GEORGE W. BUSH ORAL HISTORY PROJECT

FINAL EDITED TRANSCRIPT

INTERVIEW WITH ELAINE L. CHAO

January 17, 2019
Washington, D.C.

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Perry: One thing I want to begin with is to say what becomes of this material, and to go through the ground rules again, which are spelled out in the briefing book that you have. That is, we will chat today. Within a few weeks to a few months, you will get a very lightly edited transcript that just takes out the nonfluencies, not that you would have them, but I will, probably—the occasional "uh," that sort of thing—so it will be very lightly edited. Then you are welcome to edit it to your heart's content; whatever you wish to put in, take out, it's fine.

Genero: Oh, we can put things in? We can add things?

Perry: Absolutely. And we will occasionally get someone who will say, "Oh, that name is escaping me" and we say, "When you go back to do your edits, just put that in," or if you see a date that was incorrectly stated—or anything. It's up to you to edit as you wish. Then that becomes the authoritative record of the interview. And then what we hope that you will feel comfortable doing is sending back a signed deed of gift. But the protocols and laws of oral history indicate that those words are your words until you deed them. You would be deeding them to the Miller Center and the [George W.] Bush 43 Library Foundation. And then we hold joint copyright on them. Once they are deeded over to us—You can also put any stipulations you wish. If you say, "Yes, when you get ready to release this project, you're welcome to release my transcript"—we then put it on our website. Typically, the Presidential libraries put them on their websites, but you can put in any stipulation you wish. You might say, for example, "I would like to redact page ten," or, "Please don't release pages three through seven until date certain"—you can list a date—"ten years from now"; "20 years from now"; you can say "until I pass"—you, that is, not Barbara; you can say "until the President passes." So you can make any stipulation you wish. But we encourage everyone—so that these can eventually get into the public stream to be used by teachers, students, biographers, journalists, scholars like myself, obviously, sooner rather than later—to have a deed.

Chao: How many other projects do you have of other Presidents?

Perry: Laura and I were talking about this. The Miller Center began doing Presidential oral histories with Gerald Ford's team in the late 1970s, so just after he left office. We have a wonderful photo at the Miller Center of a very young Dick Cheney [*laughs*], Brent Scowcroft**,** and Don Rumsfeld. Herb Stein had come to the White House to do a group oral history. From that, then, James Sterling Young, who really became sort of the grandfather—We view him as the grandfather of oral history for us, and Presidential oral history, much as Arthur Schlesinger [Sr.] was viewed as the founding father of modern oral history as it related to the Presidency, particularly, because, having served, as he did, with President [John F.] Kennedy, he realized in

the 1960s people were doing phone calls rather than writing down memos or sending letters or sending notes, and he said, "This is going to be lost to history; we need to gather those memories." So whereas he's viewed sort of overarchingly as the founding father of modern Presidential oral history, our James Sterling Young, who has now passed on, is viewed that way for us. The other is, the National Archives got out of the business of doing them themselves, so now we have filled in that space. We've done at least a portion of every Presidential administration's oral history, starting with Gerald Ford, following up with Jimmy Carter, and on through [George H. W.] Bush 41, [William J.] Clinton, and Bush 43.

I'm sad to say—because I was hired to participate in this one and then carry on from that, but I also worked on the last ten of Bush 41—you're among our last for Bush 43. I'm going to be sad to see it come to an end; I've so enjoyed the interviews. We have now about 100 of them. And still have an invitation. We've done the oral histories of every President from Ford onward. I'm not sure how many they did for Reagan. For Bush 41, we did 60 total.

For Bush 43, it will be about 100. For Clinton, it was about 130. Long before I came to the Miller Center, it had really established this gold standard of what's called "elite oral history," of doing the top senior officials and administrations. We therefore have Senators come to us, and members of the House, and sometimes prominent families, industrial families, corporations. Russell [Riley], for example, is now doing a corporate oral history for a corporation in Richmond.

So we have lots of people come to us—including Ted [Edward M.] Kennedy, who came calling at about the 40th anniversary of his time in the Senate. He was having a dinner with Vicki [Victoria Kennedy] and Arthur Schlesinger [Jr.] and Caroline [Kennedy] and Ed [Edwin] Schlossberg, and they said, "Well, how will we begin to document your 40 years and whatever time you have left in the Senate?" And Arthur Schlesinger and Vicki popped up and said, "Why don't you do an oral history?" So they sent their people out to investigate other places that do oral history, and I'm happy to say they came to the University of Virginia—I think in part because Teddy had done his law degree there, as had Bobby [Robert F. Kennedy].

Somerville: I think I've looked at his. It's on the website, isn't it?

Perry: It is. And that ended up being the largest oral history we've ever done. [*laughs*] They funded about 280 total interviews, including 29 with him before he passed. And most of those are up and available now.

Genero: Twenty-nine interviews with the Senator?

Perry: Twenty-nine with the Senator. And they were planning more when he sadly got his terminal diagnosis.

Chao: How long was each?

Perry: Oh, my gosh, Jim Young did most of those. They would often be a day, day and a half. He'd go up and they'd sit in the office in the Capitol and speak, or they'd—

Chao: He was a wonderful storyteller.

Perry: Oh, my gosh!

Chao: I'll bet he has so many stories.

Perry: You can imagine. It's like—We're now speaking with President Clinton, so we've been going out to Little Rock—even though the project has sort of officially closed, but he had never been interviewed, so [*laughs*] he got in touch with us and said, "Would you like to come to Little Rock?" And we said, "Of course!" So you can imagine, you pretty much just throw out the topic, and an hour later, Ted Kennedy and Bill Clinton are finished speaking. So it's just—I can't believe I get to do this for my life's work. It's—

Genero: Has all of Kennedy's been released?

Perry: All but about five or six. And that's another one of those examples—If a person passes who has been interviewed, then their estate owns their words. In his case, there are a couple that Vicki has held on to that are biographical that—Because his health was failing, he assigned, or she assigned, either herself or members of the staff to go through materials, and I think it's just painful for her to have to go through.

So there's that. I think the ones that they wanted to hold were about contemporary political figures. And that's one of those examples, as I say to you, if there's anything that you think, *Well, I would like to hold on to that for*, again, *a date certain*, or even until someone passes, you're welcome to do that. But we obviously wouldn't want all 100 interviews in the Bush 43 project to be held for 50 years, because then no one is able to use it. I should tell you that, at this point, of the 100, about 30 to 40 have already been deeded over to us.

But here's the other thing that we do: first of all, anything that is said in this room is held in strict confidence, and we are very proud that we've never had any kind of leakage in that realm. You are obviously free to say anything you wish, but we, the Miller Center, or anyone who participates in these, we're never allowed to say anything about what is said in an interview. And Russell and I get so caught up in the interviews themselves that we always say we're great at confidences because we literally can't remember what people have said to us [*laughs*] by the time we leave the room, because we're so caught up in just doing the project.

Chao: Did Fred Fielding make a contribution of some sort?

Perry: Yes, he did do an interview. And I think he's done—Are you thinking of Bill Barr? Because that has hit the news of late. Bill Barr did one for Bush 41, because, of course, he was his Attorney General. In fact, he's featured in this book. And he had indeed released—He had deeded and then—So what I was getting ready to say, in addition to the confidential nature of it, what we also do is, if you would deed two months from now—You know, we send it to you, you make any changes you want, and you say, "Except for these pages, I'm deeding this over to you"—and you still deed the even redacted portions, but you say, "Please redact this"—we then don't, two months from now, say, "Here is Secretary Chao's interview." We wait until we get a critical mass of deeded transcripts, and then we release in bulk.

That does several things: One, that's good for the President, because there's a splash in the news about, Look at all these interesting stories that have come out about this institution of the

Presidency and this President and his administration. The other is, it means that when we started, 100 interviews ago, that person's interview is not going to come out in the first year, whereby everyone else is reading that interview and then responding to it. We want everybody to feel free to say what he or she wishes at any time in his or her interview.

Because we are coming to the end of this project, our hope is, within a year, to take those that have been deeded and are cleared for release and go ahead and release those. So I'd say we have about 30 to 40 now that have been deeded over to us. Once we announce to everyone who has participated, we're going to release—we're hoping by next November—that that will then cause people to say, "Oh, I want to be part of that." And then we typically bring alums from the administration to the Miller Center and we have a big event. We have panels of alums such as yourself; we have scholars. And the first thing we do is that we produce—And this one's for you, and I signed it to you—[*handing Chao a commemorative book on George H. W. Bush*]

Chao: Thank you.

Perry: —we produce a commemorative book. We work really closely with the Presidential library institution. They offer us photos. So for this, they offered us about 100 photos. There's a wonderful statement there from Bush 41 about the importance—We were talking about the importance of oral history, what does it—and he says, "The documents are there, but the oral history gives us the human story, the human voice." So I was given the honor of producing this book. This was one of the first things I did when I was hired at the center, to finish up—We list all of the interviews. We list all of the people who have been interviewed. We have pictures from the interviews themselves. And remind me to take a few of our table, and then if you'll take some of us all together, as well. We use those photos, as well as photos from the President's Presidency that match the topics. What we do is take topics that have been focused on and we do a chapter on that, and this becomes the commemorative piece, sort of a coffee table version.

Then, the scholars we gather—that we handpick, I must say—write on the interviews that have been released. We then have an ongoing relationship with Cornell University Press, so they will do a scholarly book on that subject. So we have a scholarly book on Bush 41, we have a scholarly book on the Clinton project so far, and we will certainly want to do one on Bush 43, and we've already worked with Cornell to set that up.

Then, Oxford University Press came calling a few years ago and said, "We have a long, long tradition of producing books on oral histories on all topics. We would really like to publish a book on each of your projects that is primarily the transcript material, and then particularly you and Russell, who have worked on these projects, if you will then provide analysis at the beginning of each chapter that's usually topically done." So Russell has done one on the Clinton project, because he ran that one from start to finish. I was asked to do the Kennedy project when James Sterling Young passed away. He had completed all the interviews; the Senator had passed. We had a lot that had already been released, so they asked me to do that book. Literally yesterday the book was released and I did a big project and program on it at the Miller Center. But we've also worked really closely with the library foundations in doing these books, doing the rollouts. For the Clinton project, for example, they wanted us to come out to the Clinton Library and do the rollout of that project there, and they did it in celebration of the tenth anniversary of the library. So we're working with the Bush 43 folks down in Dallas to see if they want us to

do—We will certainly do a program at the Miller Center—do they want us to do something with them in Dallas at the library. It's just so wonderfully exciting. We try to always have a segment on the First Lady. And so we still have our invitations out to President Bush 43 and Mrs. [Laura] Bush to see if they will participate.

Chao: So the President has not yet participated himself?

Perry: He has not, but he was in—Again, this was before I arrived at the Miller Center, but Russell worked with him closely, with the foundation, and so he went down to Dallas several times and had dinner with the President, and he was in it from the beginning. It's always great if the President himself gives the stamp of approval. Obviously, if the library foundation is giving its stamp of approval, you know the President approves. [*laughs*]

But it's best if the President will make a commitment to it. Even if he doesn't want to be interviewed, but at least says to all of the senior people, "Oh, I'm supportive of this. If you have the time, could you please participate?" We typically set up an advisory committee that includes alums from the President's Presidency and administration and scholars that help us pick out the people. We ask the foundation, "Which people would you like us to interview?" because we want to do this as a partnership. So I just was watching Fox out in the foyer and Karl Rove appeared and I thought, *Oh, he was on our advisory panel, and he did two interviews with us*.

Back to the Secretary's question about the length. We will typically ask for a day, day and a half. We're just delighted that you were able to block out this time. Most of the people we've interviewed have gone into private practice or they're consultants; they're not typically in the Cabinet still. And so we're especially appreciative—

Genero: They have much more time.

Perry: All right. So as we had said, oftentimes, and I will just repeat, that is, this is your story. We have provided this book to jog memories; we've provided these questions as guideposts; but—

Chao: So where did you get these two young men? Are they students?

Perry: They are not. They are professional researchers.

Chao: So how big a staff do you have there?

Perry: The Miller Center has about 40 total, and I would say the Oral History Program now has a total of full-time people, of about—Let's see, Russell and myself do the interviews; we have two professional researchers; we have an in-house editor; we have a part-time coordinator—I'd say about five, six total in oral history.

Chao: So how do you handle—Did you contract out for these senior researchers? I'm impressed.

Perry: No, they are full-time employees of the Miller Center. Both of them have master's degrees, one in history, one in political science.

Chao: They did a wonderful job, so please let them know how appreciative we are.

Perry: I will. I will surely do that. We hear that so often, and they do such a great job. They're mining in the depths of the Miller Center for all of this amazing material, and how they find it, I can't even imagine, but they do. And so I will pass along your kind words.

All right. Well, before we delve right into the administration and your first connections with President Bush, let me first say that this is the Elaine Chao, Secretary of Labor for President George W. Bush, oral history, for that Bush Presidency oral history. And may I also ask that we just quickly go around the table—because you all are welcome to join in, as well—for our transcriber—so she, typically it is a she—will have the ability to put names and voices together. I will start by saying, I am Barbara Perry. I am the cochair of oral history at the Miller Center at the University of Virginia, along with director of Presidential Studies, and I am here with—

Chao: It's January 17, 2019, and I'm Elaine Chao, now U.S. Secretary of Transportation.

Genero: And I'm Laura Genero. I'm Associate Deputy Secretary for Communications.

Somerville: And I'm Tamara Somerville, and I'm a senior advisor to the Secretary of Transportation. And I was with her during part of the Bush administration.

Perry: Great. And you were, as well, Laura?

Genero: Yes. I was with the Secretary for the entire eight years when she was Secretary of Labor, where I was first a senior advisor and then Associate Deputy Secretary, as well.

Perry: Wonderful. And we're always happy to have people who were with the principal, because we know that you can contribute, as well, so feel free at any point to jump in.

Before we jump into the actual discussion of Bush 43 and his administration, Secretary Chao, your biography is so compelling, and I think very well known, as you can see from the journalistic accounts from when you were appointed. All point to your very compelling biography. But let me ask you this: Is there anything that hasn't been recorded or isn't in the public domain or realm that you would like to take this opportunity to tell us about?

Chao: I don't think so. But I can't remember, [*laughter*] so let's go through it, and then if I remember anything, I'll mention it.

Perry: And this might jog something here—I am fascinated by—First, I'm fascinated by your biography, but I am fascinated by the fact that you were an economics major at Mount Holyoke and you then did an MBA [master of business administration degree] at Harvard. You were clearly pointing in part toward the private sector, because you worked in banking and finance. What caused you to apply for a White House Fellowship? Because correct me if I'm wrong, but is that not the first public service that you do in your life?

Chao: Yes. The White House Fellowship in 1983 to '84—It was a one-year fellowship—was my first entry into government service. The reason I applied for the fellowship was because I was curious. I credit my parents with giving me a great deal of, obviously, love, but also motivation

in my life. I'm an immigrant to this country. I came to America when I was eight years old, and I grew up in Queens, New York. Then, as our family situation improved, we moved to Syosset, Long Island, in 1968; then to Harrison, New York, in Westchester County, in 1974. At first, I did not understand America, but my parents were so empowering. They encouraged their daughters to explore outside the little world that we were in.

Perry: And you are one of six.

Chao: I'm the oldest of six.

Perry: Of six children, all girls.

Chao: All girls. All daughters.

Perry: And did they talk any about politics or government or American history in the home?

Chao: No, not at all. My parents encouraged us to explore the world. I didn't initially understand America and I wanted to learn. [*laughter*]

Perry: It can be mysterious, can't it, for those coming from the outside.

Chao: Yes. I had heard about the White House Fellowship from a fellow banker who was several years older than me. And she was a White House Fellow.

Perry: Did you have a sense of your partisanship or party affiliation at that time?

Chao: No. I was registered as an independent. I had no party affiliation and didn't really understand the differences between the political parties.

Perry: Oh, interesting. Interesting. So did it matter to you who was in the White House at that time?

Chao: Not at all. I was more interested in the experience. In fact, being in heavily Democratic New York, I remember how unconventional it was to hear a fellow banker predict that Ronald Reagan would be President.

Perry: But you end up as a fellow in the Reagan administration, right?

Chao: Yes.

Perry: Tell us about that. What are your memories of the Reagan years and being there—And you also then get to know Elizabeth Dole, correct?

Chao: I got to know her because she was then U.S. Secretary of Transportation. Ronald Reagan was a transformational President, one of the most consequential Presidents in the 20th century. And he built a coalition—He appealed across a range of different populations and groups. He appealed to blue-collar workers, He appealed outside the traditional Republican reach. And I think, as a woman and an immigrant, I was probably among the nontraditional supporters.

I came into the White House as a White House Fellow, not having any particular partisan bent at all. But, while working in his administration, I learned about his philosophy, and read his speeches, such as his first State of the Union address, as well as his first inaugural address—I learned a lot about government. As I read about that, a light bulb kind of went off and I said, you know, "I think I'm a Republican." [*laughter*] Because he had four principles: lower taxes; smaller government with less regulation; a stable monetary policy; peace through strength—a strong defense.

Perry: And what do you think about those principles appealed to you? What caused the light bulb to go on from those principles?

Chao: It used to be true—I don't know whether it is anymore—many Asian Americans in my generation had small businesses. They liked lower taxes, less government regulation. I liked the Republican philosophy. Those four principles speak to the triumph of the human spirit, that we can prevail if we only get the government barriers out of the way. And given my experience and my background, the government was always very bureaucratic and full of red tape.

Perry: And had you had personal interaction with the government or heard stories from your parents about it?

Chao: No, I can't remember any stories in particular, but the government always seemed to make things more complicated, contrary to common sense. These principles just resonated with me.

Perry: Was it in the immigration experience that you encountered the red tape and the bureaucracy? Had it had a personal impact on you and/or your family?

Chao: I just knew of people in the Asian American community who had come here with nothing, and they were trying to set up businesses, trying to take care of their families. They're trying to make a living, and then they ran smack into government: bureaucratic unresponsiveness, uncaring attitudes, and tremendous barriers to doing something very simple, commonsensical, like opening a shop and just trying to take care of their families. Because their English was not good, it was hard for them to go into large corporations, so their only avenue was to do something on their own. And there were always lots of government regulations. At that time, I don't think I even knew very many people who worked for big companies—except if they were an engineer, working for IBM [International Business Machines], et cetera. And even then, there were lots of issues about that, too, like not being able to ascend to management ranks but—I think it actually resonates a lot with newly arrived immigrants. And it used to resonate with Asian American groups who had just come here.

The second generation of Asian Americans is different. They are the product of the tremendous love and nurturing of their parents, and the recipients of all these wonderful Ivy League college educations, [*laughter*] which unfortunately, in many instances now, teach them that they're basically victims. In fact, they are actually more to the left than their first-generation immigrant parents. That's what we are seeing in the Asian American community today.

Perry: Interesting. This is great perspective that you're offering here. Tell us a little bit more about that year with the Reagan administration. You learned those four principles. You're helping to research and write speeches for the President?

Chao: Yes. I thought that year was wonderful, because I learned so much. I learned how the White House worked at a time in my life when there was very little risk if I made any mistakes. It was interesting to learn about the clearance system within the White House, and that clearance occurs within 15 or 16 different offices—that there's no one "White House," but that there are many different offices within the White House, and not all the offices had the same clout. All of that information proved very useful when I subsequently moved on to other jobs.

Perry: Anyone in particular—in addition to Elizabeth Dole—you met at that time who served as a mentor or taught you about how the White House operated? Or was it that you were observing, primarily?

Chao: Elizabeth was more like an idol. No one taught me. I was too shy to ask questions. I watched, observed, and learned. I only got a chance to talk to her maybe once or twice, but I watched her from afar. I thought she was beautiful, glamorous, and smart. She was the first female head of a military branch during peacetime, which is the Coast Guard. She was so impressive in so many ways. But I never really got to know her during that time.

Perry: But she was a role model?

Chao: She was smart, beautiful, and accomplished. I looked up to her. I remember, for the Reagan-Bush victory party in November 1984, I was so happy just to be able to know where the victory party was being held.

Perry: And where was it being held?

Chao: At the Omni Shoreham in D.C., and then I was actually able to go. [*laughter*]

When you're a newcomer, you don't understand these things. Now it's all public—I don't know, you can read about it in the newspapers—but at that time, there was no internet; you couldn't find this information out quickly, so you had to rely on knowing people who would know people. I knew Betty Ayers, now Comerford, the administrative assistant to Jack [John A.] Svahn, Assistant to the President for Policy Development at the White House. She was from a farm in Champaign, Illinois. Coming from New York City, I had never met anyone who came from a farm.

Perry: Yes. Urbana-Champaign is where the University of Illinois—

Chao: Her parents were supporters, so she got the job. She was very nice to me, and I have kept in touch with her over the years. And I have helped her many times since. So she told me about this victory party at a hotel. [*laughter*] We go, and I'm so excited. Then they tell us that the Cabinet is on the third floor, and we finagle our way to get on the third floor, because you can't go to these places unescorted. There are guards everywhere, you know, even then. [*laughter*] And I remember, we got to the third floor, and I was thrilled because I'm on the same floor,

maybe ten rooms down on the other side of the hallway, but I was so happy, because I'm on the same floor as the Cabinet, all these VIP [very important person]s.

Perry: But that's a great story, because then you rise to two Cabinet positions in two different Presidential administrations.

Chao: I try not to forget that sense of appreciation and history. I also remind myself that there are people who are afraid to approach me, who don't talk to me because they are timid; they are shy of the office. And so I constantly teach the young people that I mentor as young political appointees that they should never be afraid—They should be courageous, they should be adventurous, they should ask questions—not stupid ones, you know—they should ask thoughtful questions [*laughter*], and they should go to the top.

Jon Furman is my—what's called the "body person"—this is the person who accompanies the principal, the Cabinet officer, everywhere. They see everything. It's a wonderful opportunity for a young person. It does require intelligence, diligence, and good communication skills, because they very often convey my requests.

So Jon Furman worked at the Hudson Institute as an intern in September 2016. I was at the Hudson Institute. The President announced my appointment as Secretary of Transportation nominee on November 29, 2016. Once the announcement was made, it's just more pandemonium. The press is calling. People are emailing, calling, with congratulations, et cetera. I'm in the midst of preparing documents. There were tons of things to do. There's paperwork, there are financial forms [SF 278], there are FBI [Federal Bureau of Investigation] forms [SF-86], and then there is the Senate committee confirmation questionnaire, and then the start of briefing books. There's a lot of work.

The briefing books come from the Department of Transportation staff. The transition compiles their own briefing books, as well. I asked Hudson for help in responding to all this. Hudson assigned a number of young people to me, and Jon Furman was among them. He was the one that really took charge. When I came to the office, there were tons of young people who wanted face time, and they seemed to want to give me the impression they were working very hard, but the one who was clearly working hardest was Jon Furman.

And then, one Saturday of a long weekend, I was interviewing candidates to assemble the new Department of Transportation team. I had actually wanted a woman to be my "body person," special assistant. But the woman I had in mind, just that moment, had dropped out, so I was looking for a body person. Then my assistant at Hudson, Melissa Fwu, said, "Jon Furman is interested in working for you," so I called Jon Furman into my office. We were alone, and I told him, "If you want something, you should go to the top. Don't waste time." So I said, "If you want to come to the Department of Transportation, you should say so." So he says, "I'd like to come." I said, [slaps hand on table] "Done. You've got your job." [*laughter*] "I need a body person. You're the body person."

Genero: Can I just say that Tam and I were participating in some of these interviews for the Secretary, vetting people, and I remember Jon Furman well, because he was such a polite and mannerly young man. He opened the door for everyone; he was particularly gracious to women.

He didn't try and chat everybody up. He was just constantly looking to see where it was he could fill in and what it was he could do.

Perry: The perfect trait of a body person, right?

Chao: Well, he's a very effective young assistant. So—How did we get on this little tangent here?

Perry: Mentorship. Mentorship. You know, you're—

Chao: Oh, yes. OK. I talk about this a lot, about mentors. In many ways, I don't know what that means. You know, if young people are expecting a mentor to be someone who kind of takes them under their wing, takes care of them, tells them the rules of the road, that doesn't happen. There are not enough people in the world who do that. So I think it's incumbent upon the person to be observant, be watchful, to learn on their own. That is very important. And my parents taught me that.

Perry: I was just going to say, I bet your parents taught you that you can learn from anyone, any situation. My dad would say, "Just take every opportunity to learn." And, "You don't have to be aggressive about it; just find your niches and be a sponge and soak everything up." So it sounds like your parents—

Chao: So that's wonderful advice. You're very lucky to have had a parent like that.

Perry: We were like that. We were both very lucky. And then I also—and I have to bring up the University of Louisville—but I have to say, from literally kindergarten, my teachers would go to my mother and say, "You know, she's a bright little girl." [*laughs*] "Let's give her an extra book." And my mother, then, would sit and read with me.

Perry: And so from kindergarten, from first grade, Catholic school, always—and then high school, University of Louisville, I just would—I would be so lucky that these professors would sort of pluck me out and say, "Do you want to do this?" Or just like you've done with Jon—"I need you to do this." And then the same with graduate school at University of Virginia. I had the most wonderful—and he's 97 now, my mentor. He would say, "I need a researcher." You know, "You seem to be doing really well in class. Can you be my researcher?" To me, that's mentorship—where they see, just as you saw in Jon, the traits. And obviously, people saw in you the traits to say, Come on. Come with me. Or, Come to the next level. And then whether they're literally teaching you the rules of the road or introducing you, it's just—You go with them. They take you along. You get kind of swept along. And it sounds like that's what was happening with you. Then you took every opportunity in that sweep to continue to move.

It's very inspiring. To me, this will make this interview stand out. Because not everyone had—In fact, most people we've interviewed have not had your experience. We've had very interesting family stories about how people became interested in government and politics and ended up in the Presidency, but we don't have your story.

Chao: Thank you.

Perry: That's what's so wonderful. All right, Laura, you were about to add—

Genero: I was just going to say, to complete the circle—and this is one of those amazing things about Washington—that it's mostly the same 5,000 people recycled over and over again. [*laughter*] I know Jack Svahn because I worked in the Reagan administration and he was Deputy Secretary of HHS [Health and Human Services] when I worked there. He is a friend of mine on Facebook, and occasionally, I'll post a picture—like, "Here I am sitting with Secretary Chao, in back of her, at her confirmation hearing"—and he'll say, "Ah, Elaine Chao. One of my favorite people."

Perry: Oh, isn't that nice!

Genero: So he remembers the Secretary very fondly.

Perry: Well, and all of us who have been in any kind of position of moving on—In my case, it was as a professor—I can point to the students I picked out to say, "Oh, I need to have her be my—" I taught 21 years at Sweet Briar College that had all women—much like the Mount Holyoke experience, I'm sure—and I'd say, "I need her as my research assistant." And then when you get to know those students, then they do become your researcher—and at a small liberal arts college, I got to know their families. Family day, they'd come to see the university or the college for the first time, and some of them I would know for five years, from the moment they walked in the door with their grandparents and parents, family days, and then they'd be my research assistant. And then you'd write letters of recommendation for them. I find it a very heartwarming experience to be able to know that I can carry on that—I do call it mentorship—those who mentored me, and now I get to turn around, and you're doing the same thing.

Chao: I think it's one of the great joys of life.

