

Testimony of Marc A. Chini,
Vice President, Human Resources,
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before the
Committee on Veterans Affairs,
United States House of Representatives
April 26, 2006

Mr. Chairman, Members of the Committee, first I'd like to thank you for the opportunity to address the committee today regarding GE's commitment to hiring veterans. At GE, we are proud of all the men and women who serve our great country in the armed forces and we respect and honor their personal dedication and sacrifice. We also realize that it is just that dedication, commitment, integrity and the myriad of skills these men and women develop in the armed forces that form a strong foundation for leadership and make veterans outstanding candidates for employment with GE.

Today, almost 6,000 GE employees have self-identified as veterans throughout our company including our Senior Vice President of Corporate Human Resources Mr. Bill Conaty. Unfortunately Mr. Conaty could not be here today and so he has allowed me the honor of telling you about this group of employees we are most proud of at GE.

GE's Commitment to Hiring Veterans

We are certainly proud of the contributions veterans make to GE across the board and we are also proud of the recognition we have received for our commitment to hiring veterans. We appreciate the recognition of being invited to this hearing today. We also take pride in our consistent ranking as one of the "Top Ten Military-Friendly Employers" in the United States by G.I. Jobs, a magazine dedicated to helping military personnel transition from active duty to corporate environments. That recognition reflects our dedication of significant recruiting resources to hiring transitioning military personnel, our success in hiring from the military, and our commitment to supporting our employees that choose to remain active in the Guard and Reserve. We have found that making long term commitments to recruit from the military, actively promoting deserving veterans, maintaining generous Guard and Reserve policies, and working to ease the transition to civilian/corporate life have long term positive effects for GE. Even more, we understand that hiring from the military is an economic benefit for our company.

Our success with veterans is strengthened through a number of special programs designed specifically to support those employees' unique needs. We realize that these men and women bring exceptionally important characteristics to GE: integrity, leadership, dedication, commitment, accountability, teamwork and a myriad of technical skills. Many times what they lack when they first arrive is just the ability to speak and understand the language of business and of GE. So we make sure

they have a mentor who can help them through this transition from military life to business.

This mentorship can be as simple as one-on-one relationships with peers or leaders or support through strong internal military networks within our various businesses where we link our new veterans with other employees who have also served in the armed forces. Our focus on finding veterans who are a good fit for GE does not rely on traditional placement firms or “headhunters.” Instead, in programs such as GE Energy’s Junior Officer Leadership Program, our method uses a structured team approach consisting of former officers from all branches of the military who work closely together to recruit, screen and select the best qualified candidates. It has proved to be a winning combination. With former military doing the recruiting and screening and emphasizing leadership experience and values, we are able to select those candidates who have the best potential for a successful career with GE. Being former military themselves, our recruiters, screeners and interviewers know how to drill down and determine the best matches for our company.

GE’s Support of the Guard & Reserve

Included in the ranks of those veterans joining GE each year are those members who continue to serve in both the Guard and Reserve. As a recipient of the 2004 Secretary of Defense Employer Support Freedom Award, GE is especially proud of our employees who choose to continue their military service after leaving active duty. For those employees, GE provides enhanced Military Leave of Absence provisions. When they are “called up,” our employees receive one month’s salary plus differential pay for up to three years while they are on active duty. They also continue to receive all benefits and support services for themselves and their families during those deployments. Additionally, GE provides differential pay for both annual training and emergency duty for disaster relief to offset the difference between their military pay and their GE pay.

One area we have found that means just as much to those employees is the special programs we provide for their families while they are mobilized. Through our Operation Homefront and Operation Yellow Ribbon programs we provide special recognition and support for our employees and their families before and during deployments and when the employee returns to service at GE:

- Operation Homefront assists GE employees and their families to prepare for upcoming military deployments. Through GE’s Work/Life Connections program, we provide the employee and his or her family with a Deployment Preparation Information Packet. Throughout the employee’s (or employee’s spouse’s) time away, we continue to make resources, information, and referrals available to help the family cope with the particular stresses and day-to-day changes associated with this period of their lives.
- Operation Yellow Ribbon provides a welcome home package of benefits for our military heroes returning from extended periods of active duty. During the

first two weeks back on the job, returning military employees are allowed a flexible work schedule in order to re-acclimate to GE and get their personal life back in order. Before they are even back on the job, the returning employee is assigned a "Buddy" who has a detailed checklist to help get our returning employee fully up to speed on changes and developments within the company during his or her absence.

While our employees are mobilized to support our country, they are always in our thoughts and they know they can count on us to help take care of their families. We view all of the benefits and support programs described here as an important part of demonstrating GE's on-going commitment to our military employees, and we continue to explore opportunities to make them even more lucrative and appealing.

GE's Military Veterans

I would be remiss if I did not take this opportunity to highlight just a few of those very employees and the tremendous contributions they make everyday to both GE and this great country.

