

COST PROJECTION TABLE PART A - January, 2011		Year -->	2016	2017	2018	2019	2020
Sub-Total number of Blue Water Navy (BWN) veterans who served (*1)	229,000						
Remove all past, present, and future Non-Hogskins Lymphoma (NHL) cases							
Number of BWN removed by Inland Waters Service, Policy 211 (*2)	71,000	35,500					
Total number of BWN veterans in the active pool of candidates	158,000						
% still alive (*3)	38.0%						
Total living BWN veterans (eligible for AO Act) at end of each year			30,907	24,567	17,273	9,461	1,429
% who will not seek benefits (*4)	65.0%						
% who will seek benefits	35.0%						
BWN veterans forecasted to file for benefits			10,817	8,599	6,046	3,311	500
% of claims denied by the VA	65%		7,031	5,589	3,930	2,152	325
% of claims approved by the VA (*5)	35%		3,786	3,010	2,116	1,159	175
% who will receive 100% disability rating (*6)	15.0%						
Veterans who will receive 100% disability rating			568	451	317	174	26
% who will receive 30% disability rating	85.0%						
Veterans who will receive 30% disability rating			3,218	2,558	1,799	985	149
Monthly & Annual Cost of BWN veterans receiving 100% disability (*7)	\$ 2,823	\$ 33,876	\$ 19,238,776	\$ 15,292,489	\$ 10,752,138	\$ 5,889,126	\$ 889,382
Monthly & Annual Cost of BWN veterans receiving 30% disability	\$ 421	\$ 5,052	\$ 16,258,345	\$ 12,923,408	\$ 9,086,439	\$ 4,976,795	\$ 751,601
ANNUAL COST OF AGENT ORANGE ACT OF 2009 (*8)			\$ 35,497,121	\$ 28,215,897	\$ 19,838,576	\$ 10,865,921	\$ 1,640,983
CUMULATIVE COST OF AGENT ORANGE ACT OF 2009 (*8)			\$ 353,342,578	\$ 381,558,474	\$ 401,397,051	\$ 412,262,972	\$ 413,903,955
Average cost for one year per BWN veteran (*9)			\$ 9,376	\$ 9,376	\$ 9,376	\$ 9,376	\$ 9,376
Daily/annual BWN Vietnam Veteran deaths (*10)	28	10,220	6,340	7,294	7,812	8,032	4,636
Total Cumulative BWN Viet Nam Veteran Deaths			35,473	42,767	50,579	58,611	63,247
Annual Mortality Rate for BWN Vietnam Veterans (*11)			17.6%	23.6%	31.8%	46.5%	49.0%
Annual Increase in Mortality Rate (*12)			4.9%	6.0%	8.2%	14.7%	2.5%
Average Age at Death for Vietnam Veterans	66						
Average Age at Death for Non-Vietnam veteran Males	78						
The Nehmer Ruling Application							
Total Number of potential Old Claims affected by Nehmer (*13)	158,000						
Percentage of previously denied claims	5%						
Subtotal	7,900						
Average number of years for age of claim	11						
Annual rate of pay at 30% (Average 1999-2009)	\$4,440						
Subtotal of potential dollar value (*14)	\$385,836,000						
Number of claims valid because Death Certificate shows claim disorder (*15)	80%						
Total dollar value of Nehmer Ruling additions (*16)	\$308,668,800						
DIC Payments past and future (*17)	8,000	5,000.00					
Number of Years for past / future payments	10	8.00					
Annual Payment Rate - (Average annual 1999 - 2009)	\$11,215	13848					
SubTotal For Past DIC	\$897,200,000						
Future Payments for DIC, 8 years with 5,000 new claims	\$553,920,000						
DIC COST	\$1,451,120,000						
NEHMER COST	\$308,668,800						
LEGISLATION COST	\$ 413,903,955						
(*18) TOTAL FINAL COST	\$2,173,692,755						

Cost Projection Explanations – Part B of the Spreadsheet

Item 1

514,300 – Over the years, there have been estimates of exactly how many veterans were in such and such a place during the Vietnam War. A number that had often been used for “offshore personnel” was in the range of 514,000. In our earlier research, since this number was fairly consistently used, we accepted that as the number we needed to work with.