Perry: It truly is. It truly is.

Chao: And Elizabeth was also very special for another reason.

Perry: Oh, yes, please.

Chao: She didn't get married until she was 39. [*laughter*] So that actually gave me a lot of comfort, in that I wasn't married, and I thought, *Well, if Elizabeth didn't get married until she was 39 years old, it's OK for me not to be married until then, too*. [*laughter*]

Perry: That's wonderful. So you were there during an election year, leading up to the '84 election. Was there anything that you saw in that realm, of campaigning, or what happens in a White House during an election year, that struck you, or a lesson that you take to this day?

Chao: Well, the fellowship ended August 31st—

Perry: Of '84?

Chao: Eighty-four. And then I went, actually to Taiwan, for an [Dwight D.] Eisenhower fellowship—to the Republic of China, to Taiwan—for about two weeks, I think; that was a

wonderful trip—and then came back and volunteered for the Reagan-Bush campaign. Again, had I not had my White House Fellowship year and met people, I would never have been accepted to work on the Reagan-Bush campaign, even as a volunteer, in Washington.

Perry: And what was that like?

Chao: It was my first time working with a campaign. I thought it was very interesting. I'd never been through it. Again, I was just wanting to learn. I worked for a guy called Rick Shelby, who was the regional director for the Southwest region.

Perry: Is that Richard Shelby who became the Senator?

Chao: No, he's American Gas Association executive vice president. But at the time, I couldn't even see him. I was just one of these volunteers, you know, sharing a phone with two other women. [*laughter*] They were wonderful. They were great fun and nice people. We would make phone calls, we would help stuff envelopes, we would keep track of what was happening in the field. We would be dispatched to do whatever was needed at the headquarters, so it was really interesting.

Somerville: Interesting—Your future husband was elected that year.

Chao: Exactly!

Somerville: And President Reagan mispronounced his name when he came to Louisville and called him O'Donnell. Mitch O'Donnell. [*laughter*]

Chao: It's a good thing you mentioned that, because indeed, we began to hear about this young county judge who had an incredibly good campaign ad.

Perry: Oh, yes. Tell us about that.

Chao: No, I just heard about that—You know, that he was really smart, he had a great ad, and that he was beginning to break through. That's what I heard.

Somerville: And Kentucky has the earliest returns—like, six o'clock at night—

Chao: But I didn't pay attention. I didn't know who this guy was. [*laughter*]

Somerville: Yes. But it was a huge victory, and then when they saw his returns come in, they thought because Reagan-Bush was having a landslide that—Oh, my God, you know, we were going to—

Chao: Sweep the Senate.

Somerville: And it turns out [Addison Mitchell] McConnell was the only challenger who won, Republican challenger.

Chao: Yes. Phil [William Philip] Gramm of Texas was the other one.

Somerville: Yes.

Perry: But the Republicans had taken control with the Reagan win in ’80, as I recall, so they were still controlling.

Somerville: Ended up losing in ’86.

Perry: That’s right. But being a Kentuckian, I have to say what the ad was—and that was, “Where’s Dee?” “Dee” Huddleston, Walter Huddleston, was the Democratic—along with Wendell Ford—

Chao: This ad made political history.

Perry: It absolutely did. It is literally textbook. It’s still in every textbook. And it was bloodhounds racing through the woods saying, “Where’s Dee?” He was often absent from the floor and voting, and he was really bad at constituent services. He just was derelict in constituent services and didn’t answer mail and that sort of thing.

Chao: Well, Kentucky was such a Democrat state then.

Perry: Indeed. It had swung that way. You know, we had had John Sherman Cooper and Thruston B. Morton, and so in that sense, it had been Republican—sort of moderately Republican. But all the House members—Except for the one gerrymandered district that was gerrymandered Republican, all of the House districts were Democrat, and maybe Gene Snyder’s district, where I lived, in the eastern suburbs of Louisville. But otherwise, it was, yes, rock-ribbed Democrat. And so for Mitch McConnell to break through—

Somerville: But moderate to conservative Democrats, back when those existed.

Perry: Oh, Wendell Ford was not a flaming liberal [*laughs*] by any stretch of the imagination. But it was the beginning of the swing, really. So, yes, that was—In fact, I was up here election night, and we were all—I was with my mentor and his class, getting ready to go to oral argument at Supreme Court the next day. And I actually applied to both. And they both offered me internships and I decided—I thought, *Well, Wendell Ford has also been Governor, and I’ll probably learn more about Kentucky*, so I decided, *I’ll go with that*. But in any event, fascinating.

Now tell us about—You can tell us anything you wish, but if we can sort of move through the Presidency, then you’re in the Bush 41 administration, so if you want to tell us a little bit about that. And we always like to ask people their impressions of Bush 41 and then Bush 43, father and son.

Chao: Well, after I left the White House Fellowship, I went to work on the Reagan-Bush ’84 campaign. After the campaign, I moved to San Francisco to join Bank of America. My move to San Francisco was motivated by my curiosity about California and Californians, sparked by my tenure in the Reagan administration. There were all these Californians in the Reagan administration. I had never been to California before—except when I first came to this country, my ship—I came on a freighter—stopped in the Port of Los Angeles and then went through the

Panama Canal up the East Coast of America. But aside from that, I had never lived there, so I was really curious. So I got myself a job with Bank of America in San Francisco, did not return to Citibank, and spent about two and a half years out in California. And then I received a phone call.

Perry: Did you think you'd want to go back into politics and government? Or—

Chao: No. I was just curious about everything. And so I encourage young people just to learn. You're young, you should learn. When I went to work for Bank of America, I was vice president of syndications. We did very well; we had brought in record-setting financial results. Then around April 1986, I received a phone call, offering me the job of Deputy Maritime Administrator in the U.S. Department of Transportation. I was really intrigued by the job. I missed my family on the East Coast, so I came back. I had worked so hard at the Bank of America that there were boxes, in the two and a half years I was there, that remained packed and sealed. [*laughter*] I didn't even have to reseal them; I just shipped them back to the East Coast.

Perry: [*laughs*] Changed the address.

Chao: Changed the address. Looking back, I think I did have a sense of adventure. Not very many people would have moved across country to San Francisco, not knowing anyone. Having a job certainly was an anchor, but not knowing anyone, and then to be willing to move back to the East Coast, D.C., within two years, and replant myself in a new city. Now that I am old and wise, [*laughter*] I don't think very many young people would do that. But for me, I was just motivated by interest. I had this wonderful offer to come and work as the Deputy Maritime Administrator in Secretary Dole's Department. And I thought it was such an exciting time—to be able to work for the President, President Ronald Reagan, whose principles I agreed with, and then to work for Secretary Dole.

Perry: Right. And so now you're switching from a White House–centered position as a White House Fellow; now you're in a Cabinet Department.

Chao: I liked it better.

Perry: Did you? Tell us why.

Chao: You know, the—[*pauses*]—Some people would view it differently. But as people have said, the White House is just very different. It's really a public relations organ. In that way, you have to understand public relations more; you have to understand politics, or political interactions. And I was more interested in policy, and I enjoyed transportation policy. You get your hands much more into the substantive, meatier issues at the departments than at the White House. But the allure of the White House can't be disputed. So many young people want to go there because it's so exciting. I remember, I was at the White House, and Michael Jackson came to visit. [*laughter*] But I wasn't senior enough to go and see him out on the South Lawn. I could only hear that Michael Jackson came into the West Wing. [*laughter*]

Somerville: And he was at his zenith with the *Thriller* album back then. Yes, that was probably '83.

Chao: But because I had already worked at the White House during my White House Fellowship years, I had no curiosity about it anymore.

Perry: Right. You could check off that. Been there, done that. [*laughs*] Anything, other than to now know the contrast between being in a Cabinet Department and being at the White House, other lessons to take from that experience?

Chao: Yes, I think when you're at the Cabinet Department level, it's—I don't know, it's more substantive; it's more directly related to the issues. You're a bit, of course, removed from the center, but—

Somerville: It's where the rubber hits the road.

Chao: Yes, that's a good way to put it.

Somerville: I worked for Mitch McConnell for 14 years, and you're doing laws, and that's wonderful and everything—because you don't get to help in legislating here—but this is where it happens.

Genero: You have to implement everything.

Somerville: You implement legislation here.

Genero: People in the White House—you know, the big thinkers, policy, big picture, big ideas—and then people in the Cabinet actually have to figure out, OK, can we make it work? Can we get something passed? Can we put it into regulation? How do we do it? And you will actually have to make it happen.

Somerville: And you have thousands of experts here. Yes, if you're interested in the issues—transportation issues—this is the place to be.

Chao: I'm a doer. I am totally into results. Would you agree with that? [*laughter*]

Somerville: Well, you're into numbers. And, yes, concrete—

Perry: What are the results of what we're doing?

Somerville: Not just theory and—

Perry: Yes. You're into practice. But I'm just thinking of—the way we started this interview—how helpful this will be for young people, to hear the concept of mentorship, the concept of being adventuresome and adventurous, and going out and soaking up information and getting experience, and if you really want to do things, if you want to see results, this is where you go. This is where public service will take you.

Chao: Yes, I think each person has to decide for themselves, but before they can decide, they should have knowledge, information, and understanding to make the right decision for themselves.

Perry: Well, this, to me, is what's so wonderful about the McConnell Center at the University of Louisville, is that they can be getting this in college—and they can have it for four years, and they can talk to you, and the leader and all of the people who are invited to speak at the center. And Paul Weber was my mentor as an undergrad as well.

Chao: Actually, Paul Weber was very prescient. Everybody thinks I started the China trip in the McConnell—

Perry: I did. I thought you did.

Chao: I did not! [*laughter*] I've always thought it was Paul Weber!

Perry: Oh!

Chao: Isn't that interesting?

Perry: Well, now, the truth comes out. I didn't know.

Chao: Isn't that interesting? In 1996, Paul Weber had the farsightedness to believe that China was going to be very important and that the McConnell Scholars needed to go to China to understand—and also, share, obviously, with the Chinese students—what America is all about.

Perry: Yes. An exchange. I did not know that.

Well, we should just say for the record, Paul, who sadly has passed on, was a political science professor at the University of Louisville—and I also want, for the record, people to know, as liberal as they come—Paul was one of the most left-leaning people I ever knew. And I say this all the time, and I know that they—

Chao: This is quite a statement about Mitch McConnell.

Perry: Yes!

Chao: Mitch is a true advocate of the First Amendment. He believes in free expression. He believes that if you believe in something really, really strongly, you should be able to defend it. And you should be able to countenance the views of others who differ from you. He's really tolerant of differing points of view. He's really admirable.

Perry: And that's why the two of them could work together, hand-in-glove, coming from opposite sides of the spectrum. Generally, they could meet on that. Paul taught constitutional law and political science. Paul was a former Jesuit priest—who then married [*laughter*]—

Chao: Madeline Reno.

Perry: Married a former nun. And I would say about Paul that he continued to be a pastor until he passed. He arranged for me to have my fellowship at the McConnell Center in the last weeks of his life.

Chao: Isn't that wonderful, that during that time, he would still be able to think of others.

Perry: Yes—that he knew his days were numbered, his time was precious, and he was emailing me and saying, "I'm working with Gary Gregg. I want you to get this fellowship—and maybe stay on, if you can." The call of Sweet Briar was too strong to go back, but that year, I—It is equivalent to the year I spent at the Supreme Court as a fellow, doing the similar kind of White House Fellow, but for the court.

Chao: Tam, you've worked with Mitch. Don't you think Mitch is one of the most open-minded and least prejudiced people in the world?

Somerville: Well, it's just interesting, because I was just sitting here—because, you know, my leftist friends [*laughter*]—I have a lot; Facebook, you get to know them—and the last couple of years, they've been tormented. And I love saying to them, honestly—I say, "You know who taught me about civility and tolerance? That would be Mitch McConnell."

Perry: And they don't believe you.

Somerville: They don't believe it, and I'm like—

Chao: I think that is the untold story about Mitch McConnell, actually.

Somerville: Yes. He absolutely respects differences of opinion. He respects politics. When you work in a Senate office, congressional office, you become a warrior for your boss. [*laughter*] And I staffed him on campaign finance all those years—campaign finance reform, filibusters and stuff, so I was very much a warrior for him on that issue, which meant, for instance, John McCain was not my favorite person. [*laughter*] At all. [*laughter*] And Russ Feingold. And some of these other people, you know, they were the enemy. And that's not the way with him.

Perry: Well, look at the people who come to the McConnell Center to speak: Ted Kennedy.

Chao: He works very hard to get an array of diverse speakers, on a bipartisan basis.

Somerville: Yes. He actually believes in the institutions and democracy and freedom—even when it's not convenient. And he would say, I think, that he himself has developed this appreciation, also, over the years. You know, he became very close with the ACLU [American Civil Liberties Union] on the First Amendment. And he would say he learned a lot. You know, it informed his opinions on the flag-burning issue and all that stuff.

Perry: Yes. Finding common ground.

Somerville: Yes. It has affected my whole life. Now I am tutoring lefties [*laughter*] on civility and tolerance, to quote my old boss.

Perry: That's why we say it's a seminar. You know, we don't have to be tied to the questions—or because these are where the interesting points come out, as well, that you never would have expected, and that will be teaching students and biographers and scholars.

Chao: I have a lot of respect for my husband. *New York Times Magazine* was doing an article/profile on him.

Genero: And Charlie Homans was the reporter writing it.

Chao: And I interviewed with Charlie. He asked, "What do you wish people knew about him?" That should have been the point.

Genero: But you made that point—in not the same words, but you made that point, about his civility, and you talked a lot about—

Chao: He has a lot more tolerance for divergent opinions than I do. [*laughter*]

Genero: The quote I liked the best about what you said is, if you could sum up Mitch McConnell in a few words, and she said, "He does the right thing when the cameras are off."

Perry: I like that.

Chao: He does. He has a very strong compass.

Perry: And this is, to me, what has been the most rewarding thing about doing oral histories. We spent, for example, 25 hours with Vice President Cheney in Jackson Hole four summers ago.

Liz [Cheney] had said, "Come on out in the summertime. We'll be relaxed. And come at 9:00." And this is not too long after his heart transplant, so she said, "He may grow a little weary about noon, and make your leave then." We'd get to noon; we'd say, "Thank you, Mr. Vice President." And she said, by the way, "If he's not enjoying it, you may go one or two days, but," she said, "if he likes it, plan on staying the whole week. But I can't tell you how it will go." So first day, we get to noon, we say, "Thank you so much. May we come back tomorrow?" And he says, "Well, let's keep on going." And he had us from 9:00 to 2:00 for five days.

I literally had a colleague say—not anyone in oral history, I should point out, but a professor—say, "I wouldn't be caught dead in the same room as Dick Cheney." And I said, "Well, then, you would have missed out on 25 hours of history from the person who was making history, and I'm so sorry for you." I'm not telling you anything you don't know, but people know that I'm from Louisville, they know that I worked at the McConnell Center, and so I'm constantly facing these questions. And I'll just say, "You don't know these people. You're just putting them into a box." Whether it's left, right, whatever. Just don't do that. Don't put people into a box and think that you know them because you see them on TV.

Chao: You know, I see very few people that are truly venal. I think the issues that many of us deal with—

Perry: Much less evil. You know, people—They make people out to be evil.

Chao: I don't know how—Anyway, we've come to a stage where differences in opinion now result in imputation of, evilness.

Somerville: And it's so absurd, because there's 330 million people in this country; you really think they're going to agree on everything?

Perry: That's the beauty, it seems to me, of our system, and why we should have freedom of speech, with that kind of [Oliver Wendell, Jr.] Holmesian "let a thousand flowers bloom," let many opinions out there, and then let the marketplace of ideas determine what's the strong idea. Well, back to you. [*laughs*] But this is a big part of you, as well, we know.

Chao: So I was the Deputy Maritime Administrator, and we were in the old building. It was 400 Seventh Street Southwest—the Nassif building. It was a square donut around an open central concrete courtyard. The Office of the Secretary was on the tenth floor, and the Maritime Administration was on the seventh floor. I often say in those days, if I ever saw Elizabeth round a corner at a distance, it would have made my day—no, actually, it would have made my year. I never even got to see her when I was a young political appointee, and as Deputy Maritime Administrator, she gave me a call one time to ask me about a maritime issue. I was so excited and nervous! I remember attending a senior staff meeting in lieu of the absent Maritime Administrator John Gaughan—It was so exciting! [*laughter*] I try not to forget that. That's why when I call people sometimes, I need to be cognizant of how I will be received, and not just ask the question at hand.

Perry: Any other lessons learned from that experience? Policy, the leadership of Elizabeth Dole—?

Chao: Well, I learned a lot about the Title XI financing program—I was brought in because Title XI, which is the ship guarantee program that was a part of the Merchant Marine Act of 1936. It basically put the government's full faith and credit behind American flagship operators so that they can go into the public markets and obtain less expensive and longer-term financing, thereby making it more attractive for American flag operators to increase the fleet.

Perry: So that's an interesting point. Is that—

Chao: I was brought in to clean up this portfolio because the level of defaults had skyrocketed, due to overextension of guarantees to unsound ventures in an energy boom period in the Carter years. The portfolio was experiencing a default rate of $1.9 billion that year, which was unprecedented in the history of this program. The Carter administration basically used this Title XI program as a way to pump money to the energy sector during the energy boom era to finance oil rigs, barges in the inland waterways. Title XI—before the Carter administration, to my understanding—was primarily used for deepwater ships. This program fueled the overcapacity of rigs and barges in the oil energy industry. The beneficiaries were shipyards and unions.

Chao: It was to create jobs. And then, of course, it did benefit the operators. But when the oil bust came, all these assets were underutilized, they were "underwater," meaning collateral value was less than the amount of loan outstanding, and many companies went bankrupt, so these government guarantees were all drawn down. These demands were a direct draw on the Treasury, to the tune of $1.9 billion in 1986—which in 1986 dollars was a really big amount of money.

Somerville: Yes. Probably six or eight billion now.

Chao: So I was brought in because I was a shipping banker at Citibank; I also had done asset sales when I was vice president of syndications at Bank of America. And that's what I did for

asset sales—I repackaged distressed loans and resold them. So I was brought in to be the Deputy Maritime Administrator to do that.

Perry: So now your MBA, your record in finance and banking and government experience is all beginning to form into this whole that allows you to move into these niches where your expertise is needed, it seems to me. I'm seeing this trajectory.

Chao: And this is more impressive given the fact that I came from an immigrant family that taught us to become an expert in the subject areas and not be a dilettante. It actually took a lot of courage to try all these different subject areas, to be able to draw on the various experiences I have learned and combine them all into a career path that I'm subsequently on.

Perry: Speaking of career path, what were your parents' thoughts at this time about your trajectory?

Chao: They were very empowering. They encouraged their daughters to find our talents and fulfill our potential. They're people of faith, Christians, and they said, "God has given you certain talents. It's up to you to find out what those talents are. Don't waste them." My parents never told us you have to be an engineer, you have to be a doctor, because the end goal was not something that was for them to prescribe; it was for us to find, for their children to discover ourselves. They were not lackadaisical. They encouraged us to find our talents. That was really important. We had to find, in today's parlance, what our passion was, and what we wanted to do with our lives. They encouraged us to widen our vista, broaden our perspective and horizons. I think this came from their own experiences. Their worlds were so different. If they didn't have the ability to think big, outside the box, have a broader perspective—they would not have embarked upon the paths they did in life, nor be as successful in life as they have been.

Genero: Also, wouldn't it be safe to say that your parents' goal was to equip you all with the best possible education—as a foundation, as the springboard—so they insisted on the best schools, the best possible education?

Perry: Good for them. That's so admirable. You're going to move on, then, from—

Chao: Educational attainment is very important in Asian American families. Luck is important in life, but you have to be prepared to take advantage of opportunities when they come. When I first arrived in Washington, I had a difficult time. I didn't understand Washington. I wasn't well connected. Some people were dismissive of me; some looked past me; I was a nobody. Now I can say this; I wouldn't have admitted this 20 years ago—while some people were nice; some people were mean. [*laughs*]

Perry: Oh! How so?

Genero: Sharp elbows?

Chao: Sharp elbows. I was so innocent. In the White House, for example, I didn't know anyone, I was often left out, ignored. But it was OK; it gave me an opportunity to observe, learn. I was interested and so excited to just be there.

By nature, I'm very inclusive. I come from a big family; I'm used to sharing. I'm always very welcoming of others, and there were just people who were mean, who were not nice.

Perry: To what do you attribute that? You said you didn't understand Washington. Is there a Washington culture? Was it a gender issue?

Chao: It's a competitive environment.

Perry: Was it a—?

Chao: Washington is a town of relationships. I was a newcomer; I had no relationships, no mentors, no godfather. No one to give me hints as to what to do, how to handle new situations. No one to look after me. But I think what helped me was that I didn't mind being left out. I was so interested in how Washington functioned, learning how the White House functioned, meeting all sorts of new people. I found all this so interesting. I didn't know what I didn't know. Each step was an adventure that opened up a new door into a new room that allowed me to learn more about how things worked. Looking back, I think it also helped that I was so eager to work. I was smart. I was diligent and energetic. I so wanted to learn, and I think that came through.

I think being a minority—I would never admit it at the time, but I think being different—made me stand out and helped people to remember me. I remember going into the Reagan/Bush campaign and thinking to myself: *Oh, my God, all these girls are pretty blondes who all had special connections of one sort or another*. [*laughter*] I wasn't anyone important. I didn't come from any important families. You feel this in different ways: somebody looks past you; they don't even look at you, they look past you; you say something and it's as if you said nothing. You know, just little slights like this. And I'm not a complainer. It was just interesting.

Perry: I'll play the therapist: Now how did that make you feel? [*laughter*]

Somerville: Also, I'll bet you've always looked younger than you are, too. It's hard to be taken seriously.

Genero: Yes, when you're young and cute.

Somerville: Particularly in 1983, a woman. You looked even younger than you were, and you were pretty young.

Perry: That sums it up, doesn't it?

Chao: But I don't view that as victimization.

Somerville: We've all been there.

Perry: But that's interesting—You say you didn't view yourself as a victim.

Chao: No! I was so excited just to be here. You couldn't keep me out. [*laughter*] If Elizabeth Dole had let me, I would have slept on her floor. [*laughter*] I would have been at her beck and call, 24-7. [*laughter*]

Perry: Her body person for heaven's sake!

Chao: Yes. But looking back, I was also very innocent, and I didn't know very much.

Perry: How did you learn?

Chao: Like my father taught me to do: I listened and I watched. And I read.

Perry: What did you read?

Chao: I read everything. About politics. I read all the major newspapers. I read all the major magazines. I read trade articles. I read popular culture—you need to be familiar with popular culture, because you have to be able to talk at cocktail parties. [*laughter*] You have to be able to establish a connection with people. And the more you know, the more you're able to find out what they know, what they're interested in, and be able to converse with them, the greater the chance of a connection. Looking back, I had a lovable personality. [*laughter*]

Perry: If you do say so yourself.

Chao: If I do say so myself. [*laughter*] I was so eager to please, willing to work, learn, and take criticism. From my vantage point today, if I saw a young person who is so willing to help, to learn and work, so responsive, and like a sponge, so eager to absorb information, I would find that very appealing.

Perry: It is. And we all snap people up like that, so we'd understand why you were snapped up, because you had all those traits.

Chao: What happened next is the Chairman of the Federal Maritime Commission, Ed [Edward V., Jr.] Hickey passed away suddenly of a heart attack on January 9, 1988. Ed Hickey was former Secret Service, headed up President Reagan's protective detail in California. He was appointed the Chairman of the Federal Maritime Commission in 1985. The Hickey family was big, with seven boys, Catholic. One of the bishops here is a Hickey son.

Ken Duberstein tells me that when he was Deputy White House Chief of Staff, he was the one who recommended me for the position. Again, they were looking for someone who understood international shipping. And I think they were obviously interested then in promoting people of diversity, as well. When I was younger, I would never have said that, but I think that's probably true.

Perry: So you're doing that just as the Reagan administration is ending and the Bush—

Chao: We actually did a lot, because the Federal Maritime Commission was in the midst of reevaluating the Shipping Act of 1984. It was a five-year review. A blue-ribbon committee had to be established to assess the impact of that act, and I was someone who knew the subject area, who could hit the ground running, and got along with everybody. Actually, that's a picture of me with the four other Commissioners at one of our public hearings on my wall.

Perry: Oh, let's look.

Chao: So I'm the Chairman, over there.

Perry: Oh, there you are!

Chao: And there are the four Commissioners.

Genero: A bunch of guys—a bunch of older guys.

Somerville: There's an outlier in that photo, and she's sitting right in the middle.

Genero: Yes.

Chao: Actually, I still keep up with Commissioner Ed Philbin's wife, Vivian Philbin, who works in the Federal Highway Administration, U.S. Department of Transportation.

He was always very kind to me. I remember people who were kind to me. In return, I have been very kind to his family. He had a long illness toward the end of his life. He married late in life. He and Vivian raised a beautiful family—two boys and a girl. The boy and the girl are in the military; all three are very accomplished.

Perry: Continuing to do public service.

Chao: Yes.

Perry: Oh, that's wonderful.

Chao: But I had that photo up there, not because I put it up on purpose. When I moved into this office, we needed to fill up the walls, and this photo was one that was handy and nearby. But it's actually a pretty interesting photo.

Perry: It is, and I love in the interviews when people can point to a photo or point—and by the way, if there's anything you want to include with your transcript, any photos or documents or anything, we keep all of that with the transcript in our—

Somerville: Be careful what you ask for. [*laughter*]

Perry: Oh, if we're able to accommodate it, space-wise, we'd love to have that in our archive and in the Scripps Library at the Miller Center.

Chao: Well, thank you.

Perry: So that is great. We want to get to this picture below it, of you being sworn in by President Bush.

Chao: Yes, that was as Chairman of the Federal Maritime Commission.

Perry: So that was the actual swearing-in for your chair—

Chao: It was the ceremonial swearing-in.

Perry: So now get us to Bush 41. Were you able to work in that campaign? Did you want to work in that campaign? What were your thoughts about the Vice President, as he's running, now, in '88 to replace Ronald Reagan?

Chao: I worked on the campaign for him, primarily as a surrogate speaker, because I was Chairman of the Federal Maritime Commission already at that time. I also seconded his nomination as the Republican nominee for President on the final night of the RNC [Republican National Committee] Convention in New Orleans!

Perry: And had you met Vice President Bush while you were working in the Reagan administration? Had you met him? How did you know about him?

Chao: I met him when I was selected as a White House Fellow. He was the one who handed us our certificates as a White House Fellow.

Perry: And that was the first time you met him in person?

Chao: Yes. It must have been in September of 1983.

Perry: So through all your reading—As you explained it, at this time you're reading the newspapers and magazines and absorbing the Washington culture; you're working in the campaign as a surrogate speaker for him in '88—What are your impressions of him, as a person, as a Vice President, as a President, as a Republican?

Chao: I was so junior; I had little contact with him.

Perry: But you were happy to support him coming out of the Reagan administration?

Chao: Of course. Yes.

Perry: And that he would be the first Vice President to be elected President—You had to go back to Martin Van Buren, I think, in the previous century, so it was actually quite a coup for him to be elected in '88.

Chao: Yes. Some hoped it would be a continuation of the Reagan years. But actually, it was different.

