President George W. Bush
Oral History Project

BRIEFING MATERIALS

Elaine L. Chao

January 17, 2019
Prepared by Rob Martin & Bryan Craig, Senior Researchers
December 2018

Presidential Oral History Program

MAY NOT BE REPRODUCED OR CIRCULATED
1983  Elaine L. Chao serves in the Reagan administration as a White House fellow, where she works on the Domestic Policy Council. (The Washington Post, 01/12/2001)

1986  Chao is named deputy administrator of the Federal Maritime Administration. (The Washington Post, 01/12/2001)

1988  Chao is named chairman of the Federal Maritime Administration. (The Washington Post, 01/12/2001)


1991-1992  Chao serves as director of the Peace Corps.

Mid-1990s  Chao serves as president and CEO of the United Way of America, where she helps to clean up and rebuild the organization in the wake of a financial scandal. (The Washington Post, 01/12/2001)


1996-2001  Chao serves as a distinguished fellow at the Heritage Foundation. (The Washington Post, 01/12/2001)

2000  The Republican Convention convenes in Philadelphia on July 31st. Chao speaks on immigration and civil society the opening night. She notes that “too often new immigrants are not welcomed with open arms but instead are confronted with long lines and a bureaucracy that views them with indifference, or worse, suspicion.” She goes on to assert that Bush will “change the character of the INS. He will make America more welcoming to immigrants.” (The New York Times, 08/01/2000; The Washington Post, 07/31/2000)

December  The Supreme Court ends the Florida recount on the 13th. Gore concedes and Bush delivers his acceptance speech. (Carl M. Cannon et al., Boy Genius Karl Rove, the Architect of George W. Bush’s Remarkable Political Triumphs, New York: Public Affairs, 2005, pp. 184-186; McConnell, pp. 119-122)
2001

*January*

Bush nominates Chao as labor secretary on the 11th. Bush’s initial nominee, Linda Chavez, withdrew her nomination after it was revealed that she had hired and provided shelter to an illegal immigrant but failed to disclose this information to the Bush transition team. Chao’s nomination is quickly praised by both business and labor leaders, including Morton Bahr, president of the Communications Workers of America, who had worked with Chao at the United Way. Tom Buffenbarger, president of the International Association of Machinists, predicts that Chao will “sail through” her confirmation hearings. *(The Washington Post, 01/12/2001)*

Bush is inaugurated as the 43rd president on the 20th. *(McConnell, pp. 123-127)*

Chao is unanimously confirmed by the Senate as labor secretary on the 29th, becoming the first Asian American woman to be appointed to the cabinet in U.S. history. Chao, a Taiwanese immigrant, is widely praised during her confirmation hearings as representing the “American Dream.” She goes on to become the only cabinet member in the Bush administration to serve for all eight years, and is the longest serving labor secretary since Francis Perkins under President Franklin D. Roosevelt. *(St. Louis Post-Dispatch, 01/30/2001)*

*February*

On the 8th, Bush sends his $1.6 trillion tax cuts to Congress and asks that they be applied retroactively for the current year. His plan includes a four-bracket structure (thirty-three percent to ten percent) and a repeal of the estate tax, but it does not include capital gains or corporate tax cuts. Some Democrats see it as a plan for the wealthy, but the Administration responds that the tax cuts are crucial to putting extra money in people’s pockets, and that middle-class families will get the largest percentage cut in income taxes. *(The Washington Post, 02/06/2001; USA Today, 02/08/2001; The Wall Street Journal, 02/06/2001)*

Chao travels to Los Angeles on the 14th to meet with the AFL-CIO executive council. *(St. Louis Post-Dispatch, 04/10/2001)*

Bush issues four executive orders on the 16th relating to work issues. One such controversial order relates to the right of union members to withhold any union dues used for political purposes. The AFL-CIO is critical of the executive orders, arguing that they are intended to weaken unions. *(St. Louis Post-Dispatch, 04/10/2001)*

On the 28th, Bush unveils his budget in a speech to a joint session of Congress. He plans to reduce the $3.2 trillion national debt to $1.2 trillion in ten years. *(The New York Times, 02/27/2001, 02/28/2001; USA Today, 05/29/2001)*
**March** Republicans in Congress invoke the Congressional Review Act of 1996 for the first time to repeal an OSHA ergonomics standard that had been enacted in January by President Bill Clinton. The move is criticized by labor groups. Bush signs the resolution on the 20th. Chao says she is willing to consider alternative ergonomics standards that protect workers without hurting business. (*St. Louis Post-Dispatch*, 03/21/2001; *Philadelphia Inquirer*, 03/07/2001)

Bush announces he will not ratify the Kyoto Protocol.

The OMB tells all federal agencies to open approximately 425,000 jobs that are more “commercial” in nature to competitive bidding with the private sector. (*The Washington Post*, 06/01/2001)

The Department of Labor, Small Business Administration, and the Public Forum Institute host the Women Entrepreneurship in the 21st Century conference in Washington, D.C. Chao, who opens the conference, calls the emergence of women entrepreneurs as a “silent but very, very powerful revolution.” Bush also speaks at the conference. (*The Journal Record*, 03/25/2001)

**April** Chao travels out West to promote Bush’s new budget plan. During a stop in San Jose, she calls for a joint task force with the Department of Justice to improve the processing of H-1B visas for highly skilled applicants. She had reportedly met with Attorney General John Ashcroft the previous week to discuss the proposal. (*San Jose Mercury News*, 04/14/2001)

**May** Senator James Jeffords (R-VT) announces he will caucus with the Senate Democrats, giving control of the Senate to the Democrats.

Congress passes a $1.35 trillion tax cut.

