facilities, we do not have the option of closing or consolidating cemeteries. In light of this, we have increased our efforts to achieve greater efficiency and effectiveness, through automating and contracting, in the operational and financial management areas, where we do have alternatives. This Commission recognizes and fully supports the efforts of the President and the Congress to improve efficiency, focus on results, and streamline the government overall and in ABMC in particular.

In coordination with OMB and as required by the Government Performance and Results Act, we recently completed work on our second Strategic Plan (FY 2000-2004) and Annual Performance Plan (FY 2000) as well as our first Annual Program Performance Report (FY 1999). We believe these plans provide our agency a comprehensive roadmap for the future.

During Fiscal Years 1998 and 1999, as part of our Strategic Plan, and at the request of the Office of Management and Budget (OMB), we conducted the first comprehensive manpower study of our cemeteries since 1982. The results indicated a number of downgrades, upgrades, and new position descriptions were needed. Based on the survey results and with the concurrence of OMB, we implemented position downgrades and position upgrades in May 1999 for those positions requiring upgrade of one grade. Those positions requiring a second upgrade were accomplished in October 1999 (FY 2000) and those requiring subsequent upgrades will be accomplished in FY 2001.

During Fiscal Year 2000 ABMC and OMB began a joint productivity study to determine if automation, technology, and outsourcing improvements could reduce the growing costs of foreign employment. We have completed the preliminary phases of this study and are encouraged by the findings. It appears that opportunities exist through outsourcing, leasing, and equipment modernization to reduce workhours associated with labor intensive operations and thereby can potentially defer or offset manpower growth. In addition, the study pointed to a long standing drainage/surface water problem which must be evaluated and resolved prior to fielding many of the other solutions and improvements. (We are continuing to evaluate the results and will be conducting further assessments.)

During FY 2001, we will begin an Infrastructure Modernization Program. Our cemeteries and their infrastructure range in age from 50 to 70 years old. With the help of Congress and the President over the last three years we have made progress in reducing our backlog of maintenance and engineering projects. We must now begin a concerted effort to examine the deep infrastructure of these aging facilities and execute a plan to modernize or replace worn out systems. The infrastructure Modernization Program will enable us to identify existing problems, avoid future problems and work in a more logical and efficient manner. The first phase of this program will establish a baseline by utilizing in-depth technical surveys of our installations. These surveys will be done by certified subject matter experts who will apply current standards, regulations, and technological advances to our facilities to determine what needs to be accomplished.

In 1996, Congress specifically directed (P.L. 104-275) that ABMC prepare agency-wide financial statements annually beginning with Fiscal Year 1997, and that the financial statements be audited by the U.S. General Accounting Office (GAO) in accordance with accepted government auditing standards. Our first

audit resulted in an unqualified opinion on our balance sheet, which is not normally earned on initial financial statement audits. We were one of the first agencies in the Executive Branch to "early comply" with the FY 1998 accounting standards prescribed by the Office of Management and Budget in Bulletin No. 97-01, Form and Content of Agency Financial Statements. Our second and third audits also resulted in an unqualified opinion.

With our initial success in auditing and the anticipated implementation of a new financial system, we expect ABMC to achieve an even higher level of management excellence in the next two to three years.

NATIONAL WORLD WAR II MEMORIAL

Under Public Law 103-32, signed by President Clinton on May 25, 1993, the ABMC has been charged with the duty of establishing a National World War II Memorial in Washington, D.C., or its environs. Moreover, the legislation directs that the ABMC obtain funds to construct the memorial from private donations. The costs to design, build and maintain the memorial is currently estimated to be approximately $100 million.

The National World War II Memorial will be the first national memorial dedicated to all those who served during that war, and will recognize the commitment and achievement of the entire country. It will serve as a permanent tribute not only to those who fought to protect our nation, but also to those who served on the home front, both individually and in the work place. The site has been chosen, the preliminary design has been approved and we hope to break ground this fall. There is urgency to build the memorial since approximately 1,000 World War II veterans die each day; of 16 million who served in uniform during World War II, fewer than 6 million are alive today.

Since 1997, we have conducted an aggressive fund-raising program that is accelerating and delivering excellent results: as of April 30, 2000, we netted more than $88 million of the $100 million needed to design, construct and maintain the memorial. This sum also includes the anticipated donations collected through the fund-raising efforts of Wal-Mart Stores, Inc. Funding has come from corporations, foundations, veterans groups, civic, professional and fraternal associations, states and more than 386,000 individual Americans.

I. Background: Site and Design

The first step in building the memorial was the selection of an appropriate site using a process that followed all of the provisions of law and all of the procedural steps regarding the placement of memorials in the nation's capital. Following nearly a year of careful consideration, the Rainbow Pool site, a 7.4-acre rectangular area at the east end of the Reflecting Pool between the Lincoln Memorial and the Washington Monument, was approved. On Veterans Day

1995, President Clinton dedicated the site in a formal ceremony that concluded the commemorations of the 50th Anniversary of World War II.

Friedrich St.Florian, an award winning architect based in Providence, RI, was selected to design the memorial in an open, two-stage national competition. President Clinton announced St.Florian's selection during a White House ceremony on January 17, 1997.

In July 1997, in a public hearing, the Commission of Fine Arts (CFA) unanimously reaffirmed the Rainbow Pool site and approved many elements of the design concept, but voiced concern over the mass and scale of the concept as presented. The CFA requested that the design be given further study and resubmitted at a later date. Later that month, the National Capital Planning Commission (NCPC) also reaffirmed its approval of the site and, like the CFA, requested design modifications and an analysis of various environmental considerations.

In the summer of 1998, the memorial design passed an important milestone when the CFA and the NCPC approved the design concept. A year later in 1999, both commissions approved the preliminary design, the second of three design approval phases. The design team continues to define the details of the memorial in anticipation of final design approval hearings this summer.

II. Funding and Fundraising

As noted, the National World War II Memorial is to be funded primarily through private contributions. To solicit contributions, the ABMC created a capital campaign staff of professional fundraisers. The public fund-raising campaign effectively began in March 1997 when former Senator Bob Dole agreed to become National Campaign Chairman. Frederick W. Smith, Chairman, President and CEO of FedEx Corporation, joined him as National Co-Chairman in August 1997.

A. Public Awareness Program

Each milestone in this project generated public awareness for the memorial. For example, the publicity surrounding the approval of the design concept in the summer of 1998 was a turning point for the year-old fund-raising campaign. Building on this awareness, in the spring of 1999, we initiated a national public service advertising campaign with The Advertising Council. These ads, featuring two-time Academy Award winning actor Tom Hanks, star of *Saving Private Ryan*, have been highly successful, generating more media interest than many Ad Council campaigns in recent history. We received approximately $43 million in donated media space during the period March 22, 1999 – December 31, 1999.

The public response to these ads has been dramatic. Prior to Tom Hanks' involvement with the campaign, we had received about 5,400 calls on our toll free number. Since Tom Hanks became our national spokesman, we have received nearly 230,000 calls on the campaign hotline (1-800-639-4WW2). New ads featuring Tom Hanks at the memorial site were released for Memorial Day 2000.

We created a Web site to keep the public up to date on the memorial's progress. Our site (http://www.wwiimemorial.com) has received more than 3 million page views since its inception. We also issue a quarterly newsletter to our Charter Members. As national awareness grew, the response from the public became more positive.

B. Corporations and Foundations

Philanthropic corporate and foundation giving has led the campaign, generating approximately one-half of the private funds raised. Many of these companies played an integral role in the World War II effort. We expect to receive more than $43.6 million from corporations and $12.5 million from private foundations by the end of the campaign.

We have solicited 896 companies, generating 192 major corporate gifts totaling in excess of $29.6 million. Decisions from another 103 major corporate solicitations are pending and we plan to contact additional corporate prospects before the campaign concludes. One hundred companies have given $100,000 or more, including 13 that gave at least $500,000, and 10 that gave a minimum of $1 million. Leading the corporate donations are Federal Express Corporation, with a $2 million pledge, and SBC Communications Foundation, with a contribution totaling more than $3 million. Today, on June 6th, the anniversary of the D-Day Invasion, Senator Dole accepted Wal-Mart Stores, Inc.'s contribution of more than $12 million raised through the fund-raising efforts of Wal-Mart and Sam's Clubs customers, associates and managers and matching gifts from the Wal-Mart Foundation.