Somerville: That was such an interesting primary. You remember that year? Bob Dole ran.

Chao: Oh, I had forgotten about that.

Somerville: And the Democratic primary was wild.

Chao: Oh, yes, of course. Elizabeth Dole stepped down as Secretary in September 1987 to help her husband in his Presidential campaign. Jim Burnley was confirmed as Secretary on December 3, 1987.

Somerville: There's an amazing book—Did you read Richard Ben Cramer's book, *What It Takes*? That is a fantastic book. It's all about the '88 campaign and the people. I think he's

written others, but I think he might have gotten a Pulitzer. Joe Biden ran that year. Al Gore ran that year.

Chao: Yes, to disastrous results. Dick Gephardt.

Perry: Right. So yes, on both sides, a lot of people in the race. But that's fascinating—

Chao: I would be a surrogate for then Vice President George Bush. I would appear before Asian American groups and because I was a part of the President Ronald Reagan and Vice President Bush administration, it reflected well on them, because there were so few Asian American appointees in any administration. I also spoke to other groups.

Perry: Did you ever think about running yourself?

Chao: No.

Perry: Tossing your hat into the ring?

Chao: No. I actually am very self-aware. I preferred being an appointee.

Perry: But you didn't mind being out on the stump and giving surrogate speeches for candidates?

Chao: I was a little bit nervous in the beginning, but you get better at it with practice. And then when I married my husband, I learned to speak before groups big and small. I learned to not have to prepare my remarks so much, and learned to speak extemporaneously. Actually, I have a lot of admiration for Hillary Clinton. She could give in-depth speeches without notes, speaking in complete paragraphs. In fact, both Clintons could. I challenged myself to learn to speak extemporaneously without notes.

Somerville: They were both real intellectuals. They met in college, didn't they?

Chao: Yes, at Yale.

Perry: Law School. Right, at Yale Law School.

Somerville: They were wonks.

Perry: Certainly, policy.

Somerville: Yes, policy oriented.

Chao: I would be a part of the Republican Asian American councils or committees of the campaign.

Genero: These ethnic counsels were championed by Richard Nixon during and after the 1968 campaign, actually.

Perry: Isn't that something? And what was your thought about that? Because, you would say, "I didn't want to be viewed in terms of diversity, I didn't want to be viewed as a victim," but if you were asked to participate on these councils, and you felt comfortable—

Chao: Well, I never rebuffed my own heritage. I was asked to join and I said yes.

Perry: You just would do it, because you were asked to do it.

Chao: I was glad to do it. I actually enjoyed being a surrogate speaker. It was fun because it enabled me to learn. It introduced me to new people, of all different backgrounds. It enabled me to visit different areas of the country and learn.

Somerville: And what an honor. This immigrant girl grew up, and people ask you to help them get elected to President.

Perry: President of the United States!

Chao: Yes, but we had tons of these other people, too. I was glad to be among the tens of thousands.

Perry: Oh! Well, I think it was an honor. So now you are Chairman of the Federal Maritime Commission. Anything to report there before you come over to be Deputy Transportation Secretary in the Bush 41 administration?

Chao: I'm learning about the federal government, how to move issues and policies. I'm learning how to be a better leader. I'm learning the art of governing. I'm learning how to work with bureaucracies. I'm learning how to work with people who don't agree with me. I'm learning about how to persuade them to come my way. This is not the Asian way. I was not brought up like that.

Perry: What's the Asian way?

Chao: Very hierarchical and very obedient. That is the culture.

Perry: And that is, whoever's at the top makes the rules, says what needs to be done; those down the chain follow through.

Chao: Yes. So there is a cultural difference. Laura and I talk about it all the time. I don't want this to be interpreted as Asian American kids are all like this, but—especially if they're second generation, they're not like this anymore—but generally speaking, the Asian culture is much more hierarchical, much more conformist. I've had to learn to address people whose opinions are different from mine, and how to interact with them in a productive way.

Perry: Is that both an art and a science, would you say?

Chao: It takes practice. It takes a long time. If you look at the legislatures of South Korea, of Taiwan, of Japan, maybe of the Middle East, they're so polite to each other. They come from

such polite societies. And then at a point, they just erupt, because they just can't stand it anymore. [*laughter*] And then they throw shoes at each other, you know?

Perry: I was going to say, that's what I remember seeing on television. [*laughter*]

Chao: They get into fistfights because, you know, they try to be polite—

Perry: They bottle it up.

Chao: They try to be polite, and then all of a sudden, it just erupts. [*laughter*] But here in America, we learn to argue in a civil fashion, and we learn to exchange, hopefully, points of view. We're a country that's comfortable with confrontation, contradictions, disagreements—It's OK to have these differences in the open. No one is going to be embarrassed. We don't embarrass anyone by having an open discussion of different opinions. I've had to learn all of that. Not that I would be erupting, but I mean, I was very reserved, I and I didn't know how to challenge other people, because in my culture that I was brought up in, to challenge other people is extraordinarily impolite. So you give them lots of clues as to why they're wrong, and then, because we are in America—

Genero: They're supposed to figure it out. [laughs]

Chao: Yes, then they're supposed to figure it out. [*laughter*] Then, of course, they never do. [*laughter*] Which gets you even angrier. It's like, I just gave you all these clues and you don't even pick up on them! It's like you either must be purposefully evading or purposefully obfuscating or challenging me. No. They just didn't get it. [*laughter*] This is also, I think, a model—You know, an analogy with foreign affairs, foreign policy, and communications between different cultures and different countries.

Genero: Oh, yes, to be sure.

Chao: I think the cultures of East and West are truly very different, so I've had to change and adapt. For example, I am actually very shy, so I don't like all these boisterous parties. And gift-giving is different. I would go to these retirement parties. This person is retiring after 30 years or 35 years, and they get a gag gift? I don't get it. [*laughter*] It's like, That's it? After 35 years you're going to give him a gag gift? [*laughter*] It's so disrespectful! So I've had to learn. You know, humor is important. But in a relatively affluent society like this, the money is not important; it's the sentiment, whereas in Asia, the monetary value of that gift would mean something.

Genero: The higher up you go, the more expensive your gift is supposed to be.

Perry: Oh. Oh, so that's all the cultural differences that you're having to navigate and learn as you go through each of these positions.

Chao: Yes. And then I would never contradict anyone. And then they would keep on talking.

Somerville: That's kind of a woman thing, too. And it's cultural.

Perry: Thank you. I didn't want to say that, but it's cultural and it's gendered, as well. That's part of the culture, that women are taught, don't—

Somerville: Women don't speak up.

Genero: Yes, you try and make the other person feel better, so you don't want to tell them what you really think if it's negative. [*laughter*]

Perry: But could I just point out, for the record, here we sit, four women, [*laughter*] having this conversation.

Chao: Yes, so I'm learning. I'm learning how to deal with people who are older than I am, who come from very different cultural backgrounds. Mainstream America was much more homogeneous then, and so how do you lead in that kind of environment?

Perry: That's an interesting point to raise, too. You're learning how to negotiate; you're learning how to deal with people who don't agree with you—Talk about leadership, because we haven't talked about that. It's been the subtext.

Chao: I think leadership has changed a lot.

Perry: But talk about how do you lead. How did you learn to lead?

Chao: Well, when I was growing up, leaders looked less diverse than they do now: most of the time, it was a white, elderly male in the corner office. And in my time, that image of a leader began to change. We began to see leaders who come in different packaging. There were women. And the dynamics at the workplace was really interesting. But then again, I never thought of these as unpleasant battles; it was just so interesting to see everything develop. I think, over my lifetime, from the '80s to the 2000s, I think leadership styles have changed quite a bit. I think even men are now adopting a different leadership style. It is much more participatory, less top down, more populist. It's more compassionate, empathetic, inclusive, and these changes are probably brought on by the entry of women into the leadership ranks.

Perry: So you've seen, over your career—First you had to make the cultural adjustment and somewhat gender adjustment, but then over the course of your career, you see the impact of, let's say, more women, more diversity, a less—even by American standards— a less hierarchical structure of leadership, more collegial.

Chao: Yes, it's changed.

Perry: And so have you had to change your leadership traits or leadership approach as your career has gone on?

Chao: Well, the leadership models were changing just as I was assuming positions of leadership, so I was adapting to the norms of the changing times. I'm always learning; I'm always fine-tuning. I've always been very inclusive, because my family is very inclusive. My father is very inclusive. That's how the daughters were brought up.

Perry: Do you still have your parents?

Chao: My mother passed away August 2, 2007. And Laura attended the funeral service on August 11, 2007, in New York City, for which I'm very grateful.

Perry: Oh, it's so hard, isn't it?

Chao: Laura made this special trip from Washington to attend the funeral. My father is still with us. He's 91. He's getting very frail, and that makes me very sad, because he was such an incredible force of nature. He could do anything, in our eyes, when we were young and when he was younger.

Perry: Is he still in New York?

Chao: Yes. He's teaching me how to grow old gracefully. He is very optimistic. He has a grateful heart. He's always very thankful—and he's nice to people around him, so people like to be around him, because he's so pleasant.

Perry: Oh, that does make a difference, doesn't it?

Chao: Yes. But he's also very—He's fiercely independent. He thinks that if he can do it himself, it's better that he do it himself. If he asks you for help, you know he really needs it. He would not otherwise ask.

Perry: Yes, yes. He must be so proud of you.

Chao: Well, he's proud of all his daughters. All his daughters have done quite well. And I think that's quite a tribute to my parents, and to the way they brought their kids up.

Perry: Absolutely. Well, back to your trajectory. Things to offer from your H. W. Bush administration as Deputy Transportation Secretary?

Chao: President Bush is elected. I am offered the position of Deputy Transportation Secretary. The U.S. Secretary of Transportation was Sam Skinner, a former U.S. attorney and a partner with Sidley Austin, who chaired a transportation commission in Chicago.

Chao: I was not paying very much attention to the politics of the 1988 campaign. I really did believe that the role of government is to enable people to achieve their potential, their dreams, and government should not be a barrier. I believed in economic freedom, and I thought that the Republicans offered that. They were a better alternative to furthering that goal than the Democrats.

Perry: So that's interesting, that you began our discussion by saying, "I was registered as an Independent; I really didn't think in partisan terms," but given your philosophy coming into government, seeing the Reagan four points of philosophy. It sounds now like by this time, by the late '80s, you felt very comfortable in the Republican Party and very supportive of its goals.

Chao: Yes. I was always very comfortable in the Republican Party. In New York, the Republican Party was not strong. And so I didn't understand—

Perry: And more liberal. I mean, Nelson Rockefeller was not Ronald Reagan [*laughs*] to say the least.

Chao: Yes. I didn't understand what they stood for. And coming to the Reagan administration and seeing what he stood for, so clearly enunciated, it was very empowering for the political appointees who were guided by President Reagan's principles in their daily jobs throughout the administration. It was empowering to the noncareer staff, because we didn't need to be micromanaged. We knew from the four principles what direction to go. That's also the genius of having four simple principles. No one can micromanage the whole government. You have to imbue your people with core values and principles and trust that they know what to do.

Perry: That's an excellent point about leadership, isn't it?

Chao: Jimmy Carter, I heard, gave his political appointees a lot of instructions. He micromanaged.

Perry: He was a micromanager, to be sure.

Chao: And you can't really succeed, because the government is so huge. You have to give guiding principles, select talented people, and let them tackle the problems.

Perry: So I always quote Bob Gates on this. In his memoir about his early time at the CIA [Central Intelligence Agency], he defined "micromanage": it meant people coming down from the top, lifting you up by the roots to see if you're growing. [*laughter*] That's the problem, isn't it, with micromanaging?

Chao: So, I was one of the seconders of Vice President George H. W. Bush's nomination in New Orleans.

Perry: At the Convention?

Chao: Yes.

Perry: So that's the first time you spoke at a Convention?

Chao: Yes. Actually, I didn't even speak from the podium. I spoke from the floor. I was a seconder of the nomination. There were a number of other seconders.

Perry: Oh, from the floor?

Chao: I spoke from the floor. And this is the funniest part. My whole family comes down from New York to Houston; we're so excited. And then I give my speech. It's, like, ten sentences. [*laughter*] But I memorized it all—like, completely memorized.

Perry: And where were you physically placed on the floor?

Chao: I was with the California delegation. I was the head delegate. I was so proud.

Perry: Oh, you were a delegate from California?

Chao: Yes. Because I had kept my California residence.

Perry: And your voter registration was California?

Chao: Right. I was so anxious. And I'm on the floor—There were a couple of other seconders—They're called S-E-C-O-N-D-E-R—they second the nomination—they're seconders.

Genero: Different delegations.

Chao: They're dispersed throughout the Convention floor. I guess whoever organized this portion thought it would be more interesting and quicker to have "seconders" on the floor, in different parts of the Convention floor. There were, perhaps, three of us? When it was my turn to speak, I was too eager. I did not wait. The camera could not pan to me fast enough, so the cameras missed my whole 10-sentence speech! My parents and my family, they heard my voice, but all they saw on the big jumbo screen was the back of my head. How disappointing!

Perry: So the television cameras couldn't get to you and get you in frame?

Chao: No. And this is also an indication of the disadvantage of being too eager. My father always said to me, "Don't act so quickly. Think. Slow down." You know, "Think! Slow down."

Somerville: My father used to say that to me, too. [*laughs*]

Chao: You know, "Think!" And I was so excited, so as soon as the other person finished, [*claps hands together*] I launched into my remarks.

Perry: Before the camera got to you.

Chao: Yes. Now that I'm experienced, I would have waited. But then I'm also surprised they didn't have someone on the floor to give me a cue to "go." Maybe they did and I, in my excitement, didn't see or hear them. But I don't remember them telling me someone will cue me! Oh, well, but I still remember this 31 years later.

Perry: A director, in effect, to—

Chao: Yes, usually they have that.

Somerville: Now they would. Now they would.

Perry: They would, they would.

Chao: But back then they didn't.

Perry: I wonder, do they still do that? Do they still have seconders from the floor?

Chao: It varies. There's no tradition. This is America. There is no tradition. [*laughter*] It's like, whatever makes for a good show, you know? And I think at the time, to have the seconder in the audience was kind of exciting, and so that was why they did it.

Genero: People were still watching conventions.

Perry: That is true, that is true. But that was another step?

Chao: Yes, that was another step.

Perry: In the national portrait.

Chao: I was actually more glad that I was able to bring my family and let them share it. I've always had my family share in big moments.

Perry: Now were they in the venue or were they—

Chao: No, they were—

Perry: They were there in the seats?

Chao: Yes. They are incredibly supportive. Whenever there was a big event, like my swearing-in as Chairman of the Federal Maritime Commission, Deputy Secretary—Any major events, my father arranged to have the whole family come. They are all there, en masse, in force. [*laughter*] That is, again, reflection of an Asian value. For big events, the whole family shows up. And if you don't have the whole family, it doesn't reflect well on the family. I think one of the reasons why we are so admired, for example, among the Asian American community, is because we possess Asian values and American values. The Asian Americans really admire the way that my family—my father and my mother—have raised us. For all the important events, the whole family shows up. [*laughter*] Mitch McConnell shows up. You know?

Perry: He's taken on that value.

But the important thing was you were continuing to move up the ladder.

Chao: I get a phone call from the new Secretary of Transportation, Sam Skinner's office, in early 1989. I cannot remember if I had an interview; I must have. And then, he asked me to be the Deputy Secretary.

Perry: I believe we interviewed him for that project.

Chao: Sam Skinner selected me because he believed in affirmative action. I can't say I enjoyed being labeled as a product of affirmative action.

Perry: Oh, he told you explicitly?

Chao: Oh, yes. He often expressed his belief in affirmative action.

Perry: And did he use that terminology? Did he say, "I'd like you to come in because I believe in affirmative action"? Or did he say "diversity"?

Chao: No, I don't know whether he said it that way. But he certainly said it to other people. I've heard him say it to other people. But, looking back, I'm still grateful. [*laughter*]

Genero: You can make the best of things even if they were given for not the best reason.

Chao: Yes. That was a very tough experience for me. But in retrospect, it helped me grow personally, professionally. It made me stronger.

I always tried to be very kind to people after that experience. I also noted the dynamics between the Deputy Secretary and the chief of staff. The two positions must work together. In many departments, the Deputy Secretary and the chief of staff are two power centers that clash. That's why, when I became U.S. Secretary of Labor, I worked to ensure that the chief of staff and Deputy Secretary worked together.

Genero: In most departments, the chief of staff and the Deputy Secretary were often at odds.

Perry: Is that the case?

Genero: Yes. Where I've been, yes.

Chao: So I think that Deputy Secretary experience taught me that I want to foster a harmonious team. We need to work together, moving forward as one team, not working against each other.

I learned a lot about people, about chemistry. Sometimes when people don't get along, they don't get along. There's nothing wrong with either person; they just don't get along.

Perry: As you say, the chemistry just doesn't allow that. But I think it's really important for the record, ultimately, your thoughts about diversity and affirmative action. I know in my own case, I had a professor—He was a young, male professor, very liberal, but he said to me, when I was going out on the job market, "Oh, you won't have any trouble getting a job, because you're smart and you're a woman." And I called my dad and I said, "I don't like that. Why did he say that?" [*laughs*] My dad, who had grown up in the Depression, said, "Just get the job. Just get the job and take it. You're gonna get it because you're smart, and then you're gonna prove yourself because you're smart, but don't worry about that."

Somerville: For women in the '70s and '80s in particular, if you were a woman and got a significant spot, chances are you were the first. You were the first of most of the things you did, I think. I was the first female staff director of the Senate Rules Committee. Not that anyone cared or wrote an article about it, but that's just how it was.

Perry: So we did find ourselves in these positions. And I tried to take my dad's wisdom to heart, which is, Don't get caught up in that. Take your talents, use your potential, and move on.

Somerville: When you think about it, in the '40s and '50s you wouldn't have had that chance, period.

Perry: Correct.

Somerville: There was no pressure to do that.

Perry: And by the way, there were no female role models in graduate school. That department where I was, at UVA [University of Virginia], had no tenured women—hardly any women at all. There were three women out of about sixty.

Somerville: Even people like Elizabeth Dole—Did she go to Harvard?

Genero: Yes.

Perry: She did.

Genero: Harvard Law.

Somerville: You know, and Ruth Bader Ginsberg.

Perry: Yes. Sandra Day O'Connor. They could not find positions.

Somerville: You talk about blazing trails.

Perry: Yes. They would not be offered positions in law firms, so usually they would do—if they could—teaching and public service.

Genero: And there were so few women in their law classes back then.

Perry: So few women. Yes. Or they'd be told outright by professors, Why are you here? You're taking up a spot a man could have, and you're not going to be anything.

Chao: Well, the good thing is, we're so far beyond that. There are still challenges, of course, new ceilings, but the ceiling has risen.

Somerville: It's better. It's not still 100 percent, but it's certainly a lot better.

Perry: Absolutely.

Chao: So then I become Sam Skinner's Deputy. And I learned a lot about how to run a Department. That was very helpful training for my next job in the Cabinet.

Perry: What did you learn?

Chao: The Deputy Secretary has a lot of the operational aspects of the Department, the management review board, the budget, the administration. And then I learned a lot about the issues, the administrative infrastructure of the Department, the ebb and flow of Congress, the legislative process. It was helpful just to be present at the table, to observe and learn. It was like an understudy to the Secretary's job.

Perry: But this is the first time now that you're in this management position above so many people. You have thousands of people now below you that you're managing. And you're managing the HR [human resources] for them and you're managing the budget for them. Lessons learned there about management—leadership and management?

Chao: [*pauses*] You know, the good thing is, so much of this comes through osmosis, and it's gradual, so it doesn't seem as hard as it may appear, [*laughter*] because you're there, you kind of absorb it. But I think—[*pauses*]—the good side is, you learn a lot about how to interact with people, how to approach people in the way that they like, in a way that they can listen and hear. And it's not just, you know, approaching it at—

Genero: Giving orders.

Chao: Yes. In a certain way. I never assume anything is ever done. I'm constantly—It's part of my personality, as well. I'm constantly circling back and making sure that what was supposed to be done is indeed done. I don't think guys do that. I think women do that. Do you think so? I don't know.

Genero: I would agree. Couldn't you say that one of the things that you've been picking up all along is—and that you really applied in spades in the Department of Labor, when you became Secretary—is the importance of personnel?

Chao: I actually learned that from the Ronald Reagan days. That's very important.

Perry: Picking the right people for the right position.

Chao: Oh, yes. I learned that "Personnel Is Policy." A favorite phrase from the Reagan years.

Genero: In politics, especially if you're at the Cabinet level, there's still a fair amount of patronage, and the White House is always trying to foist a certain number of people on you. One of the things that the Secretary has always been especially attuned to and very good at is assessing people and picking the right team. When I worked at the State Department, it was nothing but a battle, 24-7—not with our Cold War adversaries, but with ourselves. [*laughter*]

Perry: That was the "hot war" in the Cold War.

Genero: Yes. Dealing with the Cold War was easy compared to the internecine battles in the State Department, such as who went first on the sending line of a cable or memo!

Somerville: Among politicals?

Genero: Yes. But career people, too. It doesn't have to be that way. When Secretary Chao was the U.S. Secretary of Labor, she had a remarkably harmonious team that accomplished a lot of things. A key part of that was the people that she picked, because she knew everybody had to be on the same page. She didn't let others shove someone on her just because he or she was So-and-So's friend or child or whatever; she interviewed every single person and wanted people who really knew what they were doing—and who were philosophically going in the same direction.

Chao: That we could talk about later, which was—

Perry: Yes, let's circle back to that when you're at Labor.

Chao: Yes, because I want to make this point. We took on very difficult issues at Labor, and I was worried that the noncareer appointees would shirk from hard battles. Quite the contrary: they relished the opportunity to take on these hard battles, because that's why they made financial sacrifices to enter the administration, to be consequential, to take on important issues. So that was an important lesson, actually.

Genero: It was very helpful.

Chao: So as Deputy Secretary of Transportation, I was an understudy. I watched Sam, how he handled people. He was effusively friendly. I don't know whether he would say that himself, but I saw him that way. And for someone like myself who is rather reserved, I saw that he was trying to establish connections with people.

Perry: So you mean that in a positive way?

Chao: Well, he understood that to win people's minds, he had to win their hearts first. He always wanted to bond with people—Is that the right word?

Somerville: A good rapport.

Chao: He wanted to connect with you. He had these "way to go" awards. It was a way for him to give the Secretarial compliment: if you did a good job, you got a "way to go" award.

Somerville: Kind of a gold star.

Chao: Yes, it was kind of cute, in retrospect. [*laughter*] I could never do that kind of thing. It just wasn't me. But I learned about different ways to show appreciation and motivate staffers.

It was different personalities, but I learned about different ways to try to motivate people—noncareers and the career folks.

Perry: That expression floats off your tongues, I've noticed—"career versus noncareer"—but tell those of us who haven't worked long in government, and certainly not worked in a Cabinet Department, tell us about that split.

Chao: There are approximately 6,500 noncareer employees that are dispersed throughout the whole government who are called noncareers, or political appointees. They come in with the President or the Secretary and they leave with the Secretary or the President. They do not have civil service protection. They do not get to stay in government for the rest of their lives. They serve at the pleasure of the President and the Secretary. The rest of the government are people with civil service protection. They can stay for their whole entire lives, and can't really get fired without cause. The top tiers of every Department, down to almost four levels, are occupied by political appointees: the Secretary, Deputy Secretary, Assistant Secretary, and half of the Deputy

Assistant Secretaries are political appointees. Then the rest of the Department are career civil servants.

Perry: Now talk about that divide. How does that divide operate?

Chao: So at the Labor Department, there are 17,500 employees; there were more than 150 political appointees. There were 19 PASs [Presidential Appointments with Senate confirmation], 30 noncareer SESs [Senior Executive Service], and the remainder were Schedule Cs. What I learned was if I had the budget, I could hire unlimited Schedule Cs. Part of my job was to develop talent for future administrations; giving people the opportunity to serve as Schedule Cs prepares them to govern better.

And here at the Department of Transportation, there are approximately 55,000 employees, and about 20,000 contractors. And we only have about 110 political appointees. The number of political appointees is capped at 110. I'm sure somewhere in the last 30 years, someone ticked off some congressional Member who imposed this ceiling. The FAA [Federal Aviation Administration], which has a workforce of about 44,000 people, can only have seven political appointees.

Perry: So, when we come back to do the 45th President's oral history, then we will delve into the Department of Transportation.

Chao: The career folks are supposed to implement policy; and the noncareer folks, appointees, are supposed to set policy.

Perry: So they're the conceptualizers, would you say, of the policies?

Chao: They're the policy makers. I don't know whether you conceptualize. That's more like think tanks.

Somerville: Well, that administration's policy—

Chao: Yes.

Somerville: Consider also, that the politicals come in and—We call the appointees "politicals"—we're not going to be there very long. In fact, the average Secretary is—

Chao: The average tenure for a Republican appointee is two years. The average tenure for a Democrat appointee is four years. [*laughter*] Because most Republicans come from the private sector; they've made lots of financial sacrifices to come into the government, whereas a lot of Democrats come from the nonprofit sectors, state and local governments—now, this is a generalization.

Perry: This is the zenith, probably, for them—the most they'll ever make?

Chao: Yes, this is probably the highest salary that they've made—

Perry: The highest calling.

Somerville: It's a high calling for anyone. I think also, the rulemaking process—Congress does laws; the executive branch does regulations here. And there's—

Chao: We implement the laws that the Congress passes through regulations.

Somerville: And there are laws that govern the process, so it takes a couple of years to make a significant rule.

Chao: At least.

Somerville: So if you're a political—and when you come back to talk about this administration, [*laughter*] it would be interesting—so Day One, the Secretary has to hit the ground running, because if you want to accomplish something, the politicals have to be on it.

Chao: With a very short period of time in which to make change. And the change takes a long time. Rulemakings can take two to four years.

Somerville: So if we're impatient—You need to be impatient to accomplish anything. None of us politicals are thinking, *Oh, 30 years from now, when I'm still at the Department of Transportation*—or 20—because we won't be.

Perry: You have every incentive to get it going—

Chao: —for every administration. Yes.

Perry: And you know that an administration typically is at its zenith of power in those first couple of years, typically.

Somerville: There's that, yes.

Chao: For most of the career folks, they're professionals. They are open to direction, but people being people, one's viewpoint comes into play. So how do we as leaders persuade and lead and motivate the career civil servants to implement the policies of this administration—or any administration?

Somerville: Also, their perspective is career.

You've got to hand it to them. They have to react—They're sort of getting whipsawed, because every four years or eight years or whatever, it tends to switch parties.

Perry: As soon as we get you to Labor, we want to make sure that we really tease out all of these points that you're raising. This is the contribution of speaking to the head of a Cabinet Department—that we're going to get all—You know, we've talked to Condi [Condoleezza] Rice and we've talked to Don Rumsfeld, but we typically, in these oral histories, haven't talked to a lot of the other Cabinet Secretaries, so what we're getting from you all is so rich, and it's going to make such a contribution in knowledge.

Chao: Do you want to take a little break?

Perry: Oh, sure. Yes. Or we could do the Dick Cheney model, where we talk through lunch.

[BREAK]

Perry: All right. Well, this is lovely.

Chao: So we're in the conference room. Is this on?

