

OFFICIAL TRANSCRIPT PROCEEDINGS BEFORE

LIBRARY
SUPREME COURT, U.S.
WASHINGTON, D.C. 20543

THE SUPREME COURT OF THE UNITED STATES

DKT/CASE NO. 84-571

TITLE HARRY N. WALTERS, ADMINISTRATOR OF VETERANS' AFFAIRS,
ET AL., Appellants V. NATIONAL ASSOCIATION OF RADIATION
SURVIVORS, ET AL.

PLACE Washington, D. C.

DATE March 27, 1985

PAGES 1 - 59



(202) 628-9300
20 F STREET, N.W.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

IN THE SUPREME COURT OF THE UNITED STATES

- - - - -x

HARRY N. WALTERS, ADMINISTRATOR :

OF VETERANS' AFFIARS, ET AL.,

Appellants, :

V. : No. 84-571

NATICNAL ASSOCIATION OF :

RADIATION SURVIVORS, ET AL. :

- - - - -x

Wednesday, March 27, 1985

Washington, D.C.

The above-entitled matter came on for oral
argument before the Supreme Court of the United States
at 10:07 o'clock a.m.

APPEARANCES:

MARK IRVING LEVY, Assistant to the Solicitor General,
Department of Justice; on behalf of the Appellants.
GORDON PAUL ERSPAMER, ESQ., San Francisco, CA;
on behalf of the Appellees.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C O N T E N T S

<u>ORAL ARGUMENT OF</u>	<u>PAGE</u>
MARK IRVING LEVY, ESQ.	
on behalf of the appellants	3
GORDON PAUL ERSPAMER, ESQ.,	
on behalf of the appellees	29
MARK IRVING LEVY, ESQ.	
on behalf of the appellants	54

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

P R O C E E D I N G S

CHIEF JUSTICE BURGER: We'll hear arguments first this morning in Walters v. the National Association of Radiation Survivors.

Mr. Levy, you may proceed whenever you're ready.

ORAL ARGUMENT OF MARK IRVING LEVY, ESQ.

ON BEHALF OF THE APPELLANTS

MR. LEVY: Thank you, Mr. Chief Justice, and may it please the Court, since the time of the Civil War, Congress has strictly limited the amount that a veteran can pay an attorney in connection with a claim for veterans' benefits before the V.A.

During the first 120 years that this policy was in force, no court ever found the fee limitation statute to be unconstitutional. Indeed this Court in Gendron, in summarily affirming the decision of a three-judge District Court, had sustained the constitutionality of the statute against the procedural due process challenge.

In the present case, however, the United States District Court for the Northern District of California entered a broad preliminary injunction against the constitutionality of the fee provision. We have brought this case to this Court on direct appeal to

1 defend the constitutionality of the statute.

2 The Court granted a stay of the District
3 Court's order and the fee limitation has remained in
4 effect pending this Court's decision.

5 Now, before discussing the V.A. system, I'll
6 first briefly address the standard of review that is
7 applicable here. Appellees contend that the sole issue
8 before this Court is whether the District Court abused
9 its discretion in enjoining enforcement of the statute.
10 We disagree. Whereas here a District Court's
11 preliminary injunction rests on an error of law, it is
12 subject to plenary review and should be reversed as
13 legally erroneous.

14 There is no reason for this Court to defer to
15 a District Court on questions of law. And a District
16 Court has no discretion to strike down on the basis of a
17 legal error a valid act of Congress.

18 Now, in light of this standard, let me turn
19 then to --

20 QUESTION: Mr. Levy, appropos of the standard,
21 are you in a position to say whether the District Court
22 contemplated extensive further proceedings after the
23 entry of the preliminary injunction, more receipt of
24 evidence, and that sort of thing?

25 MR. LEVY: I think that was at least an open

1 possibility, but the record in this case even at this
2 stage is quite extensive, and it's simply not clear how
3 much more would be required. But it is clear that the
4 preliminary injunction was not meant to be a final
5 judgment --

6 QUESTION: Mr. Levy, the Government didn't put
7 in much evidence in the proceedings below, did it?

8 MR. LEVY: It did not put in much evidence
9 because we think the case raises an issue of law.

10 QUESTION: But presumably, if it were to
11 continue, the Government would have some evidence to
12 present.

13 MR. LEVY: We would certainly consider that in
14 light of the Court's opinion, and we would like to leave
15 open that possibility if the Court disagrees with our
16 principal issue that the case is ripe for decision on
17 the merits now.

18 QUESTION: Well, you do agree, I guess, that
19 the standard of review normally for a preliminary
20 injunction is the abuse of discretion standard.

21 MR. LEVY: We think that's the appropriate
22 standard where the entry of the preliminary injunction
23 depends on an appraisal of the facts or discretionary
24 weighing of the relative equities of the party and
25 considerations of that sort.

1 When it turns on a question of law, though, we
2 do not think that's the --

3 QUESTION: Well, it wasn't clear to me just
4 what the question of law was that you think governs.

5 MR. LEVY: We think that this Court can
6 determine as a matter of law that the statute is
7 constitutional and that the District Court's entire
8 approach was incorrect as a matter of law. We think
9 that is the fundamental legal issue.

10 QUESTION: Can that be done, and Mathews v.
11 Eldridge provides the framework of analysis?

12 MR. LEVY: Yes, we think it can be done under
13 the Mathews standard. Essentially the issue would be
14 whether the system has an undue risk of error or is
15 fundamentally unfair, and we think that in this
16 particular case at least, that can be decided as a
17 matter of law, and that the District Court erred in
18 taking particular evidence about certain claims in the
19 system and basing a preliminary injunction on that
20 basis.

21 QUESTION: So it all boils down in your view
22 basically to the risk of error component in the
23 Mathews/Eldridge formula.

24 MR. LEVY: I believe that's right. And more
25 particularly, Appellees' position is that the difference

1 between the representation of counsel substitute -- that
2 is, the free accredited service representatives that we
3 discuss at length in our brief -- and the representation
4 provided by retained lawyers is so critical to the
5 fairness and accuracy of the procedure, that it is a
6 matter of constitutional dimension rather than a matter
7 of policy making for Congress.

8 We think that really is the central issue in
9 the case, viewed in the overall context of the V.A.
10 system.

11 QUESTION: Well, are there no factua findings
12 that are relevant to that, to the extent the court found
13 that as applied at least, the proceedings were not being
14 conducted in an informal manner, and that there is a
15 risk of error?

16 MR. LEVY: We think there are no facts that
17 are appropriate for a court to take, at least in the
18 circumstances of this case; that the system viewed in
19 the overall context of the way Congress intended it to
20 operate and the recent and extensive consideration the
21 Congress has given to the system and the determinations
22 it made are sufficient to sustain the constitutionality
23 of the statute.

24 But an important part of our argument is the
25 overall context of the V.A. system, and it's to that

1 that I would now like to turn.

2 QUESTION: Did the Government simply rely on
3 the statute in this case? The statute is perfectly
4 clear. No one has any doubt about what it means.

5 MR. LEVY: That's correct.

6 QUESTION: And the question is whether or not
7 it violates the Constitution, apparently, in the minds
8 of some.

9 MR. LEVY: That is the question presented.
10 And we think that for really two reasons the District
11 Court's approach was error. First, as I say, and as I
12 will discuss in more length later, Congress itself has
13 looked at this issue and has made certain conclusions
14 that are exactly contrary to what the District Court
15 determined on the record in this case.

