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DEPARTMENT OF VETERANS AFFAIRS

38 CFR Part 0

RIN 2900-AO33

Core Values and Characteristics of the Department

AGENCY: Department of Veterans Affairs.

ACTION: Final rule.

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SUMMARY: This document amends the Department of Veterans Affairs' (VA) regulations concerning the standards of ethical conduct and related responsibilities of its employees by adding a new subpart for VA's Core Values and Characteristics. These

[[Page 41274]]

foundational values and organizational characteristics define VA employees and articulate what VA stands for, respectively, and they are a set of guidelines that will be applied Department-wide to all VA employees. This final rule establishes VA's Core Values and Characteristics, and ensures their proper application to the VA workforce.

DATES: Effective Date: July 13, 2012.

FOR FURTHER INFORMATION CONTACT: Robert McFetridge, Office of Regulation Policy and Management (02REG), Department of Veterans Affairs, 810 Vermont Avenue NW., Washington, DC 20420, (202) 461-4902. (This is not a toll-free number.)

SUPPLEMENTARY INFORMATION: This rulemaking amends 38 CFR part 0 to establish VA regulations regarding VA's core values for its employees and the desired characteristics for the organization. These regulations set into place internal guidelines to which VA expects its employees to adhere in their interactions with each other and with veterans, their families, and their caretakers. The Core Values and Characteristics are the product of a 2-year collaborative and comprehensive development process, which was motivated by a desire to unite the entire VA workforce under one set of guiding principles. VA recognizes that every single worker plays a critical role in supporting the overall strategic

vision and mission of the agency and also contributes to its professional reputation as an organization. Beginning in 2009, participating representatives from the many different VA organizations provided considerable input into the creation of the Core Values and Characteristics. VA also considered input from its workforce through surveys, feedback, and discussion. Based on these activities, and the recommendations of the different panels and groups, the Secretary of Veterans Affairs approved the guidelines, and on June 20, 2011, he announced them to the entire agency.

The Core Values define VA employees and describe how VA may be distinguished from other organizations. They define VA's culture and underscore its commitment to veterans. These Core Values are: Integrity, Commitment, Advocacy, Respect, and Excellence. The Values represent VA's beliefs and provide a baseline for the standards of behavior expected of all VA employees. Together, the first letters of the Core Values spell ``I CARE,'' a motto which should be adopted by every member of the VA workforce.

The Core Characteristics define what VA stands for and how it would like to be recognized as an organization. They help guide the execution of VA's mission, shape its strategy, and influence resource allocation and other key decisions made within VA. These Characteristics are: Trustworthy, Accessible, Quality, Innovative, Agile, and Integrated. They are a common set of principles around which VA's actions are organized and describe the traits all VA organizations should possess and demonstrate. The VA Characteristics are relevant today, but also forward-looking. They identify the qualities needed to successfully accomplish VA's current missions and also support the ongoing transformation to a 21st Century organization.

The adoption of these Core Values and Characteristics will not only reaffirm practices already used by many VA employees, but it will also establish one set of guidelines applicable across the entire VA workforce. They are not entirely new concepts, and they are in large part derived from many values VA has demonstrated throughout its existence. Codifying these principles will ensure they receive the proper emphasis at all levels within VA, are clearly understood by the workforce, and, most importantly, become an enduring part of the VA culture. The ``I CARE'' logo will be prominently displayed in all VA facilities, as the agency wishes to use these principles to send a strong signal to veterans, family members, and other beneficiaries that the agency takes pride in what it does and cares deeply about its mission. The Core Values and Characteristics demonstrate that VA is a ``people-centric'' organization.

In order to maintain these Core Values and Characteristics over time, VA may periodically review whether the guidelines are achieving their intended purpose and remain relevant in the current environment. VA is open to revising the Core Values and Characteristics to adapt them to changing times, as necessary. They are not linked to any particular person or group, so although people come and go within VA all the time, the Core Values and Characteristics are meant to endure. There are no immediate plans to change existing formal processes for evaluating employees based on the Core Values and Characteristics. However, in Fiscal Year 2012, VA will be implementing a formalized program to recognize the VA personnel and organizations which best exemplify the Core Values and Characteristics.

The current title of part 0, ``Standards of ethical conduct and related responsibilities,'' is being broadened to include the concept of ``values'' in the title. That addition reflects the inclusion of

VA's Core Values and Characteristics as principles that are separate and distinct from the standards of ethical conduct for federal employees.

#### Paperwork Reduction Act

This document contains no provisions constituting a collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3521).

#### Regulatory Flexibility Act

The Secretary hereby certifies that this final rule will not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act, 5 U.S.C. 601-612. This final rule does not affect any small entities. Therefore, pursuant to 5 U.S.C. 605(b), this final rule is exempt from the initial and final regulatory flexibility analysis requirements of sections 603 and 604.

#### Executive Orders 12866 and 13563

Executive Order 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity). Executive Order 13563 (Improving Regulation and Regulatory Review) emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility. Executive Order 12866 (Regulatory Planning and Review) defines a "significant regulatory action," requiring review by the Office of Management and Budget (OMB) unless OMB waives such review, as "any regulatory action that is likely to result in a rule that may: (1) Have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive Order."

[[Page 41275]]

The economic, interagency, budgetary, legal, and policy implications of this final rule have been examined and it has been determined not to be a significant regulatory action under Executive Order 12866.

#### Unfunded Mandates

The Unfunded Mandates Reform Act of 1995 requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before issuing any rule that may result in the expenditure by

State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more (adjusted annually for inflation) in any given year. This final rule will have no such effect on State, local, and tribal governments, or on the private sector.

