

**ENHANCING COOPERATION BETWEEN EMPLOYERS
AND GUARDSMEN/RESERVISTS**

HEARING
BEFORE THE
SUBCOMMITTEE ON EMPLOYMENT AND WORKPLACE
SAFETY
OF THE
COMMITTEE ON HEALTH, EDUCATION,
LABOR, AND PENSIONS
UNITED STATES SENATE
ONE HUNDRED NINTH CONGRESS
FIRST SESSION
ON

EXAMINING ENHANCING COOPERATION BETWEEN EMPLOYERS AND
GUARDSMEN/RESERVISTS, FOCUSING ON CIVILIAN AND VETERAN OR-
GANIZATIONS TO WORK TOGETHER TO REACH OUT TO SOLDIERS RE-
TURNING FROM THE BATTLEFIELD

OCTOBER 19, 2005

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ENHANCING COOPERATION BETWEEN EMPLOYERS AND GUARDSMEN/RESERVISTS

WEDNESDAY, OCTOBER 19, 2005

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT AND WORKPLACE SAFETY,
COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:00 p.m., in Room 430, Dirksen Senate Office Building, Hon. Johnny Isakson [chairman of the subcommittee] presiding.

Present: Senators Isakson, Burr, Roberts, Murray, and Jeffords.

OPENING STATEMENT OF SENATOR ISAKSON

Senator ISAKSON. I call the Subcommittee on Employment and Workplace Safety hearing to order and we will get started. We have members including ranking member Murray on the way. Senator Burr is also coming, but I want to be prompt in beginning so I will start with my opening statement, and hopefully others will come in and we will recognize them before we hear from our distinguished panelists.

I would like to start by saying this. I was a member of the Georgia National Guard for 6 years. I ran a company for 22 years and employed guardsmen and reservists. Now I have served in the U.S. Senate and the U.S. House and voted to commit our young men and women in the Reserve to defend freedom around the world. There is nothing more important to us as a nation than a ready Reserve that is ready, that is trained, and is staffed to do the jobs we would never anticipate doing.

There is not a one of us that would have guessed that September 11, 2001 would have ever happened, or that within months after that we would have guardsmen and reservists deployed in Afghanistan, Iraq, and around the world.

The companies that are here today and those that are here in support of our men and women are real heroes to me. We are going to hear from three companies that go above and beyond the call of duty in the support of their employees who are members of the Reserve and the Guard. The purpose of the hearing is to really focus the light of day and shine the light, the spotlight, on these great companies and what they have done.

It is critical that we continue in this difficult world of ours to have the best trained, best equipped, best staffed Reserve and Guard anywhere in the world. Because of the employers that we

have, we have that, and today, I am proud to commend them to all of you.

Given the vital role employers play, the National Committee for Employer Support of the Guard and Reserve, or ESGR, was established in 1972 to promote cooperation between reservists and their civilian employers and to help resolve any conflicts that may arise due to employees' military commitment. Today, we are very pleased to have Bob Hollingsworth here, who is the Executive Director of that distinguished committee.

The USERRA Act, which was passed by Congress in 1994, requires minimum requirements of American business, not to discriminate in the hiring of guardsmen and reservists and to ensure that they have a job waiting when their deployment is complete. But I am pleased to report that thousands upon thousands of employers like the three represented here today go well above and beyond the call of duty.

Many employers voluntarily offer differential pay to their activated employees. These are payments that represent the difference in the wages they earn and what they would have earned. In addition, many continue to extend health benefits to the deployed employees and their family members. Beyond even this, we will hear how some employers take the extra step to show how much they appreciate the devotion of their employees.

We are happy to have with us today two such corporate role models, including one from my home State of Georgia, and we welcome Dennis Donovan of the Home Depot, and Christine Bierman from Colt Safety, Fire and Rescue based in St. Louis, Missouri.

I also understand the importance of reemploying veterans once back from their tour of duty and I welcome Lisa Nisenfeld from the Southwest Washington Workforce Development Council to speak to us today on the efforts that are done in that area.

We in Congress must always be looking for more ways to foster the important relationship between reservists and employers. Numerous bills introduced in this Congress take different approaches to this end. I look forward to hearing from all of our witnesses today on the importance of the contribution they make to our Reserve and Guard.

On a closing comment in my opening statement, I would just like to add that this morning, ironically, I spent 3 hours at Walter Reed Hospital with members of the 48th Brigade who are back from Iraq going through physical therapy and rehabilitation from the limbs they lost in defense of our country and in defense of freedom. Ironically, three of those I visited guardsmen from Georgia, all of whom talked of how proud they were to serve the country and how much they were looking forward to going back to their employers. Having no idea that I would be conducting this hearing this afternoon, two of them talked specifically about their employer and about how much their support had meant to their families while they were deployed in Iraq.

This is the story we want to hear in the Congress. These are the companies we want to brag about today, and I thank all of our guests who are testifying on their behalf.

I introduce the distinguished ranking member, Mrs. Murray.

OPENING STATEMENT OF SENATOR MURRAY

Senator MURRAY. Thank you very much, Mr. Chairman, and I want to thank you for hosting today's hearing on this really critically important issue to the men and women who are serving us in the Guard and Reserve.

I want to start by saying that our Guard and Reserve members are playing an extremely important role for our country every day in Iraq, Afghanistan, now Louisiana and Mississippi, Alabama, communities across the United States. I want to take a moment here to thank all of them for their tremendous service.

Guard and Reserve employment is an important issue that our committee must focus on. Although we have had some successes, it is clear that we are not providing our Guard and Reserve members all of the resources they need to access and maintain employment once they are separated from active duty.

I want to extend a special thanks, as well, to our panelists who are here today. Lisa Nisenfeld, who is the Executive Director of the Southwest Washington Workforce Development Council, comes from my home State in Vancouver, WA. I was with her last week talking about these issues. I know from firsthand experience that Lisa is one of the workforce stars in our State, and under her leadership, workforce programs in the region have more than doubled their positive outcomes and, in fact, have become a key economic development resource for growing companies.

Mr. Chairman, I have been working with Guard and Reserve members throughout my 13 years here in the U.S. Senate and I know the issues facing them have never been as severe as they are today. The system simply doesn't work well enough and is not adjusted for the up-tempo military model where our Guard and Reserve members make up 40 percent of our troops in Iraq. Guard and Reserve members are doing the jobs of active duty, but they are getting few of the benefits.

One of the Guard members I recently talked to told me that the mindset of Guard members was that the VA was for their fathers, not for them. We have to cut through those kinds of misunderstandings and show our Guard and Reserve members what benefits they have earned and deserve.

The return of so many OIF and OEF veterans has made veterans' employment assistance even more important. Since 2001, we have had over a million troops serving us in Iraq and Afghanistan. Although the Department of Defense provides services for the active duty component, the Guard and Reserve face some major reintegration hurdles.

Over the past 6 months, I have met with many of these veterans, especially our Guard and Reserve members in Washington State. Many of them have talked to me about the difficulty accessing employment assistance once they have been demobilized. Time and time again, I have sat down with veterans who tell me stories about struggling to get caught up at work after their deployment, about having difficulty getting education benefits, or they are struggling just to find a job to support their families when they return.

I have to tell you, Mr. Chairman, those stories really frustrate me. Last week, in fact, I was with Lisa and we had three Guard members with us who returned last March and, not one of them have been employed yet, and it is 6 months after they have returned. They are now days away from losing their unemployment insurance.

Other Guard members have spoken with me and tell me about getting behind at their jobs, or not knowing how and where to get the training they need. Others have told me that they have no idea that employment services were even available and that USERRA protected their rights to get back to their old jobs. Others have told me about employers who were nervous about hiring Guard members, since they might have medical issues caused by injuries or they may be deployed again in just a few months.

One Guard member in a Senate Veterans' Affairs Committee hearing testified to us that he lost his business because SBA programs intended to help small business owners and the self-employed didn't work with the realities of mobilization. I have also heard about the Transition Assistance Program, the TAP program, that it doesn't work well for the 2-week time frame Guard members are given to separate and it is too focused on the needs of traditional forces. A finding that we recently got from our May GAO report confirmed what I have heard on the ground out there.

Now, often when people think of veterans' services, they often just think of the VA health care system. However, we need to let people know that there are a large amount of services that are available to our veterans for benefits and they include employment assistance. That means there are considerable resources available to help our veterans meet the employment challenges they face and I hope that in today's hearing, we will hear from our panelists about what is working, what is not, and where we need to make the changes necessary to improve these services.

Last August, Mr. Chairman, at a Senate Veterans Affairs Committee hearing, General Lowenberg, who is the Adjutant General of the Washington National Guard, said that he felt many Department of Defense programs don't work for our Guard and Reserve members. He said that services provided by the Defense Department and the VA should be revised to fit the nature of a military now heavily dependent on Guard and Reserve members. The Department of Defense estimates, in fact, that 68 percent of separating service members attended the full TAP seminars, but only 35 percent of our Guard and Reserve members attend.

I hope we hear from our panelists today on what we can do to provide resources to help veterans and employers. I think it is clear that Congress needs to look at many programs and services, including interpersonal and life skills training, readjustment counseling, VA briefings and workshops that are presented before the members' active duty tour ends, and training sessions and workshops that continue for up to a year after Guard and Reserve members release from active duty.

We have got to find some innovative ways of educating our veterans about the many Federal and State benefits to which they are entitled, along with the growing number of services that are provided by private, nonprofit public service organizations, and I want

to hear the panel address how those and other services may or may not be working for traditional active duty members as well as for our Guard and Reserve members.

We need to update our resources. The Cold War is over, yet we are holding on to programs that were built for veterans of that era. The Department of Defense, the VA, the Department of Labor, and others need to look at how we can get the right services to veterans today. We should provide improved services to our Guard and Reserve members after they have separated, whether it is 3 months or 6 months or a year later. We have to update the TAP program to work within the realities of what Guard and Reserve members are going through today.

We should improve the Labor Vets program by expanding its outreach efforts with creative initiatives designed to improve employment and training services for our Guard and Reserve members. We should place a priority on identifying military occupations that require licenses or certification or credentials at the local, State, and national levels. And we should provide programs and funding that truly help our Guard and Reserve members who run small businesses or are self-employed as they manage that transition.

Mr. Chairman, I have said many times, I believe how we treat our veterans when they come home is an important indication of the character of our Nation. That is why I think it is important for this subcommittee to look for ways to make the transition to work and home life smoother and easier for our service members and for their families.

So I hope that with today's hearing, we can hear about some of these current needs and improvements, but I want to end with just two final thoughts. I want everyone in this room to bear in mind the story of a young guardsman that I met in August. He is a father of three and he recently returned from Iraq. He lost his job. He can't get unemployment. He can't get the VA or the DOD doctors to figure out what is wrong with him, and he is currently getting food stamps to feed his family.

Today, we are going to hear some success stories, and I applaud the employers who are doing the right thing. We so appreciate that and want you to continue. We want to do what we can to make that happen. But we also have to focus on a lot of these Guard and Reserve members who are falling through the cracks, just like this father I talked to.

Second, I have heard for over a year that we did a better job of taking care of our Guard and Reserve members during and after the Gulf War. I have heard that from everywhere I go, and I know that was a war where our Guard and Reserve made up a smaller percentage of our troops in the Middle East and obviously it was a much shorter conflict. Helping our Guard and Reserve transition into civilian life is a fundamental cost of war, and the Service Members Occupational Conversion and Training Act was developed as a transitional tool designed to provide job training and employment to veterans discharged after August 1, 1990, the first Gulf War.

Back then, I think we need to recognize, there was a lot stronger network that helped our Guard members with reintegration than there is today. So I hope to hear from our panelists today how we

can best change that to provide our veterans today the services they need, deserves and have earned.

Thank you very much, Mr. Chairman.
 Senator ISAKSON. Senator Roberts?

OPENING STATEMENT OF SENATOR ROBERTS

Senator ROBERTS. Thank you, Mr. Chairman. I would like to associate myself with your remarks and that of the distinguished ranking member. I want to thank you for holding the hearing, and I would ask permission that my entire statement be made a part of the record and I will very briefly summarize.

Senator ISAKSON. Without objection.

Senator ROBERTS. We have two of Kansas' largest employers, Sprint and Westar Energy, who have made the decision to further support their citizen soldiers by providing differential pay. I certainly want to bring that to the attention of the committee. We are very proud of them and we hope that they serve as an example.

I would also point out that I think that Congressional action is needed to clarify the tax treatment of this important voluntary benefit. Here is the problem. Under a 36-year-old tax ruling, our military fighting from foreign operating bases are required to file quarterly tax returns and submit quarterly tax payments because IRS rules actually treat a guardsman or a reservist called up to active duty as a, quote, "terminated employee." This ruling is outdated. It is unacceptable to our service members.

If you stop and think a minute about anybody in the Reserve and Guard trying to stop the influx of the insurgency at the border in Anbar Province, or trying to stabilize, say, Falujah, they simply do not have time to sit down and fill out quarterly tax forms.

I think that we need to take prompt action. Last year, we almost had the problem fixed. Unfortunately, during consideration of the 2005 Defense authorization bill, the prospective legislation was removed during conference due to objections with regard to an unrelated tax provision, so we got into yet another turf fight. We cannot allow this IRS ruling to stand.

Earlier this year, three members of this committee, Senator Gregg, Senator Alexander, and myself joined together to introduce legislation to clarify the tax treatment for differential pay. We need to make sure that this voluntary benefit provided by employers who want to do the right thing does not inadvertently really create an additional tax reporting burden on our citizen soldiers. Adopting this bill will relieve that burden and send a message to both Guard and Reserve families and employers that Congress recognizes the importance of this voluntary benefit.

Again, Mr. Chairman, thank you for holding this important hearing. I apologize for leaving, but as chairman of the Intelligence Committee, we have Porter Goss, who is to give his yearly report. The flak jacket that we were going to provide him is missing and I have to find it.

[Laughter.]

Senator ISAKSON. Senator Roberts, before you leave, I want to personally thank you for your leadership on the tax issue and associate myself with your remarks and your support for that change. You are exactly correct.

[The prepared statement of Senator Roberts follows:]

PREPARED STATEMENT OF SENATOR ROBERTS

Mr. Chairman, thank you for holding this hearing to focus on the relationship between our Nation's employers and Members of the National Guard and Reserve. This important relationship is critical to the success of our armed services and vital to our national security.