16 In that situation, we think principles of
17 deference and judicial restraint require a court to
18 defer to the determination that Congress has made. But
19 even beyond that, the question in this case is whether
20 the feeling that renders the system, in the generality
21 of cases whether it renders the overall system
22 fundamentally unfair and inaccurate, it is inappropriate
23 in our view for a District Court to rely on the kind of
24 evidence that it did here, the sort of individualized,
25 anecdotal, impressionistic evidence of some

1 self-interest that attorneys and claimants who are
2 dissatisfied with the system, and indeed even the sort
3 of anecdotal evidence that plaintiffs obtained in
4 discovery from V.A. officials -- we think that is simply
5 not a reliable and substantial enough basis to strike
6 down an act of Congress.

7 At most what the court should have looked at
8 were things that went to the validity of the system. As
9 the Chief Justice suggests, it would be the statute, the
10 regulations, the policies of the V.A., systemwide
11 statistics perhaps and how it operates. It would be at
12 that level, even in an operational --

13 QUESTION: Did the District Court, Mr. Levy,
14 hold the statute unconstitutional across the Board, or
15 just as it operated with respect with respect to these
16 particular Appellees?

17 MR. LEVY: Well, it's or struck down the
18 statute across the board. Indeed, it went well beyond
19 this case and the service-connected death and disability
20 benefits issue here.

21 But even under Appellees' characterization, we
22 think it is misleading to call this as applied
23 challenge. Usually what that means is that you look at
24 particular circumstances of an individual case and
25 decide whether the statute as applied there is or is not

1 constitutional.

2 In this case, the Appellees challenged the
3 system in entire categories of what they call complex
4 cases. Now, those are a relatively small part of the
5 V.A.'s total caseload; they comprise thousands of
6 claims. And Appellees simply ignored the differences
7 among the claims and the claimants in those cases.

8 They also make a number of arguments against
9 the validity of the system that are in no way limited to
10 the classic cases they have identified. They are rather
11 systemwide complaints about the V.A.. And indeed,
12 Appellees in their brief make an effort to defend the
13 relief that the District Court entered here, which is a
14 nationwide injunction which is not limited to the
15 plaintiffs, either the organizational or individual
16 plaintiffs in this case, which is not limited to complex
17 cases, which is not limited to cases in which the
18 District Court, for whatever reason, thought the process
19 would be unfair in the absence of retained lawyers. It
20 is a broad preliminary injunction.

21 QUESTION: Mr. Levy, can I interrupt for a
22 second, because I'm still puzzled about standard review
23 and the way we approach the case.

24 The District Court wrote an opinion about 50
25 pages long and made a lot of factual conclusions and

1 statements in there, some of which might be called
2 findings, some of which might be conclusions; I don't
3 know.

4 But to the extent that they are findings of
5 fact in the District Court's opinion, do you challenge
6 them?

7 MR. LEVY: We have not come to this Court to
8 ask it to decide whether the District court abused its
9 discretion. We do think that the methodology of the --

10 QUESTION: So then if we think facts are
11 important, we may assume for purposes of deciding this
12 case that the District Court has correctly stated it.

13 MR. LEVY: Well, in our reply brief, we
14 discuss at some length the record, and we think the
15 District Court's reading of the evidence is highly
16 questionable and vulnerable, but we have not presented
17 as a separate question whether the District Court --

18 QUESTION: So your answer to my question is
19 yes, for purposes of deciding the case we should assume
20 that to the extent findings of fact are in the District
21 Court's opinion, they are correct.

22 MR. LEVY: I think the Court would be entitled
23 to come to the conclusion that the District Court's
24 findings were clearly erroneous or an abusive
25 discretion. But that is --

1 QUESTION: But you have not so argued.

2 MR. LEVY: But that is not the reason we have
3 come to the Court.

4 QUESTION: So again, I just want to -- for
5 purposes of deciding the case, we assume that the
6 factual statements made by the District Court are
7 correct.

8 MR. LEVY: No. I think our position would be
9 that for purposes of resolving our principal argument,
10 and that is that this case can be resolved as a matter
11 of law, that assumption would be appropriate. If the
12 Court disagrees with us on that, but nonetheless feels
13 that the District Court's conclusions were erroneous or
14 arbitrary, abuse of discretion --

15 QUESTION: So your view is, as a matter of
16 law, even if there is a greater risk of error because of
17 the statute, and that the veterans don't get the full
18 range of services that lawyers could provide them,
19 nevertheless the statute is valid.

20 MR. LEVY: We would take the position that it
21 is constitutional, but we would also take the position
22 that the premise of your question is not the proper
23 basis for decision here, because Congress itself has
24 looked at the system, conducted extensive hearings over
25 a number of years, issued a number of reports, and has

1 come to the conclusion that the system is informal and
2 non-adversarial and that the V.A. service
3 representatives do provide effective assistance, and
4 that lawyers are unnecessary and undesirable here.

5 So we think that is the appropriate factual
6 premise for the Court's decision. And against that
7 background, we think the statute is clearly
8 constitutional.

9 QUESTION: I take it that it's the
10 Government's position that there are no findings of fact
11 of any kind that bear on the constitutionality of this
12 statute. The statute must be evaluated on its face.

13 Is that so?

14 MR. LEVY: Well, we take that position in
15 light of the congressional determinations. Had Congress
16 not found that, there would be an open question of
17 whether it would be appropriate, but --

18 QUESTION: Well, including the legislative
19 history, too.

20 MR. LEVY: That's correct. But I want to
21 reiterate that even if it were appropriate for the
22 District Court to make some kinds of factual inquiries,
23 we think that the approach taken here was fundamentally
24 misguided and that the court should have focused on a
25 more systemwide perspective to determine whether, under

1 the Eldridge standard in the generality of cases, the
2 system is fundamentally unfair and fundamentally
3 inaccurate, not whether in particular cases there may
4 have been a mistake made or whether people might have
5 felt wrongly that they weren't entitled to retain a
6 lawyer.

7 That is not the relevant question. And so we
8 think the District Court's approach to the extent that
9 it went to this sort of individualized or anecdotal
10 level was not a proper inquiry for the District Court.

11 QUESTION: Well, Mr. Levy, do you take the
12 position that in any Mathews v. Eldridge inquiry as
13 applied to a particular statute enacted by Congress,
14 that if there are sufficient congressional hearings and
15 review, that the Court in every such case should look to
16 the congressional history in deciding the application of
17 Mathews v. Eldridge standards?

18 MR. LEVY: Let me say that this case is
19 somewhat unusual in the sense that Congress is making --

20 QUESTION: Well, answer, if you would, whether
21 that is your view --

22 MR. LEVY: That is not our --

23 QUESTION: -- that we should look first to the
24 extent of congressional hearings to determine whether a
25 court is entitled to make findings under Mathews.

1 MR. LEVY: It is not our view where the
2 extensive congressional hearings are contemporaneous
3 with the statute being enacted. But that's not the
4 situation here.

5 Congress was reviewing a statute that's been
6 in effect for 120 years. The Congress is intimately
7 familiar with it. It has amended it from time to time
8 and has reconsidered it subsequently on numerous
9 occasions. So when you're making congressional
10 determinations about a statute that's been in place and
11 you're looking to the operation of the system, it is in
12 those circumstances that we would say that deference is
13 due as a matter of judicial restraint to the
14 determinations of Congress.

15 It is not the typical legislative history, one
16 of construing a statute, but is contemporaneous with the
17 enactment.

18 QUESTION: And would the same thing apply to
19 review of state statutes? If a state legislature had
20 reviewed a statute already in effect and made findings,
21 then we should defer to that?