**June** On the 14th, Chao, Senator Bill Frist (R-TN), and eight other Senators meet at the White House to discuss the patients’ bill of rights. (*The Washington Post*, 06/17/2001)

**July** Chao sets up a series of forums to discuss ergonomics standards in the workplace. She is expected to announce her decision on whether to adopt new standards in September. Labor leaders, including the AFL-CIO, are critical of the Bush administration’s position on the issue, arguing it is not doing enough to protect workers. Both sides argue that the other is not negotiating in good faith. (*St. Louis Post-Dispatch*, 07/17/2001)

**Summer** Chao goes to the Capitol with Jerry Hood, the Teamsters’ energy adviser, to support Bush’s energy plan, which includes a controversial provision to allow oil drilling in the Arctic National Wildlife Refuge. Chao says labor leaders are “working shoulder to shoulder with the administration” on the energy plan. The
September
Terrorists launch the 9/11 attacks. Chao is at work at the Labor Department at the time of the attacks. She returns home with 35 members of her staff who are unable to get home themselves due to traffic and the shutdown of public transportation. Chao is among the first cabinet secretaries to visit Ground Zero in New York City on the 26th, where she meets with OSHA inspectors to ensure safe rescue and recovery efforts. The Department of Labor provides $57 million in National Emergency Grants to the states most directly hit in the attacks. (laura.genero@dot.gov, email, 11/08/2018; McConnell, pp. 127-129)

In the wake of the 9/11 attacks, the Bush Administration and Congress begin a series of meetings to discuss an economic stimulus. Republicans are interested in cutting the capital gains tax, speeding up the reductions of the income tax-rate in Bush’s tax plan, temporarily slashing the payroll tax, and reducing corporate tax rates. Democrats are interested in public work programs and expanding unemployment insurance. Meanwhile, Chairman of the Federal Reserve Alan Greenspan advocates a slower approach until a better assessment can be made on the direction of the economy. (The New York Times, 09/20/2001; The Washington Post, 10/30/2001)

On the 22nd, Bush signs a $15 billion airline rescue package. (http://cnn.com)

October
On the 5th, Bush announces a $75 billion stimulus plan focusing on a corporate tax cut, hoping to spur growth. The plan does not resolve the division among Democrats and Republicans. Bush decides to offer tax rebates, although some officials predicted they would not be used to stimulate consumer spending but to pay off bills or save. Even with the rebates, Democrats still criticize the plan for not doing enough for low-income and unemployed people. (Rove, pp. 306-307; The Washington Post, 10/06/2001)

On the 7th, Operation Enduring Freedom in Afghanistan begins.

The Capitol shuts down on the 17th amidst an anthrax scare.

Bush signs the Patriot Act on the 26th.

On October 24th, the House passes a $100 billion economic stimulus plan focusing on corporate tax cuts and a one-time individual tax rebate. The Senate Finance Committee passes its bill on November 4th focusing on new spending and less on tax cuts. By December, both sides fail to reach a consensus. (2001 CQ Almanac, pp. 18-7 to 18-18; The New York Times, 12/04/2001)

November
Talks on the patients’ bill of rights resume between the White House and Senator Edward M. Kennedy (D-MA). Nick Calio, Bush’s assistant for legislative affairs,
monitors the negotiations, which remain centered on patients’ rights to sue, as well as caps on damage awards. The talks proceed fitfully until August 2002, when Kennedy and his co-sponsors, Senators John McCain (R-AZ) and John Edwards (D-NC), abandon the negotiation after unsuccessful efforts to reach an agreement. (*The New York Times*, 08/02/2002; *New Republic*, 02/25/2002)

**December**

Enron files for bankruptcy.

On the 5th, the Senate passes a railroad workers pension bill (HR 10) to allow pension funds to be invested in stocks and bonds. Kennedy votes in favor of the bill and Bush signs it into law. (*2001 CQ Almanac*, pp. 13-4 to 13-5, S-73)

**2002**

**January**

On the 10th, Bush calls a meeting on corporate governance and pension protection in the wake of Enron’s collapse. It is revealed that after CEO Ken Lay made several phone calls to the Treasury Department the previous October, Lawrence Lindsey, director of the National Economic Council, and other economic aides reportedly reviewed how Enron’s financial difficulties would affect energy, currency, equity and bond markets. At that time, Enron’s credit rating was being reviewed as stories unfolded about the company’s manipulation of accounting rules and its lack of cash reserves. (Ron Suskind, *The Price of Loyalty*, New York: Simon & Schuster, 2004, pp. 203-205; *The Washington Post*, 02/02/2002, 05/23/2002, 05/24/2002)

**February**


Chao testifies before the House Committee on Education and the Workforce on the 6th on 401(k)s, in which she discusses the Bush administration’s new proposal to strengthen worker protections and pension laws in the wake of the Enron scandal. The retirement funds of Enron employees, which contained substantial Enron stock, suffered massive losses following Enron’s collapse. Bush proposes to increase employee flexibility to manage their own retirement funds. Enron, for example, had required its employees to retain its matching company stock in their retirement plans until they were 50 years old, preventing them from selling off the stock as it tumbled. Bush proposes to reduce that figure to three years. Enron employees had also been “locked out” of their accounts during a period when the stock took large losses, as Enron continued engaging in dubious accounting practices. (*The Atlanta Journal-Constitution*, 02/07/2002)

**March**

Bush signs the Bipartisan Campaign Reform Act.