We solicited 267 private foundations, generating 74 gifts totaling $9.2 million, including $2 million from The Lilly Endowment, Inc. Recent major gifts include $1 million from The Henry Luce Foundation, Inc. and $500,000 from The Robert Wood Johnson Foundation. Currently, 90 requests are under consideration by foundations throughout the country and we anticipate receiving approximately $1.1 million before the end of this summer.

C. Cause-Related Marketing

Since we began focusing on cause-related marketing in February 1999, several corporations have implemented financial and promotional campaigns to support the memorial. These companies have used the memorial's name, logo and

marks to enhance their existing marketing promotions in an effort to increase sales and supplement their bottom line. In return, these cause-related marketing partners have tapped into their consumer base to help raise funds and awareness for the memorial. We anticipate we will raise more than $3 million through these partnerships.

Blockbuster Entertainment was the first cause-related marketing partner, donating $250,000 to the campaign along with $2 million in supplemental in-store and print advertising support. Super 8 Motels followed Blockbuster's lead and is finishing a promotional campaign that includes a $500,000 donation, national television and radio ads and in-motel advertising. In total, we expect the Super 8 program to generate more than $700,000 for the campaign.

The National Football League signed on in late 1999, pledging $1 million and promotional support. They featured our television and print ads in stadiums during the 1999 season. Major League Baseball provided similar promotional support by featuring our ads during the 1999 season.

We are currently finalizing a promotional partnership with Philips Lighting that includes a $500,000 donation. In addition, Star Roses is selling an official World War II Memorial Rose Bush, Radio Shack is implementing an awareness and fund-raising campaign, and numerous other ventures are under consideration.

D. Veterans, States, Professional-Fraternal-Civic Groups, Grassroots

Veterans Campaigns

Millions of interested and committed individuals are becoming involved in the respective campaigns of veterans groups, led by a $7.5 million commitment from the VFW (including $3 million already raised) and the American Legion (whose fund-raising efforts have already yielded nearly $3 million). In addition, the Disabled American Veterans have donated more than $600,000 and the AMVETS, the Association of the United States Army, the Military Order of the World Wars, the Paralyzed Veterans of America and The Retired Officers Association have each donated or pledged a minimum of $100,000. There are also hundreds of World War II reunion groups across the country that have donated hundreds of thousands more to the memorial. In all, we expect to raise $13.5 million from the various veterans' campaigns.

State Campaigns

We have requested that each state, commonwealth, and territory of the United States contribute $1 for each of its citizens who entered the armed forces during World War II. If every state supports this request, this program has the potential to raise more than $16 million. The program began in 1997 and has shown solid results.

Twenty-seven states have passed/signed legislation, providing $9.9 million for the campaign. The remaining 23 states plus Puerto Rico have introduced legislation or other measures so as to contribute to the campaign. These efforts have the potential to raise another $6.4 million before the end of this year.

The remaining territories may support the campaign but their actual giving potential is not known at this time.

Civic-Fraternal-Professional Organization Campaigns

Many civic, fraternal and professional organizations have recently begun to develop campaigns. The National Funeral Directors Association leads this category with a $5 million goal to be generated through campaigns run by more than 14,000 member funeral homes nationwide. Other commitments and pledges include the Benevolent and Protective Order of Elks that has so far raised more than half of their $1.2 million pledge; a Native-American-owned casino with a $1.4 million goal; the Knights of Columbus' $500,000 campaign and the Daughters of the American Revolution that so far has raised more than $320,000.

Numerous other organizations are actively campaigning and/or raising awareness of the campaign among their memberships, including AARP, the AFL-CIO, U.S. Chamber of Commerce, the Order of the Sons of Italy in America, the Senior Citizens League, the Japanese-American Citizens League, and the National Association of Retired Federal Employees.

Grassroots Campaigns

Grassroots programs center around two categories: 1) individual volunteers who seek contributions from friends and acquaintances and solicit contributions at local malls and community events, and 2) Community Action Councils (CACs) which consist of several people who join together to solicit local businesses and organize community fund-raising activities or events in support of the memorial. There are more than 400 individual volunteers and more than 60 CACs nationwide. Both groups are successfully generating awareness and public support for the memorial and we expect to raise $2 million from their efforts. It should be noted that one individual volunteer in Danvers, MA convinced his town council to contribute $25,000. Likewise, the Illinois/Iowa Quad-Cities CAC raised more than $70,000.

E. Individual Major Donors

Numerous individuals are being cultivated for gifts exceeding $1,000. Nearly $1.8 million has been raised from this constituency, including gifts from 37 donors who have contributed $10,000 or more and 9 who have given at least

$100,000. In addition, the campaign's planned giving program, initiated in May 1999, has received 227 requests for information and generated more than $430,000.

F. Donor Marketing

The fund-raising campaign kicked off in 1997 with an aggressive direct marketing program that has since reached out to more than 15 million households, educating the public on World War II and the memorial project, and inviting Americans to participate in honoring the generation that saved the world. Our investment in donor marketing has paid off immeasurably having generated more than $30 million. Of this amount, more than $27 million came from direct mail, $2.7 million from our toll-free number and $1.2 million from donations through our Web site.

Each day more than 1,000 Americans send in their gifts to make this memorial a reality. Overall, nearly 900,000 gifts have been processed and an extraordinarily high percentage of donors continue to make multiple gifts. The income/cost ratios continue to improve dramatically as efficiencies in our direct marketing efforts exceed our expectations.

In addition to using direct mail to solicit donations, we also invite the public to submit names for the World War II Registry of Remembrances. The Registry honors those who served in uniform, those who were killed or missing in action and those who supported the war effort on the home front. There is no charge to submit a name to the Registry. So far we have collected more than 400,000 names.

G. Education

The purpose of the education program is to promote the study and understanding of World War II in America's elementary and secondary schools. It also underscores the importance of making students familiar with the National World War II Memorial. To accomplish this, in partnership with The History Channel we developed an interdisciplinary World War II Teacher's Manual for grades 4 -12. We already have received more than 30,000 requests for the teacher's manual.

A component of the educational program is a national video contest in which students interview a World War II veteran or home front worker. The winning videos will be shown on The History Channel. The History Channel also prepared a one-hour documentary on the memorial. The documentary, which premiered on The History Channel February 15, 2000, drew more than 2 million viewers.

In addition to the educational materials, the education program includes an optional fund-raising component. More than 280 schools have reported raising money for the memorial including 38 schools that raised more than $1,000 for the memorial. The Memphis City Schools and Milwaukie High School (Milwaukie, OR) lead the school fund-raising efforts with each contributing $10,000 or more.

During the 1999 – 2000 school year, we are holding a national history contest in partnership with the National History Day organization to promote the study and understanding of World War II. Based on the theme "Turning Points in History: People, Ideas, Events", junior high and high school students compete in one of four categories: individual paper, 3-dimensional exhibit, original performance or media presentation. The national finals will be held at the University of Maryland, June 11 - 15, 2000, and the winners at the state and national levels will be awarded U.S. Savings Bonds. Members of the memorial campaign staff have volunteered their time to join others in judging the finalists.

III. Legislation

In 1999, Congress approved several legislative items that support the memorial's fund-raising efforts. Public Law 106-58, signed September 29, 1999, makes the ABMC and the World War II Memorial Advisory Board (MAB) eligible to use nonprofit standard mail rates for official mail sent to solicit funds and support for the creation of the National World War II Memorial. This legislation will provide a savings of approximately $800,000 for the campaign.

Public Law 106-117, signed November 30, 1999, authorizes the ABMC $65 million in borrowing authority to assure timely construction of the memorial and to comply with the requirements of the Commemorative Works Act (CWA). This authority and our cash holdings may be used as available funding for the construction costs plus 10% maintenance fee required by the CWA to obtain approval for a construction permit. The legislation also extended the authorization for initiation of memorial construction to December 31, 2005; granted the ABMC permanent authority to solicit and receive funds and preserves any such funds in the ABMC's controlled interest-bearing Treasury accounts, including any funds remaining after completion of the memorial; and increased the ABMC's authority to accept volunteer services and to use intellectual property interests.