22 MR. LEVY: Well, I think that would be an
23 arguable position. Different considerations would come
24 into play, and we haven't taken a position on that. I
25 think that would not necessarily be determined by this

1 case, but certainly where Congress is the legislative
2 body we think the argument --

3 QUESTION: Is there another case where this
4 Court has expressed that framework of analysis?

5 MR. LEVY: I believe so. And we've cited a
6 number of them in our brief, but I can focus on a few of
7 them in particular. I think in *Texaco v. Short*, which
8 was the mineral lapse case, the Court said that the
9 Indiana legislature was in a much better position than
10 the Court to decide whether the two-year grace period
11 was sufficient notice to satisfy due process when the
12 statutory requirements were being changed.

13 The opinion of Justices Brennan, Marshall, and
14 White in *Oregon v. Mitchell* had a quite extensive
15 discussion of this proposition and concluded that as a
16 matter of judicial restraint and judicial competence,
17 courts should defer to the broad constitutionally
18 applicable facts.

19 QUESTION: Mr. Levy, you really are talking
20 about invalidating a statute on its face, aren't you?

21 MR. LEVY: I believe that's right, although --

22 QUESTION: Or at least you are not talking
23 about invalidating a statute as applied to a particular
24 case.

25 MR. LEVY: Absolutely not. That's exactly

1 right.

2 QUESTION: And I would suppose you would
3 concede that this statute could be unconstitutionally
4 applied in a particular case.

5 MR. LEVY: It is conceivable.

6 QUESTION: You can't argue, you aren't arguing
7 that --

8 MR. LEVY: They're not arguing that that's not
9 conceivably possible. We think those cases would be
10 few, if any.

11 QUESTION: And you're saying that Congress's
12 attention to this statute at least should preclude
13 invalidation on its face.

14 MR. LEVY: Exactly

15 QUESTION: Now, it's invalidation on its face
16 in reliance on the operation of the system. We don't
17 take the position that a court can never look beyond the
18 statute as written in the books or the regulations on
19 their face. It is appropriate in some circumstances,
20 although not here, perhaps to look at the operation of
21 the system, but it's the operation of the system, it's a
22 systemwide approach --

23 QUESTION: Well, is it possible here that the
24 court did make an as-applied analysis, but simply erred
25 in the extent of the relief that it granted under the

1 preliminary injunction by trying to enjoin the entire
2 operation?

3 MR. LEVY: I don't believe so, if by
4 "as-applied," you mean as to the three or four
5 individual plaintiffs in this case. That was not the
6 way the case was litigated below and the substantial
7 part of the record has nothing to do with them. It is
8 directed, rather, to this category of complex cases that
9 Appellees seek to identify.

10 QUESTION: The District Court didn't direct
11 itself to the facts of these particular cases?

12 MR. LEVY: It did not; no. There were
13 incidental portions of the record and perhaps incidental
14 references in the opinions, but that certainly was not
15 the basis for the District Court's opinion.

16 QUESTION: Was this a class action?

17 MR. LEVY: It was not a class action. No
18 class was requested or certified.

19 QUESTION: Mr. Levy, I'm puzzled by your
20 response to Justice White. Do you concede that there
21 could be some unconstitutional applications of the
22 statutes?

23 MR. LEVY: I concede it is a theoretical
24 possibility, although as I say, it is doubtful it would
25 ever exist. We think that there would have to be two

1 things shown in order to make out that kind of a case.
2 First, it would have to be shown that the representation
3 of an attorney would necessarily be required in order to
4 have adequate representation and would categorically be
5 better than that provided by a service representative;
6 and second, that the claimant would be unable,
7 consistently with the fee limit, to have a lawyer
8 represent him.

9 We doubt that there are very many, if any
10 cases, in the first category where it can be concluded
11 absolutely that a lawyer is necessary and would do a
12 better job than a service representative. And we also
13 doubt that there are many cases given pro bono lawyers,
14 given legal services, given that some service
15 representatives are in fact themselves attorneys, we
16 doubt that if a particular case ever arose where it was
17 truly necessary to have an attorney, that the claimant
18 wouldn't be able to find one consistent with the \$10 fee
19 limit.

20 But if those two conditions ever happen to
21 come up and could be demonstrated, then we would agree
22 that the statute could be held unconstitutional.

23 QUESTION: But that's not the issue here.

24 MR. LEVY: That is not the issue here. No, it
25 certainly isn't.

1 Now, at the risk of going back, I would like
2 to discuss the nature of the claims system that is
3 before the Court today, because that is fundamental to
4 the issue that we have asked it to decide.

5 The relationship between the Government and
6 veterans is a very special, indeed a unique one.
7 Throughout the history of this nation, Congress has
8 shown special concern and solicitude for veterans and
9 has provided a wide range of care and assistance to them
10 and their families.

11 That relationship is carried over to the
12 benefit system for service-connected death and
13 disability that is at issue here. Both the substantive,
14 and more importantly for present purposes, the
15 procedural features of that system clearly reflect
16 Congress's special consideration of our nation's
17 veterans.

18 Now, the V.A. claims systems is a truly unique
19 administrative process. Congress created a system in
20 which claims were to be processed quickly and
21 efficiently, in which legal technicalities and lawyers
22 would not be involved, in which the V.A. and service
23 representatives would assist veterans in establishing
24 their claims, and in which administrative claims
25 decisions would be final and not subject to judicial

1 review.

2 By design, the V.A. system is informal and
3 nonaversarial. The procedures and forms are easily
4 understood and quite liberal. The system is not
5 governed by technical legal requirements or
6 formalities. For example, the rules of evidence do not
7 apply and there is no cross-examination.

8 Moreover, no V.A. personnel, whether lawyers
9 or non-lawyers, appear in opposition to the claim.
10 Rather, it is the V.A.'s responsibility to assist the
11 veteran to establish his claim and to grant benefits
12 wherever possible under the law. And to that end, V.A.
13 administers the statute under a broad construction and
14 gives every reasonable doubt to veterans.

15 Finally, there is an extensive system
16 specifically recognized by the Congress of
17 representatives of accredited service organizations to
18 assist and represent veterans at no cost. These service
19 representatives are paid full-time employees of the
20 service organizations. They receive training, both form
21 and on-the-job, and through their continuing day-to-day
22 involvement in the V.A. system, they develop ease and a
23 familiarity and expertise with the V.A. process and its
24 personnel.

25 These non-lawyer representatives are also

1 especially well-suited to the factual and medical or
2 vocational issues that are involved in benefit claims.

3 QUESTION: Well, what's more interesting to
4 me, those organizations weren't in existence when the
5 law was passed.

6 MR. LEVY: They were not in existence in 1862,
7 although they've been in existence, I believe, since
8 1924.

9 QUESTION: But they weren't when the law was
10 passed.

11 MR. LEVY: They were not when the law was
12 first passed. They were when Congress has subsequently
13 amended the law, and they've been in effect for more
14 than half a century.

15 QUESTION: But they weren't there when the law
16 was first passed.

17 MR. LEVY: That's correct.

18 QUESTION: That's all I'm asking you to
19 admit.

20 MR. LEVY: No, I agree with that, although --

21 QUESTION: If there were no such
22 organizations, would the law be constitutional?

23 MR. LEVY: This would be a much harder case,
24 quite honestly, if the organizations didn't exist. I
25 wouldn't be prepared to say that it would be

1 unconstitutional, but I can say it would be much more
2 difficult. But we think that the service
3 representatives are a fundamental and integral part of
4 this system, and the Congress essentially has provided a
5 system of counsel substitute.

6 QUESTION: Then why are they necessary if the
7 Veterans Administration is doing all this for the
8 veteran benefits? I don't understand.

9 MR. LEVY: I'm not saying it would be
10 necessary, but it seems to me they are certainly
11 helpful, both to the veteran and to the
12 constitutionality of the statute. And that's one of the
13 things that makes this system truly unique. I am
14 unaware of any other system --

15 QUESTION: What about the finding of the court
16 below that the service representatives are giving
17 ineffectual assistance now? What do we do with that?