On the 4th, Bush announces up to a 30 percent increase in tariffs on most imported steel to protect the U.S. steel industry. It is not an across-the-board tariff and it is
meant only to help the U.S. industry restructure and modernize. (*The Washington Post*, 03/05/2002)


The Senate pension reform bill does not get to the floor as Republicans refuse to support it. Senator Max Baucus (D-MT) also drafts a bill for pension reform. His bill requires companies to alert employees promptly if executives sell company stock, and notifies employees within 30 days of a blackout period (a time when companies could not sell company stock). The bill also includes amendments dealing with tax issues. Baucus opposes workers sitting on pension plan boards. Senate Majority Leader Tom Daschle (D-SD) asks Baucus and Kennedy to work out the differences and have something for him by September 3rd. (*2002 CQ Almanac*, pp. 12-5; *The Washington Post*, 08/18/2002)

### April

The Bush administration announces that it will issue new guidelines on ergonomics standards but will not issue any new regulations. Critics complain that the new guidelines would not be enforceable. Testifying before Congress, Chao defends the plan, arguing it will enable labor to work with business and government to write the new guidelines together, and that it would help workers sooner by avoiding legal and political fights over controversial new regulations. (*The Washington Post*, 04/19/2002; *The Philadelphia Inquirer*, 04/20/2002)

### June

Chao attends the third biennial NFIB National Small Business Summit in Washington from the 12th-15th. Questions concerning health care, minimum wage, the death tax, and regulatory reform are reportedly high on the agenda. (*Vancouver Business Journal*, 05/24/2002)

### August

On the 13th, Bush holds an economic conference at Waco, Texas, inviting CEOs, economists, labor leaders, consumer groups, and small business owners. (*The New York Times*, 08/14/2002)

### September

The Labor Department reports on the 6th that the unemployment rate had dropped to a five-month low in August. Chao says that the “labor market appears to be stabilizing” following a downward economic trend the previous year. (*The Globe and Mail*, 09/07/2002)

Baucus and Kennedy unveil a compromise pension bill. The only provision from Kennedy is that employees can sell their stock after three years. Kennedy tries to add an amendment which would place employees on trustee boards that manage 401(k) plans, but Republicans see it as a way for unions to sit on corporate boards. Kennedy considers including language to limit how employees can invest. Because of threats of a GOP filibuster and adding other unrelated
amendments to it, Daschle does not send the bill to the floor. (2002 CQ Almanac, pp. 12-6)

October

On the 8th, Bush intervenes in an 11-day lockout of West Coast dockworkers to reopen 29 ports after talks between the unions and shipping lines had broken down. The shipping lines had locked the dockworkers out citing a work slowdown following a dispute over pensions and other benefits. Bush had formed a board of inquiry as required under the Taft-Hartley Act as a first step on the 7th to study the impact of the strike on the economy and to determine if both sides have been negotiating in good faith. The Bush administration is also reportedly concerned about the impact of the lockout on the movement of military supplies. Chao appears with Bush at the White House to announce that an injunction has been granted to force the dockworkers back to work temporarily pending a fuller hearing on the 16th. (The New York Times, 10/09/2002; The Atlanta Journal-Constitution, 10/08/2002)

November

Republicans expand their congressional majorities in midterm elections.

Chao attends the U.S.-Mexico Binational Commission meeting on the 26th. The U.S. delegation is led by Secretary of State Colin Powell. Trade, immigration and border issues are reportedly high on the agenda. (San Jose Mercury News, 11/27/2002)

2003

January

On the 8th, Bush proposes an economic stimulus plan that accelerates the reduction of income tax rates and the reduction of dividends and capital gains for individual investors. The plan also increases child-tax credits and eliminates the marriage penalty tax. The cuts add up to $674 billion. Chao, Vice President Dick Cheney, and Commerce Secretary Don Evans begin traveling around the country to build support for the economic plan. Congress passes the Jobs and Growth Tax Relief Reconciliation Act of 2003 in late May. (The New York Times, 01/29/2003; St. Louis Post-Dispatch, 02/22/2003)

February

McConnell has successful heart surgery. (McConnell, pp. 141-142)

March

The Labor Department unveils plans to modernize overtime rules. Business groups lobbied the White House to update the rules, since the current standards, which date back more than twenty years, included obsolete jobs and vague language, which has caused an explosion in litigation. The new rules would guarantee overtime pay for workers making less than $22,100/yr., but other employees could potentially become exempt from overtime, including workers who earn more than $65,000/yr. or who can be defined as executives, administrative officials, or "learned professionals," if they have specialized training. Kennedy and Senator Tom Harkin (D-IA) lead the fight against the changes. (CQ Weekly, 05/08/2004)
Chao says that February’s increase in unemployment is “unexpected and disappointing” but points out that the president’s tax plan, if passed, is expected to create 1.4 million new jobs. *(Ottawa Citizen, 03/08/2003)*

**May**


**June**

Kennedy and 41 other senators send a letter to Chao asking to scrap the plan to change overtime rules. *(Daily News, 07/01/2003)*

**July**

Chao, Evans, and Treasury Secretary John Snow travel to Wisconsin and Minnesota on a two-day trip on the 29th to discuss the president’s tax cut plan. During the trip, they are reportedly asked about unemployment and the trade imbalance with China. *(USA Today, 07/30/2003)*

**September**

The Senate votes 54-45 on the 10th against the Labor Department’s plan to reform the nation’s overtime rules. The House had already backed the administration’s plan earlier that summer. There is reportedly concern that the new rules could disqualify 8 million people from overtime pay. *(The York Dispatch, 09/11/2003)*

**November**


**December**

On the 8th, Bush signs the Medicare Modernization Act that includes prescription drug benefits.

2004

**January**

Bush proposes immigration reform.

