



THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

January 3, 2008

The Honorable Henry A. Waxman
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Waxman:

This is a follow-up to the letter sent to you on October 25, 2007, regarding sharing agreements and leases at the Department of Veterans Affairs (VA) West Los Angeles (LA) campus.

The enclosed Fact Sheet provides the additional information about these sharing agreements you had requested. These agreements generate revenue which go directly to support patient care projects at the West LA campus. They also provide jobs for veterans through direct employment of veterans or through the Compensated Work Therapy program, a therapeutic program that serves veterans who suffer from mental illness, substance abuse disorders, and other disabilities.

The information contained herein may include trade secrets or confidential commercial or financial information which would be exempt from disclosure under the Freedom of Information Act (FOIA), 5 U.S.C. 552(b)(4). I ask that this information remain confidential and not be released to the public.

Thank you for your continued interest in health care for our Nation's veterans.

Sincerely yours,

A handwritten signature in black ink, appearing to read "James B. Peake".

James B. Peake, M.D.

Enclosures

**Department of Veterans Affairs (VA)
Veterans Health Administration (VHA)**

**Fact Sheet
Response to Congressman Henry A. Waxman
Land Use Issues at the West Los Angeles (LA) Campus
of the VA Greater LA Health Care System**

The following information is provided in response to the subjects raised in the Congressman's letter:

Leases, licenses, permits, easements, and actions, activities, or programs that do not require expenditure of Federal funds, such as sharing agreements are categorically excluded from National Environmental Policy Act (NEPA) analysis pursuant to 38 CFR Section 26.6(b)(xiii), unless extraordinary circumstances exist. If extraordinary circumstances exist, as detailed in 38 CFR Section 26.6(b)(3), VA must perform analysis under NEPA, such as an Environmental Assessment or Environmental Impact Statement.

BreitBurn Energy

The Department of Interior's mineral rights lease with BreitBurn Energy mandates that VA provide BreitBurn with a revocable license for oil drilling. A revocable license (number 691-67-010LI) is authorized under common law and is revocable at will. The funds generated from this revocable license are used for direct patient benefit, supplying television sets, DVD players, newspapers, patient education materials, patient hygiene materials, patient refreshments for special events, and small giveaway items for patients at special events. As prescribed by BreitBurn, financial accounting of all proceeds received through agreements with the Department of Interior must be requested through the Department of Interior. Attached is a letter from BreitBurn explaining their position and rights, as well as a more detailed accounting of their revenue (Attachment A).

Enterprise Rent-A-Car

VA does not have a contract with Enterprise Rent-A-Car. VA has an enhanced sharing agreement (number V691S-154) with Westside Services. VA is authorized to enter into this enhanced sharing agreement under statute 38 U.S.C. §§ 8151-8153 - sharing use of space. With facility approval, Enterprise Rent-A-Car was permitted by Westside Services to park vehicles at the campus.

Fox Entertainment

VA is authorized to enter into this enhanced sharing agreement under statute 38 U.S.C. §§ 8151-8153 - sharing use of space. VA is conducting an environmental assessment for the project as required by NEPA. Local permits and license are not required because the West LA campus is federal property. Revenue generated by this agreement is deposited and used to fund facility-wide projects.

Tumbleweed Buses

VA does not have a contract with Tumbleweed. VA has an enhanced sharing agreement (number V691S-154) with Westside Services. VA is authorized to enter into this agreement under statute 38 U.S.C. §§ 8151-8153 - sharing use of space. With facility approval, Westside Services permitted Tumbleweed to park vehicles on the campus. The maximum number of buses allowed to park on the site is 90.

Buerge Ford

VA does not have a contract with Buerge Ford. VA has an enhanced sharing agreement (number V691S-154) with Westside Services. VA is authorized to enter into this agreement under statute 38 U.S.C. §§ 8151-8153 - sharing use of space. With facility approval, Westside Services permitted Buerge Ford to park vehicles on the campus. The maximum number of vehicles permitted to park on the site is 250.

Fisher House

The Fisher House Foundation constructs and then donates houses to VA for temporary lodging of veterans' families while veterans receive VA care. This is a national program with 38 homes at VA and Department of Defense hospitals throughout the country. The Fisher House Foundation pays for the design and construction of the house. Once the home is complete, the Foundation donates it to VA. There is no lease or revenue for this project. Families stay at the home free of charge while their loved ones are undergoing inpatient procedures or receiving complex outpatient treatment such as radiation or chemotherapy. The Foundation hires the contractors to build the home; therefore, there is no competitive process for the construction contract. The blueprints are not complete, but the Foundation uses a similar design for all homes. The Fisher House program is a highly regarded national program that is widely supported by veteran service organizations and provides a much needed service for veterans and their families on the campus.

Richmark Entertainment/Wadsworth Theater Management

VA has an enhanced sharing agreement (number V691S-159) with Richmark Entertainment which includes the Wadsworth Theatre. VA is authorized to enter into this agreement under statute 38 U.S.C. §§ 8151-8153 - sharing use of space. Revenue generated by this agreement is used to fund facility-wide projects. Attached is a list of events arranged by Richmark Entertainment (Attachment B).

Los Angeles Film Festival, CineGear Expo and Other Short-term Leases

VA does not have a contract with the Los Angeles Film Festival or CineGear Expo. The Film Festival and CineGear Expo were permitted by Richmark Entertainment to be on the campus under the enhanced sharing agreement (number V691S-159) with Richmark Entertainment. VA is authorized to enter into this agreement under statute 38 U.S.C. §§ 8151-8153 - sharing use of space.

Westside Services and Parking Lots

VA has an enhanced sharing agreement (number V691S-154) with Westside Services. VA is authorized to enter into this agreement under statute 38 U.S.C. §§ 8151-8153 - sharing use of space. Revenue generated by this agreement is used to fund facility-wide projects.

Accounting for leases and alternative revenue

A detailed account of alternative revenue streams from all sharing agreements for 2005, 2006, and 2007 is attached (Attachment C).

Alcohol use and sale on the West LA VA Campus

In all but one sharing agreement, VA does not allow for the sale or consumption of alcohol. The enhanced sharing agreement (number V691S-159) with Richmark Entertainment contains a clause that allows alcohol to be served during special events, provided prior approval has been given by VA. *VHA Directive 1660.1* specifically prohibits the sale of alcohol, but does not prohibit use.

**Department of Veterans Affairs
December 2007**