IV. Oversight and Stewardship

This Committee, as well our authorizers from the House and Senate Veterans' Affairs Committees and our appropriators from the House and Senate Appropriations Committees provide congressional oversight. The ABMC's World War II Memorial Trust Fund has been audited annually since 1993 by the General Accounting Office and an independent by an independent CPA firm.

As noted above, we are proud of our consecutive *unqualified* (clean) *opinions* from the independent auditors in the last three years. In addition, our cost to raise a dollar is well within the standards established by charitable oversight "watch dog" organizations such as the National Charities Information Bureau and the Council of Better Business Bureaus, Inc.

SUMMARY

While much of our attention has been focused on the raising funds for the design, construction, perpetual maintenance and preservation of the World War II Memorial, we have not ignored continuous management improvements in our core mission of operating and maintaining twenty-four memorial cemeteries and twenty-seven monuments, memorials, and markers.

Since 1923, the American Battle Monuments Commission's memorials and cemeteries have been held to a high standard in order to reflect America's continuing commitment to its Honored War Dead, their families, and the U.S. national image. The Commission intends to continue to fulfill this sacred trust while ensuring the prudent expenditure of appropriated funds.

This concludes my prepared statement. I will be pleased to respond to your questions.

Mr. SHAYS. Thank you, General. I appreciate your being here, and appreciate Mr. Aylward and Mr. Pond being here.

The bottom line is that our committee has oversight of the Defense Department, the State Department and other agencies, and one of them is the American Battle Monuments Commission. We are very pleased that we do have this responsibility. We are here to look both at the World War II Memorial Campaign and also what you are doing in general, so we will be kind of covering both areas.

As it relates to the World War II Memorial Campaign, what has been the most difficult challenge that—first off, before I do that, tell me how you interface with the campaign. In other words, is there a separate organization that you interact with? Is it your staff that is used? How does that happen?

General HERRLING. Sir, back when I first got involved in this campaign in 1995, our Washington office had a very small staff of 13 people. So to organize and develop a program for the World War II Memorial, I had to put together a plan that would build the fundraising staff and also a committee that would take a look into the site and design of the memorial. Over a period of 18 months, we brought people on board for the fundraising effort; and then our site and design committee took a look at the specifics of site and design for the memorial. But it was not an outgrowth of our Washington staff of 13 people, but a separate entity in itself in my office.

Mr. SHAYS. How large is that organization?

General HERRLING. It is about 37 people today.

Mr. SHAYS. Separate from the 13?

General HERRLING. Yes.

Mr. SHAYS. What has been your biggest challenge as it relates to the memorial campaign?

General HERRLING. The biggest challenge, Mr. Chairman, was to develop a national program, a program that would reach all sectors of the country, and I think we have been very successful in doing that. But for awhile, for about 2 years, much of the American public was not aware that we were trying to build——

Mr. SHAYS. What 2 years?

General HERRLING. I would say 1996 and into 1997.

Then when we were able to get Senator Dole to be our fundraising chairman, it gave us a visibility that we had not had before. Then as you may know, that "Saving Private Ryan," part of it, was filmed in our cemetery in Normandy; so I wrote Tom Hanks and asked if he would be our spokesperson, and he indicated he would. I asked Senator Dole and Fred Smith to call him on the telephone and get that commitment.

Mr. SHAYS. So your major challenges now are what?

General HERRLING. I am fairly confident that we will finish up our fundraising efforts by March of next year.

The next major challenge this summer is to get our final approval from the two approving commissions in Washington, the Commission of Fine Arts and the National Capital Planning Commission. It is a three-phase approval process. You go in with a design concept initially—that was done in 1998—and then you have to bring in the preliminary design for their approval; and now this

summer we hope to take the final design before those two approving Commissioners.

Mr. SHAYS. Mr. Aylward, tell me, from your standpoint, what has been one of the most difficult challenges?

Mr. AYLWARD. Mr. Chairman, I came on board about this time, July 1998; and it was fortuitous at that time that the design concept was approved in July 1998 because, quite frankly, people or contributors or potential contributors, be they corporations, foundations or individuals, whoever they may be, really want to know that something is going to happen. They want to see what this entity is, and they want to be comfortable with the fact that it is going to come to fruition.

So the approvals by the Commission of Fine Arts and National Capital Planning Commission [NCPC] in July were very helpful. Then along came Tom Hanks and "Saving Private Ryan."

The most difficult part for me has been the necessity to raise the money as quickly as we have had to; to bring about a campaign that has national awareness; and I think you have all been involved in the fundraising arena, so—you know, it is an extremely competitive environment, whether it be for a university, a health science center, a political endeavor, or in the religious community.

In order to be competitive, you have to have recognition by the American public, and that was really accomplished through much of what the Tom Hanks ads were able to bring about.

Then we had to reach out to the various constituencies. The veterans groups began to kick off their campaigns very aggressively, civic and fraternal organizations, the Knights of Columbus and others became involved, and slowly but surely it began to gain momentum and was now really a campaign across America.

We did institute a very aggressive direct marketing campaign, and through direct mail.

Mr. SHAYS. Let me touch on that in a second. But I make the assumption Mr. Pond, you're going to be here more to respond to the Commission's work in general; is that accurate?

Mr. POND. Yes, sir.

Mr. SHAYS. The—maybe what—I would think the other extrodinarily difficult task you would have had is just, Mr. Aylward, the whole placement and design of this monument, I mean memorial. It's such a—you want it to be so perfect. And who is prepared to describe to me and to the committee the monument and the rationale behind it?

Mr. Aylward. General.

General HERRLING. Mr. Chairman——

Mr. SHAYS. We have a picture of it on the wall. We have obviously the model of it as well.

General HERRLING. The first step in the process is finding a site for the memorial. That was done in 1995. The National Park Service gave the Commission eight sites to look at. And they were in various locations around the city of Washington, and one was on the Columbia Circle, on the other end of the Memorial Bridge. But there were eight sites. And the site that was approved by the Department of the Interior, the Commission of Fine Arts, and the National Capital Planning Commission was the Rainbow Pool site, the site we have.

Once you have the site, then it's a matter of developing a design. We went out on a nationwide open design competition, and in that competition we had over 400 entries. From those 400, 6 were selected as finalists. Out of the six the winning design and the architect were selected.

Mr. SHAYS. What are the principles—as I look at this memorial, it's certainly does seem in keeping with the existing site. I mean, you have a Reflecting Pool now and you'll have a Reflecting Pool afterwards. But what are some of the basic principles that went into this? What will people see when they go there?

General HERRLING. Two of the criteria that we were faced with was that it could not interfere with the vista from the Washington Monument to the Lincoln Memorial. That vista had to remain open.

Mr. SHAYS. And you've been true to that.

General HERRLING. We've been true to that.

Mr. SHAYS. But after that?

General HERRLING. Then you couldn't build anything that was higher than the existing elm trees, and those elm trees run between 65 and 70 feet high. So we've got two memorial arches, one on the north side of the memorial plaza and the other on the south, they're about 41 feet high from ground level. That was another criterion. Then there was an additional criterion as far as access for disabled.

Mr. SHAYS. But what will people see when they go there? I see individual pillars. Do they have—do they commemorate?

General HERRLING. They do. The individual pillars—and there are 56 of them—represent each of the States during World War II and the 8 territories. At that time we had 48 States and 8 territories. Each one of those pillars will have the name of the State or the territory on it. They represent two things: the individual strength of the States but also the idea of national unity, those States coming together and the people in those States coming together to fight World War II.

On the north side of the memorial and on the south side you've got two identical memorial arches. As I said, they're 41 feet high at street level. And inside those memorial arches there is a laurel wreath, a very large bronze laurel wreath that's being held up by four eagles. Those are to symbolize the victory won by World War II.