#### Administrative Procedure Act

This final rule establishes internal guidelines relating to agency practice or procedure and sets forth general statements of agency policy. Accordingly, this rule is exempt from the prior notice-and-comment and delayed-effective-date requirements of 5 U.S.C. 553. See 5 U.S.C. 553(b) (A) and (d) (2).

#### Catalog of Federal Domestic Assistance Numbers

There are no Catalog of Federal Domestic Assistance program numbers for this rule.

#### Signing Authority

The Secretary of Veterans Affairs, or designee, approved this document and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs. John R. Gingrich, Chief of Staff, Department of Veterans Affairs, approved this document on July 5, 2012, for publication.

#### List of Subjects in 38 CFR Part 0

Conflict of interests, Employee ethics and related responsibilities, Government employees.

Dated: July 9, 2012.  
Robert C. McFetridge,  
Director, Office of Regulation Policy and Management, Office of the  
General Counsel, Department of Veterans Affairs.

For the reasons set out in the preamble, 38 CFR part 0 is amended as follows:

#### PART 0--VALUES, STANDARDS OF ETHICAL CONDUCT, AND RELATED RESPONSIBILITIES

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1. The authority citation for 38 CFR part 0 continues to read as follows:

Authority: 5 U.S.C. 301; 38 U.S.C. 501; see sections 201, 301, and 502(a) of E.O. 12674, 54 FR 15159, 3 CFR, 1989 Comp., p. 215 as modified by E.O. 12731, 55 FR 42547, 3 CFR, 1990 Comp., p. 306.

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2. Revise the heading of part 0 to read as set forth above.

Subparts A & B [Redesignated]

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3. Redesignate subparts A and B as subparts B and C, respectively.

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4. Add new subpart A to read as follows:

Subpart A--Core Values and Characteristics of the Department

Sec.

0.600 General.

0.601 Core Values.

0.602 Core Characteristics.

Subpart A--Core Values and Characteristics of the Department

Sec. 0.600 General.

This section describes the Core Values and Characteristics that serve as internal guidelines for employees of the Department of Veterans Affairs (VA). These Core Values and Characteristics define VA employees, articulate what VA stands for, and underscore its moral obligation to veterans, their families, and other beneficiaries. They are intended to establish one overarching set of guidelines that apply to all VA Administrations and staff offices, confirming the values already instilled in many VA employees and enforcing their commitment to provide the best service possible to veterans, their families, and their caretakers.

Sec. 0.601 Core Values.

VA's Core Values define VA employees. They describe the organization's culture and character, and serve as the foundation for the way VA employees should interact with each other, as well as with people outside the organization. They also serve as a common bond between all employees regardless of their grade, specialty area, or location. These Core Values are Integrity, Commitment, Advocacy, Respect, and Excellence. Together, the first letters of the Core Values spell "I CARE," and VA employees should adopt this motto and these Core Values in their day-to-day operations.

(a) Integrity. VA employees will act with high moral principle, adhere to the highest professional standards, and maintain the trust and confidence of all with whom they engage.

(b) Commitment. VA employees will work diligently to serve veterans and other beneficiaries, be driven by an earnest belief in VA's mission, and fulfill their individual responsibilities and organizational responsibilities.

(c) Advocacy. VA employees will be truly veteran-centric by identifying, fully considering, and appropriately advancing the interests of veterans and other beneficiaries.

(d) Respect. VA employees will treat all those they serve and with whom they work with dignity and respect, and they will show respect to earn it.

(e) Excellence. VA employees will strive for the highest quality and continuous improvement, and be thoughtful and decisive in leadership, accountable for their actions, willing to admit mistakes,

and rigorous in correcting them.

Sec. 0.602 Core Characteristics.

While Core Values define VA employees, the Core Characteristics define what VA stands for and what VA strives to be as an organization. These are aspirational goals that VA wants its employees, veterans, and the American people to associate with the Department and with its workforce. These Core characteristics describe the traits all VA organizations should possess and demonstrate, and they identify the qualities needed to successfully accomplish today's missions and also support the ongoing transformation to a 21st Century VA. These characteristics are:

(a) Trustworthy. VA earns the trust of those it serves, every day, through the actions of its employees. They provide care, benefits, and services with compassion, dependability, effectiveness, and transparency.

(b) Accessible. VA engages and welcomes veterans and other beneficiaries, facilitating their use of the entire array of its services. Each interaction will be positive and productive.

(c) Quality. VA provides the highest standard of care and services to veterans and beneficiaries while managing the cost of its programs and being efficient stewards of all resources entrusted to it by the American people. VA is a model of unrivalled excellence due to employees who are empowered, trusted by their leaders, and respected for their competence and dedication.

(d) Innovative. VA prizes curiosity and initiative, encourages creative contributions from all employees, seeks continuous improvement, and adapts to

[[Page 41276]]

remain at the forefront in knowledge, proficiency, and capability to deliver the highest standard of care and services to all of the people it serves.

(e) Agile. VA anticipates and adapts quickly to current challenges and new requirements by continuously assessing the environment in which it operates and devising solutions to better serve veterans, other beneficiaries, and Service members.

(f) Integrated. VA links care and services across the Department; other federal, state, and local agencies; partners; and Veterans Services Organizations to provide useful and understandable programs to veterans and other beneficiaries. VA's relationship with the Department of Defense is unique, and VA will nurture it for the benefit of veterans and Service members.