18 MR. LEVY: We have two fundamental objections
19 to that. First, we think the District Court, at most,
20 could have determined that in certain individual cases
21 the representative perhaps didn't do as good a job as
22 should have been done.

23 That may be true. This is a large system.
24 There are thousands of representatives, and there may be
25 an occasional case where the system doesn't work as it's

1 intended to work. But that doesn't cast doubt on the
2 constitutionality of the statute. Due process depends
3 on the generality of cases and the fairness of the
4 system.

5 Beyond that, Congress has looked at the issue
6 and has determined that in the overall claim system,
7 representatives do provide effective assistance, and the
8 V.A. does render help to the claimants, and so we think
9 that the District Court's findings, completely
10 inconsistent with Congress, have to give way as a matter
11 of deference to the congressional determination.

12 And I should point out that one piece of
13 objective evidence in this record is that the success
14 rates for service representatives are generally as good,
15 and in some instances better than the success rates for
16 veterans in the V.A. system. We think that's very
17 telling evidence that the District Court simply swept
18 aside.

19 Now, it may be that that's not conclusive. It
20 may not end the case, but we think it is strong
21 corroboration for the fairness of the system overall,
22 both on its face, as Congress has intended and as
23 Congress has determined it to operate.

24 QUESTION: Do you mean that the veterans'
25 organizations give better legal services than §10

1 lawyers do?

2 MR. LEVY: Well, there aren't very many \$10
3 lawyers in the system.

4 QUESTION: Well, I thought you said they get
5 better service.

6 MR. LEVY: I said their success rates are as
7 good, and in some instances better.

8 QUESTION: Than whom?

9 MR. LEVY: Than attorneys who are in the
10 system. The attorneys in the system now would typically
11 be a pro bono attorney who is handling the case for
12 free, or a legal services attorney.

13 QUESTION: So I'm right; it's a \$10 lawyer.

14 MR. LEVY: No, it's all lawyers who are now in
15 the system. And the question is not whether the service
16 -- the question is not even whether the service
17 representatives do as good a job; the question is
18 whether they do a good enough job. Congress has found
19 that they do and has had this statute in a very unique
20 administrative system for 120 years.

21 QUESTION: Does the V.A. provide a service
22 representative in every case?

23 MR. LEVY: The V.A. does not formally itself
24 provide the service representative. They are provided
25 by the service organization under the statute in the

1 relationship between the veteran and the service
2 organization.

3 And the answer is yes, the service
4 representative is available upon request in every case.

5 QUESTION: So the veteran goes to the V.A. and
6 the V.A. directs him to a service representative?

7 MR. LEVY: That would be possible, or they go
8 to a service representative or a service organization
9 directly. And as I understand it, the service
10 organizations handle any claim without regard to the
11 possible likelihood of success or even without regard to
12 whether the veteran is a member of that association.

13 So I think it's fair to say that a service
14 representative is available to every claimant in every
15 case if he wishes it.

16 QUESTION: You've emphasized that the Congress
17 wanted to do away with lawyers in the proceedings in the
18 administration of this statute. They also wanted to do
19 away with judges, both lawyers and judges, and have it
20 be a purely administrative procedure.

21 MR. LEVY: That's correct. Section 211(a)
22 bars judicial review of the administrative decisions in
23 claims, and we think that strongly reinforces the
24 overall nature of the system that Congress wanted here,
25 and part and parcel of that system is not to have it run

1 by lawyers, not to have it subject to the legal
2 technicalities that are typically found in our legal
3 system, including in administrative processes.

4 QUESTION: Are the service representative
5 full-time employees of the particular veterans'
6 organizations, or are they volunteers or some of both?

7 MR. LEVY: The service representatives who
8 represent claimants before the V.A. are paid full-time
9 employees. There are some volunteers at the local level
10 who provide other kinds of assistance.

11 QUESTION: But they're not employees of the
12 Government?

13 MR. LEVY: No, no, no. Full-time paid
14 employees of the service organizations.

15 QUESTION: And when you talk about service
16 organizations, we've got an awful lot of green briefs in
17 this case. Are any of them filed by service
18 organizations?

19 MR. LEVY: There's one service organization
20 that's filed an amicus brief on behalf of the Government
21 in this case, and several -- I don't know the exact
22 number -- that have filed amicus briefs on behalf of
23 Appellees, two or three, I think.

24 QUESTION: What are the names of some of the
25 service organizations?

1 MR. LEVY: VF, the Veterans of Foreign Wars;
2 the Red Cross; Disabled American Veterans; organizations
3 of that type, some of which are specifically identified
4 in the statute.

5 QUESTION: And with one exception, they
6 disagree with you on the merits -- the service
7 organizations themselves.

8 MR. LEVY: Well, the ones that have come in.
9 As I say, I think two or three have come in on the other
10 side, but I don't think that is particularly harmful to
11 our position. In effect, what we see this case to be is
12 an attempt by the Appellees to invoke the due process
13 clause to obtain relief from the courts that they
14 haven't been able to get from Congress.

15 QUESTION: May I ask on the congressional
16 point, do you rely primarily on the congressional
17 judgment at the time the statute was enacted or in
18 subsequent deliberations on whether to amend the
19 statute?

20 MR. LEVY: Well, we rely on both and
21 Congress's continuing familiarity. But we place a
22 central reliance on the legislative record in the last
23 five or six years when Congress has considered
24 amendments of the fee limitation and declined to amend
25 it because it found the system to be adequate and fair

1 as it now exists.

2 I would like to reserve the remainder of my
3 time.

4 CHIEF JUSTICE BURGER: Mr. Erspamer.

5 ORAL ARGUMENT OF GORDON PAUL ERSPAMER, ESQ.

6 ON BEHALF OF THE APPELLEES

7 MR. ERSPAMER: Mr. Chief Justice and may it
8 please the Court, this case involves a central question
9 of what process is due veterans who have been killed,
10 maimed, or injured in the service of their country, and
11 in connection with the benefit programs Congress has
12 instituted to compensate them for those deaths or
13 injuries.

14 More specifically, it involves a question of
15 whether a veteran can pay an attorney more than \$10 out
16 of his own pocket to represent him in connection with
17 complex service-connected death and disability
18 compensation claims.

19 It also involves the validity of a separate
20 statute which criminalizes the payment of a fee in
21 excess of \$10 and subjects the attorney and perhaps the
22 claimant to criminal penalties.

23 This case is unique among recent due process
24 cases in this Court, I think for several reasons.
25 Appellees do not seek additional opportunities to be

1 heard, nor to have, for example, have counsel provided
2 for them at government expense. Rather, they just
3 merely seek the opportunity to retain attorneys at their
4 own expense and make their right to -- the statutory
5 right to representation by counsel that does exist in
6 the system, contrary to the Government's statement, more
7 meaningful.

8 And perhaps I can start there in the argument
9 and correct I think a misapprehension the Court may be
10 laboring under as a result of some of the comments made
11 by counsel.

12 Lawyers have always been allowed in the system
13 since 1862, and in fact lawyers are authorized,
14 specifically authorized by statute, the same statute
15 that enacts the fee limitation. So there was never any
16 attempt by Congress to exclude lawyers from the system.

17 In fact, if you look at the legislative
18 history of the statute, the purpose behind the fee
19 limitation, both in 1862 and in later years when it was
20 reenacted, culminated in 1924, was solely to limit
21 overreaching by unscrupulous attorneys.