As I visit with employers at home in Kansas, and our men and women in uniform, I am encouraged by the positive news I hear about steps employers are taking to assist employees called to active duty. While Federal law sets out employment protections for guardsmen and reservists who are on active duty, I know that many employers are going above and beyond these requirements.

One way they are doing this is by providing differential pay. Differential pay provides the difference in pay between active duty military pay and an employee's civilian pay. It is a voluntary benefit offered by employers to their employees who are members of the Guard and Reserve and who are called to active duty.

Across the country, many employers recognize the value of their employees who serve in the National Guard and military Reserves. As a result, these employers, including two of Kansas' largest employers, Sprint and Westar Energy, have made the decision to further support their citizen soldiers by providing differential pay.

This income is critical to many families who, faced with the loss of income because a wage-earner is called to active duty, now have greater financial security while their family member is deployed. It means the difference between paying the mortgage or car payment or struggling to make up the loss in income. It means that a guardsman or reservist can better focus on their mission without the added stress of wondering if their family is financially secure. However, Congressional action is needed to clarify the tax treatment of this important, voluntary benefit.

Here is the problem: under a 36 year-old tax ruling, soldiers fighting from forward operating bases are required to file quarterly tax returns and submit quarterly tax payments because IRS rules treats a guardsman or reservist called up to active duty as a terminated employee. This ruling is outdated, unacceptable and an insult to our men and women in uniform. Prompt action is needed to correct this situation. Last year, we almost had the problem fixed. Unfortunately, during consideration of the 2005 defense authorization bill, the proscriptive legislation was removed during conference due to objections regarding an unrelated tax provision. We cannot allow this IRS ruling to stand.

Earlier this year, three members of this committee, Senator Gregg, Senator Alexander, and myself, joined together to introduce legislation to clarify the tax treatment for differential pay. We need to make sure that this voluntary benefit, provided by employers who want to do the right thing, does not inadvertently create an additional tax reporting burden on our citizen soldiers. Adopting this bill will relieve that burden and send a message to both Guard and Reserve families and employers that Congress recognizes the importance of this voluntary benefit.

Again Mr. Chairman, thank you for holding this important hearing to highlight the vital relationship between our citizen soldiers and their employers.

Senator ISAKSON. Senator Burr?

OPENING STATEMENT OF SENATOR BURR

Senator BURR. Thank you, Mr. Chairman. Let me take this opportunity to welcome the panel. I had the opportunity this morning to spend time with Mr. Donovan and to get some insight as to the tremendous commitment that Home Depot makes. What we find is they are not alone. There are a lot of companies around the country that provide us the opportunity to tap into our Guard and Reserve at a time like this, where we do have very responsible corporate citizens, and where we don't. Hearings like this, Mr. Chairman, are very helpful to help us fix the system.

I might also point out that the University of North Carolina at Chapel Hill leads a collaborative effort funded by Congress with other institutions around the country called Citizen Soldier to look specifically at the deployment of guardsmen and reservists from the time that they are notified of that deployment until the time that they get home. Rather than waiting for an after-action report by DOD to be done after an event, this is done in real time to try to evaluate how we can do it better the next time we deploy. I think that already some of the information that this collaborative agreement has produced is beneficial to the quality of lives to the family members and to the troops who are deployed.

It is indeed an honor today, Mr. Chairman, to also introduce a constituent, Sergeant First Class Ronald Fry. Sergeant Fry has been a member of the North Carolina Guard since 1985. He was mobilized in September 2003 and deployed to Iraq for Operation Iraqi Freedom from February 2004 to December 2004. He served as a platoon leader for a motorized infantry element during 10 months of combat operations in Tikrit, Bayjl and Najaf.

In peacetime, Ron Fry has been directly responsible for mission execution, safety supervision, training, near- and long-term planning, and logistical operations of 40 personnel, four self-propelled howitzers, and a fire direction center. He has multiple military awards that he has won. Sergeant Fry was selected as the Brigade Non-Commissioned Officer of the Year in 1990 and the Battalion Non-Commissioned Officer of the Year in 1990, 1997, 1998, and a member of the Joint Counter Narcotics Task Force in 1990.

Ron Fry works for Wachovia Bank in Charlotte, North Carolina. He has worked there since 1998. Wachovia, interestingly enough, Mr. Chairman, received the 2005 Secretary of Defense Freedom Award on October 15, 2005. Currently, Ron serves as a Portfolio Manager Associate for the Credit Products Group at Wachovia Securities and he manages the credit risk of a multibillion-dollar portfolio of the financial institution's clients. He is responsible for all senior debt underwriting for any new or existing clients in the portfolio.

He received a B.A. in Business Administration in 1998 from Belmont Abbey College in Belmont, North Carolina, and is currently in the MBA program at Wake Forest University's Babcock School

of Management, an institution that is close to my heart, Mr. Chairman, in it's Charlotte Master's program.

Mr. Chairman, it is indeed an honor to introduce not only a good Wachovia employee and North Carolinian, but a brave American who has served his country well. I welcome you, Ron.

Senator ISAKSON. Thank you very much, Senator Burr. We appreciate that.

At this time I would like to ask unanimous consent that the statements of Senators Gregg and Kennedy appear in the record and that any other statements submitted may be submitted during the next 10 days and the record held open. Without objection, so ordered.

[The prepared statement of Senator Gregg follows:]

PREPARED STATEMENT OF SENATOR GREGG

Today, I am pleased that the Chairman has called this important hearing and I would like to take a few moments to discuss a significant bill that will be discussed today, The Uniformed Services Differential Pay Protection Act.

Sustained military operations in Afghanistan and Iraq have brought to light another example of how outdated and burdensome Government policies can punish generous employers. Employers that continue to pay their employees now on active duty in the uniformed services are experiencing tax and pension difficulties that are discouraging this pro-worker, patriotic gesture.

Under current law, employers of reservists and guardsmen called up for active duty are required to treat them as if they are on a leave of absence under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). The act does not require employers to pay reservists who are on active duty. But as I have pointed out, many employers pay the reservists the difference between their military stipends and their regular salaries. Some employers provide this "differential pay" for up to 3 years. For employee convenience, many of these companies also allow deductions from the differential payment for contributions to their 401(k) retirement plans.

The conflict arises, however, because a 1969 IRS Revenue Ruling considers the employment relationship terminated when active duty begins. This ruling prevents employers from treating the differential pay as wages for income tax purposes, resulting in unexpected tax bills at the end of the year for these military personnel. Further, the contributions made to the worker's retirement account potentially invalidate (disqualify) the employer's entire retirement plan which could make all amounts immediately taxable to plan participants and the employer.

The Uniformed Services Differential Pay Protection Act that I have introduced amends the Internal Revenue Code to clarify that differential wage payments are to be treated as wages to current employees for income tax purposes and that retirement plan contributions are permissible. It defines "differential wage payment" as any employer payment to an individual serving on active duty in the uniformed services for more than 30 days which represents wages such individual would have received if such individual were performing services for the employer. The bill treats an individual

receiving differential wage payments as an employee and treats differential wage payments as compensation for retirement plan purposes.

In summary, the Uniformed Services Differential Pay Protection Act upholds the principle that employers should not be penalized for their generosity towards our Nation's reservists and members of the National Guard. Again, I thank the Chairman for bringing this issue to the attention of the committee during this hearing today.

[The prepared statement of Senator Kennedy follows:]

PREPARED STATEMENT OF SENATOR KENNEDY

I commend Chairman Isakson and Senator Murray for holding this important hearing. The longer the war in Iraq goes on, the greater the toll it places on members of the Guard, Reserves, and their employers.

Before September 11th, the average number of reservists and guardsmen on active duty was 35,000. Today over 150,000 are on active duty around the world, with many on their second, third, or even fourth tours of duty.

Their continuing deployments strain our troops and their families, but they also cause hardship for their employers. Large companies struggle to find ways to work around their absent employees, but for small businesses, the loss of an individual can mean the difference between survival and bankruptcy, and for doctors and lawyers, the time away may well mean that their practice no longer exists when they return from their deployment.

But the greatest hardship falls on the members of the Guard and Reserves themselves and their families. In the current economy, continuing activations can be a severe hardship. When these men and women leave their civilian jobs behind, they often give up higher salaries and benefits too. Their families have to find other ways to meet mortgage payments, buy groceries, and care for their children without the benefit of their civilian salaries.

To reduce this hardship, our laws provide that service members returning home are entitled to return to their old jobs, without losing their seniority or benefits. Most employers obey the law, and as a recent survey by the Department of Defense has found, many employers actually go above and beyond the law's requirements to help reservists and their families. We'll recognize some of these employers at today's hearing. Massachusetts protects the salaries of its State employees called up for duty in the armed forces by paying the difference between their civilian pay and their military pay.

Raytheon, the largest employer in the State, does so indefinitely. It also continues employee health benefits, so that families don't have to change doctors while their loved one is away. Raytheon employees receive credit for their pensions while they are on duty.

Hopefully, now that this issue is being raised, many more employers will follow the example of the companies here today, and many more soldiers who are bravely fighting in Iraq and Afghanistan or serving in other parts of the world will find their jobs waiting for them when they return.

Too many soldiers, however, return to find that they've been replaced, or are being demoted to a lower-paying position or a job with less responsibility.

We'll hear today from the Department of Defense, which provides support for over 800,000 members of our Guard and Reserve now on drilling duty. The Department has over 4,000 volunteers, including 800 ombudsmen, across the country who answer questions and try to resolve workplace problems. In fiscal year 2004, over 1,400 service members had problems with their employers and filed complaints with the Department of Labor as well.

When I first heard about these types of problems from Massachusetts reservists, they told me they were worried about their jobs when they returned. Their employers were frustrated when they left their jobs to serve our country, and they feared they would be punished for it—by being passed over for promotion, being moved to another position, or worst of all, being fired.

I asked the Government Accountability Office to study what the Federal Government actually does to protect the rights of men and women in uniform, since it's not enough to have protective laws on the books. We also need to enforce them. The GAO report I'm releasing today shows that our Federal agencies need to do a better job. Servicemembers' rights are at risk of being mired in a bureaucracy that can't communicate with itself. The four agencies responsible for enforcing the rights of our reservists and National Guard members have separate tracking systems that are not only not electronic, but are also incompatible with each other. In some cases, GAO found that the same servicemembers' files were being opened and closed repeatedly—with some complaints taking nearly 2 years to resolve.

GAO has a number of recommendations to address these problems, such as that one agency should be responsible for overseeing the complaint process from start to finish. We need to consider this option seriously and I look forward to working with my colleagues to tackle these challenges and provide the necessary oversight and assistance to these agencies.

We need to do everything we can to protect the rights of our service members as they reenter the American workplace. These men and women have already made tremendous sacrifices, leaving behind not only their civilian jobs but also their homes, their families, and their communities. They are doing their duty with great skill and courage, and it's our job to be sure that the Federal Government does its duty too, so that no one in our volunteer military suffers on the job for serving their country on the battlefield.

Senator ISAKSON. Now I will introduce three of our panel members and Senator Murray will introduce the fourth. You have just gotten a wonderful introduction, Sergeant Fry. We appreciate you being here today.

Senator MURRAY. And I introduced Lisa in my opening remarks, so she is introduced to the committee.

Senator ISAKSON. First, representing the views of the administration is Bobby Hollingsworth, Executive Director of the National Committee for Employer Support of the Guard and Reserve. Appointed by President Bush less than 2 months after September 11, 2001, Mr. Hollingsworth serves as an advisor to the Assistant Sec-

retary of Defense for Reserve Affairs on all matters involving employer support programs for the Reserve components of the United States Armed Forces.

Second, I am very pleased to welcome Mr. Dennis Donovan, Executive Vice President of the Home Depot. Mr. Donovan oversees human resources functions for the Atlanta company's more than 300,000 associates. In just the Iraq conflict alone, the Home Depot has catered to the needs of approximately 1,800 associates who have been called to active duty.

On a point of personal privilege, I have had the occasion over and over again to witness the commitment of the Home Depot Corporation in the hiring of veterans. This year, they have already hired 13,000. Last year, they hired 16,000. They are a national leader in seeking out members of the armed forces and our veterans to serve, and their unparalleled support of the military and the young men and women who fight on behalf of this country is appreciated tremendously by this Nation and by their families.

Third, we welcome Christine Bierman, founder and CEO of Colt Safety, Incorporated, a small business from St. Louis, Missouri. A former teacher turned entrepreneur, she has supported two employees activated by Operation Noble Eagle and Operation Iraqi Freedom and we are delighted to welcome you here today. To all of our panelists, we appreciate the example that you set.

I will now open our hearing and ask Mr. Hollingsworth if you would like to make the first statement. We would like for you to keep the statement within 5 minutes, if possible. If you go over a little bit, we will let you fudge.

STATEMENTS OF BOBBY HOLLINGSWORTH, EXECUTIVE DIRECTOR, NATIONAL COMMITTEE FOR EMPLOYER SUPPORT OF THE GUARD AND RESERVE, WASHINGTON, DC; DENNIS DONOVAN, EXECUTIVE VICE PRESIDENT, HUMAN RESOURCES, HOME DEPOT, INC., ATLANTA, GA; CHRISTINE BIERMAN, CHIEF EXECUTIVE OFFICER, COLT SAFETY, FIRE AND RESCUE, ST. LOUIS, MO; LISA NISENFELD, EXECUTIVE DIRECTOR, SOUTHWEST WASHINGTON WORKFORCE DEVELOPMENT COUNCIL, VANCOUVER, WA; AND RONALD J. FRY, PORTFOLIO MANAGEMENT ASSOCIATE, WACHOVIA CORPORATION, AND SERGEANT FIRST CLASS, NORTH CAROLINA ARMY NATIONAL GUARD, CHARLOTTE, NC

Mr. HOLLINGSWORTH. Chairman Isakson, ranking member Murray, Senator Burr, and Senator Jeffords, it is indeed a privilege and we really thank you for the opportunity to come over and talk about the great things that are happening in America today for the members of the Guard and Reserve.

Just in the past weekend, the Secretary of Defense recognized 15 employers nationwide by presenting them with the Employer Support Freedom Award, which is the Department of Defense's highest award recognizing employers for going above and beyond the requirements of the law to support their employees who serve our Nation's National Guard and Reserve.

I am honored to be joined today by Dennis Donovan from the Home Depot and Christine Bierman from Colt Safety. Both of those were 2004 recipients of the Freedom Award. And, of course, I am

also pleased to have Ronald Fry be here from Wachovia, who is a 2005 recipient. Lisa, it is great to be here with you, as well.

