THE WHITE HOUSE TRANSITION PROJECT
1997–2017

RICE UNIVERSITY'S BAKER INSTITUTE FOR PUBLIC POLICY

PRESIDENTIAL TRANSITIONS IN A BIPARTISAN SETTING

The Moody Series on Bipartisan Leadership

Report 2017–60

PRESIDENTIAL TRANSITIONS IN A BIPARTISAN SETTING

George W. Bush Presidential Center

Dallas, Texas

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WHO WE ARE & WHAT WE DO

The White House Transition Project. Established in 1999 to provide information to incoming White House staff members so that they can hit the ground running, The White House Transition Project includes a group of presidency scholars from across the country who participate in writing essays about past transitions and the inner workings of key White House offices. Since its creation, it has participated in the 2001, 2009 and now the 2017 presidential transitions with the primary goal of streamlining the process and enhancing the understanding of White House operations. WHTP maintains an important, international dimension by consulting with foreign governments and organizations interested in improving governmental transitions.

Rice University's James A. Baker, III Institute for Public Policy. Founded in 1993 on the campus of Rice University, the Baker Institute has twenty programs that focus on a broad range of issues including energy, health, conflict resolution, science and technology, tax and expenditure policy and Latin America and China studies. With an eye toward educating and engaging the next generation of leaders, the Baker Institute collaborates with experts from academia, government, the media, business, and nongovernmental and private organizations.

The Moody Foundation. Chartered in 1942 by William Lewis Moody, Jr., a successful businessman from Galveston, Texas, the Moody Foundation makes a difference for the people of Texas. The Foundation makes grants for projects focusing on the arts, humanities, religion, education, social services, community development, and health. In addition, the Moody Foundation has contributed to the building of many universities, hospitals, museums, and libraries across Texas.

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RICE UNIVERSITY'S BAKER INSTITUTE FOR PUBLIC POLICY

SMOOTHING THE PEACEFUL TRANSFER OF DEMOCRATIC POWER

Report 2017—60

PRESIDENTIAL TRANSITIONS IN A BIPARTISAN SETTING

EXECUTIVE SUMMARY

The President's start in office depends upon the quality of the transition provided during the campaign.

Presidential Transitions present an immense challenge that starts with a single commitment.

The responsible transfer of power to the new administration begins with the President — everyone's sense of duty follows the President's lead.

The more a president's team works together, the better its capacity to pursue a goal regardless of the goal or even regardless of how the goal fits with previous experience.

The more a president's team works together, the better its capacity to pivot to unexpected challenges without distraction.

A smooth transition reflects attention to two critical elements: policy commitment and managing personnel.

A clear set of policy priorities — established during the campaign and detailed by the transition plan — makes effective action possible once in office.

The administration's "agenda" includes the President's policy objectives but it also includes a number of items that one could characterize as "the proper administration of government," that has no partisan character.

Between the two elements of the administration's agenda, the ongoing issues affecting the proper administration of government rest with the permanent leadership in the Executive agencies.

The administration's political appointees will pursue the president's agenda until the administration's end.

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MODERATOR: Ladies and gentlemen, please welcome Martha Kumar, Director, the White House Transition Project.

A MEMORIAL

MS. KUMAR: Good morning. Before we began our conference on Presidential Transitions in a Bipartisan Setting, the participants would like to give a statement about the murders of the law enforcement officers in Dallas.

We gather with a shared sorrow for the murders of five law enforcement officers who, whether in Dallas or in our own communities, protect us all. They are us, and with their deaths, we lose part of what unites us. They represented us all.

They came from the West and the Midwest, as well as Dallas. Michael Krol left a law enforcement job in Wayne County, Michigan, to come to Dallas, while Lorne Ahrens came to Dallas from a sheriff's department in California.

They served us all through their military service. Patrick Zamarripa served three tours in Iraq. Michael Smith was a former Army Ranger and Brent Thompson, the Dallas Area Rapid Transit police officer, was a Marine who trained local police in both Iraq and Afghanistan.

They lived in Dallas, but they represented us in where they came from and in how they served us all. Their deaths are part of an anger that has engulfed much of America, either by those feelings that rage, or being impacted by it.

We are a nation where currently many are propelled by what divides us rather than what unites us. That is why the murders of the five officers impact us so deeply.

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What we need in our lives as citizen is to focus on what joins us together. Where can we find common ground to expand those areas where we have agreement? The sense of a nation divided engulfs our politics with sharp partisan divisions, where one side focuses solely on the faults of the other. Instead of focusing on our differences, we need to seek out those areas where we can collaborate in common cause.

WELCOME

And now we would like to begin our program with Allan Matthews of the Moody Foundation who will start off our introductions and welcomes.

(Applause.)

THE MOODY FOUNDATION

MR. MATTHEWS: Good morning. I'm Allan Matthews with the Moody Foundation, and I am our grants director. On behalf of our trustees, I want to also welcome you all here today, and thank our esteemed group of panelists who will share their insight with us this morning.

I also want to thank the Bush Center for hosting this gathering and the Baker Institute for their execution of last night and today.

When the White House Transition Project approached us about a grant, we liked the project internally but our trustees were less convinced. The project is outside of our mainstream giving, which would include grants for early childhood, the environment, medical research, social services, education and many others. It fits best in the education sector, but has linkages to one or all of the areas that we give to.

As part of my due diligence, I ran the project by an old Poli Sci professor at Rice and he said we should ask two questions. One, does it have great merit and, two, can the group deliver what they say they can? He felt the answer to both was a resounding yes, and also that the project needs to seek private funding because it most likely will not receive funding from a National Science Foundation, for example.

After months of back and forth and persistence by Martha, Terry and Jamie Williams in our office, an additional meeting with our trustees and Secretary Baker and Ambassador Derejian , it was finally a "go" last December. Martha and Terry and others hit the ground running and have covered a tremendous amount of ground since then.

The Moody Foundation is proud to support this effort and we look forward to the coming months, as they assist this historic transition and other international democracies.

I now want to bring up Holly Kuzmich.

(Applause.)

THE GEORGE W. BUSH PRESIDENTIAL CENTER

MS. KUZMICH: Good morning. Welcome to the Bush Center. I'm Holly Kuzmich. I'm executive director of the George W. Bush Institute and senior vice president here at the Center. And the Bush Center includes the museum and library on the other side of the building. It is the thirteenth presidential library administered by the National Archives and Records Administration.

In addition to the museum and library on the other side of the building, the Center also includes the Bush Institute, which is a public policy institute focused on developing leaders and advancing policies to solve today's most pressing issues.

We have two main areas of programming within the Institute. First is our work on domestic excellence, which includes our work in education, economic growth, veteran transition and the Presidential Leadership Scholars Program. And our work on global leadership includes our work in human freedom and democracy, global health and our women's initiative. All of these programs were inspired by President and Mrs. Bush, the work they did in the White House, and the issues that they wanted to continue working on after their time serving.

One of the signature programs we run here that I want to highlight is Presidential Leadership Scholars, just because of the unique use of the Bush Center and the other presidential libraries and museums within Texas and within our neighboring states.

So Presidential Leadership Scholars is a partnership among about three presidential libraries here in Texas. The other two which will be part of this series later on in the year on the presidential transition, so the LBJ Library and the George H.W. Bush Library in College Station. This program is mid-career -- is a program for mid-career professionals, where we use case studies from the presidencies to teach leadership at the highest levels. We are actually about to graduate our second class of scholars, it's a group of 61, including David Eagles, who is in the room today, later this week in Little Rock, Arkansas. So that will be an interesting event.

It is a way to really use the resources of these four presidential libraries, the administrations and the alumni that have participated, to teach leadership. It is not an accident that we have two Republicans and two Democrats as part of the programs. So pay attention for that later this week.

One other program that I will highlight for you that has a unique tie to what we are talking about today is our First Ladies Initiative here at the Bush Institute. So this is stewarded by Mrs. Bush under our women's initiative, where we help first ladies around the world understand how to use their platform as first lady to really better educate, develop better health care, and help their citizens lead better lives. And to date, we have worked with 40 first ladies around the world.

We kicked off this program in the summer of 2013 in Tanzania. We had a summit with Mrs. Bush and Mrs. Obama, who also happened to be an Africa at the time. And that picture of Mrs. Bush and Mrs. Obama having a conversation together, a former first lady and a current first lady, really shows the importance of smooth presidential transitions, and it helped exemplify for a lot of those first ladies and leaders in Africa what we do in the United States in terms of presidential transitions and how a smooth transition and a peaceful transition is important to our government here today.

So I want to thank the White House Transition Project, Martha and Terry, for being here today, for all the panelists who came. You have picked obviously what we think is a great location to kick off this series on presidential transitions. President Bush made it clear to all of us who worked in the administration for him that an orderly transition was what he expected when President Obama came into office in 2009. And you'll hear more about that today.

So this is a timely and important topic in this election year, and we are grateful to host you all today. So thank you.

(Applause.)

MS. KUZMICH: And let me now introduce Emily Robinson. She is the acting director of the George W. Bush Presidential Library and Museum. Emily.

(Applause.)

THE NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

MS. ROBINSON: Good morning. I would like to read a welcome letter from Susan K. Donius, director for the National Archives Office of Presidential Libraries.

On a sunny summer day 75 years ago, President Franklin D. Roosevelt spoke at the dedication of the FDR Presidential Library on the importance of safeguarding presidential records, describing his library as proof, if any proof is needed, that our confidence in the future of democracy has not diminished in this nation, and will not diminish.

Three quarters of a century later, the National Archives now administers 13 presidential libraries, stretching from Massachusetts to Texas to California, which fulfill FDR's vision to preserve the records of our nation's history and to make them accessible to the American people, ensuring the strength of our republic through tumultuous times.

I can think of no better example of this important work than the White House Transition Project, whose scholars have used resources through the National Archives to understand the challenges of past presidential transitions and to prepare incoming administration officials for their new posts. On behalf of my colleagues, let me affirm how pleased we are to collaborate with the White House Transition

Project, to make valuable information from our holdings available to incoming White House staff and presidential scholars.

The National Archives also provides access to the project's oral history interviews of the key White House officials, both online and in the presidential libraries' research rooms, which help fulfill your unique message of contributing to the peaceful and successful transition of power each time a new president is elected.

I am delighted that you are meeting at the George W. Bush Presidential Library and Museum, the newest library in our system, and wish you a productive and lively forum, which will inform the next administration as they assume their new roles in 2017, and lead our country with confidence into the future. Thank you.

(Applause.)

PRESIDENTIAL TRANSITIONS IN A BIPARTISAN SETTING

MS. KUMAR: Thank you very much, Emily.

One of the most striking features of presidential transitions today is the bipartisanship that prevails among government officials in Congress, who writes the transition laws, the president and the White House staff who set the direction of planning, and departments and agencies that carry out the policies. It was not always the case.

When in 1952, President Truman wanted to bring into the White House both the Republican and Democratic presidential nominees to meet with his cabinet and White House staff members, he met with a partisan divide. He had wanted them to come in because he found when he came into office, he was unprepared. He came in in January of 1945. Roosevelt died in April, and Truman knew nothing of the atomic bomb. And so, seared by that experience, he wanted to bring people in so that they were going to understand what was ahead of them.

Adlai Stevenson accepted but General Eisenhower turned down Truman's invitation, in large part because he said he was running against the administration's programs and he thought the public would not understand why he would be coming into the White House when he was running against it.

Truman was very upset and he sent a handwritten note -- which he could sometimes do because he could slip by staff and they wouldn't the see it and stop him. So he had a handwritten note to Eisenhower, commenting on his own way of looking at the turndown by the general. He wrote, “I am extremely sorry that you have allowed a bunch of screwballs to come between us. You have made a bad mistake and I am hoping it won't injure this great Republic.”

The strong partisan nature of that transition no longer distinguishes the handoff of power from one president to his successor. Our five panelists today are in a position to discuss the shape of transitions, as each of our officials has gone through one or

more of them at a senior planning level. Additionally, they are all involved in current efforts to fortify the transition process and find areas of agreement that will ensure presidential transitions in a bipartisan setting, which is the theme of our conference.

Our conference is one of three that we are going to hold at Texas presidential libraries. The other two are going to be at the LBJ Library on September 22 and 23, dealing with national security; and then on October 18 at the George H.W. Bush Library on crisis management with two scenarios, a financial and a national security crisis. And all are around this theme of the importance of bipartisanship in transition.

We are going to begin with two chiefs of staff who know their beginnings and ends of administrations. Mack McLarty came in at the beginning of the Clinton administration as chief of staff. And Josh Bolten was at the end of the Bush administration his chief of staff.

The September 11 attacks and the transition out of office of George W. Bush changed the tone and actions undertaken during the transition period. In 2008, President Bush led the most determined transition out of office that we have experienced. He began the transition cycle in 2007 in discussions with his chief of staff, Josh Bolten, who led that effort. Bolten, in turn, closed the circle that Truman proposed to structure, by having representatives of the incoming and outgoing chief executives meet well before the election. He brought together representatives of the two candidates in the White House in July, almost two months prior to the 2008 party conventions.

Clay Johnson, who led the transition as executive director for President Bush into office in 2001 -- Clay Johnson was the deputy for management at the Office of Management and Budget and led the department and agency planning work, gathering information for a new team. He is going to be on our second panel.

Equally important in the 2008 transition was interest in making use of those administration preparations by those leading the transition effort for Senator and then President Elect Obama. Christopher Lu, executive director of the early transition planning effort for Senator Obama, was in those July meetings and worked with Bolten and his deputy on the Bush team [Blake Gottesman]. Lu is now the deputy secretary in the Department of Labor and involved in the transition out of office of President Obama.

Lisa Brown was co-director of agency review for Obama, also began work in July, assembling teams to go into the departments and agencies to collect information on programs, staff positions and upcoming schedules and budgets. President Bush and his team willingly led a transition effort whose results Senator and then President Elect Obama was eager to use.

All of our panelists are involved in efforts to solidify the gains in transition planning and in finding ways to expand the areas of agreement, such as the presidential

appointments process. Mack McLarty along with Clay Johnson has been a leader of the Aspen Institute's project for reforming the appointment process. Lisa Brown was part of a congressional and Obama administration appointment reform effort. They are a knowledgeable group, well set to talk about the transition.

Our program today comes about through the work of many institutions and individuals. Our panelists have come from a distance to speak about presidential transitions and we thank Josh Bolten, Mack McLarty, Lisa Brown, Chris Lu and Clay Johnson for coming here to talk to us about this subject.

