

**COMMISSION ON THE NATIONAL GUARD  
AND RESERVES**

**HEARING ON EMPLOYER AND FAMILY SUPPORT**

**EMPLOYERS**

**FEATURED WITNESSES:**

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EMPLOYEE HEALTH SERVICES,  
NEW HAMPSHIRE DEPARTMENT  
OF CORRECTIONS**

**CHRISTINE J. BIERMAN, CEO AND FOUNDER,  
COLT SAFETY, FIRE & RESCUE – SAFETY TECHNOLOGIES, INC.,  
ST. LOUIS, MISSOURI**

**STEPHEN M. DICKSON, SENIOR VICE PRESIDENT,  
FLIGHT OPERATIONS, AND CHIEF PILOT, DELTA AIRLINES**

**JEFFREY R. LINSOTT, PRESIDENT,  
JL AVIATION, INC., PORTLAND, OREGON**

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CON-WAY FREIGHT-CENTRAL, INC., ANN ARBOR, MICHIGAN**

**11:00 A.M. – 1:00 P.M.  
THURSDAY, MAY 17, 2007**

*Transcript by:  
Federal News Service  
Washington, D.C.*

ARNOLD PUNARO: Give our witnesses time to be seated here. Well, as we get started on our second panel, I want to again thank our first panel for giving us a broad perspective on the impact of Reserve and Guard activations on employers. For our second panel today, we'll hear from a group of employers themselves. And first of all, let me say, as private citizens, we very much appreciate your willingness to give up your own time and energy to be here and help us today. As the CBO witness noted in her study, only about 6 percent of business establishments employ reservists, but for those business establishments that do employ reservists, obviously there are going to be issues and problems in the areas that we've heard in testimony to date that will likely to be more severe for, one, small businesses that lose key employees, two, businesses that require workers with highly specialized skills and, three, self-employed reservists.

This panel today represents a range of different size businesses as well as a public sector employer all of whom were affected by the activation of Reserve and National Guard employees. I'd like to thank the U.S. Chamber of Commerce, who's been extremely helpful and cooperative with us since we've been working on all these problems, Employee Support of the Guard and Reserve, the Small Business Administration for their assistance in identifying this excellent group of witnesses.

Each of the panel participates today has gone the extra mile on behalf of their activated Guard and Reserve employees despite the challenges and costs of their own operation, so on behalf of the Department of Defense and our country, we really thank you for that and commend you.

Our panel participants today are in no particular order Jeff Linscott, a retired reservist himself who owns a small helicopter company with fewer than five employees, JL Aviation in Oregon; Christine Bierman – is that pronounced correctly? – the CEO and founder of Colt Safety, Fire & Rescue Safety Technologies, a small business in Missouri with fewer than 20 employees; Stephen M. Dickson, senior vice president Flight Operations and Chief Pilot of Delta Airlines; David L. Miller, president of Con-way Freight-Central, a large trucking company based in Michigan; and Lisa Angelini, the administrator of Employee Health Services, at the New Hampshire Department of Corrections.

We ask each of you to briefly describe how the activation of your Guard and Reserve employees affected your ability to get the job done, what were the principal problems you encountered, did you have to try to replace some employees with unique skill sets, and if so, how did you do this? Did you have employees with civilian acquired skills that you understand were particularly valuable in the military jobs they perform? What did you as an employer do in terms of continued healthcare for the employee's family, income replacement or other benefits? And significantly for our work as we consider recommendations for our final report due next January, are there changes in law

and policy that you would recommend to the commission in order to relieve some of the hardship on employers during the deployment of their employees?

The challenge for employers is much greater today than in the past, as we've noted, and actually some of you have pointed out in your testimony, because the reserve component has evolved from its historic role as a strategic force geared primarily for large scale mobilization to a highly operational force serving in some cases lengthy and repeated tours in the combat theater. We observed in our initial 90-day report to Congress and in our March 1 report that the Department of Defense has declared our Guard and Reserve to be operational, yet none of the underlined laws, rules, regulations, processes, procedures, funding mechanism have essentially changed to make that operational Reserve a reality. One of them things that affect employers.

We also noted that the issue we're looking in our final report is is the operational Reserve feasible, and if we determine it to be feasible, is it sustainable? One of the key elements in answering those two questions is, what are our employers willing to tolerate? Does it make a lot of sense to have a policy in place that the DOD thinks will work but doesn't work. After all the Guard and Reserve will remain citizens, soldiers, airman, Marine, Coast Guardsmen. That shouldn't change. If they're going to be on fulltime active duty, 356 a year, 10 years in a row, they're not Guard and Reservists, they're active duty personnel.

So we are really looking hard at this issue of operational Reserve and is it sustainable over time and as I mentioned, DOD compact with employers is one of the most critical elements of that sustainability. So we very much appreciate your taking time to be her today, particularly those of you who have come from out of town and the invaluable insights that you can provide. So with that, why don't we just start with you and we'll just go left to right. So please proceed.

LISA ANGELINI: First of all, I'm Lisa Angelini from the New Hampshire Department of Corrections, and I have some information that impacted all state employees, but I also have a lot of information how we as an independent agency or an individual agency enacted some programs to assist during the deployment portion. So I'd like to read you my statement, and I'll be happy to answer any questions that you may have.

In March of 2003 and again in March of 2004, the governor of the state of New Hampshire issued executive orders to allow for special leave with partial pay for all employees of the state of New Hampshire who are called to active duty in response to the conflict in Iraq. When the March, 2004, order expired in September of 2005, another executive order was issued expanding the provision to full-time active duty by the president of the United States under the authority of the governor of New Hampshire and under the authority of another governor who participates in the emergency management assistant compact for the duration of such full-time active duty.

All of our state employees were also afforded continuation of pay for their medical benefits and their dental benefits. This executive order was signed into law last year and is now a part of New Hampshire law that state employees will continue to be able to take advantage of this partial pay if their military pay during their mobilization is less than their state pay.

In January of 2005, Commissioner Stephen Curry, who is a retired brigadier general of the United States Army assigned me to represent the Department of Corrections in this state's Operation Welcome Home Committee and to serve as a liaison to the New Hampshire National Guard and to the New Hampshire ESGR. Operation Welcome Home evolved from a previously established partnership between the National Guard and various state agencies in New Hampshire, and their initial mission was to assist in obtaining services for the family members in the absence of the soldiers that were deployed. That mission was then expanded to address anticipated needs of the troops and their families as they returned home.

The efforts of Operation Welcome Home served to create a virtual military community in the absence of military bases and forts. And Mr. Chairman, you mentioned that this morning at the previous panel that when the guardsmen and the reservists come home, there is no military base for them to go to. So we in New Hampshire wanted to form our own support network and form this virtual military community.

Members of the committee first identified well-established resources throughout the state that would be immediately available to the returning veterans and their families. Among some of these resources was a directory of state wide mental health network service providers, the Vet Center Outreach program, family assistance centers that had been established at the initiation of deployment, the VFW, the Veterans Administration in Manchester, New Hampshire, and of course, the ESGR.

The committee identified individuals who would be natural support systems as our soldiers returned. Those included family members, employers, healthcare providers, counselors, school, clergy and law enforcement agencies. These subcommittees were formed and tasked to design various presentations and literature that would assist these community natural helpers as veterans and their families transition back into the communities. The New Hampshire Department of Correction chaired the support for the employers subcommittee whose other members included Linda Brewer from the State Of New Hampshire Employees Assistant program, Colonel Michael Horne from the New Hampshire Air National Guard, Ernest Loomis, the chairman, and James Goss, the executive director from the New Hampshire ESGR and Fred White from the New Hampshire Department of Safety.

We developed a reorientation plan designed to assist employers in facilitating the transition of redeployed personnel to the workplace. The committee identified employers' anticipated needs, provided guidance on how to establish and train a cadre to assist the returning veterans. We also developed and distributed a resource network with

accompanying support literature for the veterans, their employers, and colleagues. We established guidelines for employers to construct their own individual action plans. The reorientation plan prototype was presented as a model for employers throughout the state.

We at the Department of Corrections designed our reorientation plan to parallel some traditional military models. With Commissioner Curry being a retired general, and I was a nurse in the Army Nurse Corps, we were pretty well attuned to a type of a parallel military model. So first of all, sponsors were identified and assigned to each returning service member. Second, we developed an in-processing method designed to address administrative needs as folks returned to the workplace.

And finally, because the citizen soldiers and reservists, unlike their active duty military brothers and sisters are not entitled to have a paid 30-day PCS station leave when they return from overseas, during their first month back to work, each employee that worked on a second or third shift was allowed to work a first shift for a month, and they also had all of their weekends off enabling them to have more of a normal home life as part of their transition.

We then conducted a training program. It was based on the New Hampshire National Guard's Reunion and Re-entry Training program. We presented a summary of what operation welcome home had been about, an outline of our DOC plan, an overview of the roles for the sponsors so that they would know what they could do to help the returning service members.

We also had a presentation by Dr. Mark Gilbertson from the Veterans Administration Medical Center in Manchester, New Hampshire, who conducted a class that addressed the readjustment issues that some folks would possibly encounter coming back into a civilian state from a combat situation, and also to be able to recognize some adjustment difficulties that they may have, and hopefully be able to get them into treatment and avoid symptoms of post-traumatic stress disorder. The ESGR presented a wonderful program that outlined the history of the configuration of the military's force since the elimination of the draft and the mission of the Guard and Reserve and the role of the ESGR.

Also in anticipation of the return, the commissioner sent every service member a letter individually to welcome them home and to thank them for their service to their country and to the state of New Hampshire. They were also presented an outline of the reorientation program, they were given the name of their sponsor and employee health services contact for their return. The commissioner and many of the staff members were there to greet the soldiers as they came back to the state of New Hampshire. All the buses because most of our folks came back on buses were greeted at the border by the state of New Hampshire state troopers, and they provided a motorcade all the way up through the state to wherever the welcoming facility would be.

Our plan was implemented in two phases. Their first day back to work, the first thing they did was have a meeting with the commissioner. After that they came to

headquarters, and they in-processed through personnel and training to get an overview of any changes that may have occurred in the department while they were gone. After that, they left headquarters and went to their individual facility, met with the warden or the division director at that facility, met with their sponsor and human resources and then their 30-day reorientation program at the facility commenced.