On the 22nd, an amendment that would have prevented the Labor Department from reforming overtime regulations is stripped from an appropriations bill in the Senate. Chao is now expected to issue new regulations in the next few months. She says, “We look forward to issuing a final rule soon that will strengthen overtime protections for workers and create jobs by reducing needless litigation.” Chao also denies that certain workers with military training will lose overtime benefits under the new changes. *(USA Today, 01/23/2004)*
February

Chao continues traveling around the U.S. to help build support for the administration’s economic plan. On the 18th, Chao speaks in Portland with Evans, Snow, and Small Business Administrator Hector Barreto. The group points to five consecutive months of job growth as an indication that the administration’s economic policies are already working. Later in the week, Chao travels to Missouri, where she argues the administration’s economic plan will cut taxes, create jobs, stimulate the economy, help small businesses gain access to better health care, and assist laid-off workers. (*The Columbian*, 02/19/2004; *St. Louis Post-Dispatch*, 02/22/2004)

On the 31st, Frist pulls a welfare bill from the floor when Senator Barbara Boxer (D-CA) and Kennedy amend the bill to raise the minimum wage to $7/hr. within two years. Two weeks earlier, Bush had suffered another legislative setback when Frist had to pull a corporate tax bill from the floor to prevent Democrats from blocking the Labor Department from implementing the new overtime rules. (2004 *CQ Almanac*, Washington, D.C.: Congressional Quarterly, Inc., 2005, pp. 8-5, 17-6; *The New York Times*, 04/02/2004)

April

Chao issues revised changes of overtime regulations on the 20th, scaling back some of the changes initially proposed in 2003. The revised rules would raise the eligibility for overtime from below $22,100/yr. to below $23,660/yr. and raise the cap from $65,000/yr. to $100,000/yr., thus increasing the total number of workers eligible for overtime. Overtime pay would also be guaranteed for police officers, firefighters, and other emergency and public safety workers. The new rules are scheduled to go into effect on August 23rd. (*CQ Weekly*, 05/08/2004; *Atlanta Journal-Constitution*, 04/25/2004)

May

Chao meets with nursing students in Florida on the 3rd during a multi-state tour to discuss the Labor Department’s new regulations on overtime pay. There has reportedly been some confusion surrounding who would and wouldn’t be eligible for overtime pay under the new rules, including nurses. (*Florida Times-Union*, 05/04/2004)

On the 4th, the Senate approves an amendment which would block some of the Labor Department’s new rules on overtime pay and increase the number of workers eligible for overtime. Chao argues that the Harkin amendment undermines the new regulations put in place to protect overtime for police officers, fire fighters, and other first responders. (*The Atlanta Journal-Constitution*, 05/04/2004)

On the 11th, the Senate votes 92-5 to pass a corporate tax bill with an amendment to block implementation of the overtime rules. The amendment is later dropped in committee and the rules go into effect in August. (*CQ Weekly*, 5/11/2004, 12/11/2004)
On the 18th, Bush signs the U.S.-Australian free trade agreement modeled after NAFTA. He goes on to sign two more free trade agreements with Morocco and Bahrain in 2004. (http://georgewbush-whitehouse.archives.gov)

**September**

Chao speaks at the Republican National Convention on the 1st on Bush’s economic plan and job creation programs. *(The Washington Post, 09/01/2004)*

The Labor Department takes over the Department of Energy’s occupational illness compensation program. The Energy Department had been widely criticized for processing claims at a very slow speed. The Labor Department is later credited with effectively expediting the process. *(The Augusta Chronicle, 08/02/2005)*

**October**


**November**

Bush beats Senator John Kerry (D-MA) and is reelected president on the 2nd. Chao campaigns heavily for the president in the weeks before the election. *(Peter Baker, Days of Fire, New York: Doubleday, 2103, p. 342)*

**December**

The White House announces that Chao will stay on as labor secretary in Bush’s second term. *(Austin American-Statesman, 12/10/2004)*

The Pension Benefit Guaranty Corporation (PBGC), which is the government agency that guarantees corporate pension plans for private workers with defined-benefit pension plans, announces that it will take over the retirement plans of more than 14,000 active and retired United Airlines pilots. Chao heads the PBGC’s board. *(National Post’s Financial Post and FP Investing, 01/11/2005)*

**2005**

**January**

Chao unveils the administration’s pension reform plan in a speech before the National Press Club in Washington on the 10th. The plan would raise the pension insurance premiums that companies must pay and would require companies with underfunded plans and poor credit ratings to pay even higher premiums. The increased premiums would help reduce the PBGC’s $23 billion deficit from last year, which is largely attributed to the decline of the steel industry and defaults within the airline industry. Chao says that a tax-payer bailout will not be necessary. The administration’s plan would also simplify the funding rules for determining a company’s pension liability by switching to a single standard focused on the company’s risk of terminating its employees’ pensions. It would also increase disclosure and transparency for the workers, investors, and regulators. Under the plan, workers would be able to make higher contributions to their pension plans during good economic times. Pension reform is considered to be a top priority for the Bush administration in its second term. Under the plan, workers would be able to divert some of their Social Security taxes they pay into private accounts. *(The New York Times, 01/11/2005; The Globe and Mail, 01/11/2005)*
April
Bush launches his bid to restructure Social Security and allow workers to put part of their Social Security taxes into private retirement investment accounts. Chao participates in the administration’s “60 Stops in 60 Days Tour” to help make the case for Social Security reform. Though the administration’s plan is modeled on a similar proposal by financial executive Robert Pozen, it receives mixed support. Democrats charge that Bush is trying to privatize Social Security and the initiative stalls during the summer. (George W. Bush, *Decision Points*, New York: Crown, 2010, pp. 298-301; *The New York Times*, 01/12/2005; *The Washington Post*, 04/06/2005)

As some businesses complain about workers taking liberties with the Family Medical Leave Act (FMLA), the Labor Department looks into revising the rule by spelling out what constitutes a serious condition or illness. In response, on the 10th, Senators Hillary Clinton (D-NY), Chris Dodd (D-CT), and Kennedy send a letter to Chao urging her not to touch FMLA. (*The Washington Post*, 4/26/2005)