Perry: Yes, we are. Again, as I was saying to Tam, when they transcribe, they'll just take out any extraneous chatter, but this is good to hear.

Chao: We're in the Secretary's conference room, and—

Perry: Yes. We have all of the Secretaries of Transportation on the wall?

Chao: Yes, here are the pictures of all of the previous Secretaries.

Perry: Oh, my goodness. All in chronological order?

Chao: Yes. So the first one was Alan [Stephenson] Boyd, 1967. The Department was established then. And the various modes came from other parts of the government. Therefore, the Department is very decentralized, and it has very strong culture in the modes of transportation, because each came from a different organization. For example, the Maritime Administration came from the Commerce Department. Each mode arrived in DOT [Department of Transportation] with its own legal, human resources, congressional, public affairs capabilities, whereas in Labor, all the legal, congressional affairs, public affairs, human resources were centralized in the Office of the Secretary.

Perry: So it was a little like Homeland Security, where you start afresh, but you bring in these units that had been elsewhere, dispersed.

Chao: Right. They had very high loyalty and affiliation within their own unit, because they came from another Department, and they're now a part of—

Perry: It's still this way?

Chao: It's gotten better since I was here 27 years ago. But the modal administration's identity is still very strong, making for a very difficult Department to manage, because it is so decentralized. This is a big difference from the Department of Labor—The Department of Labor is very centralized. The Secretary had greater authority over the various offices.

Perry: Was centralized.

Chao: Nobody could communicate with the outside world at the Department of Labor without going through the Office of the Secretary; the Secretary had all the resources in legal, public affairs, communications, human resources, et cetera.

Perry: So this would be great too, when we get to that story, to hear that. And then, as I say, at some point, if you find this to have been a helpful experience, we are prepared to want to get going on 45 [Donald J. Trump] at some point—obviously, when people leave the administration—but it will be great to get your perspective when you—What you're able to offer today is great, and then at some point, to really step back and do a one-to-one distinction between these two important departments. I'm just looking—I don't recognize—

Chao: So the first woman Secretary of Transportation was Elizabeth Dole.

Perry: Yes. I'm just walking down the aisle here now to see.

Chao: And then the second one was Mary [E.] Peters, in the second half of the Bush 43 administration.

Perry: I recognize [John A.] Volpe. I do recognize that name. So he was the second Secretary, the first one that I recognize.

Chao: He was a Republican. The first one was a Democrat, Alan Boyd.

Perry: So it was founded, really, at the height—

Chao: Sixty-seven.

Perry: Just at the end of the [Lyndon B.] Johnson administration—

Chao: Yes.

Perry: —but at the height of the Great Society, the burgeoning of the federal bureaucracy.

Chao: DOT was created as a recognition of the importance of the transportation system of our country. With intermodalism increasingly a reality, it was thought that there should be one Department.

Perry: I wonder.

Somerville: I think probably because the federal highway system—Everything had just gotten—You know, I actually read that history at some point.

Perry: Everything was becoming so centralized and—

Somerville: In the Johnson administration.

Perry: Yes, I would say, probably part of the Great Society concept.

Somerville: And transportation spending had increased so greatly because of what Eisenhower did with the Interstate Highway System—Construction was at its peak in the '60s.

Perry: But you're thinking that the funding—

Somerville: I think FAA entered into this picture—

Genero: Yes, FAA was actually the first. And then there was federal highways—

Perry: By the way, Secretary Chao, I bring greetings from Chris Lu, who is a senior fellow with us.

Chao: Really?

Perry: He is. And we had—

Chao: Was Marc Short supposed to join you? Has he joined—

Perry: Yes. Oh, yes. Yes, he joined us August 1. We have senior fellows—because we're nonpartisan—from all different administrations: Democrats, Republicans.

Chao: Chris was a classmate of President [Barack] Obama.

Genero: Harvard Law.

Perry: Oh, yes, they were at Harvard Law together, now that you mention it. Chris comes down pretty frequently. And he was just down—

Chao: What's he doing now, besides this?

Perry: He's doing a lot of media. I see him on MSNBC [Microsoft/National Broadcasting Company] a lot. And he, I think, is on some boards now—and teaching—I believe he's a teaching adjunct up here.

Somerville: You know, it just now occurs to me—not that it's a huge thing worth writing an article about—you may be the only Cabinet Secretary to have worked for a World War II–generation President and a baby boomer.

Perry: Oh!

Somerville: Because with H. W.'s passing, I'm just sort of conscious of that generation—

Perry: I am, too, because that, of course, was my parents' generation. And I did a fair amount of commentary—because I also study First Ladies specifically. When Mrs. [Barbara] Bush passed, Fox called and said, Can you be ready to do commentating at the end of her funeral?

Chao: Don't you think Melania [Trump]'s going to be such an interesting First Lady to study—?

Perry: Oh, yes. I can't wait.

Somerville: I think Michelle Obama pretty much did what she wanted, but it was pretty independent.

Perry: Having done these studies of several First Ladies specifically and then tried to get a sense of the history of it—Did you know Brendan Miniter, who worked for President Bush 43? He's just taken a new position. He finished up his MBA at University of Virginia, so we've not only gotten to know him through our work with the Bush 43 foundation, but he'd be in and out of Charlottesville, so he'd come over and see us. He's just become the op-ed editor of the *Dallas Morning News*. And they just named Laura Bush the Texan of the Year at the *Dallas Morning News*.

He got in touch with me about six days before Christmas, and said, "Could you write a piece looking back over the history of First Ladies? Because we'd like to put that in. We're going to have a whole insert for New Year's weekend on Mrs. Bush, but we'd like to give more historical context." So to your point about Mrs. Obama, really, starting with—Well, every First Lady, including Martha Washington, was—They were supportive. Typically, they would do various things that would help their husbands, or they'd have certain things that they would do. And then the modern First Ladies—obviously, Eleanor Roosevelt is sui generis and went way beyond, I think, what many people were comfortable with—as, frankly, did Mrs. Clinton. The American people say, "This is not an elected position." There's nothing that is accountable to the American people.

Somerville: Hillary Clinton definitely still is in a class of her own because of that health care effort she led back in '94.

Perry: Correct. And Mrs. Roosevelt was—certainly, for 12 years—was doing things like that as well, so they are outliers. But most of the other modern First Ladies—really, now that I think of it, Melania may be closest to Bess Truman, because Mrs. Truman was not keen to be First Lady, and she spent a lot of her time back in Independence, Missouri, back in her hometown. And there are these great letters that Harry [Truman] would write from the White House, where he was all alone. He'd say, "Dear Bess, I'm so alone. I just feel like something the cat dragged in because you're not here."

Somerville: Yes, the daughter, Margaret Truman, was pretty prominent.

Perry: She was. And she was their only child, and she was in her early adult years. I think she went to George Washington while her dad was still President, so she would help out as kind of an unofficial hostess. But anyway, I would say Melania is maybe closest to Bess Truman in not really wanting to be First Lady, not being political, would just as soon not be in Washington and, I think, finds it difficult to be in Washington. And then maybe Mamie Eisenhower—

Chao: Was Bess supportive?

Perry: I think she was supportive.

Somerville: Bess didn't have to listen to the news stories that this one has—

Genero: And the difference was, Bess Truman's husband had been in office before.

Perry: He had been Senator; he had been Vice President for a short time.

Chao: But the fact that he can write like that to her, is that an indication that she was receptive and therefore supportive?

Perry: I think she was very supportive—certainly of Harry Truman—but I think she—There's a great quote that David McCullough reads out where Mrs. Truman was asked, I think, to do interviews with the press, and she writes, in this very clipped way, "I do not wish to do interviews. I do not wish to be quoted. I do not wish to have anyone come and speak to me." Just boom, boom, boom. But there's the famous photograph—video, actually—of her christening a ship, where she—You probably have seen it—where she couldn't get the champagne bottle to break, and she keeps whamming this champagne bottle against the bow of this giant ship, but it just won't break. So she obviously did ceremonial things like that. But I think, of the women from Eleanor Roosevelt onward, she was probably the one least inclined to—

Somerville: Now what did Mamie Eisenhower do?

Perry: I was going to say—

Somerville: Now that you mention it, I can't remember—

Perry: I would put Bess and Mamie in the same category. And in some ways, I think supportive.

Chao: Mamie? But she was an Army—You know, she was a general's wife. She had to—That was the definition—

Genero: Well, at that time social entertaining and things like that were very important to the careers of high-ranking officers.

Chao: —whether you wanted to or not.

Perry: Right, right. Then I also think what happens is, when you have an Eleanor Roosevelt or Hillary Clinton, there's a reaction of the American people against that, and then the First Ladies who follow them feel a need to step back—even if they're inclined to want to be doing policy, they step back, because they see the American people have a reaction, that these people are not elected, they're not accountable to the American people.

Somerville: You talk about a consequential First Lady—Betty Ford.

Perry: Oh, yes.

Somerville: She was outspoken on the ERA [Equal Rights Amendment], wasn't she?

Perry: She was. And on Supreme Court appointments. She wanted the first woman.

Somerville: I can't remember, was she quiet on the choice issue? She was public—I'm trying to remember. Yes, she was pretty out there.

Perry: And so was Barbara Bush. Oh, I'm reading the best biography of Barbara Bush that will be out in April, by Susan Page, from *USA Today*, and the *Washington Post* asked me to review it.

My sense, then, is, you have a little bit of reaction, both to Eleanor Roosevelt, and then by personality, that Mamie and Bess are not as interested in picking policies as Eleanor Roosevelt was, to be so activist. And then Jacqueline Kennedy, I think, is a bridge between—and also, she's a different generation. She's the fourth-youngest First Lady—

Somerville: And she was the first—Television was getting pretty big—

Perry: Oh, she was the first real—as was her husband. Television existed for Eisenhower—I always cite the statistic: when Eisenhower was elected in '52, only 20 percent of American households had televisions, and when Kennedy was elected in '60, it was up to 80 or 90 percent. Obviously, Eisenhower went on TV, but not to the same extent or effect that—Kennedy did those live press conferences, and at prime time, and that sort of thing.

But anyway, Mrs. Kennedy—Also, it depends on whether you have young children when you come in. She had not only a three-year-old but, between the election and the inauguration, she gave birth to John [F. Kennedy] Jr.—so she's the only incoming First Lady to have a baby [*laughs*] on her way into the White House. And then she became pregnant while in the White House. And I think certainly Mrs. Trump has a younger child; Mrs. Obama, you know, younger girls. That makes a difference, too—if they feel that they need to focus on the family and bringing the kids up in the White House. But I do think now we're in this pattern where Jacqueline Kennedy kind of sets the modern pattern, where First Ladies pick the one or two topics that will be their policy specialty. So for—

Chao: She was the first one to do that?

Perry: She was, I think, the first one in this modern, post–Eleanor Roosevelt age, where they begin to say, in this modern era of the First Lady, "I have a topic." And it's usually a softer power topic. Eleanor Roosevelt was into everything.

Somerville: Well, it was the Depression, too. People, they're also a creature of their times: World War II, the Depression.

Perry: Absolutely. And the fact that her husband had this severe physical handicap. She was his legs—almost literally.

Genero: Eleanor Roosevelt was the author of the Universal Declaration of Human Rights.

Perry: Yes. Then what's interesting is, what do they do in their post–First Ladyship? In the case—Look at Hillary. Look at Eleanor Roosevelt. They continue that policy element in their own right. I would say Jacqueline Kennedy is the first one, really, in the modern—There's also a new book out by a woman named Jill Abraham Hummer on modern First Ladies, and it's about what we don't know about what they do. It really schooled me on Mamie Eisenhower and Bess Truman. They were—and Pat Nixon, too—more involved than we realized behind the scenes in doing political work, in speaking to women's groups coming through the White House, doing some foreign travels—in Pat Nixon's case, on their own. But it's really, I think, Jacqueline

Kennedy, and then Ladybird Johnson—"Beautify America"—where they pick these one or two topics—particularly, we would say, soft power, women's issues—and then we have that from this point on. And then Hillary becomes the outlier again.

Somerville: Of course, you know, Nancy Reagan—This was not a soft issue—"Just Say No" on drugs. And actually, that resonated—We still—If you were around, you know that phrase.

Perry: Absolutely.

Somerville: It's interesting to think about. Also, she really exercised internal office power—to Donald Regan's dismay, I think.

Perry: Oh, yes. That was the end of his tenure.

Chao: In April 1989, I was confirmed as the Deputy Secretary of Transportation. Right before President Bush 41 took office, Pan Am 103 occurred—December 21, 1988. One of my first responsibilities was, in fact, to go to Lockerbie. I was the first high-ranking official to go to Lockerbie.

Perry: And this is Lockerbie, Scotland, where the plane had come down after the bomb?

Chao: Yes. And earlier this year, I spoke at the 30th anniversary of the memorial service held in Arlington Cemetery for the victims of Lockerbie.

Perry: Oh, that must have been so moving.

Chao: Yes, the family members were touched that I had a personal connection to Lockerbie, that I had actually gone there, that I was the first high-level American official to visit Lockerbie after the tragic crash.

When I was Secretary of Labor, Laura and I actually met [Muammar] Gaddafi. It was during the inauguration of the President of Senegal, President [Abdoulaye] Wade of Senegal on April 3, 2007, in Dakar.

Perry: Oh, my! What was that like?

Chao: I am the one who gets sent—I make a joke—to all these African countries' Presidents' inaugurations, because I have got all the shots. Having been the former Peace Corps Director, I've been to Africa; I've got all the shots, [*laughter*] so I am appointed as the delegation leader to the inauguration of the President of Senegal, who was 81 years old. His wife was a blonde French woman whom he met while he was studying in France. They come back to Senegal and he begins his political ascent. At his inauguration—It's his second term—all of the heads of state of Africa come to attend the ceremony.

Perry: Including Gaddafi.

Chao: Including Gaddafi. And Gaddafi's dressed in all white, and he has what seems to be like a green paper in the shape of the continent of Africa pinned to his left lapel. I could not get close

enough to see whether it was paper. It sure looked like colored paper—green colored paper. It was just put on his lapel. And he came in a huge, white stretch limousine—the last of the VIPs to arrive.

Genero: Huge motorcade of white limousines. [*laughter*]

Chao: And all these really tough-looking, unsmiling people surrounded him. He believed in making an entrance.

Genero: Oh, yes.

Chao: He did not enter in the hierarchy—or in the sequence that he was supposed to come. He came at the very last moment, thereby ensuring a huge splash. And—

Genero: He got up and he gave his speech and he spoke longer than President Wade. [*laughter*]

Perry: Surely a violation of protocol.

Genero: Yes. [*laughter*] It was President Wade's inauguration, but you would not know that, because Gaddafi spoke longer than he did.

Chao: And he had that cap on him. Then after the ceremony, all the heads of delegations go to the President's residence for lunch. Plus-ones were not allowed, which meant it was principals only. And I said to Laura, "Laura, we're going to be in there without staff; what if Gaddafi approaches me? What am I supposed to do?" She says, "We haven't gotten State Department instructions, so try to steer clear of him." [*laughter*]

Perry: Was there arranged seating—surely, by protocol?

Chao: It was a seated lunch. I was not at his table; he wasn't at mine. But he wasn't eating with us, either. He was someplace else. I don't know—because from what I hear, he was afraid of people poisoning him?

Perry: I was going to say, I bet he had a food tester—or brought his own food.

Chao: He brought his own food; he brought his own chef, whatever. Before lunch, the guests were kind of milling around a little bit. A rather obsequious man approached me and wanted to talk to me. I kind of ignored him. After I sat down at lunch, he came to me again and said, "The Great Supreme Leader—Colonel Gaddafi—would really like to talk to you." And I just kind of ignored him. Then he came back again during the meal and gave me a torn piece of paper with numbers on it. I still have it. He said, "This is the Great Supreme Leader's personal cell number. He really wants to talk to you." And I thought to myself: *I don't have instructions from the White House. I'm not supposed to be talking to these people. Our countries are not in good shape with each other*. And Laura wasn't there.

Genero: But Dennis Chomicki was.

Chao: Oh, Dennis Chomicki. Dennis Chomicki was head of my security detail.

Genero: Because he wouldn't let her be alone, which was a good idea. Didn't Gaddafi somehow manage to get you aside and actually talk to you?

Chao: I don't know how it happened. After we finished the meal, this guy came again and he said, "The Great Supreme Leader really wants to talk to you. He's just over there. It will take two seconds." Then as everybody was walking out from lunch, I see Gaddafi in a glass-enclosed living room. I figured, *Well, if I go into that glass-enclosed room, there's nothing he can do, because everybody will be able to see me, so I think it's OK*. [*laughter*] And there was no way for me to refuse him, as I could not leave without passing by the glass-enclosed room. I guess I could have ignored Gaddafi and left but I was younger then, and less stern. So I went into the glass-enclosed room. Gaddafi actually spoke English. And he said, "Do you know Condoleezza Rice very well?"

Genero: This is a true story. [*laughs*]

Chao: And I said, "Yes, I know Condoleezza Rice." He said, "Do you know her very well?" I said, "Well, you know, we're Cabinet colleagues." And he said, "Ah, the African rose!"

Perry: "The African Rose"?

Chao: "The Rose of Africa" or something like—I wish I remembered. And then he says, "I've been trying to get in touch with her. I've sent her letters. I've sent her my music. I've written her poems. She doesn't reply." [*laughter*] "I want to invite her to Tripoli—or we can meet in Damascus." He said, "Please tell her I will never embarrass her. She's this beautiful rose, the flower of Africa." And "I will ensure that she has the best trip. I would never embarrass her." And then he goes on and on. But he says he sent her, like, DVDs [digital video discs] of his singing to her. [*laughter*] Poetry.

Perry: Well, first of all, what did you say to him at that point?

Chao: I listened.

Perry: Did you do Miss Manners [Judith Martin]'s, "Thank you for sharing"? You know, Miss Manners says, when someone says something awkward, you just say, "Thank you for sharing."

Chao: Oh, that's a very good way. [*laughter*] And then he says, "Please let her know that I would love for her—that I invite her—to come and meet in Damascus or in Tripoli. And it would be a wonderful visit. She would be a star." And whatever. So I said, "Thank you very much."

Perry: [*laughs*] And off you went. And then, when you got back, did you talk to Condi?

Chao: As soon as we get back on the military jet, Laura and I get on a secure line, [*laughter*] and we said, "Condi, you're not going to believe this," and reported our conversation to her.

Perry: And did she say, "Yes, I keep hearing from him"?

Chao: Yes.

Perry: So he was telling the truth!

Somerville: He was a stalker.

Perry: A stalker!

Chao: Yes. She says, "Yes, I know. He keeps on writing. And he sends me his poems. And then he sends his CDs [compact discs] of him singing these songs to me." And then she started laughing.

Perry: Now that needs to be in an archive. I hope that's at the Bush Library.

Chao: So we thought that was the funniest thing. [*laughter*] And we were so nervous.

Genero: Here we have Gaddafi's personal cell phone number. [*laughter*] Like, what are we supposed to do with this? And the Secretary says, "Make sure this gets into the right hands." So I gave it to someone at the NSC [National Security Council] and they said, "Oh, OK. Fine." [*laughter*]

Perry: Well, I guess they got used to him being crazy.

Chao: But subsequently, when he was killed, at the end, I did read an article in the *New York Post* that claimed that when they ransacked his belongings, they found volumes of materials on Condi Rice. It was a virtual shrine to her.

Genero: Yes, like he was obsessed.

Chao: Photographs and everything.

Perry: Sends a chill up one's spine, to be sure.

Genero: That's why Cabinet members have security.

Perry: Indeed, indeed. Well, this will become a gem of this discussion.

Chao: And Dennis Chomicki was wonderful.

Genero: He was.

Chao: We went to Kinshasa, Democratic Republic of the Congo—and this is with Joseph Kabila. I had been to Kinshasa on December 16, 2003, for a trip to the Congo, Benin, and Ghana to give assistance and discuss ways to stop child trafficking, child soldiers, and AIDS. His father, from Rwanda, had conquered the Congo as a guerrilla.

Genero: His father basically had become a member of the previous government and then shot all the other people, I believe, who were in line—or in the Cabinet, and then became head of state.

Chao: But Joseph Kabila was only 29 when he became Acting President of the Democratic Republic of the Congo in 2001. When we visited, Kinshasa, the capitol city, was still tense with opposition forces attacking government forces with gunfire occasionally at night.

Genero: He was a really young man.

Chao: He was only in his late 20s when he became President. I led the Presidential delegation to his inauguration as President of the Congo on December 6, 2006. And there was still a civil war going on. Kabila was elected for the first time after serving as Acting President. He took over after his father when his father was assassinated in 2001. We were attending a dinner at the American DCM [Deputy Chief of Mission]'s residence one night when the head of my security detail, Dennis Chomicki, who was formerly with the Secret Service and a total professional, noticed that the Minister of Defense of the country and his entourage had parked their car down the block. There were no street lights. And they all carry machine guns. Dennis Chomicki made them put the weapons aside before he would allow them to come into the compound.

Genero: We did not have an ambassador at that time; we had a DCM, and the DCM had a dinner for the Secretary with various African dignitaries. And their security guards wanted to come into the American Embassy compound armed.

You know how Dennis got them to put down their arms? He offered them dinner.

Chao: I didn't know that.

Genero: You know, "Put down your arms, come in, and have something to eat with us."

Chao: Because it was a very poor country.

Genero: And they agreed.

Chao: But this incident also emphasized that the residence was American territory. And it was a very moving realization.

Perry: Yes, I bet.

Genero: And the inauguration itself was held within a compound, right on the banks of the Congo River.

Chao: It was beautiful, actually.

Genero: Yes. It was very interesting. But it had to be held within an enclosed compound because of all the security issues. The Secretary, at the lunch, was head of a U.S. delegation that included people with some NGOs [nongovernmental organizations] and American businessmen, and they were interested in doing business in the Congo. And we had the Assistant Secretary of State for African Affairs, Jendayi Frazer, someone from USAID [United States Agency for International Development], and they very much wanted to talk to Kabila about U.S. relations, so the Secretary got them a meeting with Kabila, but they kept changing the location. We didn't know

until a half hour beforehand what the location was actually going to be, because of security—They kept changing it. But the next day, there we were.

Chao: Also, he liked motorcycles, so we brought, as an inauguration gift, a miniature Harley-Davidson motorcycle.

Genero: Oh, yes!

Chao: It was Josh Bolten's thought, who was then Deputy Chief of Staff, because Kabila, apparently, liked Harley [-Davidson] motorcycles.

Genero: I bet he looked at the model, and thought, *OK, are you gonna give me the real thing?*

Chao: It's also worthwhile noting that we were told that President Kabila was comfortable around Chinese. And that my ethnicity may actually be a plus. He was a new President. Some of our intel reports claim he was reserved, quiet, taciturn, not talkative, but, because of his training in China, he related to Chinese people.

Genero: But if I can tell a story, about the Secretary? She got this extraordinary meeting with Kabila the next day. And we weren't prepared for that. We thought we were going to be there for the inauguration only and then leave the following morning, so the Secretary had brought only one suit, because she didn't need a change of clothes. So the next day, we were going to go to this meeting, and she wanted a change of clothes; she didn't want to wear the same suit. And we're about the same size. If you look at the picture on the internet of the Secretary, Jendayi Frazer, Joseph Kabila and all of us standing in the garden, she is wearing my suit and I am wearing my traveling clothes in the garden. [*laughter*]

Perry: Oh, that adds great color to the story. Was it unusual for the Secretary of Labor to be sent—You say why you did, because you had the shots from having been the Director of the Peace Corps—but was that unusual for a member of the Cabinet not involved in foreign policy typically to be sent to these countries as the diplomatic representative?

Chao: You know, I never thought of it that way. I think the White House/State Department just thought I was an effective representative of our administration.

Genero: A good public diplomacy ambassador. She was invited to head up a lot of delegations.

Chao: I was tapped often to take on tasks not necessarily directly related to Department of Labor. I think they had confidence that I was a professional; that I would know how to handle matters.

Genero: Also, that you were adventurous, and that you would go anywhere.

Chao: I would.

Genero: You know, it's not unheard of for people to refuse to go to some places. But not Secretary Chao.

Somerville: Well, and you had been Director of the Peace Corps—

Genero: Yes, so you had been to a lot of—

Somerville: —so you knew how to do that.

Genero: Yes, right.

Perry: Well, that had to make things particularly interesting, to learn about these other parts of the world.—

Chao: To prepare for the trip, I read about their history.

Perry: On these countries and on the colonial history?

Chao: Yes, on these countries.

Perry: It is fascinating.

Chao: The colonial history of Congo is fraught with tears and suffering, and inflicted by the colonial power, Belgium. You always think about Britain or France as being the—

Perry: As the great colonial powers of old, but Belgium had a huge impact in Africa.

Shall we move on to the Peace Corps at this point? This is a brief tenure for you in '91–'92, but anything else to finish?

Chao: In June 1991, President George H. W. Bush's popularity rating was 91 percent in the aftermath of the success of Operation Desert Storm. I attended an Asian American event in Fontana, California, with him. I received an indication that I would be offered the job of Peace Corps Director. Then Peace Corps Director Paul Coverdell was resigning to run for the United States Senate in Georgia. I am confirmed as Peace Corps Director around December 3, 1991. Then, as we enter the election year, President George H. W. Bush's ratings drop as attention returned to the domestic economy. I remember Secretary Sam Skinner working with the White House trying to find a domestic agenda that would resonate with the American public.

Genero: His forte was foreign policy.

Chao: In Fontana, California, we were on the stage together. At this time, the impending demise of the former Soviet Union was becoming increasingly clear. And President George H. W. Bush had a vision: He felt strongly that the transition of the former Soviet Union would occur in a peaceful way that ensured that the former Soviet Union would join the ranks of industrialized, democratized nations.

Perry: This was the "new world order," right?

Chao: Yes. I knew what the President's vision was. When I got to the Peace Corps, I went to work, setting up new Peace Corps programs in the former republics of the former Soviet Union, which collapsed on December 31, 1991.

Perry: That had to be fascinating.

Chao: This effort to establish new programs in the former Soviet Union met with a lot of opposition from the "returned" Peace Corps volunteers—people who were former volunteers. They have an association. There were about 110,000 at the time, returned Peace Corps volunteers. About seven thousand belonged to the Association of Returned Peace Corps Volunteers, and about a thousand were very vocal and active. Most of them were liberal, left of center, and they all wanted to make sure the Peace Corps remained focused on Africa; any moneys spent on establishing new Peace Corps programs in the former Soviet Union had to come from additional funds, *not* funds from existing programs. I had to assure these returned Peace Corps volunteers—and also, the staff at the Peace Corps—that if we were to expand into the former Soviet Union, I would not take existing budget moneys from Africa, which was about 40 percent of the budget, but that I would go for new appropriations to be able to fund the Peace Corps's entry into the former Soviet Union.

Perry: And that's what you did.

Chao: That's what I did. Jody [Josephine K.] Olsen was my chief of staff. She is now the current Director of the Peace Corps. I am glad I was able to help her become Peace Corps Director in the Trump administration. I learned a lot from her when she was my chief of staff. I learned about the Peace Corps and how to be a better leader. The first trip overseas that she and I took was to Bulgaria for the opening of the American University in Blagoevgrad. The Iron Curtain Communist countries were beginning to break away. And the Peace Corps volunteers were an additional program to help transition these countries to new democratic nations.

