

THE BROOKINGS INSTITUTION

FALK AUDITORIUM

PRESIDENTIAL LEADERSHIP IN THE FIRST YEAR

Washington, D.C.

Monday, December 12, 2016

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P R O C E E D I N G S

MR. INDYK: Good afternoon, ladies and gentlemen. Welcome to Brookings. It's a pleasure to have you here for a very special event in two ways. First because Brookings is very proud to co-host this event with The Miller Center at the University of Virginia, and secondly, because of the topic, which is presidential leadership in the first year. Believe it or not the first year hasn't begun yet for the Trump administration, but I think we already have some of the flavor of what life would well be like in the first year and there's nothing like a trip down memory lane to try to understand the kinds of challenges that any administration faces in its first year, but that the Trump administration in particular is going to face come January 20 when President Trump is sworn in.

And so we have an action packed program today that will deal with the various aspects of presidential leadership in the first year, from domestic to foreign policy to bureaucratic and organizational challenges. I am very happy to have had the opportunity to partner both with Darrell West and the Governance Studies scholars here at Brookings, and in particular with Bill Antholis and The Miller Center at UVA. And Bill is well known to us here at Brookings because for 10 years he was the Managing Director of this institution before he became the CEO at The Miller Center. I'm going to introduce him now and he's going to introduce the overall program, particularly The Miller Center's work on presidential transitions.

Bill, before he came to Brookings and then to The Miller Center, worked at the White House where he was Director of International Economic Affairs of the National Security Council and the National Economic Council. His responsibilities included planning and negotiating for the Group of Eight summits, the G8 summits, and

he also served as Deputy Director of the White House Climate Change Task Force before going to the State Department, where he was on the Policy Planning staff and the Bureau of Economic Affairs. So Bill is very well equipped in terms of his own experience to lead us off this afternoon in terms of presidential first years.

So Bill Antholis, welcome. It's wonderful to have you back here at Brookings. Thank you for this cooperation. (Applause)

MR. ANTHOLIS: Thanks, Martin. It is wonderful to be back. It's great to see so many familiar faces here in the crowd and in the hallways too. This is a home away from home.

The first year is real, it is a real calendar driven period of time baked into our Constitutional system because of an observation Lyndon Johnson made, which is you get one year because after the first year Congress stops thinking about you as president and starts thinking about their own re-election, which comes one year later. And that drives two things in our political transition. First, it drives a domestic agenda. If you want to pass things legislatively you have to work with the Congress, whether that's a president of a different party of the Congress or other outsider presidents from one party who have controlled both houses of Congress have sometimes succeeded, but sometimes struggled. Johnson succeeded famously, other presidents, such as Jimmy Carter and even Bill Clinton, struggled in their first year. So on the domestic side it's a real calendar driving issue.

And on the national security side it's a moment to do significant change in the country's approach to the world, but also because of the relative inexperience of any team working with one another, it's often a moment of crisis where other countries will test the United States. We saw that in 9/11 and in Bill Clinton's first year when Al Qaeda attacked the Twin Towers. People often forget that the truck bomb was in the first

year of the Clinton administration. Or on policies gone astray, such as the Bay of Pigs, Mogadishu, the shoot down of the spy plane over China, or a failed coup in Panama, which caught the first Bush administration by surprise. But out of those crises often come a team learning well, so just a month after that we were reminded that the first Bush team adeptly responded to the fall of the Berlin Wall. And that all happens in one year.

So we at The Miller Center have been looking at presidential history for the last year and a half, preparing for this moment. I want to show you a short video and then get right into the three terrific panels that we've assembled today.

(Video Playing)

So to dive into this we've assembled three panels today that combine the terrific expertise of our own scholars, but also partners like the Brookings Institution. I think in putting together this project we've had essays written by almost 10 scholars across Brookings, particularly from Governance Studies where I had the pleasure of being a Senior Fellow here. So our great thanks to Darrell and his whole team.

The first panel actually includes one of my colleagues from there, Elaine Kamarck, and it's going to look at first principles of a presidential transition in first year. And we're delighted to have the two people who successfully did the last transition from the Bush administration to the Obama administration, Chris Lu and John Bolten, and that will be moderated by my friend and colleague, Barbara Perry. After that we'll have a panel on moving a domestic agenda, and then organizing for global challenges.

So with that I'm going to hand it over to Barbara and her counterparts for the first panel.

MS. PERRY: Well, while my colleagues are being mic'd, thank you, Bill, so much. Thank you to Brookings, of course, to Martin. Thank you all for being here today. I was telling Bill this is my first visit to Brookings, although I feel like I've been here

because as a political scientist I am forever tuning to CSPAN and watching Brookings panels. So it is such an honor to be moderating a panel today here at Brookings for The Miller Center.

As you can see from the program we have arrayed an amazing group of scholars and practitioners who have served in four different presidencies. In the case of John Bolten, Bush 41 and Bush 43, Chris Lu, currently Deputy Secretary of Labor in the Obama administration, and Elaine Kamarck of the Clinton administration. So we represent four presidencies and we want to dive right into the subject of today, and particularly as Bill announced, and the title of this panel is first year and first principles.

So all of you had the amazing experience of being part of a presidency in the first year, some of you long after that as well. But we want to talk then and start off today with that very intriguing question of how does a president-elect go from being a campaigner to a short window of opportunity of being president-elect and then start the first year of his presidency.

Elaine, we'll start with you.

MS. KAMARCK: Well, I can say generally in one word, they do that poorly. (Laughter)

MS. PERRY: Explain.

MS. KAMARCK: Democrat or republican, this is not a partisan statement. And I'll explain it with a couple of statistics. There are just over 4000 jobs that the president has to appoint in the federal government, but of those 4000 only a little over 1000 are the big ones that are confirmed by the Senate, and even that is a big number because it's really about 700-800. A couple hundred of those are part-time appointments to boards and things like that. Now, you are looking at 700-800 people to run a government and a uniformed military of about 4 million people. It's impossible.

And so one of the things that a president has to figure out quickly is what is this thing that he's inherited, because what happens is that whenever a big blowup happens, guess who gets blamed? Now, President Obama wasn't in charge of writing code for the healthcare websites, but I promise you the American people looked at him and said, uh oh, you screwed up. Jimmy Carter didn't fly helicopters into the desert in Tehran, but that came back to get him. George Bush wasn't delivering ice to the people in the superdome in New Orleans, but that was a big black mark on his presidency. So what happens is that presidents tend to ignore this vast government they run and then the government blows up on them, and surprise, surprise, they get blamed because the American people think that the president is the boss.

So the first thing the president should do, and they rarely do, is figure out what this thing is and understand that in any given point in time an organization that consists of several million people, two things are happening, and they're happening simultaneously. Something is going very right. They've got the right intelligence on this problem, they've got the right analysis on this problem, they've got the right expertise. And at the same time somewhere else something is going very wrong. (Laughter) they're understaffed, something is about to blow up.

I'll just end with an anecdote that I used to open one of the chapters in my book, and it goes back to the fall of 2013. On December 13, just two days from -- or tomorrow -- 2013 there were two astronauts in space repairing a misfiring heating and cooling system at the International Space Station. They were floating around in space in spacesuits doing something that, you know, for most of us in this room was inconceivable. And two months earlier of course the Obama administration was facing the meltdown in its healthcare websites. Well, in October of 2013, and November and December, everybody started writing, oh my god, the government, what a mess, it can't

do anything, it can't do technology, blah, blah, blah, blah. Of course, the same government in the same fashion had these two guys up in space wandering around with wrenches or whatever they were doing.

The fact of the matter is that at CMS, the Centers for Medicare and Medicaid, and at NASA, federal bureaucrats had contracted with private sector companies to do a job the government wanted done. At NASA there's a company in western Massachusetts, they make space suits. Go figure, they make the space suits that these guys were wearing. So, in other words, the process wasn't any different, it's just that at any given time something is going right and something is going wrong. Presidents generally figure this out when it's too late. And then they discover that their campaign skills of messaging, tweeting, speech making, rallies, your campaign skills don't help you when the government has blown up in your face, which is why it behooves presidents to spend a little less time wandering around the country and a little bit more time in their first year figuring out what is happening in the government that they are the head of.

MS. PERRY: You know, Elaine's example of things blowing up does make me think of a first year fiasco, as it was called, the Bay of Pigs Invasion, the debacle, the fiasco of the Bay of Pigs. And certainly that blew up in President Kennedy's face. And he went on national television and said I take responsibility for this, I am the responsible officer of this government, and his opinion poll ratings soared to 83 percent. So there might be a little bit of a lesson in if the people are going to blame you anyway, go ahead and take responsibility (laughter) and it might work in your favor.

Let me go to Josh. Well go in chronological order according to presidents, and in particular President Bush 43. A little bit about the fact that you were with him throughout the campaign as the head of policy and then part of the transition,

but in a very short window of opportunity because of the Bush v. Gore controversy.

MR. BOLTEN: Thank you. (Laughter) And thank you for doing this program and the work you do, both at Brookings and The Miller Center. It's an important public service.

Yeah, I had the good fortune of being a part of the Bush campaign, the Bush 2000 presidential campaign, which began at the beginning of 1999. So almost two full years before the election I arrived in Austin, Texas as the Policy Director of the Bush 2000 campaign. Chris, I know you started pretty early in the Obama campaign and that's the first way that you start to build a presidency that can withstand the difficult period of transition that every president faces.

President Bush, then Governor Bush, said something very interesting to me on my first day when I arrived in Austin and I met him in his gubernatorial office. He said go out and do a smart thing, put all the policy together, and he said but just remember one thing, I want a campaign the way I'm going to govern, I'm going to govern the way I campaigned. And every presidential candidate ought to begin a campaign that way. I doubt whether he'll use the same kind of words, but I bet President Obama said much the same thing. And what he was telling me and the rest of the staff was build a campaign, build a policy structure that is something that I can take into the White House and implement, because what I say on the road is what I'm going to do when I'm in the Oval Office.

We were blessed in the Bush campaign also with having a campaign staff that was essentially a staff that was itself ready to move into governance. I was the Policy Director, I became the Deputy Chief of Staff for Policy. Karl Rove was the Chief Political Strategist. He became the strategist in the White House. Karen Hughes was the head communicator. She became the Head of Communications in the White House.

And when you've built a good campaign team that's ready to move into the White House you're able to mitigate another source of great disruption during transitions, which is just the total changeover in personnel.

Very often campaign people are not good governance people and vice versa. And in building a campaign and in building a government I think presidents ought to look for both. So we were unusually blessed. We had only half of the usual transition because of the recount in Florida, and yet I think we came in with only 37 days worth of transition in much better condition to know who was going to be in government along with President Bush and what the agenda was. We had a 450-page policy book that spelled it out.

My concern for the current transition is that they're not in that sort of position. There's not a thick policy agenda with detail to it. There is certainly inclinations and directions and so on, which is what the public pays attention and worked for very well for President-elect Trump. And there's also not the big infrastructure of people ready to move in with him. So it's incumbent on all of us, including through processes like these, to help what is a difficult situation for the best prepared, for those that are coming behind us.

MS. PERRY: Well, that's a perfect link then to Chris Lu and the fact that the outgoing Bush 43 administration worked very closely as I understand, Chris, with the transition team for President Obama to make that transition as smooth as possible.

MR. LU: You know, in every setting like this I always compliment Josh for the tone that he and President Bush set really in early --

MR. BOLTEN: That's why I show up at these events. (Laughter) The only time we get complimented.

MR. LU: -- 2007 for pledging full collaboration and cooperation with the

incoming president, regardless of which party it was. And the success that we enjoyed in 2008 in our transition really is in large measure because of the cooperation that we received. I was in daily communications with Josh's Deputy, Blake Goddesman, working through transition issues all 77 days. And so in return President Obama has pledged that same level of collaboration with his successor and I think on balance we are doing that.

It is certainly challenging though. I mean I think it's fair to say there is a playbook of how you transition from campaigning to governing. This is a President-elect who not only is turning that playbook on its head, but is ripping it up. And, you know, whether it's with foreign policy statements, with tweets, with the Carrier deal, there's a lot of things here that we have not seen before. And it will be interesting to see whether on noon of January 20 that changes or not. I suspect it will not. And so this is going to be an interesting ride for all of us.

MS. PERRY: To be sure. Let's then turn to governing itself. Let's say we've gotten through the transition. You had situations, as in the case of President Bush 43 where he had a very clear agenda in the campaign, and so to say I want to govern the way I campaigned makes for, it would seem to me, a fairly smooth transition to prioritization of policy topics and policy issues.

Elaine, I wonder if you could talk a little bit about President Clinton and his prioritization and what he brought in as a priority and what might have begun to be imposed upon him by events.