Certainly, the biggest problem that we had at the Department of Corrections was like every employer throughout the country. Staffing our facilities and maintaining the case loads of the field services – excuse me – department where the principal problems that we encountered especially during the 2004 deployment, the structure of the state’s human resources system does not provide a mechanism for us to hire people temporarily to fill those positions. Consequently, staff needed to work overtime, they assumed extra duties and filled additional roles to provide ongoing services while maintaining the safety and security throughout the correction system.

Although all of our staff members were encouraged to take as much time as they needed before returning to work, all but one staff member returned much sooner than the 90-day period that they’re allowed under USERRA. Most did so because they were unable to sustain or live without pay status once they were released from military orders. Some of these employees – excuse me – did encounter some adjustment difficulties, and they ended up being absent from the workplace again under the Family and Medical Leave Act in order to address their adjustment issues.

Another difficulty for returning troops was the coordination of care for those folks that were on medical hold. Outpatient care was delivered throughout the Northeast to include Fort Dix, New Jersey, Fort Drum, New York, Otis Air Force Base in Massachusetts. And because of this the distance required them to again be removed from their families and the work site. I don’t really know what can be done to change any of that seeing that as the closest inpatient facility also is now Walter Reed.

To date, the New Hampshire Department of Corrections has had a total of 50 staff members deployed. They were members of more than 10 different military units. Of them, 45 have returned, we have five of our staff members in Iraq now, and we have more waiting to be deployed.

I’d like to take this time to make an acknowledgement. The sustained assistance of Major General Kenneth Clark and his staff at the New Hampshire National Guard, as well as the help of Mr. Loomis and Mr. Goss of the New Hampshire ESGR has been and continues to be essential to the success of Operation Welcome Home and the Department of Corrections reorientation program. We cannot thank them enough. New Hampshire Commissioner Curry’s dynamic leadership by example along with his enthusiastic participation in the establishment and implementation of reorientation was pivotal in the education and the involvement of all the staff members throughout the Department of Corrections.

MR. PUNARO: Great. Thank you very much for that impressive testimony.

Ms. Bierman. Go ahead and turn on your mike there. Just push the button. Yes.

CHRISTINE BIERMAN: Okay. I'm honored to be invited today to testify before you and trust that my ideas and opinions will be considered as we work continually to improve the way we do business in government and in public and private sectors. My name is Christine Bierman, CEO and founder of Colt Safety, Fire & Rescue in Saint Louis. Colt is first and foremost a 27-year old quality managed, technically oriented safety products distribution company with the mission to protect the American workforce. The added benefit to our clients who understand diversity inclusion is that we are 100 percent woman-owned and operated. Our longevity as a woman-owned business is – in a historically underrepresented market attests to our business acumen. I'm an advocate for small and diversity business and have had the honor of testifying before local, federal, and state committees many times regarding small business and regulatory issues over the past 20 years. I'm a national founding of Women Impacting Public Policy, National Association of Women Business Owners, and the American Society of Safety Engineers.

Small business is the engine that drives the American economy. Women owned business statistics are unique in that we represent 38 percent of all majority owned privately held firms in the United States. We generate \$3.7 trillion in revenue to our economy, we're growing at twice the rate of all U.S. firms, we stay in business longer than all other small businesses. We generally employ a more gender balanced workforce and we are more likely to offer flexed time, tuition reimbursement and profit sharing. They're an estimated 1.2 million firms owned by women of color, equaling one in five or 20 percent of all the women owned firms, yet women business owners receive less than 2 percent of all government contracting dollars and fortune company dollars. All the statistics are from the Center for Women Business Research.

Since the events of 9/11, our company lost two of our 17 employees due to operation Noble Eagle and operation Iraqi Freedom. This number represents 20 percent of our entire workforce. We were guided by our attorneys on our responsibility as employers. I also solicited advice from other small business owners. Others were saying things like, you don't have to pay their salaries while they're activated. Somehow, those words didn't fit well with me and we opted to continue Jim Mixco's full salary and benefits during his activation. I now realize that we are the exception to the rule. I also realize now how that decision adversely affected sales, service and overall viability of my small business.

Master Sergeant Jim Mixco has been director of technical sales and services as Colt since June of 1996. He's a very important and integral part of our organization. He's the lead person on all firefighter gear and highly technical lifesaving equipment. In addition, he does all our company outreach and quotes for protective gear for first responders in WMD and antiterrorism arena. Jim is highly trained in the area of WMD and hazardous material protocol, both from his years at Colt Safety and from the U.S. Air Force as a reservist. Jim was activated shortly after 9/11 and was stationed just across the

river from our offices in Scott Air Force Base in Illinois. His duty called for him to be 24 hours on and 24 off, as the soldiers at Scott Air Force Base served as backup to the soldiers fighting terrorism in Afghanistan.

This posed a significant burden both on our company, and in addition to the burden on his family and his personal life. Jim would show up at Colt every day coming directly from the base in his military BDUs, change clothes in our locker room, perform his duties at Colt, go home and see his family for four hours, go to sleep, and be back at Scott Air Force Base at 6:00 AM. This of course, repeated through his year of duty, which extended to 15 months. Jim's wife had a corporate position at the time with an international company – required her to travel a lot. They have three children. The youngest being 10, the kids are exceptionally close to their father and very dependant on him, so it was a very, very trying time for the family. During this time, our family at Colt safety stayed particularly close to his family.

Also during this time, Colt Safety's revenue was directly impacted by Jim's absence. His 24 on, 24 off schedule translated to 50 percent duty at Colt Safety. This does not include his annual three-week tour of duty which we have always paid full salary and benefits for the past 11 years. The sales generated in Jim's area, specifically breathing apparatus, bunker gear and gas monitoring equipment were down 50 percent for the year Jim was serving under operation Noble Eagle.

We were invited to Boss Lift, we were given I say crystal eagles and accommodations and awards and invited to Boss Lift. None of those paid the bills, but it's a huge honor, but I was in awe of the soldiers at Fort Benning, Georgia, who thanked us bosses from the bottom of their heart for supporting them in their efforts to protect us. At first blush it seemed they were just following orders, and it was not long – it's a three-day visit that I realized that these thank you words were sincere and coming from the depths of their hearts of these young soldiers, and I was very, very moved by this. I heard stories on the trip to Fort Benning, Georgia, from soldiers, from other bosses and reporters on the trip that what a handful of us were doing for our activated employees was the exception and not the rule.

With all this said, I know that we at Colt Safety have always done the right thing. We have been a powerful vocal advocate for supporting the Guard and Reserve. But in order to continue to do what we do, we and other companies like us do when we go above and beyond the call of duty, we must continue to be viable businesses. My request of the federal government is that we recognize small businesses not only with crystal eagles and conspicuous service medals, but also with government contracts. Once the doors of commerce are open to small diversity companies, our nation's leaders will realize growth, quality services, and prosperity beyond our wildest dreams.

Affording contracts to small businesses like mine and going above and beyond the call of duty in supporting our Guard and Reserve will assure the viability of small business so that we can continue to do the good that we do. It will assure us the

wherewithal to be contributors in our society. Additionally, the government will receive quality services, better prices, and accountability when spending taxpayers' dollars.

I've testified before a Senate subcommittee hearing and requested that they author a bill that will compensate by the way of government contracts those small businesses that support our Guard and Reserve specifically in the way that Colt Safety Fire & Rescue has done. I'm requesting this commission seriously consider the escalation of this bill.

One very positive aspect of our citizen soldiers is that both Jim and Joey Petri (ph), our activated citizen-soldiers, are currently taking advantage of the GI Bill and both enrolled in college, so that's a really exciting thing and they're happy about it and thank you for that.

MR. PUNARO: Great. Thank you very much.

Mr. Dickson.

STEPHEN DICKSON: Thank you, Mr. Chairman. Chairman, General Punaro, and distinguished members of the commission, it's an honor to be before you today to share a large employer's perspective on the support of our men and women active in America's Reserve forces. I'm pleased that the commission has taken on the challenge issued by Congress to examine how our reserve forces are used and how the increased utilization of those dedicated soldiers, sailors, airmen and Marines affects our total force and the civilian employers of our country. This is no small challenge in the dynamic battlefield on which we find ourselves today and I applaud your dedication. I'd also like to congratulate you on the approval by Secretary Gates of your 23 recommendations that have recently come forward out of the March 1<sup>st</sup> report.

As your invitation requested, I will address the challenges that the airline industry as a large employer faces today with the nation's shift from a strategic Reserve force to an operational Reserve that has intertwined with our active duty forces both on the battlefield and the global war on terror and here at home in support forces. And in my comments, you'll see that many of them reflect Dr. Golding's testimony on the previous panel, and there's also a parallel perspective to Mr. Daywalt's testimony, although it's really more from the perspective of a large employer that has a good number of employees with very specialized skills.

As an indication of Delta's support for National Guard and Reserve employees, Delta Airlines was nominated for the Secretary of Defense Employer Support of the Guard and Reserve ESGR Freedom Award which you heard about earlier, and this occurred in February of this year. The company has earned a well deserved reputation as an exemplary supporter of its employees who serve in the Guard and Reserve as well as in the military community as a whole. Throughout the years, Delta Airlines has demonstrated exceptional support and leadership in meeting and exceeding its obligations as outlined by USERRA and the ESGR guidelines. In fact, in 2006, Delta was awarded

the Five Star award by the ESGR chairman in recognition of its outstanding support of its Guard and Reserve military employees.

Delta actively recruits potential employees who have military experience. I'm certainly an example of that, and we currently have more than 450 employees and over 300 pilots activated and called upon to serve on active duty in the military. Approximately 1,000 of Delta's nearly 7,000 line and management pilots are active military reservists, and at least 3,700 pilots of a total of over 5,700 employees of all skills at Delta have served in the military at some point during their lives, and these are only the ones that have voluntarily shared that information with us.

Members of the commission, we take pride in all that we have been able to provide our employees but it's essential that we come to you for additional consideration as we continue to support the extended global war on terror. Delta Airlines is not unique in the challenges that we face, and I do not want to put words in the mouths of other airline management teams, but as I discuss the issues in this presentation, I ask that you look at them not as Delta specific but rather consider them industry concerns to the degree that I'm able to speak on its behalf. We have worked closely with representatives from other airlines to our involvement in ESGR and the Air Transport Association working groups, and a number of the comments I will make are taken from the input of individuals from those organizations and those forums.