The Peace Corps, by their very habit, personality, demonstrate the great freedoms that Americans enjoy so unconsciously. I noticed the way that women volunteers walk in many of these countries: they walk with their hands swinging, their legs taking big strides. In many of these countries to which Peace Corps volunteers are sent, the women are demure; they're not seen. You know, they don't have the freedom of body movements—No, that's not the right word—

Genero: No, no, no, you're saying it very well.

Chao: —the freedom of movement with one's limbs—and just body-action movements—that many other countries do not see in their women. It was fascinating.

Perry: I've never thought of it that way. I mean, I know of women being covered, but I never thought about literal movement of the limbs, of the body.

Chao: I mean, they stick their hands out, when they walk; they take big strides.

Somerville: Confident.

Chao: Yes.

Perry: Stand up straight and tall.

Chao: Yes.

Perry: No slouching.

Chao: So I think American volunteers, Peace Corps volunteers, say volumes about what our country stands for.

Perry: And that was the whole point, wasn't it, in setting up the Peace Corps?

Chao: That was the whole point.

Perry: And what an interesting full circle, it seems to me, that that was the point of the Peace Corps, to go to these—We did call them "Third World," but developing countries. First of all—

Chao: I know that John F. Kennedy talked about going into the former Soviet Union.

Perry: Absolutely.

Chao: So what I did was, I invoked his words in challenging the Peace Corps organization to go into the former Soviet Union to help transition the people to a new beginning.

Perry: Because what better way to close that circle but to have it so that we would be a Peace Corps fighting—He knew that the Soviets and the Chinese, particularly the Soviets, were sending in their engineers and bringing their propaganda into those countries, so we were going to be a force for good, leading the free world, and what better thing to do to come full circle but to go back to those countries that had been taken over in the Cold War by the Soviets and come back with freedom?

Chao: Yes, and when Vice President Quayle included me in his delegation to the Baltic nations in the winter of 1992—It was February 4th—and I remember that because we did not trust security in those countries, so we overnighted in Helsinki every night, and then we would fly out to one of the Baltic countries, and then fly back to Helsinki. The Vice President brought medical supplies, food, and also energy supplies. Because the Baltic nations were breaking away from the Soviet Union, which supplied everything, during an especially harsh winter in 1992, they were afraid that they would be forgotten by the rest of the world and that nobody would come to their aid. The tremendous welcome that Vice President Quayle at the time received was really, really heartwarming. In particular, I remember the Vice President making a speech in a large square in Vilnius, Lithuania, on February 7, 1992—in fact, I have a photo of that occasion. It was an extraordinarily cold day, but the square was jammed with people who were so happy to see the American Vice President.

Perry: It must have felt very good.

Chao: It was an indication of how poor the countries were, to see the motorcade of cars that came out to greet the Vice President. It was the most ragtag motorcade I have ever seen—a convoy of old cars that looked like they were 1950 vintage cars. They must have turned out all the cars they could find with whatever little fuel they had to be able to form a convoy for the American Vice President.

Perry: That is a heartwarming story. Now, what are you seeing—You've said a little bit about how the President, Bush 41, did not have this vision—as he would call it, "the vision thing"—

Chao: He had a very strong grasp on foreign policy. It was the press's criticism that he did not have a domestic agenda vision.

Perry: It wasn't getting across if he did. And the economy is starting to go down. And I'm, just in reading this new biography of Barbara Bush, reminded about how they both were struck with Graves' disease and this thyroid condition at the time, which caused the President—First of all, they thought it was just—

Chao: I did not know that he had Graves' disease. I knew that Barbara had the disease.

Perry: Yes, but he was diagnosed first, I believe. He had gone into a heart fibrillation issue up at Camp David while jogging—just suddenly became very short of breath—and they thought it was his heart and checked him into the hospital. Ultimately the tests showed he had Graves' disease. Sometimes people look back now and say he was just—He didn't have the energy that he'd had coming in, in '88, and maybe the combination of not having the plan or the "vision thing," as he would have called it, as the economy began to go down—And then we have to remember the [Ross] Perot factor; that really drew support—

Perry: It was such a shame, it seems to me.

Chao: In politics, timing is everything.

Perry: It is. And he drew 19 percent of the popular vote. It was huge. No electoral votes, but 19 percent of the popular vote.

Chao: And Sam was Secretary of Transportation. He had developed a reputation of being the "master of disasters," because he was often the point person sent by the President to assess and report on natural disasters. In 1989, shortly after he became Secretary of Transportation, he married Honey, who was a lawyer at Sidley Austin, his old firm. Honey came from a big family. She got to be good friends with Doro Bush. Through Honey, Sam also became close to Doro.

Perry: With President Bush's daughter.

Chao: Yes. Later, John Sununu leaves the position of White House Chief of Staff. Sam was chosen to be the replacement. I think Sam had mixed views about the job. He was kind of like the Bushes' fix-it person .

Genero: That's a good way to put it—fix-it person.

Chao: That's what he prided himself on doing when he was in private practice. He was earning a million dollars, he says, as a lawyer, and he fixed things for people. So on December 16, 1991, he is appointed as the White House Chief of Staff. By that time, I had left DOT to be the Peace Corps Director. I was confirmed on October 8, 1991. It worked out for both of us; it worked out well.

Perry: It worked out for both of you. Were you shocked by the loss in '92?

Chao: No. It was really depressing, but I kind of knew.

Perry: You saw it coming?

Chao: No. We were hoping against hope. It was a tough campaign and it was nasty. Terrible allegations are thrown against the President, who was a war hero, a strategic foreign policy leader and expert. The focus was on the economy and domestic affairs. What I learned from that campaign, and it is something that I've learned from my husband's campaign: there are so many volunteers who work so hard for a candidate. When President Bush lost, I just think of all those people who put their lives on hold to work for him.

That is why I am so grateful every time to see my husband work so hard, because he understands that there are people who believe in him, and he has a responsibility to work as hard as he can to win, because there are so many people who are working on his behalf. I think this was a real sense of disappointment—not because we weren't going to get anything, but because so many people worked so hard for President George H. W. Bush. And the country was going to be going in a different direction, so it was very sad. And the subsequent first two years, 1993 to 1994, of the Clinton administration were funereal in D.C. because the Democrats had the House, the Senate, and the Presidency.

Genero: You couldn't find a job if you were a Republican.

Chao: You could not find a job. Republicans from the administration dispersed—went back to whatever state they came from. This was a Democrat town. It was literally funereal for us.

Somerville: I was in the Senate. We couldn't even sustain a filibuster.

Chao: That's frightening.

Perry: I'm so glad to be in the academic world, where there's tenure. [*laughter*]

Genero: You are lucky.

Perry: Which, actually, we don't have so much now, but it's good job security.

Somerville: You guys and the career Feds. [*laughter*]

Chao: Many of the career employees in the government still have defined benefit plans.

Perry: Oh, good for you.

Chao: In the 1980s President Reagan reformed the retirement system for federal employees by moving to defined contribution.

Genero: When Jesse Helms rewrote the Foreign Service Act in 1981, and then after that, they decided to change to the new system of defined contribution, and—

Somerville: Well, we still have defined benefit; it's just a lot smaller. But now it's—A lot of it's 401.

Genero: Sure. But they didn't force you to change; many had the option to stay in the old system.

Perry: Well done.

Chao: While I was Peace Corps Director, I received a phone call from a headhunter who asked if I would be interested in being considered as the next president of United Way. The organization was going through a terrible time. The prior president had engaged in mismanagement and fraud, quite shocking for a nonprofit. He was fired. The board undertook a nationwide search. In a search of over 600 candidates, the board chose me to be the president of United Way of America.

Genero: Was that [William] Aramony?

Chao: Yes, Bill Aramony was accused of misappropriation of organizational funds for personal use and profit. That was the first big scandal in the nonprofit world.

Perry: I was going to say, I so remember when that happened.

Chao: 64 percent of Americans had heard of this scandal, which is amazing penetration, so the Board of the United Way of America conducted a nationwide search for a new president. They interviewed well over 600 candidates and chose me.

Perry: And what drew you to that challenge? Because that was a huge challenge.

Chao: Well, I've always been a volunteer. I've always been a participant in the United Way campaigns. And I believe in philanthropy, in self-help, citizen action, helping each other. This is really based on Alexis de Tocqueville's wonderful observations about America, when he came to visit in 1831. I wasn't sure that I could turn it around, but I wanted to try. I would regret it if I did not try. It was a labor of love: for the organization, for the philanthropic sector, and the belief that the United Way of America was a very important organization. We needed to restore public trust—not only in the United Way of America but also in charitable giving. I was there for four years. It was one of the toughest jobs I've ever had.

I learned a lot about liberal ideology—how they talk—from the Peace Corps as well as the United Way. I understand how they think. I understood their language.

Perry: Tell us about that. What does that mean? How liberals talk, how they think, and their language?

Chao: These are broad generalizations, but the left is much more effective generally in appealing to emotions. The right is much more analytical. Facts and figures. Efficiency. The left is always talking about caring, being empathetic, so I learned how important it was to show heart and to learn to speak with greater compassion so that listeners will understand that we care about them, which is why we want to have more effective programs. We don't want to always just throw money at a problem. We need to find out: Are these programs effective? Because to truly help

people, it's not just throwing money at a problem without understanding whether the intended program really helps. An ineffective program hurts the recipients even more, because their hopes are raised then dashed. They give the government their trust, and then the government doesn't produce. The government gave them false hope. Without hope, there is little incentive to try again.

So I learned to be more nuanced and more empathetic in the way I speak. And I also used some of their words. For example, "passion" was not a good word. It was a word that liberals used, but to many conservatives, it connotes loss of control, irrationality, you know? But now, everybody uses it. [*laughter*] But in 1992, it was not a word that the right used very much at all. The right-of-center people would speak in their language, which is efficiency, productivity—

Genero: Numbers.

Chao: —accountability, and the left would talk about kindness and compassion—and, you know, that they were speaking—

Perry: Healing their pain.

Chao: Yes, feelings. So these were two groups of people who use the English language and yet could not communicate with one another. And then I also learned about the power of different sectors coming together to solve seemingly intractable societal problems that the government can't address on its own, the nonprofit can't solve on its own, and the private sector can't address on its own, but if all three sectors come together and leverage their collective strengths, then there's much greater probability of successfully addressing some of these large, complex, seemingly intractable societal problems. But it doesn't work that way all the time.

I've learned the most from the toughest experiences. I learned so much when I was here as Deputy Secretary. I learned so much at the United Way.

Perry: And the Peace Corps, it sounds like, as well. And learning to speak the language, or learning what the habits of the heart are, of the—

Chao: Yes. I used to speak and not fully understand what people were hearing. Now, I study people. I'm trying to understand: I said this; is this what you heard? I'm much more cognizant and sensitive to what people are hearing compared to what I'm saying, so I think that makes me a better leader, and much more aware.

Perry: I was just going to say, that is a key component, it seems to me, of leadership. But where I was headed with this, as we transition to Bush 43, is that what you're describing sounds to me like what we have heard—in our readings, particularly in our readings about Karl Rove and the concept of compassionate conservatism—that you are conservative, but you were finding the compassion, or at least finding the way to speak in those terms. Did that draw you to Bush 43, when you heard about his concept of compassionate conservatism, that he described his conservatism in that way? And do you recall when you first heard that—

Chao: No, it was just the excesses of the Clinton years, and our country needed to return to Republican values.

Perry: So tell us, then—You know, we start now with the question of: When did you first meet Bush 43?

Chao: The first time I met George W. Bush was while campaigning with him during his father's Presidential campaign.

Perry: I was going to ask you: Had you run into him during the '92 campaign?

Chao: No, 1988.

Perry: Eighty-eight? It goes back that far?

Chao: Yes, as mentioned, I had done events for President George H. W. Bush as a surrogate. And, I had participated in events in which George W. Bush also participated. I'm not sure George W. Bush remembered me from those days, because I was just a nobody—Well, I was beginning to be a somebody, but not that he would know.

Perry: You seem to have this just amazing ability to meet people and sum them up. What did you—

Chao: I don't know that I do. I'm getting better as it as I age. But I am interested in people. I think it in part comes from my Asian heritage of noticing interpersonal relationships.

Perry: Yes. And what did you think of him the first time—

Chao: I thought he was very handsome, energetic, charismatic. Nice personality. Confident. And protective of his father. Clearly, loves his father very much. Yes. It was a nice family.

Perry: And something you had in common with him: family.

Chao: Yes. He was very proud of his father. And he was very glad to be on the campaign trail and to tell the American people of the man that he knows.

Perry: So that's the first time you meet him, is in '88, and he's out on the campaign trail for his dad?

Chao: Yes, right.

Perry: And then were you following at all through your interest—

Chao: I might have met him also in '92. He was a force in the White House. I was told that, but I was not privy to the inner circle.

Perry: You were talking about the Clinton years and wanting to push beyond that. Were you looking to—as you did previously in '88, pick out Bob Dole by virtue of your linkage to Elizabeth Dole?

Chao: You know, I tried, actually, not to get involved in primaries.

Perry: So leading up to 2000, you were not picking out—

Chao: Oh, but if you recall, then Governor George W. Bush pretty much cleared the field very early starting in 1999.

Somerville: Well, except for John McCain.

Perry: So there wasn't much sorting that had to be done—?

Chao: No, in 1999, he really did a—

Somerville: I don't remember anyone else who ran that year. McCain, Bush—

Chao: No. Republicans were very focused on winning back the White House.

Somerville: To win.

Chao: Because the direction of the country under the Clinton administration was just so far from where Republicans believed the country should be, so I think there was a real motivation to recapture the White House, and that motivation led to unity, especially when there was such a prominent candidate as George W. Bush.

Somerville: Plus, he ran a—

Chao: Brilliant campaign.

Somerville: His campaign organization was fantastic.

Chao: Yes. He cleared the field—and had organized his fundraising infrastructure—very early, so I was a major contributor.

Somerville: Was that the Pioneers?

Chao: Yes.

Somerville: That's what they called it.

Chao: I like fundraising, actually.

Perry: Oh, tell us about that.

Chao: Yes. Because it's the only precise activity in a very imprecise world. You know, if you do X, you're going to get Y. You put in two hours of phone calls, you're going to get X number of dollars, so it was actually very results oriented.

Somerville: It's oxygen to the campaign.

Perry: And that must appeal to your business background, as well—your interest in money and banking and—

Chao: Well, I'm not interested in money, but I like calling people up, connecting with them—just kind of catching up with people, seeing what they're up to.

Perry: And you don't mind making the ask?

Chao: Oh, heavens, no!

Perry: Because a lot of people don't like to ask for money.

Chao: I have no hesitation asking for money. In fact, I make the ask very early. I chitchat with them a little bit, but then I get right to the point. The bane of every fundraiser's existence is being kept on the phone and then being turned down for a contribution. You feel like saying, You should have told me that at the beginning. I would have hung up the receiver and it could have saved us both a lot of time.

Perry: So that's one of the reasons you just go ahead and bring it up early?

Chao: Yes.

Perry: And if they want to say no, then they can say no.

Chao: Hey, I haven't heard from you in a long time. How are things? You know. And I used to have an incredible memory for names—kids' names, dogs' names, cats' names. [*laughter*] You know, How's Cathy? Or, How are the kids? How's Danielle? Oh, that's great. Hey, I'm calling you because—you know?

Perry: I think you're the first person I've ever spoken to who relished fundraising. Most people just don't like it.

Chao: It's a matter of odds. You make ten calls; you might get x positive responses. So the more calls you make, the greater the average, and the greater the results.

Perry: And you're not put off by the fact that y percent you're not going to get?

Chao: That's OK. I have a nice chat with them. Who knows? In the future, I'll call them again.

Perry: And in the future, they might.

Chao: Yes. I enjoy connecting or reconnecting with people and learning what's the latest in their lives.

Perry: And then you just keep expanding the pool.

Chao: I just don't want them to take up too much of my time and then say no. [*laughter*]

Somerville: Efficiency.

Perry: Fair enough. I'm just thinking, anything more to say prior to—You speak at the Convention, right, in 2000?

Chao: I did. And by then, I'm a veteran, because I spoke before the Convention in 1988 and in 1992.

Genero: Were you still at the United Way in '96?

Perry: You were there from '92 to '96.

Chao: I had just left. Because I had just gotten married—

Somerville: And McConnell was up in that cycle.

Chao: McConnell was up in '96. And he married this foreigner.

Somerville: Yes. Oh, that was your first election with him, that's right.

Chao: My first election. I had to go in and, you know, meet everybody. I mean, Who is this person from—you know, California or New York, makes no difference.

Somerville: When did you do the Super Bowl commercial for the United Way?

Chao: 1992, shortly after my arrival at United Way of America.

Somerville: A billion people watched that.

Chao: So I left the United Way to help my husband. But it was about time, too. It was a tough job.

Perry: And you had achieved your goal of getting the ship righted—To go back to a maritime analogy, you righted the ship and could now step off.

Chao: Yes. And then also—In retrospect—I wanted to help my husband on the campaign. United Way of America was nonpartisan and I could never have done anything politically related if I remained as President.

Perry: Again, as a Kentuckian, I just have to ask you about what that was like, what your—

Chao: I loved it.

Perry: I know you love campaigning and are very effective, but what was your introduction to Kentucky?

Somerville: That was Steve Beshear.

Perry: Steve Beshear?

Chao: No, it was worse than that.

Perry: Or was that '96?

Chao: It was a former Kentucky Governor—who got himself reelected as a state senator, Julian Carroll—who said in his introduction of Steve and Jane Beshear at events: "It's time we send an all-American family to the United States Senate."

Perry: [*gasps*] He didn't.

Chao: Julian Carroll would introduce Steve Beshear and his wife, Jane [Beshear], and say, you know, "Steve Beshear's terrific, terrific—and it's about time that we sent an all-American couple to the United States Senate."

Somerville: Wow, that's lousy.

Chao: And then there were also allegations that Mitch and I were too close to China, that we were Communist spies. It was terrible. I needed to be on the campaign trail. [*laughter*] These absurd allegations would surface from the Democrats every cycle. Democrats—who are supposed to be for diversity and antiracists. In fact, there was one year when a sitting Governor's daughter was the chair of the Kentucky Democrat party and she made some pretty racist remarks about my ethnicity. In 2014, there were Democrats in Northern Kentucky who said I wasn't really a Kentuckian because I came from Taiwan—really!

Perry: All over the state—or the commonwealth, as it is known?

Chao: Yes.

Perry: All the hoots and hollers? Fancy Farm? Did you go to Fancy Farm?

Chao: Absolutely. Absolutely. [*laughter*] That was intimidating. And that's why I admired my husband, because he went to Fancy Farm when there were no Republicans on his side of the stage, literally. Republicans sit on one side of the stage; Democrats sit on the other side of the stage. When Mitch was first starting out, Kentucky was dominated by Democrats. When he went to Fancy Farm, there were practically no Republicans on his side of the stage.

Perry: And a Republican from Louisville, no less.

Chao: And a Republican from Louisville.

Perry: And let's just say that out in the state, the people from the big, evil city are not welcome.

Chao: Now it's different. Now, most of the attendees on the dais are on the Republican side, and the Democrats' side is very thin in attendance.

Somerville: It is a complete turnaround.

Chao: Yes, complete turnaround. And so he would attend the major—you know, the swing areas. I learned about campaigns from him. He would hit the swing counties, and then the campaign would send me to the solid Republican counties. Then, as I became more familiar to Kentuckians, and the campaign was doing well, the campaign would send me over to some of the Democrat areas toward the end of the campaign.

Somerville: Well, I was still working for him in the Senate at that point, and I'd start hearing, like from Shannon Russell, who lived in Louisville, *you're* the natural politician, actually, as far as working a room. It was such a huge—Because the Senator had been single prior to being married to the Secretary, and now you were—In 1990, it was just him on the campaign trail, and now—

Chao: Two people can cover more ground. [*laughter*]

Somerville: Well, yes—and so personable. It was a huge advantage that we just hadn't had before.

Chao: But I'm actually quite nervous and shy. I just knew that I had to go and meet people. And what I've learned, also, is that many times, people were shy, too. It's not that they were unfriendly; it's just that many times, they didn't know how to approach you either. I learned I had to take the initiative, plunge in, plow ahead, and just introduce myself to people. I think one of the greatest blessings of my life is to be able to go to Kentucky. I love the commonwealth.

Perry: Thank you. So do I.

Somerville: It's a pretty big state.

Chao: It is. I think I've been treated with overwhelming warmth and positive reception, by and large.

Perry: I'm glad to hear, because I think the image is of backward people who are not open to people who are different.

Chao: I take great offense of these images. They are engendered by supposedly "sophisticated people" who are arrogant and haughty toward rural America. Kentuckians are so hospitable and so gracious. I have lived in big cities and I have never seen the "niceness" that I see from Kentuckians.

Somerville: But even Louisville—I remember, I lived there for a few months in '92, because I was working on Susan Stokes's campaign, and I remember—In my head, I was like, *This is a big small town*. Even Louisville. Actually, our headquarters were in St. Matthews.

Perry: Oh! Where I still am.

Somerville: Near Sue's Country Kitchen.

Chao: It was a wonderful experience for me to get to know Kentucky. I got to know the 120 counties, and I got to visit different parts of the commonwealth—north, south, east, west.

Perry: And they're all different.

Chao: They're very different.

Perry: They're all different. Even Louisville itself is—you know, the South End, East End, West End—very different from each other. Well, shall we move to 2000 and your speech at the Convention? Or anything before that that we should know about? And for the Bush campaign?

Chao: No, I just started to campaign for—to raise money for—then candidate George—

Perry: Governor [George W.] Bush.

Chao: —Governor Bush. Again, he cornered the field pretty early, and everybody was really excited, united. It was not like this time in 2016 at all. And I think it was a hallmark of how well organized they are, don't you think?

Somerville: I actually was down in South Carolina before the South Carolina primary, after McCain had won New Hampshire, so you would think—and he won New Hampshire very handily, so—Actually, it was kind of depressing if you were a Bush supporter—and I went down there with Ted Cruz, believe it or not, and—

Chao: Who was a staffer!

Somerville: Yes. I rode the bus with him and the Governor and Karen Hughes for a day to some events. And I had heard that he was amazing in a crowd, and he was. But what got me was—and I stayed at the hotel with the campaign and stuff—they were like a Swiss watch. And they had just been handily defeated in New Hampshire.

Chao: Shellacked.

Somerville: There were, like, five or six weeks before this, so it was a long time to be reading about your loss. The McCain people were pretty high. And that campaign was focused—I mean, you would have no idea New Hampshire had ever happened. They were just moving [*snaps fingers*] forward. I was so confident when I came back. I remember talking to the Senator—

Chao: It says a lot about George W. Bush, in that he had just suffered a defeat—He did not blame his people, he rallied them, and said, "You know, let's move ahead." That is the hallmark of a real leader.

Somerville: And he was well funded. They just went on ahead with their plan.

Perry: Your description of what you saw, of that apparatus in South Carolina—It sounds to me like that does start with the top. That comes from the top down. And how he did handle the defeat in New Hampshire, how he spoke to his campaign—

Somerville: It was so reassuring to me personally, because I was staffing McConnell on the campaign. It was my worst nightmare that John McCain could become President, so oh, my God, peel me off the floor after New Hampshire. [*laughter*] And then I went down and I was like, Yes! [*laughter*] Plus, I saw him in person working the crowds, and Bush was—I had heard—Actually, it was Judd Gregg who had told the Senator back in '99—I recall the Senator said he said, "I've seen W. up in New Hampshire, and he is Clintonesque in a crowd, in person." It never came across on television, but in person, he was good.

Perry: Tell me about that. I've always wondered. And I got the opportunity, because of the year that I was at the McConnell Center—it was '05–'06—and remember, President Bush came to the Seelbach Hotel. He met for an hour and 15 minutes with the McConnell Scholars—the undergraduate students—

Chao: And his people didn't allow it to be filmed—

Perry: I know!

Chao: —nor recorded, which is such a shame. And what he said was nothing wrong—

Perry: Oh, no!

Chao: It was so inspiring, too.

Perry: I had never seen him in person; I had just seen him on TV. To Tam's point, I'd like to delve into that a little bit, from you all's perspective, because you obviously spent a lot of time with him personally, saw him doing retail politics out on the stump, but that—just exactly what Tam said—his personality—his persona, I should maybe say, even more correctly—did not come through on television. What I saw in that meeting, in 2006 in Louisville, was just how articulate and fluent and witty he was in dealing with students, young people, 18 to 22 years old.

What I always remember, too, about him—and he was there to help the Senator; he was there to—It was a fundraiser dinner, as I recall. They'd just had five of us professors and staff along with the 40 students, and they said, "Oh, he'll take a picture." I remember they said, "Now, just so you'll know, he will take a picture at the end." And I anticipated you'd just gather all 40 students and we'd fill in and then—No, he insisted on a grip-and-grin with every student. And I always point out, he wasn't ever going to run again. You know, he didn't have to do this, politically. The other thing that I remember about him was his self-effacing humor.

Genero: He is very funny.

Perry: Funny. Funny, funny. Told the stories about—Because his girls were, I think, still in college, so he wanted to do that relating—You know, one of them had used a false ID [identification] or something and someone said, "You know, Mr. President, there's a story you're not going to be too happy about in the newspaper today," and then he has to get in touch with whichever daughter it was. And he said, "And she said, 'If you hadn't been President, this wouldn't have happened.'" And he said, "I said, 'Don't blame this on me. You were the one using the fake ID.'" Well, that just cracked this group of 18- to 22-year-olds up. They just loved it. But what I also remember was, as each student came up to shake hands with him, he remembered the question they had asked.

Chao: That is wonderful. That's really impressive.

Perry: And he would follow up and say, "Oh, I liked that question you asked me about Sammy Sosa." And I thought, *That is retail politics at its best.* But he was so genuine.

Somerville: I was going to say, he was very genuine.

Genero: Authentic.

Perry: It was—As they would, yes, use the term now, that's authentic. What was it that didn't allow that to come across on television?

Chao: I don't know.

Somerville: Maybe a script was a straitjacket for him. I don't know. But it just—

Perry: But also, press conferences.

Somerville: Well, of course. On the other hand, after 9/11, though, the National Cathedral remarks—

Perry: Oh. Oh, yes.

Somerville: Remember that?

Perry: Yes.

Somerville: Fantastic. The night of 9/11. Of course, that was very—

Perry: Somewhat less so.

Somerville: But he was an amazing communicator. And when he got on that debris pile at Ground Zero and lifted up that megaphone—

Chao: Yes. That was all spontaneous.

Somerville: —and said the world is going to hear you—That was one of the seminal—

Perry: And most moving points.

Somerville: Oh, yes.

Perry: But just on a—Over eight years—So maybe sometimes over scripted or maybe not as good off the cuff in a setting of—

Chao: Well, I only saw him at—primarily at press conferences—and at Cabinet meetings. What I liked about his Cabinet meetings is that they followed a certain pattern. The President asked someone to pray. The President then would begin his remarks. He would give us his thoughts on the priority of the day/week/month. Then he would ask the Secretary of State to talk about the peacekeeping efforts around the world, because we are a country of peace. And then he would turn it over to the Secretary of Defense. When diplomacy doesn't work, you wield the stick. And then Homeland Security would give their report. There was a pattern to presentations of the Cabinet meetings and I liked the sequencing in what I just explained. There was also a focus for the Cabinet. We were often given instructions for events, messages, et cetera.