MS. KAMARCK: Well, I mean he had a similar saying, Josh, as to -- his saying was good government is good politics. That if you get it all going right. And therefore I think the most important thing he did was the very first budget in the first year, which he got a lot of grief for, a lot of grief. It cost us some congressional seats, et cetera. But it was absolutely critical in setting us on the road to what was by the seventh

year a balanced budget. First and only time we've had a balanced budget in many, many, many decades. So there was a clear direction, he understood that that was the most important thing he had to do, and like Reagan before him -- Reagan is the only other President I know who got this right -- they understood that macroeconomic policy is a very blunt instrument and it takes a long time, so you have to do the tough, ugly stuff, you have to do in your first year. And so Clinton did that with that first budget deal and that first reconciliation deal. So did Reagan with his first budget deal. And, you know, by 1984 it was morning in America and I remember this well because I was working for Walter Mondale, and that was a pretty depressing campaign to work in (laughter). And by 1996 I mean we had incredibly low unemployment and peace in the world and all sorts of things that incumbent presidents want to have. So doing those tough things early is really the most important thing.

And then of course getting used to running a government. In my book I talk about a scene I witnessed between Al Gore and Bill Clinton, and it was one of those awkward things where there were a lot of people in the Oval Office and then they all went off into Betty Curry's office on the side there and there was sort of a traffic jam, so I was the last one and I couldn't get out; you know, I was like stuck. And obviously Al Gore wanted to say something to Bill Clinton so I sort of stood there stupidly trying to pretend I wasn't there (laughter). And I got to watch Al Gore say to Clinton, you must say this, this, this, and this. And it was on a foreign policy question. And what was going on was Gore, who was more familiar with foreign policy, was saying to Clinton, who was maybe the best ad lib speech maker in American history, this is one place you don't ad lib, all right, because foreign policy statements have consequences, the world looks at them and parses them. Usually the diplomats work them out and so precision of language matters, as opposed to when Bill Clinton was talking about Medicaid or welfare or something like

this.

So there's a lot of learning and sometimes it's very counterintuitive. I don't know who is going to tell that to President-elect Trump. Somebody is going to need to say to him, I don't know when he's going to learn that precision in language matters, that when you're the president there are consequences to what you say, and that this free-wheeling, you know, campaign that he's run, which had definitely many electoral advantages, is going to be a problem in governing.

So they all go through this to a certain extent, but they all have sort of some inkling of something. This current transition is unusual.

MS. PERRY: To say the least. Chris, could you tell us about transitioning into policy making, the links to the campaign agenda, which had healthcare reform at the top for President Obama, but coming into office with an ongoing crisis and economic meltdown in the financial world.

MR. LU: You know, when we started transition planning in April of 2008 we were focusing on immigration, education, healthcare, the whole range of issues. By the time we took office on January 20 of 2009 there was only one issue, and that was the economy. And I recall that very first jobs number that we got in February of 2009, the country had lost 800,000 jobs, more than the number of people in Charlotte, North Carolina. And so no matter what else you had campaigned on the number one governing principle had to be getting the economy back up and running.

So you'll recall three weeks after inauguration day Congress passed an \$800 billion stimulus package and then the charge from Vice President Biden, who oversaw the Recovery Act, was to get the money out the door as fast possible with as little waste, fraud, and abuse as possible. And at that time, you'll recall, I mean we had a couple of cabinet members confirmed, not many people around them. And so the ability

to get \$800 billion out the door was really in large measure because of the career leadership at these departments who understood that these are the programs you can put money into that would have the greatest impact as quickly as possible.

And so there's often a criticism of career employees and their ability to move quickly and to drive through change. We learned very early on in that first six months you can't accomplish anything unless you have the career leadership behind you.

MS. PERRY: And that brings me then to Josh and President George W. Bush. Again, very clear agenda coming into office. Talk about that, talk about how he implemented that agenda. And to both Chris and Elaine's points about being able to reach out to leadership, both in the executive agencies and in Congress, and others in Congress.

MR. BOLTEN: President Bush came into office having published two books of policy in his campaign, one of them which we published in either July or August of 2008, I mentioned was 450 pages long. It was detailed policy speeches, and then 5 or 6-page fact sheets with all the details that went behind the speeches so that you could tell the policy direction and philosophy and principle from the speech. You got the numbers, you got the programmatic details in the fact sheets. So when we came into the White House in January of 2001 we didn't have to have a lot of meetings about what are the policies that the president wants to implement immediately. We didn't face a crisis on the way in the door, but we did face an economy that was headed into recession. We had policies that were well designed to combat that recession, in particular a large tax cut which President Bush had campaigned on being necessary regardless, but also he had had advice from his economic advisors to the effect that a recession was likely on the way and that this would be the best antidote.

So we weren't confused about what the policy priorities were. Education

was a big one. President Bush by the way -- no one will remember this -- President Bush campaigned on being the education president. That was his intent when he came in and in fact campaigned against Al Gore on the notion that the Clinton administration had become too distracted by foreign activities and nation building, and that the Bush administration wasn't going to participate in that sort of activity. And I'm probably anticipating a --

MS. PERRY: It's amazing. (Laughter)

MR. BOLTEN: I'm probably anticipating a further question about how events changed (laughter). The perspective of every president, they always do. But on the way in, that gave us an opportunity to focus.

President Bush did one other thing that I think was generally regarded as having been a shortcoming of the Clinton administration on the way in the door, and may be a shortcoming of the Trump administration on the way in the door, and that is focus on the White House. There is a tendency in every transition to focus on the big shiny objects, which are the big cabinet posts, and those are absolutely critically important, but it causes presidents-elect and their senior teams to neglect the construction of the White House staff, which actually is the group that is going to help drive the really critical presidential priorities.

The government that Elaine described so well in her first set of remarks is pretty darn resilient, and some would say impervious, but it is very capable of running itself, at least sort of on a steady state without substantial political leadership. It is only on those issues where the president really wants to take the country in a particular direction, especially in new direction, where the presidential leadership counts a lot. And typically that comes from the White House. So they don't have to be big public figures, but the folks whom the president brings in the White House and empowers to drive those

initiatives are key appointments early on in a presidency. And I think especially those who are less familiar with governance have a tendency to neglect that aspect of the early part of a transition.

MS. PERRY: One of my favorite stories in doing the oral history for Bush 43 at The Miller Center -- we've done very president's oral history from Jimmy Carter, really starting with the administration of Gerald Ford and carrying on through. And we're coming to the end of the Bush 43 project and those are still confidential, but this is in the public record -- again one of my favorite stories from that administration is -- and this might be a lesson for President-elect Trump given that he is a media impresario, and that is that President Bush 43 invited Ted Kennedy and his family within the first few weeks of the administration down to the White House theater to watch the then new film, 13 days, about the Cuban Missile Crisis. So here sat Ted Kennedy with President George W. Bush, watching a film about Ted Kennedy's brother a few yards away in the Oval Office and the cabinet room coming to terms with the Cuban Missile Crisis. And the Bush Library, where I just had the pleasure of visiting for the first time last week with Bill, I noted that they had a handwritten thank you note from Ted Kennedy to President Bush thanking him for bringing him and his family down to the White House to see 13 Days. And he said, I hope that I'll have many opportunities to come down to the White House and to the Rose Garden and watch you sign some policies that we can agree on, and he said including education and healthcare. And apart from that, that outreach and that bringing together of two people from across the aisle, which Ted Kennedy had done on many occasions and Governor Bush had done in Texas, from that grew the No Child Left Behind policy. Now there can be issues about whether that was the best policy for education, but the point is one of reaching out to the other side and the other side accepting that outreach and carrying on from there.

MR. BOLTEN: But Barbara, I mean President Bush, after the tax cuts, the top priority or the top both temporal and principle priority, was the No Child Left Behind Act, for which President Bush's partners were democrat George Miller in the House and democrat Ted Kennedy in the Senate. And many people will recall that when 9/11 happened Laura Bush was on the Hill, she was with Ted Kennedy preparing to do a hearing on the No Child Left Behind Act. Eventually, the Act did get adopted and Ted Kennedy was there in the Rose Garden, but the country went off on a different direction.

MS. PERRY: That's right. And in addition the wonderful display with the Ted Kennedy handwritten note to President Bush is also a painting. Ted Kennedy was an amateur artist and he painted daffodils and he gave that painting to the First Lady Laura Bush, with a very nice inscription. So again, it does show that come let us reason together, we can work across the aisle.

Well, that takes us of course to the notion that crises, domestic and foreign, and defense crises, military crises, can intervene and disrupt the very best laid plans of an incoming president.

Josh, since you mentioned 9/11, let us start there and talk about the impact that 9/11 had on President Bush's first year in office.

MR. BOLTEN: Oh, total. I mean it can't be overstated what a radical change in the agenda of the Bush administration of government, the federal government, and I think of the whole country, was the product of the 9/11 attack. And the whole focus of the administration changed overnight.

Interestingly, I think President Bush was among the first to recognize how profound and complete the change would be when he convened basically his war cabinet on the evening of September 11, and he started giving different instructions, including to the FBI Director, saying your mission just changed. Your mission traditionally

has been to catch the bad guys after they do the deed. It needs to change. It's now we have to catch them before they do the bad deeds.

And that story was written across at least half the government and changed the focus, the tenor, of the entire government in ways, as I just suggested, that were completely unexpected in the campaign that President Bush ran.

MS. PERRY: Elaine, thoughts about President Clinton and things like the Waco disaster, for example.

MS. KAMARCK: Yes. I mean, again, Waco was probably -- I mean it wasn't -- Clinton didn't have anything nearly like President Obama or President Bush did. I mean there was no financial crisis, there was no major attack on the United States, so he had a much more normal, shall we say, first year. But there were those, everything from gays in the military to Waco, was evidence of my opening remarks, which is that he really wasn't very familiar with the government he was running.

MS. PERRY: He's an outsider. He had been a governor, but not part of Washington.

MS. KAMARCK: Yes, I mean there were certain pieces of it he knew quite well. I mean he could go toe -- god forbid you made a mistake briefing him about Medicare, because he knew everything. But there were other -- I mean no president comes in knowing the whole shebang. So there were just mistakes he made in that first year that really did hurt him and decrease his political popularity, et cetera, et cetera. And a lot of it came from just him and his cabinet not being attuned to what the federal government was doing. We came in '92-'93 after three republican terms. So what that means is two Reagan terms and one Bush 1 term. And what that means is that the last time you had democrats in any major role in the federal government was really a long time ago, it was Jimmy Carter. And frankly, some of them were dead, some of them -- a

lot of them were retired. And so it's harder. The longer you've been out the more difficult the transition is because you can't just go to the last democratic Secretary of Defense or Secretary of something or other and say okay, help us out here.

MS. PERRY: Your bench is thin, in other words.

MS. KAMARCK: Your bench is very thin. And I think that that showed in President Clinton's first year.

MS. PERRY: Chris, thoughts about, again, how this crisis that was ongoing as you came in, as you're trying to move forward on healthcare reform and other aspects of the policy agenda of President Obama.

MR. LU: You know, it's an interesting dynamic with the three administrations because I think when folks have, or when a president has a governing majority they think that majority is going to last forever. As we quickly learned 2009 with the Recovery Act we were able to get healthcare passed, you know, and we were ready to go and then we lost the majority in both House and Senate, or lost in the House certainly. And then really for the last six years we've been relying on executive action and regulations to get our policy agenda done.

We used to always joke in White House legislative affairs when, at least in the first term, when staffers would leave they would print out a nice piece of paper that showed all the bills we had gotten passed during that period of time. I don't know what to give out now, because the list has gotten much, much shorter. (Laughter) So it was not only the change in policy priorities, but it was the change in tactics that came about because of that 2010 election.

MS. PERRY: Right. We have a few more minutes for one last questions from me, and I want you all to be thinking of questions that you can ask in the last five or ten minutes of our panel. But I thought we could go down the row and I wanted to

present this question to all three of you. What did you learn in the transition and first year of your respective administrations that you wished you had known, looking back, now you know it, you wished you had known going into it?

MS. KAMARCK: I don't know, there were are a lot things. But I think that the thing that we had wished we had known was exactly how complicated pieces of the government were, that from the outside you thought you knew, and then once you got in there were layers upon layers upon layers. And here you had -- Bill Clinton had been Governor of Arkansas for more than a decade, Al Gore had been a member of Congress and a member of the Senate for a long time. These were two guys with real experience and yet there was so much learning that went on in that first year. And I think probably making more time to do that would have stood them in better stead later on.

MS. PERRY: More time to learn.

MS. KAMARCK: More time to learn.

MR. LU: You know, I think I was surprised -- I guess I was surprised over the last eight years how fast this goes. In particular, you have that wonderful window of opportunity in that first year and that disappears so quickly.

I guess the other thing I'd say is that the political pendulum always swings back the other direction. And I think about the policy initiatives that we tried to push in the second term, whether it was gun control or immigration. We had a super majority, we could have gotten them done in those first two years and we decided to sequence other things. Lost those majorities and we never got the chance to do them again.

MS. PERRY: So prioritization, key at that point?

MR. LU: Yes.

MS. PERRY: Josh.

MR. BOLTEN: Chris said exactly what I was going to say, which is to have a keener sense of the clock. We came in with the conventional wisdom, understanding that the most productive period is early on. What at least I didn't understand well enough going in is how small the windows of opportunity for productive action are. And therefore the crucial questions to be concerned about, if you know what your priorities are, if you know where your policies are, is one, to be aware that you will be knocked off balance by some sort of intervening crisis, and number two is get the sequencing right and take the stuff you think is really important and run with it as fast as you can as soon as that window opens. The windows are not only in the first year, but they are widest in the first year. And then watch for those windows, pick the right issue, which we did not consistently do later in the administration, and run as fast as you can with them because the windows don't stay open long.