- First, I'd like to tell the Committee a story of longevity. Recently, Sergeant First Class Pam Randle from GE Appliances completed her 33rd year with GE and her 23rd year as a Personnel Specialist in the United States Army Reserve. Mobilized for both Operation Desert Storm in 1991 and Operation Iraqi Freedom in 2004, Pam has served her country and GE well. As an Administration Leader for Service Contracts she is responsible for warranty management of some of GE's most popular products. She uses many of the same skills as a Personnel Specialist in the Army Reserve where she maintains records of our soldiers.
- Colonel Bob Vitolo served 12 years on active duty as an Acquisition Officer before transitioning to the Air Force Reserve and then joining GE as a contract manager. His strong career path has included roles as a Six Sigma Black Belt, Customer Support Manager, and today as a Director of Business Development in GE Aviation. In April of 2003, when recalled to active duty to support Operation Iraqi Freedom, Colonel Vitolo eventually served as the Deputy Director of Contracting for the Aeronautical Systems Center where he used his skills learned in the Air Force and honed at GE to support the Global Hawk Unmanned Aerial Vehicle Program. Among other things, one of Bob's specific accomplishments was negotiating an \$80 million adjustment to the production contract. That savings subsequently funded the first upgrade to the weapon system for its use in Iraq. Bob brought 12 years of active duty leadership experience and training to GE and 17 years of industry experience and commercial practices to the USAF when he was called up as a Reservist.
- Twelve years ago, after Operation Desert Storm, Harv Williams retired from the United States Marine Corps, never expecting to wake up in a combat zone again. After a distinguished career in the Marines, including two tours in Beirut, Lebanon in 1983 and 1984, he says he thought his days of helmets, flak

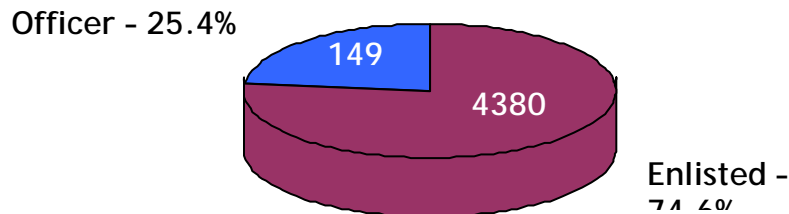
jackets and side arms were a thing of the past. In January 2005 that all changed when the Marine Corps recalled Lieutenant Colonel Williams from retirement to support Operation Iraqi Freedom. During an almost yearlong mobilization, Harv combined the skills he refined as a Program Manager for GE with his previous military experience to get the mission done. At GE, Harv was managing over 500 rooftops around the globe, which prepared him perfectly for his role as the US military's Reconstruction Program Manager for the Al-Anbar Province of Iraq, a \$340 million program that includes 230 distinct projects.

- Lieutenant Colonel Williams' combination of GE and military experience in Iraq was just one example of the synergy created by hiring military veterans. Closer to home, that complimentary relationship became particularly evident during GE's response to Hurricane Katrina last year. As Katrina made landfall on the Gulf Coast, GE's Crisis Management Response Team, led by retired Air Force Brigadier General Frank Taylor, was fully engaged. When the company identified the need to establish a base camp in New Orleans to facilitate our humanitarian relief efforts and to support the restoration of business, GE turned to a multi-service group of military veterans. We tapped this internal strategic resource to execute a very non-traditional business endeavor. Using the skills they honed in the military, Marine Corps Reserve Colonel John Ahern, a GE Energy Plant Security Team Leader, and former Air Force Captain Tal Ziv, a member of our Junior Officer Leadership Program, established and led the company's main base of operations in the disaster area. (Today, Colonel Ahern is mobilized and preparing for his second deployment to Iraq in three years.) Additional leadership at GE's Camp Comfort in Louisiana was provided by GE Healthcare employees including Army Reserve Major Joel Hagy, a Service Manager, and Indiana National Guard Captain Rob Noll, an Account Manager. The skills these veterans brought to GE were instrumental in our ability to respond quickly to customer needs and humanitarian causes alike.
- Like Tal Ziv, New York Air National Guard Major George Alston is a member of our Junior Officer Leadership Program. While on rotation as a Project Manager with our Corporate Citizenship operation, George supported GE's "troops in the field" and handled headquarters coordination tasks of GE's cross-business response to Hurricane Katrina. Additionally, the knowledge he gained of international logistics through his years as an airlift pilot in the Air Force was of particular importance in managing GE's donation of relief supplies to earthquake ravaged Pakistan and coordinating that donation with the Pakistani military representatives overseeing the relief response.
- Another Air Force veteran, Kathy Pfeifer joined GE when she separated from active duty in 1998. Now a Quality Black Belt at GE Appliances, Kathy has made good use of the leadership skills, technical training and experience she gained on active duty. After a short break from military service, Kathy joined the Kentucky Air National Guard in 2000 with the full support of her Manager and the company. In 2003, when she volunteered to deploy to Iraq, Major

Pfeifer found the cross-functional skills she honed at GE built on her military expertise and helped her fulfill her assignment as an Operations Officer responsible for sustaining operations at the Baghdad International Airport and its supporting camps.