Thank you, Allan, for the support of the Moody Foundation and for your and Jamie Williams's interest in our project. We appreciate it, and also of the work that you are doing in the presidential leadership program that you support.

Next, the George W. Bush Presidential Center has provided our space as well as the significant logistical support. We thank you, Holly Kuzmich, as well as your colleagues, Brian Cossiboom, and his director of operations, Justine Sterling, who is director of events.

Rice's Baker Institute for Public Policy is our partner, and who we are coordinating with on the White House Transition Project.

And finally, we thank the staff of the White House Transition Project, who have worked for our conference and on our analytical programs.

So now, let's begin with Josh Bolten and Mack McLarty, who know transitions through their work as chiefs of staff. And this will be followed by a program on the presidential appointments process and a discussion of the administration's transition out of office. Thank you.

(Applause.)

PANEL 1: TRANSITIONS FROM THE VIEW OF THE WHITE HOUSE

PARTICIPANTS

Joshua Bolten: Chief of Staff, President George W. Bush

Thomas “Mack” McLarty: Chief of Staff, President William Clinton

Martha Joynt Kumar: Director, White House Transition Project

DISCUSSION

MS. KUMAR: Sit where you like. I'm sitting here.

(Laughter.)

MR. McLARTY: You can tell who's in charge.

(Laughter.)

MS. KUMAR: The 2008 transition was, by all sides, viewed as the best that we have had. You all put attention in a way that has not previously been the case in the transition out of office. And I wonder if you can talk about the elements that you see that were important in that transition? Why was it so good?

MR. BOLTEN: Well, thank you for the recognition of the work that the Bush administration did and that the president did himself. And that is my -- that is my answer to your question, is it comes from the president. Like Mack knows better than anybody, that so much in a presidential term and in the executive's agenda comes from what the president says he -- or eventually she -- is interested in.

And that was certainly true of the 2008 presidential transition which President Bush directed me more than a year before the transition -- and you mentioned late 2007 is when the president first spoke to me as his chief of staff, and talked about how important he thought this presidential transition would be, because it was the first presidential transition in our modern history during which our homeland was actually under threat.

9/11 changed everything about the Bush presidency but also about our country. And so he was determined that we not have an unnecessary period of vulnerability during the early months of the incoming president's administration, regardless of the party of whoever the next president was going to be. That was irrelevant to President Bush's consideration when he said he wanted -- when he gave me the direction to run the most effective and most complete transition in American history.

Now, that was a pretty low bar to meet.

(Laughter.)

MR. BOLTEN: Traditionally, I had been on both ends of a transition already, both going out of the Bush 41 administration and then coming into the Bush 43 administration. And it's -- it was a low bar in a bipartisan way. It was just not something that attracted a lot of attention. It was not a question of ill will, not a question of partisanship. Mack, I think you will agree?

MR. McLARTY: I do agree.

MR. BOLTEN: But it was historically, in America, a question of, you know, we don't need to do that. They'll learn on the job and they've got time to get their feet on the ground and run the place the way they want to run it. We don't need to spend a lot of time doing stuff, doing preparatory work for the next gang, and that probably isn't particularly welcome in the first place. So it was definitely a change of psychology.

And in the 2008 transition we had ultimately a terrific partnership with a very well organized Obama team that will be represented on your next panel by Chris Lu.

MS. KUMAR:. What directions did he give you?

MR. BOLTEN: You know, well, the truth is I don't really remember.

(Laughter.)

MR. BOLTEN: But I do recall that it was not, it was not detailed instructions. And that wasn't George W. Bush's style to say that I want to make sure that they've got all their appointments in place and that the briefing books are here and that the diagram of the West Wing, that's just not -- anybody who knows George W. Bush knows that he is -- he is a leader and a man of principle. He doesn't -- he empowers people to do their jobs and he considered it my job and the job of my staff, the job of Clay Johnson, to figure out what the details were.

But what I do recall him saying very explicitly is that I want these people to be as prepared as possible to deal with a crisis, should one happen on the first day of the next administration. And that is both a tall order and a major undertaking in any administration.

MS. KUMAR: Yeah, and in fact there was a threat on the inauguration.

MR. BOLTEN: There was. We -- we were particularly concerned about a terrorist attack during the actual inauguration. It is a moment of really extraordinary peril in this country, if you think about it. Because the -- because so much of the government actually moves.

In other systems, you know, a few people at the top move around but most of the government remains in place. In our system, the top few thousand leaders in government are actually replaced in a transition, especially in a transition between parties, where basically everybody who used to be there is out all at the same moment. It's not like a sort of a slow process of one month a few people come in and then the next month more people and so on. It's noon on January 20 every four years that the people who have been in charge suddenly have no authority anymore. They are done, you're out. Your badge doesn't work, you can't get back into your office, nobody either expects to or should follow your instructions, of all the people that worked for you. So it is a very abrupt change in our system.

And the new people -- I remember walking into the White House on January 20, 2001, and you kind of walk into a blank office, there is nothing on the walls, there's a few supplies on the desk, there's computers but they -- there is nothing in the memory banks. You might know the phone numbers of a few of the people you may need to reach, but it is a very complete and abrupt transition.

And for the country, that is a real period of vulnerability. I don't think it lasts all that long in the stark sense that I am talking about, but for those first few days, in a crisis, the people who need to make decisions might not even know how to reach the other people that they need to reach to take action. So what we did in the

transition period in 2008 to 2009 was we did our best to prepare the incoming folks to work with each other and also to pair up the outgoing people with the incoming people.

So, for example, we held a tabletop exercise in early January, in which we assembled cabinet officers who were relevant to a national security crisis. We assembled in the Old Executive Office Building, and we had all the outgoing officials there from the Bush administration who would be involved in a national security crisis, the Secretary of Homeland Security, the National Security Advisor, the Secretary of Health -- because what we postulated was a chem-bio attack in the United States -- and so on. So we had all of the right officials who, in the outgoing administration, knew each other, knew their roles, knew who did what in case of a crisis. And we brought in their incoming counterparts and we went through the tabletop exercise with the old people sitting next to the incoming people.

And I don't know if they -- I don't know how much you can learn in a three-hour tabletop exercise about how to act in a crisis, but the main thing was that they laid eyes on -- everybody laid eyes on the other people with whom they would need to communicate. And I will bet for most of the people in that incoming Obama cabinet, that was the first time that they had met FBI Director [Robert] Mueller, who was the one key official who, because of the nature of his position, transitioned across administrations and would be a key person to know and to communicate within the event of a crisis.

One other thing I will mention that we did, and that is that we asked the Homeland Security Secretary Mike Chertoff, who had planned a vacation with his wife beginning at 1:00 p.m. on January 20, we asked him to stick around for a day and, during the -- during Inauguration Day, he was in an offsite with the incoming Secretary of Homeland Security [Janet Napolitano] in a control center, where they could monitor all the threat information and so on. And we asked him, even though his authority would be eliminated as of noon on January 20, we asked him, stick around, be there for advice and so on for Secretary Napolitano as she takes the reins.

It turned out to be important because there was a threat on Inauguration Day. It turned out -- a credible threat. It turned out not to be an actual threat, an actual incident. But there was credible intelligence suggesting an attack at the inauguration itself on the Mall.

And so, you know, we weren't perfectly prepared. I imagine that if that happened, if that happens in 2017, folks will be a lot better prepared than we were in 2009. But we at least had thought about it, had talked with folks and had our people as well positioned as we could under the circumstances to have a smooth handoff.

MS. KUMAR: Yeah, in a note of bipartisanship, Napolitano and Chertoff had both worked as prosecutors and knew each other very well, so that it was an easy discussion between the two of them.

Mack, can you tell us about the discussions about transition into office that you had with President Clinton?

MR. McLARTY: Martha, I would be glad to. First of all, it is good to be with you, with Terry Sullivan, with White House Transition Project, certainly at the Bush Institute here, a great privilege to be here. And, of course, always good to be with Chief Bolten, which I always look forward to.

Our transition was quite different. It was a different time and place. And I think Josh makes a very key point about 9/11 really changing the fundamental psyche in many ways of our country. Personal security became national security and vice versa. I think it affected transitions.

Ours, of course, was at a much earlier time. And I think at that point, and Terry and I have talked about this, Governor Clinton, like most presidential candidates before him, was very concerned if you've got a serious, developed, large effort underway on transition, that it would be easy for the press to say, well, such a show of arrogance here, measuring the proverbial drapes in the Oval Office. And indeed, even with President Obama, or Senator Obama when he ran, there was a little talk about that with his transition efforts, even after 9/11. So that was part of it, for sure.

I think in our case, as Lisa [Brown] remembers from her time in working with Vice President Gore, unlike Josh, I came into the transition late from the private sector, serving as the chief executive officer of a New York Stock Exchange natural gas company. So you were coming in knowing some of the people but not all. I think on the positive side, however, Governor Clinton, like most presidential candidates, had laid out a pretty clear agenda of what he wanted to accomplish in his first 100 days and in his first two years in office. So that, in and of itself, laid out, I think, a road map, a pathway in terms of policy work within the administration.

I think secondly, during the transition, a high priority was placed on the selection of the cabinet. We spent a lot of time there and I think our work reflected that. And Richard Neustadt, the historian that, Martha, you certainly know, talked about the loyalty and competency and engagement of the cabinet in the Clinton and Gore administration.

We also spent a lot of time integrating the vice president's office, which was clearly a priority of President Elect Clinton, as he and Al Gore had run as a team. And before that, the vice president, including President Bush 41, had been an important figure, but it had not been fully integrated into the presidency, as we have seen it in more modern presidencies.

Where we got behind the curve is on the selection of the White House staff, and I think that was a setback for us. Although on a policy side, we were able to move forward with the economic plan, we were able to move forward with the cabinet. And I liked it so much, the spirit of bipartisanship, or the theme, because we did receive good cooperation from the Republican members of the Senate getting our

cabinet members in place. But as Clay Johnson knows so well, that's only a start. And Chris Lu does, as well. You've got to get the deputy and the assistant secretaries in place.

So that was our experience. I think on the national security front, again, it was before 9/11, before the terrorist events that we have seen and been so troubled about and unsettled about. So it was a different landscape, although there were vulnerabilities there. I do think that the fact that you had a very experienced team in national security that had worked during the campaign, they were able to make that transition.

Martha, the final point I would say, and Josh has alluded to it, the real two hallmarks of a transition, other than being open, prepared, start early -- which I think now has become much better understood, much more accepted. Recently, I have spoken with the Business Roundtable, with Governor [Michael] Leavitt [Utah], who has been active with you and your and Terry's project, speaking at the National Governors Association of this weekend with Governor Leavitt, I think it's just much better understood how critical transitions are.

It is that moment, it is that moment in a 77-day period where, there is so much to be done, so many various stakeholders to respond to, and it is a moment where it is essential to pivot from campaigning to governing. That is really what transitions -- that is the hallmark of any successful transition.

MS. KUMAR: How do you make -- one of the aspects of moving from campaigning to governing is that there are different needs in the campaign. The rhythms of a campaign are different because you have, you are trying to win each day, and you have a policy agenda that is limited that you are talking about. But when you come in to govern, you need people that are less partisan, in a sense, and ones with experience in the Washington community. Because you are going to move from one issue to another, where you may have coalitions of supporters in one and then your enemies are your friends in the ones afterwards. So when you have campaign people, their mindset is your guy is good, everybody -- your opponent is bad.

So how do you make that transition of the personnel of bringing in people who are appropriate for governing, who may not have been on your campaign? And what do you do with the campaign people that you want to reward? And how does the president deal with that?

MR. McLARTY: I'm beginning to get a headache just remembering --

(Laughter.)

MR. McLARTY: But I think, Professor Kumar, you make exactly the right point, because you have had people in the campaign that have truly worked their hearts out for their candidate in that campaign, and in many cases made tremendous sacrifices, where they have taken leave of absence from their job and worked and moved, in our case, to Little Rock, Arkansas, or to Austin, Texas, or wherever, to spend a year-plus of their lives trying to get George W. Bush or Bill Clinton elected.

So there is a feeling of loyalty, and those who've brung you, as the old saying goes, that I know is well understood in Texas, being a neighbor from Arkansas. By the same token, you do have to be pretty steely eyed, not insensitive, not unempathetic, but pretty steely eyed that you are moving into a different passage and it's different requirements. And you have to have basically a blend of people who were in the campaign who are kind of naturally and hopefully well suited to make that transition to governing, and there is usually a good number of those people in the policy realm, the press realm and others that are pretty natural in that regard.

But you need new people, broader people. In our case, of course, Governor Clinton knew a lot of other fellow governors that were natural cabinet selections. He had worked with a number of people in education, so that was a natural area, a number of people in the national security area, that was a natural. So that's how you make the transition. But you've got to achieve that balance.

There is one other major factor, Martha, that is different. And that's the members of the Congress in the House and the Senate. You are not going to get your first 100 days moving in the right direction with your legislation, as Josh knows so well, and is so skilled in handling members of the House and the Senate, without establishing immediate rapport with leadership there. And I think the other part of that is to reach out early, but carefully and appropriately, because you can't get ahead of yourself or that will create problems in and of itself.

In our case, I don't think we did as good a job reaching out to the Republican side as we could have, in retrospect. I think we kind of caught up with that on Welfare to Work and some other legislation later on in the administration. But that is absolutely a key that is very different to campaign. That is a new constituency, for sure.

And I think finally, in our case, I know you are going to talk about this a little later or plan to talk about it in our session, but you had 12 years of Republicans being in the White House. So that is quite a big change when you have a different administration and different party come into the White House. And in our case too, I think it's worth noting, Governor Clinton only got 43 percent of the vote. That also had a difference in our dynamic in that campaign, in that transition.

MS. KUMAR: Yeah. Josh, how did you all establish your legislative relationship? You were less or fewer, in terms of votes.

MR. BOLTEN: Yeah, well, first of all, George W. Bush came in with a landslide by comparison.

(Laughter.)

MR. McLARTY: We both had our respective challenges.

(Laughter.)

MR. BOLTEN: I mean, you know, don't underestimate 571 votes in Florida.

(Laughter.)

MR. McLARTY: Now you tell us. Go ahead.

(Laughter.)

MR. BOLTEN: That made it challenging. That gave the start of the administration a pretty rough start, because a substantial portion of the country was pretty raw and a substantial portion felt that President Bush had not been legitimately elected, that it was, that it had been decided by the Supreme Court, and so on. So we were keenly aware of that. The president was keenly aware that he needed to reach out at the beginning of his administration and make sure that everybody understood that he intended to be the president of all the people, not just the folks that had voted for him. So there were a number of outreach efforts at the start of the administration.