22 So the explanation for this anomalous,
23 seemingly anomalous situation where you have one
24 statute, 3404(a) which grants the veteran the right to
25 representation by counsel, and another statute which

1 limits the fees to \$10, is only explained by the
2 rationale for the statute, which is the prevention --

3 QUESTION: Are you going to get to the
4 standard of review later in your argument?

5 MR. ERSPAMER: Well, I can address it now.

6 QUESTION: No, I just wanted to know if you
7 are going to get to it.

8 MR. ERSPAMER: Yes. Why don't I take that up
9 now? I believe the standard of review in this case, as
10 we've indicated in our brief, is abuse of discretion
11 standard of review. Of course, it is true, what counsel
12 indicated, that it is by definition abuse of discretion
13 for the court to make an error of law.

14 However, the Court should defer to the
15 findings, the factual findings of the District Court,
16 and should not reverse the preliminary injunction,
17 absent an abuse of discretion. With regard --

18 QUESTION: I was just wondering, I was going
19 to ask you the same question I asked Mr. Levy.

20 MR. ERSPAMER: I was just going to answer it.

21 QUESTION: Oh, go ahead.

22 MR. ERSPAMER: Yes. Further proceedings were
23 contemplated in the District Court. No proceedings have
24 taken place since the appeal was filed, but certainly we
25 would plan to take an additional discovery in the

1 District Court once this appeal is resolved.

2 For example, one thing we would certainly want
3 to take testimony from is from the service
4 organizations.

5 QUESTION: Do you think the District Court's
6 order did enjoin the enforcement of these fee statutes
7 across the board?

8 MR. ERSPAMER: Well, on its face, it does
9 enjoin it across the board. I believe the challenge was
10 limited to the service-connected death and disability
11 program. Perhaps this would be a good opportunity to
12 explain what my understanding is of the nature of our
13 challenge and the nature of the court's rulings on the
14 as-applied facial point.

15 QUESTION: Well, I take it you are not
16 defending the injunction as writte.

17 MR. ERSPAMER: We are not defending the
18 injunction as written, insofar as it extends beyond the
19 service-connected death and disability compensation
20 program. Otherwise, we are defending it.

21 QUESTION: What about insofar as it extends
22 beyond the relief necessary for the plaintiffs below?

23 MR. ERSPAMER: Well, let me address that.

24 QUESTION: Why shouldn't it be limited to
25 them? It's sort of a surprise that it was as broad as

1 it was.

2 MR. ERSPAMER: Well, I think I can explain
3 that by defining what the nature of the constitutional
4 challenges were below.

5 First of all, both the First Amendment and the
6 Fifth Amendment challenges were both facial and as
7 applied. And the statute was attacked as applied in two
8 or three separate respects, albeit related.

9 First, the statute was attacked as applied to
10 the plaintiffs, which included individuals and the
11 organizations. But more important, the statute was
12 attacked as applied, given the current practices, rules,
13 procedures, and practice of the Veterans Administration.

14 And that involved a substantial body of
15 evidence that was gathered in the District Court with
16 regard to systemic aspects of the system. For example,
17 the complexity, the overall complexity of the system,
18 substantively and procedurally.

19 Another example would be the extent to which
20 claimants abandoned claims in the system which was
21 proved through nationwide statistics.

22 Another example would be the -- well,
23 basically they all are taken up, I guess, in the court's
24 findings of fact.

25 Another aspect of that analysis was the fact

1 that veterans --

2 QUESTION: Do you think the District Court
3 invalidated the statute facially?

4 MR. ERSPAMER: Well, I think it's a question
5 of semantics whether you call the second aspect the
6 second type of as-applied claim a facial claim or in
7 as-applied claim, because it does not depend on facts
8 with regard to the individual circumstances of the
9 plaintiffs or the organizational appellees or the
10 individual appellees. Rather, it was based upon a
11 systemwide look at the system.

12 So in that sense, it is in the nature of a
13 facial challenge, but it does not depend, just looking
14 at the statute on its face without resort to any other
15 evidence.

16 The other findings in that area --

17 QUESTION: Nevertheless, the injunction in the
18 case, that the court invalidated the statute on its
19 face.

20 MR. ERSPAMER: Well, I think the approach the
21 court took --

22 QUESTION: Or at least with respect to a very
23 large category of cases other than those specifically
24 before us.

25 MR. ERSPAMER: That is correct, although we

1 also have the First Amendment aspect of the ruling of
2 the Court which justifies the preliminary injunction as
3 we have taken up in our brief.

4 Again, that was an as-applied and a facial
5 attack on the constitutionality of the statute under the
6 First Amendment.

7 QUESTION: Well, isn't your response to
8 Justice White's question that the Court did strike down
9 the statute across the board, but not simply looking at
10 the statute on its face, but on the basis of the
11 evidence?

12 MR. ERSPAMER: Yes. Yes. Based on the
13 evidence about the systemic operation of the system and
14 the individual circumstances.

15 QUESTION: And you defend the total
16 invalidation of the statute on the basis of the evidence
17 before the District Court.

18 MR. ERSPAMER: Yes, we do.

19 QUESTION: Even though a much narrower
20 injunction could have been entered that would have
21 satisfied the claims of these particular plaintiffs.

22 MR. ERSPAMER: Well, the problem there is that
23 there are organizational plaintiffs who have members,
24 who have a wide variety of claims. For example -- well,
25 the Radiation Survivors Group mainly has atomic

1 radiation claims, although their members have many, many
2 other service-connected claims that do not involve
3 atomic radiation.

4 I guess the way I would approach that question
5 is that the court determined that the statute was
6 unconstitutional as applied to a significant number of
7 situations such that it should be struck down across the
8 board. And it would be difficult, I think, for the
9 Court to draft an order that would be limited to the,
10 for example, complex claims.

11 What is a complex claim? The testimony in the
12 case were that at least 10 or 12 different types of
13 claims were complex, including gunshot wounds, cases
14 involving POWs, atomic radiation claims, agent orange
15 claims.

16 QUESTION: I thought that was what your case
17 was cast in terms of was complex claims.

18 MR. ERSPAMER: Well, it was primarily cast in
19 terms of complex claims, but it involved -- it was a
20 systemwide approach as well, all claims. So it was
21 both.

22 We primarily emphasize the negative effects of
23 the fee limitation upon complex claims where expert
24 testimony is required, where substantial development of
25 the factual evidence is required, and where the

1 abilities of the service organization lay
2 representatives are most severely called into question.

3 However, we did attack the statute on its face
4 and the court, I believe, based upon the combination of
5 the facial and the as-applied challenge and the facts of
6 record, struck down the statute across the board.

7 QUESTION: What would happen if a non-lawyer
8 representative -- he wouldn't be covered by the
9 statute?

10 MR. ERSPAMER: No. Actually, they are covered
11 by the statute. The agents are subject to the \$10 fee
12 limitation as well as service officers. Everyone is
13 subject to a \$10 fee limitation. You can't pay anybody
14 more than \$10.

15 QUESTION: So it isn't limited to lawyers.

16 MR. ERSPAMER: It's not limited to lawyers;
17 you're correct.

18 The approach that the Government takes to the
19 factual findings of the District Court I think is rather
20 unusual. They basically totally ignore them. Anyway,
21 in the briefing they totally ignore the factual findings
22 of the District Court.

23 And the court did make a number of specific
24 factual findings regarding the operation of the system
25 in the context of the Mathews v. Eldridge framework.

1 The court concluded that the fee limitatiin causes a
2 high risk of erroneous deprivations and causes many V.A.
3 claims not to be resolved on their merits, for several
4 reasons:

5 First, unrepresented veterans are unable to
6 conduct the extensive investigation, the witness
7 interviews, the documentation and the retention of
8 experts, the legal analysis and other steps necessary to
9 mount convincing V.A. claims.