MS. PERRY: I would say words to live by for the incoming administration. Thank you so much.

Now let's turn to those of you in the audience. And if you'll wait for a microphone to come to you.

MR. SKINNER: Hi, my name is Richard Skinner. We've heard a lot of talk about the importance of filling the White House staff early on, and of course everybody pays a lot of attention to the cabinet. But often times new administrations run into a particularly huge challenge in filling all those sub cabinet positions, many of which are extremely important in those issue areas. Often times these are the people who actually can really sink their teeth into the policy detail more so than the cabinet secretaries.

I'm wondering what the people on the panel have learned about filling those subcabinet positions, which often times can remain vacant for a pretty long time.

MR. LU: Well, I'll give you my example simply of the Department of Labor. I mean we have 17,000 employees. We both train people for jobs and we enforce workplace safety, workplace wage rules. Who your OSHA administrator is, who your wage and hour administrator is, are critically important to enforcing those laws. So the point is a very good one. I mean, I'm biased, I'm the Deputy Secretary, but who runs these agencies and keeps trains running on time and making sure you are doing the internal changes and watching your budget are all important.

I will echo Josh's point on the White House staff. I mean I have a lot of thoughts about the Trump transition, but I think that they are making the classic mistake of focusing on the cabinet instead of the people who are immediately around the president who can help him get his agenda done. It will be interesting to see whether that sequencing changes or they start moving faster on that front.

MR. BOLTEN: They have time.

MR. LU: They do have time.

MR. CHECCO: Thank you very much. Larry Checco. This running as fast as you can the first year scares me a little bit. My question is can the first year do irreparable damage to our republic? But do we have enough checks and balances and sanity built into the system to keep us at an even keel somehow?

MS. KAMARCK: On election night my son-in-law, who's an Army Captain, said to me well, now we have to trust the Constitution. And I've been quoting that all the time because the Constitution does build in checks and balances and there are people who are nervous about where a President Trump might go in this first year.

But to sort of answer that specifically goes to the discussion we've been having, and I think Josh pointed this out, most candidates for president come into office with policy papers. They come in in a couple of key areas with a deeply thought out

policy agenda. I mean we know that President Bush really was steeped in education policy, knew it as Governor, came in with a vision. They knew where to go. So if you come in having campaigned on it, given a lot of speeches on it, et cetera, yeah, you can pretty much do a pretty good job in the first year. And that's generally what tends to happen, is that the first year focus is on something that the president cares about, has thought about, there's a lot of guidance on.

The problem I think we're facing, and what's making everybody a little bit nervous about the upcoming Trump administration, is that we have an absence of these policy papers. So we don't quite know what he means, right. We don't know how much money do you want to spend on that, where are you going to get the money from, which part of the government are you going to task with implementing that, what's the legislation look like. I mean there's a whole list of things you have to sort of figure out. And there doesn't seem to be that depth in the Trump transition or administration. And that's brand new, that was never the case. I mean very few presidents come in knowing everything, but they generally come in with some expertise in some piece of the government and some idea of what they want to know. We're in uncharted territory here.

MR. BOLTEN: Can I just throw in something?

MS. PERRY: Yes, Josh.

MR. BOLTEN: Because I'm not as pessimistic -- well, as you might imagine. I mean we spent years here in Washington with everybody bemoaning, oh the gridlock is terrible, Washington never gets anything done, and now all of a sudden people are saying, oh my god, Washington might get something done. (Laughter) And I am a believer in our Constitutional system. It is a difficult system, it's a system well designed to frustrate governmental initiative. I can't tell you the number of times when I served in the

White House -- Chris, you probably experienced this too, and, Elaine, you too -- I had parliament envy. (Laughter)

MS. KAMARCK: Yes, definitely, definitely.

MS. PERRY: You and Woodrow Wilson.

MR. BOLTEN: If we just had a parliament we could just go do this damn stuff and get all those people out of our way. But you can't in our system. And I happen to be among those who think that even though the Trump team isn't coming in with fat policy papers, I'm a big believer in tax reform, which there's wide consensus in this country we actually need and have not had in 34 years, and no significant rewrite of our tax code in 34 years. And it's because the internal tensions that we have built into our Constitutional system and the growth of ideological and partisan chasms in Washington have been too large to bridge.

And so on areas like tax reform I am cautiously optimistic that a successful candidate who is not part of the deep ideological divide in this country, is not part of the de-partisan divide in this country, actually has a chance to help us break gridlock in areas where I think the American people will benefit.

So I am concerned, but I am cautiously optimistic about what our system can produce over the next year.

MS. PERRY: Well, thank you. Obviously, this could go on for the entire first year of the next President, this discussion, and so I'm going to use my moderator's prerogative to have the last word.

To this gentleman's point, I have several favorite phrases from the Federalist Papers, and they are thusly, wise men may not always be at the helm, if men were angels no government would be necessary, and ambition must be made to counteract ambition.

So, with that as the three premises of our Constitution, which has served us well for over two centuries, I, like Josh, have great faith. And as Elaine said, we'll put our faith in the Constitution every time.

So thank you so much for your attention and thank you to our panelists.

(Applause)

MR. ANTHOLIS: So while our panelists are getting mic'd up, maybe people could come back to their seats; particularly people outside. As we started to discuss in the last panel, moving an agenda through is a great challenge. Presidents often get one thing done; occasionally get two, and in rare instances, get three done in their first year or two. And we are delighted to have a terrific panel here to scout out what that looks like, feels like from the ground up. So with that, I'm going to hand it over to Nicky Hemmer from the Miller Center.

MS. HEMMER: Thanks, Bill. Well, we are going to sort of go in the order of how a bill becomes a law. We're going to start with domestic policies, then legislative affairs, and then communications. So I have here, Dan Crippen, who worked with the Reagan team. He was domestic policy advisor and assistant to the president for domestic policy; Dan Meyer, who was in the White House as assistant and deputy assistant to the president for legislative affairs, and Jen Psaki, who is the White House communications director for the Obama Administration.

And I'd like to start us off by thinking -- if you could talk a little bit about what some of the challenges and opportunities of the first year are for your particular places within your domestic agenda building, especially for, if you could start us off, Dan, domestic policy.

MR. CRIPPEN: Sure, sure. I had the luxury, I guess, or good fortunate of watching transitions first from the Senate, then from the White House and then from

the Congressional Budget office. So I got to see several transitions from different vantage points. As my former employer in the Senate used to say, however, many of the things I remember never actually happened (Laughter). So I want to make sure there's a bit of a caveat in here so that my colleagues here can correct me.

Starting Reagan, of course, which I, like I said, transition I do better, best, there was a consistent message during the campaign, and it was pretty clear what he was about, not necessarily in the specifics, but certainly on many policies. He had a good team around him quickly, as we talked about the White House staffing pulled from other campaigns. Jim Baker brought people in from California that he knew. He tapped a congressmen who helped a lot for while, Dave Stockman.

And they started the transition quickly and worked very hard. So by February, we had a new Reagan budget, mostly put together by Dave Stockman. In fact, the notebook that came to the Hill was called the Stockman Black Book for reasons we later understood. So they created very quickly, a budget that reflected the Reagan priorities.

Ultimately, it was the first time reconciliation was used, passed much of the budget, which had spending cuts, tax cuts, it even included things like blocking grants to states. So, taking a bunch of these categorical programs and blocking them as they're talking about it. So a lot got accomplished through the legislative budget process.

One sort of problem started by saying, and some of our previous panelists talked a little bit about virtually everybody has something happen in their first year. Sometimes it's foreign policy. Sometimes, of course, it's been terrorist attacks. In Reagan's case, it was an assassination attempt. And I don't mean to make light of that at all, but it did interrupt some of the progress for a while that was being made.

And toward the end of that first year, after these successes were accomplished, the administration sent out in November or maybe late October, a packet of Social Security changes, thinking that because they had already had such successes, they could probably or hopeful could replicate that with Social Security, which Reagan thought ought to be reformed.

Let's say I didn't succeed very well. A number of provisions were not very well thought out. Changing dramatically benefits for early retirement, for example, which many people took as being an unfair award, and so combined with the other politics I led. But to go back to the beginning just a bit, there were -- we despair sometimes in the partisanship.

I think it's defined a little differently. We think about it a little differently than those days. The budget resolution in the Senate which embodied all of the Reagan policy, there were 39 straight amendments in which Baker had to produce 51 Republicans because of the Democrat support of that roll-off of the Democrats.

And in the House, which was then controlled by the Democrats because David couldn't speak better than I can, but there had to be a coalition formed because the House was controlled by Democrats, and Democrats helping Republicans and helping the president. And it took a fair amount of effort to get there. So bipartisanship was not the rule of the day, not of budget, not of taxes, necessarily, so it leaned on Social Security.

But I think that the main lessons here, or a couple, the consistent message in the campaign, the ability to translate that campaign message into legislation very quickly, to move relatively quickly. But all of it still takes leadership; in this case, leadership by the president in putting a coalition together in the House to pass the budget.

I saw the Bush 41 transition from the other end of the avenue at the White House. And of course, the vice president was literally down the hall from all of this, saw everything that had gone on, and was in some cases, some aspects, limited in his abilities to have a big domestic agenda. I mean, he was one of the guys who helped create the Reagan agenda. So it was a little hard for him to go out and say the last guy did it; you know, broke the position so nobody could play it.

He had to make modest changes and suggestions. And while he certainly didn't think this, a lot of the voters thought it was another Reagan term, and so he had to be careful about how he positioned himself. There were some things, of course, he had to address or thought he should address. Clearly, the savings and loan crisis and other things, so that his initial domestic policy was somewhat limited, and in the transition there was not as much policy exchange as there were lots of other transitions.

In looking from the Congressional Budget office at the Bush 43 transition, or even looking at the Clinton transition, you see the same kind of elements of the Reagan process; fairly consistent campaign themes translated into legislation relatively quickly, taking an opportunity at that first window; as Josh said, there's more than one window, but again, having events intervene.

In the Clinton administration, some of that was self-imposed or self-inflicted, such as the failure of the healthcare plan. But at the same time, got his budget passed, had the fairly large stimulus package; didn't all of it succeed. Some of it did. So again, it was the combination, I think, of those things that moved Clinton along as well, that first year.

And with the first Bush Administration, a lot of the campaign rhetoric wasn't very defined, but the policies that Josh and others were putting together was

quite defined. And so their ability to move quickly was also a prospect that they developed themselves on the way to the campaign.

Again, we talked about some of the things that Bush 43 accomplished, but quickly, worked substantially on No Child Left Behind, on the tax cuts and other significant changes that occurred the first year. And obviously, the first year there was impeded by 9/11 for a long time, although some may forget domestic policy happened after that.

Again, looking at, just moment, back at President Clinton, not only did the healthcare policy not get through, but it did slow them down and impeded other things. Like Reagan and Social Security, trying to bite off a little too much initially is sometimes a problem. And Congress can only absorb so much. You know, our resources are only so thick, and you only have so many Dan Meyers working for you, so you have limited scope, sometimes.

MS. HEMMER: So Dan, once this policy agenda is being developed, what does it look like over in legislative affairs?

MR. MEYER: Thanks, Nicky. I think the first point I would make is, and it builds on what Dan was just saying, is it really depends on the circumstances in which you take office. And by that, I mean what the Congress looks like. When Reagan won, he had a Democratic House, as Dan said, and a Republican Senate.

When President Clinton won, he had Democrats controlling both. When Bush won, he had a Republican House and a 50/50 Senate, if you remember, and President Obama won, he had a Democratic House and a 60 vote Senate. So much different circumstances for each one, and that would -- and I would suggest that that dictates the strategy, to some extent, as well.

I remember when I was in the White House after President Obama had

won, it was the end of the Bush Administration. President Obama had won. I got interviewed for some publication asking about you know, did I have advice for my successor, Phil Schiliro, who had been named as President Obama first head of legislative affairs.

And my comment was, and it's relevant to this, is his job is going to be much different than mine. I mean, the last two years of the Bush Administration, the Democrats were the majority in the Congress. And so you're dealing with a divided government, whereas President Obama was going to have a unified government. And my feeling, what I meant by that comment was Phil's first responsibility was getting an agenda passed. He had to spend his time focused on being united with the democratic leadership in Congress.

And people after the fact, were second guessing and saying, well, you know, they ignored the Republicans. You didn't try hard enough with the Republicans, or whatever. And the plain and simple is you don't get those opportunities very often, particularly when you've got 60 votes in the Senate. And if he hadn't gone for it, he would have been forever criticized for it. So I found no fault in that, and I guess that's my, you know, illustration of how they have to look at it.

Once you've decided those first year priorities based on what you ran on, you know, whether it was any of the previous folks or if it's President Elect Trump, and he wants to repeal and replace the Affordable Care Act or tax reform or border security, whatever it is -- because I agree with what Bill said in the introduction. You can only do a handful of things.

But people forget that in addition to those things you want to do, there's certain things that you have to do. You don't have any choice. You don't have any -- but you know, there -- for instance, they're faced with a continuing resolution that's

going to expire on April 28th. They've got a debt limit they're going to have to deal with that first year. Obvious nominations are a requirement. There's probably going to be a Supreme Court nomination.