June
Speaking at Pace University on the 6th, Chao announces a $1.1 million grant to train new nursing instructors. Healthcare experts are concerned that the dearth of nursing instructors is contributing to the growing lack of new qualified nurses in the country. The grant is part of a wider $12 million plan to train new instructors throughout the healthcare and biotech fields. (*The New York Times*, 06/07/2005)

August
The Labor Department announces on the 5th that 207,000 new jobs were created in July. (*The New York Times*, 08/06/2005)

On the 29th, Hurricane Katrina hits the Gulf coast. The Labor Department moves quickly to dispense millions of dollars in financial help throughout the region. (laura.genero@dot.gov, email, 11/08/2018)

October
Testifying before the Senate Judiciary Committee on the 18th, Chao and Homeland Security Secretary Michael Chernoff call on Congress to pass the administration’s three-point immigration reform plan. The comprehensive reform plan calls for increased border security, a tougher crack-down on illegal immigrants already in the country, and a controversial guest-worker program. The guest-worker program would allow for illegal immigrants already in the country to apply for a three-year work permit that could be renewed once after paying a substantial fine. Chao argues that this would enable foreign workers to perform jobs not otherwise wanted by American workers, including unskilled labor and seasonal agricultural work. Conservative Republicans criticize the proposal as an amnesty program. However, Chao argues that it is not because all illegal immigrants would be required to return to their country of origin after a maximum of six years. Chao also points out that the guest workers could only be hired after their employers prove they were not able to fill those positions by American workers. (*The Philadelphia Inquirer*, 10/19/2005; *The Atlanta Journal-Constitution*, 10/19/2005)
January

Twelve people are killed in a coal mining explosion in Sago, West Virginia on the 2nd. Two people die in a subsequent fire on the 19th at the Arocoma Alma Mine No. 1, prompting many to question the Mine Safety and Health Administration’s (MSHA) enforcement of mine-safety laws. Chao and the MSHA announce on the 4th that it will conduct a full investigation of the disaster and later works with state officials in West Virginia in a joint investigation. (The Salt Lake Tribune, 09/01/2007)

Speaking from the World Economic Forum in Davos, Switzerland, Chao says the Bush administration plans to give states more flexibility in determining how to use federal money for job training programs. (Nanaimo Daily News, 01/26/2006)

February

Appearing before a House subcommittee hearing on the 16th, Chao says that the Labor Department will respond quickly to the state of Oklahoma’s application for emergency grant funding of $8.8 million as General Motors plans to shut down its plant in Oklahoma City. (The Oklahoman, 02/17/2006)

The Labor Department selects thirteen regions in the U.S. to participate in the Workforce Innovations in Regional Economic Development (WIRED) program. (The Orange County Register, 07/12/2006)

March

The Labor Department files a lawsuit on the 14th against a company that had handled security at the Salt Lake City airport for back wages. Chao says that “it is appalling that thousands of Americans who answered the call to become airport security personnel in the aftermath of the devastating attacks on 9/11 were not paid all the wages they were due. We will aggressively pursue justice in this case.” (The Salt Lake Tribune, 03/18/2006)

The Labor Department announces that it has settled a May 2004 lawsuit against a company that had misused its employees’ retirement funds. Chao says that Lawrence Aviation “treated their employees’ 401(k) plan as their personal piggy bank.” (Knight-Ridder Tribune Business News, 03/24/2006)

May

Chao is the commencement speaker at Agnes Scott College in Georgia on the 13th. Hillary Clinton had been the commencement speaker the previous year. Other prominent speakers have included Anwar Sadat’s widow, Jehan Sadat, and novelist Alice Walker. Chao also delivers the commencement speech at Marquette University. (The Atlanta Journal-Constitution, 04/30/2006; USA Today, 05/18/2006)

On the 17th, Bush signs the Tax Increase Prevention and Reconciliation Act of 2005. It provides another year of relief from the AMT and makes cuts in dividend income and capital gains taxes through 2010. (CQ Weekly, 05/15/2006)
June  In the wake of a mine disaster in Kentucky that killed five miners, on the 15\textsuperscript{th}, Bush signs the Federal Mine Safety and Health Act.

Chao announces on the 28\textsuperscript{th} that the Labor Department is awarding $4 million in grants to 55 religious and community groups in 32 states and Washington, D.C., to help high school dropouts and ex-convicts find jobs. (*The York Dispatch*, 06/29/2006)

July  Chao travels to Anaheim, California to discuss the growing “skills gap” in the American work force. The Bush administration is proposing a Labor Department program for “Career Advancement Accounts,” which would provide unemployed workers up to $3,000 a year to spend on education and job training courses. Chao says, “The majority of the 5.4 million new jobs created since August 2003… require higher skills, more education.” (*The Orange County Register*, 07/12/2006)

August  Bush signs the Pension Protection Act of 2006 on the 17\textsuperscript{th}. The sweeping pension overhaul bill requires companies with under-funded defined-benefit plans to meet a 100 percent funding target within seven years to shore up their pension plans and forces at risk companies to make accelerated contributions. The bill gives certain troubled airlines additional time to save their defined-benefit pension plans. In the last five years, over 700 pension plans have collapsed, putting a great strain on the PBGC, raising concerns about whether a taxpayer bailout might be required. The law also allows companies to offer automatic enrollment in defined contribution pension plans such as 401(k)s, and raises the maximum amount employees may contribute each year. (*The Washington Post*, 08/18/2006; *The Journal Record*, 08/18/2006)

October  The Labor Department announces on the 26\textsuperscript{th} that it will provide up to $3,000 a year under its new Career Advancement Accounts program to pay for retraining for GM and Ford auto workers facing layoffs in Michigan, Minnesota, Ohio, Missouri and Georgia. (*Star Tribune*, 10/27/2006)

December  Chao attends the bilateral strategic economic dialogue in Beijing. The U.S. delegation is chaired by Treasury Secretary Henry Paulson. (*BBC*, 12/13/2006)

2007

February  Chao announces that the Labor Department is awarding $1.2 million in the department’s discretionary spending to fund retraining and reemployment of over 400 workers in Wisconsin. (*The Daily Reporter*, 02/15/2007)

April  Visiting the annual Construction Expo of Maine, Chao speaks out against the “Card Check Bill,” which would take away workers’ right to vote on whether to unionize in a secret election. Senator Kennedy supports the legislation, which would allow a workplace to unionize if over 50 percent of the workers support the motion. (*Portland Press Herald*, 04/13/2007)
May  
Bush signs the Fair Minimum Wage Act that raises the minimum wage from $5.15 to $7.25 per hour. The law also includes some tax cuts for small businesses to offset the wage increase.