Perry: How often did the Cabinet meet?

Chao: I think that's something for the record, but it was pretty regular—on average, about once a month.

Perry: What were your impressions of what came out of the Cabinet meetings? Were they more just a check-in, let's get everybody up to date—

Chao: It was a mechanism for the White House to give instructions to the Cabinet Secretaries: what topics to focus on; what to communicate. It was an update on important issues, but it was also a vehicle for the White House to tell the Cabinet Secretaries what to emphasize in their communications messages, so it was not a free-for-all discussion on important issues of the day.

Perry: Nor a decision-making conversation?

Chao: Not really. There are few decisions that require the agreement of the Cabinet. Most decisions are made with the White House staff, not at the Cabinet meeting. Most issues are between one or a few departments and the White House. Decisions on important issues requires a whole interagency process that entails great deal of previous thought, previous preparation, discussions, staff work that led to that decision.

Uninformed opinions don't serve the President well. Issues should be worked through the policy clearance system. The government is so huge; there is so much we as Cabinet members don't know. Number one, we should always be in possession of the correct facts, have the right information, so that we are offering accurate and comprehensive information on which decisions are made. If there is just a free-for-all around the Cabinet table—everyone's throwing in the rumors that they've heard for the day, the latest gossip that they've heard—this does not lead to good decisions. We shouldn't be burdened with the inertia of the weight of the federal government, of course. But surely there can be thoughtful, considered, appropriate levels of evaluation of ideas/policies and information that would lead to good decisions. I am not one of those people who think that you can just sit around a table and just opine.

In fact, this may be one of the reasons why Secretary [Paul H.] O'Neill, the first Treasury Secretary, was not very popular with his colleagues. After his departure from the administration, he wrote a book accusing the Cabinet of being blind, deaf, and dumb because we didn't say anything. Well, the Cabinet meeting is a serious occurrence. The President of the United States is the most powerful leader on Earth. You owe it to the country and to this leader to provide thoughtful, well-thought-out opinions—or suggestions or recommendations. I understand that it's hard for the President or some of us to get accurate, comprehensive information, that he is in a "bubble," as are each of the Cabinet to a degree. But Paul O'Neill would always talk about topics that were not on the Cabinet meeting agenda. He many times made suggestions in other departments. For example, in my case, he worked in the Office of Management and Budget in 1972 and had very strong opinions about the Occupational Safety and Health Administration and workplace safety, especially since he was formerly CEO [chief executive officer] of Alcoa.

I actually made an effort to have lunch with him at the Treasury Department to learn more about how OSHA [Occupational Safety and Health Administration] can improve workplace safety. He would talk about OSHA often. I was younger then. As a new Cabinet member, I was not inclined to challenge what a former Fortune 100 corporate CEO said—but nowadays I would, [*laughter*]

you know? He would refer back to 1972 when he was at OMB [Office of Management and Budget], which was like 40 years ago!

Perry: So he would just go on—? And did the President step in to say—?

Chao: No, he didn't—so one time he talked about OSHA, but most of the time—He did invade other Cabinet territories as well, but he always wanted to redo the corporate tax code.

Perry: So he would bring that up at every meeting?

Chao: Very frequently!

Perry: And how did the President respond? What did he say?

Chao: Well, the President respected him, but it was unrealistic. For anyone who knows anything about politics and the Congress, timing is everything. The economy was in a recession. This was not the right time. Tax reform can be undertaken when the economy is going well and everyone's feeling prosperous. Then they don't mind giving away something.

Perry: Tax cuts, OK, that was the top of the agenda.

Chao: But even tax cuts, always—Any initiative is shaped by what the Democrats want, which is more tax increases/revenues.

Perry: So we haven't quite gotten to your actual appointment, but this has all been superb. We want to back up to your appointment itself. But I also, before we leave these fairly—It sounds like very disciplined, with the exception of the one kindergarten child, that these Cabinet meetings sounded very disciplined; the campaign was very disciplined; we know George W. Bush to be disciplined—

Chao: Well, I think he also had the—He had the benefit—

Perry: Did he have the "vision thing" that you—

Chao: I think he did.

Perry: And you saw it in the Reagan administration, the four principles. You saw it in foreign policy in Bush 41, but you didn't see it in domestic policy. What were you seeing in terms of the principles, the core principles around which this administration was formed, prior to 9/11?

Chao: Well, Laura and I were talking about this. Nobody expected 9/11, so in fact, this was a President who hoped to make his mark on the domestic side, and his theme was compassionate conservatism, where he believed that Republicans, conservatives, can make a difference in alleviating the difficulties, the poverty, the plight of poor Americans through free market systems.

Genero: Free market—and education—He wanted to reform the education system. He wanted to be known as the education President.

Somerville: Remember "the soft bigotry of low expectations"?

Perry: Yes!

Chao: And then September 11th changed all of that. To symbolize this turn, I have a wonderful picture. It's a photo of the President, Secretary Mel [Melquíades Rafael] Martinez of HUD [Housing and Urban Development], myself, and Senator Chuck Schumer (D-NY) on a Staten Island ferry—Oh, and Rudy Giuliani was there as well. It was July 10th, 2001—We were going out to Ellis Island—

Perry: No.

Chao: To attend an immigration swearing-in ceremony. And the President was hoping to address entitlement reform and immigration reform, because—I didn't know it then, but subsequently, we all know that he has actually very strong ties with the Hispanic American community. And he had a housekeeper who was Hispanic; that's who he learned his Spanish from. And so he—

Perry: And of course, his sister-in-law Columba [Bush].

Genero: Jeb [Bush] is fluent in Spanish, as well. He's basically bilingual.

Somerville: And growing up in Texas. Yes.

Chao: So, the administration was going to focus on domestic issues, such as immigration reform. Then September 11th happened. From then on, he became known as a war President.

Perry: Right. So let's back up, before we get to September 11th, to your actual appointment, which we have—

Chao: Oh, that's so interesting!

Perry: I know! We haven't talked about that, so we've got to do that.

Chao: So, throughout the whole summer of 2000, my name was on the list of possible candidates for a position in the Cabinet. I was 47 years old. I was healthy and at my prime. It was most natural to consider me for the Department of Transportation position because I was Deputy Transportation Secretary under Bush 41.

Perry: And did you have a preference?

Chao: I preferred Transportation, because I thought that was the area that I knew best. And that interview process in November 2000 was so different from this interview process in 2016. The Bush people kept the whole personnel process completely secret, so they didn't let any leaks occur as to who was being considered for what positions. I get this phone call—I can't even remember—from this nondescript person, and they tell me, "We'd like for you to meet on the corner of 17th and K." [*laughter*] Seriously. "A white, unmarked car will pull up at the corner. Someone will open the door. You are to get in." [*laughter*] "And then we'll take you to your destination." [*laughter*]

Perry: To an undisclosed location?

Chao: I went to the Jefferson Hotel—Actually, was it the Jefferson, or was it—? We have to ask Sean Redmond that, because Sean Redmond was the guy who was in the car, [*laughter*] who subsequently became my body man, but I didn't—We never put the whole thing together. It was so funny.

Perry: Let me interrupt one moment—because we need to get you from the car into the Jefferson—but is this after the recount, and we know the President's—

Chao: I can't remember. It was before Christmas. So even though—

Perry: So should we back up to the election and the recount, or should we finish out the appointment and then—

Chao: No, that's fine. So, the election was held on November 7, 2000, and the recount wasn't completed until December 12, 2000—I was moving, literally, from one house to another in Louisville.

Perry: Oh, that's right. You had—

Chao: Yes, we had just moved to our current house, and it was like, Oh, my gosh—

Perry: You had changed homes in Louisville, right. OK.

Chao: I never want to do that again. [*laughter*] So the recount was obviously a tense time. We obviously cared deeply. We just waited it out, for 37 days, like the rest of America.

Somerville: Meanwhile, by the way, Senator McConnell was in charge of the inauguration.

Perry: That's right!

Chao: Oh, that's right. That's another reason why we were so busy.

Somerville: Yes, and you were involved with that, as were the wives of all the JCCIC [Joint Congressional Committee on Inaugural Ceremonies] members.

Genero: Tam was in charge of the inauguration.

Perry: Oh, my gosh. And so in the midst of the recount, you know you have these tasks ahead of you, but you're not sure. And the transition—

Chao: Well, we had to do the—

Perry: You had to plan no matter what.

Chao: Right. We would prefer, obviously, one candidate [*laughter*] over the other—

Somerville: We made some of the inaugural stuff generic. [*laughter*] Actually, I put McConnell's name on the pin that everybody gets, because I was like, Well, we don't know who the President is going to be.

Perry: Yes, OK. We're going to have an inauguration; you're not sure which President it is. The transition, as we have come to know through our public reading—

Chao: We were glued to the television, just trying to figure out what was going to go—what was happening.

Perry: Yes, I went to the second—Was it the second oral argument, I guess, I went to, at the Court—in *Bush v. Gore*—but during that period of *Bush v. Gore* and the recount, the transition team—

Chao: The transition was going ahead, proceeding.

Perry: Led by Dick Cheney. At least nominally.

Chao: He was Vice President–elect.

Perry: Right, but he was getting this underway. Were you contacted at all during that time?

Chao: Yes. They were proceeding with the preparations as if it were, you know—

Perry: Correct. So your rendezvous with the white car—

Chao: It was before Christmas.

Perry: And so that would have been between when the recount started on November 8th and the Court handed down the decision, I think on the 13th of December? So did you already—

Chao: No. Probably between the 13th—

Perry: And Christmas. OK.

Chao: Yes.

Perry: Anything else to add on the recount or that period?

Chao: Yes, so I go upstairs—

Perry: Now you're in the Jefferson Hotel.

Chao: I'm taken through the back, through the kitchen. I get to the top floor—I get into an elevator—They had this service elevator—and it gets to the top floor. And then we had to walk another flight of stairs. Then I see the big four in there: Andy Card, future White House Chief of Staff; the Vice President–elect; the President-elect; and Clay Johnson [III], the President's close childhood friend and eventually, Director of White House Personnel. We talk about different things, and—

Perry: Like what? Do you remember?

Chao: We talk about transportation. What I thought about Amtrak [National Railroad Passenger Corporation], what we should do about Amtrak, and what do we think about the transportation systems.

I thought the interview went well; we seemed to have a great discussion. And then, at the end, I get very good vibes. You know, it looks like I'm going to be appointed. There seemed to be a pretty good chance. Then we say goodbye. And someone said, "You'll hear from us," which always is a good sign. They would not say this, I thought, if it were going to be a "no." But, days go by; I don't hear anything. Christmas comes; I don't hear anything. New Year's comes; I don't hear anything. And I'm saying to my husband, "Do you think they lost my telephone number?" [*laughter*] He's so cute. He says, "No, Sweetie, I don't think they lost your number." Then the next thing I knew, I saw on television—Norm Mineta coming out of the Governor's Mansion in Austin. And he had gotten—

Perry: Transportation.

Chao: —the Transportation Department, so then I knew I was pretty much out.

Perry: Oh, so then you didn't think you were going to get a position in the Cabinet?

Chao: No, because they said—Actually, Andy Card did have the courtesy to get back to me and say, "Obviously, we decided to go in a different direction. Is there anything else you want?" And I said, "No. I'm very honored to have been considered, but I really am not interested in x." You know, "I could be more helpful to you on the outside." My husband taught me a very important lesson. He says, "Never show your anger," because I was pretty disappointed and pretty devastated. But he said, "Always play for the future. Don't indicate how disappointed you are. Always be gracious," which was good advice, because on January 9, 2001, Linda Chavez withdrew as the Secretary of Labor—

Perry: As the nominee.

Chao: As the nominee.

Perry: And that was over an immigration issue?

Chao: Right. She's actually a wonderful person.

Somerville: Didn't pay taxes on her employee—domestic?

Chao: But it wasn't regular, either. This woman would come occasionally.

Somerville: But everyone was making that mistake back then.

Chao: Yes. But it was clearly a very sensitive issue.

Somerville: It was like the Zoë Baird issue or something.

Chao: Right. And they couldn't afford to repeat that. So they needed someone, then, who could get through confirmation, who had been cleared, vetted, and so I got a phone call from Fred Fielding, checking on my vetting.

Then I get a phone call at twelve o'clock—literally, twelve o'clock, right around lunchtime—from Andy Card. He was serious in tone and said without his usual chitchat: "Would you hold for the President?" Then President-elect George W. Bush gets on and he says, "You want to be my Labor Secretary?" And I said, [*laughter*] "I would be honored." [*laughter*] He was so funny; he said, "Well, you're going to go on television in two hours. Get your hair done. Get gussied up." Or something like that—It happened so quickly; it was like a blur. I was at work at a think tank where casual wear was allowed. I rushed home to change clothes.

So [*laughter*] I rushed to get my hair done at Piaf's salon on K Street, NW. I called my father and my mother, and then my husband. I can't remember the order. All I remember was I got my mother and told her the news. It was so exciting. Then, I called Hunter Bates to help me craft an acceptance speech. Hunter was Mitch's chief of staff. The Congress was out, so I knew he would be available. He knows pretty much my life story. I dictated to him as I was driving to the hair salon. And then I wore a red and black outfit, the colors of University of Louisville, in my home state!

Perry: Go Cards! [*laughter*] That's my outfit today.

Somerville: As long as the Wildcat people didn't really notice.

Perry: You're wearing your Wildcat blue today, I see.

Chao: The press announcement was at transition headquarters. Hunter came in a borrowed jacket that was too large for him. Robert Zoellick was also being announced as U.S. Trade Representative. As it turned out, he was late, so the press conference didn't start until 2:30, I believe. Before the press conference at the transition headquarters, we were like stars. After the press conference, everyone cleared out—the transition officials, the press—and we were alone in an empty room with no further instructions.

Then it moved very quickly. I had to fill out many forms to start the FBI clearance; financial disclosure forms; Senate HELP Committee confirmation questionnaire. The transition was well organized. Chris Spears was at the transition, helping out on policy. Kris Iverson helped me with congressional outreach. They subsequently became Assistant Secretary of Policy and Assistant Secretary for Congressional and Intergovernmental Affairs at the U.S. Department of Labor, respectively. They were the first nominees to be confirmed in April 2001. I digress. On January 20, 2001, after the swearing-in of the new President at the U.S. Capitol, there was the congressional lunch in honor of the new President and First Lady in Statutory Hall. I am seated next to President George W. Bush and Vice President Dick Cheney. And I thought how awkward this would have been if I had not been appointed to the Cabinet. [*laughter*]

Perry: Yes, so true.

Chao: Then I was confirmed fairly quickly on a unanimous voice vote, 99 votes; 1 abstained, McConnell. I was confirmed by January 29, 2001. This speed of confirmation doesn't happen in the Trump administration, due to the obstruction of the Democrat minority.

Somerville: Boy, those were the days.

Chao: At the Department of Labor, on the afternoon of January 20, 2001, there were nine young people, called the "parachute team," who arrived at the Department to take control. The Bush 43 administration was so disciplined, so organized. There were veterans who were directing the new young people. Z. [Ziad] Ojakli, who was with the White House Leg [Legislative] Affairs staff, said that by 12:01, January 20, 2001, they were all at their desks at the White House; they knew exactly what they were going to do, and it was as if the whole organization picked up—That could have been a bit of an exaggeration, but true basically. So, when I arrived nine days later, I had Steven Law, my chief of staff, and a couple of other people, plus the parachute team already at work in the U.S. Department of Labor. If you recall, because of the disputed recount, there was a lot of bitterness on the part of the departing Clinton team. There were stories of petty vandalism by the departing Clinton team—

Perry: So these were political—? Back to our distinction between political and the civil servants.

Chao: Yes, they were political appointees.

Perry: So, the political team now moving out from Clinton—

Chao: Right. The Clinton team was supposed to have left by 11:59 on January 20th, and they were making policies until the very last minute. You have to admire them. We heard reports of some Clinton appointees signing documents on the afternoon of January 19th and passing them to the career folks at a parking lot in Alexandria. They held onto power until the very last moment. I admire that. They were trying to fix America in their vision until the very last moment. But it was a very acrimonious time. And so when we came in, they sabotaged the place.

Perry: In what way?

Chao: They took out the Ws from all of the keyboards at the White House, we heard.

Perry: So that was—I had heard that was an infamous story about the White House.

Chao: It's true. We also saw some of it at DOL [Department of Labor]. It was reported that many of our phone lines were deliberately misrouted and mixed up. Your phone line could say: 2-0-2-4, but then if you'd call 2-0-2-4, it would ring at that desk over there. And then the Secretary's supply closet was completely denuded—no pens, no paper, nothing. How can there not be any stationery for the Secretary of Labor? How can there not be any pens? The supply closet was empty of supplies. Susan Thigpen, who was one of three assistants who worked in the Secretary's front office, was very nice. Before we left on January 20, 2009, she actually made sure that everything was restocked in the supply closet.

When George W. Bush left the administration, he sent out directions for all of us to ensure an orderly transition to the Obama administration, which was very much in line with his family's character and ethos. I am so loyal, but I have to say, I did disagree with two decisions that the White House made in 2008. We began to shut down the rulemaking effort starting June 1, 2008. We were told by the White House Chief of Staff, if the Department did not have by early April 2008, the list of prospective rulemakings for the remainder of the term, it would not be considered. This is in contrast to the Clinton administration as discussed above, which was making policy until the very last minute, even until the afternoon of January 20, 2001. In addition, the Bush 43 administration did not process any personnel actions past September 2008. Presidential Personnel spent its time preparing a transition manual, full of real, good-intentioned advice to the new Obama team.

The administration shut down its personnel functions prematurely. It still had September, October, November, December—four and a half months—before leaving the government. Four months in which the departments couldn't get new people cleared, or promote young people to credential them. We actually hampered ourselves, and we ended the Bush administration four months early. We unilaterally gave away four months of the Bush administration during which we would have done more. Did anyone else mention this in any of the other oral histories?

Perry: Oh, do they criticize—?

Chao: This could be viewed as criticism. I would not have done that. I would have let it—

Perry: Sure. People say whatever they think about what their experience was. That's what makes these the most meaningful.

Chao: Yes. I think we shut down the regulatory process much too early.

Perry: Yes.

Chao: We should have let that go for as long as it can, and even if we were not successful. What our efforts would have shown is a road map for future administrations.

Perry: And that's what I was going to say. That's a major point of doing these interviews, that you're speaking to all sorts of different constituencies—again, students and teachers and professors and—but you're also speaking to your successors.

Chao: Also, the Bush administration in 2008 was the first administration to come under the Presidential Transition Act as amended in 2008. It required both sides to set up transition offices in April of the election year. The purpose was to allow a smooth transition, given that in 2001 there was a 37-day delay in proceeding with the transition due to the recount. But the new act was so bureaucratic and so cumbersome that it actually weighted down the transition effort and made it more difficult. The previous transition effort, chaotic as it was, if you knew what you were doing—It was really free-wheeling—you could do all sorts of things. It got even worse in 2016. When we came in 2016, the clearance process for getting people on the transition, physically into the transition building, took days. You had to submit names that were not cleared like at least 24 hours in advance. 24 hours is a lifetime during the fast pace that transitions are. Clearance took forever.

They didn't get cleared; they didn't get equipment. You couldn't even get into the transition building. You didn't get your equipment.

Genero: The Secretary said, "Meet me on the street corner outside the GSA [General Services Administration] Building, and we'll have a meeting with the transition team."

Chao: You couldn't get in.

Genero: Well, we had to get cleared in first, so it was a pain.

Chao: It was very bureaucratic. Every single volunteer person in the transition had to have security clearance, which took forever. The FBI—It took, like, a week. Maybe it wasn't that long, but as I said earlier, in the hectic rush of transition, even 24 hours was a lifetime. In the transition, every moment counts, so that created its own problem.

Going back to the Bush 43 administration, we were the first administration that had the transition team come in on November 15, 2008, which effectively meant that our administration was cut short on November 15th, 2008. When the new transition team from the incoming Obama administration came to DOL, on November 15, 2008, the Bush administration pretty much came to a halt. The career people had two masters on-site, and they didn't know who to listen to, so everything came to a halt.

Perry: So the outgoing administration then lost, as you say, those months.

Chao: From November 15 on, we couldn't do anything. I did not realize that. When I took the job of U.S. Secretary of Labor, I vowed that I would stay until the end of the administration.

Perry: So almost two months.

Chao: Actually, Kris [Kristine] Iverson, Pat [Patrick] Pizzella, and I all said that we would stay until January 20, 2009, which we did.

Genero: We were all asked by the White House to submit our resignations on a certain date.

Chao: We wanted to be able to embed change into the very last moment that we had to leave. But the administration, again, shut down the rulemaking process in the spring of 2008, and then shut down the personnel process in September of 2008. Instead, the head of PPO [Presidential Personnel Office] spent her time doing a personnel transition plan, which I'll bet was not even read by the incoming Obama administration. First of all, teams don't trust each other, so even if it's done with the best of intentions, the incoming team—They don't know whether the effort was done with sincerity and earnestness, and they're not going to follow something that the Republican administration did. It was just so naïve.

Perry: So this is interesting, too, because we do read about the—

Chao: But it was gracious. And reflective of President George W. Bush's intention to ensure a gracious handover to the Obama team.

Perry: Correct. However, the President's goal, we're told, in the public works, was this phrase, "We sprint to the finish line." So in a way, by backing up at the end to say, OK, no more new rules after April, you're stopping short of the finish line.

Chao: Oh, yes. Even if we don't finish the rule, what we were able to do was a road map for future Republican administrations to pick up.

Genero: Absolutely.

Chao: It was a self-enforced ending.

Perry: That's interesting to know, that if you're going to say, Let's sprint to the finish line, then you need to do it the way you're talking about.

Chao: Well, in the Labor Department, rulemakings take a long time. We needed that extra four months. The Obama administration worked here at the Department of Transportation until the very last minute of the very last day.

Perry: It sounds like the sandwiching of—With Clinton going out and then the Obama people going out, that they both were definitely sprinting—

Chao: They were very aggressive in implementing their policy agenda.

Perry: —aggressively sprinting to the finish line, until the absolute minute they had to step out.

Chao: And they embedded people in the Department on their way out.

Genero: Yes. Oh, yes. And remember the big billboard or whatever that you found in the closet at Labor?

Chao: While I was Secretary of Labor, I would have staff training conferences. During one of our staff training conferences, we would haul out two huge slabs that were filled with what the Clinton administration goals were, and how they were going to finish each one of them. It was actually quite admirable. I really admired them. We found these two slabs in one of the locked closets. It took a while to find them. We didn't look for them, but I guess no one opened the locked closet until some time after our arrival. We took those two Berlin wall–size slabs out to show our staff: This is what the Clinton administration agenda was and how focused they were. We need to have the same energy, focus, and ambition to carry out our administration's agenda.

Perry: Thank you. That is the perfect segue into our next category of conversations. When you come in, what are your goals? Based on either the President's larger goals for the administration, based on any conversations that you might have had with him—

Chao: No.

Perry: No? No conversations? Then what are those goals?

Chao: My feeling about that is, if you have to be told what you need to do, you're really not ready for the job, because so many things at this level you can't really say outright. As President, you have to trust that the people that you select have the same philosophy, and know what to do. It's not that difficult. We don't believe in excessive government. We believe in triumph of the human spirit. We believe in empowering the individual. These are Republican values. And each Department will work with the White House staff and the interagency process to come to a consensus on policy initiatives, so when I came in—

Perry: What's on your wall? You've got the Clinton wall; what's on *your* wall to do?

Chao: One can say that Alexis Herman was the first Secretary of the 21st century, but I really am. I'm the first Secretary in the 21st century, and as such, I was very concerned about the competitiveness of the American workforce in the worldwide economy. How do we prepare and fortify America's workforce to be able to compete in this increasingly competitive international environment? And secondly, the Labor Department has so many rules and regulations that are so outdated. There's one in particular called the overtime rule, which had not been—This is one of our taglines—updated since Elvis [Presley] was a teenager. [*laughter*]

Genero: Yes, I remember that. Fifty years.

Perry: Oh, my goodness.

Chao: The American economy and the work of the workforce has changed in the 50 years, and yet we have rules and regulations that date back to 1934 that still mention outdated jobs such as keypunch operators, straw boss, gang leader, et cetera—jobs that don't exist anymore.

Genero: Journalists were classified as laborers.

Perry: Oh!

Genero: Yes.

Perry: This doesn't make sense to me—

Chao: So to enable the workforce to be able to compete, we needed to reform and modernize these—

Perry: Why didn't Democrats—If they're so into regulations, why don't they look at the regulations and update them? [*laughter*]

Chao: Because there are vested stakeholder groups. And secondly, they want security more than flexibility. This is the big argument with European workforces; they have security, but you cannot move people around. Flexibility is important to a dynamic economy, job creation, and a vibrant workforce. And it's not cruel, because the dynamism of a flexible economy and workforce will create more jobs that will give people more opportunities. It's the rigidity of a "secure" workforce that stifles job creation. In an inflexible labor market, most employers don't want to hire because they are fearful of the severance cost of displacement. If a worker wanted to leave a job, it would be difficult to find a new one because of the weakness of new job creation,

whereas, if there's enough dynamism in the economy—old jobs are being changed, new jobs are being created—That's why, in America, the average American, by the time they're 40 years old, will have had ten jobs already—

Perry: I always hear that statistic, and it always stuns me.

Chao: —because of the dynamism of the economy. Under President Bush's administration, the Department of Labor Bureau of Labor Statistics was the first one to implement what's called the JOLTS [Job Openings and Labor Turnover Study] study. It is a dynamic measurement of job creation: how many jobs were lost, how many jobs were created within a certain period of time. And that's where you hear all the time that there are four million vacant new jobs in our economy. That comes directly from the JOLTS study. That's information that we created so job creation can be measured on a more dynamic basis.

Perry: So you would say one, top-line-on-the-wall would be job creation, flexibility, restructuring the overtime regs—

Chao: I think international competitiveness, competitiveness of the workforce in the global economy.

Perry: Right. In the global age.

Chao: Second is reforming existing rules and regulations so that they are more in keeping with the realities of a 21st-century workforce, for example, comp [compensatory] time. The government has comp time, but not the private sector. They still don't have it. Basically, if you want to take some time off and have flexibility in your working hours, that is not allowed under strict interpretation of certain categories of employees under the labor laws. This is overly restrictive in a real-life economy, where we are not tethered to the workplace but we have mobile phones, laptops, iPhones. We can work anyplace. If I want to work late at night because I've got to send my daughter to school in the morning, I should be able to do so. Or if I don't want to work in the afternoon—I'm attending my son's soccer game—I want to work early in the morning, that should be allowed. But that kind of flexibility was not allowed under certain categories of employee, so that's an example of where we're trying to instill more flexibility to reflect how people work these days.

Perry: And how does this—I read through all the information about the vested interests, the interest groups we talked about on the business side, labor—

Chao: Also, our approach was going to be very different. The U.S. Department of Labor, under the President George W. Bush administration, represents the entire workforce, not just the 13.5 percent of workers who are represented by unions. The Department would no longer be just the headquarters of organized labor, for example. We represent the entire workforce.