So all of a sudden, you have these things filling up, and for what -- the calendar and for which you need a strategy and you're going to have to get votes to pass all of those things, and then add to that, okay, how are we going to approach what we want to do on healthcare and border security and infrastructure and a tax reform package. So, it all of the sudden, as you layer it on, it gets a lot more complicated. But that has to be considered up front, as well, to make sure you get all of this done.

And then, you know, once you have decided what you're trying to do, then you just have to develop your strategy for each item on your agenda. Are you -- you know, who are the key players? Dan cited President Bush. It was a different approach on tax reform. We're using Bush 43 in this incident. We were using reconciliation versus what he was doing with No Child Left Behind.

The other example you had, where he had the -- that obviously wasn't under reconciliation, and with a 50/50 Senate, he had to put together a bipartisan coalition. Senator Kennedy was very important. Congressman George Miller in the House along with Boehner, and Judd Gregg, I think it was, was the chairman or the -- I can't remember if it was 50/50, who was chairman of the Help committee.

But you know, that's the -- you have to look at each part of your agenda and figure out okay, how are we getting this one done? How much can we or will we do under reconciliation, which by nature is a partisan exercise? You're going to drive -- in the Trump case, you're going to drive Democrats away by doing reconciliation, but that will be deemed a necessity.

And again, I don't fault that strategy, either, but then they're going to

have to come back behind that and try to put together bipartisan coalitions on items that you can't do under reconciliation, which as we've all learned, includes part of the replacement of the ACA. So it'll be a complicated first year, as it is for everybody. But you know, that's the way you need to approach it, in my mind. Jen?

MS. PSAKI: So, I said I wanted to go third because the policy and the like legislative roles are really what our jobs are all about, or communications is all about. I would say one of the things that people forget, if they've only done a campaign and haven't worked in government, is that campaigns are aspirational, and you're held accountable for basically nothing (Laughter). So that was true.

SPEAKER: That's a good point.

MS. PSAKI: And now there's a consistency, and there should be, for what a president talks about when they're running for office and when they come into office. That was true for President Obama, including for many of the policy areas where his comments were perceived as very controversial, like talking to our enemies.

But when you come in as a communications professional, but probably in any role, there is an adjustment where you realize everything we do matters. We're under a very different microscope. We can't just say we're for a certain policy. People are going to ask fair questions, like, oh, that sounds good. How are you going to pay for that? And what are you going to give up to pay for that? And that's an adjustment. I think from a communications standpoint, you really come in -- you learn very quickly.

I would say some of the things that I'm sure the new administration will deal with that we did, as well, is the prioritization. And you know, we've talked about that a little bit here, but for us, President Obama talked about it a lot on the campaign trail. But when he came in, obviously, we were dealing with a financial crisis.

We were talking backstage about the overlap in the work that the Bush

Administration and the Obama Administration did together during the transition, which was essential. And if we hadn't worked together, we would have probably ended up in a different place.

But the president came in, and that is basically what we had to do, first and foremost, is pass what were some pretty unpopular pieces of legislation, but there was agreement that they were necessary, whether it was TARP, or -- the Recovery Act shouldn't have been controversial, but of course, we only got three Republican votes, so maybe it was, but a lot of spending.

And what the president really wanted to do early on was healthcare. And you know, hindsight is always 20/20 in any of these jobs. You know, you go back and you look at what we could have done differently. Of course, there's things we would have done differently, but what everybody has said here to date is definitely true in our experience. And I was there in the beginning, as well as still now, which is that you prioritize. You're not going to get everything you want to get done.

So you really make choices. And for us, there was a big debate internally about how big of a healthcare package. You know, if you did a smaller healthcare package, could we have gotten cap and trade? I don't know. Maybe. I mean, you look back and you guess these sorts of things. But that's the early prioritization. It impacts the communications, too.

The last thing I'll just say is while governing is entirely different from the communications standpoint, there are some things that help a president get elected that you sometimes can lose the thread on. And we did, a little bit, which is winning the hearts and minds of the American people. It's very easy to come to Washington and only talk to people here and think that you're going to convince people to come your way.

But what we learned through making mistakes, I would say in the first year, is that you really need to use the power of how the president got elected to win people over and spend time doing that, and sell your policies in a way that you get the public on your side. And that seems like there's not enough time to do that when you come in, but certainly a lesson we learned.

MR. CRIPPEN: And a real quick addendum?

MS. HEMMER: Mm hmm.

MR. CRIPPEN: Both of my colleagues referred to it, and it's when you're setting priorities, setting legislative strategy or even developing policy, you have to keep in mind what kind of presidential resource you have.

MS. PSAKI: Mm hmm.

MR. CRIPPEN: What time are you going to spend on these priorities? How many phone calls? How many televised addresses? How many trips to the Hill? All of those things. And so it's not just how far do you push the policy or how many votes can you count. It's really important to keep in your mind that you have a limited resource that goes into those decisions.

MS. PSAKI: Including the president's time, which is the most valuable resource.

MR. CRIPPEN: Yes. Exactly.

MS. PSAKI: Yes.

MR. CRIPPEN: That's why I was (Inaudible) the president's time.

MS. PSAKI: Mm hmm.

MS. HEMMER: So sitting up here, you three all seem very collegial, (Laughter) but I suspect that there are some --

MR. CRIPPEN: It's temporary (Laughter).

MS. HEMMER: -- contentions, right, between your various areas, whether it's domestic advisors trying to convince legislative affairs that they need to do something; that your priorities might be a little different, and what you want to do might be different. So how did you navigate those relationships with other departments within the White House?

MR. CRIPPEN: Should I start?

MR. MEYER: We all have our anecdotes on this one. (Laughter)

MR. CRIPPEN: Yeah, we do. Do we tell them, though (Laughter)? I mean, you know --

MR. MEYER: I'll let you start, but I'll tee it up with a story. When I went into the White House, my predecessor of legislative affairs said, you know, one of the roles of legislative affairs -- one of the ways I describe the Office of Legislative Affairs is you're the president's eyes and ears on the Hill, but you're also the Hill's eyes and ears back into the administration.

And what folks who preceded me told me is, you'll be surprised at the number of times you're going to be in meetings inside the White House when you have people who think they know what's going on the Hill, or understand the Hill site. We have to X, Y and Z. You're sitting there thinking, that will get three votes on the Hill (Laughter) and you get to kill it, because you have to say that. So, but anyway, with that tee up --

MR. CRIPPEN: No, hey, thank you.

(Simultaneous discussion)

MR. MEYER: -- I'll talk all day further on the domestic policy --

MR. CRIPPEN: You begin to question your own loyalties (Laughter).
Occasionally, you wonder if you work for the CIA.

MR. MEYER: That's right (Laughter).

MR. CRIPPEN: There's always a tension, and it's with communications, as well. I once had a deal with our communications director that I wouldn't do communications if he didn't do policy. (Laughter) Neither of us held to that completely. I was better than he was (Laughter), but we certainly have to be cognizant of what the president has said, what those policies --

And we were reminded very often about the consistencies of the presidencies, and how important it was that we develop policy that reflected that; we develop speeches that reflected that; that we push legislation, obviously. But there is a tension. I mean, the policy folks think anything's possible, because it's good stuff.

We always assume you can develop a communications strategy from whatever the policy is, again, because that's good stuff, without understanding fully the realities of your professions at all.

MS. PSAKI: No, I joke with my staff sometimes on tough days that I'm going to get a tee shirt that says, "It's a Communications Problem." (Laughter) Sometimes it's a communications problem, but sometimes it's bad policy, and sometimes, we lose a vote in the House or the Senate because people think something is going to pass and it doesn't. So these are some of the roots of the tensions.

I think one of the things that as a communications or press person you have a responsibility to do in any White House is to recognize that it's not all about what your objective is. If our objective was solely on how things would sell with the American public, we'd probably do different policies, and we'd probably push different legislation. And sometimes, oftentimes, that is far more important.

So in the early days, you know, the auto bailout, which now we talk about as one of our big things we did, which is so great, was so unpopular. It was terrible.

Everybody hated it. They thought it was the worst thing that we could have done. And you know, we had a responsibility to sell it, because the president and the economic team thought that it was the right step.

Now, it turned out to be the right step, but there is -- you have responsibility in any White House to recognize there is long-term objectives, if you have a good leader who is the president, and they have to recognize that sometimes, the stories are going to be terrible for a couple of months, because it's the right policy.

One just last anecdote I'll share is, you know, the other piece that often people don't recognize is there are a lot of limitations to what you can say, either because there are national security reasons why you can't change exactly what you say about certain things, or even on the economic front. When I came in, we the political and press teams, wanted to say, things are so -- to the public -- things are so terrible and awful, you don't even understand how bad they are. I mean, something more articulate than that (Laughter), but that was the basic message.

MR. CRIPPEN: (Laughter) Mm hmm.

MS. PSAKI: And the economic team would say, that will crash the markets. That will rile the markets. And so when people look back, they say, oh, you have a communications problem. And there are things we could have done better, but there are certain limitations you have when you have the responsibility of the presidency. And you know, that's sometimes hard to explain, I'll say.

MS. HEMMER: Dan, do you want to throw in any further anecdotes?

MR. MEYER: I kind of took my shot at the policy side already. I never actually had -- I never -- there wasn't much tension between the legislation affairs and the communications. One of my observations of Washington over my years here is whenever anybody has a failure, or one side or the other, usually in an election. So you

know, Republicans in 2006 - 08, or the Democrats in 2010, or I can even remember it back when I was on the Hill in 1998, when Republicans lost a handful of seats when they thought they were going to pick up seats, the messaging always gets blamed. Right?

It's never what you did. It wasn't because you were pushing impeachment in 1998, or it wasn't because what you did in your first two years in 2010. It was the messaging. If only our messaging could be fixed. Now, I was always pretty sympathetic to the communications side, because they always got blamed for it (Laughter).

SPEAKER: You can keep your healthcare plan was a policy idea (Laughter). It wasn't a messaging point. It was just, say, that's everybody's understanding (Laughter).

MR. MEYER: Exactly. (Laughter) So, anyway, that's about all I have (Laughter).

MS. HEMMER: If we can turn attention from -- and let's --
(Simultaneous discussion)

MR. CRIPPEN: Yeah, just -- and I promise, this is the last time I'll try and hassle this for you. (Laughter) We all think, and it's not us three, necessarily, but certainly, our colleagues that we work with all think they can do our job.

Dan mentioned, you know, someone pushing policy that's three votes. Everybody has communications strategy that they are sure will work, if only we'd pursue it; if we plight (sic) -- you know, the right policy, we'd get the right number of votes. And of course, everybody is always -- the policy --

MR. MEYER: And everybody is always doing legislative affairs, too. (Laughter)

MR. CRIPPEN: Right.

MR. MEYER: Especially that one.

MS. HEMMER: No, those around the internal relationships. What about those external relationships that you have to navigate in each of your roles, whether it's the press, whether it is the public, whether it's Congress? What were the challenges or the experiences that you had trying to navigate those relationships as sort of person in the White House who is reaching out to these other stakeholders?

MR. MEYER: I think on the legislative front, one of the things you have to get right the first year is how you're going to manage the outreach to the Hill. So you do need -- you know, the ideal, from my perspective is you need -- you need the person who is the head of legislative affairs to be managing that.

Now, that doesn't mean the legislative affairs shop is the only ones who can talk to the Hill. But if anybody else is talking to the Hill, the legislative affairs team needs to know about it. And so you know, there's -- every administration has their horror stories. I can remember going --

By the time I was in the Bush White House, that had kind of gotten worked out. People were you know -- of course, my boss was Josh Bolten. He would talk to the Hill, but he was really good about, you know, I got to call it -- Harry Reid's calling me. Why don't you come down and -- you know, that sort of thing?

But I remember telling Schiliro, you have a president who is a senator, a vice president who is a senator, a chief of staff, who is a member of the Democratic Leadership, and you're just going to have a lot of people, and I don't mean to be singling out -- every administration goes through that.

So if you're going to have a successful first year, you need to sort that out very quickly, putting a system in place so that if there's any outreach to the Hill that

is coordinated under the legislator's shop.

MS. HEMMER: You know, I think in terms of relationships with the press -- I see Anne Compton here, so I'm just like -- she's in my eye (Laughter).

I think if there is intention, then you're not doing your job, and the press isn't doing their job. And I mean that within reason. I mean, I think the age of civility needs to, I think, return or be a part of how people interact between media and public officials. I am -- in the early days, was the only woman in the press office and was a spokesperson.

And this is not purely a gender thing, but I will say that a lot of my male colleagues were a bit more likely to scream, slam phones, yell (Laughter). And it wasn't always the most effective thing, to be totally honest. (Laughter) But you know, I think in the White House, the press always wants more access to the president. And we always don't -- we never want to give as much access as people want.

But there are some traditions -- the pool or -- you know, which exists as I think most people in this room know, because there have been enough, unfortunately, assassination attempts on presidents that there's a public right to know. Now, you can argue, do they need to go to the, you know, kid's basketball game or their restaurant? You know, you can argue those points.