The rigorous selection process for the Secretary of Defense Employer Support Freedom Award begins with the guardsman and reservists or a family member of a guardsman or reservist nominating their employer for this prestigious award. This year, I am pleased to report to you that we had over 1,500 nominations for this award.

In 1994, Congress passed the Uniformed Services Employment and Reemployment Rights Act, or USERRA, as it is more commonly known. It updated the 50-year-old Veterans Reemployment Rights Act to provide a broader range of protections to incorporate many court decisions that were relative to the VRR. USERRA prohibits discrimination in the basis of military service and established the conditions under which an employee may return to employment following active duty, active duty for training, or inactive duty for training.

For guardsmen and reservists to continue to serve knowing his or her civilian employment is protected by law is extremely important. Knowing that his or her employment supports his or her service to guarantee our national security is equally important.

Employer Support of the Guard and Reserve is a Department of Defense organization, as you mentioned earlier, that is responsible for gaining and maintaining support from all public and private employment for the men and women of the National Guard. Through an aggressive employer outreach effort, we educate and inform employers of their responsibilities under USERRA and encourage them to go above and beyond to support their employees serving in the Guard and Reserve.

We recognize that there are employers within the private and public sectors that cannot provide differential pay or health benefits because of public policy or fiscal or economic constraints. Going above and beyond is not limited to differential pay or continuation of health benefits. There are many things that an employer can do that carry little or no price tag, and in many cases, these little things are every bit as meaningful, if not more so, to the employees serving in the Guard and Reserve.

For example, Army Reserve Lieutenant Chad Souers from Northport, Alabama, sat down at a computer in Tikrit, Iraq, to nominate his employer for the 2004 Freedom Award. He acknowledged that his employer, which was Wal-Mart, provided differential pay and paid his portion of the civilian health insurance, but elaborated on Wal-Mart's personal touches. His boss, which is Mr. Fred Twilley, made regular phone calls to Lieutenant Souers' wife to ensure that she and their infant daughter were coping with his absence. Mr. Twilley and Lieutenant Souers' Wal-Mart associates invited Mrs. Souers to their store on their wedding anniversary for a surprise anniversary party. Lieutenant Souers' Wal-Mart associates sent flowers to Mrs. Souers on Valentine's Day and on Mother's Day to help with the pain of separation on these important days. Lieutenant Souers says, and I quote, "They have repeatedly gone out of their way to include my wife and my daughter in the Wal-Mart family during my absence, only as dear friends could. All of this has given me the peace of mind when I needed it the most,

knowing that there were so many people looking after my loved ones when I was unable to.”

In Las Vegas, the Metropolitan Police Department is a public sector agency that goes above and beyond in supporting its employees of the Guard and Reserve. Sheriff Bill Young has assigned a family support coordinator to each of the department’s area commands to maintain contact with the families of the deployed guardsmen and reservists. Not only do his area commanders maintain e-mail contact with the deployed soldiers and airmen and marines and other service members, but they do so with—also, the members of the employee’s squad.

The Las Vegas Metropolitan Police Department has instituted a leave donation policy allowing an employee to donate unused leave so that the guardsmen and reservists may have extra paid leave when they return from mobilization. To their credit, quotes Captain Gabriela Hatfield-Cook, “the officers and employees of the Las Vegas Metropolitan Police Department stand behind their deployed comrades without reservation.”

In another situation, Coast Guard Reserves Chief Warrant Officer Norm Chapman from Olympia, WA, has been a reservist the entire 18 years he has been employed by the South Puget Sound Community College. While South Puget Sound Community College is unable to provide differential pay, Mr. Chapman notes that the college grants veterans preferential credit points for most positions, they provide recognition of Guard and Reserve service through various college-wide activities, and upon several occasions, the school’s automotive department made repairs to his family’s vehicle, reducing the stress on his wife during mobilization. Not only did the college’s public relations department publish stories about his experiences on active duty, but they ensured that he was informed about the news from the college so that when he was away, which enabled him to return to work with some knowledge of what was happening in his absence.

Mr. Chapman said, quote, “After the events of September 11, a few of us employees have been called up more than once and I have heard nothing but positive words of encouragement from the administrative team. I feel totally confident that my job and position is fully protected by my employer and that they truly care about my Reserve participation.”

Lieutenant General Steve Blum, the Chief of the National Guard Bureau, frequently says that we recruit the soldier, but we retain the family. In order for an employee to feel secure in continuing to serve in the National Guard and Reserve, not only must he or she be confident that they will return to their job and face no penalty for their service, but also that his or her employer supports their service to our national security. The Department of Defense recognizes that we share almost half of our workforce with America’s employers, and those employers share sacrifices of the guardsmen and reservists. On behalf of a grateful Nation, the Department of Defense thanks these employers.

If National Guardsmen and Reservists are indeed twice the citizen, then their civilian employers are twice the patriot. America’s employers are inextricably linked to our Nation’s security.

Thank you, and I am looking forward to answering any questions you may have.

Senator ISAKSON. Thank you, Mr. Hollingsworth.

[The prepared statement of Mr. Hollingsworth follows:]

PREPARED STATEMENT OF BOBBY HOLLINGSWORTH

Mr. Chairman and members of the subcommittee, thank you for the opportunity to testify today on the importance of employer support for the Members of the National Guard and Reserve.

This past weekend, the Secretary of Defense recognized 15 employers nationwide by presenting them with the Employer Support Freedom Award, the Department of Defense's highest honor recognizing employers for going "above and beyond" the requirements of law to support their employees who serve our Nation in the National Guard and Reserve. I am honored to be joined here today by Dennis Donovan of Home Depot and Christine Bierman of Colt Safety, Fire and Rescue. Both firms are 2004 recipients of the Freedom Award. The rigorous selection process for the Freedom Award begins with a member of the Guard or Reserve, or a family member of a guardsman or reservist, nominating the employer for the award. I am pleased to report to you that we had over 1,500 nominations for the 2005 Freedom Awards.

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Employer Support of the Guard and Reserve is the Department of Defense organization responsible for gaining and maintaining support from all public and private employers for the men and women of the National Guard and Reserve. Through an aggressive employer outreach effort, we educate and inform employers on their responsibilities under USERRA and encourage them to go "above and beyond" to support their employees serving in the National Guard and Reserve.

We recognize that there are employers within the private and public sectors that cannot provide differential pay or health benefits because of public policy or economic constraints. Going "above and beyond" is not limited to differential pay or continuation of health benefits. There are many things an employer can do that carry little or no price tag, and in many cases, these "little things" are every bit as meaningful, if not more so, to the employee serving in the Guard and Reserve.

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ees of the Las Vegas Metro Police Department stand behind their deployed comrades without reservation.”

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Lieutenant General Steve Blum, Chief of the National Guard Bureau, frequently says that we recruit the soldier but retain the family. In order for an employee to feel secure in continuing to serve in the National Guard or Reserve, not only must he or she be confident that they will return to their job and face no penalty for their service, but also that his or her employer supports their service to our national security. The Department of Defense recognizes that we share almost half of our workforce with America’s employers, and these employers share the sacrifices of our guardsmen and reservists. On behalf of a grateful Nation, the Department of Defense thanks these employers.

If National Guardsmen and Reservists are indeed “twice the citizen,” then their civilian employers are “twice the patriot.” America’s employers are inextricably linked to our Nation’s security.

Thank you, and I will be happy to answer your questions.

Senator ISAKSON. Mr. Donovan?

Mr. DONOVAN. Good afternoon. I would like to start out by thanking Chairman Isakson and Senator Murray for inviting the Home Depot to participate in this subcommittee hearing.

The Home Depot was founded just in 1978. We are the world’s largest home improvement specialty retailer, the second-largest retailer in the United States. We currently employ more than 325,000 associates. Home Depot operates more than 1,950 stores in all 50 States, the District of Columbia, Puerto Rico, 10 Canadian provinces, and Mexico. Our headquarters are in Atlanta, Georgia, and we are proud to call the chairman of this committee our Senator.

At the Home Depot, we take our support for the military very, very seriously. One of our core values at the Home Depot is taking care of our people. Since 2002, the Home Depot has had approximately 1,800 associates called to active duty for the current conflict. Beyond assuring that these associates have a good job when they return home, the company also implemented an extended and enhanced leave of absence benefit. The Home Depot equalizes pay between their military salary and their Home Depot compensation and we extend health benefits to deployed associates as well as their family members.

Our company’s support of the military goes beyond our deployed associates. In September of 2004, the Home Depot joined forces with the U.S. Departments of Defense, Labor, and Veterans’ Affairs to launch Operation Career Front. This is an unprecedented program to provide job opportunities for veterans, separating active duty service members, National Guard, Reserves, and military spouses.

In 2003, the Home Depot hired 10,000 veterans. In 2004, the company hired more than 16,000 former military personnel, and I am proud to say that we expect to surpass this number in 2005, since we have already hired 13,000 veterans through September of this year.

Home Depot has also hired a significant number of former junior military officers into our Store Leadership Program. Since 2002, we have hired a total of 1,147 people into this program. Five-hundred-and-twenty-nine of them are former junior military officers. And out of that number, 125 of the JMOs are academy graduates.

The company also participates in the Marine Corps' National Fellows Program. This is a 1 year rotation inside of the Home Depot where the Marine works very closely with the senior leadership team of the company. Lieutenant Colonel Jim Izen, who is here with me today, is our fourth Marine fellow.

The Home Depot also collaborates with the military to share best practices. We are hosting the Army's Strategic Leadership Program for the third time on November 16. The focus will be on leadership, information technology, supply chain, and logistics.

Another one of the core values at the Home Depot is giving back to the community, and we do this through donations and volunteerism. Giving back to the military community is certainly part of this. In April of 2003, we launched Project Homefront. While they were protecting our homeland, we wanted to protect their homefront. This program was designed to help military families with home repairs while their loved ones were deployed. The Home Depot donated a million dollars and a million hours of volunteerism to help out during 2003 and 2005, and to date, we have repaired over 1,000 homes.

In addition, in July of 2004, the company donated \$1 million in tools and materials to support the U.S. military efforts in Iraq.

I would like to close by saying that we view our support for the military as our responsibility to our country. We don't view this as a cost. We consider this as a valuable investment to our company's future. Again, this is something we take very seriously and we will continue to support those who are defending our rights and protecting our freedoms.

Chairman Isakson, Senator Murray, thank you again for inviting the Home Depot to be here today.

Senator ISAKSON. Thank you, Mr. Donovan.

[The prepared statement of Mr. Donovan follows:]

PREPARED STATEMENT OF DENNIS DONOVAN

Good afternoon. My name is Dennis Donovan, and I am the Executive Vice President of Human Resources for The Home Depot, Inc.

I would like to thank Chairman Isakson and Senator Murray for inviting The Home Depot to participate in this subcommittee's hearing on cooperation between employers and guardsmen/reservists.

Founded in 1978, The Home Depot is the world's largest home improvement specialty retailer and the second largest retailer in the United States, with fiscal 2004 sales of \$73.1 billion. The company employs approximately 325,000 associates and has more than 1,950 stores in all 50 States, the District of Columbia, Puerto Rico, 10 Canadian provinces and Mexico. Headquartered in Atlanta, Georgia, we're extremely proud to call the chairman of this subcommittee our Senator.

At The Home Depot, we feel that our support of the military sets the standard for corporate America. It is our belief that we must honor our military heroes where it matters most, not only in our thoughts and prayers, but also in our business prac-

tices, human resource policies, corporate giving and volunteer efforts. It is in our value proposition to take care of the people who are defending our country. We do not view our military support as a cost, but rather as an investment. It is not a burden. It is our responsibility, and one that we live up to proudly each and every day.

The Home Depot's commitment to the men and women who serve our country is unquestionably strong and very close to the heart. Since 2002, The Home Depot has had approximately 1,800 associates called to active duty for the current Iraqi conflict.

The Home Depot has implemented an extended and enhanced leave of absence benefit for our deployed associates. Beyond making sure these associates have a good job when they return home, The Home Depot equalizes pay between their military salary and what they would have made at The Home Depot as well as extends health benefits to all of our deployed associates and members of their families.

We feel it is important to take care of our associates while they are away protecting our freedoms, so the company has extended these benefits to our associates for the duration of the Iraqi conflict. It is extremely important to us that these men and women are given the opportunity to continue receiving their benefits and have their pay equalized if their military position pays them less than what they would be earning if they were not a reservist or guardsman. These individuals should not have to forgo benefits or income because of their decision to defend our Nation.

Our company's support of the U.S. military and the men and women serving our country goes far beyond what we offer our own deployed associates. The Home Depot has been a long-time proponent of hiring separating military, veterans and military spouses.

On September 21, 2004, The Home Depot joined forces with the U.S. Departments of Defense, Labor, and Veterans Affairs to launch Operation Career Front, an unprecedented program designed to provide career opportunities for America's military personnel who are interested in transferring their unique skills, knowledge and abilities into a successful second career.

I was in Washington, D.C. with Bob Nardelli, our Chairman, President and CEO; Elaine L. Chao, the Secretary of Labor; Dr. David S.C. Chu, the Under Secretary of Defense for Personnel and Readiness of U.S. Department of Defense; and Anthony J. Principi, the former Secretary of Veterans Affairs to launch this tremendous initiative.

In addition to providing employment opportunities for active, Reserve, National Guard or veterans, The Home Depot also has a program for military spouses and dependents. With our network of stores throughout the country, The Home Depot works with its military associates to provide transfers in the cases of reassignment of duty stations, retirement or separation.

Operation Career Front is a program that enhances the company's hiring efforts within the military community. In 2003, The Home Depot hired 10,000 veterans, and in 2004 the company hired more than 16,000 former military personnel. I could not be more proud to tell you that we plan to exceed that number in 2005 as we already have hired more than 13,000 veterans through September.

Our effort, Operation Career Front, supports America's military job seekers, including veterans, separating active duty service members, National Guard members, Reserves and military spouses.

To support the initiative, the U.S. Department of Defense provides a link on its Web site to enable military members and their families to apply for employment with The Home Depot, and it lists The Home Depot as a prospective employer on its job search Web site. The U.S. Department of Defense also makes information available to interested military personnel and their families outlining the process to apply for careers with The Home Depot through their Military Transition Assistance and Family Centers.