USERRA rightly protects those who are called upon to serve their country and then return to their civilian employers. In its current form however, it provides a blank check for an employee to leave in a moment's notice. This provides some unique challenges to the airline industry as it pertains to pilots in particular, and many of my comments are directed to the pilots' perspective because that's my purview within Delta Airlines.

At Delta, we generally carry one additional pilot for every three military Reserve pilots on the property. At this time, we estimate we're employing an additional 90 pilots to make up just for the short-term military leave obligations that have a cost of about \$12,500,000 per year. And this cost, I believe is actually somewhat understated and it exclusive of benefit costs for the military pilot and his family. We're only talking salaries. To that point, Delta Airlines has taken the honorable position of continuing healthcare and pass travel benefits for the families of our military reservists called to active duty in support of the global war on terror, even though there's no requirement to do so because we have concluded that the support of our employees and their families does not end while they are protecting our freedom. This cost is generally around 15 to 30 percent of their assumed salary.

With the current environment of extended deployments, you can see that due to training and scheduling necessities, airlines are required to virtually replace military pilots on extended military leave until they return from active duty, and thus incur an even greater cost burden. The unique environment of in our case a unionized pilot force adds an additional burden by precluding airlines from hiring temporary pilots to fill the

gap while still incurring the benefit cost for the reservists. This forces us to maintain additional employees until their retirement. Also, due to the mandates of USERRA and our retirement plan, Delta is required to impute income equal to 11 percent of the military reservists assume salary to fund their defined contribution retirement plan. And in the ultra-competitive airline industry, there's little ability to pass those additional costs onto the consumer, which forces corporations such as ours to assume the full burden and struggle to find ways to manage other controllable costs.

As an example of a requirement that we view as onerous, in the late 2001, then Assistant Secretary of the Air Force Michael Dominguez signed a memorandum for the Air Force chief of staff that basically gave the military and Air Force Reserves carte blanche to return to active duty for extended periods. Whereas current deployment rotations target one year of active duty and five years off, this memorandum allows reservists to essentially return to active duty and remain there until retirement as long as the duty is in support of the global war on terror. At the same time, these active reservists are earning retirement from their civilian employers. Essentially, they're double dipping under this scenario, and (the full ?) effort can return to their civilian employer for as little as one day to claim their imputed retirement.

You've asked in your invitation, Mr. Chairman for some recommendations for possible relief, and in the previous panel you asked what the biggest hot button issues are. And I would say, to characterize each of these three issues in one word, I would say that it's predictability which has been discussed in quite some detail, accountability and sustainability. Again, I've got three specific recommendations, and we are happy to work with the commission to further provide additional details and statistics.

First, effectively, there are no more one weekend per month and two weeks for summer reservists. Extended activations of reserve employees create a huge financial strain on the airlines, and there's little room for airline in the current economic environment to absorb these costs. The cost of extended benefits and imputed retirement income are multimillion dollar burdens on the airlines, and Congress and the Senate should reintroduce legislation that would offer tax credits to corporations to aid in absorbing those costs. This should be a benefit to both large and small employers alike and the incremental cost can be offset by tax breaks.

It would also serve as an incentive for employers to offer benefits above and beyond those required by USERRA. Three specific examples would be to have the ability write off the additional head count that we are carrying because of our obligations to support again the GWOT. Also to write off the cost of the extra benefits over and above USERRA requirements, and then also for the cost of retraining our pilots as they're coming back from extended military leave, which normally would involve about a five or six-week course and a commensurate loss of productivity.

Second, the current situation allows reservists a formal channel through the Department of Labor to address complaints. Employers, however, have no formal

resource. There are groups such as, again, ESGR that are excellent advocates, but they are not empowered to force action.

Third, USERRA was not written with the concept of operational Reserve, as has been well discussed here. It needs to be balanced with respect to the employer. Under the current law, military reservists have the ability to notify a company at the last minute about short and long-term military leave requests. This precludes us from planning for these requests and forces us to add and maintain additional pilots for each reservist. Employers need the ability to plan for military leaves and have an avenue to address suspected abuse of the system. In other words, pilots placing military leave on their schedules to avoid working over holidays or to extend vacations. Also requirements on employers to pay indefinite benefits are onerous, especially with the introduction of exemptions, as I discussed earlier, to the cumulative five-year active duty limit.

Members of the commission, let me thank you once again for the opportunity to speak with you today. In summary, USERRA law was designed for the strategic Reserve and not for the current operational Reserve. More frequent and longer utilization of the reserve forces have resulted in additional costs to employers. We want to continue to offer not just USERRA mandated support for our men and women in uniform, but also the additional support that they need and deserve. The current structure, however, makes that increasingly difficult and airlines in particular are hit hard due to the nature of our business. Today's economic environment adds to the difficulty as well, and we need to urge Congress to find ways to provide financial relief.

Thank you again for allowing me the privilege to speak with you today, and I'll be more than happy to answer any questions and provide any additional details you might need.

MR. PUNARO: Thank you.

Mr. Linscott.

JEFFREY LINSCOTT: Mr. Chairman, and distinguished members of the commission on the Guard and Reserve, I want to thank you for the opportunity to be here today and contribute. This morning's session, many, many of the issues that were discussed I had the opportunity to have personally lived and experienced and applied for and benefited from. I come to you from Oregon today as a success story, a success story from a recipient of an MREIDL loan process and a success story as a military member and business owner that went to active duty to come home to find my business was destroyed and required significant assistance.

I'm the president and owner of JL Aviation, Inc., a helicopter charter company in Portland, Oregon. We are licensed as an air carrier and external load provider and agricultural application which we don't do much of, just for the wildland fire fighting. So we serve predominantly government industry but also corporate, we do wildland fire fighting U.S. geological support, National Science Foundation, aerial photography, just

about everything the helicopter was designed to do. My military background, I served in the United States Marine Corps, the Army National Guard and the Air Force Reserve.

In 2002, I was called to active duty for retraining for the KC-135 upgrade as our squadron changes missions. I went to eagerly prepared and planned. As I left for active duty I initiated the service member, at the time, Soldiers and Sailors Civil Relief Act letters as required to creditors, and away I went for active duty. In February of 2003, I realized I needed some help. The company was in severe financial trouble and it just happened I was walking through the exchange at Columbus, Mississippi and saw a commercial ad, a CNN ad that had the MREIDL program. That's the only way I knew it existed. So I was deployed, and if it wouldn't have been for that moment in time, I would have never known about the program.

So I initiated the application process. I was declined many, many times the request from the disaster area which monitors or maintains that program were for me to submit multiple documents. Keep in mind I was in Columbus Air Force, Mississippi, on active duty, my accountant was in Vancouver, Washington, the corporate hangar was a PDX – Portland International in Portland, and my corporate office was in my home. So I took a 96-hour pass, flew back to Oregon, put the paperwork together, submitted that paperwork and that wasn't good enough. I needed more paperwork, but now I was back in Mississippi working six days a week, 12 hours a day, as I should be.

So the process worked out to be – it was put on hold till I got back and I met the Veterans' Business Development officer in Portland, Oregon, James Steiner, and he put a package together, and my significant point is I could speak Marine, I could speak Army, I could speak Air Force, but I could not speak SBA and this program was supposed to help us. So James Steiner put the package together, but I had been declined many times, so I had to get Senator Wyden – I requested Senator Wyden's assistance, and he petitioned to DA4 in Sacramento to reopen my case. So I now had a package that spoke SBA, I had a senator to help me get my case open, and I got approval and I went to work rebuilding the company.

So today we sit here as a success story, sales tracked exactly on the path that they were before I left for active duty. Last year's sales were over \$1.4 million. So we're back on track, but this program of MREIDL – I'm the living proof of what it took to get it, and I don't think that's how it was designed. So at the conclusion, I'll have some recommendations.

One of the issues – significant issues I had on active duty, Soldiers and Sailors Civil Relief Act is modified by the Servicemembers Civil Relief Act, many creditors didn't want to comply. They didn't know that it pertained to subchapter S corporations, there was a (Kathy ?) versus First Republic Bank case and now there's a Linscott versus ACRO Global Aerospace case. So to get those two opinion in orders that had been published in the federal district court in Portland, Oregon, I've spent \$35,000. Up to date as the case continues, I spent \$70,000, and at the conclusion of the case in October I will have spent \$135,000. Servicemembers Civil Relief Act is supposed to cover service

members. I can't imagine how many service members could afford to pay out of pocket those expenses. And there is no right to a private cause of action for me to reclaim those expenses. That needs to be changed.

I got to the current SCRA process not through something that would have been obvious through something in my military organization, but I got there through the process by which my local attorney who was not SCRA savvy did not exercise those immediate reliefs and (stays ?) that could have been exercised. I got home, I was in trouble, the SBA had said, you're not viable, and the predominant reason for not being viable was violations of my Servicemember Civil Relief Act; the two come together. I ended up pleading to Senator Wyden who called DOD, I received a letter from Senator Wyden's office from DOD JAG, which said DOD has no statutory authority to represent a service member or the SCRA, and they referred me to the Oregon Barr Association, which referred me to Mr. Michael B. Mendelson who is now perhaps one of the country's leading expert on SCRA, and he is the one that helped me receive those two very important opinion and orders. I attached them to my written testimony.

So as I went forward with the MREIDL process, Mr. William Elmore who testified here this morning was instrumental – it took his help which I am – I can't testify to exactly what he did, but he was involved through my Veterans' business development officer to make that happen. And I think we can streamline this process, and I'll talk about that in the recommendations.

MREIDL needs to be a pre-mobilization process. If there's a reservist national guardsman that's an entrepreneur, MREIDL needs to be pre-active in all of the required paperwork that's necessary be put in the mobilization file before they leave. I fortunately was in Columbus Air Force Mississippi for eight months and I could take 96-hour passes to get back home to do some of these required items, but if I would have been abroad, that would have never happened.

Additionally, MREIDL needs to have a line of credit feature associated to it, which it does not have, but what it does have, which might be a surprise and which should be wrong since the program exists – it has a provision for employers who have significant key players that are called to active duty to receive assistance. That exists. But who would know? When we go to pre-mobilization training, which was the focus of my 18 years of reserve career, ESGR is a wonderful organization. I personally was in aviation, and we conducted the – (unintelligible) – with an enormous amount of pride. ESGR was present at the mobilization briefings, the ESGR handouts, fliers, and pamphlets were there. There was nothing from the SBA.