Governor Bush, Bush 43 when he was governor here in Texas, as Clay can describe well, had governed as a real uniter, and he had hoped to be able to do the same in Washington. He had been intending to go to Washington as the education president and do that on a bipartisan basis.

And so the administration started out with an agenda that included tax cuts, which he had campaigned on, and education reform as the top priorities. And the education reform, his partners were Democratic Chairman George Miller in the House and Democratic Chairman Ted Kennedy in the Senate, and they were his close working partners on what eventually became the No Child Left Behind Act.

But, I mean, sadly for the country, that kind of momentum was very hard to maintain, even in the aftermath of 9/11.

MS. KUMAR: Why do you think that it was?

MR. BOLTEN: Boy, that's the -- that's the $64 trillion question for our country --

MR. McLARTY: Question of the day.

MR. BOLTEN: -- is why have we not been able to stitch together some substantial element of bipartisan cooperation in the last 20 or 30 years. It seems to have degraded through each presidency.

And, you know, there are a lot of things to point to. There is gerrymandering in the House, which makes the vast majority of House members safe in their seats, except for a challenge from the fringe of their own party. So it makes -- it tends to make House members much more responsive to the right, to the extreme right in the Republican party, extreme left in the Democratic party, and make them less inclined to be receptive to compromise.

There is the influence of the dramatic change in how and where people get their news, that the explosion of media outlets, from which we all benefit and which has been a tremendous and in most respects positive change in our society, also means that people kind of pick the bias in their news and aren't operating off of a common set of facts that used to, I think, have a unifying effect in the country.

And, well, I mean, there are so many factors involved, I don't think you can identify one. But you can say that, I think, the biggest challenge for the coming generation of government leaders is to try to bridge that divide.

MS. KUMAR: And certainly the transition has proved to be an area that Democrats and Republicans can work together, whether it's in Congress or in an administration. So at least we have one area, and I guess there are a few others. But it is certainly hard to put that together.

For both of you all, what is the advantage of a fast start? And if you have trouble at the beginning of the administration, lose the way on that fast start, how do you get it back together?

MR. McLARTY: Well, first impressions are important. And all of us have heard the phrase in presidential history and campaigns and in presidencies, the first 100 days, that's the goodwill coming off the election, you have a unique window. Whether it is 100 days or at least the first six months of any administration, but it is also, at the same time, as you pointed out, Professor Kumar, you are trying to get your team in place and may have the least experience in some ways to implement that.

I think in our case, the economic plan, deficit reduction plan, were crucial because the campaign had largely been about domestic issues and the economy. So had we not been able, from a policy standpoint, to develop an economic plan and move that to the Congress and get it passed in the beginning of the administration, I am not going to go as far to say that you might have had a failed presidency, but I think certainly that would have been written about, had you not been able to go forward with an economic plan.

And much like Josh alluded to in the elections, we passed that by one vote in the House and Vice President Gore broke the tie in the Senate. Every time the vice president voted for us, we won. Breaking a tie, obviously. So that was crucial. And that was just essential to the start.

Because you are also going to have, in most cases, not all, but most cases -- we certainly did -- some bumps, some unexpected what I call UFOs - unforeseen occurrences - that are going to come in and you have to deal with, whether they are kind of micro but unsettling problems, or whether they are major unforeseen occurrences that come in. So you can have all of your plans and agendas laid out as perfectly and thoughtfully as you would like, but you are inevitably going to have to deal with unexpected events. So it is essential that you lift off.

And again, I think where the real crucial element comes in place, and many of you are in the business world here, and it is what Clay and I have been so adamant about and committed to, you've got to get your team in place to deal with all of that. And it starts at the cabinet level and the White House senior level, but you've got to fill out the remainder of the administration.

MS. KUMAR: And you all had some bumps at the beginning, as well. The economic part, that was part of your transition that was -- that was well formed when you came in, you created the National Economic Council --

MR. McLARTY: National Economic Council.

MS. KUMAR: Which continues today.

MR. McLARTY: Today, yeah.

MS. KUMAR: And I think the President's Management Council was created early, too. And then your economic program. But there was trouble with appointments.

MR. McLARTY: We did. Although it's interesting. And, Josh, it would be interesting to get your perspective on this. I think most administrations have had some issues on appointments and/or confirmations. We certainly had it on the attorney general, is what I think, Martha, you are referring to. But on the other hand, as I had noted earlier, and again I give the Republican leadership in the Senate a lot of credit for this, we got our cabinet in place -- save the Attorney General's Office, which of course is a critical position -- I believe more promptly than any other administration had gotten their cabinet in place, because we had cooperation from the Senate in getting those approved, so actually got those in place.

But we also had some other issues, gays in the military for example, that came up that were distracting in our central -- not only messaging, but our central efforts to try to get things in place.

I think what you have to look at is, at the end of the day, most presidencies will be judged by peace, which I would now say is also security in the homeland, and prosperity. And that's the two goals that you have to keep before you as you are developing your policies, whether it be the first hundred days or beyond.

MS. KUMAR: Well, getting the White House staff in place early is something that now everybody seems to recommend. And Clinton has talked about how that was one thing --

MR. McLARTY: That's a lesson learned. I think we spent a lot of time on the cabinet, which paid big dividends, because not only did we have a collegial, cooperative cabinet, but they gave us great advice and they were able to amplify -- and, Chris [Lu], you know this from your time in the Obama administration -- amplify the president's message and a pretty impactful way, both in the country, internationally, but also on the Hill and in Congress.

But I do think the real point about transitions, and you and Terry and others in the presidential transition efforts that Max Stier [President, Partnership for Public Service] and the center has done, David [Eagles, director of the Partnership's Center for Presidential Transition], that you have been such a part of, have really now gotten in an understanding way how critical it is to have early, developed, open, engaged transition efforts that are really on a separate track from the presidential

campaign. And that will help and it is key for getting a White House staff in place in addition to the other positions of government.

MS. KUMAR: Josh?

MR. BOLTEN: Can I just underscore what Mack just said? Because that is crucially important, that the environment that the White House Transition Project has created, the Partnership for Public Service has created, the legislation that was adopted as a result of your efforts, has altered the mindset about presidential transition.

Because it used to be that those candidates who were even focused on the importance of the transition were reluctant to admit that in any public sense, because you immediately would be accused of measuring the drapes, getting ahead of yourself, being arrogant, and so on. We found that even in 2008, when I reached out, at the direction of the president, in the summer of 2008, before the conventions. I reached out to the two presumptive nominees' campaigns, the Obama campaign and the McCain campaign.

The Obama campaign got it, they were well organized, they had a terrific team in place led by John Podesta [co-chair, Obama-Biden Transition] and Chris Lu [executive director, Obama-Biden Transition].

The McCain campaign was very nervous and very reticent to be seen as having a plan, having leadership in the transition and so on, precisely because they didn't want to be accused of measuring the drapes and getting ahead of themselves.

And so there has been an important change in the environment just in the last few cycles about the propriety and the necessity of making those preparations, and it is one of the ways in which, Martha, operations like yours and Terry's and others have made an important contribution to the way we run our public life.

MR. McLARTY: Martha, let me just, if I may, build on what Josh just said in such a thoughtful and articulate manner. I think that the environment has changed. There have been a lot of people in this room and a lot of others that have helped to move that forward. I do think 9/11 has changed the psyche, too.

I also think that administrations coming in have a bit of a different attitude. How much can I learn from this other group that either I was smarter than or better than, after all I did defeat them, you know. I think you write about that in your book. I mean, I think that there is a much better understanding, that even if you have sharp differences on policy, that there is a lot to learn from prior administrations who have been in that chair or seat in the White House. And I think there has been a change in that environment and mind set, as well, building on the broader -- the broader change that Josh spoke about.

MS. KUMAR: One of the outcomes of the transition out of office that you've had has been legislation that institutionalized many of the things that you did. So, for example,

you had an executive order that created a Transition Coordinating Council, as did President Clinton.

MR. McLARTY: That's right.

MS. KUMAR: And now, that is in law. And so you have legislation in 2010 that creates a pre-election transition effort, so that after you have the national party nominating conventions, that a transition headquarters that is opened up by the General Services Administration and provides support for candidates, if they choose to use it.

MR. BOLTEN: Yeah. And people should understand, this is paid for by the federal government, by the General Services Administration, which is crucial that it's not just that you get some money, but it's that you have the imprimatur of standard operating procedure to set up an office, put people in it and let them start planning and hopefully, going forward, both -- it will be just a natural thing for both candidates to engage in that important planning activity.

MS. KUMAR: And in 2016, I think it was March 28, President Obama signed legislation - the Presidential Transition Improvements Act - that is going to provide even more, because the [White House] Transition Coordinating Council now has to meet, by law, and it is created six months before the election. And then there is an Agency Transition Directors Council that was created by it, too, that has career civil service people running it, so that information has to be provided, the kinds of information that you and Clay had put together in 2008, so that there was a legislative impact on the kinds of work that you did.

Well, Mack referenced to the conundrum. The conundrum I have discussed here is the transition is a time that has a maximum opportunity to change. Like, for example, when you are coming into office is a good time to make organizational changes, because the public is watching, they are willing to support [you], and members of Congress also are more willing, since the public is more willing, to support you.

But on the other hand, you are bringing in a team that is inexperienced, that really doesn't know where the levers are and how to make them work. So how do you deal with that?

So who would like to start?

(Laughter.)

MR. McLARTY: It is a conundrum. It hasn't been fully -- it hasn't been fully solved to this point.

No, I think it really goes back to what I tried to note earlier. You have to try your very best to blend, if you will, the organization of the campaign staff, many of whom have been deeply ingrained in the policy development, as well as the campaign, on both domestic and foreign policy issues, but with new blood and implicitly, I think, Martha, experienced hands, if you will, from the Washington scene.

In our case, for example, Howard Paster came in as head of Legislative Affairs, and Howard had had a longstanding relationship in Washington and had a partnership there on a bipartisan basis, so he was well suited on the legislative front to have a number of relationships already established.

A little bit later on, as you recall, we reached out to David Gergen who has served 81 -- no, not 81 presidents -- what, five presidents.

(Laughter.)

MR. McLARTY: But David had served in a number of administrations, and we specifically -- and I was a strong advocate of it -- wanted to get someone, frankly, from the Republican side that could help us build those bridges. So those are the types of things you do.

I think the only other point I would make that maybe we have not emphasized enough for this group and for the C-SPAN viewers and so forth, is just the magnitude of what is really entailed in a 77-day transition. You've really got so much work to get done in such a short period of time, and there are so many stakeholders of the people that voted for you, the appointment process, getting your people in place for, in our case, a governor stepping on the world stage, meeting other international leaders, establishing relationships with members of Congress, all of whom think they are pretty important in this process. The press, it is a different press that covers the White House than has generally covered the campaign.

So there is just a multiplicity of stakeholders that have to be engaged in a very short period of time, as you are lifting off that first 100 days.

MS. KUMAR: Josh, how did you all deal with that conundrum?

MR. BOLTEN: You know, we had a blessing in the outset of the Bush 43 administration, and in the campaign, in which George W. Bush was elected. And the blessing was that a large portion of the country thought that George W. Bush was stupid. And, I mean, the reality is that he is an exceptionally bright policy person. I mean, I have spent my career in government policy, and George W. Bush is one of the sharpest policy minds I have ever encountered in decades in this business. But that wasn't the reputation he had.

And so we had a political necessity to run a campaign that was chock full of substance. That would have been George W. Bush's instinct anyway. But we ran a campaign that was disciplined in setting out one month it would be the health care policy, the next month tax policy, next month energy and environmental policy. There were speeches that went with that, there were fact sheets that went with that. And toward the end of the campaign, we actually published a 300-page book of campaign speeches and policy papers that were the governing agenda for the first 100 days that Mack was talking about.

And so that made the conundrum period that you are talking about much easier for our crowd, because these were the -- we had the agenda in a 300-page book that

people had internalized, those who had worked with the campaign and so on, political and policy people. And so we had the game plan set out for us.

And the reason I say that's a blessing, that we were blessed in having had to run that kind of campaign, is that it made the George W. Bush administration, I think, unusually well prepared to govern. And the sad development in a lot of our -- in our campaigning now is that the policy doesn't seem to be that important.

And I think what we need to find is a way back to -- I don't think it particularly helps if the country thinks a candidate is not bright, but we need to find our way back to a mode of campaigning and of politics where the candidates with the meatiest agendas and with the agendas that suggest to people that what they will do in that first hundred days is what the country wants done, I think that's going to be critical for our politics going forward.

MS. KUMAR: So in a way what you could say is the most important thing you could do for a transition is to have an articulated policy agenda as you come into office, and really developing it at this point, so that you know what you are going to do. And then organizationally, that you can put it together.

MR. McLARTY: Both, both. Both, I think that's two sides to the same --

MR. BOLTEN: That's a much better way of saying what I had intended to say.

(Laughter.)

MR. BOLTEN: In a much longer and potentially disastrous fashion.

MR. McLARTY: Josh, you sit at the table very nicely for --

(Laughter.)

MS. KUMAR: Well, there are different types of transitions, so you have a same-party transition, where you are going from a Democrat to Democrat or Republican to Republican;, and change-of-party transitions. Both of you all were involved in change of party. But how did you see, because you were in the George H.W. Bush administration, and that was one where from Reagan to George H.W. Bush, you had a same party.

And so what are the differences between the two and how should the two candidates, Hillary Clinton and Donald Trump, think at this point about the differences in the type of transitions that they are going to have, and what differences should it did make to how they prepare?

Mack, do you want to begin that?

MR. McLARTY: I will take a first stab at it. I think, first of all, the fundamental point I would make is the one that we have suggested a couple of times in our discussion thus far. And that is, both the Clinton campaign and that Trump campaign already have established transition efforts in place, and I think that reflects the environment that we have talked about this morning. Obviously, as Chris Lu and others know,

with John Podesta being chairman of Secretary Clinton's campaign, he chaired the transition and worked in the first Clinton White House. So he is a very knowledgeable there.

But the Trump people have also so established, I think, a credible transition effort with Rich Bagger, as we had talked earlier. So that's number one.

I do think, Martha, having really just gone through where you had a change of parties, that is a very different dynamic than when you have not a change of parties. And it is going to be very interesting, and Chris can speak to it, probably more knowledgeable than anyone, if Secretary Clinton is elected, how the transition takes place with the Obama administration, because that is going to be one in the same parties.