The U.S. Department of Labor makes Operation Career Front information available to more than 2,000 One-Stop Career Centers throughout the Nation. The U.S. Department of Labor also supports the initiative utilizing the Local Veterans Employment Representatives (LVERs) as well as Disabled Veteran Opportunity Program (DVOP) specialists located at One-Stops and Transition Assistance Centers across the Nation.

The U.S. Veterans Affairs Department's Vocational Rehabilitation and Employment (VA VR&E) division makes Operation Career Front information available to veterans with service-connected disabilities through its representatives located in State offices across the Nation.

The Home Depot has also hired a significant number of former military into our Store Leadership Program. The Store Leadership Program provides individuals who

are dynamic and driven with a strong foundation of strategic and technical skills, placing them on the fast track to store manager positions.

Since the inception of the program in 2002, the company has enrolled 1,147 individuals. Of those enrolled, 529 of them are former junior military officers, with 125 of the JMO's being Academy graduates.

The Home Depot is always looking for the best, brightest talent available, and we have found that the former junior military officers that have joined our company possess tremendous leadership characteristics that have made them invaluable hires. We have found that these men and women have transferable experience because they have been put in a position where they have had to deliver results, and where they must act strategically as well as tactically.

In addition, our experience shows us that junior military officers have the ability to drive excellence and lead through inspiration. Also, they have the self-confidence and the know-how to engage customers.

The company also is a participant in the Marine Corps Corporate Fellows Program. For the past several years, an officer from the U.S. Marine Corps has been assigned to The Home Depot for a 1-year rotation working closely with the company's senior leadership team. The company benefits from the military leader's experience, and the officer is able to transfer his or her learnings at The Home Depot back to the Marines. We are proud to say we have our fourth Marine Corp Fellow, Lt. Col. Jim Izen, currently at The Home Depot.

The company also collaborates with the military to share best business practices. On November 16, 2005, The Home Depot is scheduled to host the Army Strategic Leadership Program for the third time. More than 25 senior officers and personnel will be in Atlanta to meet with Bob Nardelli and the members of the Senior Leadership Team to discuss and share ideas around leadership, logistics, information technology and supply chain management. On November 18, I am slated to meet with officers and personnel from the Air Force to share best practices.

Taking care of our communities through corporate philanthropy and volunteerism is one of the company's core values. Our commitment to the military community is no exception.

In 2003, we launched Project Homefront, a program designed to help military families with home repairs while their loved ones were away serving on active duty. The company pledged \$1 million and 1 million volunteer hours from our associates to complete these home repairs during 2003 and 2004.

In July 2004, The Home Depot donated \$1 million in tools and materials to support U.S. military efforts in Iraq. Nearly 100,000 tools and materials, including shovels, table saws, concrete mixers, safety scaffolding, power generators, light bulbs, jackhammers, and thousands of letters from associates at The Home Depot to troops were loaded on nine tractor-trailers in San Diego and taken by the U.S. Army and U.S. Marine Corps transportation to U.S. military installations in Iraq.

The Home Depot's support of the military has not gone unnoticed as the company has received numerous awards and recognition for our efforts and initiatives. The company received the Employer Support of the Guard and Reserve's Freedom Award in 2004 and The Home Depot was the recipient of the Employer Support of the Guard and Reserve's Homefront Award in 2003.

In addition, The Home Depot received the No. 1 Ranking in the "Top 10 Employers for Military Personnel" by G.I. Jobs magazine in November 2004.

In June 2005, Bob Nardelli received the Most Distinguished American Award from the Marine Corps Law Enforcement Foundation.

Recently, the company received the 2005 Veterans of Foreign Wars James R. Van Zandt Citizenship Award, a commendation from The American Legion, the USO (United Service Organizations) Patriot Award, the PSC Private Sector Leadership Award for the Partnership for Public Service, and the Military Officers Association of America's Distinguished Service Award.

I would like to close by saying we view our support of the military as our responsibility to our country and as a valuable investment in our company's future. It is something we take very seriously at The Home Depot, and we will continue to support those who are defending our rights and protecting our freedoms.

Chairman Isakson, Senator Murray, thank you again for inviting The Home Depot to participate in this Senate subcommittee hearing.

Senator ISAKSON. Ms. Bierman?

Ms. BIERMAN. Mr. Chairman, members of the committee, and distinguished guests, as a citizen of this great Nation, I am honored to testify before you today and trust that my ideas and opinions will be considered as we work together to continually improve

the way we do business in Government and in the public and private sector.

My name is Christine Bierman, CEO and founder of Colt Safety, Fire and Rescue, located in St. Louis, MO. Colt Safety is a small, woman business enterprise celebrating our 25-year anniversary this year. We warehouse and distribute personal protective equipment and industrial safety supplies. I am a national founding partner of Women Impacting Public Policy, a longtime member of NAWBO, National Association of Women Business Owners, and WBENC, Women Business Enterprise National Council, and a longtime member of the American Society of Safety Engineers.

Our company's mission is to protect the American workforce. Our vision is to nurture a successful company, poised to give back to our family of employees and to the community.

After the devastation to our Nation and our psyche as we watched the World Trade Towers vanish before our eyes on September 11, how could any American not step up to the plate and protect and defend this great Nation and to support any and all efforts to that end?

Colt Safety had 2 of our 17 employees activated after September 11. That represents 20 percent of our entire workforce. Master Sergeant Jim Mixco, United States Air Force reservist and 9 year Colt Safety employee, was called to action to support Operation Noble Eagle shortly after those towers crumbled. My heart and my patriotic duty, and the fact that Jim was a longtime manager at our company, guided me to continue his full salary and benefits for the year he was activated.

Another employee, Specialist Joey Petry from the 203rd Battalion, Fort Leonard Wood, was deployed directly to Baghdad during our company's busiest season.

Only after our company received the ESGR Freedom Award and the Government went out of its way to thank us with Waterford crystal eagles and Boss lifts to military bases across the country did I learn that not all employers do what I felt in my heart was the right thing.

I was moved by soldiers at Fort Benning, GA, who thanked us from the bottom of their hearts for supporting them in their efforts to protect us. Over the past year, soldiers have either been given my name or found us online, contacted me, asking us for advice on how to help them set up programs at their own companies. It is my hope that Colt Safety can serve as a role model to other companies that endeavor to do the right thing for our Guard and Reserve.

Former Secretary Wolfowitz said to me as he was handing me that beautiful crystal eagle that he knew it was easier to do if you are American Express. He understood the financial impact on a company our size. I do believe I am the smallest company ever to win this award. I think I am the only woman-owned business. And until last Saturday night, I was the first Missouri company to ever win until Enterprise Rent-a-Car just won.

Colt Safety's revenue was directly impacted by 50 percent decrease in profits and sales during Jim's absence. Small businesses that extend themselves financially in support of our Guard and Reserve must be recognized not only with crystal eagles and conspicuous service medal awards, but also with Government contracting

opportunities. Colt Safety and other small diversity companies can only continue to do the good that we do that is documented in this testimony when we are afforded opportunities to do business with the largest procurement agency in the world, the United States Government.

I am asking you today to author a bill that supports by way of Government contracts those small businesses, and large businesses, of course, that support our President and our service men and women. This will encourage and afford others the financial stability to do the right thing.

Thank you for the opportunity to testify today and I will answer any questions.

Senator ISAKSON. Thank you, Ms. Bierman.

[The prepared statement of Ms. Bierman follows:]

PREPARED STATEMENT OF CHRISTINE BIERMAN

Mr. Chairman, members of the committee, distinguished guests. As a citizen of this great Nation I am honored by the invitation to testify before you today and trust that my ideas and opinions will be considered as we work to continually improve the way we do business in Government and in the public and private sectors.

My name is Christine Bierman, CEO and Founder of Colt Safety, Fire & Rescue located in St. Louis, MO. Colt Safety is a small, woman business enterprise celebrating our 25 year anniversary milestone this year.

Colt Safety warehouses and distributes Personal Protective Equipment (PPE) and industrial SAFETY Supplies, everything a worker wears or uses in a hazardous environment according to OSHA and NFPA regulations.

I am an advocate for small and diversity businesses and have had the honor of testifying before local, State and Federal committees many times regarding small business and OSHA regulatory issues over the past 20 years. I am a National Founding Partner of Women Impacting Public Policy (WIPP), a long-time member of National Association of Women Business Owners (NAWBO), a member of Women Business Enterprise National Council (WBENC) and the American Society of Safety Engineers (ASSE).

Our Company's Mission is to profitably meet the safety and hygiene needs of the American workforce. Our VISION is to strategically and profitably nurture a successful company poised to give back to its family of employees and the community. After the devastation to our Nation and our psyche as we watched the World Trade Towers vanish before our eyes on September 11, 2001, how could any American not step up to the plate to protect and defend this great Nation and to support any and all efforts to that end.

Colt Safety had 2 of our 17 employees activated after September 11. That represents 20 percent of our entire work force.

Master Sgt. Jim Mixco USAF reservist, 9 year Colt Safety employee and Director of all Technical Sales and Service at Colt was called to action to support **Operation Noble Eagle** shortly after those towers vanished. Jim would serve at Scott Air Force Base, IL which is 40 miles East of our offices in St. Louis, MO. His duty would be 24 hours on and 24 hours off.

My heart and my patriotic duty and the fact that Jim was a long-time employee and responsible for a complete department at Colt Safety led me to choose to continue his full salary and benefits for the complete year that he was activated. Then Jim's annual 3 week tour of duty had long been scheduled for March of 2003. Jim's unit was deployed to Saudi Arabia as the President presented ultimatums and deadlines to Saddam Hussein.

Needless to say tensions and emotions ran high while Jim was in the Middle East and terrorist threats and attacks began to escalate.

I was in continual contact with Jim's wife and frightened children. Jim e-mailed us periodically from Saudi. I replied that I was worried for his family and we should do something for his wife. He and I concocted a plan that I would purchase a gift certificate for a massage at a Day Spa for his wife and put it in a card and sign it from Jim. When I presented that gift to her on behalf of Jim . . . she cried.

Another employee SPC Joey Petry from the 203d BN Ft Leonard Wood, an hourly warehouse person was deployed directly to Bagdad after the President declared war on Saddam Hussein and during our company's busiest season. Joey's tour of duty

was extended 2 times and lasted 16 months. Joey returned to his position at Colt until he chose to leave us and go back to college full time.

In October 2004, our Company received the Secretary of Defense ESGR FREEDOM Award. It was then after the Government went out of its way to thank us with Waterford Crystal Eagles and Boss Lifts to military bases across the country did I begin to learn that not all employers do what I felt in my heart to be "the right thing."

I was in awe of the Soldiers at Ft. Benning, GA who thanked us BOSSES from the bottom of their hearts for supporting them in their efforts to protect us. At first blush it seemed that they were following orders as they thanked us for supporting the Guard and Reserve. It was not long into the 3 day visit that I realized that these thank you words were truly sincere and coming from the depths of their hearts. I was very moved by this!

I heard stories on that trip to Ft. Benning from soldiers, other bosses and reporters that . . . what a handful of us were doing for our activated employees was the exception and not the rule.

Just 2 weeks ago a banker came to my office and noticed our Freedom Award. He told me his horror story of his most recent activation. He said that by law his former bank had to give him a job upon his return. All of his previous clients were given to someone else and he would have to find new clients or be out of a job. He stayed at that bank for 45 days before he sought friendlier employment.

Over the past year, soldiers have either been given my name or found us online and have called for advice on setting up procedures at their companies. It is my hope that Colt Safety can serve as a role model to other companies in their endeavors to do the right thing for our Guard and Reserve.

With all of this said, I know that we at Colt Safety have always done the right thing. We have been a powerful and vocal advocate for supporting our Guard and Reserve.

Secretary Wolfowitz said to me on stage as he was handing me that beautiful Waterford Crystal Eagle, "we know it is easier to do what you have done when you are American Express." He knew that we were probably the smallest business ever to receive this award and that it may not have been easy for us financially.

Colt Safety's revenue was directly impacted by Jim's absence. His 24 on 24 off schedule translates to less than 50 percent duty to Colt Safety. (This does NOT include his annual 3 week tour of duty which we have paid full salary and benefits also for the past 9 years). The sales generated in Jim's technical sales arena, (specifically sales of SCBA's, breathing apparatus, bunker gear and gas monitoring equipment to fire departments) were down 50 percent for the year Jim was serving under Operation Noble Eagle and Operation Iraqi Freedom.

In order to continue the good that we and other companies like us do by going above and beyond the call of duty, we must continue to be viable businesses. My request of you today is that you recognize companies like mine, not only with crystal eagles and Conspicuous Service Medals, but also with Government contracting opportunities. Once the doors of commerce are open to small diversity companies, our Nation and its leaders will realize growth, quality services and prosperity beyond our wildest dreams.

I am certain you are aware of the following facts so I will quickly brief you on them.

Small business is the engine that drives our Nation's economy! Women business enterprises:

- Represent 38 percent of all majority-owned, privately held firms in the United States;
- Generate \$3.7 trillion dollars in revenues to the U.S. economy;
- Are growing at twice the rate of all U.S. firms;
- Stay in business longer than all other businesses;
- WBE's generally employ a more gender-balanced workforce;
- Are more likely to offer flextime, tuition reimbursement and profit sharing;
- There are an estimated 1.2 million firms owned by women of color equaling 1 in 5 or 20 percent of all women owned firms;
- In the State of Missouri, Women-owned firms employ 217,000 people;
- With annual sales approaching \$25 billion;
- Yet Women business owners receive less than 2 percent of all Government contracting and Fortune Company dollars.

All statistics are from the Center for Women's Business Research.

Colt Safety is one small, woman business enterprise that can only continue to do the good documented in this testimony when we are afforded opportunities to do business with the largest procurement agency in the world, the U.S. Government.

Thank you for the opportunity to testify before you today. I would be happy to answer any questions.

Senator ISAKSON. Ms. Nisenfeld?

Ms. NISENFELD. Mr. Chairman and members of the subcommittee, thank you for the opportunity to talk with you today about employment issues for returning Reserve and National Guard soldiers.

The efforts of many employers to assure continued employment for our returning National Guard and Reserve veterans in both the public and private sectors is truly outstanding. These organizations well deserve the Nation's recognition and thanks.

Much more needs to be done, however, to make sure that all our returning National Guard and Reserve soldiers are employed and economically stable. The challenges facing these heroes are complex.