On the western end of the memorial plaza, the closest to the Reflecting Pool, will be the Wall of Honor. There will be displayed a field of 4,000 gold stars, each star representing 100 World War II dead, and there are about 406,000 who died. So there will be 4,000-odd stars on the wall. Then there will be some type of light of freedom that will come forth from a broken plane. The broken plane will symbolize the upheaval that was caused worldwide by World War II, the upheaval of the entire globe. And out of that upheaval will come this light or torch, the torch of freedom or light of hope over darkness.

Now, the exact location of that symbolic torch has not been finalized yet. It may be against the western wall or it may end up being put in the center of the Rainbow Pool. That hasn't been decided.

Mr. SHAYS. Thank you. Mrs. Biggert.

Mrs. BIGGERT. Thank you, Mr. Chairman. It seems almost incredulous to me that this hasn't been done before. When did this start? Have there been proposals in the past? I notice, like 1993 seems to be when it started to gain momentum. Is that correct?

General HERRLING. Mrs. Biggert I don't know if there was any serious consideration to constructing a World War II Memorial back shortly after the war. I think everybody assumed, or many assumed that the Iwo Jima Memorial, which represents the Marine Corps, was the National World War II Memorial. Of course it's not. It represents one service and one particular battle. But it was Roger Durbin, as Senator Dole said, who came to Congresswoman Marcy Kaptur and said why don't we have a National World War II Memorial. Now he did that in 1988, and it took 5 years to get the legislation approved in 1993.

Mrs. BIGGERT. For the amount of money to be spent to build this, will there also be a fund for the maintenance? Is that part of this?

General HERRLING. It is part of it. One of the requirements of the Commemorative Works Act is that in addition to the cost of construction, we have to provide the National Park Service 10 percent of the construction cost for maintenance of the memorial in perpetuity. So if the memorial is going to cost $70,000 we would have to add $7,000 for the maintenance cost. And that is figured into the overall cost of the memorial.

Mrs. BIGGERT. Is that something, then, that's kept in a trust fund for interest, or how does that work?

General HERRLING. I'm not sure. The money is turned over to the National Park Service and they have an account that they can draw on for that purpose.

Mrs. BIGGERT. I guess part of what you're doing, too, is then the looking after the cemeteries and the monuments that have already been built. What kind of maintenance problems have you encountered with those cemeteries and monuments?

General HERRLING. As I mentioned earlier, those facilities are anywhere from 50 to 70 years old. The sort of problems we deal with are structural, electrical, and primarily mechanical. But then you get into systems like heating and air conditioning, roofs, irrigation systems, and there's just a lot of other facets. So it's a very maintenance-intense endeavor.

Mrs. BIGGERT. But there has been a backlog of maintenance problems that—will this come out of the same funds that you're raising, or is this——

General HERRLING. No, totally different funds. The American Battle Monuments Commission has a separate appropriation and the World War II Memorial is totally different. All those donations are kept in a separate Treasury account.

Mrs. BIGGERT. Do people donate for the cemeteries and monuments or is that just an appropriation from——

General HERRLING. That's just an appropriation.

Mrs. BIGGERT. You haven't done any fundraising on that.

General HERRLING. Not at all.

Mrs. BIGGERT. When Ms. Norton was questioning the placement, it seemed to be that the biggest thing is the sight from the entire Mall down to the memorial. But it seems like you've really taken

care of that. What other problems are there with building it where it is?

General HERRLING. Well, it's located, Mrs. Biggert, on a hundred year floodplain, so there are some problems with the construction, the foundation of it and things like that; but so is the FDR Memorial and so is the Lincoln Memorial. They're not architectural or construction problems that can't be overcome.

I would tell you, though, that when we took the initial design concept before both those commissions in 1997, they approved the site. The Commission of Fine Arts approved the site unanimously, the National Capital Planning Commission approved it 9 to 2. But they turned down the design. They thought it was too large in scale for that part of the Mall. They sent us back and they said we want you to scale it down, and we'd like it to fit more easily into that particular area, in that environment on the Mall. We had to go back and almost completely reengineer much of the design. And then when we took it back in 1998 they approved the design concept.

Mrs. BIGGERT. So do you—what other steps for approval do you have to take before—before you break ground?

General HERRLING. The last step hopefully will take place later this summer when we go before the Commission of Fine Arts and the National Capital Planning Commission for our final design approval. With the final design approval and the money necessary for the construction, we'll be given a permit to go ahead and have ground breaking.

Mrs. BIGGERT. Have you a total dollar amount?

General HERRLING. The current estimate is that the memorial design, construction, and maintenance and dedication will come to about $98.2 million.

Mrs. BIGGERT. Current.

General HERRLING. That could change because we're currently in the process of going from design documents to construction documents. The construction documents will be turned over to a contractor who will give us a much more precise construction cost.

Mrs. BIGGERT. Is there Dutch elm disease in Washington?

General HERRLING. Is there? Yes, I think some of those trees on the Mall do suffer from that.

Mrs. BIGGERT. It's a beautiful concept, the way it is now. I would hate to lose—the trees be gone.

General HERRLING. Well, we changed the design at one point. We downsized the Rainbow Pool by 15 percent. One of the reasons was to save some of those elm trees so we wouldn't get into the root systems. The other reason was so it more architecturally fit the overall geometry of the Mall.

Mrs. BIGGERT. Well it's beautiful. Thank you. Thank you, Mr. Chairman.

Mr. SHAYS. My colleague.

Mr. TERRY. Good morning Mr. Chairman. Sorry I missed the first part of the hearing but Midwest Express pilots didn't want to fly faster, contrary to my encouragement.

I just want to make a couple of comments and one question. First of all I want to congratulate you on not only your dedication to the cause of the memorial but also on the efforts of making it a reality.

Like you had said, the major component of making it a reality is the fundraising. From your speech or your handout, you raised 88—or you used the phrase "netted 88."

Mr. AYLWARD. We netted $88 million.

Mr. TERRY. About $10 to $12 million shy of hitting the goal and——

Mr. AYLWARD. That's correct. That was as of the end of April.

Mr. TERRY. The word that stood out to me was "netted." So I assume with the small and efficient productive staff you have, we aren't owing salaries and some of the stuff that some charitable organizations—I don't want to call them gimmicks, it's just normal course to make it look good. So "netted" to me is a term of art. That's pretty impressive if you've netted $88 million.

Mr. AYLWARD. That's correct. We have maintained, and I think General Herrling alluded to it before, that the American Battle Monuments Commission was a small 13-member organization here in Washington. So basically what we had to build was a full fundraising staff. Currently our fundraising expenses are running about 26 percent of funds raised——

Mr. TERRY. That's not bad.

Mr. AYLWARD [continuing]. 23 percent of all revenue income. And that includes some initial startup moneys from the Department of Defense and our interest income. And we are keep driving the percentage down. Year after year, we have driven that down from the 40 percentile mark in the initial stages, down to about 26 percent at this point in time.

Mr. TERRY. That's impressive. I appreciate that. Keep that trend going. That will be helpful.

Mr. AYLWARD. As long-time fundraisers—I'm uniquely aware of the costs of raising $1 and its importance to the contributor.

Mr. TERRY. Your expertise is much appreciated, GAO giving you glowing reports on how you've handled it. That's much appreciated. Some little things of internal-type management information systems, I assume all that's—I don't want to call them minimal—requests have been taken care of, I assume.

General HERRLING. I think overall.

Mr. TERRY. I take the nod of your head as a yes.

General HERRLING. Overall our GAO reports have been very good. There have been some minor discrepancies they found and we've corrected those and we're moving on. But basically we had three unqualified opinions and I don't think that GAO has found one problem with our World War II Memorial fundraising.

Mr. TERRY. Which is a real accomplishment and you should be congratulated on that. I've read some of the other GAO reports for other entities that weren't as glowing. To read one as positive as this is impressive.

Last question, real quickly. I did get pulled aside at one of the Memorial Day events by a Vietnam veteran, I didn't exactly know what he was talking about, but he was somewhat critical of this. Is there an undercurrent in some of the veteran committees that are critical of this? I have never heard of any criticism until the Vietnam vet mentioned something. It wasn't real specific.