Servicemember Civil Relief Act is something that you can find if you searched it on the web. I actually got my information from the 22<sup>nd</sup> Infantry in Hawaii; was about the most informative website. I recommend we change that, I recommend that we have some form of clearinghouse of centralized information for both employers and employees. Right now, if you want any specific information, you have to go to a numerous amount of sites. I recommend that the commission incorporates some centrally

located avenue for information that all the parties can go to and find the same similar information with some form of continuity.

National standards; in my written testimony I talk specifically about national standards. Currently, what Delta would do and JL Aviation does and the employers that exceed the requirements, well, they will probably always exceed the requirements. But this is not new to call to reservists to active duty; how we're deploying them is new, but I suggest there be an established set of national standards, something that every employer can understand and every employee can understand.

We talked earlier in the testimonies about employer compensation. I think it's important that the reservist retirement point summary be incorporated into that. It's no secret. I averaged 134 points of military reserve duty per year for 18 consecutive years. That is not a secret. That information is my personal information, but it is kept at DOD and it is kept in my military file. I think that document could be a source document for supporting employers and compensating them directly for actual performance that their reservists do as opposed to a general broad compensation. If the employer provides to the agreement as we had a question earlier in the testimonies from this morning, and they comply with the national standard, then perhaps they're going to get a contracting preference, and that is something that we've heard here on this panel that would be very important.

I appreciate the opportunity to be here, and I really thank you all for allowing me very ultra-small business person to come here today and testify before you.

MR. PUNARO: Thank you very much.

Mr. Miller.

DAVID MILLER: Thank you. On behalf of Con-way Freight I'd like to thank the commission for the opportunity to describe the impact on our organization, and hopefully the written testimony that we submitted prior to coming here today will help this commission better understand the challenges the private sector must contend with when their employees are called to active duty.

At Con-way, we are tremendously proud of our employees and especially those who are members of the National Guard or Reserves. These brave men and women represent unique members of the Con-way family and deserve our support and the support of our nation. Currently, we have 28 employees who are deployed and boots on the ground. We know of at least 93 employees who are members of the Guard or Reserve, and the reason I say only 93 because I believe there's a hesitancy of people applying for jobs to indicate that they are members of the Guard and Reserves. This is in spite of our support of the ESGR, while we preeminently display that we are a Reserve and Guard friendly company. Tragically, two Con-way associates have been killed in Iraq in the last 12 months, so we do understand the impact of such losses can have on our families and on our business.

Supporting our employees' call to active duty and their families is a long tradition at Con-way. We feel it is our duty to them and to the nation in which we live freely to work and to do business. We also want to encourage other employers to learn from our rich history of commitment, and encourage them to adopt similar value systems ensuring our active duty reservists that they can come home and support their families. As a business, we owe these individuals and their families nothing less.

Con-way holds responsibility not just to our shareholders but also to our employee family and the nation as a core value. Con-way maintains full health benefits and provides military differential pay to families when an employee is deployed which is far above what is required by the law. Company counsels employees being deployed and their families about health benefits and military pay differential programs to ensure that those left at home have access to information and contacts during that deployment period. Human resource representatives check in with the families to ensure they understand the program of pay and benefits. Our program has been in place for years without alteration despite the increased deployment in recent years.

Are there steps the government could take that might entice more employers to institute programs like ours? Yes. For one, we believe it will be helpful to businesses if there were more leave time between when our employees were called to active duty and when they had to actually deploy. This would allow us more time to make adjustments in our workforce. We also recommend looking at credits as an incentive for more companies to work harder to support their employees in the Guard and Reserves. We are proud of our practices in supporting the citizen soldiers and our Con-way family, and we would be happy to share what we've learned with any company interested in creating a similar program. As I mentioned, we submitted a written testimony that goes into great detail as to what we do, and I'd be happy to answer any questions you may have from that point forward.

MR. PUNARO: Thank you, and thank you all again for this really highly informative and highly targeted testimony. I'm going to start by getting some clarifications on a couple of the statements before I ask a general question. First, let me start with Mr. Dickson and find out, do you believe your comments as to Delta's experience particularly having to maintain the search crews for the Guard and Reserve personnel that are called up, the imputed retirement benefits, do you believe that's representative of the other major airlines experience or do you believe it's unique to Delta?

MR. DICKSON: Oh, yes. I do believe it's that. In fact, it is a growing concern. We had a very robust discussion at the last Air Transport Association Operations Council last month on this exact issue. It manifests itself somewhat differently at each carrier depending on what their labor agreements are and exactly how their operations are set up, but it is a pretty universal concern.

MR. PUNARO: The second thing is, I guess, in the earlier panel also obviously, the law requires businesses to keep a job open for a reservist or Guard personnel called up and they can come back. But you implied, and I was thinking to myself on the earlier panel, what's the obligation on the Guard and Reserve personnel who's gone, may have no intention of coming back to that company and can come back after their deployment and say, I'm back, but I'm not going to work here anymore. You kind of, I think, implied in your testimony you're running into people are milking the system so to speak.

MR. DICKSON: Well, it's certainly not – as I'm sure you're aware from your own experience, you've always got a few individuals in there that spoil the system for everyone else, and 95 to 99 percent of our pilots are playing by this – not only the letter of the law but the spirit. However, when a pilot calls in to one of my crew schedulers, and says, I'm about to go on deployment for six months, I want the company to accept that without any question. So the integrity of the whole system tends to get undermined by a few visible few, and we have had instances of that happening.

MR. PUNARO: Have you all been having, and Mr. Linscott's experience 134 points a year, and certainly we have experts here on the panel: General Sherrard, who ran the Air Force Reserve. That's fairly typical of an aviator in the Reserves, and in the Marine Corps Reserve, for example, we expect our aviators, they're generally going to get a lot more points, that 134 year, that was – you elected to do that much flying in Reserve duty, correct, each year? That's not counting your call-up. I'm saying your 134 points sounds to me like a fairly typical year for somebody in a flying unit that's a pilot.

MR. LINSOTT: That would be typical for aviation or an aviation oriented organization.

MR. PUNARO: Right. And you were able to do that and still run your business?

MR. LINSOTT: That's correct. I was able to maintain that ops tempo and grow 30 percent a year in the organization.

MR. PUNARO: Right. And Mr. Dickson, does that sound like about the rough amount of duty your pilots are doing? You know the Reserve system is that – yes.

MR. DICKSON: On the – well, obviously the world has changed in the last five to eight years, particularly the last five, but with regard to short term reservists that are going out and maybe are flying in an F16 Guard unit somewhere or something like that, I think that's probably fairly typical.

MR. PUNARO: Yes. Okay. Ms. Bierman, I wanted to kind of get to your point about with the business with the government. As I recall, you've run a very successful business for over 20 years, and you sort of sound frustrated that you aren't able to figure out how to do business with the government. Is that true?

MS. BIERMAN: Yes. Yes, it is. But I've been – I don't expect a handout, and we talked about the \$50,000 loans and tax benefits and things of that nature. It's like that wouldn't help me, and maybe a tax benefit for me and maybe not for Jeff. I don't know how big his company is, but that could help me but those aren't the things I'm looking for. Yes, we have tried to solicit the largest spender in the world, is the United States government, and we've not just since this but we have been soliciting them for 25 years and it's a maze. I have some access. I've been in the White House and I've been in the Pentagon and I've met these people, I've met the head of Chem-Bio Warfare who actually buys my product, but I still don't have any business.

MR. PUNARO: Yes. Because I know, of course, the Small Business Administration has a lot of outreach programs particularly for women-owned businesses. For large contractors they have certain goals those large contractors have to meet in terms of their subcontracting goals, not just for small business overall, but for women-owned businesses and veteran-owned businesses. It doesn't sound like you find any of those programs are helping you.

MS. BIERMAN: Correct. The federal government does – there's a 5 percent goal for women and minorities and probably service disabled or American vets. And of ours, they reach 2 percent of that goal on a good year.

MR. PUNARO: Right. Have you attempted to partner with big businesses in terms of – and that doesn't sound like that's worked out either then.

MS. BIERMAN: I have. I was fortunate to meet Mr. Swanson – William Swanson in the Pentagon –

MR. PUNARO: The CEO of Raytheon.

MS. BIERMAN: Raytheon. Right. And he said I started our diversity program, we buy all your stuff, and he handed me his card, and come see me. So I've been working that angle for about three years. I haven't gotten anywhere yet, but I'm not stopping either.

MR. PUNARO: Okay. I understand. And your product line is basically safety equipment?

MS. BIERMAN: Right.

MR. PUNARO: Is it first responder equipment.

MS. BIERMAN: Not just for first responders, but any worker in a hazardous environment, head to toe protection, hardhats, chemicals, suits, steel-toe boots, work gloves.

MR. PUNARO: So let's say in your situation, obviously a very successful business person kind of the government haven't worked in your outreach to big business hasn't worked. When you suggested that there ought to be some kind of recognition of small businesses that support their Guard and Reserve, were you thinking of creating a new category, or were you thinking of creating some kind of set aside because the Small Business Administration does have – so what did you have in mind when you made that suggestion? How would something like that practically work on a day to day basis?

MS. BIERMAN: We don't like the word set aside, and we don't want favorites – we don't want to play favorites, but we want more than 2 percent of our taxpayers' dollars. We want more than 2 percent of the spending. And set aside is not a good word. I don't know how it would work, I just think swing the door open for us. Open that door. We're continually pounding on the door and we can barely get our toe in and there's a public law for women-owned businesses, Public Law 106-554 that says that specifically women-owned businesses are historically underrepresented, which is my industry, male dominated and the door –

MR. PUNARO: Right. What you're saying is the government ought to enforce its own goals.

MS. BIERMAN: Exactly.

MR. PUNARO: That would open it up.

MS. BIERMAN: But then when we get 5, we're going to want more, since we represent 38 percent of all small business – where did they come up with that number five? I don't know.

MR. PUNARO: Okay. Well, that's very helpful. I think a couple of things, obviously we're looking at what can we do specific to the Guard and Reserve, but also if you hear about government programs that are on the books that working as well as they should, those things need to be looked at as well.

One of the things that – and backing up now, for a broader question, predictability is – what we hear a lot from employers is they wish they'd knew and each of you probably has a different experience. We are seeing a lot of what we would say fraying at the edges, recruiting, retention, family support, a lot of statistics. DOD hasn't done any kind of detailed analytical survey, but we've all been around a long time, and common sense tells us that there's a lot of fraying at the edges.