Last spring, 700 Oregon National Guard soldiers returned home, many of them residents of Southwest Washington. Fully 40 percent of them were unemployed upon return. Another group of 700 is scheduled to return next month, and of these, at least 30 percent anticipate being unemployed. An equal number, another 30 percent, describe themselves as underemployed. This occurs as our region's economy is in the midst of a strong recovery. So while the employment prospects for the public at large have improved, the options for our reentering service people are not as bright.

In Washington State, citizen soldiers demobilized from the Washington National Guard's 81st Brigade, demonstrating a 40 percent unemployment rate among 1,000 returnees. The largest number of these unemployed soldiers were jobless when they entered the Guard. That is especially true because we were in the midst of a recession at that time. To them, the challenges of securing gainful employment are even greater. They tend to be young people who have little, if any, college education. Some of them were students. Others were downsized during their period of service. The transition for these soldiers has been very, very difficult.

Upon first returning to civilian life, they are provided with a substantial amount of information regarding employment and education resources in their communities. That information, however, often falls upon deaf ears because the soldiers aren't ready to jump into a job. They face many pressing issues—reintroduction to their families, housing, deaths, and health challenges. So the usefulness of the information presented at demobilization is often limited.

Further, those who worked low-wage, low-skilled jobs are no longer satisfied with that. During their deployment, they learned many technical skills, lived in intense and demanding situations. They developed a maturity unlike that of others their age. Their expectations for work and family change substantially, yet they often come home to minimum-wage jobs, debts, and challenging family situations. They may have physical and mental challenges, as well, resulting from their service. So they are given 3 weeks or less to decompress prior to entering civilian life.

How can we help solve these challenges? There are a variety of possibilities. First, we should consider providing a military salary and benefits during the transitional years so individuals can afford to go to school. A wide variety of resources are out there to help pay the tuition and fees for veterans returning to school, yet many

have young families and financial obligations which preclude full-time education. They simply can't afford the cost of living.

Our economy needs these young people to pursue higher education and technical credentials, so this would be a sound investment.

No. 2, encourage civilians and veterans' organizations to work together to reach out to returning soldiers. Congress has funded a comprehensive system of one-stop employment centers throughout the country. These centers consider returning veterans to be their top priority populations for services. For the most part, however, these programs are not connected directly to the various military organizations that are demobilizing soldiers. These programs stand ready to actively reach out to returning veterans as well as their dependents, yet most are mystified about who to call and how to connect. Our system regularly mobilizes resources to deal with large layoffs and plant closures. Surely, our experience in rapid response can be applied to working with these men and women.

Making these connections is especially challenging for Army Reserve units, such as the 104th Division in Vancouver, because they draw soldiers from 12 States. They need to better understand how to connect with these local workforce systems. This is especially critical because their soldiers separate from the military one or two at a time, requiring much individual work.

The best part about this strategy is that it is already paid for. Let us make the most of the resources already out there.

A third option is to provide tax credits to assist small employers when National Guard and Reserve soldiers are deployed. In our experience, employers want to do the right thing. Small employers, however, have a difficult time bearing the substantial cost of training an employee to replace a deployed soldier. The result of this is some hesitation in hiring members of the Guard or Reserve. A tax credit to cover a portion of the replacement training costs would be very helpful.

Finally, assure that military credentials are fully transferrable. This already occurs in many arenas, but remains a challenge in others. It will require close coordination between the military and State licensing authorities for many occupations, especially in industries such as health care and transportation, where demand is high. Both classroom and hands-on experience should be transferrable.

I look forward to continuing our work with Senator Murray on these issues and I thank all of you for your commitment to the success of our returning soldiers. I would be happy to answer any questions.

Senator ISAKSON. Thank you, Ms. Nisenfeld.

[The prepared statement of Ms. Nisenfeld follows:]

PREPARED STATEMENT OF LISA NISENFELD

Mr. Chairman and members of the subcommittee, thank you for the opportunity to talk with you today about employment issues for returning Reservist and National Guard soldiers.

The efforts of many employers to assure continued employment for our returning National Guard and Reserve veterans in both the public and private sectors is truly outstanding. These organizations well deserve the Nation's recognition and thanks. Much more needs to be done, however, to make sure that all our returning National

Guard and Reserve soldiers are employed and economically stable. The challenges facing these heroes are complex.

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In Washington State, citizen soldiers demobilized from the Washington National Guard’s 81st Brigade also demonstrated a 40 percent unemployment rate among 1,000 returnees. The largest number of these unemployed soldiers were jobless when they entered the Guard. To them, the challenges of securing gainful employment are even greater. They tend to be young people who have little, if any, college education. Some of them were students. Others were “downsized” during their service.

The transition for many of these soldiers has been very, very difficult.

Upon first returning to civilian life, they are provided with a substantial amount of information regarding employment and education resources in their communities. That information, however, often falls upon deaf ears because the soldiers aren’t ready to jump into a job. They face many pressing issues: reintroduction to their families, housing, debts, and health challenges. So the usefulness of the information presented at demobilization is often limited.

Further, those who worked low-wage, low-skilled jobs are no longer satisfied with that. During their deployment they learned many technical skills, living in intense and demanding situations. They developed a maturity unlike that of others their age. Their expectations for work and family have changed substantially, yet they often come home to minimum wage jobs, debts, and challenging family situations. They may have physical and mental challenges as well, resulting from their service.

So they are given 3 weeks (or less) to decompress prior to re-entering civilian life.

How can we help solve these challenges? There are a variety of possibilities.

1. Provide military salary and benefits during a transitional year so individuals can afford to go to school. A wide variety of resources are out there to help pay tuition and fees for vets returning to school, yet many have young families and financial obligations which preclude full-time education. Our economy needs these young people to pursue higher education and technical credentials, so this would be a sound investment.

2. Encourage civilian and veterans organizations to work together to reach out to returning soldiers. Congress has funded a comprehensive system of one-stop employment centers throughout the country. Those centers consider returning veterans to be their top priority population for services. For the most part, however, those programs are not connected directly to the various military organizations that are demobilizing soldiers. These programs stand ready to actively reach out to returning vets as well as their dependents, yet most are mystified about who to call and how to connect. Our system regularly mobilizes resources to deal with large layoffs and plant closures. Surely our experience in “rapid response” can be applied to working with these men and women.

Making these connections is especially challenging for Army Reserve units such as the 104th Division in Vancouver because they draw soldiers from 12 States. They need to better understand how to connect with local workforce systems. This is especially critical because their soldiers separate one and two at a time, requiring much individual work.

The best part about this strategy is that it is already paid for. Let’s make the most of the resources that are already out there.

3. Provide tax credits to assist small employers when National Guard and Reserve soldiers are deployed. In our experience, employers want to do the right thing. Small employers, however, have a difficult time bearing the substantial cost of training an employee to replace a deployed soldier. The natural result of this is some hesitation in hiring members of the Guard or Reserve. A tax credit to cover a portion of the replacement training costs would be helpful.

4. Assure that military training credentials are fully transferable. This already occurs in many arenas, but remains a challenge in others. It will require close coordination between the military and State licensing authorities for many occupations, especially in industries such as healthcare and transportation where demand is high. Both classroom and hands-on experience should be transferable.

I look forward to continuing our work with Senator Murray on these issues. I thank all of you for your commitment to the success of our returning soldiers. I would be happy to answer any questions.

Senator ISAKSON. Mr. Fry?

Mr. FRY. I would like to thank Senator Burr for the introduction. Mr. Chairman and members of the committee, I have the honor to speak to you as a representative of both the Wachovia Corporation and as a citizen soldier.

When reservists deploy, they must rely on a support network that includes the businesses that they work for or own. In my experience, that level of support varies widely. I would like to detail the outstanding support that I received as I prepared to mobilize, mobilized, deployed, and redeployed in support of Operation Iraqi Freedom and to relate to the committee what that level of support means on a personal level.

At the time of my initial alert, Wachovia's existing corporate policy was already what I consider generous, providing for continued full pay and benefits for 6 months in the event of activation. In March of 2003, the corporation extended this policy to 1 year in recognition of the sacrifices being made to support the war on terror as more Wachovia employees joined the active ranks. Wachovia has since continued to extend that policy in subsequent months in support of our employees called to extended active duty for Operations Enduring Freedom and Iraqi Freedom.

Let me explain what these benefits meant to my family. As an active duty Sergeant First Class, my pay was less than half of what I had been making at Wachovia, even factoring in the additional allowances for the combat deployment. To compound this, my wife had to leave her job, which involved night and weekend work that she would no longer be able to perform since I was not there to care for our children. Day care was not available during those periods, and her employer would not grant her a leave of absence, so she was forced to resign and subsequently lost her benefits.

I was faced with the prospect of losing two-thirds of our annual income and benefits for my family while being halfway around the world and not being able to do anything about it. While Tricare health benefits began upon my activation, they involved a change in medical service providers and new and unfamiliar paperwork. Without the financial support from Wachovia and the extended benefits, we would have been in serious trouble. Not having to worry about my family's financial condition or health benefits gave me a great sense of relief and made it easier to focus on my duties.

I was initially concerned that the one-year policy would leave a period where I would only have the Army salary. However, the extensions to the policy ensured that I was covered for the entire period of my service. The company also maintained the employer matching of my 401(k) funds, allowing me to continue pursuing our savings goals. Wachovia also counted my military service as qualifying toward the company-funded pension plan. I was also paid my full incentive plan bonus for 2003, even though it could have been prorated to exclude the 3 months that I was on active service. These measures ensured that my future financial goals weren't derailed by the deployment.

During the call-up process, I had a lot of questions and was relieved to find the answers readily accessible. Wachovia has the entire military policy on its Web site with frequently asked questions

and linked me to a human resources representative whose support allowed me to plan thoroughly for the change. My Wachovia management team worked with me throughout the process and expedited it, when possible. My employer didn't just make policy that benefited reservists, they made it easy to access and receive these benefits. The company continued to count my years of service while I was gone, and when I returned, paid me retroactively for a raise that I would have received in 2004 had I not been activated.

My coworkers sent me a copy of a corporate newsletter applauding deployed Wachovia reservists that was published in the fall of 2004. There, I learned I worked for a company that the ESGR had named an outstanding employer, although by that time, I already knew that I worked for an outstanding employer.

I also learned that on October 13, 2004, Wachovia teamed with the Charlotte Chamber of Commerce and the ESGR to sponsor a salute to the troops in the atrium of Wachovia's corporate headquarters. This public demonstration of Wachovia's ongoing support makes me very proud to be a part of this company.

Upon my return to work in March of this year, I submitted a letter to the ESGR detailing the level of support that I had received from Wachovia and was pleased to see this letter included on Wachovia's military support webpage that was used as a source of information in consideration for the 2005 Secretary of Defense Freedom Award. Wachovia subsequently was awarded this honor here in Washington last Saturday, on October 15, 2005. Upon the announcement of the Freedom Award, the military's highest honor for a civilian employer, Wachovia interviewed several recently deployed reservists and broadcast our stories of support through company print and visual media.

CEO Ken Thompson stated in a release at that time, "Wachovia is proud to support the men and women who are serving our country and we are honored to receive an award that demonstrates our unwavering commitment to them. Their selfless service exemplifies the values that we work hard to live up to every day—integrity, respect, teamwork, service, personal excellence and accountability, and winning."

I would also like to relate the level of support that I received from the employees of Wachovia. Soon after the deployment, my department made me aware that they were starting a fund to donate airline miles so that my family could visit relatives while I was deployed. My wife and two sons were able to travel to Pennsylvania during the summer months and visit relatives thanks to their generosity.

During deployment, I received from current and past coworkers more than 50 large and unbelievably well-stocked care packages that I was able to distribute to my battery. The flood of donations became so overwhelming that I started to donate large quantities of items to other units attached to the 1st and the 33rd Field Artillery whose soldiers were not as fortunate as us to have such a dedicated support channel. The regular Army soldiers were amazed when I told them I had received all the items from work, and I was proud to tell them about the company and my experience.

The care packages included disposable cameras, food items, toiletries, games, books, magazines, signed banners of support,

sunblock, lip balm, insect repellent, and curiously, a 12-and-a-half pound box of sugar packets, which the coffee drinkers in the platoon took as a godsend. I also received Wachovia office forms in case I was missing work too much. I can't begin to imagine the effort involved, and I am sincerely grateful.

I received countless letters and e-mails extending support and prayers and discovered that my colleagues had told our clients about my experiences. Some of these clients, in turn, also started to send letters, e-mails, and packages to support me and my soldiers in the field.

Upon returning, I received an outpouring of support, not only from my teammates, but also from individuals throughout the corporation, as I learned that my team had been sharing my correspondence from Iraq throughout the company. I had an ever-larger group praying for my unit's safe return and I am still struck when someone whom I don't recognize will come up to me and thank me for my service and share with me that they, too, were praying for our safety.

Upon my return to work in March of this year, my Wachovia teammates helped me raise over \$2,000 for a severely wounded soldier in my platoon. My business unit donated over \$1,000 to a local nonprofit, VALOR, which was conducting a fundraiser for my wounded soldier. And through the Wachovia charity matching funds program, We Give, the corporation donated a matching amount.

Again, I take great pride in detailing the encouragement and assistance that I received as I deployed with the 30th Brigade, North Carolina Army National Guard to Operation Iraqi Freedom. Over the 17 months of the deployment process, Wachovia was more than an employer with deployed reservists. Wachovia was a partner to me in the deployment. The company has created a culture of encouragement for its reservists consistent with our core values.

The experiences of the soldiers in my unit who did not receive the same level of support made me all the more grateful for my experience. It also made me acutely aware that more could be done to convince the employers of the thousands of reservists still on or entering active duty to fight the war on terror how vital their support is to the citizen soldiers at home and downrange. Thank you.

Senator ISAKSON. Thank you, Mr. Fry.

[The prepared statement of Mr. Fry follows:]

PREPARED STATEMENT OF RONALD J. FRY

Mr. Chairman and members of the committee, I have the honor to speak to you as a representative of both Wachovia Corporation and as a citizen soldier. When reservists deploy, they must rely upon a support network that includes the businesses that the reservists work for or own. In my experience, that level of support varies widely. I would like to detail the outstanding support that I received as I prepared to mobilize, mobilized, deployed, and redeployed for Operation Iraqi Freedom, and relate to the committee what that level of support means on a personal level.

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Senator ISAKSON. I thank all the members for their testimony. To Wachovia and to Colt and to Home Depot, you are shining examples to the business community, and the contribution you are making to our country and to our men and women who work for you and serve as guardsman or reservists is appreciated by your Nation very much.