In our case, you clearly were going to have a significant change, not only in terms of policy and direction and style, but in terms of personnel. That was understood, agreed upon and so forth. But I really would harken back to a central point that you have already made. This is one of the few areas that truly bipartisan cooperation, sincere and genuine and engaged bipartisan cooperation takes place. As Governor Mike Leavitt likes to say, it is when the combatants truly put down their swords and cooperate for the good of the country in terms of the transition. I think what happens regardless whether it is party to party or a different party. But it is a very different dynamic.

I think the change is more dramatic, Martha, or significant, as you would think, when you would have Republican to Democrat or Democrat to Republican. Josh and others can speak to it. I think it is probably a little more complicated and tedious sometimes when you have one party transferring to the same party. We will see if that takes place this time, depending on how the election turns out.

MS. KUMAR: How would you like to take a swing at that, complicated and tedious?

MR. BOLTEN: It's bound to be better than the last swing.

(Laughter.)

MR. BOLTEN: I mean, I was a junior appointee in the incoming Bush 41 administration, and I think there were a lot of rough spots there, in part because, when there is a transition in the same party, the political appointees of the incumbent have a tendency to think that they are welcome to stay.

MR. McLARTY: Yeah, expectations.

MR. BOLTEN: And so there is an important element of expectations management that needs to be done largely by the outgoing president.

MR. McLARTY: Yeah, agreed.

MR. BOLTEN: To let everybody know you don't automatically get to stay. Maybe some of you will be invited to stay, but it will be at the sufferance of the new president. This isn't a third Reagan term. If Secretary Clinton wins, it's not a -- it's not a third

Obama term. It will be the first Hillary Clinton term. And so it is important for the outgoing president to set expectations properly, and probably to direct that everybody send to the president their resignation now, and let the president decide whether -- let the incoming president decided whether to accept them.

Now, there is a benefit to a same-party transition. And that is that, although an incoming president of the same party will almost certainly want to change over all or almost all of the cabinet and the senior White House staff and so on, there are a number of subcabinet positions that are -- that are pretty technical in nature and for which it will take time to get your own good people in place. And you can keep the gears of government running much more smoothly and aggressively if you can keep a number of those people in place. But it requires both expectations management and a fair amount of planning on the part of the incoming president of the same party, which I assume, given the very experienced people involved in the Clinton campaign, is well on their minds.

MS. KUMAR: You were very helpful when you sent the letter to political appointees, telling them that their term was up. And you even provided a sample letter and that they could send in.

MR. BOLTEN: It wasn't -- it wasn't really a suggestion.

(Laughter.)

MS. KUMAR: There is the principle that we have of one president at a time. And that, in the 2008 transition, seemed to be not quite so clear, because there were certain things that happened, particularly with the financial meltdown, that you all and the Obama people had to work together during the periods of the president elect. And can you tell us something about that?

MR. BOLTEN: Yeah, sure. You know, we did all this planning for a -- postulating a national security crisis in the transition. We were actually having a financial crisis at the time. But the same kind of planning applied, the same sort of close interaction between the outgoing and the incoming applied. And, for the most part, it went smoothly. Not, you know, not entirely smoothly.

There was an episode involving the bailout of the auto industry, in which the Bush administration had concluded, against the -- against the political wisdom of most of the Republicans in the Congress, that the federal government did need to do something to step in to support the auto industry, lest there be a major bankruptcies there that would have a cascading effect on the economy.

And we had hoped, with the support of the incoming Clinton team, to appoint and auto czar --

MS. KUMAR: The Obama team.

MR. BOLTEN: I'm sorry, yeah. Freudian slip.

(Laughter.)

MR. BOLTEN: The incoming Obama team that we had hoped that we would, in cooperation with them, that we would name an auto czar that was acceptable to the Bush administration but was really the Obama administration's auto czar, so that we could set in motion the process of rescuing the auto industry, but that the auto industry would understand that they couldn't game the system --

(Telephone interruption.)

MR. BOLTEN: Is that President Bush?

(Laughter.)

MS. KUMAR: I think so.

MR. BOLTEN: I really [am] concerned about what I s`aid about the campaign.

MR. McLARTY: It's Secretary Clinton calling to thank you for that endorsement earlier.

(Laughter.)

MR. BOLTEN: Anyway, the auto industry, we had wanted to have a consistent policy, so that the auto industry would know what to expect, know that they couldn't game the system, and that we, from our side, were trying to ensure that they survived well into the beginning of the Obama administration. But also wanted to be sure that we put in place some very tough strictures on federal support that would require the auto industry to take some very difficult steps to make itself competitive going into the future, so that it wasn't money down a drain.

Ultimately, that's basically what happened. But the Obama administration was reluctant to be seen to be cooperating with the Bush administration, and so never took us up on this offer of a straddling auto czar, and we basically had to put it in place ourselves. It worked out okay in the end, but that's an example of where it was, the notion of the incoming cooperating with the outgoing, whom the incoming had basically just run against and defeated, was a bridge too far. It wasn't an Eisenhower and Truman moment of the kind that you referenced, Martha, in your opening remarks. But it was a clear indicator that there were limits to the number of and depth of "`kumbaya" moments that are actually politically possible at that time.

But overall, I think the transition between the Bush administration and the Obama administration in the midst of a financial crisis was absolutely critical to the financial well being of the entire planet. And the steps that President Bush took at the end of his administration to staunch the crisis were largely picked up by the Obama administration and then extended so that it was -- there wasn't an abrupt shift in policy.

It's interesting that the person whom President Obama picked to be his first Treasury secretary and therefore really the navigator of the course in responding to the financial crisis was Tim Geithner, who had -- who had been a Democratic Treasury appointee earlier in his career, but at the time of the financial crisis during

the Bush administration was the president of the New York Fed. So Geithner was part of the triumvirate of the Treasury Secretary Hank Paulson, the Fed Chairman Ben Bernanke, and the New York Fed President Tim Geithner. That triumvirate is the one that really charted out the course for responding to the crisis and on whom President Bush relied in making his decision. So there was an unusual element of continuity between the Bush and Obama administrations in the stewardship of the response to the crisis, and I think it has to be regarded as one of the most effective government responses in the history of economic policymaking.

MR. McLARTY: I think to really underscore that, Josh, in his typically modest way, has not stated it as historically as I think it was. I think, Martha, you make such a key point about one president at a time. That is a fundamental tenet of any transition. But in this case, with an economic crisis, not a security crisis, I think our country truly looked into the abyss of what likely would have been a depression, had that transition not been handled in the way that Chief Bolten just outlined it, in terms of the Bush administration and the Obama administration coming in.

And it was seamless, it was appropriate. It may have had not full agreement on every issue, as Josh noted, but it was absolutely crucial at the time to avoid, in my judgment, what likely would have been a depression, to restore stability and order. And I think our entire country and, for that matter, the world economy was the beneficiary of that from both sides, both the president elect and the sitting president. I really commend you.

I do think, though, there is a real respect between anyone who has had that sacred responsibility as president in the Oval Office occupancy of the one president at a time. I think we certainly experienced that. Ours was not as dramatic with President Bush 41 and the Clinton administration. But clearly that it is a respect and a relationship that I think has served our country and our democracy well.

MS. KUMAR: Thank you very much.

What we are going to do now is go to questions. So if anybody has a question, raise your hand and the microphone will come to you.

VOICE: Just real quick, can you give them just a quick discussion on what happened in 2004, 2012, in terms of transition planning? Because when you say bipartisan, I think it would be a little bit more difficult, when the president himself is still running for reelection, to start transition planning. And yet, as you said, a very vulnerable period, if the other person were two win. So just a little quick what happened in 2004 and '12?

MR. BOLTEN: Yeah, boy, that's a great question. And the answer is, very little. You know, it's just against the nature of any incumbent administration running for reelection even to contemplate the possibility that they might have to transition out. So as great as President Bush's leadership was in directing the 2008 transition, I have to say there was very little done in 2004.

You should pose the same question to Chris Lu, who was the cabinet secretary in 2012, and my guess is you'll come up with a very similar answer. It is a significant problem, but that may just fall into a bridge too far category of actually doing -- of the incumbent doing a lot of preparation to permit the person that just beat him to come in smoothly.

And here is where I think organizations like the Partnership for Public Service, the White House Transition Project and so on can play a crucial role, because they are institutionalizing the mechanics and the wisdom of presidential transitioning. And so when you can't rely on the White House to be as forthcoming as you would like them to be, there are these outside entities who can do precisely that.

MS. KUMAR: And in addition, there is legislation that in effect covers it. The 2010 legislation on transitions provided that a president may create a Transition Coordinating Council and may create an Agency Transition Directors Council. But nothing having happened in 2012, and having learned that experience, the 2016 legislation says the president shall take action, shall create six months beforehand the Transition Coordinating Council and the Agency Transition Directors Council. And that mark was at -- was May 8. And May 6, a Friday, the president issued an executive order that carried into effect that legislation. And the legislation calls for the Agency Transition Directors Council, that one has to meet at least once a year. So that is a continuing body of preparation for transitions. So you make a good point.

The optics of running for reelection and preparing for your successor, people are going to think they know they are going to lose. And so that is a good point.

MR. BOLTEN: Yeah, worse than measuring the drapes is taking them down.

(Laughter.)

MS. KUMAR: Other questions?

VOICE: Since President Bush and Al Gore were late in getting elected, did it change what they did in those 77 days, which turned out not to be that many days?

MR. BOLTEN: Yeah. I mean, we didn't have 77 days. We had a 30 --

MS. KUMAR: I think it was 37.

MR. BOLTEN: Clay was the transition director and so he remembers every minute of those 38 days. So, Clay, I hope you will have that chance to address this when you come up. But we -- the first 39 days of the transition, it was uncertain who was going to be the president. Clay had gone to work on preparing stuff, but the focus of everybody was down in Florida. Not everybody, but almost everybody who was involved in the Bush operation, most people were down in Florida trying to make sure that the true president was recognized. And the same was happening on the Gore side. So, yeah, it wasn't difficult thing.

I think, Clay, you'd agree it worked out okay. Seventy-seven days is a really short time. Thirty-eight days is not a whole lot shorter than 77 in this context. And I think, if you are well organized enough, it can be done. I think it has -- it has more to do with who is involved, what's their direction, what's the plan, is there -- is there a program, it has more to do with that than exactly how many days you have.

MS. KUMAR: Another question? Our last question.

VOICE: It's not really a question, it's a statement. I just wanted to say I worked in Laura Bush's office, and the transition process was just amazing in just how the administration, like, really wanted to care for the next administration coming in, all the way down to the individual offices. I mean, I had to put together a briefing packet of what it was like to plan an event for Laura Bush or when a first lady from another country came in and what that process was, and had to write that down. And then Mrs. Obama's team coming in and having to meet with them and just having that open dialog.

So I was really impressed, just because you hear stories of coming in and it just wasn't like that for us, you just kind of have to figure out, call other administrations, you know, how did you do different things, and we just really set the next administration up really well. And I believe President Bush really left that place better then he found it, and really prepared that next administration for coming in to set them up for success. So I thought it was awesome. So I just wanted to say thank you for that leadership.

MR. BOLTEN: I think what you are underscoring is that the tone gets set from the top, and if the President and Mrs. Bush say this is the way we want it, that's the way it's going to be.

I have a lot of confidence that President and Mrs. Obama have not only said the right things, but will communicate the right things to their folks and however the election turns out, there will be a good experience for the incoming administration.

MR. McLARTY: Agree with that. The only thing I would add that you talked about not taking the drips down, obviously the '92 campaign was a difficult time for President Bush 41. And while we may not have had as well organized a transition effort in retrospect as we might have liked, I want to really underscore that the cooperation we received from Jim Baker , from Bob Zoellick, again directly at the request of President Bush 41, could not have been better. So it allowed us to play catch up, if you will, so much more effectively than otherwise would have been the case. So that was a case where it was a difficult time, a different period than certainly had been anticipated. But yet you had an effective, smooth, positive transition of power, which is the hallmark of our democracy.

I think what we are seeing is that you are really refining that process now and moving it forward in a much more serious, developed way with the funding, technology all of these things, where the transition planning -- and I give a lot of credit to people in the room, as has already been noted -- is now becoming just an

integral, accepted, increasingly understood part of a critical period in our democracy and our country.

MS. KUMAR: Thank you very much, and let's all thank Josh Bolten and Mack McLarty.

(Applause.)

MS. KUMAR: Now we will have a short break before we have our second panel.

(Recess.)

PANEL TWO: TRANSITIONS IN THE EXECUTIVE BRANCH AND PRESIDENTIAL APPOINTMENTS

PARTICIPANTS

Terry Sullivan, Executive Director, White House Transition Project; Professor, Department of Political Science, University of North Carolina, Chapel Hill

Lisa Brown, Co-Chair Obama-Biden Agency Review Teams; White House Staff Secretary; and Acting Chief Performance Officer, Office of Management and Budget

Clay Johnson, Executive Director Bush-Cheney Transition; Director, Office of Presidential Personnel; Deputy for Management, Office of Management and Budget

Christopher Lu: Executive Director, Obama-Biden Transition; Secretary of Cabinet Affairs; Deputy Secretary of Labor

MODERATOR: Ladies and gentlemen, please take your seats. And once again, silence your cell phones. Our program will resume shortly.

Once again, please take your seats and silence your cell phones. Our program will resume shortly. Thank you.

DISCUSSION

MR. SULLIVAN: Good morning. My name is Terry Sullivan. I am the executive director and co-founder of the White House Transition Project.

I was reminded that when we started this project in 1998, which we were often reminded this morning was actually a long time ago, one of the things that people talked about was how "measuring the drapes" was the equivalent of changing your socks in the middle of a winning streak in baseball. And so we just had to deal with the fact that politicians were like professional baseball players. They would grow a beard if they thought it would help win the election, and they would not change

their socks if they thought it would win the election, and that transitions just ran against that.

And it's now commonplace for people to think that it's a responsible thing for candidates to be measuring the drapes and thinking about what are they going to do if they actually manage to prevail. And so now the job of the Transition Project is to convince people that measuring the drapes or preparing to leave, take down the drapes, is the new equivalent of not changing your socks. And that's an easy transition, if you will, into today's topic for this panel.