General HERRLING. Addressing Vietnam vets particularly, there may be a few that have a particular feeling against this memorial,

but I would tell you that the Vietnam Veterans Foundation donated $25,000 to us. So I think most of the Vietnam veterans are in support of this program. I would say that most veterans in the country, the veterans' organizations, have raised $10 million and will raise more. And they do that internally through their own programs. But we have had tremendous support from veterans' organizations. And we have tried to keep them involved in the design of the memorial.

Mr. AYLWARD. We get tremendous communication from veterans and the World War II generation through letters, through e-mail and other mechanisms. They call us quite often to touch base with us.

Mr. SHAYS. Mr. Pond, did you have something you wanted to say on this—because I will get to you.

Mr. POND. Mr. Chairman, I would go back to your original question, since you aksed what was the most difficult task, and I would like to address that. When Congress gave us the mission to raise $100 million and to build a memorial, the raising of funds was a foreign task to our small government agency. We sat with the secretary and executive director our 11 staffers and a huge mission and 11 Presidential appointees who are great Americans who gave us policy guidance. We all placed our concentration on this because, as the committee knows, there had been other people who—and Senator Dole alluded to it—had raised money and squandered it. We had the task not only to raise the money but to guard that money as Americans' dollars and to build a good memorial.

It caused us to concentrate in one area so heavily that on occasion we had to remind ourselves that we had 350 employees, in 12 countries, running 24 of the most magnificent cemeteries in the world. We are fortunate that if we ever slacked off in that regard, about 96 percent of our U.S. employees are retired members of the Armed Forces of the United States who work daily with their head as well as their heart. So we hope that we did not slip, but if we did, I can assure you that they picked up the gap.

The most difficult thing for us was to remember those folks that are doing that fantastic job in the field as well as the job that we had to do here. And I might say that Mr. Aylward, Senator Dole, Mr. Smith, Tom Hanks, and all of those who have come forward to help the American Battle Monuments Commission have just done a magnificent job.

Mr. SHAYS. Let me ask about the fundraising, not to be—I would be derelict in our duty if we didn't pursue the 26 percent a little better. First off, I'm unclear as to how much money actually sits in the bank. Where has it been used?

Mr. AYLWARD. About $50 million, sir.

Mr. SHAYS. Of the $100 million that you hope to raise, are you basically saying that $25 million of it will be used—will have been used to raise money and we will have $75 million, or are you saying——

Mr. AYLWARD. No, we're saying it will cost us about $139 million overall to raise the $100 million. And that will be able to maintain the office or the World War II endeavor out through approximately the early spring of 2003.

Mr. SHAYS. Mr. Aylward, your staff is about 33 people, total.

Mr. AYLWARD. We have about 33 people.

Mr. SHAYS. So the total cost of running that staff plus doing all the—some are actually involved in the fundraising effort—all of that is included in the $139 million.

Mr. AYLWARD. It's all included in the $139; public relations, everything. But the staffing will go down. We've already started an exit strategy based on the fact that we're closing in on our goal.

Mr. SHAYS. The $139 million—of the $139 million, how much have you raised? When we're looking at that $100 million, I would say you have $14½ million today, let's call it a day.

Mr. AYLWARD. With Wal-Mart today, we have raised $122.1 million, so we have about $17 million to go.

Mr. SHAYS. $122 what?

Mr. AYLWARD. $122.1 million.

Mr. SHAYS. And you're going to be raising about $139.

Mr. AYLWARD. $139.6 million. That $139 million may come down. This is a fluid projection of the budget and we are continuing to reevaluate whether we can reduce costs, for example, a direct mail letter in a certain month or another program that would save us substantial funds.

Mr. SHAYS. Now people can be following this hearing right now on the Internet. On the Internet right now, people can be following this hearing.

Mr. AYLWARD. Yes.

Mr. SHAYS. How would someone make a contribution on the Internet?

Mr. AYLWARD. There's two ways. They can make it directly right into the Treasury, just like you would do through a credit card number or an account number, or many people download the form and send it in to us. So about 60 percent of our Internet——

Mr. SHAYS. So what's your Web site and how do people, if they wanted to make a contribution right now, take advantage of this?

Mr. AYLWARD. They could call our 1–800 number, 1–800 639–4WW2.

General HERRLING. And the Internet site.

Mr. SHAYS. The 800 number is passe right now. We want to get to—if you want to say the 800 No. 1 more time, but then let's get to the something more. What's the 800 number site again?

Mr. AYLWARD. The 1–800 number? 1–800–639–4WW2.

Mr. SHAYS. OK. And your Web site?

General HERRLING. The Web site is www.WWIImemorial.com.

Mr. SHAYS. You want to give it one more time?

General HERRLING. www.WWIImemorial.com.

Mr. SHAYS. Someone can just get into the system and make a contribution using their credit card.

General HERRLING. As Mr. Aylward said, a lot of people bring up the form on the Internet site and just download it and print the form out and send it in.

Mr. SHAYS. So if they don't want to use a credit card and do that, they can do that.

General HERRLING. That's correct.

Mr. SHAYS. Let me—just before we go to our next panel, just talk to me briefly about the overall task that you have with your 13

staff members who have a budget of about $28—you requested $28 million for next year; is that correct?

General HERRLING. Our request was $26.2 million.

Mr. SHAYS. That enables you to take care of all these sites around the world. I was intrigued to know you had a site in Mexico City.

General HERRLING. That site, Mr. Chairman, goes back to 1847 in our war with Mexico. There are 750 U.S. soldiers buried there.

Mr. SHAYS. Now just refresh me on my American history. That is celebrating, from the Mexican standpoint, what?

General HERRLING. I'm——

Mr. SHAYS. In other words, I understand we have soldiers buried in Europe, and they gladly donated this land in gratitude to the men and women who gave their lives defending freedom in Europe. The sites in Panama and the site in Mexico City commemorates what from the standpoints of the host country?

General HERRLING. I don't know that it commemorates—it has the same meaning that we attach to it. But those governments provided us with the space and gave us that ground in perpetuity for those cemeteries.

Mr. SHAYS. I find that intriguing really. And we have visitors that visit these sites both from the United States and within the indigenous countries?

General HERRLING. Yes, we do. In fact, I'm not talking specifically about Mexico City or Panama, but in our 24 cemeteries around the world the visitors last year were about 10½ million people.

Mr. SHAYS. Through all the sites.

General HERRLING. Through all the cemeteries.

Mr. SHAYS. How has the Commission addressed the problems that GAO noted concerning its internal controls over information technology systems? In other words, you got a good audit but with some reservations.

General HERRLING. Yes, and those reservations are called material weaknesses. They had to do with a lack of user documentation in the four offices we have around the world. The systems didn't have an automatic lockout procedure to prevent people from getting into that data. There was an inadequate continuity plan and inadequate storage procedures. But most of those have been corrected. Now what few items remain open are only to a reportable condition. So we've taken a very serious step to eliminating what the GAO had pointed out to us back in 1997 and 1998.

Mr. SHAYS. Is there anything that any of you, three of you, would like to say before we get on to our next panel?

General HERRLING. Sir, I would just say, like Mr. Pond, I think it's unprecedented in some regard that a Federal agency the size of ours, was given the task of raising $100 million and building this memorial. It's a task that we've really taken on with vigor. But I don't think any other Federal agency has ever been asked to raise $100 million. That's something we've done and we've enjoyed and we've learned a lot by it, but I wouldn't want to be asked to do it again.

Mr. SHAYS. Again, Mr. Pond, Mr. Aylward, any comments, any questions we should have asked you that you would like to ask yourself?

Mr. POND. I would only say, Mr. Chairman, that we ask you and all of your colleagues, when you travel on your trips throughout the world—we have passed to you our annual report and it shows exactly where all of our cemeteries are located—we would be deeply honored if you would take time out of your schedule when you're in those foreign countries to visit our cemeteries.

Mr. SHAYS. Thank you very much. Thank you gentlemen. Appreciate you being here. Appreciate your work.

I now invite David Clark, Director, Audit Oversight and Liaison Accounting and Information Management Division, U.S. General Accounting Office, and Dennis Cullinan, director, legislative services, Veterans of Foreign Wars of the United States—ask you both to stand because I'll be swearing you in.