The question I have is if predictability was greater, let's assume the government could come up with a better system of one, the Guard and Reserve personnel would like more predictability, their families would like more predictability, certainly their employers would like more predictability, and as we've heard before, we need to do a better job of keeping the employers in the loop in terms of what's going on. Let's assume predictability was greater and that was all improved, which would be a big challenge, but

let's assume that is. What amount of deployability is acceptable? Where do you get to the breaking point as a business? And I'm sure it's different for a small business or a sole-proprietor business or a large business.

They're talking about one year in six that you can expect your Guard and Reserve personnel to be gone for at least an year, and you're saying that you're seeing more and more that it's no longer the 39 days of training. You're in the hundreds of days of year. Those two things together – where do we hit the breaking point? Maybe we'll start at this end and go this way.

MR. MILLER: I'm going to be somewhat unique in this regard because when any of our employees are called up, we have to replace them, so predictability doesn't really matter in that regard. Now, I think there's a huge implication, and you've already touched on it Mr. Chairman, in terms of the impact on the family, and predictability is absolutely critical in that regard. Our concern is the ability to recruit and hire when we have this, or when you have a very short notification, or I should say short period of time between deployment and notification that creates problems. Eighty-seven percent of this country's commerce moves on rubber, and if you're not aware of it, we have a huge driver shortage in this country. While we have probably an example of every job category in our company represented in Iraq or Afghanistan as I speak with you today, the drivers are the largest percentage of it.

They represent the largest percentage of our employee group. They don't grow on trees. I can assure you that as I looked around this room, nobody goes home at night and talks to their kids and tell them that they really want them to get good grades because you want them to grow up to be a truck driver. And that in itself is problematic because all of us like clothes, food, medicine – all those types of things. We actively recruit military. We firmly believe that these individuals understand esprit d'corps, they understand loyalty, we also know they're willing to work under any conditions. That's not a bad thing when you're in a 24/7 environment, which is what supply chain engineering requires. So predictability is important for the family, notification is important to the employer.

MR. PUNARO: Great. Thank you.

Mr. Linscott.

MR. LINSOTT: Predictability in essence is everything, but I think as we look to the deployment, personally, I don't like one in six. I don't know that my reservists that I have currently in the system would like one in six. I like the Air Force Reserve model. I spent 12 years in the Army National Guard and I spent six years in the Air Force Reserve. I was able to do those 134 points a year and grow my business 30 percent a year in the process because of the way we conducted operations and the way we did business. During that time, I spent two tours in operation Northern Watch in Eastern Turkey flying Air Force rescue support. That had zero negative impact on my organization.

What the Air Force Reserve model was was we could take our unit and in essence deploy 75 or 60 to 75 percent of the organization, and then the unit members could rotate through on a more frequent shorter tour basis. So example, I might spend three week in Turkey mobilized in the unit there, then I would get relieved, I'd come home for three months, then I would go back for six to seven weeks, and then at the end of the six-month tour for my organization, I would bring the unit home. That allowed for a much more flexible way to do business with reservists and their families. So if I had my way, we would have more of a one-quarter a year for four consecutive years, or perhaps, two months a year for six years which would equal one in six.

MR. PUNARO: Great. Thank you.

Mr. Dickson.

MR. DICKSON: I think again, obviously, the major airlines benefit greatly from pilots who have a military background, although the mixture is changing somewhat with the changes in active duty service commitments and also the rise of the regional jet industry over the last 10 years. We're getting very well qualified pilots from the civilian ranks. However, the training and leadership that the military background pilots have is very difficult to replicate, so we will always be an active recruiter of military pilots. I would echo Mr. Linscott's comments that every time we have a pilot gone for more than six months, it increases the training burden when he comes back, and if he's progressed to a new piece of equipment or perhaps progressed from say, wide-body first officer position to captain position on aero body, we're looking at an initial school for him of anywhere from six to seven weeks to get him qualified and get him back on the line. With shorter deployments and shorter obligations, we're generally looking at something like possibly regaining landing currency and maybe a short week long school to get him back in the saddle.

MR. PUNARO: Great. Thank you.

Ms. Bierman.

MS. BIERMAN: Well, the fortunate thing when Master Sergeant Jim Mixco leaves is is he does work at WMD and has met protocol, so he brings more information back to us. So that's good and there's no retraining there but when he's gone and when he's one of 17 employees, and we've had two activated of 17 employees, it's a huge burden. He has an assistant that can do his work but we just all work longer hours. And I remember when we were honored with the Freedom Award a few years back, we were on stage receiving these awards and Bob Nardelli from Home Depot said, we have 10,000 activated reservists – Guard and Reserves and everybody there in the room, I'm watching 800 people go, our jaws dropping, including mine. When I got back to my room that night and I said, 10,000 of 350,000 employees is less than one half of 1 percent of this workforce, and then I started doing our numbers, we've had 20 percent. So that's the burden that it is on us, but when one person's gone at a company, it makes a huge, huge

difference, and especially in the work that Jim does, but fortunately he brings great information back from all of his training.

MR. PUNARO: Great. Thank you.

Ms. Angelini.

MS. ANGELINI: I really couldn't speak to what a breaking point would be. Being a state agency, we don't have any vehicle to replace folks that are gone on a temporary basis, and the burden is shifted to those of us that stay behind. The 50 of our staff members that were deployed, were all deployed within, I would say, a 14-month period, so we had a large number of people leave all at once and come back all at once. And certainly, predictability from our perspective is very important. We can't close a prison, we're not going to release felons back onto the street, and two of our staff members were in the field services department, they were probation and parole officers. Some of our probation and parole officers have 200 members in their case load. So it's just a matter of absorbing that.

One of the difficulties we did have was knowing when they were going to be coming back as well, so that we could make arrangements implement our program. So that predictability and that communication is absolutely essential. If we're going to be partners with the military in supplying soldiers to meet the missions, we need to be a partner in a true sense by keeping each other informed. The National Guard in New Hampshire, where most of our staff members were attached to, did an excellent job, but a lot of times they were waiting to find out definitely and what was happening was we would have soldiers emailing and calling home and telling their wives, and we would have to go about confirming those sorts of things. So that communication is absolutely important. In the meantime, when they leave, we will do what we did the last time: we will all shoulder what we can and continue with our mission.

MR. PUNARO: Great. Thank you all.

Commissioner Lewis.

PATRICIA LEWIS: Thank you. And thank you all for coming today. We've been talking about the breaking point for four lengths. There are a number of other factors in this compact that exists between employers, the Department of Defense and employees. Some of those we've touched on as far as tax incentives, earlier today we were talking a bit about the impact of subsidized health benefits in some way and what advantage that would provide. But as we're using the Reserve forces an operational force, I'd just like briefly for each of you to comment on what key elements of this compact would be from your perspective, and Ms. Angelini, would you like to start?

MS. ANGELINI: I'm sorry. I'm not exactly sure whether I understand your question or not.

MS. LEWIS: As DOD asks for more from employers and from their reservists, what sorts of incentives or what sorts of recognition as an employer of those reservists are key to making it work for you?

MS. ANGELINI: Again, as a public employer, I'm not exactly sure that there's any kind of an exchange that would occur on that level. Certainly, in private industry there probably would be more, but I really couldn't answer that question with any type of knowledge as to what sort of incentives we would receive as the state of New Hampshire, whether it would be a grant, possibly grants in order for us to fill positions that were empty. That would probably be about the only thing that I could see that would help defray that.

MS. LEWIS: Okay. Ms. Bierman.

MS. BIERMAN: Well, I'm going to go back to the government contracts, but starting with \$50,000, it wouldn't mean anything to me, and I don't mean to sound snob, but just it wouldn't help – a couple of hundred thousand might, but \$50,000 – and we have inventory, so we turn inventory, and we're part of the global supply chains, we move a lot of merchandise and money is important, but that wouldn't help, and a tax benefit could, and probably this year something like that could help because we've got a couple of huge pieces of business from the private sector which will have tax ramifications to us next year. But the most I can say is, being a supplier to the Defense Logistics Agency and that – because I don't like handouts. I don't think anybody owes me anything. I just want to be able to work and do my job and supply product which is what we do, supply products to whoever needs it to protect the American workforce, and in this case Defense Logistics and the military, in addition to – AT&T is our largest client, so we ship product nationwide to them. but we need the doors open for government contracting opportunities.

MS. LEWIS: Thank you.

Mr. Dickson.

MR. DICKSON: Commissioner Lewis, I would just say really two words: shared asset. It's a term that's thrown around. I think the employer certainly, and I know at my company we look at our guardsmen and reservists as an asset that we share with our country and it's extremely important to our national defense, and I would go back to my recommendations earlier about maybe leveling the playing field a little bit, give employers a more formal avenue and a little bit more structure around predicting deployments, notification issues to the employers, and let's recognize some of the expense that it's costing American business to be able to support our guardsmen and reserves in the way they need to, they need to be.

MS. LEWIS: Thank you.

Mr. Linscott.

MR. LINSOTT: I would – Chairman Lewis, I would ask for shorter terms. I really think those are the key to sustainability and making this more feasible.

MS. LEWIS: Thank you.

Mr. Miller.

MR. MILLER: We were given the opportunity to engage with the DOD during their last Quadrennial Review, and we made our thoughts and recommendations known through that venue as well through the U.S. Chamber of Commerce, that when the DOD was intimating that that they wanted to change the overall makeup of our armed forces to rely more fully in the Reserve and Guards, our antenna went up immediately, not only because we're such a supporter of the military in this regard, but because we believe that in order to have that be a robust system that they would want to morph to and allow it to be sustainable, they must have the support of the private sector, and unless there's tax credits that allow those private sector to offset the cost of doing what's right for these citizen soldiers.

I don't know how you're going to get that type of support from the private sector to allow that type of a change in our defense of this nation to be successful longer term. It's absolutely critical in our opinion that it go down in that manner, that we have to have the enthusiastic support of the private sector, if you're going to have a sustainable military that's going to support the defense of this country based upon our citizen soldiers.

MS. LEWIS: Do you feel that the private sector is adequately represented at the policy level when these decisions and determinations are made by the Department of Defense, and do you have any recommendations on how that could better be accomplished?

