

DISTRICT OFFICE:
8436 WEST THIRD STREET
SUITE 600
LOS ANGELES, CA 90048-4183
(323) 651-1040
(818) 878-7400
(310) 652-3095

Congress of the United States
House of Representatives
Washington, DC 20515-0530

HENRY A. WAXMAN
30TH DISTRICT, CALIFORNIA

September 5, 2007

The Honorable R. James Nicholson
Secretary
Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, D.C. 20420-0002

Dear Secretary Nicholson:

Thank you again for furnishing my office with numerous records regarding veterans' services, land use and the CARES process at the West LA VA. I appreciate your supplying me with this information. Based on my review of these records, and understanding of the issues surrounding the West LA campus, I am requesting further clarification and additional documentation, on the following subjects:

Leases:

I believe the VA may be exceeding the scope of sharing agreements at the West LA VA. It is my understanding sharing agreements are intended to be used for sharing healthcare facilities. However, many of the furnished leases and leases outlined below are for non-healthcare uses. Please advise me whether the VA has entered into leases that exceed the intended scope of VA sharing agreements.

I am also interested to know whether any of the sharing agreements, leases or contracts require or encourage the leasing partner to employ veterans as a term of the agreement.

I also have concerns about the overall environmental impacts of the leases, both separately and cumulatively. Please advise me whether the VA has complied with all local and federal environmental requirements, including NEPA. Please advise me whether traffic studies and public hearings have been held or will be held with respect to the leases.

In addition, from my review of the records provided by the VA, it appears several leases were not included as a part of the document release. Therefore, I would appreciate your providing me with the following leases and answering the questions below. If additional leases have been executed since the time the VA furnished the documents in December 2006, please identify and supply them as well.

September 5, 2007

Page 2

- Breitburn Energy: Please provide a copy of the lease with Breitburn Energy, including its execution date, expiration date, and the number of times it has been renewed. Please provide me with the annual gross and net revenue generated at the oil well for 2005, 2006 and 2007. I understand the mineral rights are assigned to the Department of the Interior. Please verify this and advise me as to whether this agreement can be modified so the majority of proceeds and mineral rights remain with the VA. Please also advise me as to how the proceeds are distributed. What percentage of the proceeds did the VA receive in these calendar years? How much actual revenue was returned to the West LA VA? For the proceeds that were dedicated to the West LA VA in 2005, 2006 and 2007, please advise me how they were applied and will be applied for use at the West LA VA.
- Enterprise Rent-A-Car: I understand an Enterprise Rent-A-Car facility is operated on the West LA VA campus. Please provide me with a copy of the lease, including its execution date, expiration date and the number of times it has been renewed. Please advise me as to whether there was a competitive bidding process for the award of the lease. Please also provide me with the gross and net revenue generated from the lease for 2005, 2006 and 2007 and how they were applied and will be applied for use at the West LA VA.
- Fox Entertainment: I understand the VA has entered into a lease with Fox Entertainment to build a set storage or "butler building" on the West LA VA campus. Please provide me with a copy of the lease, including its execution date, expiration date and the number of times it has been renewed. Please provide me with the gross and net revenue generated by the lease in 2005, 2006 and 2007 and how the funds are applied and will be applied to veterans' services at the West LA VA campus. Please also advise me as to the status of the construction and whether a competitive process was used in awarding the agreement. Please also advise me whether NEPA was followed and whether an EIS was prepared. Please also furnish me with local permits and licenses which were issued prior to the construction.
- Tumbleweed buses: I understand several Tumbleweed buses are parked on the West LA VA premises. Please provide me with a copy of the corresponding lease, including its execution date, expiration date and the number of times it has been renewed. Please provide me with the gross and net revenue generated by the lease in 2005, 2006 and 2007 and how the funds were applied and will be applied to veterans' services at the West LA VA. Please also detail the scope of the lease, including the maximum number of buses allowed to park on the West LA VA premises.
- Buerge Jeep: I understand vehicles from Buerge Jeep are parked on the West LA VA. Please provide me with a copy of the applicable lease, including its execution date, expiration date and the number of times it has been renewed. Please provide me with the

September 5, 2007

Page 3

gross and net revenue generated by the lease in 2005, 2006 and 2007 and how the funds were applied and will be applied to veterans' services at the West LA VA. Please also detail the scope of the lease, including the maximum number of vehicles allowed to park on the West LA VA campus.