The last panel was essentially about what it's like to transition the White House. And this group of people have all walked into the White House on day one. But another interesting aspect of these three people is that they have all walked out of the White House before the president walked out of the White House and moved into the Executive Branch, where the mission of the administration also goes on. And so this panel will be a bit about walking into the building and what that experience is like, because they've had that experience, but it will also be about how do you take on the responsibilities of running what the president is only, and the White House is only the top part of, which is the full Executive Branch of the American government, which is one of the world's largest organizations, obviously one of the world's most powerful organizations, and one of the most complex organizations. Especially if you're interested in actually making it fit your ambitions.

So one of the things, if I'm allowed to, I'll give you a brief synopsis if you missed the first panel. Basically, leadership is a team sport and it starts at the top. And leadership is a team sport, and practice matters. Because, regardless of whether or not you've faced the same game you think you're going to play, practicing together helps everyone.

And those are topics that these three people have had -- one thing I just learned last night is that not only did Lisa Brown walk into the White House with President Obama, but she also walked out of the White House with Vice President Gore and President Clinton. And so she has been on all -- both ends of this conundrum, if you will, about transitioning.

Clay Johnson started planning to walk into the White House even before Governor Bush announced he was going to run for the White House. That's part of a reflection of then-Governor Bush, but George W. Bush's commitment, longstanding personal commitment to making sure things are done properly. He not only walked into the building with George W. Bush, he walked out of the building with George W. Bush. But he walked out of the building from a different part of the presidency, from the Office of Management and Budget, where he was deputy director of OMB for management. He's the management in Management and Budget.

The same job that Lisa Brown was assigned to by President Obama, but he also put a twist on it, which was to make her chief performance officer, which is -- I'll let her talk about what that actually means.

Chris Lu, like Clay Johnson, was executive director of the Obama transition planning group, which means he was the guy who started way back before Obama was the presumptive candidate. He was the guy whose job it was to make sure they knew what they were going to be doing when and if they won. He is now, midway through the administration, he has walked out of the building on his own, into the Executive Branch, where he is deputy secretary of Labor. And if you know anything about the agency, deputy secretaries are the guys who make the building run. He is the person whose job it is to make sure that the ambitions of the secretary and the ambitions of the president are the actual output of the agency.

So let's just start. What I plan to do is ask a series of questions of each individual. But all three are going to have a chance to comment on them, because they all have these similar experiences.

So I will start with Lisa alphabetically.

You have all walked into the building. You have all been part of the process before, where your person was just a candidate and now he's the president elect. And then you walked into the building and you did the job. And what I'd like you to do is think back to the end of the second week -- not the first week, which is all pomp and circumstance, but the end of the second week and ask yourself if you could only draw on that two-week experience, what thing would you tell your successor that would help them walk into the building with more confidence and more strength.

MS. BROWN: So I think both Mack -- first I want to say thank you. Thank you for having me here, thank you to the Bush Library for hosting us and to the Moody Foundation for making all this possible.

I think both Mack and Josh talked about this. But I think you want to come in with a very clear plan and road map for what you want to do, clearly for the first two weeks. And the first week has some pomp and circumstance, but it also has executive orders that are announced. And you -- that time period, you set a tone very, very quickly. And so what you really want to do is know when you walk in the door -- I know we had a very clear set of we knew what was happening on day one, two, three -- especially for the first two weeks, actually.

And then I would say have a very clear plan, but also be willing to be flexible. Because I think what you're always trying to balance is being proactive. And Josh mentioned this. What you do have -- well, hopefully, the next president will have a honeymoon period. And it is a remarkable time when you can try to get things done. You don't want to squander that. You want to take advantage of it. But you also don't know what's going to happen. And so you need to also be able to be agile enough when something does happen that you can respond to it.

MR. SULLIVAN: Clay.

MR. JOHNSON: I agree totally, but want to expand on Lisa's comment, which is you need to take charge of the kind of president you want to be and want to be confident and comfortable and assured that you will be able to be in those first couple of weeks.

So one, one of the things, barring unforeseen circumstances, what are the things you want to do? Communications things, legal things, statutory things, congressional things, whatever. What do you want to do? But then what are the things that could be risks if they show their ugly face or could be opportunities. Our country is at threat now unlike ways it's been, ever. And there are economic risks and health risks and so forth. And so how -- a candidate for the presidency needs to be thinking now, how prepared do I want to be to deal with a threat to our country or a health risk? And so how well staffed do I want to be in the key areas in those departments? How well briefed do I want to be? How knowledgeable of the potential circumstances that I might get faced with do I want to be? And make sure that that happens.

The key is the thing that shouldn't vary or should not be a variable but should be fixed is what the president -- what the candidate for president today, what kind of president they want to do -- they want to be those first two weeks. Without a doubt, do they want to be -- that's fixed.

And they could say, well, what's fixed is the amount I have between now and then. No, that's not fixed. Time is measured in terms of man days. How many people are working on this? You have so many days, if you have three people working on it during the period of days, that's three-umpteen man months. But if you have 303, it's -- so you can -- am I devoting the resources, the people, am I expanding more time, adding more days to the calendar than really exist by adding more people to it to be prepared, to have the people around me in the key positions to deal with the things I know I am going to want to try to accomplish if nothing else occurs, and also be able to deal with the things that might occur from a health standpoint, national security standpoint.

But take control of that. That's the given. That's the picture of success that you want to accomplish that you want to have painted for your two weeks of the presidency, and own that and take responsibility for making that happen.

MS. BROWN: I think -- let me add one -- this is why the transition period is so important, is that you want to be able to come in and hit the ground running. You want to start governing the minute that the president is sworn in. Instead of, okay, wait a minute, now, you know, where's the bathroom equivalent, right? So using that 77 days or 34 days as best that you can, so that when you do -- you can do exactly what Clay just described, so that when you do walk in the door, you immediately can start acting and studying the tone that you want for your presidency.

MR. SULLIVAN: And it's not really 77 days, right? That's president elect. But you didn't start thinking about the transition on election day, right, Chris? You started months ahead of time and every one of those days, however many people you have put into it, is just growing opportunity to be prepared, right?

MR. LU: We started planning in May of 2008 and well before -- actually, April of 2008, well before Candidate Obama had even wrapped up the Democratic nomination, because we understood the importance of planning in a very comprehensive way.

Planning a transition is one of these really unique experiences where you can't ask for an extension of time. At noon on January 20, ready or not, you have to be prepared to take over. And that time goes very, very fast. And the decisions -- many of the decisions that you make during transition will ultimately affect the success of your presidency. But the key to all of this is understanding that, no matter how great the planning is, you have to be prepared for the unexpected.

You know, in the beginning of 2008, spring of 2008, when we started planning, we had probably a dozen different policy groups looking at everything from education to health care to the environment. The economy was one of them. And it was just one of the 12 different groups that we had. But by the fall of 2008, as the financial markets, the housing markets are imploding, all the work you did on the economy then expands and takes over everything else. And so you have to plan, but you also have to be nimble as well.

MR. SULLIVAN: Planning is partly about the people that you want to put in place and what positions they have and who is going to be a good fit for the president's ambitions. But it's also about the ambitions themselves, right? It's about the policies. So in a way, the ability to pivot to a crisis or an unexpected event, which by definition is a crisis, is that everything else is already in place.

One thing that it's easy for -- I think is hard for people to understand about the presidency is the president could actually say, something is on fire and it's really important, but I've got other things to do, so don't mess this up while I'm gone, but I've got to go do this other thing. That in a way, the president's ability to pivot to a crisis depends upon the notion that while he's focused on a crisis, the whole rest of the government is not standing still, that there is a policy agenda that is being pushed forward by others that he depends upon and that matter to him, right?

And so this planning stuff that you do is not simply, well, what are we going to do the first couple of weeks? Is the president going to give a speech on this topic on day four, but also where is the president's agenda and how far has it been advanced and how well is it already organized so we know what we're doing, because now I've got to focus on this other thing that no one was expecting. And that's an important part of the transition as well, right?

Everyone agree with that?

VOICES: Yes.

MR. SULLIVAN: So if we set that out as an objective, first set out the president's agenda and then how can we use that agenda to help him pivot towards the things that are unexpected -- or her pivot towards the things that are unexpected? Where does personnel fit into that? Because the nice thing about the campaign is that it's a ready group of people the now president elect is familiar with. But there are all these other people that Mack and Josh talked about needed to be drawn in from the Washington community, for which you're not clear what their ambitions are, what their objectives are.

So this is a question for Clay, because he had this responsibility. How do you decide who the president needs from Washington and how do you decide who the president needs from the campaign?

MR. JOHNSON: The president's charge to me when he was governor -- I was his appointments person for the first four and a half years of his governorship, which is the Texas equivalent of being in charge of presidential personnel in the federal government, his charge to me in Austin was the same as it was in Washington, which was you pick -- you decide who to recommend to me to do the work we want to get done while I'm governor or president. So for his administration, what does he want to do? That's the goal. We all want the people who can do the best job of getting our desired work accomplished.

And so he didn't talk about politics, although it's done in a political environment. And so to me it's very important that you have to understand first of all what work do you want the deputy secretary to do or the secretary of whatever to do, or the assistant secretary over here, or the head of Fish and Wildlife or the head of the Parks Department. What do you want them to do?

And so the first thing you do in presidential personnel or the appointments office in Texas is, you go to the appropriate policy person in national security or in whatever in the White House and say, what does this administration want Parks and Wildlife to take care of, or the Parks Department or whatever, or in the Health Department, or in HHS, what do you they want them to do?

And they say we want them in the three or four years that they're generally going to be in a particular job, we want them -- we think they should be able to accomplish this. Go in this direction versus that or go south or north or reduce it or add it or whatever it is. And so then you confer with them and others about, all right, what kind of person is best suited to do that? Is it a change agent? Is it a policy -- subject matter expert? Is it a management expert?

You want somebody who is publicly associated with this issue or somebody, for very different reasons, has no public association with it because they'd be a lightning rod. So what kind of person are you looking for? Somebody -- what kind of person are you looking for?

And then you go out and you say all right, here is the target of the person I'd like to recommend, so I could explain to the president, this is the person we recommend

because you want to get this and this and this done, this person is well suited to get this and this and this done because they are that and that and that. So you do that.

And then you go out and find people like that. And there are various ways you can network around to get people.

So what happens to politics? In our case, there was a partnership with political affairs. So we didn't try to deal with the political matters as well as the competence matters within the personnel office. Personnel was charged to deal with the competency matters. Political affairs was charged to deal with the political matters.

Their charge was, make sure we don't do anything stupid politically, or politically stupid.

(Laughter.)

MR. JOHNSON: Anymore, right? So they would recommend people that were politically safe or politically wise or politically whatever. Maybe it's people that were active in the campaign or whatever, or they were for sure to be loyal to the president, they were sure to be politically minded -- likely politically minded as the president and so on.

Maybe there were people that didn't come from them but they would check their political background and check with people who knew them in their communities to make sure that they would be acceptable.

But it all started with, what kind of person are we looking for that's best qualified to accomplish what this president wants to do.

So it was very clear charge, again from the top person, the president. Find the person best qualified to get the work I/we want to get done while I'm here as president.

MR. SULLIVAN: So you do that without reference to a set of names?

MR. JOHNSON: Without reference to a set of names?

MR. SULLIVAN: Yeah. So you're basically describing it as if the charge is describe the person we want.

MR. JOHNSON: Right.

MR. SULLIVAN: And for the Department of Labor, to be deputy secretary of Labor, what does that job entail and what kind of person do we want, et cetera, et cetera. But it's never -- it's all within the context of we don't already know that Chris Lu is the guy that --

MR. JOHNSON: No. But you first -- you have to be disciplined to go and decide that. Somebody else might, over here, as soon as you get through defining that, I can tell you that Chris Lu would be a fantastic deputy secretary of Labor. Or if he says, I think Chris Lu would be a deputy secretary of Labor. We would go find out, well, what do we want the deputy secretary -- go to the policy -- what do the policy people -- what do they suggest that Labor be focused on in the first three or four years. And

then we'd say, ask the question, is Chris Lu qualified to do that? Is he the kind that has the skill set to get this done, because it means working well with Congress or doing this operationally within the agency, or he has to be a good manager or a good fiscal person or good whatever?

And so you're not given a name, which is your first job is to place these people in senior positions. Maybe that happens. It didn't happen with us.

MR. SULLIVAN: So, on the other hand, you're directing -- in the Obama transition, you're directing, what, 600 people who are looking at agencies and are basically agency experts, policy experts, people like that. Are you telling those people that -- they're the policy people who have an in-depth understanding of what it's like to deal with employment training or something like that, because that's what they're interested in, the Department of Labor. Are you also saying to them, and always keep in mind that there's no way that you're going to meet the qualifications to be the assistant secretary of training?

Or do those people go to work only because this is their ambition?

MS. BROWN: So people join transition teams because they care about the government. And, to be honest, I think generally they hope that they will go into the government. We were very clear that you would not necessarily be given a job.

When we put together our transition teams, we were very clear with folks that, while we welcomed their participation, we were thrilled about it, that they should not necessarily expect a job in the administration.

MR. JOHNSON: They all end up --

MS. BROWN: Practically speaking, a lot of people end up --

(Laughter.)

MR. JOHNSON: But in the right position.

MS. BROWN: To your point about people to draw in -- to some degree, the people prove themselves through the transition process, right? So they do a great job on the Department of Justice transition team. And then they are thought of when you are looking to see who is going to be your deputy secretary of the Department of Justice.

MR. SULLIVAN: But you guys start with a -- did the Obama team start with a profile, or did they start with something --

MS. BROWN: Can I just add one thing? One, and I can't remember if it was Mack or Josh who said this earlier. But we had our -- our transition team was completely distinct from the campaign, right?

MR. JOHNSON: Ours, too.

MS. BROWN: So what we did was we actually drew, for the agency review teams, so these were teams that went into individual agencies to try to learn as much as they could very quickly so that they would know, when the secretary came in, not only the

secretary know what the president wanted to accomplish, but you would also know what was going to hit that secretary in the face when they walked in the door. Whether it was a regulatory issue, legislative, a budget issue.

We chose people who had had previous government experience. Because if you went -- if somebody had worked in Justice previously and they were on the transition team, you knew they went in knowing about the department, knowing about the issues. You weren't having somebody -- you don't really, in that situation, want somebody who is trying to get up to speed on a set of issues.

So when you were talking about the balancing of the people from the campaign and people with previous experience, that -- often, that was sort of the half that would be from previous experience.

MR. SULLIVAN: So the people from the campaign -- so, Chris, the people from the campaign, why is it important that the transition planning people are sequestered from the campaign?