10 And to respond to one of the questions I
11 believe that came from Justice Powell, 25 percent or
12 more of veterans at the regional office level are in pro
13 per and do not use service officers. In the Board of
14 Veterans Appeal that figure is about half of that, but
15 there was uncontradicted testimony in the record that
16 fully 25 percent of these veterans appear in pro per and
17 they pose a government attorney staff of over 800
18 attorneys that participate in the litigation of claim.

19 QUESTION: Is that by their own choice?

20 MR. ERSPAMER: Pardon me?

21 QUESTION: Is that by their own choice that
22 they appear on their own behalf?

23 MR. ERSPAMER: Yes, and I think it reflects,
24 in part, their opinion of the abilities of the service
25 officers. And we have a lot of examples in the record

1 where veterans terminated their service officers because
2 they felt they were incompetent.

3 QUESTION: Counsel, don't you think if the
4 District Court's right and you're right, it shouldn't be
5 very difficult to find the case where the veterans -- an
6 actual case has been litigated in the Veterans
7 Administration and then the claim is made that
8 representation was wholly inadequate and it was
9 inadequate because you couldn't hire a lawyer for \$10.

10 And then in that particular case, you say --
11 then you've really got concrete proof that this
12 limitation is a denial of due process.

13 Why wouldn't you want to litigate a case like
14 that?

15 MR. ERSPAMER: Well, we do have examples of
16 that in the record. We have --

17 QUESTION: Why don't you bring one of them
18 here?

19 MR. ERSPAMER: Well, we do have examples. We
20 have attached the files, the claim files of a number of
21 the plaintiffs --

22 QUESTION: Yes, but those people aren't here.

23 MR. ERSPAMER: Pardon me?

24 QUESTION: Those people aren't here. This
25 hasn't happened to your clients.

1 MR. ERSPAMER: Oh, yes it has. Every one of
2 our clients was represented by a service officer at one
3 point in time. And there is extensive testimony in the
4 record in the form of declarations from our clients,
5 including Mr. Maxwell, Mr. Warehime, Doris Wilson, as to
6 the mistakes and incompetency of their service
7 representatives.

8 And, in fact, they terminated their service
9 representatives and they sought to obtain legal
10 assistance to replace them, and of course because of the
11 fee limitation they couldn't.

12 In addition, there are six randomly selected
13 files, claim files in the V.A. which the V.A. randomly
14 selected, which reflect much of the same facts and the
15 District Court had before it extensive files, including
16 transcripts of hearings conducted by service officers,
17 the claims actually filed by the service officers, and a
18 variety of the other work product of the service
19 officers at the time it rendered its decision.

20 There was a substantial body of evidence in
21 the record on service organizations, including
22 admissions from the V.A.

23 QUESTION: Nevertheless, the District Court
24 didn't limit its judgment to the results that were
25 obtained in concrete cases.

1 MR. ERSPAMER: Correct. Correct. The court
2 made some findings based upon --

3 QUESTION: Because you wouldn't say that in
4 every single case where a service representative has
5 represented a claimant that the limitation is
6 unconstitutional.

7 MR. ERSPAMER: No. We would not say it's
8 unconstitutional as to every single case.

9 QUESTION: I would think there are an awful
10 lot of them where you would concede it, that that is --

11 MR. ERSPAMER: Well, I think we would concede
12 in a simple claim, and I don't know how many of these
13 there are, that service representation may be adequate.
14 But even in a simple claim, you're still confronted with
15 this very complex legal procedural system. And to that
16 extent, even with the very simple -- let's say a lost
17 arm, which is rated in the rating guide --

18 QUESTION: Perhaps that's why Congress decided
19 to do it the way they did it.

20 MR. ERSPAMER: Well, let me get back to what
21 Congress did.

22 QUESTION: To have a full cadre of people who
23 are specialized in this and who are paid.

24 MR. ERSPAMER: Well, the factual findings of
25 the District Court were that the service representation

1 was inadequate and it was based upon more an
2 individualized circumstances, and it was also based upon
3 a series of admissions from V.A. officials in the
4 record. And we did depose V.A. officials from the
5 entire process, from starting at the Compensation and
6 Pension Service, to the Board of Veterans Appeals, to
7 the local service -- excuse me, local officers of the
8 V.A.

9 So there was a very systemwide approach taken
10 to that question of service representation and also --
11 you take a look at some of the statistical evidence in
12 the record. Service representatives do not request
13 hearings on behalf of claimants. They don't utilize
14 procedural rights on behalf of claimants. They
15 represent 87 percent of the people who appear in the
16 Board of Veterans Appeals; yet, the hearing incidence
17 rate is extremely low -- less than 5 percent. That's --

18 QUESTION: That might add up to the
19 proposition that a majority of all personal injury
20 claims in this country initially filed in the courts are
21 settled. Would you suggest that because they're settled
22 and don't go to trial that there's something wrong about
23 that?

24 MR. ERSPAMER: The cases that go to the Board
25 of Veterans Appeals are not the ones that are settled.

1 They're the ones where the claimant is able to persevere
2 long enough in order to comply with the procedures, and
3 they feel definitely wronged.

4 QUESTION: Well, to fault service
5 representatives for not requesting hearings, you really
6 have to show that there was some prospect of relief if
7 they had requested a hearing, don't you? I mean you
8 wouldn't fault a lawyer for not appealing a case he'd
9 lost if, say, he fairly concluded there wasn't much
10 chance of success on appeal.

11 MR. ERSPAMER: Well, the testimony below was
12 that -- and I can almost quote it -- service officers
13 only request hearings where they think the decision is
14 particularly outrageous in view of the facts of record.

15 That's a V.A. official testifying. The
16 incidence of hearing requests is so low that it suggests
17 that the hearing is not being utilized as a fundamental
18 aspect of due process. The hearing success rate is
19 twice as high where there's a hearing held.

20 QUESTION: Well, if Congress -- you don't
21 deny, do you, that Congress could set up a totally
22 informal system that didn't have a great many contested
23 hearings where the V.A. was truly neutral and extended a
24 helping hand and had a fee limitation. And if it worked
25 the way it was supposed to, there would be no violation

1 of due process, would there?

2 MR. ERSPAMER: Well, I disagree with that
3 because the system, as set up, contemplates lawyers and
4 has always contemplated lawyers.

5 QUESTION: But I was asking about a
6 hypothetical system which was simply set up and not on
7 an adversary basis, but apparently as Congress
8 originally intended to set up the Veterans
9 Administration, where you wouldn't need assistance; they
10 would help you process the claim, and that sort of thing.

11 Now, would that be unconstitutional?

12 MR. ERSPAMER: I think that would depend upon
13 the facts that were adduced, and given the Mathews v.
14 Eldridge framework. And I can't answer that question in
15 the context of the few variables that you've given me.

16 I think it's a rare instance where in a system
17 such as the V.A., where a veteran can be
18 constitutionally denied the right to retain counsel, I
19 can't perceive of a case where that would be true.

20 QUESTION: You think lawyers are an
21 inescapable part of due process.

22 MR. ERSPAMER: Well, the right to retain
23 lawyers, I think, is at the option of the veteran. Of
24 course, the veteran is presumed to be capable of making
25 that decision whether his particular case has the

1 complexity or the types of issues where he wants a
2 lawyer to represent him.

3 And I think the mere fact that the V.A.
4 lawyers pervade the entire system suggests that it is a
5 system where lawyers are important. And the fact that
6 Congress, through the entire 123-year history of the fee
7 limitation, has authorized lawyers to participate in the
8 process and the regulations authorize lawyers to
9 participate in the process is strongly suggestive also o
10 of the same fact.

11 QUESTION: How does the fee limitation prevent
12 the group plaintiffs below from hiring in-house counsel
13 because they can presumably charge membership fees to
14 support their own hiring of lawyers? And it's just hard
15 for me to understand how the fee limit affects groups.