We have been through I think, over the last eight years, a lot of changes in the media. You know? I think in terms of how people consume information and how we reach the public. And what's challenging from somebody in my role, and I'm sure will be challenging from my successor's is that there's so many outlets now, and so many ways people consume information that you can't just talk to the White House press room, because you won't reach a lot of people.

But those people in the press room are also responsible for and attuned

to everything the president is saying and people are saying, and they hold you accountable to. So there is a big push and pull, which is challenging. One of the things we went through fits and starts of, sometimes better than others, was making officials in the government available. That's oftentimes what people in the media want access to. They want to talk to the policy experts. Right?

Sometimes they want to talk to the legislation affairs folks, but they don't really want to talk to them (Laughter). But the policy experts often will. And the truth is, that's very useful for any president. And sometimes, to the staffing point, you just run out of resources and time and ability to do that. But that's always something that's useful.

But you know, there's always a push and pull with the press and the White House and an element of that is healthy, but there are certain parts of tradition that certainly should continue.

MR. CRIPPEN: I just want to say that -- thank God we didn't have Twitter (Laughter), but then I can't imagine Ronald Reagan using Twitter (Laughter). It wouldn't have mattered, probably.

MS. HEMMER: You wouldn't give him his password, just like --

MR. CRIPPEN: Hell, no. No.

MS. HEMMER: -- we don't give any officials their passwords. (Laughter)

MR. CRIPPEN: But it's a -- as you said, it's useful for positive folks sometimes without the media, and that's why I had the deal I had with our communications folks. And I was always off the record or whatever the right term is these days, so, I didn't have to give him the press. That wasn't my role, and I thought you know, press had to be made by the people we were working for.

But there are other outside groups, and I don't know whether you were

elite to it or not, but certainly in the domestic policy in the White House, it's your responsibility in many ways, to keep up with the outside groups; to meet with them, to talk to them, to make sure their policy papers that were given to you were processed. Otherwise, you lose your -- not just your base, but constituency, or important advocates.

I mean, so part of the White House apparatus, whether it's domestic policy or somewhere else is kind of the contact point for many outside groups that are -- don't have to necessarily be supporting this. That's the first place you go.

MS. HEMMER: Well, we've spent the last six years or so talking about the problems of divided government when it comes to enacting a domestic agenda. Are there any pitfalls to having a united government, or is it just an unadulterated good for your domestic agenda? (Laughter)

MR. CRIPPEN: Is there anything (Inaudible) -- sometimes much worse? That you're expected to produce more when you have a -- you know, a unified government. But your party colleagues of the Hill also think they have more discretion to not agree or to intervene with policy and try to get you to do things that they want you to do. So it's not uniformly a good thing.

MR. MEYER: Yeah, there are lots of pitfalls. Going back to what we were talking about before, I think you come in with a unified government, but there's expectations that get raised that are sometimes hard to beat. You know? And I think you're going to see this in the -- in this coming year. They intend to do a major tax reform under reconciliation or repeal and replace the Affordable Care Act under reconciliation, and you can't do it all under reconciliation.

You have limits under reconciliation in the Bird rule in the Senate. And so I saw it even with divided government here in recent years where Republicans controlled the House and the Senate, and there were some members who didn't

understand why they couldn't you know, get things done. You know, the government was shut down, you know, with those sorts of claims that we could force the president to sign something. It's like where did you go to you know, your civics class. I mean, it doesn't work that way, and it still doesn't work that way.

So, you -- the challenges people aren't realistic. They set their expectations so high. And so then you set yourself up to fail, if you can't achieve everything. And that's the problem.

MS. HEMMER: Yeah. I mean, I think that we're a two party system, and both of the parties -- I mean, certainly the Democratic party is a big umbrella, and I'm sure that the Republican party is, too. Right? And that's the beauty of it, that everybody doesn't have identical thoughts.

But there's an expectation that you know, people will march to the same drummer. And the fact is, everybody has different politics. People have different views, and these all come into play. You know, if you look back at when President Obama came in and we had the House and the Senate and a pretty sizable member -- it was already referenced in the Senate, getting healthcare, Doug, was really hard. It almost didn't happen.

And that was with majorities in both houses. So even with the incoming administration, you know, you need 51 to repeal. You need 60 to replace. And that's not easy. That's hard. And so you know, the systems are in place for a reason, but I think sometimes you forget how hard it is to get bills passed.

MR. CRIPPEN: We happen to think we have a tent, by the way. You have an umbrella.

MS. PSAKI: Okay (Laughter). A tent, I'm sorry.

MR. CRIPPEN: That's all right. That's all right.

MS. PSAKI: They're sort of cousins.

MS. HEMMER: Well, I want to get all of your advice to the incoming administration, but actually, I want to start with Jen with a specific question, which is, you've been working very closely on creating new policies and strategies for navigating a very changed media environment. So what kind of advice would you give to the incoming team about how to navigate that; what sort of things that you've learned in your time in communications for the White House that might be useful going in?

MS. PSAKI: Sure. I would say that, you know, the way that we view media now is that it's not a social media versus traditional media. There's a big spectrum, and most outlets are on that spectrum. Now, I'm not counting platforms that are social media platforms. That's sort of a different beast for a different panel, and lots of questions to be discussed.

So that's how we view it. I would say the lessons we've learned are that you know, you want to think about your prioritization, which is driven by your policy team and really force the system, even when everybody doesn't love it internally, to focus on those priorities. A thousand flowers cannot bloom in government, because you'll spend -- you know, you're responsible for everything.

In terms of the way that you communicate, we found that a mixture of what people would view, and I really hate the term traditional or mainstream media, but I'm just going to use it because people know what it's a reference to. And social media is probably the sweet spot. Because what our objective is, is to try to communicate with the American public and the American people, and you can't be snobbish about, oh, well this outlet's only been around for five years, and then therefore, they're not eligible, because the fact is, a lot of those outlets do really interesting and really good, serious work.

There is an inaccurate, and I think unfair perception that people like to throw out there that we only do Zach Galafiankis, which frankly, I've been back for two years, and that was before I came back (Laughter). So you know, the fact is, that had an objective, to sign people up for the Affordable Care Act. But we do a combination, and there are outlets that are online, like mike.com. We've done a lot around the Iran deal. We've done a lot around serious policies that do really good work.

And sometimes, I think there is an us versus them in mainstream and in social media or online outlets that is not healthy. The last thing I'll say is that you know, while it's important to recognize the opportunity with all of these new outlets, there's also a lot of risk, as we've seen. And I don't mean risk for a president. I think we've learned from even the reporting over the past couple of weeks that the way people digest and consume information, it's hard for people to differentiate what they see online.

And so while I think it's important to take advantage of all of these options, you know, there should be a discussion, I think, in this country about how to make sure people are getting reputable and accurate information. And that's where a lot of the mainstream outlets come in that are you know, are not swayed. Sometimes you argue editorial boards, or whatever, but can provide that information to the public. And so I think that shouldn't be lost.

That was really a tirade on media (Laughter) -- you know, that was really like -- there's a lot to be said about this issue. But the advice I would give is just relationships matter. I mean, get to know the reporters who cover you, and get to know what they care about and what they're thinking about. And often, they have their pulse on the public.

Keep focus on your priorities and your issues. Don't be afraid to try new things and recognize that sometimes, things fail. But be humble when things are not

working, and change it when it's not working.

And there are people that have been in the press corps a long time, and Ann certainly was one of them, when she was still with us at the White House, who we relied on not to ask what we should say on things, but to just get a check on what do -- is this okay? Or what should -- should we be doing more or should we be doing less, because they have a better sense of the traditions of the White House that are important than often an incoming staff does. I'm clear with a lot of thoughts on that issue, so sorry if I talked too long. (Laughter)

(Simultaneous discussion)

MS. HEMMER: For someone who writes a lot on the IM, I'm here for the tirade.

MS. PSAKI: Yeah.

MS. HEMMER: Dan and Dan, what would your advice be for the incoming team?

MR. MEYER: I'm not sure I have any advice on the communications side. I'm curious to watch, because one of the things I've noticed over the last few years is you took on the Republican side, and like the conservative side, you've got a lot of folks who try to influence the press and from the right, who see their role in life and trying to keep everything pure.

And I'm curious, considering how the President-Elect got elected and his use of social media, how that's going to play out. For example, he's not going to -- the Republican leadership is not going to agree on everything he wants to do. As John Boehner said, I'm not sure he was a Republican before he started running. He obviously got nominated as a Republican and got elected as a Republican, but he's much more independent minded than your normal Republican president.

And so at some point, there's going to be a tension, and does he take the Twitter, and even it -- or for individual members who might, you know, all of the sudden you have some of the groups on the right say no, this infrastructure package, this is -- it's bad in this circumstances, and trying to make it hard for Republicans to vote for it.

And all of the sudden, now there's going to be this counter pressure from the president saying, you know, they're wrong. And I'll be very curious to see how that all plays out. I think it changes the dynamic significantly, and it'll be just curious to see it play out.

MS. HEMMER: And we'll go to Q&A just after this. But Dan, any advice?

MR. CRIPPEN: Like Dan, I'm not that -- I don't have much advice for the incoming administration. The one thing that certainly helped in the policy strategies and legislative strategies I've been involved in, is that we have to -- there has to be a consistent message.

MS. HEMMER: Mm hmm.

MR. CRIPPEN: You have to have a message. You have to be saying something that's important, or at least understandable and attractive to who you're talking to. And we don't have a message. And I'm afraid I don't know what this President-Elect's message might be on various things. But if you don't have a consistent message, it's very hard -- (glitch in recording) -- experience have been legislatively, but certainly to try to sell your policy.

MS. HEMMER: Mm hmm.

MR. CRIPPEN: You need to be able to talk about it and consistently talk about it.

MS. HEMMER: Mm hmm. All right. Well, let's start questions. If you'll

just wait for the microphone.

MR. CLARK: Yeah, I'm Charlie Clark, government executive. The Office of Legislative Affairs under Obama got criticism for things like not returning phone calls or not answering correspondence. And some Republicans said they would have been willing to cooperate more, had that happened. Is any of that accurate? And in general, does the Legislative Affairs Office have a duty to return the phone calls (Laughter)?

MR. MEYER: So that was a good idea (Laughter). Let me defend the Obama Legislative Affairs, just because I know a lot of them and I've been in small groups that the Miller Center has brought together Legislative Affairs directors from the Bush 41, Bush 43, Clinton and Obama White House.

And the Obama folks will give you chapter and verse. I mean, I think very sincerely about how they reached out, and it does take two to tango. But we've also heard those stories on the other side, not just from Republicans, that they weren't as visible. So you know, it really depends on your approach.

I would again make the case that particularly at the beginning of the Obama Administration, their focus needed to be on the Democrats. So, if the Republicans got a little bit less attention, again, I don't find fault with that. But in a divided government, it's a different situation. But look, if you're going to try to get your legislative agenda passed, you have to be figuring out how you're putting together 218 votes or 60 votes, in some cases, and so there's a lot of people you need to pay attention to, and that's an important aspect of the job.

SPEAKER: I'm Basil Scarvis. I used to work at the State Department. My question relates to the filibuster. My understanding, and I'm sure you could correct me if I'm wrong, is that the Senate with -- can at the outset, change the rules on the filibuster by majority vote. Is that the case? And secondly, would you expect it to

happen?

MR. MEYER: So in theory, you're supposed to have 2/3 of the vote -- 2/3 vote to change the Senate rules. Senator Reid changed the filibuster rules by ruling in precedent for a number of circumstances -- nominees, not the Supreme Court or some of the judges. So could it happen? Yes. Are they going to do it up front? No, I don't think so.

Senator McConnell is an institutionalist. But having said that, this goes back to the part of the conversation we were having before about have a unified government and managing expectations. The first bill that gets filibustered, there's going to be people on the -- you know, conservatives in the House or conservatives on the outside who are going to say, you know, O'Connell, you're blocking it because you won't get rid of the filibuster.

And so that's just something he's going to have to deal with. But he's made it pretty clear that at least up front, he doesn't want to do that. He didn't want to do it before when it was done under the Democrats.

SPEAKER: Hello, everyone. My question is a bit general. How to predict Trump's (Inaudible) of presidency, given that before he has come into the office, he already saved over 100 -- over 1,000 jobs for Carrier company. And he has elected so many famous names into his cabinet.

And also, he had a telephone conversation with the Taiwan president, which is breaking the diplomacy of 37 years. So how do you predict his way of presidency? Thank you.

MR. MEYER: This sounds like policy and communications questions
(Laughter).

MR. CRIPPEN: Exactly. I've had a number of these conversations since

the election with lots of people and folks in you know, business and otherwise. I start out the conversations with, who knows. (Laughter) And I speculate for 10 or 15 minutes, and I conclude the conversation with, who knows (Laughter). And I think that's probably the answer.

MS. PSAKI: I'll just add, who knows (Laughter).

MS. HEMMER: Well, is there a way in which the things that happen in the transition help foretell what will happen in the first year, or are they just two different beasts?

(Break in recording)

MS. PSAKI: I mean, the nominations made -- I'm giving an indication of who any president surrounds himself with and who they want to be providing advice. But even with that, unless somebody has a long legislative history, it can be hard to kind of read tea leaves to predict exactly what advice somebody is giving. So I think it's hard.

