

**Senate Committee on Veterans Affairs
April 12, 2004 Committee Field Hearing
Walla Walla, Washington**

**Testimony of James M. Kuntz
Executive Director, Port of Walla Walla**

Senator Murray, on behalf of the Walla Walla Community and veterans throughout the Pacific Northwest I would like to thank you for holding this important hearing in Southeast Washington. My name is Jim Kuntz, Executive Director, Port of Walla Walla. Our Port is the lead economic development agency for Walla Walla County with primary responsibility for creating and retaining family wage jobs.

The Port along with many public and private businesses throughout Southeastern Washington are concerned about possible changes to the VA Medical Center in Walla Walla. The CARES Commission has recommended to the Department of Veterans Affairs that in-patient services be eliminated in Walla Walla. Those who have testified earlier today have clearly articulated the impact this decision would have on our veterans. It simply defies logic to reduce services at a time when our veteran population is growing and there is increased demand for primary and specialty care in Washington State.

I would like to focus my testimony today on the negative impact this decision could have on the economic health of the Walla Walla Valley. The VA Medical Center with its 365 jobs is the 12th largest employer in Walla Walla County. Annual payroll is estimated between \$21-24 million. These family wage jobs are important to a small rural community like Walla Walla. If the CARES Commission recommendation is implemented our economy will be negatively impacted. There are no practical alternatives for replacing these highly paid jobs in today's economy.

The timing of the CARES Commission report comes at a time when Walla Walla is facing other economic challenges. Just last month, Sykes Enterprises, Inc. announced they would be closing their technical call center in May. Sykes is the 14th largest employer in Walla Walla County. The closure of this facility will result in 265 lost jobs.

Although we are concerned with the projected job losses at the VA Medical Center, the Port understands the Department of Veterans Affairs desire to invest in more modern facilities to enhance care for our veterans. During the past thirty years the Department has spent hundreds of millions of dollars on major construction projects throughout the United States, including the Pacific Northwest. What is unacceptable and extremely frustrating is that during this same timeframe our facility did not receive funding for any significant improvements or updates. According to the CARES report "There has been no major construction at this facility in over 30 years."

As the direct result, we now are faced with buildings that no longer meet code or current medical standards. They are also expensive to maintain. This lack of investment is not the fault of the veterans who utilize this facility nor is it the fault of the Walla Walla Community. Yet, both groups stand to lose a great deal due to the failure to reinvest in the Walla Walla facilities.

While the Port believes it is worthwhile to understand the underlying causes for the CARE Commission's view that the Walla Walla facility is outdated, it is even more important that we develop a forward-looking strategy for the future of the entire facility. Many in this room today would envision a future that would provide for a modern yet modestly sized VA Medical Center in Walla Walla that delivers quality health care to our veterans. In addition, the VA Medical Center would continue to be an important employer in the Walla Walla Valley although some jobs may be lost.

This vision is possible if we work together. It will take local, state and federal resources to implement. As the lead economic development agency for Walla Walla County, the Port stands ready to help.

Again, I would like to thank Senator Patty Murray for holding this hearing today and her long-standing commitment in supporting our veterans.