In earlier analyses, we overlooked the full definition of that number which was not always included in the sources we reviewed. The number of personnel in the area of 514,000 originally included the following definition: **Including 514,300 offshore personnel served in the Southeast Asia Theater (Vietnam, Laos, Cambodia, flight crews based in Thailand, and sailors in adjacent South China Sea waters)**. So this number was a vast overstatement of the true number of offshore personnel who served in Vietnam.

229,000 - In an analysis of Vietnam casualties, there is a section that lists total personnel serving at the time of the Vietnam War world-wide, the total personnel serving in Southeast Asia, and the total serving in South Vietnam. Those totals have been very nearly the same since the early 1980s. What the Casualty Summary does is take those totals and break them down by the four service branches. We have this report from June 15, 2004, and it lists 229,000 Navy personnel serving in Southeast Asia (inclusive of the dates Nov. 1, 1955 to May 15, 1975). The 2004 Summary was prepared by Washington Headquarters Services, Directorate for Information Operations. This is an office within the Department of Defense (DoD).

That casualty summary reappeared “As of May 16, 2008” and though there are some changes to the numbers regarding classification of casualties, the numbers giving total personnel serving remained the same: 229,000 Navy in Southeast Asia. That Report is attributed to the Defense Manpower Data Center, attached to the DoD under contract. These numbers from the 2008 Casualty Summary were also cited in a February, 2010 report from the Congressional Research Service. 229,000 appears to be the correct number of offshore personnel serving in Southeast Asia.

Item 2

All claims for NHL from offshore personnel fall under the purview of 38 CFR 3.313 which is a ruling from 1990 and has no connection to herbicide exposure. This is the result of a CDC Selective Cancers Study of 1989, pre-dating the Agent Orange Act of 1991. These personnel, with quantity left blank, are eliminated from the provisions of the Agent Orange Equity Act and its funding.

The Inland Water Services (Policy 211) program has released, as of January 24, 2011, a list of Ocean-going (Blue Water) ships that have been designated, at some point or other (some for multiple or continuous times), to have entered the geographical boundaries of South Vietnam. Ports, bays and harbors are not considered by the DVA to be "Inland Water." The Inland Water Services requirement now has three provisions:

- Ships operating primarily or exclusively on Vietnam's inland waterways;
- Ships operating temporarily on Vietnam's inland waterways or docking to the shore;
- Ships operating on Vietnam's close coastal waters for extended periods with evidence that crew members went ashore or that smaller vessels from the ship went ashore regularly with supplies or personnel.

The January, 2011 DVA release of Blue Water Navy ships and crew given consideration under one of the three provisions of the Inland Water Services contains over 140 individual ships and several ship types and classifications. We estimate approximately 35,500 naval personnel represent the crew of those ships. We also estimated that one-half the crew of each ship would have been replaced twice over the 13-year period of 1962 to 1975, or the replacement of an entire crew. Doubled, that expands to 71,000 individuals who no longer need the provisions of the Agent Orange Equity Act because they receive their treatment and compensation from the Inland Water Services per the original Agent Orange Act of 1991. At this point, we don't know how many of this total are suffering from herbicide disabilities nor how many intend to file for disabilities of any type.

Item 3

There have lately been a lot of estimates of how many Vietnam War veterans are alive today. That number is always below 40%, with some estimates going as low as 30%. We will use a conservative 38% in our computations. We believe that the lower numbers are more correct, so using 38% will allow some "extra dollars" to be counted. At the end of 2010, there were 60,040 living BWN veterans who could take advantage of the Bill with new claim filings. At this point, we don't know how many of them are suffering from herbicide disabilities nor how many intend to file for disabilities of any type.