The Labor Department criticizes the H-1B visa program as it currently stands for not requiring all businesses employing foreign workers to first attempt to hire qualified U.S. workers. Congress is currently considering legislation to expand the H-1B visa program. (*Austin American-Statesman*, 05/13/2007)

Chao participates in trade talks with China on the 22nd and 23rd with the U.S. delegation led by Paulson. She announces that China has agreed to improve the safety of Chinese food exports, which is important as it “strikes at the heart of trust” between the two countries. The trade talks also produce agreements that are expected to benefit Delta Airlines and UPS. Currency manipulation and copyright protections, however, remain contentious issues. (*International Herald Tribune*, 05/24/2007)

June  
The Labor Department announces it will provide $5 million in funding for educating workers in high-tech fields in Minnesota, mirroring a similar program in Missouri to train more nurses. (*Star Tribune*, 06/21/2007)

House Democrats back a version of the Labor HHS appropriations bill dramatically cutting funding to the Labor Department to enforce disclosure by labor unions of how they use their membership dues. (*The August Chronicle*, 06/25/2007)

July  
The Labor Department announces a $3.8 million job training program in Oklahoma. The program seeks to put geographically isolated students in touch with teachers and employers via virtual connection. (*The Oklahoman*, 07/11/2007)

In an op-ed emailed to reporters, Chao criticizes a bill supported by House Democrats for singling out and cutting funding for the Office of Labor-Management Standards, the Labor Department agency tasked with monitoring union financial disclosures and preventing union corruption. “Congress is all for boosting the Securities and Exchange Commission’s budget so it can ride herd on businesses, but the OLMS – the union’s equivalent of the SEC – is on the chopping block.” (*The Columbian*, 07/24/2007; *The Hill*, 07/29/2007)

August  
Six coalminers are fatally trapped deep underground in a mining accident at the Crandall Canyon mine in Utah on the 6th. Three rescue workers are killed in subsequent efforts to rescue the six miners on the 16th. Rescue efforts are terminated on the 31st. (*Salt Lake Tribune*, 08/23/2007)
On the 8th, BNP Paribas suspended withdrawals from three of its investment funds that contain U.S. subprime mortgage based securities (MBSs) and would not set a fair price for them, not knowing their worth. The liquidity of these funds evaporates and trading in MBSs stops. In a couple of weeks, after U.S. markets tighten, the Federal Reserve begins cutting its discount rate. (Henry M. Paulson, Jr., *On the Brink*, New York: Business Plus, 2010, pp. 61-62, 72-74)

Kennedy, who chairs the Senate Health, Education, Labor, and Pensions (HELP) Committee which oversees workplace safety, asks the Labor Department on the 23rd for a list of documents pertaining to the recent mining accident in Utah. Representative George Miller (D-CA), who serves as chairman of the House Education and Labor Committee, asks Chao on the same day to make sure that every mine has a fully implemented emergency response plan that is “fully compliant with the law.” (*The Salt Lake Tribune*, 08/24/2007)

Chao announces the creation of an independent probe on the 30th to investigate the role of MSHA in the mining disaster at Crandall Canyon. Two retired MSHA officials will lead the probe into the MSHA’s regulation of the Crandall Canyon mine and its subsequent disaster response. The MSHA also launches its own investigation. (*The Salt Lake Tribune*, 08/31/2007)

As August sets a record for home foreclosures, on the 31st, Bush announces FHASecure for middle and low-income homeowners. The plan would provide an opportunity for owners to refinance their mortgages at more favorable rates. (Lowenstein, p. 98; *The Wall Street Journal*, 08/31/2007)

**October**

CNN, Associated Press, and other media outlets sue Chao for access to closed MSHA panel hearings. A federal judge denies the media access to the hearings the following week. (*The Salt Lake Tribune*, 10/09/2007)

Chao visits a trade and prep school in Ohio that has been awarded funding through the federal YouthBuild program. Recently taken over from the Department of Housing and Urban Development, the program seeks to provide young people with job training and opportunities. (*Dayton Daily News*, 10/13/2007)

Chao announces that provisions of the 2006 Pension Protection Act making it easier for companies to enroll their employees automatically in pension plans are scheduled to go into effect in December. The Labor Department is in the process of publishing the final rules. (*The Capital*, 10/23/2007)

**December**

Real estate prices continue to drop, the credit crunch worsens, and job growth becomes nearly stagnant. The Federal Reserve cuts the funds rate for the third time in the last three months, to 4.25%. The Fed also announces the Term Auction Facility (TAF) program. Four-week loans are made available to banks through an

### 2008

**January**

On the 2nd, Paulson meets with Bush about a plan for the weakened economy. Chief of Staff Josh Bolten and Paulson support the White House’s efforts for an economic stimulus. Bush announces the proposal on the 18th and signs the $145 billion measure into law the next month. (Paulson, pp. 84-85; *The New York Times*, 01/17/2008)