MR. MEYER: I mean, I assume the transition is an indicator, because people -- I mean, whether it's this President-Elect or any previous president, they learn when they get into office, and things do change. So at least in the beginning, I believe the transition is a predictor of how he'll operate.

MR. CRIPPEN: From my point of view on policy and experience, I would say that the first budget is also important. I'm a card carrying member of the green eye shade society (Laughter) so I still look at those things. And that you assume that some of the domestic priorities are going to be funded. Those that you didn't like are going to be unfunded, but at least it will give you some sense of domestic policy trajectory when they do their first (Inaudible).

SPEAKER: My question is for Jen. If you could say a little bit more

about the discussion that the communications team had with the economics team about what you could and couldn't say. And then if you could kind of reconcile that with Trump's approach, and obviously, the outcome of the election, and also, where the market is.

MS. PSAKI: Wow, those were a lot of things.

I'm not sure they're related (Laughter), but I'll try. So what I was trying to illustrate is the fact that policy doesn't always make easy communications, and you accept that. I will say in the early days, you know, if people remember, the election and the president's first year or more essentially shifted and changed starting August-September of 2008, before he was even elected.

And there was a recognition that you know, he had a role -- once he was elected, and even before, when it was looking like it was going that way, that he would have a powerful role to play in helping get some policy, like TARP, across the finish line. And there's the old story of Secretary Paulsen -- maybe you were there for this and you can illustrate this or articulate better than I can --

MR. CRIPPEN: In '06. I was there.

MS. PSAKI: -- you know, getting down on his hands and knees and begging him to help pass. So, I think for us, we had an economic team reunion on Friday night. Don't be jealous you weren't there. It was a wild and raucous party (Laughter). But it was great. And one of the things they talked about was how they're terrible communicators.

They're brilliant, brilliant economists and very smart people, but you recognize early on that if we had our druthers, you would have people who were professional -- not professionals by trade, but very good at television. But that's not often, nor should it be, how you pick cabinet secretaries. Right?

So our experience was there many, many conversations, not just one like this, where it was always a push and pull between the press and communications team and economic team about what could be said publicly in terms of articulating to the public how bad things were. But you didn't want to scare people at the same time. You know, one of the biggest mistakes we made early on, and she's said this, so I don't feel bad about saying this, was when Christina Romer made the prediction about the unemployment rate.

You know, that was perhaps necessary at the time to -- oh, I guess people in the meeting would have argued that was going to get people to vote for the Recovery Act. I don't know that that was true or not, but then it held us to a standard that we couldn't meet. And we could never meet that bar with our -- on the press side, and that was challenging.

As it relates to today, I'm not sure. It's a different -- I mean, the economy is in an entirely different place. There are obviously lots of -- the economic agenda is always a big part of what any president typically faces or addresses. There's lots of things under that umbrella or tent or whatever you want to say, but I don't know that I can make any predictions about how President-Elect Trump or anyone on his team will handle any of these issues, if that's what you were asking.

SPEAKER: (Off-mic) -- in terms of -- you're saying that you're -- well, I thought I heard you say that essentially, you perceived the economy to be a lot worse than you could say.

MS. PSAKI: I didn't perceive it, it was. Yes, it was worse than we articulated from the government.

SPEAKER: Right.

MS. PSAKI: And there were lots of other people saying it, but --

SPEAKER: Sure.

MS. PSAKI: -- but there was something about the -- not just some thing -
- the president or the treasury secretary articulating how bad it was. There was a
concern of what I mean that would have on the markets, on you know, the economy.
And that was a real discussion we had on a very regular basis.

SPEAKER: Sure. But I mean, I guess the thing that I look at is, typically,
I hear people talk about how great things are right now. And that is obviously something
that Trump did not do. And I would probably argue that that's part of what made him
very popular. He said, hey, things are pretty bad for the average person.

MS. PSAKI: Mm hmm.

SPEAKER: So I guess I'm wondering if you could jump into your time
machine, would you do so, and then maybe say something a little bit differently?

MR. MEYER: Can I take the question?

MS. PSAKI: Yeah, of course.

MR. MEYER: It's different between when you're running and when
you're governing.

MS. PSAKI: Mm hmm.

MR. MEYER: So I don't think -- I mean, I don't think Jen would disagree.
When President Obama was running for presidency, he talked a lot about how bad
things were.

MS. PSAKI: Mm hmm.

MR. MEYER: Candidates do that. Once you get elected, there's an
instinct, I guess, that kicks in, to try to talk about how it's going to get better.

MS. PSAKI: Mm hmm.

MR. MEYER: They didn't say it was going to get better right away. I

mean, the thing -- my recollection is, it's not good. But here, we're going to put these things in place. It's going to try to get better. But there is -- I've been in the same type of meetings that Jen referenced where it's expressed, you don't want to talk down the economy because it discourages people, and you're trying to build up confidence. So that's a distinction I would make.

MS. PSAKI: Right.

MS. HEMMER: We're actually going to have to stop it there, just because we need to clear the stage for another erudite set of panelists. But if you could help me thank all of our great panelists. (Applause)

SPEAKER: So we'll take one more 10-minute break and come back at quarter after five for the foreign policy panel.

(Recess)

MR. ANTHOLIS: Our final panel on a terrific day, and I really want to thank everyone for coming and powering through three of these terrific discussions, we are really delighted to have three of the best here, and I've gotten to work with all three of them over the last set of years, and this is really a terrific group of people.

Starting with our moderator and the Executive Vice President here at The Brookings Institution, my colleague for many years, who was also twice Ambassador to Israel and also worked as the Special Coordinator for Middle East Peace, and as the White House person, so he has seen this from all different sides of the equation, and he was going to be a panelist but the moderator, Bruce Jones, who is the Vice President for Foreign Policy at Brookings came down sick, so we are going to ask Martin to do double duty. I think he has his own observations and input on what these transitions are like and what they look like.

Two colleagues from the Miller Center, one of whom I was fortunate enough to have as a colleague in government, and another whom we have all been fortunate enough to have as a public servant, Philip Zelikow, who is a Miller Professor at White Burkett Miller, and in the History Department at the University of Virginia as a past Director at the Miller Center, and the Executive Director of the 9/11 Commission, which was a report on one of the great first year crises in American history.

Eric Edelman, who was very important in my first year in government. Eric has the distinction -- I'll tell this joke even though a few people in the room have heard it -- of having been Chief of Staff for Strobe Talbott, and also Chief of Staff, and then later National Security Advisor for Vice President Cheney.

Dick Holbrooke once said to Eric, wow, you must either be the greatest Foreign Service officer in the history of the department or a total political whore. (Laughter) To which Eric responded, the two are not mutually exclusive. (Laughter)

MR. EDELMAN: True story.

MR. ANTHOLIS: Also, Under Secretary of Policy at the Defense Department, and the Schlesinger Chair at the Miller Center, which is a chair endowed in the name of James Schlesinger, former Professor of Economics at the University of Virginia, Defense Secretary, Energy Secretary, including a number of other different posts as well.

Eric will also when that one year visiting fellowship ends, visiting professorship ends, will be a Senior Fellow at the Miller Center starting in January.

With all of that, I'm going to hand it over to Martin to lead us in this discussion.

MR. INDYK: Thank you very much, Bill. I had the honor and challenge of serving President Bill Clinton in the White House in his first year in office when I was handling the Middle East.

As Bill has explained, we have rich experience between the three of us when it comes to first years of Presidents, both Republican and Democrat, when it comes to foreign and national security policy.

I was just reviewing the record from the Miller Center tag lines, and was reminded that in Clinton's first year in office, in February, he had to deal with the World Trade Center bombing that few people will remember, but that was the initial one, six people killed and 1,000 injured.

In June, Clinton ordered the first use of force in his presidency against Saddam Hussein, a retaliation for the attempt to assassinate George H.W. Bush on a visit to Kuwait during the first year of Clinton's presidency.

In July, we had the military issue, the famous "Don't Ask, Don't Tell" policy, which caused a huge ruckus and political blow back.

In September, we had Yasser Arafat and Yitzhak Rabin shaking hands on the White House lawn, the September 13 signing of the Oslo Accords. October, some of you will remember, Black Hawk Down, and the whole reaction to the situation in Mogadishu and Somalia, which led to Clinton's withdrawal of all the troops from Somalia, which had a real big impact on his credibility when it came to deployment of force. In December, we had NAFTA.

So, it's just a reminder, and Phil can talk about 9/11 and the impact that had on the Bush agenda, but it's inevitable that events, how Macmillan and Prime Minister Putin would often remind people, it's events, my boy, that seem to drive foreign policy in the first year.

So, it's likely to be in the first year of President Trump's Administration as well.

What is the advice to presidents in their first year, to draw from your experience, about what they should try to put in place in their first year to deal with the kind of phenomena of drinking from the fire hydrant when it comes to foreign policy?

MR. ZELIKOW: The tendency of government is to drift and remain on auto pilot. Often accompanied by noise, and then things happen and you react to them, and your tenure then ends up getting defined by your reactions. That's the natural default tendency.

The hardest thing to do in government is actually to corral people together and accomplish something purposeful. That requires great skill. Drift is actually not very hard. (Laughter) As I say, in most agencies, actually, at most times, in some ways, that is the default mode. People just keep doing what it is they have been doing, and then stuff happens.

You will always be busy, and the inbox will always be full, and there will always be meetings and events, and many things to discuss, and there will always be surface noise and turbulence. The dog barks and the caravan will move on.

Now, my advice actually, and this gets a little more into process weeds, if there are people here who actually wanted some concrete advice as to how to make a difference, for this sophisticated Washington group, and there are some veterans here of many things, I would only single out three things.

One, if you want to do anything big, you have to do it with the Congress. There is a very great tendency in these sorts of meetings about foreign policy to be very Executive Branch centric, but in fact, and I've served in many Executive Branch jobs, and have only worked with Congress when I had to, but it happened several times.

Let me just illustrate what I mean with a couple of concrete examples. One from the past, and one right now, that could be informative to this Administration.

One from the past. All of you know that President-Elect Obama did as one of his first acts, I'm going to close Guantanamo.

In preparing this, they put everything in motion, the Executive Order, the speech, they did not deeply consult with Congress before they made their move. Had they consulted with Congress before they made their move, were there people in Congress who quietly would have said yes, we'll help you? Yes, there were such people. There were such Republicans. Senator John McCain, for example.

You see the challenge here was if you're going to close Guantanamo, replace it with what? Then if you have a plan for let's replace it with this, and then we have kind of a plan developed that is basically which state is going to get it. Then you might have a chance of getting political support among the representatives of all the other states. (Laughter) And get it out of the way.

By announcing we're going to close Guantanamo, and then you hadn't done the homework with Congress about where and how, what happened? Well, every member of Congress gives out a nimby statement. The politics of this then become poisonous and movement is impossible, and here we are, eight years later, and Guantanamo is not closed.

I believed this was a possibility, it could have been done, but because you were thinking Executive Branch centric, it didn't work.

Now, I'm going to give an example from right now. A lot of discussion in the news about tariffs or about different things to restrict trade, which is a big time foreign policy question, maybe the most important foreign policy question in the foreground for immediate action by this Administration.

Raise your hands if you know what I mean when I say the words “destination basis taxation?” (Show of hands) There are about six or seven of you. This is hugely important with respect to trade right now.

Right now, the House Majority, led by Paul Ryan, Kevin McCarthy, and Kevin Brady, are developing corporate tax reform, all the broken stuff having to do with income shifting and profit shifting and all that, which is a long-broken problem, very serious, hoarding of gigantic cash piles overseas, all of that.

They’re trying to develop an approach to that that has to do with territoriality and something called “destination basis” that basically would turn our corporate tax system into an income system that’s a facsimile of a consumption based system, like the VAT systems that almost all of our trading partners use, and actually would create a more equal playing field in many ways for companies.

Because of the border adjustments that will happen in implementing this system, not altogether dissimilar to the border adjustments you make if you buy a product with VAT and then take it out, this will have the effect, if their plan goes through, of having a huge impact on import intensive products. There will be no taxes at all on things that are being sold for export.

It has enormous implications for terms of trade, as the people who are watching this understand. There will be lots of adjustments to it and arguments over WTO compliance and so on.

I happen to think that it’s a creative idea of great interest. My point is this. If you in the Executive Branch, if the people who are right now in the landing team at USTR, like Dan DiMicco and others, and the people who are interested in doing something to show economic nationalism, and who are thinking about whether or not to

withdraw from NAFTA, will hold their fire, you can't work that agenda and also do what Paul Ryan is trying to do at the same time.

If Paul Ryan has a chance of getting through his package, it is going to have such a substantial impact that you're going to want to wait and see what that impact is before you decide whether or not you want to do a lot of other stuff.

It could result in the repatriation of hundreds of billions of dollars in domestic business investment, and a lot of other positive things that Kevin McCarthy and Kevin Bradley will gladly describe to you.

So, congressional partnership. I spent a little time on those two examples. I'm not going to spend as much time on the other two suggestions because I want to hear from Eric, and so does Martin and so do you.

The second one is put a premium on policy staff work, written policy staff work. In my professional experience, now going back more than 30 years, I've seen an enormous decline in the quality of written staff work in the government regardless of Administration.