MR. LU: It's not that you're trying to keep the transition people separate. It's that the sole goal every single day for the people on the campaign is to win a campaign. And they should not be looking over their shoulder, they should not be trying to -- around corner to game out their next job. If there is a moment of time that they have free, they ought to be thinking about how to win the campaign.

And truthfully, the skills that one needs to win a campaign are often different than what it takes to govern. And there are a lot of wonderful campaign people that transition over and make wonderful administration people. Some people can't make that transition. And some people don't, because that's not their skill set.

MR. SULLIVAN: And whose job is it to tell that person that his skill set is not going to land him in the administration?

MR. JOHNSON: Everybody has a skill set for which there is a place in the administration. So you never -- there's a key in appointments, which is how to say no. And the -- amongst us personnel types, we say that the president makes the appointments and the personnel people make the disappointments.

(Laughter.)

MR. SULLIVAN: Yeah.

MR. JOHNSON: And so the question is how do you disappoint somebody. And so you never say you, something negative.

MR. SULLIVAN: Right, okay.

MR. JOHNSON: You never tell Senator so-and-so about that his person is not going to be the king of something, of a small country, at his request. You say -- you never say your constituent, something negative. You say, what is going to happen, not why, and you say very interested in your qualifications, which is all true. Your ability to serve and so forth on the campaign. And so we hope that you will hang

tight because I think there's a role, a different kind of role that we can find for you that you will be really challenged by, and so on. And that almost always happens.

MR. SULLIVAN: Really?

MR. LU: Terry, could I add, I think the challenge also is you have to tier out the different kinds of people on campaigns. Your senior communications people on a campaign, your senior policy people all have a role in an administration. You need those people.

The real challenge is what do you do with the 23-year-old field organizer who has camped out in a battleground state for the last six months and has organized all kinds of volunteers? And it's an incredibly important skill. And really has given up a huge part of his or her life to help win. Trying to translate that skill to governing is a much harder challenge that all administrations face.

MR. JOHNSON: But I don't know how many of those people there are, but there are -- I think it's 15 -- there's no set limit to how many Schedule Cs, so-called Schedule Cs. And it generally works about 1,600, 1,700. And this is the lower level but very important jobs in very key areas throughout the government.

And so the person who has camped out in Akron, Ohio, for six months and just did yeoman work and just -- you know, you couldn't have won Ohio without this person because Akron was key, and so forth and so on, is generally an ideal person to go be, you know, this person over at Commerce or this person over at Health or whatever. And also, that person is not expecting to be assistant secretary for nuclear defense.

(Laughter.)

MR. JOHNSON: So it just -- there's a fit for just about everybody in the campaign if they want -- if they want to be involved in the administration.

MR. SULLIVAN: So you don't have to say no very often?

MR. JOHNSON: You might say -- if the person was expressing interest over here, you might say --

MR. SULLIVAN: How about this?

MR. JOHNSON: Or you may not know what "this" is at the time.

MR. SULLIVAN: Yeah.

MR. JOHNSON: But again, you're trying to -- the key is, you are not trying to fill positions. You are trying to get work done. And the first step in that direction is put someone who is qualified to lead that effort to get that work done in that position.

MR. SULLIVAN: Okay, so the work that you're doing is the agenda that the president is pursuing, right? That's the defining anchor in the whole thing.

MS. BROWN: That's what I was going to say. People are policy, right? So I think, as Clay is describing, what you do is you figure out your priorities.

MR. SULLIVAN: Right.

MS. BROWN: So obviously you are going to do your cabinet quickly. But you want to -- you want to think about what are the key things that the president -- the candidate had, the goals he or she set on the campaign. What do you want to quickly do when you come into office? And you need people to then implement those.

And I think one of the challenges right now is that, for the Senate-confirmed positions, what Mack was describing in terms of the cooperation that he got on the Hill, is more of a challenge today. And so I think one thing that an incoming administration needs to think about is also take an advantage of the positions where you can just appoint someone. And getting people into agencies in those.

And there are a lot -- it's 4,000 positions, is that right?

MR. JOHNSON: About, yeah.

MS. BROWN: So it's a lot of positions. And it ends up inevitably being something where it slows down. And so I think for an incoming administration to try to back that up as much as possible, so that when you come in, you really do have people or slates lined up that you can start to move and get into agencies is going to be important.

MR. JOHNSON: An example of what's the key? The key being, I would suggest, can they do the work that we want to get done.

So the question was, somebody had said -- it was actually Andy Card had said, I just got an idea yesterday. Norm Mineta [former member of House of Representatives and Secretary of Transportation] would be a great Democratic member of -- senior member of our administration. He's a wonderful guy, da, da, da. And I said, well, he sounds great. What thoughts? Well, he knows housing -- I'm sorry, knows transportation well, because he's the chairman of whatever committee.

And I said, great. Well, what do we want the secretary of Transportation to do? He said, be really effective at working with the Congress. Touchdown.

So he's from the -- so he has that background, he's well regarded in the Congress on both sides of the aisle, so forth and so on. So it's a win, win, win. But the idea came up originally because here's a Democrat. We're looking for a political thing of a little salve for the Democrats. This is bipartisan.

But the thing that drove it primarily was the nature of his background and that fit exactly what the policy people had suggested would be the primary strength we would want at the head of the Transportation Department.

MR. SULLIVAN: So what do you do for, to take this example, Transportation and the country's airline infrastructure is not George W. Bush's primary policy objective. It's probably 13 out of 13 on the list of things that are important to him and in his

campaign, right? So how do you decide to pay attention to that nomination and that, the qualifications of someone who is not obviously in the cabinet? So skip the cabinet, because you've got to fill out the cabinet. But how do you go about filling down below the agencies? Do you focus on the president's agenda or do you find, look, we could fill out the entire Transportation Department in one fell swoop, because Norman Mineta will walk all these people through once he's secretary.

Do you go for the guys you can get in and stand up that part of the government, whether it's important to the president's agenda or not, or do you fight the fight that you have to fight over the people that you really want, because they're key to the president's education agenda and you want the Education Department filled top to bottom to promote the president's agenda? How do you -- do you make those kind of choices?

MR. JOHNSON: You tie to the work you want to get done.

On the subject of Norm Mineta and filling out all the positions in Transportation, so he's been asked by the president to be this, and it's been announced. And so he comes in.

And Norm is -- Norm and I are very good friends, now.

MR. SULLIVAN: Yeah.

(Laughter.)

MR. JOHNSON: And he comes in and he says, I have a whole bunch of people I want to bring with me into the Transportation Department. And I said, this is kind of what I said. I said, here's the way we'd like this to work. Nobody's recommended to the president that you don't want recommended for each of your positions and nobody's recommended to the president that we, president's personnel. So presidential personnel, the person working you, happened to be a woman named Dina Powell [director of Office of Presidential Personnel after Johnson] and you, will have to agree. You both have to agree.

So maybe you have 15 people for the 17 jobs and you have them and Dina will be looking at it from a different perspective, perhaps more focused on other things than your relationship, going-in relationship with them. But if she agrees that that's the right thing, because she's the one that's held accountable for filling the ranks at Transportation for the people that can get the work done that this president wants to get done, then you'll be happy, she'll be happy with this recommendation to the president.

If you can't agree, if you believe and insist that this person is the person and Dina insists that this person is significantly -- going to be significantly more successful getting it done and this person there's some risk and so forth and so on, then you have to agree to disagree and go find somebody that you both can agree on.

MR. SULLIVAN: So you don't agree to disagree and take it to the president?

MR. JOHNSON: No. You have to honor your relationship with the secretary -- this is the way we did it. You have to honor your relationship with the secretary, so they feel good about everybody on their team.

And -- but we had people come in who were governors of states, to remain nameless, and their suggestions for who they wanted to have on their team all came from that state. They all came from their staff as governor.

MR. SULLIVAN: Sure.

MR. JOHNSON: Every one of them. We said, you know, this is -- this person is going to be the secretary of X for the United States of America, not for the united state of whatever. And so this won't work. This -- this is not going to work. We can't agree on this. So we're going to start, take one job at a time, because we both have to agree.

That's just -- it's harder to do it that way. Some presidents, a few -- I think Nixon told his cabinet, you cabinet person, you can pick all your own people, because they've got to be your team. Disaster.

Others have said, I'm going to pick all the people, and I'll tell you who your team, who your direct reports are. Disaster.

Because you're an extremely well qualified person, you've been asked to be the secretary of something. But you've never met your direct reports before, you don't have any relationship, prior relationship with any of them. No, thank you. I don't believe I'd want that job. This is a mistake looking for a place to happen.

MR. SULLIVAN: And maybe the guy who says, yeah, I'll take that job is not the one you want, anymore.

MR. JOHNSON: Is not the one you want, right, exactly.

MR. LU: I would add just another factor to throw into the mix is diversity. And when I say diversity, it's not only diversity of gender, race. It's people who bring a variety of experience as well, whether it's in state and local government, whether it's in the private sector, whether it's nonprofits. I think it's critical that you look for people who don't just come out of the typical Washington establishment, you know, lawyers, lobbyists, people on the Hill.

And I think, you know, to be sure, there are jobs for which specialized experience is necessary. You know, for your head of the FAA, you want somebody who knows aviation. I mean, that's not something you want to mess around with.

But there is a significant number of jobs in the administration for whom a good, smart manager who's got some level of policy skills and political savvy can be very, very successful at.

MR. SULLIVAN: Can I -- is diversity something that you'd expect a Democrat to talk about a Republican to not talk about? In other words, this attitude that you have because Democrats typically are thought of as having this giant coalition of a whole

bunch of groups that all have different interests. And so the notion of diversity is sort of a critical way of doing business in the Democratic party because it is an exceptionally big tent with a lot of different voices, and the Republican party is one voice articulating one position? Did it seem like that to you, Clay?

MR. JOHNSON: No. Here's the way we did it. The president said after about a month into it, by the way, let's every once a month or every couple of weeks tell me how we're doing on various types of diversity. Go to me by ethnicity, by gender, by Washington insiders versus Washington outsiders, by -- you know, different ways of -- because if it's all the -- if it's the same, if it's only the usual suspects, you're going to get only the usual federal government. You know, and so you want some new thinking and you want some fresh thinking. You want -- and the more -- all these studies about the more diverse a group of people is that's making decisions, the better the decision making is. And diversity defined as many different ways as you want to.

And so we'd say, well, we're -- and tell me how that compares to prior administrations. And so we went back in some prior -- so we have -- you know, we would talk about how many Washington inside-the-Beltway people we've appointed, what percent are Beltway people, what outside the Beltway, what percent are east of the Mississippi, whatever, west of the, whatever, and compare that to other administrations.

And he'd say, let's look harder for whatever. But it turned out that we -- the first time we started looking at that was probably March. And we were very diverse. I mean, it was not a conscious thing. There were no quotas, no goals. So we were pretty proud of the way, you know, we'd done that.

MR. SULLIVAN: Is that something that gets decided before he's president elect?

MR. JOHNSON: What's decided?

MR. SULLIVAN: This idea about diversity?

MR. LU: Look, you know, we -- President Obama, President Elect Obama said very early on that he wanted an administration that reflected America. There was, as Clay said, there was no specific quota. There was no -- we didn't say, you know, we needed a this and this and this. It was just we should look for a diversity of people.

And as Clay says, you know, every study that's been done on this in the context of organizational dynamics is, the more diverse set of views around a table, the better your decision making will be. And I don't know that this is --

MR. JOHNSON: And diversity can be age. I mean --

MR. LU: Diversity of age, diversity -- and I don't think this is Democrat versus Republican. I think it's about a well managed organization.

MR. JOHNSON: Yeah.

MS. BROWN: I agree.

MR. SULLIVAN: When you do the policy panels that are going to the agencies, is that a concern? Or is it just about their policy expertise?

MS. BROWN: You --

MR. SULLIVAN: I mean, do you sit down and say, look at this group. They are going into the Labor Department and they are all this one kind of person. They all have a strong union background, for example.

MS. BROWN: No, you want -- I mean, these agencies are huge, right?

MR. SULLIVAN: Right.

MS. BROWN: And these agency review teams are actually relatively small. And so the expertise is the piece that you focus on the most, because you want somebody who knows the FAA, you want somebody else who knows the Fair Labor Standards Act, you know, the substantive needs are great at that point.

But again, you also want -- you keep in mind that you want it to be a diverse group, once again, that you want to make sure that you have a variety of perspectives as you're putting the group together.

MR. SULLIVAN: One thing about transportation may have been 13 on President Bush's list of top agencies based on his agenda but, come 9/11, Leon Mineta is making a lot of important decisions, right?

MR. JOHNSON: Norm Mineta, yeah.

MR. SULLIVAN: So sometimes, you set yourself up to pivot to an issue that was unexpected by how you set up the personnel that you want.

MR. LU: So let me give you a good example. So we -- one of -- exactly. You want to find the best qualified people, because you actually never know, even if an item is not your top agenda, you never know when something is going to come up.

You know, one of the big things that happened during the first term of the Obama administration was the Deepwater Horizon oil spill [April 20, 2010]. Which, as folks know, really devastated the Gulf Coast for about three or four months.

We appointed, we nominated and confirmed as our Secretary of Energy Steve Chu, who was a physicist, a Nobel winning physicist. And while his agency, the Department of Energy, did not have the lead in the response and recovery effort, to have a physicist on staff who then got detailed down there and could actually help design the mechanism that actually capped the oil well, I mean, that falls under the category of "other duties as assigned." But, you know, it's a luxury to have expertise like that. Which is why you want to get the best people on your team.

MR. JOHNSON: I mean, just to say, no, I'm not necessarily looking for the best people to do the work, nobody -- who would say that? Who would do that?

And so you have to go to -- so just lay it out there as what your goal is. We're finding the best people to do the work. Person in personnel, you know, it turned

out Norm Mineta was a fantastic guy to be the Secretary of Transportation. But we knew that, we did predict that going in. And it turned out when 9/11 hit and we -- it was important that Transportation be led by an extremely knowledgeable, fabulous guy, we had one.

MR. SULLIVAN: And somebody who the Congress could count on.

MR. JOHNSON: Yeah.

MR. LU: And ironically, I would say, one of the most if not the most effective cabinet member that we had and the most popular was Ray LaHood, who is a Republican congressman from Illinois that was placed as the secretary of Transportation. And so I'm not sure anybody would have said at the outset, hey, this 12- or 14-term Republican congressman, who had touched on transportation issues, would end up becoming an effective secretary of Transportation, but he was. Because he was just very good at how he did his job.

