

## Examining the Department of Labor's Administration of the Uniformed Services Employment and Reemployment Rights Act under chapter 43 of title 38, United States Code

Exxon Mobil Corporation Oral Testimony for the Committee on Veterans' Affairs, Subcommittee on Benefits

Thursday, July 24, 2003

Good morning, Mr. Chairman and Members of the Benefits Subcommittee of the Veterans' Affairs Committee.

My name is Jim Rouse and I am a Vice President of ExxonMobil and the Corporation's senior official in Washington, D. C. I feel qualified to talk to you today about my Company's benefits programs as they relate to employees called to active military duty for two reasons: first, before coming to Washington, I managed the Human Resources function for Exxon Company, U.S.A. for more than a decade; and second, a year after joining the Company in 1962, I was called to active duty as a Lieutenant in the United States Army. For two years, I was the direct beneficiary of the Company's benefits under our Military Leave provisions, which I will describe.

ExxonMobil is the world's largest publicly traded petroleum and petrochemical company with operations in nearly 200 countries and territories on six continents. More than 36,500 (37%) of our employees are based in the United States.

Our military leave policy, which dates back to the 1940s, includes the following basic provisions:

1. If an employee enters, is inducted or recalled to full-time active duty with the Armed Forces of the United States, including the Reserves, employees can qualify for both a special lump sum payment and payment of the difference up to 50% of their military pay versus their Company pay while on active duty.
2. If an employee is called up in emergency situations for full-time temporary duty that is not anticipated to exceed two months, employees receive full pay, offset by any military pay received.
3. If an employee is called to active service in connection with initial or periodic military training that is not anticipated to exceed two months, employees receive full pay, offset by any military pay received, if the service is required.

Participation in ExxonMobil benefits continues for employees on leave based on the benefit plan status of the employee immediately prior to the military call-up..

This status excludes any vacation due the employee. A payment in lieu of vacation can be made for pending vacation credits at the employee's request when granted a military leave.

Special Provisions to our Military Leave Policy were adopted in October 2001 in response to Operation Enduring Freedom and extended to include Operation Liberty Shield and Operation Iraqi Freedom. Our standard policy for Full-time Active Duty Leave provided for payments while on military leave of up to 50% of normal pay, offset by military pay received. The special provisions increased the employee's pay protection under this policy from 50% to 100%, offset by military pay received. All other benefit provisions were continued.

There is no minimum Company service requirement to receive Company pay and benefits while on military leave.

More than 50 U.S.-based ExxonMobil employees were called to active duty in connection with the wars in Afghanistan and Iraq and in the U.S. Homeland Security operation between September 2001 and May of this year. ExxonMobil employees from the United Kingdom, also served during that period and were similarly supported. We recognize that military service requires sacrifices by our employees and their families. That is why ExxonMobil policy exceeds the minimum requirements established by law.

The requirements of USERRA seem very reasonable and the guidelines have been written for administrative ease. Because the requirements of the law are clear and well defined by the Department of Labor, ExxonMobil hasn't experienced employee complaints with respect to denial of benefits. Human Resources reports they haven't had a single dispute in this area with the administration of the USERRA or the DOL.

Complying with the Act has not come without its challenges for us as a company. For example, as employees are called to active duty, uncertainty exists about the expected duration of the call-up. Multiple call-ups of the same individual, and, in many cases, the extended duration of the call-up itself -- several for more than a year -- poses planning and staffing challenges. When employees are called up a second time within a relatively short period, it causes the Company to make accommodations for the first military leave, reverse those arrangements and generate new personnel moves.

In closing, let me say we believe the current requirements of the USERRA are reasonable and the Department of Labor's administration of the Act seems pragmatic from our perspective. Again, I wish to thank the Subcommittee for this opportunity to share an overview of our company's experience and views on the Uniformed Services Employment and Reemployment Rights Act.