MR. MILLER: Gees, let me step on this one. (Laughter.) Given the opportunity through the chamber and through our involvement with the ESGR, we take every opportunity to interact and engage. When I received the phone call on this one, it wasn't a matter of if I was going to be here; it was a matter if I could be from a scheduling standpoint, and we made some changes and I came here. Since 9/11, I've been doing this on a very regular basis not only because I believe it's a responsibility I have as a leader in the business world, but also my responsibility as a citizen of this nation. I will tell you that many people that stepped up earlier, following the immediate aftermath of 9/11 don't come as frequently. I know the chamber at times has to reach out a little bit more aggressively to get people to show up, and there're reasons for that. Everybody's time is very, very precious, our world is continuing to become more and more hectic not only in our personal lives but in our business lives as well, and sometimes I think the prioritization is necessary to get the people at the table, there's a lot of conflicts in that regard.

So that's the roundabout way of saying that absolutely we need to have a few more people sitting around the table. At the same time, I think it's going to be very problematic. I have the opportunity on a regular basis to interface with the largest and most regular users of our services, and very seldom do I talk to them about our company. I talk to them about what keeps them awake. Is it our critical infrastructure, is it our immigration reform necessities that we're facing, energy issues. And the main reason that I do that is because I believe, as I sit and speak with those business leaders, it gives me the opportunity to try to engage them and get them to become more involved than they have in the past. I think getting other business leaders to do the same things and incorporate it into their sales calls is just as critical as getting the tax reform we need to help the private sector to support your efforts.

MS. LEWIS: Anybody else wishes to comment on having any sort of interaction with DOD prior to the policy decisions being made, or do you all feel that works well the way it is?

MR. DICKSON: I would just echo the same comments, and this is really what I was getting at with formalizing the role of ESGR. The people that we work with at ESGR are great people but there's not really a formal process that backs them up, and that needs to have more meat on the bones.

MS. LEWIS: It just appears that maybe if you had a voice a bit earlier in the process, some of these issues could be precluded. Thank you.

MR. PUNARO: Commissioner –

MR. MILLER: Can I have just one comment if I may?

MR. PUNARO: Go ahead.

MR. MILLER: And I'm going to tail off of the formal comment as it relates to ESGR. We are actively engaged in all state level ESGR organizations, and I will tell you, and I don't mean this with any disrespect, but there are varying degrees of activity in organization. I'm very active with Michigan, Ohio, Indiana, Pennsylvania, West Virginia, everything basically in the Rust Belt.

Right now, we're working closely with the ESGR and with the Federal Safety Highway Commission in terms of coming up with training programs within the Guard and Reserve so that the folks coming out will have training that is accepted at the state level as well. So as we talk about the opportunity to have an ombudsman if you will, to help business have a seat at the table, we need to have outreach from both the private sector and the government so that we work harmoniously together towards our mutual goals, and standardization or some degree of oversight, so that all the ESGR organizations are moving forward as aggressively as some are would be much appreciated.

MS. LEWIS: Thank you very much.

MR. PUNARO: Thank you.

Commissioner Eckles.

LARRY ECKLES: Good morning and thank you for spending your most valuable time to be with the commission this morning. In October of 2007, the TRICARE Reserves Select Program will be available to all members of the Select Reserve. Under this expanded program, reservists will pay 28 percent of the premium costs and DOD will pay the remaining 72 percent. Several companies offer stipends to their retired military personnel to enable them to remain on TRICARE while employed in their new career. When the TRICARE Select Reserve Program expands this October, this may become an option for members who are serving in the Reserves, also as we consider the ramifications of an operational Reserve in which reservists may be called to military duties on a regular and predictable basis, having DOD assume healthcare cost might serve as an incentive to employers to continue to hire members of the Reserves. And I would open this question up to all members of the panel. Are you aware of the expanded TRICARE Reserve Select Benefit that will be available, and how will your company support these benefits, if you will?

MS. ANGELINI: No, I wasn't aware of that expansion. I do know that most of our employees at the Department of Corrections and I daresay, for the state in itself would prefer to stay with their own care providers. I don't know how it implements across the country, but there has been some difficulty with whether a healthcare provider wants to participate in TRICARE. On top of that, if they do, they most likely are not going to want to be submitting paperwork to yet another insurance company per say. I think that it pose a problem that's bigger than deals with guardsmen and reservists in so far as that the whole healthcare delivery system in the United States is more and more complex and somewhat convoluted.

I would think that from our perspective in the state of New Hampshire, we'll probably continue as we had been, and again, things are a little bit different with a public employer as far as having this sort of a monetary exchange or a partnership is concerned. And it has been a big problem. I know that any of the returnees that I spoke to about the use of TRICARE by their families while they were gone, they really weren't all of that interested in it. They wanted to maintain what they had rather than change things. So from our perspective it may not be as valuable as others. I don't know what the answer is for healthcare delivery.

Like I said before, this was a big difficulty as far as individuals being on med hold. I've been a nurse for 34 years, and I've watched an awful lot of transitioning in healthcare delivery where all of us now are healthcare consumers, we're no longer patients. The utilization of a system for state employees that is going to be more difficult for them to manage may not be as beneficial for them, and I'm not sure that they'd be all

that interested. And again, that relationship between a federal program and a state program and what we would do to change all of those things could be problematic.

MR. ECKLES: Thank you. Would any other members of the panel care to comment?

MS. BIERMAN: Actually, I'd like to say I know nothing about this, so I think – and I'll echo Lisa's comments that the healthcare system is a mess anyway, it's broken, but we do provide healthcare for our people, and I thought often doesn't Jim get healthcare through the government, and so I never really knew, and then I thought if he does, does his family get it too? So I'm not familiar with it and I need to know more about it.

MR. ECKLES: Okay. Thank you.

MR. DICKSON: I'm aware of the steps being taken and the provision that you're speaking about, commissioner, and I don't think it will affect the way that we handle it. At Delta we really have three classes that we fall into. We would keep, as required by law if it's less than 30 days, they would have the active employee benefits. More than 30 days, but not associated with the global war on terror, then there's a – (unintelligible) – package that's available, but then they would have – we can't force them on to TRICARE, but we have established within my company, and I'm not sure where the other airlines are, we have a special conflict military leave that's been in existence for the last several years that if it's in direct support of the forward deployments for the global war on terror, that we do offer full benefits beyond 30 days for the duration of the deployment. I would anticipate that we would continue that.

MR. ECKLES: Thank you.

MR. LINSOTT: In the very small business sector, I think I would support it. Currently, I keep my reservist, when he's gone at all times, on benefits full paid for the reason that his family has continuity in their healthcare, and I think that if we put the reservist onto the TRICARE program, and they're gone multiple deployments, then their family again, has continuity in the healthcare. So I think I would leave it to the reservist. If he elects to go on to the TRICARE, then I would be glad to pay for it.

MR. ECKLES: Okay. Thank you.

MR. MILLER: I'd like to share an anecdotal experience, and I'm kind of falling under the heading of several others at the table. We have a system that our active duty military, when they deploy, their family remains on our benefits package, and it's a continuity issues, it goes to the statement I'm about to share with you. In essence, when we receive a deployment notification of one of our employees, whoever the business unit president is, and picks up the phone and calls that employee, and we let him know that we expect him to keep their head in the mission, because as they have our back, we have

their back. And we go through the litany and I'm saying the president of the business unit does it. This is not delegated.

So I speak to – the 28 employees that are currently in Iraq, I have spoken with. And when they come back and I get notification they're coming back, I call them, and I explain to them what they can expect in conjunction with the VA to help them make that transition back to civilian life. We know they may have some anger management issues, they may have relationship issues, they may have sleep deprivation after dealing with and we don't want them to hide in the corner about that. We want them to know that we're aware of these things. But to the point of my colleague to the right, I think having this type of benefit available to reservists and guard and absolutely critical, but would we do it? No. We're going to keep them for the sake of continuity for the family to let them know that just because your (persons ?) decide to go off and protect us we're not cutting you off. You're going to stay with us.

MR. ECKLES: Thank you. That's all I have, Mr. Chairman.

MR. PUNARO: Commissioner Dawson.

RHETT DAWSON: Thank you, Mr. Chairman. I'll be brief. I was kind of fascinated. We got a lot of material to work with from the panel, and I really appreciate each of your perspectives, which were very unique and very varied and a lot depending on your circumstances, but one of the ideas that I thought was standing among all of them, but not necessarily the most important was one that Mr. Linscott came up with, which was to have kind of a one-stop shop for the employee and the employer to be able to go up on the web and access the information. And I just wondered if you could just – and I'll stop with question – if you could all even in the large companies, would you find that useful? Because what I can't – what we didn't talk about from the large companies' point of view is how you get knowledge about these programs, and whether you have to struggle – maybe not to struggle as Mr. Linscott tried to do to get his rights to where he wanted to get them, but tell me a little bit about how you get the information, and then tell me whether you think having a single-point website that presumably ESGR could promote and advance and the commission could certainly do the same. And do you want to start down here and go to –

MR. MILLER: Thank you. We have our manager recruitment that is our single point of contact who is responsible to support our region managers of which we have about 28 of them nationwide. Those region managers participate either at the board level with the ESGR or whatever type of committee that they may be put on with the ESGR. We do that again, because we want to establish the link with ESGR so that they're communicating effectively with the Reserve and Guard people under their management that they have a friendly employer in the wings waiting for them. Currently, we have to dig, bite and scratch through all the opportunities that may exist out there by blindly going down alleys, and I will say very candidly that the ESGR has been very instrumental in pointing this in the right direction. I don't that the ESGR knows about all the

programs all the time, so rather than me – (unintelligible) – a bit, yes, we would support that.

MR. LINSKOTT: I think it will be instrumental. Any conflicts that occur between – generally speaking – conflicts that occur between reservists, and as a flight commander, the conflicts I dealt with with reservists and their employers were educational. There's no real employer in the United States that doesn't want to comply or do what they need to do. It was a difference in knowledge and a difference in understanding, and I think it would be significant if we could go to a common place with common information at one-stop shop. So I would support it wholeheartedly.