[Witnesses sworn.]

Mr. SHAYS. Thank you gentlemen. I appreciate your patience in waiting for this panel to be called and thank you, Mr. Clark, for coming here. Sometimes we isolate GAO as a separate panel, but happy to have representative from Veterans of Foreign Wars here as well, and to say in a sense you speak for all your fellow veterans and other veterans groups. I think they are down in New Orleans commemorating the D-Day invasion and the monument there. So we thank you. You're doing double duty Mr. Cullinan.

Mr. Clark, we'll let you start.

STATEMENTS OF DAVID L. CLARK, DIRECTOR, AUDIT OVERSIGHT AND LIAISON, ACCOUNTING AND INFORMATION MANAGEMENT DIVISION, U.S. GENERAL ACCOUNTING OFFICE; AND DENNIS CULLINAN, DIRECTOR, LEGISLATIVE SERVICES, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. CLARK. Thank you, Mr. Chairman. It's both an honor and a pleasure to be here. It's an honor to be in the company of Senator Dole, General Herrling and the others in this room who have worked hard to commemorate the services of American Armed Forces and to help establish a World War II Memorial.

And it's a pleasure to be here for two reasons. First, I've testified before this subcommittee before on the subject of accountability. A couple years ago I was here to talk about strengthening the accountability over Employee Retirement Income Security, that act, and employee benefit plans. In fact you may recall, Mr. Chairman, I was on a panel and you asked us to come up and sit up with you while you asked questions of another panel, which was an interesting and rather exhilarating experience, I might add.

Mr. SHAYS. We only did it once.

Mr. CLARK. Darn.

Second, I'm pleased to be here because, as Mr. Terry I think pointed out real well, we have a positive story to tell. And for those who are familiar with GAO testimony, that's not always the case. So it's nice to be able to do that every now and then.

GAO first began auditing ABMC in 1983 when Congress created the World War II fund. At that time, ABMC did not prepare agency-wide financial statements, and the law required only that we

audit the revenue and expenditures of the memorial fund. In fiscal year 1997, ABMC began preparing agency-wide statements and we began auditing them. We strongly supported the legislation requiring ABMC to prepare the statements and we commend ABMC for both their efforts in preparing the statements and their cooperation in responding to our audits.

Agency-wide financial audits are vitally important in ensuring accountability, principally because they determine the reliability of financial information reported, provide information on the adequacy of systems and controls used to ensure accurate financial reports, safeguard assets and report on agencies' compliance with laws and regulations.

As has been discussed this morning, ABMC has successfully prepared financial statements for each of the past 3 fiscal years and we have given ABMC an unqualified or clean opinion on their statements for each of those years.

Importantly, ABMC statements now provide a separate column or counting for the World War II fund, which is critical given the importance of the fund and the fact that the fund now comprises the majority of ABMC financing sources and assets.

Specifically, we have reported that ABMC's financial statements are reliable in all material respects, internal controls over financial reporting are effective, and that we found no reportable instances of noncompliance with the selected provisions of laws and regulations we tested.

I want to stress that ABMC has promptly and effectively responded to all of our audits and has resolved virtually all of the issues and concerns we have raised. For example, in response to our audits, ABMC has strengthened its controls over cash, developed and implemented effective policies regarding the recording of accounts payable as other accruals, and better segregated duties among its staff to better strengthen its controls over goods purchased.

ABMC is also in the midst of acquiring a new integrated accounting system, which when implemented should substantially resolve the few issues that remain outstanding. For example, the new system will provide more comprehensive controls over passwords and internal access to ABMC's accounting and disbursing systems. The ABMC has approached this issue with the utmost care and thoroughness and plans to have a new system in place by next year.

Before I close, I think it's important to put ABMC's financial accountability in context. Preparing financial statements with a clean audit opinion is not a small feat. Unlike ABMC, many Federal departments and agencies today still cannot produce reliable financial statements, continuing to be plagued by significant financial management weaknesses, problems with fundamental recordkeeping and financial reporting, incomplete documentation and weak internal control, including computer controls.

ABMC, on the other hand, after being in business successfully for nearly 75 years without agency-wide statements, and with almost no advance notice, had to quickly document, develop, and implement new accounting policies, procedures and systems, and to develop financial statements almost from scratch. They had to do that at the same time, I might point out, while subjecting itself to a

comprehensive audit from us. The agency not only did this and did it well, but in a sense has become a model for other Federal agencies through a number of accomplishments, not the least of which is complying early with difficult new accounting standards requiring the computation and reporting of deferred maintenance.

We believe that ABMC should be commended for its efforts, its progress and its accomplishments in this regard. That concludes my summary statement.

Mr. SHAYS. Thank you, Mr. Clark.

[The prepared statement of Mr. Clark follows:]

United States General Accounting Office

GAO

Testimony

Before the Subcommittee on National Security, Veterans Affairs, and International Relations, Committee on Government Reform, House of Representatives

For Release on Delivery
Expected at
10 a.m.
Tuesday,
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FINANCIAL AUDITS

American Battle Monuments Commission

Statement of David L. Clark
Director, Audit Oversight and Liaison
Accounting and Information Management Division

GAO/T-AIMD-00-211

Mr. Chairman and Members of the Subcommittee:

I am pleased to discuss our financial audits of the American Battle Monuments Commission (ABMC),[1] including ABMC's management of the World War II memorial fund. First, though, I will briefly describe legislative initiatives over the past several years to improve financial management across the federal government, and how our financial audits of ABMC fit into that larger context. Second, I will discuss the history of ABMC's financial accountability, focusing specifically on the World War II memorial fund. Third, I will discuss the results of our most recent financial audits.

Legislative Initiatives to Improve Federal Financial Management

The Chief Financial Officers (CFO) Act of 1990, as expanded by the Government Management Reform Act of 1994, requires major federal departments and agencies to annually produce agencywide financial statements.

These legislative initiatives were designed to subject the federal government to the same fiscal discipline imposed for years on the commercial sector and state and local governments and to provide the Congress, agency officials, and others with reliable information through audited financial statements. Financial audits determine the reliability of the financial information reported, provide information on the adequacy of systems and controls used to ensure accurate financial reports, safeguard assets, and report on agencies' compliance with laws and regulations.

The Veterans' Benefits Improvements Act of 1996 requires ABMC, beginning with fiscal year 1997, to prepare agencywide financial statements consistent with the requirements for major departments and agencies and requires GAO to audit them. The statutory requirements put ABMC's financial reporting on a par with major federal departments and agencies and help to institutionalize accountability over ABMC's financial operations.

[1]Financial audits and related management letters regarding ABMC's financial statements for fiscal years 1997 to 1999: GAO/AIMD-98-81, February 27, 1998; GAO/AIMD-98-130R, April 28, 1998; GAO/AIMD-99-74, March 1, 1999; GAO/AIMD-99-125R, April 8, 1999; and GAO/AIMD-00-85, March 1, 2000.

Accountability Over the World War II Memorial Fund

In fiscal year 1993, Congress enacted the World Ward II 50th Anniversary Commemorative Coins Act, directing that a portion of the surcharge proceeds be deposited in a fund for expenses incurred in establishing a World War II memorial. In recognition of the importance of ensuring accountability over a World War II fund, the Coin Act required us to annually audit the revenues and expenditures of the fund to be established in the Treasury.

At that time, ABMC was required to have accounting systems and internal controls that provided effective control over, and accountability for, assets for which it was responsible, but it was not required to prepare agencywide financial statements and have them audited. As a result, ABMC did not undergo an agencywide comprehensive financial audit until fiscal year 1997.

ABMC made significant strides in fiscal year 1997 to strengthen its financial management and comply with the new financial requirements. In fact, ABMC was one of the first federal agencies to comply early with new federal accounting standards developed to implement the CFO Act. One key area was ABMC's compliance with a new accounting standard requiring the reporting of deferred maintenance cost estimates. As a result of complying with the standard, ABMC identified and publicly reported the need for engineering maintenance projects totaling approximately $10.6 million to maintain real property in acceptable condition. The Congress subsequently provided ABMC with additional funds to help reduce deferred maintenance, which decreased to approximately $7.5 million by the end of fiscal year 1999.