16 MR. ERSPAMER: Well, basically they have very,
17 very low membership fees and very limited resources.

18 QUESTION: Well, they can raise the fee and
19 hire more lawyers.

20 MR. ERSPAMER: Well, correct. And where would
21 that money be coming? It would be coming from the
22 membership.

23 I guess that raises a question of whether
24 that's indirectly paying a lawyer; under 3405, that
25 raises a question. But the real extent to which the fee

1 limitation prejudices the organizations is that they are
2 unable to collect fees from the claimants to support
3 their program. And they can't -- without the fees --

4 QUESTION: Well, it strikes me that isn't the
5 fault of the statute at issue.

6 MR. ERSPAMER: Well, if the statute at issue
7 did not exist, the organizations could collect fees and
8 provide services to their members. As it now stands,
9 they cannot. They cannot do so.

10 I'd like to turn, if I could briefly, to the
11 deference argument raised by the Government. First of
12 all --

13 QUESTION: Do you think -- did I understand
14 you that it would violate the statute if one of these
15 groups had a house counsel that furnished -- and they
16 paid them salaries?

17 MR. ERSPAMER: Well, I think that's a
18 potential violation. Certainly a lot of these groups
19 have tried to go out and hire independent contractors to
20 work at, say, a contract rate.

21 QUESTION: On that basis, some pro bono lawyer
22 is being paid by a law firm, I suppose, and he comes in
23 and says I'll represent this fellow for nothing. And
24 here comes a group that says we have a house counsel;
25 we'll furnish our house counsel for nothing.

1 What's wrong with that?

2 MR. ERSPAMER: Well, it's stretching I think a
3 little bit to call that a criminal violation, I agree.

4 QUESTION: I would think so, quite a bit. And
5 I suppose there's a lot of instances of group legal
6 services around the country, sort of an insurance
7 scheme. I suppose one of these groups could do that.

8 MR. ERSPAMER: Correct.

9 Turning to the deference argument, I want to
10 emphasize, first of all, that this argument was not
11 raised in the District Court at all. There is no
12 argument or no legislative "facts," whatever, placed
13 before the District Court. And I think on that basis
14 that the Government has waived that argument.

15 But let me address more particularly the
16 question of what congressional activity has existed with
17 regard to the fee limitation. First of all, the
18 Government really ignores largely the congressional
19 enactments concerning the fee limitation.

20 And I think, as we pointed out in our brief,
21 the last time Congress really considered the fee
22 limitation was in 1924, more than 60 years ago, in terms
23 of legislative enactments.

24 There is no indication in the legislative
25 history that the fee limitation was intended to control

1 the number of attorneys or to increase the informality
2 or non-adversarial nature of hearings, or that the fee
3 limitation was an experiment regarding what the
4 Government likes to call informal dispute resolution, or
5 that the fee limitation was intended to facilitate
6 administrative speed in processing of claims.

7 Since 1924, there of course have been drastic
8 intervening structural program and procedural and claim
9 changes in the Veterans Administration. As I said,
10 during the same period of time there have been sweeping
11 changes in the law of due process. And I refer
12 particularly to Gideon and Goldberg.

13 The Appellants disregard the legislative
14 history regarding enactment. They do not rely upon any
15 considered judgment or positive enactment of Congress.
16 Rather, they rely upon some subsequent legislative
17 proposals or bills that deal with the issue of judicial
18 review which only consider the fee limitation insofar as
19 it was necessary to accommodate this new right of
20 judicial review.

21 None of the material that they cite in the
22 recent congressional -- in the congressional area
23 constitutes findings of Congress. There have been no
24 enactments. There's a Senate bill in recent years has
25 passed to provide for judicial review, has passed the

1 Senate. The House version of the bill in each instance
2 never even got before out of the House Veterans Affairs
3 Committee which is not an infrequent occurrence in the
4 case of bills. In fact, in some sessions of Congress,
5 90 percent of the bills have never been reported out of
6 committee.

7 Now, the fact -- thus, the Government is not
8 relying upon any enactment or finding of Congress with
9 regard to the fee limitation, with regard to the recent
10 legislative history, because there are none. What they
11 have relied upon is a Senate committee report with
12 regard to a judicial review bill in the 97th and the
13 96th Congresses, which do not constitute findings of
14 Congress by any means.

15 On the House side, all they've relied upon is
16 House inaction on these bills, and legislative inaction
17 is certainly an unreliable guide to legislative intent,
18 and certainly the inference that the Government seeks to
19 draw from the failure to pass these bills or the failure
20 to even have them reported out of committee in the House
21 is speculative.

22 There are many reasons why bills die in
23 committee, many of which have nothing to do with the
24 merits of the bills.

25 The only other thing that the Government

1 relies --

2 QUESTION: Are we concerned with the posture
3 that you have presented this case with the merits of
4 these?

5 MR. ERSPAMER: Pardon me?

6 QUESTION: Are we concerned about the merits
7 of these proposed amendments?

8 MR. ERSPAMER: Well, I think the Government's
9 argument assumes that the bills were rejected on the
10 merits, and they may or may not have been. And in fact,
11 in the House I don't think --

12 QUESTION: I thought the Government's argument
13 was that for 120 years, except right after World War I,
14 Congress has continued to use this system. That's all.

15 MR. ERSPAMER: That's part of their argument.
16 However, in their brief they rely heavily upon these
17 bills in the last -- recent sessions of Congress to
18 provide for judicial review. And that's the source of
19 the "findings" that they use. They do not go back to
20 the original enactments regarding the fee limitation.
21 And the reason they don't do that is because the purpose
22 of the fee limitation was to protect veterans, not to
23 bar them from access to lawyers.

24 And that's consistent throughout the entire
25 history of the fee limitation, starting in 1862 when it

1 was set at \$5, through the present date. Actually, the
2 last time the statute was recodified was in 1958. That
3 involved a mere consolidation of veterans' law.

4 Secondly, on the deference argument, the V.A.
5 mainly relies upon equal protection in substantive due
6 process cases involving deference, which involved the
7 rational basis test. And of course that's not the
8 proper test to be applied in this case.

9 If I can turn, if I could briefly, to the
10 value I think of attorneys in this setting, because I
11 think that's one of the basic issues with regard to the
12 value of additional safeguards under the Mathews v.
13 Eldridge analysis.

14 First of all, it's important to point out that
15 this fee limitation prohibits counseling or advice with
16 regard -- or assistance with regard to every aspect of
17 this system. For example, a veteran cannot even go to
18 an attorney and say please explain how to me how the
19 system works, totally outside the context of any hearing
20 or any formal process in the Veterans Administration.

21 The value of attorneys are several. First, he
22 can give the claimant advice about the claim: do you
23 have a claim; how to bring the claim; preparing the
24 necessary claim forms; doing the necessary investigation
25 which often will turn on developing witness statements

1 with regard to the circumstances of the injury;
2 developing expert testimony from medical or scientific
3 people; and then putting the whole case together;
4 organizing it, putting it in a rational written form;
5 representing the claimant at hearings; adducing
6 testimony at live hearings.

7 And I think it's an important fact that where
8 live hearings are held, veterans prevail twice as
9 often. And I think that makes the waivers of the
10 hearing quite significant under the system that exists
11 now. And again, lawyers would utilize the procedural
12 rights that Congress has provided to the veterans,
13 rather than let them fall, basically abandon those
14 procedural rights.

15 Another aspect I would to briefly address is
16 that there are a lot of other procedural protections
17 that are generally recognized as aspects of due process
18 that are absent in the system, which I think also should
19 be considered under the Mathews v. Eldridge analysis.