MR. DICKSON: I would just say that – I'm going to air a little bit of airline industry dirty laundry here, which may be obvious to everyone, but the airline pilots don't fit in the same box as a lot of our other employees do, just because of the nature of the job, the way that we're scheduled, the way that we train and a lot of our background. So there are a lot of fits and starts when we try to identify what the salient issues are we have to deal with. Our human resources department tends to not be as conversant about pilot issues, so a lot of it actually falls on the operators, myself, flight operations management to be able to resolve these issues. Fortunately, we have developed very strong relationships with a couple of folks at ESGR who are conversant with the very technical issues that you get into with schedule manipulation and deployments, we have contacts with the commanders where we can work through issues, we always try to work through at the lowest level that we possibly can. But to formalize so everyone is reading off the same sheet of music will be very helpful.

MS. BIERMAN: Well, my first thought was another website, I don't know, because I can go on Google and Google anything and find out anything I want to know, but maybe a central source, I'm thinking more of a database, or – I'm big on databases. I have 9,000 names in my contacts, and I know where I met that person and when, and I after I leave today, there'll be probably 10 more of you in my database – (laughter) – and how we can connect it some point in time. I'm a connector. So how we can connect or be part of an outreach that we get this information more readily, those of us that are business owners or run companies or organizations that – because I don't think I'm on anybody's list right now as far as – we won the ESGR Freedom Award which was wonderful, but the outreach I don't think is there. So we get all of us that support these kinds of efforts in some kind of a database and keep us informed.

MS. ANGELINI: I'm a big believer in one-stop anything. Googling is one of the methods that I use to try to find resources available to folks, but I will tell you categorically that without the ESGR and without the National Guard, I wouldn't have had a place to start. So I think in addition to having a universal website that may have either all the information or links to where you can get them without having to go shopping yourself and see a like that looks that might be helpful and find out that, oh, by the way it's not, also establishing a pivotal agency, for lack of a better name, maybe the ESGR should be the go-to people for us all the time, and whatever they need to make what they

do continue, is absolutely in my opinion essential in order for these partnerships to continue and for us to be able to be good about sacrificing our employees to the good.

One of the things that we haven't spoken about here – we've spoken about deployments on a federal level, but when our men came back in 2005, they turned around and left, same guys, and went down to Louisiana to Katrina. They came home from Katrina, and we had the floods in Western New Hampshire and they were gone again. So they were gone for a good period of time taking of the global war on – freedom, but taking care of the state of New Hampshire and other states in the United States as well. So I think that if we can form a network state to state, public and private sector, and let the ESGR do what they do so well and support them in that effort, it would be a benefit to everybody.

MR. DAWSON: Thank you. Ms. Angelini, I think your thought – which actually had occurred to me as well, and I'm glad you reminded me of is that a more expansive role by the ESGR as to what their duties and responsibilities might be, I think is worth investigating. Thank you, Mr. Chairman.

MR. PUNARO: Thank you. Commissioner Sherrard.

JAMES SHERRARD: Thank you and – (laughter) – thank you very much. And your comments so far have been so informative you've actually taken my prepared question, and so I don't need to bug you, but I would like to go ask a couple of you some specific questions. Mr. Dickson, in the past we had – I don't want to say we were doing it right but we had meetings every six months with the major air carriers in this country. Is that still going on?

MR. DICKSON: Yes, sir. Yes, sir it is. And it has not – it's probably, I think over the last probably two or three years with the financial difficulties that some of the carriers have had, we've had to watch things like travel to events like this, and so it hasn't gotten the high level of visibility that it really needs to have. And there's a varying degree, and I can – this is a little bit of an oversimplification, but I would say that Delta and United have probably been more involved, and partially with Reserve and Guard issues, partially because some of our managing pilots have a very extensive – are in the Reserves, or current Reserves, so we already had some built-in touch points with the ESGR and with the military services. We just at the last ATA Ops Council last month, I actually advocated that the airline vice presidents of Flight Ops meet at the symposium, which to my knowledge has not happened at that level. It's happened one or two level below that because of some of the situations that we've been seeing, and we actually moved the next Ops Council meeting to coincide with the next Airline Symposium so that we could all be there. So I think you'll see more robust attendance in the future. Some of it has to do also with ATA restructuring in the post 9/11 environment, but I think you're going to see a reengagement there.

MR. SHERRARD: What about the level of representation from DOD? What degree are you getting from that?

MR. DICKSON: At the symposium?

MR. SHERRARD: Yes.

MR. DICKSON: I don't know – what level have they been at?

MR. SHERRARD: The chiefs and the chiefs and the director of the Guard and somebody from ESGR and somebody from OSDRA showing up?

MR. DICKSON: Usually there'll be an appearance made, a quick appearance made by somebody from – (off mike) – and will get not the three stars, but maybe a one star, two star representation.

MR. SHERRARD: Okay. That answers my question. Thank you very much. Mr. Linscott, I got one for you. As I heard – read your testimony, but I heard you testifying this morning, make sure I'm understanding what you actually experienced. Your civil actions were against the Servicemembers Civil Relief Act – trying to get support of that, but you had to take those actions yourself, and that's where you were asking there should be mechanism for compensating you back for the expenses incurred for duty that you had to perform and people didn't comply with the law. That's what you're asking, is it not?

MR. LINSOTT: Yes, I am. If the Servicemembers Civil Relief Act has no – I challenge anybody in the room, where you would going to get information or help or assistance or find anything out about it. It's pretty vague if you google it. It comes up with a bunch of pretty vague information. But the reality of the Servicemembers Civil Relief Act is that it does not provide a private right of action like the Civil Rights Act does, therefore it's the burden of the service member at whatever level, from private to four star general to pay, out of pocket, for their defense of their Servicemembers Civil Relief Act rights.

There is no requirement should they prevail that the violator of the rights would have to ever compensate them for any of it. They would only have whatever damage their credit report or their bank account foreclose, and so I think one to the leading factors to why there is not much case history here is because I did not sued a bank that foreclosed my savings in checking account while I was on active duty, I didn't bring a action against them, because there was no point to it. And so I think to make the Servicemembers Civil Relief Act enforceable, it has to have the same provisions as the Civil Rights Act, and personally I believe it's just as important to this country.

MR. SHERRARD: Well, I appreciate your comments and I will tell you, we will look at that in depth. I'm not sure what we'll be able to do and certainly won't try to speak for the commission, but your point is very compelling, that I think it drives us to that. So I thank you very much and I thank all of you for your great support of our Guard and Reserve members and our military in particular because they are doing great work,

but they're able to do it because we get great employers that you represent, so thank you so very much.

Thank you, Mr. Chairman.

MR. PUNARO: Commissioner Stockton.

DONALD STOCKTON: Greetings to all of you. Certainly, we appreciate very much your being here and sharing your knowledge with us. I'm going to say that first and foremost, the examples that you've given us today are just wonderful. It's very refreshing for me and many of us on this commission, I'm sure, to recognize how outstanding the example is that you are giving us today about how employers are supporting the National Guard and Reserve. We've had five and a half years now of this global war on terror, and it's impacted all of your companies greatly as you've laid out here and the financial impact, but more importantly the moral responsibility that your companies are taking and as individuals and as companies in supporting the families of your employees that are directly responding to this global war on terror.

It's very apparent to me that all of you here are very clear about your understanding of USERRA and also the Servicemembers Civil Relief Act. I guess I have a concern that employers in general have that same good knowledge and feeling about what the letter of the law is and clearly you all are going way beyond minimum requirements here of course, and I guess I'd like to ask each of you in your conversations with colleagues, with customers and other businesses what is your sense, or what sense do you get of how well they understand the law and the requirements that it places on them as an employer?

MS. ANGELINI: I would say that most of the folks that I have spoken to have become informed as part of an education process that revolved around this deployment. It was difficult for us, we're sort of in a virtual military community up in New Hampshire, so there were a number of people that weren't as familiar with the workings of the military and what their rights were and what it all meant, let alone when they returned from a deployment. In other areas of the country where I've lived, you might have a large retirement community, the kind of encircles a military base around Fort Hood, around Fort Leonard Wood there's a degree of a retirement, military retirement community that might be more aware of the workings of the military and consequently things like USERRA.

I personally think that if the word is to get out there, we have a prime opportunity now for some sort of a campaign, and whether it's a television campaign or whatever it happens to be to bring this forward as to what the rights are, what are the sacrifices that are going on every day. When I was in the Army it was during peace time, and I will tell you that probably the majority of the citizens of this country are unaware of the sacrifices that are made by military families during peace time. So in order to promote this understanding there has to be an education, and that education can't come just by way of

mouth. I think there needs to be a concerted effort for a campaign to educate people as to what's going on and what happens when people come home.

MS. BIERMAN: I like that idea of the outreach, the education commercials, whatever. I can tell you, after 9/11, this was just so very new to many of us, but after 9/11 and I knew Jim was going to be activated and then followed by Joey Petri, it was so new to us. We're a small business, and we're running our business everyday and learning new things and shipping products from coast to coast. That's what we do, and I have to concentrate on those things, so for me to learn, it's just so happened when I said we met with lawyers, there were a bunch of 20 women business owners were invited to Armstrong Teasdale, a large law firm and saying, let's throw a luncheon, and I said, guys, I just found out about his. Help me. I don't know what to – so that's how I learned literally at that table with a couple of female attorneys there who happened to know the law. It's so new to all of us and we're still learning so there has to be –I just think and ESGR – they taught me everything I knew back then so when Jim was initially activated, and then we were brought up for the Freedom Award and I got very close to a few people there, and that's my education.

MR. DICKSON: I do not think that the level of understanding of the obligations under USERRA is quite as sophisticated as some of the other major carriers as it is at my company, and I know again, United has been at the forefront as well. And also even at my company, when you get into a very specialized area, again and, I come back to the way that pilots do their jobs, even the resources that we have in our legal department and our labor relations department have difficulty applying USERRA to that environment. And one case in point is we spent – our defined benefit pension plan was recently terminated for our pilots, and it had been frozen previously in a previous contract negotiation and a defined contribution plan was put in in its place, it took us probably 14 or 15 months to figure out how to impute income, the percentages were out there, it was defined – it's an 11 percent defined contribution, but do you take the pilot's monthly reserve guarantee, do you give him career advancement based on where he sits on the seniority list? There were all kinds of issues that came to how do you apply this to this unique environment. Those were the kinds of things that we struggle with.