On the 4th, Bush names Richard Stickler acting assistant secretary of labor over MSHA. Stickler has been serving as the temporary head of MSHA since his recess appointment in 2006. Senate Democrats are reportedly opposing Stickler’s nomination as assistant secretary. (*The Salt Lake Tribune*, 01/05/2008)

The Department of Labor issues new rules clarifying ambiguities in the 1993 FMLA. This includes clarifying how “unscheduled intermittent leave” is to be taken and what counts as “serious” medical conditions. A 2005 study by the Employment Policy Foundation had found that the law cost businesses $21 billion a year. The Department of Labor also address Bush’s recent expansion of the law allowing family members to take time off to care for injured military personnel. (*Wall Street Journal*, 02/05/2008)

**February**

The Senate passes the Economic Stimulus Act on the 7th. Bush signs it into law on the 13th. The law provides tax rebates to low and middle income tax payers and tax incentives for business investment. It also puts stronger mortgage eligibility limits on borrowers who use Fannie Mae and Freddie Mac.

**March**

Chao travels to Colombia with Commerce Secretary Carlos Gutierrez and several members of Congress, where they reportedly discuss a free trade agreement with the U.S. (*The Salt Lake Tribune*, 03/05/2008)

On the 16th, the Bear Stearns board of directors approves a deal in which JPMorgan would buy Bear for $2 per share. Bear’s shareholders are angry, so JPMorgan counters with $10 a share that wins approval. (Paulson, pp. 113-115, 120; Geithner, pp. 155-158)

The Department of Labor awards Georgia a $5 million grant to help retrain workers following the closure of three military installations. (*The Atlanta Journal-Constitution*, 03/27/2008)

The Labor Department’s inspector general releases its report on the Crandall Canyon mining accident on the 31st, criticizing the MSHA as negligent in enforcing mining regulations. (*The Salt Lake Tribune*, 12/04/2008)
May
On the 7th, Bush signs the Ensuring Continued Access to Student Loans Act. The bill authorizes the Education Department to purchase college student loans from banks as the market for these repackaged loans are nearly frozen due to the crisis.

June
On the 7th, Hillary Clinton concedes the Democratic presidential nomination to Senator Barack Obama (D-IL).

On the 30th, Fannie Mae’s stock plummets by 6%, and Freddie Mac’s by 8%. Lehman announces a $2.8 billion loss, its stock dropping 75%.

July
The Department of Labor proposes on the 22nd a new regulation requiring employers to disclose more information about the fees associated with 401(k) retirement accounts. The Department of Labor has been working to increase transparency and make employee retirement funds easier to understand. It recently proposed a new regulation requiring financial firms to disclose any compensation they receive for their services. (USA Today, 07/22/2008)

On the 24th, Congress passes the Housing and Economic Recovery Act of 2008. For distressed borrowers, the law allows the FHA to insure up to $300 billion of 30-year fixed rate refinanced loans up to 90% of appraised value. Bush signs it into law on the 30th. (Paulson, pp. 143-144; Reuters, 07/30/2008)

August
Paulson tells Bush and Bolten on the 25th that there is “no good alternative” to placing Fannie Mae and Freddie Mac in federal conservatorship. (Paulson, p. 3)

The Bureau of Labor Statistics announces on the 20th that the numbers of workers killed on the job dropped to a historic low in 2007. The Occupational Safety and Health Administration reports similar findings the following year. (The Washington Post, 01/13/2009)

Chao travels to China as part of the U.S. delegation to the Olympics closing ceremony. During her visit, she says that she hopes that the U.S.-China Strategic Economic Dialogue set up by Bush and President Hu Jintao in 2006 will continue into the next administration. The talks are held twice a year. (South China Morning Post, 08/28/2008)

September
On the 8th, Treasury takes over Fannie Mae and Freddie Mac.

On the 15th, Lehman declares bankruptcy, sending the Dow Jones industrial Average down 500 points. Paulson briefs the president after he learns that Morgan Stanley and Goldman Sachs are also in financial trouble. Lehman’s demise fuels world-wide financial panic. (Paulson, p. 224; Bernanke, p. 270)

On the 16th, the U.S. Treasury and the New York Federal Reserve Bank announce that they will lend up to $85 billion to American International Group (AIG). In return, the government would own 79.9% of the company. Paulson also wants

**October**

On the 1st, the Senate passes the Emergency Economic Stabilization Act that includes the Troubled Asset Relief Program (TARP) program and a temporary increase in the federal deposit insurance coverage from $100,000 to $250,000. TARP, a capital investment program, provides for $700 billion in aid for troubled financial institutions. Instead of the government buying toxic assets, Treasury will buy non-voting preferred stock that pays out dividends, thus infusing capital in struggling banks. Bush signs the bill into law on the 3rd. (Bush, pp. 464-465; Roger Lowenstein, *The End of Wall Street*, New York: Penguin Press, 2010, p. 271)

On the 10th, Treasury and the Federal Reserve announce a new AIG plan. AIG would get another $40 billion from TARP, but AIG would repay a supplementary loan and the Fed would reduce the credit line from $85 billion to $60 billion. The Fed would also reduce the interest rate it charges and extend the repayment timeline from 3 to 5 years. (Bernanke, p. 365)

On the 13th, Paulson, Geithner, Bair, and Bernanke meet with nine CEOs of major financial firms to urge them to take $62.5 billion of TARP money. They are reportedly concerned that these larger firms view taking government money as a sign of weakness and so will refuse the help. All CEOs agree to capital investment. (Bush, 465; Andrew Ross Sorkin, *Too Big to Fail*, New York: Viking, 2009, pp. 523-527; Bernanke, p. 353; Geithner, pp. 236-239)

**November**

On the 4th, Obama beats Republican nominee Senator John McCain (R-AZ) in the general election.