GE's Veterans Hiring Trends

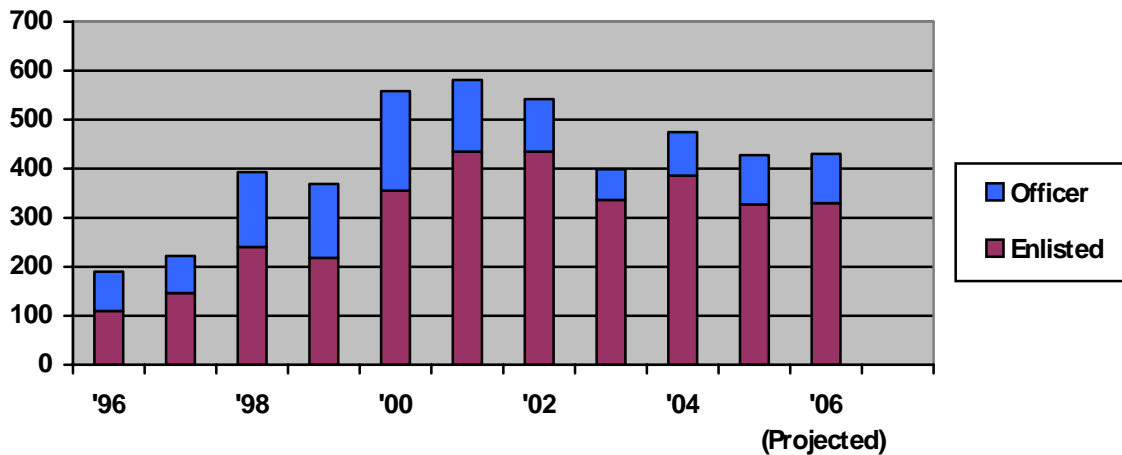
These stories of GE employees represent just a few of the roughly 6,000 veterans who have self-identified within GE. Of our veterans, just over 25% come from the officer corps while almost 75% are prior enlisted. With opportunities from manufacturing to engineering to financial services to marketing in industries from healthcare to power generation to entertainment, GE offers a multitude of opportunities for veterans of all ranks from all services.



GE Employment of Veterans by Military Rank
(Based on employee self-identification; total 5,875 employees)

One way GE has been able to grow our veteran population is our increasing participation in hiring conferences that specifically focus on veterans groups. Every year GE is a leading participant in numerous veteran-focused hiring conferences around the country including the Service Academy Career Conferences. We bring up to 25-30 of our military recruiters, representing virtually all of the GE businesses, specifically to recruit veterans.

We have seen great success from this focused effort. Just in the past ten years, GE has hired over 4,000 veterans. We are proud that during the past decade we have increased our average hiring to over 400 new veterans each year. In 2006, GE continues a positive hiring trend as we project going above that average for the sixth time in the past seven years.



GE Hiring of Military Veterans (1996 - 2006)

Our focus on finding veterans who are a good fit for GE does not rely on traditional placement firms. Instead, in programs such as GE Energy's Junior Officer Leadership Program, our method uses a structured team approach consisting of former officers from all branches of the military who work closely together to recruit, screen and select the best qualified candidates. It has proved to be a winning combination. With former military doing the recruiting and screening and emphasizing leadership experience and values, we are able to select those candidates who have the best potential for a successful career with GE. Being former military themselves, our recruiters, screeners and interviewers know how to drill down and determine the best matches for our company.

Veterans Find a Good Fit in GE

One of the great strengths of GE from an employee standpoint is the ability to work in a variety of different industries while remaining an employee of one company. We have found this to be a draw for many veterans. Further, we have found that military personnel, who have served all over the world, are a great asset as GE grows globally. As with all our employees, we continually strive to provide opportunities for our veterans to maximize their personal potential through continuing professional development. From the very beginning of their employment during the transition phase from military life to business, as many veterans are just learning the language of business and of GE, we continually focus our employees on career development and career broadening opportunities.

The diversified portfolio of GE products and services also leads to our requirement to fill virtually every function found in business today. Because of the vast variety of functions within GE, we have had great success in placing veterans where their particular strengths and interests lie. Our heavy focus on engineering and manufacturing certainly draws many veterans with strong technical skills but we have also had great success with placements in a wide variety of functions beyond these

technical areas. Our veterans have proven to be particularly important to our services and sales force as well as a diverse variety of other functions.

Conclusion

Mr. Chairman and Members of the Committee, it is an honor and a privilege to speak with you today about GE's commitment to military veterans. I think as I close, there is no better way to do so than to quote Lieutenant Colonel Harv Williams, the GE Program Manager and United States Marine I spoke of earlier. While recalled to active duty and serving in Iraq, Lieutenant Colonel Williams closed a letter to his wife writing, "Freedom really isn't free and without reservation. God bless America!" At GE we understand this sentiment and appreciate the contributions of our military veterans. We support our veterans, leverage their skills and abilities, and benefit from their contributions. Veterans are important employees who continue to make GE a good as well as a great company.

Thank you again for the opportunity to share GE's commitment to supporting military veterans.