20 First, there's no opportunity to compel the
21 attendance of any V.A. official or to cross-examine any
22 V.A. decisionmaker. There's no requirement that the
23 V.A. state a basis for denial in a decision. Of course,
24 there is no right to judicial review and all the
25 decisions are final.

1 In practice in the system, there's no right to
2 a pretermination hearing because the V.A. does not grant
3 pretermination hearings, as shown in the brief. In
4 actual practice, they wait until a decision to grant a
5 hearing.

6 And finally, there is no requirement that the
7 decision even be based upon the evidence and testimony
8 presented at a hearing where a hearing is held. All
9 these aspects of the system I think make the right to
10 retain counsel a very important one.

11 I see my time is rapidly dwindling here. I
12 think the important point to be made with regard to the
13 Government interest is that the Government sought to
14 defend the fee limitation in the District Court solely
15 based upon the paternalistic arguments, overreaching by
16 unscrupulous attorneys, depletion of benefits.

17 All the arguments they raise here about
18 procedural changes and destroying the informality and so
19 on, none of those arguments were raised in the District
20 Court. In fact, the District Court made a specific
21 finding on the question that the Government had failed
22 to show it would be disadvantaged in any way by the
23 removal of the fee limitation.

24 With regard to the contention that allowing
25 attorneys into the system without the fee limitation

1 would change the nature of the system that Congress
2 intended, first of all, there's just no change in V.A.
3 procedures that would be involved if the fee limitation
4 were removed. Attorneys are already allowed, and the
5 fee limitation would not involve a change in any of the
6 other informal aspects of the system which would still
7 continue to exist.

8 QUESTION: Does the record show in what
9 percentage of all cases attorneys appear with the
10 claimant?

11 MR. ERSPANER: Only in the Board of Veterans
12 Appeals, and the rate is 2 percent. And the testimony
13 was that it was lower at the regional office level.

14 I see my time is up.

15 CHIEF JUSTICE BURGER: Do you have anything
16 further, Mr. Levy?

17 ORAL ARGUMENT OF MARK IRVING LEVY, ESQ.

18 ON BEHALF OF THE APPELLANTS

19 MR. LEVY: Thank you, Mr. Chief Justice. I
20 have several points.

21 The argument this morning has made clear
22 Appellees' complaint about a wide range of aspects of
23 the V.A. system. Even assuming for the moment, though,
24 that their asserted deficiencies are right, that would
25 provide no legal basis for striking down the fee

1 limitation statute.

2 The appropriate remedy, if any, would be to
3 require the V.A. to bring its procedures into conformity
4 with the informal and non-adversarial system the
5 Congress intended, not to make the system even more
6 adversarial by invalidating the fee limit and allowing
7 an infusion of retained lawyers.

8 And as I understand Appellees' argument this
9 morning, they are making a facial attack on the statute,
10 but one that depends on the evidentiary record in the
11 case. That's simply not a tenable position as we
12 understand it. The constitutionality of a federal
13 statute doesn't vary from case to case and district to
14 district, depending on the record that the parties put
15 forward.

16 It's a facial attack, because I understood
17 them to be saying today the statute either is or is not
18 constitutional. We say it is constitutional and we
19 think the court can decide that legal issue.

20 Now, Appellees have said that lawyers have
21 always been permitted in the V.A. system. And that's
22 true. The \$10 limit is not in terms an absolute
23 preclusion. But Congress has recognized virtually from
24 the outset and indeed the 1870 and 1878 legislative
25 history is quite clear, that the fee limit as a practica

1 matter amounted to a virtual prohibition on attorneys in
2 the system, and the legislative history also shows that
3 Congress intended that.

4 So I think it's a bit misleading to say that
5 claimants have always had the right to an attorney.
6 Congress understands that as the system now exists,
7 there are few if any attorneys involved. That's the way
8 it wants it to exist. And if a large number of
9 attorneys started to appear even under the \$10 fee
10 limit, we assume Congress would take another look at
11 that system in light of the practical changes and would
12 deal with it in that light.

13 QUESTION: May I ask you, Mr. Levy, I think
14 it's right, of course, that it's a denial of attorneys
15 pretty much. But to what extent does the Government's
16 position depend on it being a veterans' statute, rather
17 than, say, food stamps or Medicaid or something like
18 that?

19 Do you think the same kind of program could be
20 used in all these other areas where the Government
21 provides benefits for part of the population to say, in
22 all these claims, no lawyers can participate?

23 MR. LEVY: With the system of service
24 representatives and all the rest of the system?

25 QUESTION: No, just flatly. Just say we think

1 it's better to let government agents look out for the
2 interests of the --

3 MR. LEVY: That would be a much harder case,
4 and I can't give you a categorical answer in the
5 abstract.

6 QUESTION: But this was when this statute was
7 originally enacted.

8 MR. LEVY: Well, the whole world was much
9 different when --

10 QUESTION: Yes, but we're passing on the
11 statute. Are you conceding it was originally
12 unconstitutional?

13 MR. LEVY: No, no. Not at all.

14 QUESTION: In other words, you would say all
15 these later developments really are not necessary to
16 sustain the statute.

17 MR. LEVY: No, because one would have to go
18 back to the circumstances that existed in 1862, and I
19 don't know then sufficiently well to be able to give you
20 a legal judgment. But we certainly wouldn't concede
21 that the statute was unconstitutional then. The statute
22 was amended many times; it was reenacted as late as
23 1958. Congress well understands what the system is
24 about and what it wants to do in this system, and we
25 don't think the Court has to only look at the legislative

1 history that existed in 1862 or the systems that existed
2 them. The question is whether the statute now is
3 constitutional or not.

4 QUESTION: Is your opponent correct in saying
5 the last time the statute was amended was in 1924 with
6 respect to the fee limit?

7 MR. LEVY: I can't remember the last time it
8 was actually amended. It's been reenacted several
9 times, in 1958 most recently. It was reenacted as part
10 of a recodification.

11 Now, Appellees also took the position --

12 QUESTION: Well, what happens if you pass a
13 statute which says that you may not be assisted by
14 anybody that you pay more than \$10?

15 MR. LEVY: That statute, depending on the
16 system, could well be constitutional, but that's not
17 this statute in this system.

18 QUESTION: Well, how could it be
19 constitutional?

20 MR. LEVY: If the system were adversarial, if
21 their lawyer appeared on the other side, if the claimant
22 was expected to handle technical rules of evidence, of
23 cross-examination, authentication of documents and so
24 on.

25 QUESTION: Well, what about counsel of your

1 own choice?

2 MR. LEVY: Well, this Court has recognized
3 that even routine counsel is not always necessary to a
4 fundamentally fair procedure. We think that's very
5 significant, and we would cite to Wolff and Goss and
6 Baxter, among other cases, to establish that.

7 CHIEF JUSTICE BURGER: Thank you, gentlemen.
8 The case is submitted.

9 We will hear arguments next in Connecticut v.
10 Heckler.

11 (Whereupon, at 11:07 o'clock a.m., the case in
12 the above-entitled matter was submitted.)
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATION.

Anderson Reporting Company, Inc., hereby certifies that the attached pages represents an accurate transcription of electronic sound recording of the oral argument before the Supreme Court of The United States in the Matter of:

84-571 - HARRY N. WALTERS, ADMINISTRATOR OF VETERANS' AFFAIRS, ET AL.,
Appellants V.

NATIONAL ASSOCIATION OF RADIATION SURVIVORS, ET AL.

and that these attached pages constitutes the original transcript of the proceedings for the records of the court.

BY Paul A. Richardson

(REPORTER)

85 APR-3 P3:57

RECEIVED
SUPREME COURT, U.S.
MARSHAL'S OFFICE