Perry: Right. Tell me how that went over. How did that work? You have that philosophy. How does that work in practice?

Chao: Well, I think relationships matter. I think experience matters. Because I had worked at the Peace Corps and also at the United Way, I had worked a great deal with organized labor, which

is why several unions supported my confirmation. And I was confirmed on a unanimous vote with their support. They were very enthusiastic about having me as a Secretary. I'm probably the only Republican who really understands them. I don't say that immodestly.

I appointed Andrew Siff as counselor to the Secretary, who acted as the Secretary's liaison to organized labor. He had an instinctive understanding of this community. He said he learned a lot from me how to deal with organized labor. They are relationship oriented. They can also be transactional. Republican administrations usually have a harder time than Democrats getting along with organized labor. And the Labor Secretary is usually pretty moderate, because she has—he or she—has a difficult challenge to balance trying to be a Republican with this stakeholder group. But the George W Bush team were conservatives. We believed in the free market. We believed that the free market had solutions that could lead to higher standards of living and better quality of life for our population, and that the government doesn't have all the answers.

And the Labor Department is huge. It regulates every single workplace in America. But unfortunately, not very many Republicans like to go into the Labor Department. Most Republican appointees like to go into Defense, Commerce, Treasury, et cetera.

Digressing a bit, one of my goals at the Department of Labor was to also foster a farm team for future Republican administrations, which is why I placed such a great emphasis on training young people, because these are the future appointees to staff future Republican administrations.

Perry: These were people you were bringing in as young political appointees?

Chao: Yes, they're all political. I don't touch the selection of career personnel. If you are a political person—

Perry: You only have control over the political—

Chao: Yes, only noncareer or political appointees.

Perry: But your goal was to bring in a young cadre—

Chao: —of noncareer appointees.

I wanted to build a farm team so that more people would understand the significance of the Labor Department, its impact on the economy, the weight of its regulations, which could impact economic growth and how to govern well. As an aside, I placed a great deal of emphasis on announcing the job numbers, the employment data, because this was important. And the worst unemployment rate—6.3 percent—was still much better than the unemployment rate in the Obama administration, which reached double digits. But the Bush administration was constantly criticized for having bad unemployment numbers by the media.

Genero: You interviewed everybody yourself, right? I think. Pretty much everyone.

Chao: Yes. I made it a priority to interview every new hire. I learned that from the Reagan administration—I think it was either President Ronald Reagan or [E.] Pendleton James, who was

head of White House Personnel, who said, "Personnel is policy." It is so true. I can't speak for other Secretaries, but I view part of my job as to pick the right people for the right jobs. From my experience I know that if I pick the right people, my quality of life will improve immeasurably. [*laughter*] If I don't have the right people, even if I work very hard and micromanage, I will have a horrible quality of life and I won't be able to get the job done. You cannot micromanage these large complex departments, so the hallmark of a good leader is to pick good people. That's why I place a great deal of emphasis on recruitment and selection of noncareer political appointees.

Life was like that. When we first came, like, in 2001, my gosh, it was awful! There were so few people. But then as each political appointee came onboard, became confirmed, our workload lightened, we became more effective, and our quality of life improved, because we weren't trying to cover everything with a small cadre of people.

Perry: How long did that process take?

Chao: I was actually looking at that. A majority of the PASs were confirmed by August 3, 2001, before the Senate recess. There were 19 PAS positions at DOL. We had a couple of vacancies, so 17 of 19 were confirmed, or about 90 percent. There was one exception, which was a harbinger, perhaps, of the times now. Gene Scalia was the nominee for solicitor. He was never confirmed. When it was rumored that the Senate would never confirm him because his last name was Scalia, I could not believe it. I was not used to such political retaliation. It didn't occur to me that some people would hold a grudge against the son because of the father's actions in the recount by the Supreme Court. But I do believe, in retrospect, he did not get confirmed because his last name was Scalia.

Tommy Korologos, a longtime lobbyist around town, and Nancy Kennedy, who had worked with me as chief of staff at the Peace Corps in Bush 41, acted as the organizers and congressional liaisons or "sherpas" for Gene's nomination. He could never get commitments for more than 52 votes. At that time, 60 votes were required for cloture. His nomination didn't have enough votes, so it was never called up. Sen. Chuck Schumer (D-NY) and a couple of Harvard Law School professors were the architect of the 60-vote cloture threshold for administration nominations. This had never been the precedent before for administration nominations.

At the start of the Trump administration, Senate Minority Leader Chuck Schumer made this a regular practice. All nominations had to have a successful cloture vote of 60 votes to proceed to confirmation. This resulted in an incredible backlog of nominations on the Senate calendar until the "nuclear option" was exercised. Now, the threshold cloture vote has been lowered to 51, a simple majority. Thus, Trump administration nominees are able to get confirmed with a simple majority. Steven Bradbury, the general counsel, won confirmation with 52 votes on a partisan party-line vote.

Talking about another first, I was the first one to trigger the Congressional Review Act to roll back the Clinton administration's rule on ergonomics, on March 20, 2001.

Perry: I read that in the briefing book. Yes. Tell us about that. I think people don't, first of all, understand that legislation enough, and second, tell us about the ergonomic regulations that had come through the Clinton administration: your thoughts about that, why you went that route.

Chao: The Congressional Review Act was a measure passed by a Republican Congress, and the purpose was to reexamine regulations that had been rammed through the executive branch, very often in defiance of the underlying authorizing statutes and the Administrative Procedures Act. As I mentioned, the Clinton administration was very aggressive. And because the media is very often on their side, their aggressive actions were often never reported. The media was much tougher on a Republican administration's rulemaking process and compliance with the Administrative Procedures Act.

The Clinton administration's ergonomics rule was a one-size-fits-all, very proscriptive rule that would have mandated the position of an individual, how they carried, for example, packages. It was very prescriptive, very detailed. If you are 168 pounds and you had to lift a box that was 5 pounds, you had to do it this certain way. If you were 122 pounds and the box was 25 pounds, then you had to do it another way. And if you wanted to turn from a frontal approach to a side, you know, you had to put the package down a certain way. You had to be given rest periods. It was very proscriptive. Or, as somebody once said, it took the work out of work.

There was a great deal of concern that this very proscriptive rule would, in fact, harm employers, exact too heavy a cost burden on businesses—especially small employers—while not benefiting workers. Employers would have to hire more people in order to perform the same amount of work and require all their employees to use very impractical proscriptive procedures set by Washington, D.C., for every work task.

Perry: And who would have even enforced the—

Chao: The Labor Department.

Perry: Oh, my gosh. They would come in and observe how you—? If you were a UPS [United Parcel Service]—

Chao: OSHA would have random audits. There would also be trial lawyers and union officials/members who could file complaints about violations of the rule.

Perry: Where you'd come in and say, "How are your people lifting packages?"

Chao: It happens all the time. That's why when we say, "We're the government and we're here to help you," people view us with some skepticism.

Perry: To quote Ronald Reagan, "The worst words anyone can hear."

Chao: Yes. And in the Clinton administration, they would measure effectiveness by the number of citations written or the number of inspections or audits—

Perry: Oh, effectiveness of the regulations and of the Labor Department—how many citations had been written on these—

Chao: Right. Yes. How many times did the inspector go out to the plant? And, "How many audits did you do?" It's never, "Did you find anything? What was the result?"

Perry: Yes. Are people better off because of this or not?

Chao: The injury rates went down throughout my tenure because of our smart approach to enforcement. The Department has a pretty good idea who the bad actors are. About 80 percent of the infractions are committed by about 20 percent of the players. It's the 80/20 rule all the time, so focus on the 20 percent that are bad, and you can actually make some progress in decreasing the 80 percent of infractions.

We were extremely successful across the board with our approach of combining outreach with more targeted enforcement. Our strategic approach to protecting workers' benefit plans set records—including nearly $12 billion from 2001 to 2008 and $1.2 billion in 2008 alone. During this same period, DOL completed over 28,000 civil investigations and over 1,400 criminal investigations, resulting in the indictment of 907 individuals for criminal activity related to employee benefit plans. Because of improved targeting and better outreach to workers and employers, the proportion of investigations closed "with results" increased by 30 percent from FY 2001, and the number of criminal investigations closed with either a guilty plea or a criminal conviction increased by 59 percent.

From 2001 to 2008, the Wage and Hour Division's enforcement, coupled with effective outreach to employers and workers, resulted in recouping more than $1.4 billion for over two million workers. In fiscal year 2008, WHD recouped back wages totaling $185,287,827 for 228,645 workers. This represented a 40 percent increase over the FY 2001 figure.

From 2001 to 2008, Office of Labor-Management Standards investigations yielded a total of 972 indictments, with 905 convictions for crimes such as fraud and embezzlement, and returned more than $88 million in restitution to rank-and-file union members. That office had to be rebuilt after languishing during the Clinton administration; the number of audits rose from 238 in 2001 to 791 in 2008—an increase of 232 percent. OLMS also established a public disclosure website at www.unionreports.gov that contained union annual financial reports and reports required to be filed by employers, labor relations consultants, and union officers and employees, as well as copies of collective bargaining agreements to improve transparency for union members and the public.

DOL also increased monetary remedies for federal contractor employees subjected to unlawful discrimination by 133 percent from fiscal years 2001 to 2008, and posted record enforcement numbers in this area. In fiscal year 2008 alone, over 24,000 workers received more than $67 million in back pay, annualized salary, and benefits. Ninety-nine percent of this amount was collected in cases of systemic discrimination—those involving a significant number of workers or applicants subjected to discrimination because of an unlawful employment practice or policy. This success was in part driven by doing away with the prior administration's Equal Opportunity Survey, which had a 93 percent false positive rate in finding discrimination.

Perry: Now tell me about dealing with Congress on ergonomics.

Chao: This is very important. So I am a new quantity. I'm known to be a conservative, but people didn't really know. I am being watched very carefully as to how I will decide this issue as an indication of what kind of Secretary I will be in this administration. I'm being torn in two

different directions. It could be just pressure I'm putting on myself—I could have misinterpreted; it's very possible—but I thought that the White House wanted me to do a rule, an ergonomics rule, and get this issue behind us, because it was—

Perry: Make your own rules to substitute for the bad rules and regulations that the—

Chao: Or not to do anything—not to repeal it; just let it go.

Perry: Oh, not to repeal the Clinton—

Genero: See, the Congressional Review Act is, if Congress says, "We don't like this," it's gone.

Perry: Right. But you felt—You're saying you're not exactly certain if there was pressure, but you *felt* there was pressure coming to do something in its—

Chao: Because it was really, really hot.

Perry: Yes. High profile.

Chao: And so they wanted to get rid of it. They wanted to address the issue and move on.

Perry: Make it go away.

Chao: Right.

Perry: What did you do, then, about that? How did you approach that?

Chao: I said that I would not accept the previous rule that the Clinton administration made.

Perry: Yes. That's very clear in the materials here, in the briefing book.

Chao: I think that was an instrumental moment in my relationship with the Republicans in the Senate—in the Congress.

Perry: Oh? Tell us more.

Chao: I was an unknown quantity. We all are. It's March. I've just been there one month. We're all getting to know each other, even though we're Republicans. And this was the number one issue with the Republicans in the labor field in the Congress.

Perry: Can you name some of those people?

Chao: Senator [Donald] Nickles was head of the ergonomics initiative—against it. And in the House, it was John Boehner, who was head of the Education and Workforce Committee. But I would have made my reputation right then and there as to whether I was a conservative or not. I didn't do it because of that, but I did feel that this rule was too prescriptive. The easy thing would have been just to let it go. And I felt that I really could not. But in my standing up against this rule, I cemented my relationship with the Republicans in the Congress. They respected me. It was a hard call. Most other Labor Secretaries would have just let it go, and I did not.

Perry: And then tell us what that means at the time, and what it means for your future in the Labor Department, now that you cement this relationship with Republicans on the Hill.

Chao: I think that has implications all over, in everything that we do. They know that I'm a person of principle and strength, and that they can trust me to stand firm—that if they supported me on something, I wouldn't wobble. You know, what you hate most is, you go out on a limb for somebody, and then they cave. And they would also know that I'm very deliberative. I didn't take this action quickly. I thought about it. We had all tried to find different ways to address this issue, and we really could not. It was going to be very onerous on the economy.

And then the labor unions didn't like it. I went to visit labor many times. Labor was so much more effective on this issue than businesses. Businesses, they would talk about efficiency, productivity, how much it's going to cost. And the labor unions brought in people with carpal tunnel syndrome injuries.

Perry: Repetitive stress injuries, I think they're called.

Chao: And it was heartbreaking. You know, they would show me scars on their wrists.

Perry: From surgeries, I guess?

Chao: Yes. But then they would say the same thing. They would say, I can't lift up my child anymore. I won't be able to have—It was a story. They were very effective on an anecdotal basis. And they're always talking about their families, their children. After a while, I kind of got the view that it was, actually, a narrative, and it was one that they were sharing with others. They were very skillful in crafting their narrative. It was personal and it was compassionate. But then part of the science tells us, different people can lift 25 pounds over time, and some people will have immediate reactions, adverse reactions, others will not. So a one-size-fits-all solution would not have addressed the issue.

Somerville: Just noting here in our notes—March 2001, the economy went into recession, so that had a backdrop of a—

Chao: The ergonomic rule would have been really bad for it and cost $4.5 billion.

Genero: Well, the other thing is that one of the main drivers in the Congress was that they were getting tired of the administrative state overreach. Congress would say, "Do something about X," and then the administrative state would take it to the tenth power, to a ridiculous degree, and then, how did the Congress roll it back? So that's where the Congressional Review Act came into place. Plus, that, like so many other things, and like the Secretary is finding out here, too, a lot of these rules—The science is really sketchy, and you're imposing billions of dollars of costs and doing away with jobs, and where's the proof. And if it's not there, you have to admit it. All of that came into play.

Chao: I implemented a much smarter and more effective approach to addressing ergonomic injuries without the excessive regulation of the Clinton administration. First, specific guidelines were developed in cooperation with industries where there were potential ergonomic problems, for example, nursing homes and meat packing plants. Second, we provided outreach and

assistance to the majority of good businesses that wanted to reduce ergonomic concerns for their workers—even offering on-site consultation from OSHA outreach personnel instead of enforcement. Third, we targeted enforcement, as I mentioned, on the 20 percent of workplaces where there were recurrent problems, instead of the Clinton model of scattershot audits of everyone. Fourth, we continued research and promoted technological improvements that reduce ergonomic stress on workers.

As I mentioned, my approach worked, since the injury and illness rates went down significantly over my tenure. The Department took a strategic approach to promoting health and safety that included strong and fair enforcement and education and outreach efforts to help drive fatality and serious injury and illness rates in the American workplace to record lows. According to preliminary numbers for 2007, the workplace fatality rate declined 14 percent since 2001, and since 2002, the workplace injury and illness rate has dropped 21 percent—with both at all-time lows. In 2008, mining fatality and injury rates had been reduced by approximately 45 percent compared to averages of the 1990s.

We did a lot of things to promote American competitiveness. Right away, in February, we had a summit on the 21st-century workforce, because my theme was, how do we get prepared for the 21st-century workplace? The President came. And on June 3, 2002, DOL developed a four-pronged approach to ergonomics that combined industry-specific guidelines, outreach and assistance, enforcement, and continued research.

It's not easy. And then on March 6th, we focused on women—women entrepreneurship—had a huge summit. The President came for that, as well.

Perry: That's really symbolic and substantive, isn't it? To have him—

Chao: Yes. So we had a lot of these—We were good on both policy and public relations, communications.

Genero: I think the Secretary also, because of her unique status, was also more sensitive than others had been to helping out traditionally underserved communities, so she would hold annual opportunity conferences—

Chao: They were called opportunity conferences.

Genero: And we had thousands of people come to these things. And they would be free, no charge.

Perry: Here in Washington?

Genero: Yes, here in Washington.

Perry: At the Labor Department?

Genero: But also, we did it traveling around the country. The conferences would give pointers on how to do business if you're a small-business person. If you're a woman-owned business, a

minority-owned business, here's how you access federal contracts, here's what you have to do. Because a lot of these people were interested, but they don't know how.

Chao: Yes. They would complain that most of these contracts were going to large corporations under shells, so we told them, We can't give you contracts, that would be against the law, [*laughter*] but we can show you the road map.

Genero: Yes. We can show you the path.

Chao: Then you have to do it yourself. Again, this is all in keeping with the Labor Department, which was all about training. Under the Labor Department, because we want our workforce to be competitive, we focused a lot on training. And we were able to forge bridges with organized labor on training—joint ventures—and then also on health and safety—

Genero: Partnerships.

Chao: I believe we had almost 4,000 such partnerships involving trade associations, small and large businesses and labor organizations by the end of the administration for OSHA alone.

In fact, by the end of fiscal year 2008, there were more than 2,100 Voluntary Protection Program sites, more than 1,250 Safety and Health Achievement and Recognition Program sites, more than 170 Strategic Partnerships, and more than 470 Alliance Program Agreements. Employers participating in VPP have a Days Away, Restricted, or Transferred case rate that is 52 percent below the average for nonparticipating employers. These types of partnerships demonstrate that improved outreach to employers and workers can effectively increase occupational safety and health with safety and health laws.

We also put a lot of emphasis on compliance assistance. We did not believe that it was the role of the federal government to heavy-handedly look over everyone's shoulder to *make* people comply. Number one, we don't have the workforce, the inspector force, to be able to make people do that. We wanted people to understand what these rules and regulations require, and that it's the responsibility of the employer and the employee to drive safety—that it was a joint effort.

Perry: So you showed people how to comply. You weren't saying, "Well, we have to get rid of all the regulations." You were focusing on ergonomics, it sounds like, and then saying, "For the regulations that will remain in place, here's how you comply."

Chao: Yes. So for a lot of the underserved communities, we would give seminars and we would have brochures explaining, for example, to small businesses, who don't have time to take away from their businesses, they don't have the money to attend expensive workshops, so we go to them.

Genero: They can't hire lawyers.

Somerville: They don't have an HR department. They don't have a legal department.

Chao: And then we had these materials translated into different languages: Spanish, Chinese—

Genero: Vietnamese.

Chao: —Vietnamese, Korean, Japanese.

Perry: This is fascinating to me. It goes back to where we started this morning, where I said, Tell me about the evolution of your own political views, your own partisan views, but just basically your philosophy of government, and you went right to the heart of, Gee, in my community, when I was growing up and I saw—because so many people in an immigrant culture cannot go work for a big corporation—they might not have the language skills or the education in the first generation, anyway—

Chao: They had the education; they didn't have the language skills—or the cultural skills.

Perry: Right—that you also described, and so, in their communities, they start these small businesses. Now you're in the very position that is not saying, "Let's do away with the Labor Department," or, "Let's get rid of all the regulations," but, "Here I'm going to try to relieve you of something really onerous, I believe, on the ergonomics side, but then of the ones that are going to remain, let's help you." So let me ask this question: How did you determine the underserved communities where you would go out or you would bring them in or you would translate? It seems like it's pretty logical, but how did you identify that?

Chao: Well, they were pretty obvious. They were minorities: African Americans, Hispanic Americans, Asian Americans. People with disabilities. We did a lot of outreach to people with disabilities.

Genero: Oh, a tremendous amount.

Chao: It was the first passage of—We talked about assistive technology to help people with disabilities come into the workplace. About 70 percent of people with disabilities are unemployed, so how do we use this assistive technology to help them enter the workforce?

Genero: Well, you also established the Secretary's New Freedom Initiative Award.

Chao: I think awards are very important. They are a symbol for what is important. The New Freedom Initiative Award recognized individuals, nonprofits, and small and large businesses for exemplary and innovative efforts to train, recruit, and hire people with disabilities.

Genero: Every year it would showcase entities that were hiring people with disabilities, and it always would generate a lot of press. You'd get this story out there—First of all, people in the disability community would know, OK, these are friendly employers. And it would help the employers, because it would get their name out and people then could match up with this community. But it would also highlight here are the people who are open to hiring people with disabilities, and then we'd showcase them. People were lining up. They wanted to be known for this, that they tapped into this community. Even an effort like that, which some people would say, Oh, that's just PR [public relations]—It's important.

Chao: And then we started these career advancement summits.

Genero: Oh, yes, federal career advancement summits.

Chao: These were people who thought that they were not able to climb the ladder to higher positions, and a lot of those are Asian Americans. Asian Americans are thought to be too quiet, too reserved; they don't have leadership skills. How do we address that? We had training sessions; we got feedback on what they felt they needed. One of the most popular courses was "What do you do in a cocktail party?" [*laughter*]

Genero: You laugh, but it's true.

Perry: Other than drink cocktails, perhaps. [*laughter*]

Genero: Yes. How do you hold the food and the drink and the napkin and then talk to people?

Perry: And have a conversation.

Genero: It taught that networking is important.

Chao: Yes, how do you network? It's not that easy if you're culturally different.

Genero: And the Secretary would hold—We'd partner with OPM [Office of Personnel Management] and we'd hold these big summits—How do you advance to the SES?—because a lot of minorities would get up to a certain level and couldn't go further. "OK, what's blocking me?" Instead of playing the blame game, we took a positive, proactive approach by saying, "Here are the skills you need to develop."

Chao: Communication skills.

Genero: Oral communication skills. Written communication skills. Leadership skills. And then we'd say, "Here's the training that you can take to develop these skills." In other words, it's not just a place to complain; it's a place to actually proactively do things that will help you get up to this level.

Perry: That's the key.

Chao: Yes. Training, again, was the key. Training is in all of this—

Perry: Yes. And you had mentioned very early on in the goals, creating a workforce for the 21st century, and everything you've been describing to me sounds like it is aimed at that. But I'm also thinking that you're in the thick of the changing of our workforce and the change of our global economy, and that jobs will go away and, you know, keypunching [*laughs*] is not coming back.

Chao: Which is why we tried to update the rules and regulations so that they referred to relevant positions, number one.

Perry: Correct.

Chao: And then, number two, we needed much more flexibility, and we needed greater training. And we needed the right kind of training. We were not as successful with reforming the job-training programs unfortunately.

Perry: That was my question. How did you—

Chao: We tried to reform the training programs. Americans are incredibly compassionate people. We want to take care of those who are vulnerable among us. So we spent billions of dollars training people. Unfortunately, a lot of that money goes to other purposes than getting a real job.

Perry: How so?

Chao: Job training is generally done through public-private partnerships. The federal money goes down to the states and gets disbursed to local communities. You could have two communities sitting right next to each other: one has depleted their training funds and they need more money, and the next community doesn't have the economic need, so they don't use their money, but you can't switch the money. Because current training programs were not market based, there could be training programs that produce 1,000 hairdressers when the region only needs 25. This is obviously an exaggerated example. But if the training is not market driven, people aren't being trained for real jobs that are looking for workers.

Perry: We hear so much about this—and we heard so much about it in 2016—tapping into people's upset and concern about, "What will happen to me?"—again, from Kentucky, I think of a coal-mining community, or "What's going to happen to me in my Upper Midwest town where we used to make refrigerators?" Or whatever.

Chao: Well, it's not a matter of money. The federal government gives so much money out. It's *how* that money, which is taxpayers' hard earned dollars, is used. We tried to introduce a voucher system that allows job trainees to have greater flexibility in selecting the courses they want. But we never used the V-word.

Perry: [*laughs*] Don't use the V-word.

Chao: Yes. Don't use the V-word. We wanted to give each individual $4,500 that they can use to enroll in job-training courses of his or her own choosing. Right now, it's a WIOA [Workforce Innovation and Opportunity Act] system. They have to choose courses that federal government contractors offer. We did succeed in trying out the idea of individual accounts. In 2006, the Department launched self-managed Career Advancement Account demonstration projects in eight states. In November 2007, Labor and Defense jointly launched an initiative to provide military spouses with opportunities to pursue portable careers in high-demand, high-growth occupations. This three-year Military Spouse Career Advancement Initiative was offered at 18 sites in eight states with large military populations. It also used Career Advancement Accounts, modeled on those created for the President's American Competitiveness Initiative, to enable military spouses to develop the skills needed to successfully start, navigate, and advance their careers.

Genero: We wanted the money to get down to the workers, instead of so much being consumed by the workforce training bureaucracy.

Chao: It absorbs all of the money.

Genero: It's huge, in every state. What the Secretary tried to do is link up all these job-training centers with local community colleges and say, "OK, let's link the government job-training centers with the community college and with employers in that community who can say, 'We don't need hairdressers; we need computer operators.'" So, local community college, could you please offer these courses? And job-training people, when workers came in and said, "I need to train for a job," could you steer them to this? Because we will hire them. Businesses have jobs, but often can't find the skilled workers they need.

Chao: Right. We submitted legislation, but we were ultimately unsuccessful, because the special-interest groups in this training industry were too powerful. They don't want the flexibility.

Perry: So the issue is the lack of flexibility, and then this training-industrial complex—is too set, and cannot be moved, apparently—or at least it's very difficult to move it in a different direction.

Genero: Yes, it is very difficult.

Chao: And the programs are also a victim of the congressional committee system.

Perry: Oh, thank you.

Chao: One workforce training program, the Workforce Investment Act, now the Workforce Innovation and Opportunity Act, came out of Senate HELP [Health, Education, Labor, and Pensions] Committee and House Education and Workforce Committee. Another one, TAA [Trade Adjustment Assistance] is under the jurisdiction of the Senate Finance Committee and House Ways and Means Committee. You had two committees in both House and Senate that had two different workforce training programs, sometimes working at cross-purposes. And it was confusing.

I think every single administration that tries to reform pushes the ball a little bit further, kind of advances the ball.

Perry: The cumulative effect can have—

Genero: Even the Obama administration tried to reform some of these programs.

Perry: I do remember. Mrs. [Dr. Jill] Biden was involved in community colleges and job training.

Chao: Well, we need information technology people.

Genero: We need to train people for the jobs that are in demand now, not for—

Chao: There are not enough computer, you know—

Perry: Programmers.

Chao: Yes, and staffers. When your computer is in trouble, it takes forever to get somebody to come. [*laughter*]

Somerville: My computer is always in trouble, yes.

Perry: Everywhere we are. Now, can I have you delve a little bit deeper into this congressional part of the story—the committees and the entrenched interest groups and what the political scientists call the "iron triangle" of interest groups, Congress, and the bureaucracy? One theory, which has always fascinated me, was that Members of Congress obviously want to be closely tied to interest groups who can help them—help them get elected, reelected, raise money, get votes, campaign—and yet the Congress has some control over, or is working with, or should be working with, the bureaucracy. In some ways, this argument goes, it's actually better to have things complex as far as the American people and the interest groups are concerned, because then Congress, through casework and constituent services, can be the go-between between the bureaucracy and the interest groups.

Somerville: I don't think Congress ever sets out—

Chao: I don't think Republicans think like that. [*laughter*] I think Democrats think like that.

Perry: Interesting.

Chao: We want simplicity. Yes. I think we should keep it simple. Because I think the greatest freedom that people have is to be able to access these services themselves. And they don't need an intermediary.

Perry: Right. But I think you're right, that probably Democrats, at least, have seen it that way. But now back to the chairs and the committees that you're working with.

Chao: Well, each one didn't want to give up their jurisdiction. So TAA, Trade Adjustment Assistance, which offers compensation and benefits to workers displaced by trade—Trade is handled by the Senate Finance Committee and also Ways and Means, so there arose these separate programs, apart from Senate HELP and House Education and Workforce, because there were different committees of jurisdiction. What this does is to make the training programs more complex and difficult for ordinary people.