On the 30th, Paulson works with the Obama transition team about the auto makers. Paulson suggests using TARP funds to help the auto industry and recommends that the auto makers present plans for future viability to a newly created “auto czar.” Larry Summers reportedly asks if Obama needs the TARP funds right now and is skeptical of a “czar.” After the meeting, Treasury would make a short-term bridge loan to auto makers. (Martha Joynt Kumar, *Before the Oath*, Baltimore: Johns Hopkins Press, 2015, p. 89; Paulson, p. 420)

**December**

On the 5th, the Labor Department announces 553,000 jobs lost in November. (Geithner, pp. 256, 276)

On the 10th, Senate Republicans block a plan to rescue Chrysler and General Motors. Consequently, on the 19th, Bush uses $17.4 billion in TARP funds to sustain temporarily the auto companies. (*The Washington Post*, 12/11/2008; *The New York Times*, 12/20/2008)
On the 12th, Bush asks for $350 billion of TARP funding, in the face of broad congressional opposition. Congress approves it on the 15th with less support than the last time, as the idea of “bailouts” has become more unpopular. (Geithner, p. 273)
TIMELINES

• Elaine L. Chao News Timeline, prepared by Rob Martin and Bryan Craig, Miller Center, University of Virginia, 12/19/2018.

• Timeline of the Bush Presidency, prepared by Justin Peck and Bryan Craig, Miller Center, University of Virginia, 04/30/2010.
SELECTED WRITINGS AND PUBLIC STATEMENTS BY ELAINE L. CHAO


ELAINE L. CHAO AND SECRETARY OF LABOR


- The Associated Press, “Bush Selects Chao to Be Secretary of Labor; She Was Deputy Secretary of Transportation; Headed Peace Corps,” *St. Louis Post-Dispatch*, 01/12/2001.


- Stephanie Armour, “For Chao, It’s a Labor of Love as She Initiates Big Changes,” *USA Today*, 08/29/2003.


- Susan Page, “The Loyalists; With President Bush to the End, They Believe History Will View Him Favorably,” *USA Today*, 01/06/2009.
KEY ISSUES AND EVENTS AS SECRETARY OF LABOR

Department of Labor

Energy

Union Financial Disclosure

Next Generation Workers

Workplace Safety

Ergonomics

Emergency Grants for Workers
- Patrick L. Thimangu, “Chao Delivers Emergency Grants for Idled Workers” St. Louis Post-Dispatch, 02/22/2003.

West Coast Ports

Immigration

**Pension Reform**


**Mine Safety**


**Federal Medical Leave Act**

ELAINE L. CHAO SUGGESTED TOPICS
Prepared by Rob Martin and Bryan Craig
Miller Center, University of Virginia, 12/28/2018

Joining the Bush Administration
• When did you first meet George W. Bush? What were your early impressions of him?
• Tell us about your work on Bush’s 2000 presidential campaign. How did you come to speak at the Republican National Convention? Tell us about your experiences watching the events of the 2000 presidential election and recount unfold.
• Describe your appointment as secretary of labor. Do you recall having any conversations with Bush about his expectations of you in this role?
• Discuss your work in Bush’s 2004 reelection campaign.

Secretary of Labor
• Describe your responsibilities as secretary of labor. What duties occupied most of your time? With whom in the Labor Department did you work most closely?
• Discuss your working relationship with the White House staff.
• How frequently did you meet with the president? How involved was the president in formulating labor policy? In which issues was Bush most interested? You both have MBAs. Did that affect your views on policy?
• Characterize your working relationships with other members of the Cabinet. Describe Cabinet meetings during the Bush Administration. How effective was the Cabinet as a policy-making institution?
• With whom in Congress did you work most closely? Describe your working relationships with the chairs of the House and Senate committees that dealt with labor issues. Describe any challenges you experienced in promoting labor legislation on Capitol Hill.
• Describe your working relationships with organized interest groups. Which interest groups were your main allies and adversaries?
• Discuss your press relations as secretary of labor. Were there any special challenges in dealing with the press on matters of labor policy?

Major Labor Policies and Issues
• Discuss the process through which major labor policies were formulated, proposed, and implemented in the Bush Administration. Characterize the major ideological debates regarding labor and economic policy within the Bush Administration.
• Discuss your role in setting labor policy. Tell us about your work helping to improve workplace safety, including the passage of the MINER Act of 2006. Discuss your work creating sensible ergonomic guidelines.
• Describe your efforts to reform overtime regulations, family leave, and pension/retirement savings, including the Pension Protection Act of 2006.
• How did you attempt to increase union transparency to better protect union workers? Discuss your efforts to block the “card check bill” and to allow union members to withhold dues used for political purposes.
• Describe the range of job training initiatives that were implemented by the Labor Department under your tenure.
• Tell us about the Labor Department’s work to reopen the West Coast ports.
• Discuss your work on immigration reform and H1B visas for highly skilled applicants.
• Tell us about your work overseas to strengthen international labor standards and to enforce trade commitments. Describe your efforts to fight child labor and human trafficking and to support women’s rights in places like Africa and Iraq.
• Comment on your experiences on 9/11, your visit to Ground Zero, and the Labor Department’s response to the attacks.
• Describe the Labor Department’s response to Hurricane Katrina to help provide millions of dollars in financial help for the region.
• Discuss your interactions with the president throughout the financial crisis.

**The Bush Presidency in Retrospect**

• What do you consider your greatest accomplishments as secretary of labor? What were the most challenging aspects of your job?
• What were Bush’s most effective assets as president? Assess his strengths and weaknesses as a domestic policymaker, a legislative leader, a labor policy leader, and a leader of public opinion. Which of his attributes served him best in the presidency?
• What features of the Bush presidency were overlooked or misunderstood by the press?
• How should the Bush presidency be viewed in history?