- Fisher House: I was pleased to learn about the recent groundbreaking for the Fisher House at West LA VA. Please provide me with a copy of the lease or contract for the program. Please also provide me with the environmental documents that have been prepared for the construction. Furthermore, please detail the revenue sharing and projected costs for the program. If the construction contract has been awarded, please supply me with a copy and advise me as to whether and how a competitive process was used. If schematics, blueprints or plans are available, please furnish them as well.
- Richmark Entertainment/Wadsworth Theater Management: Thank you for furnishing the agreement between the VA and Richmark Entertainment/Wadsworth Theater Management in your response to the previous request. In addition, please provide me with a list of events arranged by Richmark Entertainment/ Wadsworth Theater Management in 2005, 2006 and 2007, including events that are scheduled to occur for the duration of the calendar year. Furthermore, please specify the gross and net revenue generated by the lease in 2005, 2006 and 2007 both for the VA and for Richmark Entertainment. For the revenue that stays with the West LA VA, please advise me how the funds were applied and will be applied to veterans' services at the West LA VA.
- Los Angeles Film Festival, Cine Gear Expo and other short-term leases: I understand that the West LA VA allows several short-term events to take place on the premises each year. Please provide me with a list of short-term events in 2005, 2006 and 2007, including events that are scheduled to occur for the remainder of the calendar year. Please also detail how the leases for short-term events are executed. Please provide me with the gross and net revenue generated by the leases in 2005, 2006 and 2007 and how the funds were and will be applied to veterans' services at the West LA VA.
- Westside Services and parking lots: Please provide me with a copy of the lease between the VA and Westside Services, including its execution date, expiration date and number of times it has been renewed. Please also provide me with other leases for the use of the parking lots on the VA. Please include the gross and net revenues generated by these leases in 2005, 2006 and 2007, including the projected revenues for the remainder of this calendar year and how they were and will be applied to veterans' services at the West LA VA.

Accounting for leases and alternative revenue: According to the VA's reports, the West LA VA generates approximately \$5 million annually through sharing agreements, leases and alternative revenue streams. Please provide me with a detailed accounting of the revenue stream for the September 5, 2007

September 5, 2007

Page 4

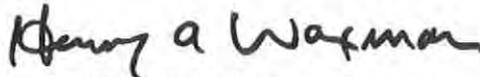
years 2005, 2006 and 2007, including projections for the remainder of the current year. I am interested in receiving a full accounting of gross and net revenue generated by each lease or event, the amount of funds retained by the lessee, the amount of funds retained by the VA and how the revenue generated from the leases was or will be applied to veterans' services at the West LA VA.

Alcohol use and sale on the West LA VA: Many military veterans and community members have reported the use and sale of alcohol at events on the West LA VA premises. According to Title 38, Chapter I, Part I, Section 1.218 (a) (7), the head of each VA facility is responsible for enforcing the prohibition of alcoholic beverages on VA property. Moreover, the Veterans Health Administration Handbook indicates that when the VA shares space under its sharing authority, it may not permit the sale of alcohol. This is cause for serious concern. Please identify any language that the VA uses or has used in its sharing agreements, leases or contracts for the West LA campus to stipulate the prohibition of the use and sale of alcohol. If no such language has been used, please clarify the authority under which you believe you or your sharing partners are permitted to serve or sell alcohol on the West LA VA campus.

I would appreciate your furnishing me with the requested information by September 30, 2007. Thank you for your ongoing assistance with my requests.

With kind regards, I am

Sincerely,



HENRY A. WAXMAN
Member of Congress

HAW:lp