What happens then is people make their staffs larger and they hold more meetings because people don't know actually how to do written analysis. Written concrete operational analysis where they detail choreographies, describe pro's and con's, and how to do things, and then isolate the key issues in writing for decision, to concentrate time and focus.

This seems like a trivial procedural detail. Quality staff work is a matter of life and death. That is not hyperbole. That is a true statement that I've seen happen in the wars in Iraq and Afghanistan. It is a matter of life and death, and it is scarcely even taught to people who are going into even mid-level offices.

Third and final point. There is a lot of good discussions which we will get into about the NSC staff and its relation to the executive departments and so on.

So, I just want to tag something that doesn't get very much attention, which is the need to link policy planning and policy analysis to budget development. If you actually studied the NSC staff and then didn't notice, where does OMB fit into the NSC staff system, the answer is well, not much really.

Everyone in here who has private sector experience knows as the first principle, of course, you manage with budgets. Well, except in national security. (Laughter) Except at the top of the government. That has very large consequences, and we are about to enter a period in which there is going to be fantastic budget strain and budget arguments, which I hope will fruitfully be resolved, but will be of the first importance.

So, I think that is a maxim that's worth remembering.

MR. INDYK: Thank you, Phil. Eric, what's your advice?

MR. EDELMAN: Well, first of all, thank you, Martin, it's great to be here with you and Philip, and thanks to Bill for bringing me to the Miller Center to be part of this terrific project, which I think has done fabulous work.

So, let me start out with a confession. Yesterday, when I should have been preparing to speak here today, I was watching the Redskins instead. (Laughter) The Redskins sort of managed to beat the hapless Philadelphia Eagles. As I was having kind of pains of bad conscience about not preparing, I was watching the game, and I thought, tomorrow I ought to talk about blocking and tackling, the really simple things that need to get done in government that we kind of don't do.

So, I would say two things, one on personnel and one on policy, and they really are the same thing. First, on the personnel side. One of the biggest challenges

that a President has in national security is getting their arms around the apparatus of the government that conducts national security affairs.

This is not a new observation. Henry Kissinger made this observation back in 1966 before he became Secretary in a justly famous essay about domestic structure and foreign policy.

About seven years ago, I think I was here on this Brookings' stage doing a book event for the late Peter Rodman's book, *Presidential Command*, which makes the same observation. This is the first and more enormous challenge that a President has.

The focus on personnel is really important, but as one of the earlier panels noted, the tendency tends to be on the high profile Cabinet positions, and not enough attention, I think, gets focused on putting together teams of people who both within the agencies can work together and across the agencies can work together.

If you can't get that kind of team work, you will inevitably have all sorts of dysfunctions, particularly in the first year, when a lot of people aren't confirmed. Now, on average, it takes about nine months, and I believe it will be longer in this transition, to get everybody in place.

Philip and I both were part of the Romney transition team planning in 2012. We began our work in July, and by the eve of the election, we were prepared to go in. Philip was on the intelligence side. I was on the defense side.

We were prepared to go in, and we had slates of candidates for all the Senate confirmed positions that could be presented to the Cabinet designees, and we had focused at least on the defense transition very much on the question of how can we get people who can work together so you don't get the kinds of dysfunction you sometimes have, like right now, with Secretary Carter and the Navy Secretary, Ray

Mabus, but that we have had in other defense departments with the sub-Cabinet appointees and the difficulties they can present.

Second, part of that personnel issue is to understand the career elements in the Department of Defense, Department of State, Central Intelligence Agency, other agencies, are not the enemy.

They are the subject matter experts who can help you succeed but only if you establish a relationship of trust with them, and also provide them leadership. They have to have commanders' intent, as we used to say in the Department of Defense. They have to know what direction the new team is trying to move in.

I'll just say on that score, they have to overcome, the new team, whoever it is, has to overcome a deep bias. My Foreign Service colleague, former Foreign Service colleague, Gavis Bowland, used to have what she called her iron law of transitions, which was no matter how much you hated the last group of political appointees who were your overlords in the outgoing Administration, the new team actually makes you have nostalgia for the old one. (Laughter)

Which, I think, is testimony to the sort of rough shake down crews that almost every first year of an Administration turns out to be.

The second piece of advice that I would give is to try in the early period spend some time in the first few weeks before something happens, before events, as Macmillan said, starts to drive you, to actually understand the policy in being before you start trying to change it.

There are inevitably caricatures of what the policy actually is. The folks who are in government have been working this in extraordinary detail. There is a lot that can go wrong when you start to make adjustments, and it's not that you shouldn't change

the policies, every Administration that comes in wants to do that, appropriately, but you need to understand what it is you are changing before you start changing it.

All too often, people come in with a lot of bright ideas, as Philip says, and I agree completely with what he says about staff work, they haven't been adequately staffed, and the first order of business for orderly staff work is to understand what it is that is in place before you start to change it.

MR. INDYK: Thank you. One of the things I'd like to focus on is the relationship between the White House and the different departments and agencies of national security. We clearly have a situation now where there is a good deal of tension between the incoming President and the CIA, and the standard tension between the CIA and the FBI.

When you think back to Kissinger's days, also with Brzezinski, Vance, Kissinger and Rogers, the NSC and the State Department were really at loggerheads for much of those early years in the Nixon Administration, and then the Carter Administration, we had the same in Bush between Rumsfeld, Colin Powell, and Vice President Cheney.

What is your sense given your experience with all of that about how to ensure that it doesn't end up dysfunctional, or is it just in the nature of the personalities rather than the structure of things that you're going to have these kinds of tensions?

Is there anything that you can advise about what needs to be done in that regard to avoid the kinds of battle royales that we have seen in the past?

MR. ZELIKOW: Yes, there is. First, let me talk about the NSC staff issues for just a second, and then I want to touch on the FBI/CIA issues.

The NSC staff issues, is the NSC staff too large? Yes. It is micromanaged too much? Yes, I think so. I think it's because basically it's extremely

large and they're holding constant meetings because they don't know better. It's not a Democratic/Republican phenomenon.

MR. INDYK: We're talking about 400 staffers?

MR. ZELIKOW: Yes. The NSC staff for George H.W. Bush and --

MR. INDYK: What was it in those days?

MR. ZELIKOW: Fifty professionals. It is generally regarded as having been a highly functional staff operation.

MR. INDYK: But it was too small?

MR. ZELIKOW: Actually, it was not too small. (Laughter)

MR. INDYK: I thought it was too small.

MR. ZELIKOW: We were only able to end the Cold War and win the Gulf War. (Laughter) By the way, when Franklin Roosevelt won World War II with the largest national security establishment the country has ever seen, and running 50 percent of the United States' economy to boot, they did that with nine White House staffers. This was not because Roosevelt was disengaged or Harry Hopkins.

So, it just tells you something about the what you are doing is important. There is the Eisenhower system that was totally different, but also highly functional. The point about that is rather than get into well, shrink it by a third. I was on a transition where we got -- on an NSC transition, to shrink it by a third. That's a meaningless thing to say.

What do you want the staff to do, and what do you want the executive departments to do, and then work on the staff numbers that flow from that if you actually are clear about how these jobs are defined?

Most NSC staff jobs, you might be interested to learn, don't even come with a written job description, much less any training. I mean not one day of training.

If you work on the substance of what these people do, what the different roles are, a lot of this stuff will then begin to take care of itself. If you actually begin to realize that the more you bloat the staff, in some ways, you make staffers more powerful. You don't actually make the President any wiser or more powerful. It's a difference.

NSC staff. Let me talk a little bit about the FBI/CIA issues, because I'm uneasy about this. When I did the 9/11 Commission work, one of the administrations we looked at was the Clinton Administration, which as you may remember, Martin, had a dysfunctional relationship with the Director of the FBI, Louie Freeh, who half suspected that his White House clients might be engaged in criminal activity that he would have to investigate.

No matter who was going to be elected in November, a difficult relationship with the FBI Director was and is assured, but that's one of the reasons Congress tried to give the FBI Director a high degree of independence in the way they set up the job. We will see how that works out.

If you keep the current Director, it's strained. If you fire the current Director, could be worse, actually. There's a problem.

You have all this flack with the intelligence community. Here's kind of the point I wanted to make about this. All this flack is undermining a condition of trust. Now, I want to stress the value of trust is not so the Presidents will salute when the intelligence community talks. That's not the point.

You get the trust not so they will always agree, you get the trust so you can have healthy arguments. Usually, a condition of distrust results in frozen relationships where each side begins behaving in passive-aggressive ways, kind of throwing their assessments across to the others, ignoring, and so on, and what you don't

get is the healthy give and take and interaction, which can be tough minded, and has to be.

I mean the greatest intelligence disaster of my lifetime was the WMD catastrophe with Iraq in 2002. The problem in that catastrophe was not that they interacted too little, they should have interacted much, much more. There should have been a much more tough minded argument going on about the nature of the intelligence, and actually, that should have been going on even back in the Clinton years when those assessments originated, actually.

You are building trust, frankly, so that you can have those kinds of discussions with different intelligence agencies quarreling over different things, and FBI has this take, or CIA has that take, but nobody in the conversation feels like they are threatened by that.

As the atmosphere gets frostier and frostier, it's not a matter of who agrees with whom, it is a matter of the quality of the thought and the quality of the discussion.

MR. EDELMAN: I largely agree with Philip. First of all, it is natural that your Cabinet officers and the other members of the National Security Council when they meet in the various fora, whether deputies or principals, are going to represent the view of their agency, which has a specific mission, and therefore, will look at things differently.

In the Department of Defense, we look at things differently than we did in the Department of State. From the White House, you had a different view. Having at various points in my career been in all three of those positions, it's natural, and you want some disagreement. I mean, you don't want unanimity. When I said you need team work, that's different than saying unanimity.

The last thing you want is group think, premature closure on issues where people think they have the answer before they have actually talked it all through, as Philip was just suggesting. That is a very hard thing to orchestrate, particularly when you have very big personalities and previous reputations, et cetera.

In particular, I think one of the challenges is that the Cabinet secretaries and the Director of CIA or the Director of National Intelligence have a kind of Janis based role. On the one hand, they are the instrument of the President imposing his agenda on the respective institution.

On the other, they are the voice of the institutional interests and prerogatives of the institution they sit on top of, trying to make that point of view heard in the interagency deliberations.

Maintaining a balance of those two roles is very hard for individual Cabinet officers, I think. Frankly, an emotionally intelligent President will be looking for people who can balance those two roles when they pick their Cabinet officers.

MR. INDYK: Do either of you expect to see the kind of bureaucratic warfare that we have seen between previous national security advisors and the Secretaries of State and Secretaries of Defense? Of course, we don't exactly know who the Secretary of State is going to be at this point. We have the former head of the Defense Intelligence Agency as National Security Advisor, and he has pretty strong views about the intelligence agencies. It looks like it is baked into the system already.

MR. EDELMAN: Well, as one of the panelists earlier said or a couple of panelists earlier said, who knows, I think it's going to be a little hard to tell.

I will say this, anybody who thinks it doesn't matter whether someone was a three star or a four star has never worked a day in the Pentagon. (Laughter)

MR. INDYK: Unpack that one for us.

MR. EDELMAN: I think I'm going to be very interested to see how the dynamic between or among, I should say --

MR. ZELIKOW: Glenn having been a three star, Mattis having been a four star.

MR. EDELMAN: And Kelly.

MR. ZELIKOW: And Kelly, a four star.

MR. EDELMAN: The dynamic among Generals Kelly and Mattis, who are fantastic people, and General Flynn, who was a first rate intelligence professional in his career. It is going to be very interesting to see how that dynamic plays out.

MR. INDYK: Does it matter that we are going to likely have a general in charge of the civilian side of the Pentagon?

MR. EDELMAN: I do think it matters. I think the law was drafted pretty carefully back in 1947. The circumstances have changed from the circumstances we faced then when we were initially unifying the military departments and creating the unified Department of Defense, so maybe the urgency is a little bit less than it was.

There still is, I think, there are a number of issues that come along with this. I know General Mattis. He's a really outstanding, thoughtful, extremely well read officer, and I'm sure he's very well aware of the pitfalls and the dangers, and I'm sure he will be trying very hard to avoid stepping in those. But there are issues, I think, having to do with Democratic, political, civilian control of the military that arise from this.

MR. INDYK: So, let's go back to Congress and a different dimension of this.

MR. ZELIKOW: I was conjuring up this mental image of high school chemistry class gone a wild. (Laughter) You let the students use any compounds they want, and start mixing them up, who knows what will happen. You kind of stand outside

in the hall. You hear all this stuff fizzing and smoking in the classroom. Fumes begin to leak out through the door. I wonder what's going on, I wonder what will happen.

(Laughter)

MR. EDELMAN: I wonder what will happen.

MR. INDYK: It feels like that. Since we're all wondering, everybody here, I'm sure is wondering, we haven't had a President that sees destructive diplomacy as a constructive and productive way of moving forward.

What kind of challenge is that going to pose to the national security agencies? The first instance of that was with the phone call from the President of Taiwan. Kellyanne Conway today said President Trump is going to move the U.S. Embassy to Jerusalem.