MR. SULLIVAN: Can you talk about the demands to have somebody from the other party?

MR. JOHNSON: The demands?

MR. SULLIVAN: Yeah, is that a thing that you think about when you're sitting down to identify who the cabinet is? Is it useful to be able to say, we're stepping across the aisle, the partisan divide, and making somebody find a place in the government?

MR. JOHNSON: If the person is incompetent --

MR. SULLIVAN: Sure, of course. But is that an advantage? Among the five people that you think would do a good job here, that one of them is actually a Democrat --

MR. JOHNSON: Like I say, diversity is good.

MS. BROWN: It's another element of diversity.

MR. JOHNSON: When the cabinet is sitting around in the Cabinet Room and the president throws out a sizzling issue in a cabinet meeting and somebody from the other party is sitting there, fellows, I can tell you this may not go down well with the -- I mean, just diversity is good. From all different standpoints, diversity is good.

MR. SULLIVAN: Chris, can you talk about how you decide that you started with this candidate, you've been assigned this responsibility, you've taken care of the transition, you've walked into the White House, now you've had this job for three or four years where you're carrying out his ambitions in the agency, and you decide that it's time to go do that job down in the weeds in Labor? How do you make that decision?

MR. LU: I will tell you, having -- and I think this is true for the five people that have spoken. We've all had a multitude of different jobs within an administration.

You know, when the president asks you to do something, you do it. And I do think -- and I do think there is value of having people kind of move throughout the

government. You know, most -- many jobs, political jobs in an administration are really high-level project managers. And it certainly helps to have expertise in those areas. But I think people who understand how government works, who understand how to craft and implement solutions, you can use those people all throughout the government.

MR. SULLIVAN: Clay?

Every one of these people made that decision at some point to leave the White House and go into the federal government, into the Executive Branch. And so --

MR. JOHNSON: Well, you're in the Executive Branch in the White House.

Well, in my case, when the president suggested to me, I had been in presidential personnel for two years and had just gotten about almost all the positions filled for the first time. And he said, the president, Clay, I want you to think about going out and getting another role here. I want to make sure you don't get burned out.

And I said, that's great. What I'd really like to do is go be the deputy director for management at OMB. And he said, what?

MR. SULLIVAN: So why? Why?

MR. JOHNSON: Because I said, I'm a -- I bring method to madness, that's what I do. And there's a lot of madness in the federal government, so there's a lot of method called for. And I think I'd be really good at it. He said, well, then go get 'em. And so I went over. I got nominated.

So he brought up the idea, kind of the time to keep people, you know, on a good -- you want to make sure that they're not at a flat learning curve, they're excited about their daily challenges. And in my case, I knew.

MR. SULLIVAN: I wanted to ask, why Labor?

MR. LU: You know, I had not worked on labor issues extensively during my career, but I had a passion for what the Department of Labor does. We help people find jobs and, when they get the jobs, we protect them on the workplace. It was hard for me to see a more noble way to spend my career. It was also a chance to work with a really dynamic Secretary of Labor in Tom Perez, who a lot of people are reading about these days, and to work on hard challenges.

You know, I had spent most of my career as a political person, but what I lacked was true management experience. When you are the deputy secretary, you are the COO of a massive organization, and that means budget and HR and IT and the nuts and bolts of an organization, and that was a challenge I wanted to take on, and fortunately I was given that opportunity.

MR. JOHNSON: It's kind of like Mack saying it, really government get down to or it's getting down now pretty focused on, it's about peace and/or prosperity. Labor, you know.

MS. BROWN: And most of the work of the government is done in the agencies. So I found myself -- there are a lot of young folks who come into the White House. They think, oh, I'm in the White House, I don't want to go anywhere else. And I encouraged them to, because the practical experience you get, when you're working on programs that really -- that most people out in the country know much more about the Department of Labor than they do the White House. And so you can really make a difference in those jobs.

MR. SULLIVAN: So you went to Office of Management and Budget, as well. And is that because --

MS. BROWN: Because the president asked.

MR. SULLIVAN: Not because you bring method to madness?

MS. BROWN: Well, it was similar. It was an -- I went initially to work on the government reorganization initiative. So it was very similar to Clay, in that it was a management position and it ended up being a lot of interagency work. But it was because the president asked.

MR. SULLIVAN: Is there a point at which you sit down and you say, on Election Day we had these 12 things, these were the 12 things that were most important to the president, they made up the big book that Josh talked about, they were the key items, and they're all gone now? We either succeeded at moving that forward, or we swam our length of the relay and it's now time for somebody else to pick that up?

But out there in the Executive Branch, there are all kinds of responsibilities. Somebody has got to make sure the FAA radars are still working, and that's not a terribly sexy thing, but it's an important part of the government. And so do you get to a point where you say, we're replacing the president's agenda with the sort of regulatory responsibilities of maintaining the government? It's been seven years, we've done what we can do but there's still a lot that we need to do, as opposed to want to do? Somebody has still got to do these things, and that's an important part of the Labor agenda of the Democratic party, maybe not my president.

How do you keep doing that every day, knowing that there is a time that it's going to run out and you need to be preparing the next generation, the -- if there's going to be another Democratic administration, two of you are Democrats. You've been in that situation where there's going to be maybe a successor who is going to be in the same party. How much time do you spend preparing those guys to get ready with the problems that are faced in Labor or Management, regardless of what -- or regardless of what party -- but they aren't the statutory things, they aren't the big legislation where the president -- do you know what I mean?

MR. LU: Terry, I would say this. I think this -- well, I think, fortunately, or unfortunately, given the state of gridlock in Washington, you're never at the point where you say,

I got everything done. So until the very last day, you're going to keep trying to push your agenda forward.

But I think, as we have learned and I think future presidents will learn, given the dynamic in Washington, the agenda of your agencies will be the agenda of the administration. I think, you know, we will continue to have divided government. The ability to get big legislation passed, in the absence of crisis, will always be challenging.

And so the billions of dollars of grant money that the federal government gives out, the multitude of regulations and initiatives that derive from government agencies, will -- is -- makes up the accomplishments of what the White House is trying to push.

MR. SULLIVAN: Well, are you saying that the record of the administration is going to be what you've done? Or are you saying that there is a record of the administration that we set out in this big book that Josh was talking about, and we want to check those things off. Did it, did it, did it, didn't, didn't, didn't. Or, in the end, the administration is really just the things that we checked off we did?

MR. LU: Well, look -- you know, look. I'm not sure -- we got health care passed, so that was a big legislative accomplishment. Did we get comprehensive climate change legislation done? No. But we passed -- we've got a climate change treaty that we have signed. We have done significant changes in emissions of -- of motor vehicles and trucks that will substantially lower greenhouse gas.

So you can either -- you can either go about it with one big legislative accomplishment, which is how people often think about it, or you get 10 regulatory changes which may actually have the same effect of a big legislation.

MR. SULLIVAN: Anybody else?

MS. BROWN: Yeah. It's not an on/off switch. You know, you really -- I mean, I think you continually, throughout the administration, are working on the priorities of the administration. And I think that, you know, during even when Vice President Gore was running for president, the Clinton administration was still working very hard to accomplish all of the things that President Clinton had promised.

And you then also, to the other part of your question, you have a discrete set of people that are working on transition. And so it's not -- it's not an either/or.

MR. SULLIVAN: Is that an important thing? It seems like this is a repeating theme. If you're worried about transitions, you need to have a discrete people whose job it is to focus on that?

MR. JOHNSON: If you want to get anything done, you need to have discrete people.

MR. SULLIVAN: No matter what.

MR. JOHNSON: If you want to -- you have to have -- here's a statement for you. First of all, here's a statement. All generalizations are false, including this one.

(Laughter.)

MR. JOHNSON: Okay, here's another one. The primary reason every government organization, every government in the world does not work to satisfaction is because they don't have -- they don't govern with desired outcomes in mind, and there is little transparency about how well they're performing relative to the goals that they do have.

That's the case of the federal government, that's the case of every country, every state. Their goals aren't outcome-oriented enough, aren't specific enough, and tied to the money that's available. And it's not tied to specific time frames. It's just not very goal oriented.

It's harder to govern if you have specific goals. And particularly if you make the goals transparent, really clear, and you make transparent how you're performing relative to those goals.

I proposed to a president, who shall remain nameless, but a president. I proposed to him that at his next State of the Union address, he get up and say, here is what I want to be held accountable -- I actually proposed it to his speech writer. Here is what I want to be held accountable for accomplishing in the next four years.

You could have heard the explosion, you know, across the --

(Laughter.)

MR. JOHNSON: It was just, you've got to be kidding me. You're not serious? Yes. Here's what -- I say -- well, what if we don't accomplish one of them? I said, well because people will be shocked if you accomplish any of them.

(Laughter.)

MR. JOHNSON: They have so little regard for the federal government, they have so little regard, you want to be held accountable for doing what you said you're going to, that they will be just stunned that you have proposed such a thing.

So maybe it's too big an idea for something like the federal government, but the genesis of that, the essence of that is why governments don't work better. Is because there is no, here's what we promised we were going to -- here's what we want to do and here is how we're doing it. And what we need to go faster on and less on and so forth. And there is little transparency to that, how we're performing relative to that.

MS. BROWN: And some of that's the gotcha game right now, right? If you're clear, somebody is going to say you would but you didn't.

MR. JOHNSON: And so you get asked the question, why do we want to make it well known what's not working in the federal government? I said, did you ever take an eighth grade civics class. You know, they're like, shine a little sunlight on democracy and wonderful things happen. That's what that is.

We need to figure out how to bring more sunlight to what people are trying to accomplish and by when, and so that -- I tell you, when it exists there's -- like let's put a man on the moon by the end of the decade. Mountains move when that happens.

If I do say so myself, the president's management agenda, Bush 43's president's management agenda, defined outcome goals, on a quarterly basis evaluated agencies with how they're performing relative to those goals, issued a scorecard quarterly, red, yellow, green, how people were performing. Let me tell you, agencies noticed, they were highly motivated. We celebrated when they got to green. It just -- it was incredible.

But Congress resisted it, because it's harder for them to be members of Congress. You can't get bridges to nowhere if you have goals to deal with.

(Laughter.)

MR. JOHNSON: And so in general, there's a list and you go through it. There's very little list making and what have we accomplished going on in the federal government. Particularly not in a public fashion where you let your various stakeholders -- you're sharing with your various stakeholders how you believe you're doing relative to what you set out to do.

MR. SULLIVAN: Chris.

MR. LU: I mean, I don't -- what's the question now?

(Laughter.)

MR. JOHNSON: Who invited this guy?

MR. LU: Is that a viable strategy for --

MR. JOHNSON: It may not be viable.

MR. LU: What?

MR. JOHNSON: It may not be viable. I didn't say it was viable. I said, so far it hasn't proven to be viable because it's not ever been done.

MR. LU: I mean, look. I'm a believer that administrations, agency heads, you set clear goals and you make your best effort to do them. But I'm not convinced that there is one way to accomplish the goals.

I mean, the traditional way -- the Schoolhouse Rock version is that you get laws passed. And I think if that is your version of how change happens, you're going to be waiting a very long time. And there's other ways to move the agenda forward.

MR. SULLIVAN: Can we talk about other ways? That are executive in nature.

How much do you depend upon -- if you're setting aside a team, that team is set aside to help prepare the next administration. Is that team mostly the political people that you've brought with you that represent the agency in person, represent

the agency as the administration in person? Or is it the group of civil servants who are the professionals, who face these problems day in and day out and have faced them all their lives, regardless of what party is in administration?

So is it possible to sit down and say, President Obama has a long list of goals in the Department of Labor that we have yet to accomplish and we're going to fight with -- fight for those every day until the day we walk out of the building? And the responsible decisions that have to be made to help the next administration get ready, we're going to leave to the professionals who have faced these problems and the transitions of new administrations, regardless of party, because they're the civil servants who deal with those issues?

MR. LU: I don't think it's an either/or. I don't think it's the political people are running through the tape until January 20 and the career people are minding the shop and doing the handover. I actually, regardless of who is the -- who is my successor, regardless of the party, I have a lot of things that I want to talk to them.

I think what you need to realize -- and I know you know this -- what others need to realize is the vast majority of what happens in government isn't partisan. It happens regardless of who the administration -- now there's the broad agendas, there's the priorities. The nuts and bolts of government, in terms of the programs we administer, aren't partisan. And you just want them to work as well as they possibly can.

MR. SULLIVAN: Same for management?

MR. JOHNSON: Two things. Any administration in their last six months that's trying to launch some new ships be better well prepared to fail at that, because it's just not going to happen. And the way -- to my mind, the important thing is that the White House and its agency leadership, department leadership, agree on what's going to -- what we're going to -- what are our priorities in terms of how we're going to run our business here for the next six months, the last six months.

And basically, I bet they would all agree, they're not going to try to get some new bill passed or some new -- you know, cut this thing in half or whatever, because it's just not going to happen. So that's one thing. So you get agreement. So you're not going to have some rogue agency out here that's trying to go off and get three new balloons launched when it's just impossible, because they just don't understand that it's going to be impossible.

And the second thing is, as we've talked about today, because the standard for handoffs between outgoing and incoming administrations has been set so very high, by your all's objective viewpoint, and I think rightly so, because of the work by the Obama coming in and Bush going out, that's a standard that the Obama administration has to live up to, and they're very mindful of that, because they were the benefactor, and they praised the Bush people, so they want to be held in the same regard as they caused the Bush administration to be held in. So it's a very high priority, so you don't want to give second rate status to that responsibility.

The third thing is, in the agencies, the primary responsibility for welcoming a new team in is the career staff.

MR. SULLIVAN: Yeah.

MR. JOHNSON: The only role that the political staff at an agency, Labor, ought to have is get the senior -- identify their senior career people who are going to lead this effort and say, here's -- let's talk about what the priorities ought to be, what the components of a well organized welcoming strategy ought to be, and here's what we ought to do and here is the information we'll pull together and so forth, and you're in charge and you're in charge, whatever, and stuff.

And then they are highly motivated, the careers are highly motivated to implement that, because they really want their new bosses to like them. That's human nature. And so they're going to make that the best welcoming party and getting them up to speed in a fast-paced effort that's ever been, because then their agency is going to benefit from that.

MR. SULLIVAN: Six months from January 20, 2017, is --

MR. JOHNSON: July 20.