Ms. Bierman, tell me how you would envision the contract preference proposal that you made working.

Ms. BIERMAN. I don't know if I would call it a preference, but I just think some kind of a bill—

Senator ISAKSON. That was my word, that wasn't yours.

Ms. BIERMAN [CONTINUING]. Right. First off, we have been soliciting the Federal Government for 25 years and most recently for 4 years to help rebuild Iraq, now help rebuild the Gulf Coast, and the Federal Government, FEMA, Homeland Security, and the DOD. I was actually—it was kind of their idea when I met and I had a meeting with Secretary Rumsfeld. We were invited back to have a meeting with him in his private conference room last year after the awards and one of the under secretaries said, "We owe you." And I said, "Well, I never thought of it that way, and I don't want any handouts, but just help us get Government contracting opportunities, which we are working on anyway."

So that has come up. That particular under secretary actually took me to the Chief Procurement Officer for all chem-bio personal protective gear and it didn't go anywhere. But I just think there needs to be a bill. There are bills out there. We have bills for small business. We have set-asides. I don't like that term. I don't like goals and I don't believe anyone owes us anything.

But in this particular case, in order for me to continue the good that I do—I am a contributor to society and a good employer, and to continue—this has all cost me money, coming to receive these awards. You were kind enough to pay today, but most of the time I come to Washington, DC, it is on my—all the time, it is on my dime. I cannot continue to be a profitable, viable company without growing my business and the best way to grow the business is with the largest procurement agency in the world, the Federal Government.

So I have been actively seeking contractual agreements there for 4 years and I could use a little help, and I know I am not alone. I think there needs to be some kind of a bill or a sponsorship or names of those of us that have supported the Guard and Reserve specifically in this case, that our name goes before those buying agencies, that they take a really good, hard look at us.

Senator ISAKSON. Your testimony that when you lost 20 percent of your employees due to deployment, in that same year, your profit reduction was 50 percent, that was a significant contribution that Colt made to the United States Armed Forces. Your recommendation is intriguing and certainly what Colt has done, and obviously what Home Depot and Wachovia, but in particular many small businesses do certainly is something that ought to be known and be a part of that process. The awareness alone of the contribution you are making ought to be a qualification at least for application purposes or knowledge purposes, if not anything else.

I wanted to ask that question because I would like to follow up with you on that and see if there are not some ways that we can elevate the visibility of those that are providing goods and services that are also going above and beyond the call of duty on our men and women in the Guard and the Reserve.

Ms. NISENFELD, you made a comment—I think I heard it right—that said there are lots of one-stops around the country, and I don't know whether you were referring to the Department of Labor one-stops or private one-stops.

Ms. NISENFELD. Yes, the Department of Labor under the Workplace Investment Act.

Senator ISAKSON. OK. You then said, I think, and tell me if I misheard this, that there wasn't a good connection between them and the military.

Ms. NISENFELD. Right. There are agreements between the Employment Service and the VA and other agencies to work together and there are veterans' reps in each agency. I think it would be more helpful if we were simply given names of soldiers as they return and let us go find them and seek them out rather than wait for them to show up on our doorsteps. There is a significant veterans' presence in each one-stop center, but we need to go beyond that. We need to use all of our resources to get these folks employed.

Senator ISAKSON. Mr. Hollingsworth, can you help make that happen?

Mr. HOLLINGSWORTH. Sir, I can certainly take that message back to the Secretary. We are more in the employer relationship business. We are not in the employee information business for the

guys, but I think that is a great idea for us to take back and pursue.

I know that General Blum has worked very diligently with that for the Guard because he has made a corporation with some folks called Helmets to Hardhats so that when they return, there is a job opportunity there for them. I think that this is something that we need to do more of. I think it is a no-cost item, it is just a matter of information flow and I would take that back, sir.

Senator ISAKSON. I thought it was an excellent suggestion and the Department of Labor and the Department of Defense are two parts of the same Government. I know Senator Murray, Senator Jeffords, Senator Burr, and myself worked on The Workforce Investment Act and the one-stops and employment issues and there ought to be a good connection so that the one-stops have that information and we can find those jobs for those veterans.

My time has expired. We will go back and do a second round if other members would like to. Senator Murray?

Senator MURRAY. Thank you very much, Mr. Chairman.

Sergeant Fry, let me start with you. First of all, thank you so much for your service and pass my thanks on to Wachovia for really an incredible outpouring of support from them, and it sounds like your fellow employees, as well. Were you fortunate within your unit or were there a lot of members of your unit who had similar situations, or were there others who came back home and haven't been able to find a job?

Mr. FRY. There is a wide variety of experience within my unit and I can speak to probably a battalion-sized element, maybe between 500 and 600 troops. We had troops that were receiving full differential and partial differential in pay. There were 7 of us out of 108, so that is not common.

Now, again, probably 30 percent of my troops were either college students who were fresh out of high school or were unemployed, so that skews the numbers slightly. But of the troops we had that were activated, I am going to guess that probably half of those in the senior levels, even more so, were impacted financially.

Senator MURRAY. Mr. Hollingsworth, are the employers you are talking to interested in hiring Guard and Reserve members?

Mr. HOLLINGSWORTH. Yes, ma'am. As a matter of fact, there is just an incredible outcropping of support for these young Guards and Reserves coming back, not only the folks who are just returning normally but I have had opportunities to talk to many of the businesses out there that are making slots available for the folks that have had some severe injuries and they have promised that they will ensure that no one in this country that sacrificed will go without employment.

Senator MURRAY. Have any of them mentioned to you any of the roadblocks or incentives that we can provide that would help encourage them to do that?

Mr. HOLLINGSWORTH. No, ma'am. They are all willing to do it. There is nothing that the guys have said, we need to be incentivized about, at all. We are just willing to do it because we care about these young guardsman and reservists.

Senator MURRAY. Ms. Nisenfeld, has that been your experience?

Ms. NISENFELD. I would say we have had more mixed experience. Employers certainly are anxious to tell, say that they support our troops. When it comes down to individual businesses, particularly small businesses, they are hesitant, and it is mostly fear of redeployment that we are hearing about.

Senator MURRAY. I have heard that a lot, too, especially seeing the history of 13 and 14 months gone, back for 90 days, back out again to the Gulf Coast or a short time later back to Iraq.

What can we do, and I have asked both Mr. Hollingsworth and Ms. Nisenfeld, what can the Federal Government do to help businesses manage that aspect of hiring a Guard or Reserve member?

Mr. HOLLINGSWORTH. Senator Murray, I will go first, if it is okay, Lisa. One of the things that, as I go around the country talking to employers, that I ask them, we are the employer advocate within the Department of Defense, so I try to solicit information from employers so I can take it back and keep our Department informed as to what the atmosphere is out there toward Guard and Reserve service.

Continually, I will hear employers say, and I am talking large and small employers, both public and private, that if you will give us one thing, and that is predictability, we can manage the rest. So, if you can tell us when they are going to go, when they are going to come back, and give us advance notice on both of those items, we can manage the rest. That is what our Department has really emphasized.

Secretary Rumsfeld has said that we will give 30-day notice and certainly the Department of the Army, which is the largest employer, user out there of these shared manpower assets, they are really working hard to develop a predictable model so that employers will clearly know exactly when they can expect these young men and young women to leave and come back.

Senator MURRAY. I am certain if that is implemented, that would help a lot. Is there anything else, Ms. Nisenfeld?

Ms. NISENFELD. I think that something on the order of an on-the-job training subsidy for replacement workers would be helpful, and this could be a very short-term approach to work with folks who normally we would expect to be training people for long-term positions. In this case, we would know that that person was going to be there for a short period of time. That would be an expected outcome. So just a little slight tweak to the system, we could provide that assistance.

Senator MURRAY. Thank you. I see my time is running out, Mr. Chairman. I have to get back to the floor. I am managing the transportation bill, so I apologize, but I would like to submit some of my other questions for the record.

Senator ISAKSON. Without objection.

Senator MURRAY. And I would like to thank all of the panelists for being here today.

Ms. BIERMAN. Could I quickly respond to your original question, Senator Murray, are small businesses and companies looking to hire or not? It has always been our policy, and, of course, way before we got into the war situations, but I always look for guardsmen and reservists because we do highly technical—repair SCBAs and breathing apparatus and gas monitors and sell them and re-

pair them. I mean, those guys are so smart. They know this stuff. They have a mechanical background. So, like my last four technicians have been from the Guard and Reserves. So that is something I seek out just because of the knowledge, the work ethic that these folks have.

Senator MURRAY. Thank you very much, Mr. Chairman.

Senator ISAKSON. Thank you, Senator Murray.

Senator Jeffords?

Senator JEFFORDS. Thank you, Mr. Chairman. I would like to thank the witnesses for sharing their thoughts and insights. I would also like to submit my opening statement for the record, Mr. Chairman.

Senator ISAKSON. Without objection.

[The prepared statement of Senator Jeffords follows:]

PREPARED STATEMENT OF SENATOR JEFFORDS

Mr. Chairman, I would like to thank you for holding today's hearing on this very important issue. I would also like to thank the witnesses for being here today.

Vermont has a long and proud tradition of a fine militia and dutiful citizen soldiers. The Green Mountain Boys, famously led by brothers Ethan and Ira Allen, first organized to protect their land claims against New York. In 1775, the Green Mountain boys captured Fort Ticonderoga from the British Army without firing a shot. We Vermonters still refer to our National Guard as the Green Mountain Boys.

Today, there are hundreds of them currently serving in Afghanistan and Iraq. When Members of the Army or Air National Guard are called to active duty, they make a great many sacrifices.

Today's hearing will help us better understand some of those sacrifices, and the sacrifices made by those employers and family members who do not wear the uniform, and still are strongly affected by this call to duty.

Employers, especially those in rural areas and those who operate small businesses, struggle to make due without key employees for extended periods of time during deployments. This is a hardship felt all across our country.

In Vermont, particularly in those communities that have a very high proportion of Guard members or Reserves serving in Iraq or Afghanistan, this strain on employers is felt acutely. A May 2, 2005, article from the Los Angeles Times tells the story of how long-term deployment is affecting soldiers, employers, and families in the small town Enosburg Falls, Vermont. Because so many of its citizens have been activated, Enosburg's men and women have felt the pains of separation more than most.

I ask unanimous consent that a copy of this article be printed as part of this hearing's record.

The reality of most families today is that both parents work outside the home, and managing the day-to-day life of families is a two-person job. When a soldier, airman, Marine, or sailor is deployed, family structures and their daily functioning are often severely affected. Any absence, especially absences of several months due to a deployment overseas, can be debilitating.

The employers of family members are also affected, as the employee attempts to cope with greater burdens and fewer hands. In an effort to help families cope with this hardship, Senator Feingold and I introduced the Military Family Support Act of 2005 this morning.

This bill would allow Federal employees who are caring for the dependents of deployed service members additional flexibility in accessing the leave to which they are already entitled. This bill would also establish a pilot program, run by the Department of Labor, to provide businesses with guidance on how to be more flexible in administering leave for employees who are caregivers for dependents of our activated service members.

The goal of the Military Family Support Act is to make life a little easier for those who remain behind. Our deployed soldiers are able to give their best only if they are confident that their families are doing okay on the home front.

We must do our best to assist in this effort for those who are already giving so much to for their country.

Mr. Chairman, thank you, and I look forward to hearing the testimony of our witnesses.

Senator JEFFORDS. America's employers are proud of our men and women in uniform and we are proud of the efforts employers are making to keep the home fires burning while the troops are away. Employers, especially those in rural areas, those who operate small businesses, struggle to make do without key employees for extended periods of time during deployments. This is a hardship felt across the country.

In Vermont in particular, in these communities that have a very high proportion of guardsman or reservists serving in Iraq or Afghanistan, the strain on employers, therefore, is acute.

The reality of most families today is that both the parents work outside of the home, managing the day-to-day life of families and two-person jobs. When a soldier, airman, or sailor is deployed, family structures and their daily functioning are often severely affected. The employers of family members are also affected as the employees attempt to cope with greater burdens and fewer hands.

In an effort to assuage this hardship, Senator Feingold and I introduced the Military Family Support Act of 2005 this morning. Our bill would allow Federal employees who are caring for dependents of deployed service members additional flexibility in accessing the leave to which they are already entitled. This bill will also establish a pilot program run by the Department of Labor to provide businesses with the guidance on how to be more flexible in administering leave for employees who are caregivers for dependents of our men and women serving overseas.

The goal of the Military Family Support Act is to make life a little easier for those who remain behind. Our deployed soldiers are able to give their best only if they are confident that their families are doing okay at home.

I understand that the witnesses have not had an opportunity to study this legislation. However, I would appreciate each of your reactions to my description of this legislation, and it will be available to you. I guess I am just going to go on to questions here. Do you see this legislation as necessary and helpful as I have described it?

Do you see any problems with the OPM implementing the Federal employee provisions of this bill? Is it your experience that most employers are willing to be flexible in this regard? If so, for how long, and how do you think this program will be greeted in the private sector? Do you have copies? No, you don't. Sorry.

Senator ISAKSON. Does anyone want to take a stab based on the Senator's description?

Mr. HOLLINGSWORTH. Sir, I would just like to say that anything that we do for those families, that really does provide some really needed assistance to them, but it will have an impact financially on the employers and I think we need to look very closely at that. I would defer an answer as to how that would impact our employers to some of our colleagues here because they have a little bit better knowledge of their impact upon them from a financial perspective.

But certainly we applaud anything that our employers do. They lean forward in such a terrific manner already and I just want to express my appreciation to all of those great Americans out there that have done what they have for our Guard and Reserves.

Senator JEFFORDS. Thank you. Any other comment? I understand without a copy before you, I guess it is a little difficult.

Thank you, Mr. Chairman.

Senator ISAKSON. Thank you, Senator Jeffords.

I am going to continue with a few more questions. I will be happy to let Senator Jeffords or any other Senator who comes in ask a few more, too, but there have been some very beneficial suggestions made and a couple of them haven't been mentioned and I want to follow up on them.

Ms. NISENFELD, again, I want to make sure I heard it right, because I was writing and listening at the same time, but you made a comment with regard to those leaving the military once they are coming home, and I think you were referring to reservists and guardsmen, because that is the focus of this, and I think you said the usefulness of the information provided them as they left was not helpful at the time and what you meant were they were leaving, they were going home, they were getting out, so they get a whole lot of information and then there was nothing to follow. Is that correct?