MR. ZELIKOW: The Chinese Embassy to Jerusalem. (Laughter) From Beijing to Jerusalem. Centralize these operations in Asia. (Laughter)

MR. INDYK: Do you have any experience with this about how the national security bureaucracies are going to deal with this kind of disruptive approach?

MR. ZELIKOW: This is kind of what they thought was going to happen in December 1980 after Reagan was elected. They thought the Apocalypse might be coming. It didn't quite turn out that way. You just have to kind of recover some of the images people had back then, but this is different.

Donald Trump is sui generis. This is a different situation. On the one hand, no one who went through this campaign thinks ah, a natural born diplomat is he. (Laughter) On the other hand, this is a man who has written a book called "The Art of the Deal."

Actually, in this spirit, I have like an 8,000-word essay coming out tomorrow called "The Art of the Global Deal," in which I basically say geez, if I really took

this seriously, took their themes seriously, here's how one might go about connecting the dots.

Here's the interesting thing that I think they will encounter. (a) there are some things they are going to want to get done, the domestic agenda alone, I can see where that's going, and there are serious people involved in it, and that is going to take up 150 percent of the oxygen in the room, just the domestic agenda plus immigration.

MR. INDYK: Tax reform, infrastructure.

MR. ZELIKOW: There's this little thing about health care. Man. They are serious and that's moving, so that's 150 percent of the oxygen in the room. Now, what's left over for foreign policy? How much noise do I want foreign policy to make in the first six to nine months?

Actually, when President Bush came into office in 2001, he wasn't looking to make a lot of headlines on foreign policy. He had some heavy lifting he wanted to do on the domestic side, and so does this Administration. So does Mike Pence and Paul Ryan. So, there is that factor.

Then there's another factor. I can find people in this team who will want to pick fights with about three-quarters of the countries in the world. I think I can pretty seriously just about get there without working hard.

It turns out that if you do that, you're going to make a lot of noise and consume a lot of oxygen. I actually think the last few years have been very bad for the United States and for the global system.

My big takeaway from that is now, ladies and gentlemen, we now need to enter a time of preparedness. We need to make our country stronger. If you think of this as if it was 1975 after the Vietnam War, if you like even darker analogies, 1935, we would counsel preparedness.

Preparedness doesn't mean you go around picking fights with everyone you can find while you're getting prepared. If you speak softly and carry a big stick, first start getting the big stick ready.

Ideally, that would mean you would actually avoid all unnecessary fights while you were getting stronger, while you were making your institutions stronger. You would try to attract all the friends you possibly could if you really were worried about our situation in the world.

You see, that begins to drive you even if you are worried about the condition in the world, which the President-Elect says he is, that could drive you actually into thinking about diplomacy. If you want to attract friends, avoid unnecessary fights while concentrating on preparedness. Diplomacy will be your handmaiden.

MR. INDYK: Interesting. Eric, we are going to go to the audience for questions, but since you worked for Vice President Cheney as his National Security Advisor, and it seems clear that Vice President Pence is going to take on a lot of the load when it comes to national security foreign policy, what do you think about that? How is that going to work itself out?

MR. EDELMAN: I think there's one big difference between the relationship that President George W. Bush and Dick Cheney had, and Andy Card is in the crowd, so he can correct me if I'm wrong, and the relationship that President-Elect Trump and Vice President-Elect Pence have, and that is Vice President Cheney had no higher political ambitions. The relationship he therefore had with the President was, I think, unfettered by that natural tension that occurs between other presidents and vice presidents.

Vice President Pence, I think, clearly is someone who potentially has a political future in elective politics, and that will introduce, I think, potentially some tensions.

I also think -- I have very high regard for Vice President-Elect Pence. I thought of all the statements made by any of the candidates in the three debates on foreign affairs, he was the most articulate, the most compelling, when discussing Syria and Russia, but in the second presidential debate, it didn't take too long before the President-Elect disowned him and threw him under the bus in terms of those positions.

I think there is potentially some danger here. I would say, Martin, to your earlier point on disruption, if I could, this I know is kind of hearsay for the foreign affairs clerisy, but I personally was not troubled that much by the phone call from President Tsai. I think it's fine.

MR. INDYK: The Taiwanese president.

MR. EDELMAN: The Taiwanese president. I think it's fine to perhaps throw the folks in Beijing off balance a little bit. That doesn't bother me. What does bother me is that one would have hoped that it was the result of a deliberative process and part of a clearly thought out strategy with a plan for how you manage all of this, and it's pretty clear from the President-Elect's comments over the weekend that was not the case.

I also think the reaction from Beijing, which actually I thought was pretty mild, should not have elicited a Tweet storm. I think part of the issue here is it's fine for the President to try to change our policies, he was elected, he has the right to do that, and it's fine to decide you don't want to be bound by the one China policy any more, but to just say we're not going to be bound by things that we have undertaken as a nation before through multiple Administrations has, I think, ripple effects he may not yet be

aware of in terms of the way it will call into question both for our allies and potential adversaries America's commitments in other parts of the world.

I think the credibility of our commitments has already been undermined to some degree by an incumbent President who has not paid enough attention to that, and who has been pretty dismissive of harping on credibility, but I think it's actually very, very important.

MR. ZELIKOW: Just to give you an illustration of what we mean about diplomacy and strategy. Eric just talked about the phone call with President Tsai of Taiwan, and actually, we both share the view that in itself, that's not necessarily shocking. There was the follow-on Tweet storm.

We are getting ready to adopt an economic approach that probably is going to confront China economically in some fashion. There are some arguments about how. So, we were already planning to push them fairly hard economically.

The question is as a strategic matter, do you say to yourself we might have an economic confrontation with China in the coming year, do you also say to yourself, hey, let's escalate this and make it a confrontation with them on their other core interests, having to do with their definition of sovereignty and other things in the region, and let's confront them on all those core interests at the same time.

Is that the smart play?

MR. INDYK: The President-Elect addressed that yesterday as something he would trade off, but I think President Tsai of Taiwan would have a little bit of a problem being a pawn or used in the tradeoff.

MR. ZELIKOW: You could imagine, geez, if Henry Kissinger on steroids was available --

MR. INDYK: He is available.

MR. ZELIKOW: He's not taking steroids any more. (Laughter) If you confront them on all these fronts simultaneously, now you are worried about everything, we're going to construct this incredibly elaborate deal in which basically we're going to roll back our relations to where it was in the mid-1970s and then try to recraft the whole bargain from scratch on all these issues - that would test the skills of the wisest and most experienced statesman we had.

Maybe if we thought we could pull that domain off, that's one story, while again we are doing all this domestic stuff and everything else --

MR. INDYK: China also holds over \$1 trillion of our Treasury.

MR. ZELIKOW: You see the problem. Maybe in a way, the rebuttal to basically the kind of strategic approach that Eric and I are counseling, which isn't so much decking a fight with China, it's more how to pick and structure it.

The Chinese leaders know a difficult phase is coming, but they'd like to try to channel that constructively and manage the internal threats in their world.

MR. INDYK: So, what you want is disruption with a purpose. Let's go to the audience. Let's take three questions first, and then we will come back to the panelists. Yes, please.

MR. ROPINSKY: My name is Jack Ropinsky, unaffiliated. A simple question about how many different major initiatives can the new President handle and his team, and how would you split that between domestic, where you have like the legislative clock for the first year, versus international, where there are a lot of things that are not under your control, but there are a lot of important things, like China and Russia and the Middle East?

MR. INDYK: Over here.

MR. BLOOM: Peter Bloom, retired Foreign Service officer. Philip, you talked extensively about before we get too much more involved in foreign policy about preparedness. I'd like to know what your definition is, and what we are hearing, you know, is a big military build-up budget, which, of course, as things go, would hurt the domestic budget, and of course, that will become a fight.

I'd like your definition of what "preparedness" really means in the context of what you were talking about.

MR. INDYK: Third question? (No response) Eric, do you want to start with priorities and preparedness?

MR. EDELMAN: Well, I think if the President-Elect is going to make good on his Philadelphia speech, in which he talked about rebuilding the military, then I hope he would take advantage of the window of opportunity that people in previous panels have talked about in terms of united government, to seek a repeal of the Budget Control Act, and an end to sequestration of the defense budget, and a move back to a top line.

I would argue as we did in the bipartisan National Defense Panel that reported out two years ago at the request of the Congress that it be at the level that Bob Gates set it at for the fiscal year 2012 budget proposed by the Obama Administration before BCA and sequestration hit, which would in effect going out in the next 10 years essentially restore a lot of the money that was cut out of the defense budget during the last eight years.

I think that is going to be a sine qua non for having an effective diplomatic effort. I'm fond of quoting George Kennan to my Foreign Service colleagues who gave a lecture in 1946 at the National War College in which he said you have no

idea how much more civil and polite diplomatic exchanges are if you have a little bit of military power sitting behind you. I think that's an important facilitator for a president.

I would add that I think there ought to be a supplemental, an emergency supplemental, as Chairman Thornberry of the House Armed Services Committee and Senator Tom Cotton in the Senate have called for, to deal with some of the readiness problems that have been identified by the Obama Administration and the Chiefs right now.

MR. ZELIKOW: So, on the question about number of priorities, it's a true question. Andy Card, who is here, looked after this question in 2001. If my memory is right, Andy, there were two big ones, taxes and education, both on the domestic side.

This Administration currently, I think, is planning to do at least four, possibly five huge lists. What are the four? Immigration, tax reform, health care --

MR. EDELMAN: Infrastructure.

MR. ZELIKOW: Supreme Court. If you want to throw in infrastructure, then whether or not you count overall budget balancing, lifting sequestration, and budget targets.

We could go on, but you are already beginning to sense the scale. You do have an unusual constellation of circumstances and people in which much is maybe possible, but then the question will be how much and again, that has implications for how you want to manage your confirmation fights, your foreign policy stuff, if you're thinking strategically.

The question about preparedness, Eric's point is exactly right, which I would only add two things. One is think about -- I believe both the foreign policy and defense policy institutions are actually fundamentally still stuck in the late 20th century,

and are highly optimized to win the Cold War, and remain so 25 years later with various clip-ons that have been snapped on to them over the last 25 years.

I think both foreign and defense institutions actually are in need of profound overhaul and rethinking of the kind that occurred in many respects in the 1920s and 1930s, but also the memory of what we did in the 1970s and 1980s, after Vietnam, very interesting, especially on the defense side.

We need that kind of gravity of thinking now. Just take the example of cybersecurity alone, which is very much in the news today, in terms of kind of the level of our capabilities, even if we made negative conclusions, if you started asking yourself, well, what would we do about it if we came to very negative conclusions about foreign intervention in our country's politics, what would we do about that, what options could a president even consider under the current circumstances and so on.

You begin to see the concerns about preparedness, but it's not just a defense matter. Above all, if you make it just spend more money, if you spend more money into basically dysfunctional and broken institutions, you're going to get like 20 percent thermal efficiency for your spending.

I think you're going to make a much better case with Congress for much more spending if you couple that with dramatic and vivid interest in a different story of how the money will be invested.

After 9/11, Don Rumsfeld effectively was given between fiscal year 2001 and fiscal year 2006 \$1 trillion of additional defense investment, not counting the OCO budgets. More than \$1 trillion. Did we get \$1 trillion worth of bang and adaptation for that buck? I contend we did not. We shouldn't do that again.

MR. INDYK: Donald Trump tweeted about the 747s and said that Boeing was essentially overcharging. Today, he tweeted --

MR. EDELMAN: Lockheed today.

MR. INDYK: That F-35s were too expensive. What do you think first of all about the idea that we need a new story here, and should we expect that Donald Trump is going to take on the defense industrial complex?

MR. EDELMAN: I agree with Philip that I would not invest \$1 trillion going forward in the program with the record as it exists now. The truth is the Department of Defense has been living on the benefits of the Carter/Reagan defense build-up for a very, very long time, and we have not been investing in maintaining our qualitative edge over potential adversaries for a very long time.

Which is why both Secretaries Hagel and Carter have been very focused on the potential of our losing that edge and the importance of what they call the "third offset strategy," which is an effort to find ways to leap ahead in new technologies, and I think that is a very important effort. It will be interesting to see what the new Administration does with that effort as they come into office.

I am troubled by the way the President-Elect has been attacking Boeing and Lockheed, and neither one of them are paying me to say this, but the President of the United States has just enormous power.

I'm not sure the President-Elect appreciates how much what he is doing could affect the stock price of these companies, is going to shape the way they respond to different kinds of Defense Department requirements and contracts, et cetera.

There is a whole chain of things that will flow from this that I'm not sure he's thinking all the way through, and I think it's troublesome.

The F-35 has had its problems as a program, but I don't think tweeting is the way to deal with it. (Laughter)

MR. INDYK: We will leave it at that. Thank you all very much.

(Applause)

MR. ANTHOLIS: A quick word of thanks to the people that really pulled this altogether on the governance studies side at Brookings, and the general staff here at Brookings, our own staff from the Miller Center, particularly Karen McGrath, Susan Cortese, Tony Lucadamo, Howard Witt, and Tom van der Voort, and the Advisory Council for the First Year Project, many of whom are here.

I would try to name them all, but there are handouts in the back that have them all there, and for fear of leaving someone out, please pick one up on your way out.

So, thank you all, and again, thanks to this terrific final panel. (Applause)

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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