MR. SULLIVAN: So, Chris, in your agency, have you had this conversation? Does the conversation sound like this, what Clay was just --

MR. LU: It sounds exactly like this. And I think that's what -- I think that's what all responsible -- I mean, it's not to say we're not going to continue pushing agendas, we're not going to continue setting the table for the next administration of priorities that we hope that they implement. But you're also sort of thinking about what -- what are the longer term transition issues, what are the documents that we want to prepare for the new incoming secretary, the new incoming team, so they understand both the opportunities and the challenges they have ahead.

MR. SULLIVAN: And on that, we're going to turn the questions over to the audience. Does anyone -- up here in the front. Just wait for the microphone, so that it could --

VOICE: Getting back to transition, there -- there was no discussion about transition of congressional leadership as a goal or idea for an incoming administration, whether it's reelected administration or whatever. And it seems to me that much -- a good bit of the gridlock in Washington, I think a lot of people in America think, is because perhaps the leadership in Congress. I'm talking about both the House and the Senate.

So was any attention paid to that? It seems to me, if -- if I were president, which I will not be --

(Laughter.)

VOICE: That I would want my guy, as much as possible, to be in charge of the Senate and in charge of the House, my guy or gal. But I recognize that that has some problems in itself. But anyway --

MR. JOHNSON: Well, they have no control or influence on that. They're elected. I mean --

MR. SULLIVAN: In other words, that's a part of the environment. It's not a part that the president feels like --

MR. JOHNSON: The Executive Branch, you know, meddling in the Legislative Branch.

MR. SULLIVAN: So George W. Bush, governor of Texas's, charge to you was not to try to figure out how to get rid of the Republican leadership in the House and the Senate on the way to being president? It wasn't part of your plan?

MR. JOHNSON: Well --

MS. BROWN: He probably liked the Republicans, actually.

MR. JOHNSON: That was for sure not part of my plan.

MS. BROWN: Not part of yours.

MR. SULLIVAN: And that makes it a -- in other words, the way the Congress looks is the way the Congress works, and you have to work against -- you have to deal with that as an issue. It's not something the president has a great -- the candidate or the president has a --

MR. JOHNSON: That's the way it was set up, to be --

MR. SULLIVAN: Independent.

MR. JOHNSON: -- independent.

MR. LU: And obviously very early on after Election Day, you set up a series of courtesy visits between the president elect and the congressional leadership, whoever he or she may be. And you try as hard as you can to form good relationships and find areas of common agreement. That becomes more challenging in this political dynamic we have right now.

MR. SULLIVAN: Anyone else?

VOICE: As crisis becomes more the normal than the unusual, is there any thought in personnel that there would be more continuity of the same people, regardless of more bipartisan, in that maybe a staggering of taking over, do you think that that's something that would be considered in the future?

MR. JOHNSON: One thing, that's exactly the way a state, say Texas, does it. Positions are termed. And so a third of all positions turn over every two years. These aren't full-time positions. These are boards that run all our state agencies and stuff.

There have been -- some legislation has reduced the number of Senate-confirmed positions. Kept them as political positions but removed them from Senate

confirmation. I think there are about 160 or something were reduced out of 1,200. So there is recognition of the opportunity or the wish it wasn't so or wish we could change it. But I don't know that there is a clear thing that ought to be done that hasn't been done.

MR. LU: I think that has a lot of merit. You know, there is nothing Democratic or Republican about Homeland Security or National Security or the FAA. And I do think having everyone turn over on one day creates certainly risks for mischief. But obviously, any new president wants his or her own people in there, and so that becomes a challenge as well.

MR. JOHNSON: The country of Australia, when there is a new administration that comes in, eight jobs change people. With the United States, it's --

MR. LU: A couple thousand.

MR. JOHNSON: 4,000. I mean, there's 1,000 Senate-confirmed positions. So --

MR. SULLIVAN: The director of the FBI, for example, is a political appointee, he has to be confirmed by the Senate.

MR. LU: A term position.

MR. SULLIVAN: But he has a fixed term. So, as a consequence, he is still standing there when the administration --

MR. JOHNSON: Aren't most regulatory boards termed?

MR. LU: Um-humm.

MR. SULLIVAN: Right. So there's a fair amount of the administration that is defined when the president comes in, and it's mostly regulatory. And it's a recognition of those things that we need -- we need a Federal Reserve, we need a central bank working, the whole globe needs one to be in place. And so there may be some vacancies, but they're not -- they don't all leave.

VOICE: But there is nothing that would restrict the president from doing that, and personnel from doing that, if they decided that they wanted, for whatever reason -

MR. SULLIVAN: Well, if you recall, President Obama said to the Secretary of Defense, please stay in place, and tell your people to stay in place until somebody comes and stands you down. And that's not an unusual practice. It's not usual, either. But it is possible to do that.

Over here.

VOICE: Thank you. It wasn't until I had the privilege of being an appointee did I really understand the process. So I came from the private sector and had the opportunity to serve President Bush. But I will tell you, it was at my expense to relocate. It was a long process to go through the security clearance, FBI checkpoints. And you really don't have any security in your job whatsoever.

So I came first term and hoped that we got a second term. And fortunately, we did. And I was one that got to make changes from one department to another.

But I just want people to know that it's really quite a process from an appointee's point of view what it is that you are changing in your life. So I didn't some necessarily from the political campaigning, even though I was active. That's not how I was known. I was recommended because of the positions that I have in the private sector and in the community. So it really is quite something to recognize those thousand or two that make major changes in their life to have the privilege of putting forth the president's agenda and doing the work of the service for all Americans.

So I just want to say thank you to the three of you who had critical roles in finding people like myself, who never dreamt in a million years that we would have the chance to work for the president of the United States.

MR. LU: I think you have touched on an important topic about the many disincentives to serving in the government, leaving aside the pay.

I spent an entire career hoping I would never have to go through Senate confirmation. And obviously, I did for this job. I had a relatively smooth confirmation.

But you are opening your life up to a lot of people. Every aspect -- I mean, I had -- when I was in college, I wrote a column for the school newspaper, and they asked me to get a copy of every single column I had written 30 years ago. And I said, I just don't have it. I mean, if you want to go back and pull the bound volumes in the old -- feel free to do that. They looked through all my social media.

And then, once I got confirmed, because the Department of Labor regulates every company in the country, I had to divest every individual stock I owned. Now, fortunately, it was during a bull market, so that was a little bit better.

(Laughter.)

MR. LU: But imagine doing that in 2009, 2008. That would not have been a -- so you make a lot of personal and financial sacrifices for these jobs. And that's a disincentive to people serving.

MR. JOHNSON: In fact, we put a -- the Bush administration, we put a little letter -- I found a copy of it. Which was, what's involved in serving in an appointed position. And it was scary. It was kind of all the kind of things Chris talked about. You know, this is likely to happen, you'll have to come forward with this, everything that has occurred in your life. When it becomes known -- not if -- when it becomes known, you'll have to live with it and take public ownership of it, so forth and so on, divestiture and so forth. And put it in there. And so, because we wanted to say, make sure people had some understanding of what they might be getting into.

And I called the person that was the head of personnel at the beginning of Bush 41, a guy named Chase Untermeyer in Houston. And I said, look at this thing and I

want to put it on the website so when you go to fill out the application, it's the first -- you have to read it before you go -- he said, this is way too negative. I said, perfect. And we ran it.

(Laughter.)

MR. JOHNSON: And it was exactly. So --

MR. SULLIVAN: In some ways, all leadership is about getting other people to do sacrifice, right? And I think the amazing thing is that there is an enormous number of people who are actually willing to sacrifice in order to serve.

MR. JOHNSON: It is such -- people say to you, thank you for your service to our country. Where else do you get that? You know, it's just -- I mean, you know, it's a great privilege, honor, and a great challenge. It's hard work.

MR. SULLIVAN: Anybody else? Yes, sir.

VOICE: I think mine's short. How big is the transition team and how is the transition team formed?

MR. JOHNSON: The transition team for Bush 41 was one person beforehand, planning. Then the transition, it ended up by January 19 of 2001, there were 600 people. Some of them were just hanging around, but they were -- 600 people doing a lot of things.

In the -- you all, by say October of 2008, had however many, hundreds of people working --

MR. LU: Maybe a hundred, yeah.

MR. JOHNSON: A hundred. And I suspect by the end of -- and we had 60,000 or 70,000 people apply electronically to be considered for positions. You all had 400,000 --

MR. LU: Yeah.

MS. BROWN: Several hundred thousand.

MR. SULLIVAN: 400,000?

MR. JOHNSON: 400,000 people applied online. And so how many people were on the staff?

MR. LU: I mean, Lisa, how many people worked on agency review?

MS. BROWN: We had over 600 just on agency review. That's probably the largest chunk of people. But, I mean, we must have had overall --

MR. LU: Probably hitting a thousand.

MS. BROWN: A thousand, yeah.

MR. SULLIVAN: But one thing to remember is what Clay said. At one point, it was just one person. And it always starts with just one person.

MS. BROWN: It's a massive management effort, if you think about it, in such a short period of time, to stand -- and it is a long -- it is longer than 77 days, because we had our teams in place prior to the election.

MR. JOHNSON: It has to be.

MS. BROWN: That's why you have to do it, right.

MR. JOHNSON: Additional capacity. You have to start sooner and you have to have more people working it.

MS. BROWN: Yeah.

MR. SULLIVAN: But at some point, George W. Bush says to you, you're it, figure it out.

MR. JOHNSON: Yeah. And that was a year and a half before the election.

MR. SULLIVAN: Chris, at some point, Barack Obama says to you, you're it, figure it out?

MR. LU: Um-humm. And -- and you -- there fortunately are organizations like the partnership, folks like you and Martha who are the institutional memory. The first thing I did is I went back and talked to Jim Johnson, who ran John Kerry's 2004 transition, who, handed me a box of his documents, which included all the Gore documents. So we've got this compendium in my attic of three different Democratic transition documents.

And there is -- the challenge we faced was we were drawing on two transitions that had never been implemented. And so you can do all the planning you want but until you actually have to see whether your plan works, it's hard to assess the effectiveness of it. So we were flying a little bit blind.

But obviously, having someone like John Podesta who had been the former White House chief of staff, gives you an incredible level of expertise.

MR. SULLIVAN: I'm sorry, we're out of time. Maybe you could ask your question right now and then we'll --

VOICE: Hello?

MR. SULLIVAN: Hello.

VOICE: Quick question. It occurs to me that the confirmation process is broken for both Democrats and Republicans. And in a transition, it is so important. And is there any effort to reach out to the Senate majority leader and the Senate minority leader to agree on what the rules might be for the confirmation process? Not who is going to be in the government, but how do we get the president's appointee in the government faster than we're able to do that now?

MR. JOHNSON: There is. It's on the to-do list. But if the White House is going to have -- if presidential personnel is going to have instead of normally seven people at the special assistant to the president level, who drive the amount of work that comes out of presidential personnel, if they want to get 400 people in there by the August recess instead of 225 people, which is typically the number of people that are

confirmed, if they want 400, they have to have more than seven people working on it, seven key people working on it. It needs to be 15.

But if the Senate doesn't expand their capacity and if the FBI doesn't expand their vetting capacity, and Office of Government Ethics doesn't expand theirs, and the intelligence department and State Department, then it's just all going to back up, it's not going to flow through the process.

So there have been general discussions about expanding the capacity. But it's got to be -- that will have to take place again this year with the FBI and with the Senate leadership. And I don't know whether that will be representatives for the candidate or the Obama White House will be involved in that. But if the candidates are expecting -- you've got to start with what their goal is. If their goal is to get this many instead of that many, then they need to sit down with the Senate and the FBI and so forth and say, all right, we're going to be sending you twice as many people as we normally do during these months. How can we work together so that's not going to get hung up in your shops? And they'll have to figure it out.

MR. LU: Even in the best of all worlds, the Senate doesn't move very fast. It's just not designed to do so. It's a body that runs on unanimous consent. Which means if any one senator wants to block something, they can hold the Senate up. And at a period of time when you're trying to move as many nominations through as fast as you can, if one senator raises his or her hand and says, I don't want this person to go through, that one just gets stopped.

MR. JOHNSON: You're talking there about the approval of it. I'm talking about the vetting of it, where it even gets to the vote.

MS. BROWN: I think he's talking about --

VOICE: I'm talking about the rules in the Senate. If you reached out to the majority leader and the minority leader in the Senate, at this point in time, not when one of them or the other of them wins, but at this point in time when it's one or the other could win, could there not be some sort of effort to make an agreement between the two Senate leaders of the two parties as to how they are going to limit some of the things that are getting in the way?

And I recognize that it operates by unanimous consent today, but it wasn't always so. Abraham Lincoln appointed a secretary of the Treasury, sent it up that afternoon, it was confirmed that afternoon. He fired him the next day and sent another one up. It's not impossible.

It is that we have gotten ourselves somehow into a situation that when one side wins, they want to punish the other side. And when the other side wins, it's revenge for the past actions. It seems to me it's neither in the Democratic or Republican interest for that to happen, or certainly the country's interest for it to happen.

MS. BROWN: It's also Senate prerogative. So Mack and Clay and I actually worked on an initiative to try to -- just to streamline the paperwork part of it. Because you

have to fill out so many different forms and then you get asked the same question in three different ways. And so then, well, you answered it this way here. Even trying to get that through is a challenge.

And so it really -- I completely agree with you and it's a place where there is so much room for improvement. But the Senate prerogative on their committees and their jurisdiction is just something that we have to continue to work with.

MR. JOHNSON: But the -- getting them to be more favorable towards more of the people that are sent to them is one thing. But that's irrelevant if they don't have the -- if they can't vet them in a reasonable period of time. And they conduct a totally separate vetting process, the Senate does. And the FBI does the vetting that a lot of the vetting decisions are based on. And so their capacity has to be consistent with the volume of potential nominations that are coming at them from the White House. That's why there has to be some synching up of the capacities, and there's none now.

MR. LU: I want to go back to a point that Martha talked to Josh about, about what was broken in Washington, and to go back to something you said at the end, where you said it's not in the Senate's interest to hold up these people. And I agree. But it may be in an individual senator's interest. And that's the problem with the Congress. It's the individual interests of a member of Congress versus what is good for the institution or what is good for the country. And that's one of the reasons why things are as broken as they are right now.

MR. SULLIVAN: We're out of time.

So thank you very much.

(Applause.)

MR. SULLIVAN: There's a lunch prepared by the Bush Center for the audience. And the participants will be adjourning to a lunch as well.

Thank you for coming.

(End of recording.)