Ms. NISENFELD. That is correct. Sometimes, there are employment seminars down the road that have been funded in a variety of places and some of the soldiers participate in that. But at the time of separation, they are pretty much thinking about what they are going to do in the next 20 minutes, not long-term.

Senator ISAKSON. Right. Lieutenant Colonel Izen, I am going to ask Mr. Donovan if he will share his microphone with you for just a minute. I don't want to catch you off guard. I know you weren't expecting it.

First of all, we have thanked Mr. Fry for his service. We want to thank you and all the members here for their service to the country. But in light of that statement, and I know you are still associated with the Marine Corps and you aren't out looking for employment, but are you familiar in the Corps or any other branch of the service with how they are provided information and how much follow-up there is beyond severance?

Lt. Colonel IZEN. Sir, I am more familiar with, on the active duty side of the house, the TAP programs that were already addressed. I did serve as an advisor to a Reserve unit for 3 years. We mobilized reservists, but I left before we started bringing them back. I believe that Ms. Nisenfeld had it right. There are some programs that are out there, but generally speaking, these are National Guardsmen and Reservists that have been pulled away from their families and they are excited about getting home and it is very difficult to provide meaningful instruction in that short period of time.

Senator ISAKSON. Sergeant Fry, or Mr. Fry, whichever you would prefer me to address you by, you were nodding your head vigorously there. Do you want to make a comment?

Mr. FRY. It is a very quick process, Senator. When we came back—it took us 3 weeks of State active duty and 5 months of Title X Federal active duty to deploy to Iraq, and most of my troops were released, unless they were in a medical hold status, within about 7 days. After a 4 day family leave with almost 16 months receiving family separation allowance, you have to remember, when the guardsman deploys, they leave their families to go to training bases. They don't have the opportunity the active duty does. As they train up for deployment, their family is with them. So having been separated for almost 16 months, it is very hard to get them to focus on the benefits that they are receiving.

Once separated, we have had follow-ups, and most of those are medical, dental, and counseling, but we have not received in my unit, in my experience, having been back now over 6 months, we have not received any vocational or educational or other work-related information from the Government except on a one-off basis. Now, the local Veterans' Departments, once your name is in that database, they will contact you, and myself and my unit members have been contacted through the local veterans' organizations and VA.

Senator ISAKSON. That is a very helpful point that you have made and both your comments lead me to believe there probably would be some things we could do to help get the branches of the service to have maybe a 90-day or 180-day after-severance period where they go back to the service men who had been deployed or the reservists and say, did you remember X, Y, and Z is available, and Senator Murray made a good comment.

Since the liberation of Iraq and since Operation Enduring Freedom, we have come to recognize that there needed to be some equalization of benefits for guardsmen and reservists with regular active duty personnel, particularly because of the tremendous dependence we have had in this battle, and I think this is an area we can help. I think in active duty, there is better follow-up postseverance than there probably is in the Guard and Reserve and that is probably because we have been more used to having to do it with regular duty people and not used to having such a large component of our Reserves called up. So I appreciate that suggestion.

A second suggestion that you referred to was a tax credit. I think I heard this right. You were talking about a tax credit to small businesses for the training of the person that fills the role of the reservist when they are called up, is that correct?

Ms. NISENFELD. Yes.

Senator ISAKSON. So in other words, if I was—well, Ms. Bierman is a small business person. If she lost one of her people for a 9-month or 12-month deployment, then she could get a tax credit for the cost to train that person's replacement who is hired just for that temporary period of time, is that correct?

Ms. NISENFELD. That is correct. We have a standing formula for that, which is half the wage for 6 months in the Workforce Investment Act system. That would be a simple formula to apply.

Senator ISAKSON. And you would do that at a small business threshold?

Ms. NISENFELD. I think it is most acute for small businesses.

Senator ISAKSON. OK. Yes, ma'am?

Ms. BIERMAN. I believe the SBA had a program, and it was like a \$50,000 loan or something like that, and we found out about it. Deputy Secretary Melanie Sablehouse had said, "Christine, you need to go after this," and I think I missed the date by a couple of days. It was a year you had to go back. And it was actually, frankly, it was a loan. I don't need any more loans.

Senator ISAKSON. There is a lot of difference between loans and credits.

Ms. BIERMAN. You had to fill out tons and tons of paperwork to do it. It wasn't worth my time and energy and it would not have even covered the loss that we had in direct result to the sales and service in Jim's department, which was—but on two really positive notes, Jim, our Master Sergeant, Jim Mixco, who was a 9 year employee and director of all my technical sales and service, I mean, he sells directly to Homeland Security and fire departments and highly technical equipment, he was ready to retire, but then there was the stop-loss so he couldn't retire.

He has gone on to, after all this is over, he has actually reenlisted and he is going to school now to get a degree in business. So he is always calling me on weekends now, tell me about this, how did you start the company? So he is writing all these papers. So he has reenlisted, but I keep hoping they don't take him away for very long, but reenlisted. He is going back to school.

And then my young man, Specialist Joey Petry, has now left our company. He was an hourly employee in my warehouse and he has left the company to go to school full-time and I guess they are going on the GI Bill. So I think those are both very positive things that came out of the things that the Government has to offer our guardsmen and reservists.

Senator ISAKSON. Well, it is a meaningful recommendation. I was sitting here thinking about what Home Depot and what Wachovia would think about a benefit, i.e. a tax credit for a small business that you might not propose for a larger one, but as I think about it, it is one thing for a company that has 325,000 employees today, and it will go to 400,000 probably over the next 2 years. Actually, when you hire that replacement to take the job the guardsman did while they are activated, by the time that guardsman comes back, you need that trained employee and you are probably not going to replace that replacement. They will probably work somewhere in the system.

The same thing would probably be true with the bank, whereas if it is 2 of 17 people, that is a huge impact on the business, and if you hired somebody, you probably wouldn't keep them once the person came back. So it is a worthwhile suggestion.

And again, with your comment of the State of Washington, the 81st Brigade, 40 percent were unemployed, but I think you said most of those were unemployed when they were called up, too, most of them probably would have been more employable in a small business than a large business, I would guess.

Senator Jeffords, did you have any further questions?

Senator JEFFORDS. Yes. Mr. Fry, you mentioned that your wife had to quit her job when you were deployed because she could not get child care during nontraditional hours. How typical is this of a problem? Do you think that this is a widespread problem for activated guardsmen and reservists?

Mr. FRY. Senator, I have noticed that at least in a handful of instances, we probably had four or five troops within my company-sized element that had similar problems. Child care, when you take one of the parents out of the equation, child care becomes increasingly difficult. If you are like the majority of my unit, around a metropolitan area, most of the guardsmen are not from that area. Most of their families are not from there. In some of the more rural units, yes, you have a much wider network of support. But around metropolitan areas where most of the National Guard and Reserves are, yes, that becomes a problem.

There were at least five of us that had similar circumstances. And while the reservist is covered by Federal legislation, the spouses, they can't get a leave of military absence because they are not in the service.

Senator JEFFORDS. Do others have comment on that?

Ms. NISENFELD. Senator, any health care professional who has to work odd shifts will tell you that getting odd-shift child care remains very difficult, even in urban areas. So soldiers who have spouses in those industries are—I totally agree with Sergeant Fry. They are having a very difficult time.

Senator JEFFORDS. Any other comments?

[No response.]

Senator JEFFORDS. Thank you, Mr. Chairman.

Senator ISAKSON. Thank you, Senator Jeffords.

I have one last question. There was one last suggestion that was made about fully-transferrable military credits for employment certification. I take it what you meant by that was if they are a mechanic in the military or if they are a teacher in the military or something that requires certification in the private sector, that the military experience be prima facie evidence of alternative certification in the private sector, is that correct?

Ms. NISENFELD. That is correct, and there has been much progress on that topic nationally, I understand. It has been something of a challenge to get the different branches of the military, what the training consists of and then kind of reconcile one with the other. But for things that require State certification, driving trucks and many health care occupations, we really need to reconcile those two, and there are many different licensing boards to contend with in every State.

Senator ISAKSON. Yes, and there are many different professional organizations that are into turf protection, and that is not a criticism of anybody, but I know—and I chaired the State Board of Education in Georgia, where we developed a Troops to Teachers Program where we gave alternative certification to retired military personnel to go into the classroom and teach on a fast-track method because of their experience and it worked extremely well, but there was a lot of reluctance by everybody else to let somebody else go in a different way or an alternative way.

All those suggestions are very good. I want to thank Mr. Hollingsworth for his being here today and hope he will take the suggestion with connecting the one-stops and DOD together. I think that was an excellent suggestion.

To representatives of Wachovia and Home Depot and Colt, thank you again for what you do for your country and for your employees who are serving our country.

Ms. Nisenfeld, thank you for your very valuable suggestions. You are probably the closest person to seeing the problem and putting a face on it of anybody here, because these other people are the solution. You see a lot of the ones who are suffering because there aren't as many employers as we need doing these good things.

We want to thank you all for your contribution to your country. Thank you for coming to this hearing and testifying today.

Unless there is other business, and I am the last one standing and I don't think there is, this meeting is adjourned.

[Additional material follows.]

ADDITIONAL MATERIAL

COLT SAFETY, FIRE, RESCUE,
November 12, 2005.

RESPONSE TO QUESTIONS OF SENATOR KENNEDY AND SENATOR JEFFORDS BY
CHRISTINE BIERMAN

QUESTIONS OF SENATOR KENNEDY

Ms. Bierman, you are very generous to continue the salary and benefits of your reservists. As you testified, losing 20 percent of your workforce to deployments was obviously a strain on your firm. Many small businesses may not be able to survive the loss of a few reservists.

Questions. At what point does the loss of reservists threaten the viability of a small business? What is the greatest hardship you faced as a result of the deployment of two of your employees?

You suggested that the Government should increase the number of contracts to small business who support their reservists. What other incentives could the Government offer to encourage employers to do the right thing for their reservists?

Answer. I will be very honest with you . . . the loss of Master Sgt. Jim Mixco directly impacted our business financially. That coupled with rising health care costs and fuel surcharge increases etc. almost took us down after 25 years in business.

We continued paying Jim's full salary as other costs of doing business escalated. Being the forever optimist and certain we would close at least one of the many Government contracts we had been working on, we continued down the same path.

After winning the Secretary of Defense Freedom Award, we were actually told by an undersecretary at the Pentagon that "We Owe you and with what you have to sell, fits right in with what we buy."

He then was kind enough to seek out yet another avenue for me to call on for business. That call was with the Chairman of the Joint Chem Bio Warfare program. The person who specifies exactly what is worn by the soldiers. A few of those items are off the shelf items sitting in my warehouse on any given day. The Brigadier General told me I would have to go back to FedBiz Ops to look for opportunities. That is an area I had been soliciting since my first year in business 25 years ago.

That is the infamous Government maze of an outsider and a small business trying to get their foot in the door. Agencies continue to give billions of dollars of NO BID contracts to the same big businesses and are not even questioned or held accountable for not meeting diversity or small business goals. These agencies can lose billions of dollars of tax payers dollars and not account for any spending . . . with no questions asked.

I will never understand it . . . but while it is has begun to affect me personally and professionally, I am having great difficulty remaining quiet on the subject and have spoken to my Senator and the House Small Business Committee and the leaders office regarding these issues.

Not even increasing, but affording a few contracts to small businesses like mine who go above and beyond the call of duty in supporting our Guard and Reserve, will assure our viability in business so that we can continue to do the good that we do. It will afford us the wherewithal to continue to be CONTRIBUTORS in our society. In addition to offering quality services at better prices and accountability when spending tax payers dollars.

QUESTION OF SENATOR JEFFORDS

Question. Please provide any comments you have in regard to the programs proposed in the Military Family Support Act of 2005, S. 1888. I would greatly appreciate having your insights as to how you would take advantage of this legislation or how this legislation could be improved. Thanks for your assistance.

Answer. Both of Colt's employees who were activated and have now returned, are taking advantage of the GI Bill and enrolled in college. This is a very good thing.

We as an employer did our part while they were gone to stay in touch with their families and offer support in their absence. Employers large and small can continue to support their Guard and Reserve when they too are compensated. And I do not mean with hand outs. It just makes sense that the largest procurement agency in the world, the U.S. Government would be happy and lucky to do business with those that have given extraordinarily to our citizen soldiers.

Again I am asking your committee to author a bill that will compensate by way of Government contracts, those specifically small businesses that support our Guard and Reserve specifically in the way that Colt Safety, Fire and Rescue has done.

Respectfully submitted,

CHRISTINE J. BIERMAN

RESPONSE TO QUESTIONS OF SENATOR KENNEDY AND SENATOR JEFFORDS BY DENNIS DONOVAN

QUESTION OF SENATOR KENNEDY

Question. What would you recommend that a model employer adopt to show support for guardsmen and reservists? Could you cite examples from your current employer, and past employer?

Answer. Each organization should adopt practical policies that they can fully support and develop programs that make sense for their own organization, recognizing that all employers are different and have differing abilities to accommodate the needs of their workforce in this area. At The Home Depot, we feel it is extremely important to support those who are defending our rights and protecting our freedoms. Since 2002, The Home Depot has had approximately 1,800 associates called to active duty for the current Iraqi conflict. The Home Depot has implemented an extended and enhanced leave of absence benefit for our deployed associates. In 2004, the company joined forces with the Departments of Defense, Labor and Veterans Affairs to launch Operation Career Front, an unprecedented program that supports America's military job seekers, including veterans, separating active duty service members, National Guard members, reservists and military spouses. Our support of the military stretches into our community efforts, as well. Through our Project Homefront program, the company donated \$1 million and our associates gave back 1 million volunteer hours to repair the homes of deployed associates. Our commitment is something we take very seriously at The Home Depot.

QUESTION OF SENATOR JEFFORDS

Question. Please provide any comments you have in regard to the programs proposed in the Military Family Support Act of 2005, S. 1888. I would greatly appreciate having your insights as to how you would take advantage of this legislation or how this legislation could be improved. Thanks for your assistance.

Answer. We have found that the model where Government gives the companies the flexibility to do what makes sense for each organization works very well. We view our support of the military as our responsibility to our country, and as a valuable investment in our company's future. All of the policies and programs we have developed to support the men and women who are defending our freedoms have been on our own accord. We were not told to implement these programs, but rather we chose to do so because our company feels it is important to take care of people who are defending our country.