Item 4

Historically, Vietnam veterans have shied away from the DVA. Less than 30% of those veterans have stepped forward to claim their benefits. However, due to the changes in time and circumstance, we increase that to 35% of the eligible veterans who will step forward.

Item 5

We assume that 35% of submitted claims will be approved. This number has historically hovered around 27% to 30%, so once again, we are giving the benefit of the doubt which should create some “extra dollars” to be counted. This does not consider any reversals of appealed claims.

Item 6

In the past, the approval rate for Agent Orange claims by the DVA is less than 10% but we understand that may be climbing. So we assume that 15% of claims will result in decisions granting 100% disability. There is some indication that the nature of the claims for this older group of veterans may require this increase because of the advanced nature of their diseases (which also implies they will be collecting their compensation for a much shorter time). We also assume that all of the eligible veterans will file a claim, per #4. The remaining 85% of claims will result in approvals that will average a 30% disability rating.

Item 7

We have used the 2010 dollar amount for a veteran and his wife as \$2823/month. Hopefully, this rate will go up over the next 10 years, but there is no guarantee. But we felt it would be out of character to be optimistic about everything.

Item 8

At the end of 2020, there will be no significant number of Vietnam veterans alive to be drawing money under the Agent Orange Equity Act. Again, in the VA's favor, we have pushed this time for the relative extinction of Vietnam Veterans from the year 2016 to 2020. The estimated life span for the majority (in excess of 80%) of Vietnam BWN veterans is about 66 years.

Item 9

This is the total annual cost divided by total annual recipients.

Item 10

Vietnam Era Veterans are dying at a rate of about 285/day. At least 20% of all service members of that era served in the navy. We estimate that one-half of all Vietnam Era naval personnel served in Southeast Asia.

Item 11

This is an estimated annual mortality rate for BWN veterans.

Item 12

This is the annual progression of estimated mortality rate of BWN veterans between 2010 and 2020.

Item 13

One element not factored above involves payments under the Nehmer Ruling. This requires the DVA to pay all previously denied claims for herbicide disabilities to the veteran, his survivors, or his estate if a later claim for the same condition is approved. So, how many of the Blue Water Sailors might have been previously denied claims for herbicide exposure but are now eligible? We'll say that 5% of 158,000 eligible veterans actually filed a claim, were denied, but are now eligible.

Item 14

Additionally, the average age of their claim will be 11 years, which mimics the VA's assumption in the Economic Impact Analysis for the latest three presumptive diseases, all payable at the 30% disability rate, the typical average rating. The average annual payment amount for 30% disability between 1999 and 2010 was \$4,440.

Item 15

But we may find only 50% of the claimants can prove that the veteran died of the herbicide ailment that was originally filed for. This decrease is very common because the death certificate must clearly state the cause or contributing cause of death matches the condition that was named in the original compensation claim. Nearly all veteran families were unaware of this requirement, and we estimate only ½ of veteran families even now know about that DVA requirement for eligibility.

Item 16

The total Nehmer Dollars is a significant cost increase to this Vietnam veteran legislation. These payments should all occur within the first year of this legislative enactment.

Item 17

A second consideration for the cost of this legislation includes DIC payments to widows or survivors of personnel who died of 100% service-connected causes. We estimate that there could have been as many as 8,000 DIC payments being made over the past 11 years, and that there will be 5,000 additional DIC claims moving forward for the next 8 years. We have used the \$11,215 amount for all back pay (average payment for 100% disability for the past 11 years) and the current annual rate of \$13,848 is extended for all future payments. Exact future payment number and dollars will remain unknown.

Item 18

Total Final Costs for Agent Orange Equity Act over a 10-Year Period including Legislative dollars, Nehmer dollars, and DIC Costs:

\$2,173,692,755