ABMC combined the World War II memorial fund with other trust funds in the balance sheet for fiscal year 1997. Partly in response to our suggestion, ABMC began providing a separate breakout for the World War II memorial fund in the balance sheet beginning in fiscal year 1998. The separate breakout, which is provided for all of ABMC's financial statements, allows readers to focus on the World War II memorial fund, which now comprises the majority of ABMC's financing sources and assets.

As a result of ABMC's initial efforts, we were able to report that ABMC's fiscal year 1997 and 1998 financial statements we audited were reliable in all material respects and that we found no reportable instances of noncompliance with laws and regulations that we tested. We did identify several financial management concerns, almost all of which ABMC has now addressed and successfully resolved. For example, ABMC has

- strengthened its controls over cash by performing and approving monthly reconciliations with foreign bank accounts and by developing and

implementing written policies and procedures for reconciling its fund balance with the Treasury,

- strengthened its recording of accounts payable and other accruals by developing and implementing specific written policies on those issues, and
- strengthened its controls over goods purchased by better segregating duties among ABMC staff.

Audit Results for Fiscal Year 1999

We gave another positive report on ABMC's financial statements for fiscal year 1999. Specifically, we reported that ABMC's consolidating financial statements as of and for the fiscal year ended September 30, 1999, and comparative consolidated totals as and for the year ended September 30, 1998, were presented fairly in conformity with generally accepted accounting principles. That type of report is referred to as an unqualified or "clean" opinion. We further reported that ABMC had effective control over financial reporting and compliance with laws and regulations as of September 30, 1999, and that we found no reportable instances of noncompliance with selected provisions of laws and regulations we tested.

We did report one condition regarding internal control weaknesses over information technology systems. The weaknesses included, for example, (1) incomplete user documentation for accounting systems used by ABMC's European and Mediterranean Regional Offices, resulting in users having to learn how to use the systems mainly through on-the-job training, (2) certain systems passwords and other access vulnerabilities, and (3) inadequate continuity plans for ensuring successful manual operations and timely recovery of automated processing in the event of a business interruption. We reported that ABMC plans to resolve these weaknesses through the acquisition and implementation of a new accounting system by fiscal year 2001 and through efforts to be taken in tandem with the new system.

We did not consider these weaknesses to be material to the financial statements, primarily because all of the automated accounting and disbursing systems are not accessible from external sources and are not electronically interconnected between ABMC offices. Also, ABMC has a series of manual reviews and reconciliations that must be performed before any financial transactions can be processed and paid. A material weakness exists when the design or operation of internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material to the consolidating financial statements being audited may occur and not be detected within a

timely period by employees in the normal course of performing their assigned tasks.

ABMC's success in preparing agencywide financial statements, and attaining an unqualified opinion on them, are significant milestones in institutionalizing sound financial management and organizational accountability. In contrast, many major federal departments and agencies still cannot produce financial statements that are reliable in all material respects. Agencies continue to be plagued by significant financial systems weaknesses, problems with fundamental recordkeeping and financial reporting, incomplete documentation, and weak internal control, including computer controls.

The major progress that ABMC's management has made to ensure financial accountability should go a long way in assuring the Congress, the public, veterans, donors, and others that contributions to the World War II memorial fund are being properly accounted for and safeguarded. In that regard, we suggest that ABMC consider including its audited financial statements in its annual report. Doing so would allow ABMC to link management, performance, and financial information in one place and better facilitate oversight by the Congress and others.

Mr. Chairman, this concludes my statement. I would be happy to respond to any questions that you or other members of the Subcommittee may have at this time.

(911989)

Mr. SHAYS. Mr. Cullinan.

Mr. CULLINAN. Thank you very much.

Mr. SHAYS. How do you say your name properly?

Mr. CULLINAN. Cullinan.

Mr. SHAYS. Cullinan.

Mr. CULLINAN. It's just like Culligan but Cullinan.

Thank you very much, Mr. Chairman, members of the committee. Before beginning, I must say in this particular instance it is indeed a pleasure to be sitting at the same table as a representative of the General Accounting Office.

Mr. SHAYS. So noted.

Mr. CULLINAN. It's not often that I would say that.

Mr. CLARK. It won't work, but go ahead.

Mr. CULLINAN. I am pleased to be here today representing the men and women of Veterans of Foreign Wars and our Ladies Auxiliary and, in fact, all of America's veterans, to voice our steadfast support on behalf of the National World War II Memorial. The VFW recognizes the importance of supporting the World War II Memorial both morally and philosophically. As you know, more than 400,000 Americans lost their lives during World War II. An additional 672,000 were wounded. It was a time of great sacrifice for this country but also a time when our veterans displayed tremendous valor, commitment and vision, and helped firmly establish the United States as a world power.

The VFW, which includes close to 1 million World War II veterans among its membership, believes that this well-deserved and long-overdue recognition of veterans will not only honor the spirit of those who served but also pay homage to the legacy of an entire generation of Americans who lived during World War II.

At this juncture, I would express our special thanks, especially on behalf of our men and women from the great State of Ohio, to Congresswoman Marcy Kaptur for having taken the lead in this instance. The VFW is so committed to seeing the World War II Memorial become a reality that a grassroots membership including Vietnam veterans has already raised over 3 million for this noble purpose. Within a year we are nearly half way to meeting our goal of $7.5 million, making us the second largest single contributor and first among all veterans service organizations.

Individual VFW members also played an instrumental role in facilitating and contributing to the single largest collection effort made by Wal-Mart. A number of those World War II veterans, as Senator Dole referenced earlier, who work in Wal-Mart are also VFW members.

To honor those courageous veterans who in their youth saved the world, the VFW has given unprecedented support to ensure that their sacrifices are always remembered for generations to come. The VFW will match donations at a rate of $1 for every $2 donated by VFW members, post, and the general public. Although the memorial is within reach of fulfilling its goal of completion, time is still of the essence. It is estimated that fewer than half of the 16 million men and women who served during the Second World War are still alive. The VFW will continue to work to ensure that these funds are used for the portions of the memorial dedicated to those who died in the service to this Nation during that great conflict.

We especially commend the American Battle Monuments Commission as well as the Memorial Campaign for the yeoman service they have offered up in this regard.

Mr. Chairman, this concludes my testimony. I would be happy to answer any questions you may have.

Mr. SHAYS. Thank you very much.

[The prepared statement of Mr. Cullinan follows:]

VETERANS OF FOREIGN WARS

OF THE UNITED STATES

TESTIMONY OF

Dennis M. Cullinan
Director of National Legislative Service

VETERANS OF FOREIGN WARS OF THE UNITED STATES

before the
SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS, AND INTERNATIONAL RELATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

OVERSIGHT OF THE AMERICAN BATTLE MONUMENTS COMMISSION AND THE WORLD WAR II MEMORIAL

Tuesday, June 6, 2000
10:00 A.M.

Mr. Chairman and members of the Subcommittee:

I am pleased to be here representing the men and women of the Veterans of Foreign Wars of the U.S. and its Ladies Auxiliary to voice our steadfast support on behalf of the National World War II Memorial. The VFW recognizes the importance of supporting the WWII Memorial both morally and philosophically. As you may know, more than 400,000 Americans lost their lives during WWII and an additional 672,000 were wounded. It was a time of great sacrifice for this country, but also a time when our veterans displayed tremendous valor, commitment, and vision and help firmly establish the United States as a world power.

The VFW, which includes close to one million WWII veterans among its membership, believes that this well-deserved and long overdue recognition of veterans would not only honor

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the spirit of those who served, but also pay homage to the legacy of an entire generation of Americans who lived during WWII.

No conflict during the 20th century has so dramatically altered history as did World War II. These veterans paid and sacrificed at immense costs. In concordance with Section 3 of our Congressional Charter, which sets forth as one of the purposes of the organization, "to perpetuate the memory and history of our dead," we will remain vigilant in working to make sure this memorial is complete. The proposed WWII Memorial seeks to "honor all those who served, particularly our war dead, the missing, the unknown and those who suffered grievous casualties." Thus, as an organization of overseas combat veterans, the VFW bears an obligation to vigorously campaign for the Memorial's completion before the passing of our WWII generation. In addition, this Memorial will represent not only the freedom and independence that America's veterans have fought for, but will also represent our ancestors' struggle to build a nation based on pride, honor, and virtue.