RESPONSE TO QUESTION OF SENATOR JEFFORDS BY BOB HOLLINGSWORTH

Question 6. Please provide any comments you have in regard to the programs proposed in the Military Family Support Act of 2005, S. 1888. I would greatly appreciate having your insights as to how you would take advantage of this legislation or how this legislation could be improved.

Answer 6. While commenting on this legislation is not in my area of expertise or responsibility, I conferred with members of the Personnel and Readiness staff and this is our response. The purpose of the act is to permit employees to use sick leave (including leave received under a leave transfer program) in the same manner as annual leave, in order to serve as a "caregiver."

Current title 5 provisions limit use of sick leave to specific circumstances—e.g., caring for a family member who is incapacitated by a medical condition, attending to a family member who is receiving an examination or treatment. This proposal would permit a "caregiver" to use sick leave in the same manner as annual leave is used—i.e., it does not restrict use of sick leave to specific circumstances.

A number of civilian employees, especially those employed by the Department of Defense, have close working/personal relationships with soldiers deployed to Iraq and Afghanistan. In many instances, the employees are spouses who are relatively new to the organization and who have not accrued large amounts of annual and sick leave. When a deployed soldier depends on an individual at home to assume family responsibilities, it is in the best interest of the Department to allow an employee

(designated by the soldier as a caregiver) access to all of his or her available sick and annual leave. The caregiver can use the leave to accomplish the legal, financial, parental, and medical duties normally performed by the deployed soldier. Access to more personal leave (and any leave received under a leave transfer program) makes it less likely affected employees would be placed in a leave-without-pay status or forced to resign when performing duties necessary for the support of a deployed soldier and his or her family.

Current provisions require that an employee be dealing with a “medical emergency” in order to be a recipient of donated leave. This proposal would deem “caregiver” status to be a medical emergency—thereby qualifying employees designated as caregivers to receive donated leave. This leave could then be used in the same manner as annual leave.

Enactment of the enhanced leave flexibility would enable designated caregivers to more effectively fulfill their roles, and would thereby help maintain the readiness of the Armed Forces by helping to ensure adequate caregiver coverage during potential periods of prolonged deployments. This benefit will enable our Armed Forces to prepare for their family’s well-being and security during their deployment, and will go a long way in easing the stress and burden associated with deployment.

As a matter of policy, the Department of Defense (DOD) would encourage supervisors and managers of civilian employees to approve caregiver leave requests to the maximum extent possible without causing an adverse impact on mission accomplishment. The Department also would publicize caregiver leave user eligibility for DOD Component leave transfer programs to its workforce and encourage the Military Departments and Defense Agencies to ensure full employee support and participation.

The legislation could be improved with the following changes:

- Do not require qualified employees to exhaust their personal sick and annual leave accounts prior to using leave transferred to them as required under the provisions of subchapter III of chapter 63 of title 5, United States Code (U.S.C.). Currently, 5 U.S.C. 6333(b) reads “A leave recipient may use annual leave received under this subchapter . . . except that any annual leave, and sick leave, accrued or accumulated by the leave recipient and available for the purpose involved must be exhausted before any transferred annual leave may be used.”

- Allow leave donors to donate sick leave as well as annual leave to caregiver leave recipients. Sick leave transfer is currently not possible under 5 U.S.C. 6332, which reads “Notwithstanding a program under which annual leave accrued or accumulated by an employee may be transferred to the annual leave account of any other employee if such other employee requires additional leave because of a medical emergency.”

- Expand the definition of member of the Armed Forces in section 2(a)(1)(E) of the Military Family Support Act of 2005, S. 1888 to provide coverage to Department of Defense civilian employees deployed in support of contingency operations. Civilian employees require the same degree of family support as do the active duty members with whom they serve.

- Delete the age requirement. This is an artificial limitation and may likely stand in the way of obtaining the services of a skilled and appropriate caregiver. As long as the Federal employee is deemed to be a suitable caregiver by the individual requiring the care, the Federal employee should be permitted to use sick leave to provide the care, regardless of age.

We suggest that the committee consult with the Department of Labor and the Office of Personnel Management on the impact of the provisions that affect them.

RESPONSE TO QUESTIONS OF SENATOR KENNEDY BY BOB HOLLINGSWORTH

Question 1. General Hollingsworth, thank you for those positive stories about employers and the variety of ways they’ve supported our troops. How have the longer deployments—15 months and longer—affected employers, especially small or non-profit businesses?

Answer 1. Employer hardships increase the longer the employee is gone. The smaller the business, the more significant the absence. Overall, many managers indicate 1 year is the maximum, not the optimum, period of leave.

In a recent survey of Reserve component employers sponsored by the Henry M. Jackson Foundation for the Advancement of Military Medicine and the Uniform Services University of Health Sciences entitled *Attitudes, Experiences and Intentions of Employers of Reserve Component Members Concerning Employee Participation in the National Guard and Reserve*, roughly 15 percent of employers report a negative effect on operations as a result of the temporary loss of employees due to military service. Overall, the survey concludes that support for the Reserve components is

very high, and appears to be durable, among all types of organizations and categories of managers.

Employers' main concerns appear to center around the uncertainty of the timing and the durations of instances in which they temporarily lose an employee to military duty, not with the burden of compliance. Most suggestions made by employers for improving their compliance with USERRA relate in one way or another to receiving adequate advance notice of the pending temporary loss of an employee and limiting the amount of time they are away from the job.

Question 2. GAO has just completed a report suggesting that the four agencies involved in protecting the rights of Service members are actually not serving our troops well. The agencies have incompatible information collection systems. Because no one agency is responsible for tracking complaints from start to finish, the claims can languish for months, or even years. Shockingly, GAO found that despite a requirement to collect information about reservists' civilian employers, the Department of Defense still lacks this information on nearly 40 percent of reservists.

Obviously, complete information about civilian employers of reservists and National Guard members is a vital part of protecting Service members' rights and educating employers about their responsibilities. Would you support (1) having one agency perform oversight of complaints and (2) increasing collection of this critical information about civilian employers?

Answer 2. Yes, ESGR strongly supports having one agency perform oversight of complaints. Currently, the collection systems are incompatible. The infrastructure of the data bases differ which creates a challenge for sharing and tracking data. The Department of Labor (DOL) has enforcement authority and many years of experience and expertise in dealing with the complaint process for Service members. DOL has an established system for data collection; therefore, it is uniquely qualified to oversee the complaint process and the collection of data.

Concerning the second question, supporting increased collection of critical civilian employer information, Department of Defense answers with a strong yes. We have made the process as painless as possible by utilizing a web based application.

Question 3. GAO conducted a survey of the ombudsmen, who are all volunteers performing the invaluable task of helping Service members resolve problems with their reemployment. The role will only grow in importance as more National Guardsman and Reservists return. GAO found that although nearly 100 percent of participants said they had completed basic ombudsman training, two-thirds said they hadn't had any advanced ombudsman training, and 80 percent had no mediation training.

What plans do you have to increase the level of training for the ombudsmen and volunteers, and how can we assist in giving volunteers the level of training they need to support returning Service members more effectively?

Answer 3. ESGR is pleased that GAO substantiated our statement—nearly 100 percent of the ESGR Volunteer ombudsmen (711 as of December 7, 2005), have received basic ombudsman training.

Before January 2005, mediation training was considered "advanced" training and provided as a separate course. However, in January 2005 the ombudsman basic course was modified to include mediation training.

To provide mediation training to those ombudsmen who have completed the early version of the basic ombudsman course, our initiatives include developing web based interactive learning products. Our Strategic Plan for fiscal year 2006 identifies numerous training requirements and we are seeking resources to support the development of these distance-learning products.

Finally, we are validating training needs by seeking input from those volunteers we serve. A training subcommittee has been chartered to validate assumptions made by the National Committee and to guide the comprehensive training needs of the entire organization.

Question 4. Your testimony discussed examples of businesses that offer differential pay. Do you have any statistics about Service members who haven't been able to get differential pay or other benefits? Are there areas we should be pursuing to help Guard members and Reserves whose employers can't offer costly benefits for long periods of deployment?

Answer 4. Many employers choose to go "above and beyond" what USERRA requires in supporting their employees who serve in the Reserve components. Differential pay is an example of an "above and beyond" human resource policy. ESGR encourages employers to go "above and beyond," but we recognize that differential pay can carry a substantial price tag for the employer. Other examples of "above and beyond" support include recognition for employees who serve in the Reserve

components and frequent communication with the employee and the employee's family while he or she is deployed.

We are currently conducting surveys to determine how many employers go "above and beyond." Over 4,400 employers have signed ESGR Statements of Support indicating that they have employment policies that go "above and beyond" the requirements of USERRA.

The number one request we receive from employers is that we provide them predictability. They want to know when the guardsman or reservist will be needed, approximately how long they will be gone, and when they will return to work. The Department of Defense has made great strides to provide at least 30 days notice of activations. We encourage Reserve component members to communicate frequently with their employers before the activation, during the activation, and after the activation.

Question 5. Have you heard examples of families who have no health insurance while one parent is deployed and the other parent works at home or works only part-time without benefits?

Answer 5. I am not aware of any such examples. Employers of Reserve component members activated for less than 30 days must continue to provide their normal health insurance benefits. When a Reserve component member is activated for more than 30 days, the member and his or her dependents qualify for military healthcare benefits.

RESPONSE TO QUESTIONS OF SENATOR KENNEDY AND SENATOR JEFFORDS BY LISA
NISENFELD

QUESTIONS OF SENATOR KENNEDY

On February 28th in Boston, I organized a Veterans Employment Summit, with leaders in the business community, State and Federal agencies, representatives from the Massachusetts National Guard and members of our armed forces to discuss the economic and health care challenges faced by soldiers and their families returning from Iraq and Afghanistan. Central to the discussion were the employment opportunities available to soldiers, and the most effective way to put the new skills they've learned overseas to good use back home in Massachusetts.

Questions. I understand you've worked closely with veterans in Washington State to help them find jobs. What programs have worked well for you? What should we be doing to see that our veterans and reservists know about all the opportunities available to them?

Answers. Many efforts are underway in Washington State to better connect the State's workforce development system with soldiers returning from active duty. We have raised particular concerns about returning National Guard and Reserve soldiers because the current pattern of deployment for these forces is unprecedented. Most Americans assumed that these individuals would simply return to their prior activities, not fully understanding the complexities of their lives following deployment. Because of this, it is difficult to say that any programs or strategies have worked well—it is simply too soon to say.

It is encouraging to note, however, that the Senate's interest in this subject has engendered substantial activity in the States to address these issues. Senator Patty Murray has shined a light on these problems in Washington State, moving officials throughout the State to close gaps and align resources to help these soldiers re-enter their lives and communities with good jobs.

Washington officials have discovered a way to cross bureaucratic hurdles and provide contact information on returning soldiers, including National Guard and Reserve members, to local One-Stop Employment Centers. In our region we will be actively and repeatedly reaching out to these individuals when they come home and for several months afterwards. We will not simply wait until they show up on our doorstep. We want them to know that we appreciate the sacrifices they have made for our Nation and that we will do our part to help them succeed. They are the highest priority customers for services under the Workforce Investment Act and we will work with them and track results for at least a year following employment.

Washington officials are also working across agency lines to promote focused hiring programs among employers, to recognize exemplary employers (in concert with Federal efforts) and to assure that State and local human services efforts are working together on these issues. We recognize that there is a well-developed system to help traditional veterans and it is our intention that the State's efforts will complement and augment these services.

A significant concern that many have voiced recently relates to mental health issues and the returning civilian soldiers. Many are not ready to jump back into jobs as soon as they return home. They need time to decompress and to address the many challenges that may have come up at home during deployment. Others may not experience mental health issues for several months following their return.

The current system of health care for veterans is overloaded and has difficulty responding to these mental health needs in a timely manner. If these mental health issues are addressed in a timely manner, they are less likely to become major barriers that could eventually affect all aspects of the soldier's life eventually.

We suggest that the Congress consider providing limited term mental health vouchers, similar to those provided to Hurricane Katrina victims, allowing community mental health centers to provide counseling for returning soldiers. Such counseling would occur in concert with employment services from the One-Stop Employment Centers. More serious cases would then be referred to the Veterans Administration for follow up.

QUESTION OF SENATOR JEFFORDS

Question. Please provide any comments you have in regard to the program proposed in the Military Family Support Act of 2005, S. 1888. I would greatly appreciate having your insights as to how you would take advantage of this legislation or how this legislation could be improved.

Summary of S. 1888

To allow Federal employees who are caring for the dependents of deployed service members additional flexibility in accessing the leave to which they are already entitled. To establish a pilot program, run by the Department of Labor, to provide businesses with guidance on how to be more flexible in administering leave for employees who are caregivers for dependents of our activated service members.

The goal of the Military Family Support Act is to make life a little easier for those who remain behind.

Answer. We have anecdotal evidence that some caregivers have been forced to leave their jobs to care for others while the caregiver's spouse is deployed, although it isn't clear how extensive this problem is. When this situation occurs, the following elements may be helpful:

- Assign the caregiver similar high priority to that received by veterans in the Nation's One-Stop Employment system. An immediate family member in such a situation would often benefit from a job with a different schedule or improved arrangements for dependents.
- Consider allowing unemployment benefits for caregivers who must leave their jobs because of a deployment.
- Provide a technical support hotline for caregivers to learn about their options *before* deciding to leave a job. With some coaching, some people will be able to work with their employers to work out a more flexible employment arrangement. A hotline arrangement might work (if publicized appropriately through the military) because caregivers often have difficulty leaving the home.
- Consider expanding the "soldier and family support" model used by the Army Reserve. In our region a single staff person is responsible for hundreds of families across 12 States. This model (perhaps with some increase in staffing) should be considered for use with National Guard units as well. Further, these representatives can be assisted by One-Stop and other community resources if they are given some assistance in learning about the availability of those resources in various areas.

Extending sick leave benefits for Federal employees is a good thought, but will have very little impact in our region. It will probably be more significant in areas with many Federal employees.

It is less clear, however, that proposing to provide technical assistance to employers about how to apply sick leave benefits to caregivers will be a successful strategy. Some of the national human resource associations would probably be willing to step forward and help get information out to companies throughout the country—at little or no cost to the Federal Government. It is probably more critical to assure that the families of our service men and women know that their communities stand ready to support them through these difficult times and provide them with information on where to turn for help.

Thank you for caring about these matters and please do not hesitate to contact me if you have further questions or concerns.

[Whereupon, at 3:25 p.m., the subcommittee was adjourned.]