MR. LINSKOTT: I think on the very small business side of it, the basic knowledge of USERRA perhaps doesn't exist depending on where that business owner sits on the military history and their family or their own personal situation. I do know that the ESGR Ron Cannon in Oregon informally – (unintelligible) – will do an excellent job at getting out to the units to brief the airmen, soldiers and Marines, but whether or not these 4,200 volunteers we heard about previous, I would submit, why are they volunteers? This is critical. And so I think overall it's probably definitely not standard, and it's based on the individual companies contribution, and our company, I'm part of the system, so therefore I think of the employee as being a lifetime family member, and their family care and continuity makes a big difference to me, so in my situation, I don't think it matters. I think they're going to come back and historically, their contribution, they come back fully trained and qualified and their contribution more than outweighs any

expense that I pay as an employer. But not everybody is like that, so back to what I suggested earlier, perhaps there needs to be a national set of standards established.

MR. MILLER: My experience has been the larger the company, typically they have a greater understanding, and in most cases because they have legal on their staff to protect the jewels. The smaller the company, the less likely that they're going to have that, unless to some of the comments already made here, unless they have military people that have been willing to stand up. I think to expect that a deployed guard or reservist to come back to their small company and say, are you aware of the law, probably won't happen. And I think it would be naïve to think it would.

MR. STOCKTON: Again, thank you all for your contribution to national security.

MR. PUNARO: Commissioner Stump.

GORDON STUMP: Well, good afternoon. It's great – it's amazing with the deployments that we've had that our retention rate as been as high as has been, and of course that's family and the work environment, and you all are great examples of why some of these soldiers feel that they come back, they still have a job and their families are being taken care of. I'd also like to compliment you on the many great ideas that you've presented to us that many of us, I'm sure, on the panel have not considered on things that we can recommend in legislation policy changes, which is going to take us forward, because realizing that using the Guard and Reserve as an operational Reserve is not only a strain on the Guard and Reserve members, but it's a huge, huge burden on industry, and without your support, we're going to lose those Guard and Reserve people, so I want to thank all of you on that. Just a couple of brief questions. You all seem to be pretty much aware of the Employer Support of the Guard and Reserve organization. I'm kind of interested in knowing how did you find out about them? Did they contact you or did you have to go Google them to find out and how all that's worked with each of you.

MS. ANGELINI: I found out about ESGR through one of the administrator in the Department of Corrections was formerly a state trooper and our chairman in New Hampshire was his mentor, and so we reached out through a person to person contact that way. Subsequently, I became more and more involved with the responsibilities with Operation Welcome Home and our Reorientation Program, and then decided that I wanted to be a volunteer as well. As is now Mr. Curry, he's not longer our commissioner of corrections, but he is now a volunteer. So we spread the word of mouth as much as we could, and we had representatives from ESGR come and speak to our staff members, and they are pretty active and visible within the state, with all of the activities of deployments and redeployment.

MR. STUMP: You had to find out about them first and call them before they called you, though?

MS. ANGELINI: I believe what we wanted to do was we wanted to reach out because we were trying to get some information as to when we might be able to expect some people to come home. I'm not exactly sure when that first contact was made, because I didn't become involved in the process until January of 2005.

MR. STUMP: Ms. Bierman?

MS. BIERMAN: Actually, I do a lot of political advocacy work up here in D.C. and one of the groups is belong to is WIPP, Women Impacting Public Policy and I think a mass email went out to a lot of its membership, and also it might have started with the SBA. I think the SBA was involved too, and at the time I was friends with the Deputy Secretary Melanie Sabelhaus. So there were some of them that knew I had guardsmen activated, so this mass email went out about the ESGR and the Freedom Award, so that's how we found out about it.

MR. DICKSON: I found out about ESGR through actually the gentleman sitting behind me here, my former boss, who is the Atlantic chief pilot of the time, and also one of our manager pilots who had done a good bit of ALPA union work for the company or for pilots, and later on, in flight operations management General Bud – (unintelligible) – who was the commander of the Colorado Guard who was active, and I know some of you probably are familiar with him. So what we started to do several years ago was bring in one of the – actually, the (unintelligible) that we work with for flight operations specific issue to brief our chief pilots and train them on how to deal with the squadron – (unintelligible) – commanders when we get into a sticky issue and it really was more of an ombudsman type role and that's expanded from there.

MR. STUMP: Great.

MR. LINSOTT: I found out about the ESGR through, as being an operations officer and putting together the Boss Lifts, and putting the air crews together and the box lunches and all the things that would make the employers be entertained and get to travel to their perspective respective reserve as guardsmen training activities, and I think how most people find out employers find out about the Guard and Reserve is through their reservists that had been to the mobilization briefing and which the guard or the ESGR participates and then they can take that information back to their employer.

MR. STUMP: Great.

MR. MILLER: During the First Iraqi War is when we confronted what our personnel policies were and it was after that conflict when Con-way became aware of the ESGR because we started getting nominated for awards by our employees. So it was through that interchange.

MR. STUMP: Oh. Great. And there's been some discussions of going to a central point to try and get not only the ESGR information, but I kind of get the feeling that maybe other government agencies such as the Small Business Administration aren't

doing a really great job of getting the word out to employers. Am I kind of correct in that assessment on the SBA programs, et cetera?

MS. ANGELINI: Well, we're not a small business so –

MR. STUMP: No, you're not.

MS. ANGELINI: So we wouldn't – I would say that more likely – it's been my personal experience in trying to find out information that I need to have or that I want to be able to relate to our employees. It's been a very difficult process, because there is so much information out there, and like I said, you could pick up on a link and end up entirely 180 degrees from where you wanted to be so that's why in conjunction with any kind of governmental assistance, program, agency that's there for that kind of support, I think if they're not going to be listed in one particular area in a database, as Ms. Bierman has said, then, be able to link them, so that you'd have a chain to follow and you wouldn't have to hop from this avenue to the next avenue to another avenue and try to get that information on your own, because again, the information it's absolutely essential, and at times I've had to go and research again because of questions that have come up that we did not anticipate.

MR. STUMP: Great. Thank you. Ms. Bierman.

MS. BIERMAN: Actually, I had said that I had gotten a mass email. Must have gone out from weapon from SBA, so that was one way. I thought they were reaching out through these couple of organization that I belong to, so that was the SBA, and then the second time that I found – that's how I found out about ESGR, and how I found out about the \$50,000 loan program was actually sitting having a one on one lunch in Deputy Director Melanie Sabelhaus's office, and came up in chatting and she said, do you know there's that money out there? And you go talk to Bill Elmore. So that's how I found out about it, so the SBA was – but it was a really – it was one on one and it wasn't mass distribution of a mass database that should be out there saying when a guardsman or reservist is activated or wherever they are, not even activated, just on their weekend duty, isn't there somebody out there that maybe can have a list of where they work and who they work for. There should be something like that out together, and I think that would be pretty easy to do since I know about databases. I don't know who would do that, the ESGR, or whom, but it should be so simple.

MR. STUMP: Great.

MR. DICKSON: As a large employer, the access to information is not really the issue for us. It's more how USERRA applies, interpretative issues with DOL, and then also getting back to the point earlier of just process that exists for the military member through DOL – we don't have a corresponding process on implementation issues on the employer side. It's very informal and relationship oriented through ESGR right now.

MR. LINSKOTT: As SBA information comes down, ESGR, I believe, or what I understand is that DOD organization that has I'm not sure how many fulltime staff, but 4,200 volunteers. I believe the Veterans Administration or the Small Business Administration's veteran section probably has 56 fulltime staff, one per each state, and the veteran would – or the service member would get SBA information through the Veteran's business development officer which in Oregon is Jim Steiner and I think he's the only one in Oregon. And specifically for how reservists and guardsmen can get that information would be to mandate that somebody from the organization comes to a mobilization briefing and be in the mobilization training process.

MR. MILLER: Recognizing that small business is the backbone of this country, I think it's absolutely imperative that there be communications for them to reach out to their constituency. I have no first hand knowledge, I'm not a small business, but it's certainly critical that they be engaged.

MR. STUMP: Okay. Great. Well, thank you again for all the support you're giving to the Guard and Reserve. I'm sure all your employees appreciate that.

MR. PUNARO: Great.

Commissioner Thompson.

STANTON THOMPSON: Just real quick, just respond yes, or no. All of you have had employees, associates mobilized. Secretary Tom Hall testified in front of us a number of months ago that this rotation – operational Reserve rotation of one-year recall to active duty every six years – five to six years depending upon who is testifying in front of us what ground truth is there, is not sustainable or supportable by employers. So my question is, based upon your experience recently, can you afford and support to have your employees gone three times in a 20-year career with your business?

Ms. Angelini, yes or no? Yes or no?

MS. ANGELINI: I'd have to say probably yes.

MR. THOMPSON: Yes.

Ms. Bierman?

MS. BIERMAN: No.

MR. DICKSON: I would say no.

MR. LINSKOTT: No.

MR. MILLER: Yes.

MR. THOMPSON: Okay. That's it Mr. Chairman.

MR. PUNARO: Okay. (Laughter.) Well, that's going to be an issue we'll be wrestling with as we do the final report. That's not the last word for sure on that subject.

Again, let me thank each and every one of you, not only for sharing your valuable time and your terrific insights. As you've said, you've given us a lot of great ideas, and I can assure you, we'll follow up on them. One thing about this commission when we started, we said we're not going to do this – we're all busy too – if our work is going to go to the dustbin of history. Well, we just got 20 of our 23 recommendation approved by the Department of Defense, and a lot of our language put in Congress. We intend for the same thing to happen with our final report. Many of your recommendations today – I can tell already we're going to adopt them and make sense – do something that will work in these areas, so thank you for that.

Thank you for the terrific support you give our Guard and Reserve personnel and those that are serving in the Guard and Reserve. And since I am from Georgia, I will take a personal privilege of say we always from Georgia love our flagship corporations Delta Airline and Coca Cola as well as the Masters Golf Course in Augusta, Georgia. (Laughter.) And what?

MR. : And peanuts.

MR. PUNARO: Yes. Peanuts. Peanuts is kind of all over the state. We can't – in fact, Delta would do well to start reserving Georgia peanuts on the airlines – (laughter) – as one of your frequent, frequent flies on Delta Airlines.

MR. DICKSON ( ?): I'll take that back.

MR. PUNARO: Again, thank you so much, and don't hesitate to get back in touch with us if you have a problem that pops up, or if you have another good idea. And again, we can't thank you enough for the tremendous support that you've given to our Guard and Reserve personnel in our country in this very, very difficult time. So thank you. The Commission will recess until 2:00 when we'll go with our last panel of the day.

(End of panel.)