On May 25, 1993, nearly 50 years after the completion of the war, Public Law 103-32 was signed into law. This law authorized the American Battle Monuments Commission to establish a monument to be fully funded by private contributions dedicated to all those who served during WWII and acknowledging the commitment and achievement of the entire nation. The WWII Memorial will be built on nearly seven acres in the National Mall here in the Nation's Capitol between the Washington Monument and the Lincoln Memorial. The goal is to break ground by Veterans Day, 2000.

The VFW is so committed to accomplishing this goal that $2.5 million has been set aside exclusively to match donations made to the WWII Memorial. If this goal is achieved, VFW's gift would total $7.5 million --- the largest contribution from any single group.

We are pleased that the Memorial's development has steadily progressed. According to the 2000 Spring edition of the *National WWII Memorial Newsletter*, the campaign has $85 million of the $100 million needed to cover design, construction, maintenance, and ceremony costs. The VFW has long been involved in this planning process. Of particular note, at the VFW's 1998 Washington Conference, we decided to emphasize and formalize our involvement in funding the WWII Memorial by passing a resolution to conduct a special campaign in support of the Memorial. The resolution reads, in part, "Section 3 of the Congressional Charter of the VFW sets forth as one of the purposes of the organization to perpetuate the memory and history of our dead." As an organization of overseas combat veterans, the VFW bears an obligation to work towards the Memorial's completion before the passing of this special generation of men and women.

To honor these heroes, the VFW has given unprecedented support to ensure that the sacrifices of WWII veterans are always remembered for generations to come. The VFW will match donations at a rate of one dollar for every two dollars donated by VFW members, posts and the general public.

Although the Memorial is within reach of fulfilling its goal of completion, time is still of the essence. It is estimated that fewer than half of the 16 million men and women who served during the WWII are still alive. The VFW will continue to work to ensure that these funds are used for the portion of the Memorial dedicated to those who died in service to this nation during that conflict. This concludes my testimony on behalf of the men and women of the Veterans of Foreign Wars. I would be happy to respond to any questions you may have.

Mr. SHAYS. I first want to commend the VFW for setting a goal of $7.5 million. That's truly extraordinary with all the other activities that have—you and the services you provide, to take that on as an obligation is quite commendable.

Mr. CULLINAN. Thank you very much.

Mr. SHAYS. I want to be clear, Mr. Clark, you audit both the Commission as well as the memorial fund.

Mr. CLARK. We began auditing just the memorial fund in 1993. So for 1993, 1994, 1995, 1996, that's all that we audited, and we issued a separate report just on that. Now what we have is a comprehensive set of financial statements which includes all of ABMC's operation. If you look at the financial statements, you will see that there's a separate column on the financial statements just for the World War II funds. So you can see the whole ABMC at one time, and within those statements see the separate funds for the World War II fund.

Mr. SHAYS. So just address the fund itself. The fund is sound; how would you describe the effort on the fund?

Mr. CLARK. I would like to point out first, our purpose is to ensure that the financial statements accurately reflect what ABMC has in the fund, what it has spent, what its obligations may be. And that is fairly presented or it's accurate. If you go beyond that, you will see that the fund in fact is healthy. As the witnesses were testifying earlier, we were over here, we were reconciling those numbers and they sounded accurate to us. Our report is as of last September 30th, so we are assuming the numbers you have today are much updated.

Mr. SHAYS. They've raised significant funds since then. Can you address the concept of 26 percent of the cost going into the fundraising effort? Is that something you can address? If not, I don't want you to. In other words, is that something you spoke to?

Mr. CLARK. That is not something we look at specifically.

Mr. SHAYS. But you verify basically that they allocated so much for fundraising, they raised so much.

Mr. CLARK. Yes.

Mr. SHAYS. Mr. Cullinan, do you want to speak about the efforts to raise funds in general and your sense of how they're doing?

Mr. CULLINAN. Actually I would, Mr. Chairman. I think this is a terrific example of a movement that's from the bottom up. You know, in many things, especially with respect to what does and does not get done here on Capitol Hill, the national organization takes the lead. But this is an example where the individual members, auxiliary members, our VFW posts throughout the Nation, took it upon themselves to not only initiate action but to follow through.

There's almost a humorous side bar reference to our efforts on behalf of Wal-Mart earlier, and indeed I believe our membership played a significant role. But as a veterans service organization with a set goal of $7.5 million, we would have liked for them to make their financial donations through the VFW. Sometimes they were so zealous, so enthused about seeing this World War II Memorial become reality, they went through Wal-Mart or elsewhere. So I think that says it all. It's in the hearts and souls of the VFW membership, the grassroots.

Mr. SHAYS. A family affair, isn't it?

Mr. CULLINAN. A family affair.

Mr. SHAYS. Would you just want to address the site location and how you all resolve it in your organization's mind?

Mr. CULLINAN. We are not professing to being experts in matters of architecture or esthetics. The VFW is on record in support of the site location. We've testified twice before the Congress in this regard as well as the Fine Arts Commission and elsewhere, you know. Our objective as a veterans organization is to ensure that the best possible memorial be constructed in honor of the heroes of the Second World War, and that's our perspective.

Mr. SHAYS. As I look at the site, I see an archway with people. I guess in the model it represents people. And you realize that's still quite an impressive site, even though they toned it down a bit. But as someone who went, evolved from being opposed to the site to someone who supports it based on two things—one, the fact that they did make it more in keeping size-wise, but also they basically maintain the Reflecting Pool as it pretty much is—I mean, it will be slightly different—and the site line.

So I think what they did was a very acceptable and more than acceptable job of conforming to the concerns that some people expressed, and still being in a place that people will see and enjoy. So I think it's—I think they did well. That's kind of how I evolved in that process.

I don't have other questions. Mrs. Biggert, do you have questions you would like to ask?

Mrs. BIGGERT. Well, since this report is so good, it's really hard to ask any questions.

Mr. SHAYS. We don't have to make news.

Mrs. BIGGERT. That's right. I might just ask, Mr. Cullinan, do you think that your sources for fundraising are pretty tapped out? I mean, are there more members that you can go to or is this——

Mr. CULLINAN. This is a conversation yesterday afternoon with our Kansas City headquarters. They're the ones who coordinate the matching program and are in touch with our various posts and grassroots representatives. From what they tell me, enthusiasm is still there. Yes, it is quite a burden and there are many things that they're asked to contribute to, many worthy things. But this seems to be a very special issue, I would emphasize, not just for the World War II veterans but veterans of other wars as well.

Mrs. BIGGERT. So you think you'll have no problem reaching your goal.

Mr. CULLINAN. I think it looks good.

Mr. SHAYS. She does that after every question that she asks.

Let me ask you gentlemen if you have any comments. Your testimony is on the record and you did hear testimony that preceded you. If you want to respond to any comment or question that was asked of the previous panel, be happy to have you respond to it.

Mr. CLARK. Not from me, sir.

Mr. CULLINAN. We want to thank and congratulate you for having today's hearing.

Mr. SHAYS. Thank you both. It's very exciting. Truly, Mr. Clark, I know if you had felt there were concerns, you would have voiced them. So I think your audit is one which we're happy to hear

about, and congratulate the Commission and look forward to this memorial, this monument, this shrine to our World War II veterans and the generation in general being built, and happy that we have a lot of good things to look forward to.

And we'll just reemphasize, you had suggested that maybe more than half—Mr. Dole had used the number 6 million of the 16 million still living—obviously it's somewhere in that number—but 1,000 a day, veterans that we are losing. I want to have as many veterans as possible see this facility, and I congratulate Ms. Kaptur on the other side of the aisle for acting on a constituent concern and Congress following through on it and the administration and the agency moving forward.

And so I thank all who participated in this hearing, and we will adjourn. In fact, we will close the hearing. Thank you.

[Whereupon, at 11:46 a.m., the subcommittee was adjourned.]

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