Perry: Because they're reflecting, in a way, the bureaucracy of the Hill and the bureaucracy and the interest groups entrenched in the committees and the committee structure?

Chao: Yes, because trade is handled by Senate Finance and Ways and Means, and they saw that there were adverse side effects to trade, so instead of leaving another committee to handle the displacements, they felt that they had to show that they were compassionate and doing something to help displaced workers. Adding these worker retraining programs facilitated passage of trade

bills. It was a negotiated process. And that's how we have training programs out of Senate Finance and Ways and Means. [*laughter*]

Somerville: You also have appropriations committees getting involved.

Chao: Oh, yes, right. They're always involved.

Somerville: Subcommittees. They've got their own agenda.

Perry: But this is all very helpful for those of us who are studying the three branches of government, and again, students and teachers who—

Somerville: There are a lot of stakeholders.

Perry: Indeed.

Chao: And the public sector and the nonprofit sector are not absent from any of this. The public sector—the state and local governments—and the nonprofit sector are some of the best lobbyists. They call themselves "public interest" groups, but they are some of the most fierce special-interest groups.

Perry: Yes. Now, this raises for me, now that you mention it, the faith-based initiatives of President Bush, which was one of his key goals, of course.

Chao: Oh, yes.

Perry: And I do remember reading in the briefing book that at one point you had a meeting of the minds on—in fact, I think there was a White House conference with the faith-based initiative movement—to see about maybe some job training through faith-based organizations. Did that feel like a major component of this or a—

Chao: It was.

Perry: —minor component? And the President was moving forward with his goals.

Chao: Yes. He felt very sincere about that.

Perry: Absolutely.

Chao: Every Department had a faith-based office, in which faith-based organizations can go and just get assistance. Because in previous Democrat administrations, at least in the one prior, faith-based organizations were actively discriminated against. They were excluded, if not explicitly, implicitly, and disrespected from participating in many of the programs in these Cabinet departments. I felt this was unfair and counterproductive. DOL's reforms leveled the playing field for such organizations with more than 1,500 grants for over $870 million awarded from 2002 to 2008. DOL also issued new regulations to ensure the equal treatment of organizations and individuals, without regard to religious affiliation or lack thereof. DOL also simplified the

grant application formats and provided additional technical assistance to help faith-based and community organization partners apply for, and administer, funding.

Perry: Yes, that was—The Democratic—big "D"—left-leaning, liberal view of separation of church and state had risen its head at that—You know, not to say we're definitely discriminating, but people who are less religious or maybe atheistic, [*laughs*] indeed—

Chao: But what we found—Again, it goes back to the previous point, that for really intractable societal issues, everybody—the federal government, the private sector, the nonprofit sector, the community—needs to be involved. For example, in the reintegration of formerly incarcerated people back into the community—It's hard for them to do it all on their own. It's easier if their families are involved, and if the church, community, public sector, private sector, nonprofit sectors come together to help support that person's reentry into the workforce, into their own community, whatever it may be—Through the Department's Center for Faith-Based and Community Initiatives Prisoner Reentry Initiative, by the end of 2008, almost 11,000 participants got jobs, and their recidivism rate was reduced to just 15 percent about one-third of the Bureau of Justice Statistics' then national benchmark of 44 percent.

Perry: That was, again, I think, another key component of the President's thoughts about—

Chao: And I've always heard it's also because of the President's deep faith. He really believed in that.

Perry: Yes. To be sure. You mentioned the press at one point—more generically, how the press views Democrats and regulations and Republican administrations' regulations—

Chao: Oh, it's very true—especially true now.

Perry: Yes.

Chao: Most of the reporters have revealed themselves to be Democrats. And they've joined the Obama administration. [*laughter*] I think that cover has been torn away in the last administration. They can no longer say that they're somehow—

Genero: Neutral.

Perry: How did you feel about your press relations—and PR generally, but press relations specifically—maybe even beyond the regulatory realm?

Chao: One hears that most of the reporters tried to be fair—That's not true. As an example, there was the *New York Times* reporter who covered labor issues—do you remember his name?

Genero: Greenhouse?

Chao: Yes, Steve Greenhouse. It was reported to me that he once said, "You in the executive branch, you're going to come and go. My permanent source is the AFL-CIO [American Federation of Labor and Congress of Industrial Organizations]." Something to that effect—

meaning, he's more receptive, cordial, responsive to the AFL-CIO because they'll remain a main, permanent source of his reporting as administrations come and go.

Somerville: That's power.

Genero: Well, at least he was honest and recognized the actual dynamic.

Chao: And then the AP [Associated Press] reporter Leigh Strope went to work for the Teamsters as *their* press secretary. [*laughter*] Does anyone think she would be fair in her coverage of the Bush administration?

Genero: Just a few examples.

Chao: And then the *Washington Post* reporter, he moved on to be the press person for some other union organization.

Genero: When you say, "Department of Labor," most reporters mistakenly think it's the *Department of Organized Labor*.

Chao: We're constantly asked that.

Genero: And the Secretary said, "I am the Secretary of Labor of all workers, organized and unorganized." The percentage of people in the private sector workforce who are members of the unions is so small. It was around 9 percent then; I think was about 6.4 percent in 2019.

Chao: It continues to decline year after year. But organized labor has disproportionate clout in the Congress and in the media.

Genero: And they are exempt from so many campaign finance laws and all that sort of thing.

Perry: I know one of the other things that you worked very hard on was transparency around unions, to make sure that their members—The debate about card check—Could you talk about both of those policies?

Chao: Our position was, while some regulated entities may not agree with some of these laws, they're on the books, and everybody has to comply. And the [Phillip] Landrum-[Robert] Griffin Act that passed in 1959 required annual financial disclosure reports to be submitted by the various international unions—internationals—in the labor movement. There are about 57 different internationals. This law was never complied with, so the unions got a 46-year grace period. And the Department's role is to enforce the law. Rank-and-file members have a right to know the financial condition of their union, and this is what the law provides.

This issue came to the forefront because of [Paul] Sarbanes-[Michael] Oxley [Act of 2002]. In December of 2001, WorldCom and Enron began to exhibit problems, and Congress very quickly reacted and passed Sarbanes-Oxley. There was a short grace period of maybe two years for small businesses, but for large businesses, like big corporations, they had to comply within something like no longer than 365 days. That was a very quick compliance deadline. Among those who

agitated the most for quick compliance were the labor unions, yet they themselves did not comply with disclosure and transparency regulations that were promulgated 46 years ago.

Perry: Why do you think that previous Republican administrations in that time period—

Chao: Because it was too hard. It was too tough. Also, it required a lot of work. The forms for the required disclosures were outdated and very limited, so we had to go through a regulatory process to update them for the first time in 40 years in some instances. We also had to defend the reforms in court, ultimately prevailing after years of litigation.

Genero: I worked for two previous Secretaries of Labor.

Perry: They just wouldn't take it on?

Genero: Nobody wanted to get into that fight.

Chao: And because the Department required compliance with the [Phillip M.] Landrum-[Robert P.] Griffin Act [Labor-Management Reporting and Disclosure Act of 1959], and even though we continued to work with organized labor on other initiatives—For example, we had the largest number of health and safety partnerships ever, as I mentioned, and on training—many of the unions were really upset with me for requiring compliance.

Perry: And it seemed there was sort of a timeline here where—You mentioned it just an hour or so ago, that when you were nominated, you had support of organized labor for a host of reasons.

Chao: Yes. But of course, you know, I did all of this with the White House. On all major issues, none of the Cabinet Secretaries does anything on their own.

Perry: Can you expand on that? That's a really important piece that you're dropping into our conversation.

Chao: All major policy initiatives must be cleared by the White House. Many times, the White House will initiate and ask the Department to announce it, carry it out, et cetera. Let's take minimum wage. Minimum wage is a really important issue. It's hard to get the attention of the White House on Department activities, so, it's always exciting if the White House takes an interest in a departmental issue. On minimum wage, the good news is the White House notices this issue, which means there will be a joint effort. The joke is that the White House is going to be with you taking control and directing things. [*laughter*] For large issues, the Department needs the heft of the White House for attention. When the White House takes over, the Department responds to directions from them. It's increasingly so in modern times, that the White House becomes more powerful, more centralized, and they direct.

Perry: And you've seen this now, over almost 20 years, in two Cabinet departments.

Chao: Yes.

Perry: Plus, from just watching what's happening in Washington up close and personal.

Chao: Right. No, it was rough. Jimmy Hoffa, head of the Teamsters and several other labor unions, launched personal attacks against me. They launched a website called "Shame On Elaine." Contrary to what outsiders may think, the departments are not great at responding to incoming attacks. There are too many rules governing our behavior. The departments are too big and cumbersome to move. They are not as agile as outside partisan political groups. The website had—

Genero: It had your face with a target.

Chao: —a huge gray inflatable rat outside the Labor Department. They held demonstrations. They found the worst photograph I've ever taken in my life, [*laughter*] stuck it on placards and big poster boards, and paraded with them outside my house here in Washington, and at the Department. But that's where I think one's philosophical compass is very important. If you do not believe in what you are fighting for, it is very easy to get discouraged and cave. But I was very fortunate to have a great group of conservatives who were principled, and courageous, doing a great job at the Labor Department. And this goes back to my previous point: we took on this issue, union transparency, as well as overtime, as well as several other issues.

Perry: Yes. Also, can you get to the union card check problem?

Chao: Card check?

Perry: Yes.

Chao: As a leader, I feel a great responsibility for my team, for my staff, the noncareers—and also for the careers, but the noncareers are really going to be the ones who will bear the brunt of any countercampaign and attacks on these tough partisan issues. I thought that if we took on too many tough issues, that I would lose them. I learned a very important leadership lesson—that actually they were energized, because they wanted to make their relatively short time in government count, and they wanted to do something important and consequential.

So on card check, I saw that issue coming for a long time, and I wasn't sure whether the White House would agree with me on this issue. So preemptively, in anticipation of this issue arriving, I asked for a private conversation with the President and the Vice President. And unlike other times, there were not actually other people in the room. I was surprised. When they say—

Perry: Just the three of you?

Chao: If I remember correctly, yes. Or maybe I was concentrating too much [*laughter*] on the two in front of me, I forgot who was behind me. But usually, when it's one-on-one, that means you and your principal, the President, and 16 other people in the room, you know? But in that meeting, I laid out the issue, why it was important to meet at that time (because the issue is brewing), where the stakeholders are arrayed on this issue, why the right of the secret ballot is sacrosanct, what organized labor was going to push soon, and that the administration needed to issue an early veto threat to prevent moderate Republicans from defecting.

It was a strong, early message to the moderate Republicans. Because if the administration does not send out an early veto message, the pressure on Republican Members would be so great that

they would begin to peel off one by one. If they began to do that, we would lose this issue. This was a fundamental issue about ballot security, the sanctity of the secret ballot, which is so fundamental to our democracy and also, freedom in elections. In addition to convincing the White House how important this issue was, I publicly opposed it, and a number of DOL staff wrote opinion pieces opposing the legislation and reinforcing Republican Member resolve.

Perry: Just so everyone will know, because there will be people who will read this transcript who won't be familiar with that phraseology, can you just briefly explain what that means?

Chao: In this country, it's been the usual practice that we have secret ballots—that if a union wanted to enter a workplace, they would have to earn the right to enter a workplace through a secret-ballot election. The unions wanted to do away with the secret ballot, and they wanted to just pass cards around to the workers, and if enough workers signed off on the cards, then the—

Perry: That's the card check.

Chao: Right. If they checked for the union presence on these cards, then the unions would be automatically certified to come into the workplace. But this lack of a secret ballot lends the process to a lot of outside pressures. Because many of these cards—Just like in a United Way campaign, United Way used to give pledge cards to potential donors and through peer pressure, donors would be persuaded to give. Peer-to-peer pressure can be very persuasive. Through reports from the Office of Labor-Management Standards, we also heard stories about how some labor union officials would visit undecided people at home, at night. There's just potential for intimidation.

Genero: In fact, during this time, if I remember, there were a couple of people arrested in New York for going around to union members' homes and threatening them with violence.

Somerville: I think also during this time, the European Commission on Human Rights opposed a similar effort over there as a violation of human rights.

Genero: That you deserve to be able to cast a ballot in secret, without anybody knowing what it is, without pressure.

I wanted to make two points about the Secretary that you were talking about. And this goes to her—She always talks about having a nuanced communication strategy, where we try to use the language of the left, which is a way of saying we try to use language that is more psychological rather than just logical—you know, to talk about the softer side of things in a way that people will understand emotionally. But she also had a nuanced strategy with organized labor, because while many of the big unions—the AFL-CIO in particular—would fight us on card check, denounce us on this union transparency issue, there were still a lot of unions where we could find common ground—the Secretary did—and we had many partnerships.

Because of that, the Secretary, to this day, still has very strong friendships—and we have them coming in and out of this office all the time—with international union leaders. People who see this as black and white—Republicans are anti-unions; Democrats are for unions—have a very unsophisticated view of how things really work in Washington. Because the Secretary is very good at building coalitions—OK, we may not agree on card check, but we may agree on this

other thing—there are always places where you can find common ground, and that's one of the things she was always trying to do, is find common ground.

The second thing I wanted to say is, at Labor—Labor was always considered an outlier Department in Republican administrations. Many political appointees were loath to go to Labor. But when the Secretary was Secretary of Labor, tons of people wanted to go and work at the Department of Labor, because we were doing such big things and instituting real change. We had so many top-notch Harvard-educated lawyers—We had some of the finest legal minds in Washington fighting to get on her team, because people said, "The appointees at Labor are really doing something. They're not just occupying chairs; they're actually trying to make a difference and do big stuff." Because of that, we never had a problem recruiting the best of the brightest. And we always had the best of the brightest.

Perry: Following up on that, the Secretary had said earlier about wanting to create this cadre to come back in—Have you found that people who worked with you in the Labor Department are now—

Chao: They don't have to come back to where they were—

Perry: Not necessarily to come back to Labor, but—

Chao: —yes, to my Department.

Perry: Right.

Chao: I'm just preparing them—yes. Some of them—yes. Because they have the experience—

Perry: But they're in government.

Chao: Yes. [*laughter*]

Genero: Two are sitting right here at the table.

Perry: And the current Deputy Secretary of Labor was an Assistant Secretary, Pat Pizzella, under Secretary Chao.

Genero: Just bragging on our boss a little bit, she was, I believe, the only Cabinet member in the Bush administration who, after she left office, would hold a party every year around the holiday for all the people who worked for her throughout the entire eight years. That network has kept together all this time. And now it's growing, with all of the people who are working here at the Department of Transportation.

Perry: Those reunions are really important. I love that the Supreme Court Justices do that. You know, every year they have reunions of their clerks.

Genero: The Secretary does that, too, with all the people who used to work for her.

Perry: Oh, that's wonderful.

Genero: Everybody's invited, and everybody comes.

Perry: That's the way to keep it going.

Chao: The labor unions complain about the Democrats, too—how unresponsive the Clinton administration was and the Obama administration. We try to be very open minded. We also remember that 40 percent of organized labor members—rank-and-file members—vote Republican, so we do not view the leadership as the only entrée into reaching the rank-and-file. We will talk directly with the rank-and-file, to labor leaders at the local level. This strategy was actually worked out in conjunction with the White House—with Ken Mehlman.

Perry: So can you talk a little bit more about that, including that meeting—Can we back up to the meeting on card check with the President and the Vice President? Because was that unusual for you.

Chao: Yes, it was.

Perry: It sounds like you grasped that topic and that policy area.

Chao: Yes.

Perry: First of all, it sounded like you said the meeting itself was unusual, because you think it was just the three of you, number one. Number two, how often—

Chao: It was my first meeting in which I just talked to the two of them there. You can talk to one; you can talk to the other—To have two there at the same time is a bit unusual. We were talking about somebody else, something else, and I took the opportunity to bring this up.

Perry: What was their reaction?

Chao: My track record in the Bush 43 administration was so strong that they took me seriously—and they said they would do that.

Perry: They said, "This is a good idea. Please go forward—"

Chao: It was the right thing to do.

Perry: Right thing to do, please go forward. And you were asking for—

Chao: Well, no, they had to do something. They had to issue the veto threat.

Perry: I was going to say, you were there to ask them for that—explain the issue— and they said, "We'll do it."

Chao: Pretty much.

Perry: And we'll do our due diligence, but we'll do it.

Chao: Yes. They thanked me; they were clearly very receptive.

Perry: How often in your eight years, as you look back, was—Again, I realize what you're saying about that particular meeting was unusual because of dealing, you think, just with the two principals, but how often did it happen that you would get the policy idea and take it to the President or take it to Andy Card or take it to someone down at the White House?

Chao: There's a disciplined policy apparatus. You will work it at the staff level, the Assistant Secretary level; then it would go up to the Deputy level; and then it would come up at the principal's level—

Perry: That was typically the process that you followed? That disciplined policy process?

Chao: Yes. We went through the Domestic Policy Council—DPC—and Margaret Spellings was Director for the first four years.

Perry: Yes. She was the first person interviewed for this oral history, as I recall.

We should get to 9/11, for sure. We definitely want to do that. We're a little bit out of chronology, but that's OK, because we want to keep covering the policy issues and the process. I also always want to point out that when we talked about how historians view oral history, historians sometimes just want the ticktock, what did you do then and then what did you do after that, and because we're political scientists, we not only want to know about the policies, we want to know about the process and how did things work, because we think that's just as important as knowing what the chronology was on it.

Chao: Well, as I mentioned—and Laura and I talked about this—this President, George W. Bush, if I remember correctly, was very much focused on domestic issues when he first came into office.

Perry: Absolutely.

Chao: So September 11th changed all of that. On that morning, I was holding my usual 8:30 senior staff meeting. Were you there?

Genero: Yes. Oh, yes. I'll never forget.

Chao: Yes. Then Sean Redmond, who was my then body person, came in. I always have my television on, but we were not paying attention to it, and he—Sean was good—he came in and said, "You know, a plane went into the World Trade Center." And I said, "Well, that's strange. It must have been an accident." So we turned our attention to the television. I saw that huge airliner embedded in the World Trade Center, and I thought, *This is not an accident.*

Genero: Exactly.

Chao: You don't fly by accident into a building like that.

Perry: So even when you saw the first one go—

Chao: No, we didn't see the first one.

Perry: But—so when you saw the second go in, then—Did you see video? Had they—

Chao: Yes, yes. So—yes.

Perry: Video of the first one going in, perhaps?

Chao: Yes.

Perry: I remember the second one—

Chao: The second one was just after 9:00 A.M.

Perry: Yes. I remember the second one—the video—live. Remember, now that the first tower was on fire, everyone was looking up, and the second came in.

Somerville: The first one hit about 8:46—so you were in the 8:30—and the second one hit at about 9:03, and that's the one everyone saw, because the cameras were on it.

Perry: Yes. That's when you said, Well, this can't be—You can't have two going in. Or did you think even from the first—

Chao: No, even for the first one, it was—

Perry: You thought, *That just doesn't seem right*.

Chao: Yes! I mean, how can a big plane like that—

Genero: And it was a beautiful, clear day.

Perry: Yes, totally.

Somerville: Yes, it was. I remember.

Perry: In Charlottesville, too.

Genero: I remember, my office was right down the hall from the Secretary's, and I had my back to the door, and I kept seeing all these people running down the hall, and I thought, *What's going on?* And they said, "We're all watching the television in the Secretary's office," so I got up and went down there.

Chao: We had a crowd of people—We realized how totally innocent we were. We had just been there, like, eight months. We didn't know how to use the PA [public address] system. We didn't know what to say. We didn't know where the controls of the PA system were! We were trying to call the White House; no one was answering the phone. We called OPM; nobody was answering the phone. And we're catty-corner to the Hill, the Capitol—

Perry: You could see the dome.

Chao: You can see the dome—worse than that—I saw people streaming out and I said, "That is not a good sign," so I said, "We need to evacuate," because we're right on top of a tunnel, 395.

Perry: Oh, that's right!

Chao: And then we couldn't find the PA system. We didn't know what to do.

Genero: So the Secretary had somebody get a bullhorn, and she had this bullhorn, and she was going—

Chao: It wasn't me. It wasn't me. It was somebody else.

Genero: No. No, you did. You did for a bit. And then, I think everybody had to get out of the—

Perry: You started announcing it on the bullhorn to—

Chao: They finally got out—They finally found the PA system [*laughter*] and this shaky voice goes on. My recollection was, it says, "This is an emergency. Run!" It was like [*laughter*]—something like that. It was like, something—It was not calming.

Perry: Which is what was happening at the White House. You know, they were saying, "Run!"

Somerville: Well, the Capitol Police were just screaming at people to run away.

Chao: Yes. So when I saw this stream of people coming out of the Capitol, I thought we should probably leave, too. But then we couldn't get out, because even with the four exits within the Department of Labor building, at 200 Constitution Ave., NW, cars were jammed. Constitution Avenue was jammed—

Perry: People were able to exit the building, but then you couldn't—

Chao: Yes.

Genero: Yes, you couldn't get home.

Perry: You were on the sidewalk because you couldn't get home, because everything was gridlocked.

Chao: And then we didn't know where to go, because there was no plan. Well, I didn't know the plan; my security detail subsequently told me they had a place to take me, but my house was closer due to the congestion in the streets.

Somerville: And then you're hearing that there are more planes in the air.

Perry: Yes.

Chao: And then we also saw the pillar of smoke from the Pentagon.

Somerville: Yes, that was about 9:40, something like that.

Chao: My house was right nearby, so we just went there.

Somerville: And the news was reporting—because people were seeing the smoke from different angles—The State Department's been bombed, the DoD [Department of Defense] has been bombed.

Perry: Yes, I remember hearing that. A car bomb.

Somerville: I worked in the Senate then. Their PA systems—I don't even think they had any. They didn't work, either.

Perry: But you were just told to run out?

Somerville: Everybody was told to run out.

Genero: Just get out. Get out of the building.

Perry: But there were no plans in place for people to go anywhere?

Genero: No.

Perry: Which was the same at the White House, as well. And so you took your main staff home. How did you get home?

Chao: I think we walked.

Perry: Really? Were you up on Capitol Hill?

Chao: Yes. It takes about, like, 15 minutes. It's very close.

Perry: Oh, so that wasn't so bad. And how about your husband? Where was Senator McConnell?

Chao: I think he had made it home, as well. He was on the third floor; we were on the second and the first floor.

Somerville: A lot of Members—you know, except for the one or two who were swept off by a helicopter—

Perry: Evacuated.

Somerville: —I think Trent Lott was the Republican leader then—a lot of Members ended up by the Capitol Police station, not too far from your house. But the streets were, as you know, gridlocked.

Genero: Total gridlock.

Chao: And then the cell phones didn't work, because all the towers were jammed.

Somerville: They got all locked up.

Genero: The only thing that worked were BlackBerries—PIN [personal identification number] to PIN.

Chao: Many of us didn't know that BlackBerries can be used PIN-to-PIN, which means your device knows my device's number; my device knows yours. After this incident, I kept the PIN number of everyone who was important to me who used a BlackBerry, which was most of the government at that time.

Perry: Right. Right. That was the only communication you had then, *if* two people had BlackBerries.

Chao: Ground Zero became the most dangerous workplace—worksite—in America. Safety at the workplace was the Department of Labor's responsibility. And we worked with the labor unions, the operating engineers—Don Carson, bless his heart, was the site leader.

Genero: Yes, fabulous.

Perry: You went very early.

Chao: Yes, September 26, 2001. Andrew Siff did a great job coordinating and liaising with organized labor.

Genero: John Henshaw went up there.

Chao: Yes, John Henshaw went up.

Genero: He was head of OSHA at the time.

Perry: Of course, there have been, unfortunately, so many work—

Chao: The workers at Ground Zero did a great job. they were all unionized workers. They finished the job ahead of schedule, for lack of a better word, and also with no fatalities or major injuries—except for, as we found out later, the respiratory part—

Perry: That was going to be my question. That was, unfortunately, not known, I suppose, what they were breathing in, and that that would end up causing lung cancer? I know that's been an issue. But in terms of physical injuries of lifting or the broken glass —

I mean, I imagine the crumpled steel, the fires that were still ongoing—

So in other words, no additional injuries from that, but unfortunately, the lung situation was apparently—

Perry: People just remember—I can remember Rudy Giuliani just putting on the—an old gauze mask on his face as he walked.

Chao: At that time, the economy was weakening, so we sent out National Emergency Grants very quickly to get funding to those that needed it. We helped develop the President's economic stimulus bill. And the President came to visit the Department on October 4, 2001. The goal was et the economy going, to have people traveling again.

Genero: Yes. Spending money again, shopping again.

Perry: Right. Get the economy moving. And get people not to be scared—

Genero: Let me just also just go back a little bit. On the day of 9/11, when the Secretary got to her house, she just didn't sit on her laurels; she had everybody go down the phone tree and contact everybody and make sure everybody was OK.

Perry: This was everyone in the building?

Genero: Yes, we all got calls.

Chao: The political appointees.

Genero: All of the political appointees.

Perry: Who had just come in.

Chao: And the senior career management.

Genero: All of the senior management in the Department.

Chao: Right. Including the career folks.

Genero: To make sure that everybody was OK.

Chao: And then, you know, OSHA did 24,000 air sample analyses—

Somerville: That's a lot.

Chao: —distributed 131,000 respirators, 11,000 hard hats, 13,000 pairs of safety glasses and more than 21,000 pairs of protective gloves to workers on the site. OSHA had one thousand safety and health professionals working on-site and identified and corrected 9,000 hazards, and there were no fatal accidents during the 10-month cleanup. They really did a good job. But because of the attacks, 1.5 million Americans lost their jobs between September 2001 and May 2002.

Perry: It was a terrible time.

Genero: People forget the economic impact.

Somerville: And a few weeks later—Because I was in the Senate, I keenly remember—we had the anthrax attacks in the Senate. And the Hart Building, which is just a few houses down the street from you, was closed for months, and you had all kinds of apparatus around there.

Perry: And we read that—but everyone in the administration said that after 9/11, every day felt like 9/12.

Chao: I don't know what that means.

Perry: That the way people felt on 9/12 was the way people—

Chao: You never recaptured the innocence.

Perry: I think that's what that means.

Somerville: You never recapture 9/10, that's for sure.

Perry: Yes, that's it. And what's going to happen? Because you're so right to say, immediately, really, immediately after 9/11, comes the anthrax scare.

Somerville: I just remember, everybody I know, you were holding your breath, waiting for the next thing.

Perry: Oh, and remember the sniper? The sniper who was terrorizing the Washington area?

Somerville: That was a year later. Oh, yes.

Perry: It turns out it was not al-Qaeda-related, but we didn't know that at the time. So I guess that, as they would say, begs the question: How does it have an impact going from the innocence—both the innocence of pre-9/11 and the President's and the administration's administrative and policy initiatives and priorities—in addition to trying to take care of 9/11, what—

Chao: It was the economic impact afterward.

Perry: So that has a direct impact on you?

Chao: Yes, on the economic dislocation of America's—

Perry: The airline industry is collapsing.

Chao: Well, I wasn't so much involved with the airlines—We extended—

Perry: But it's part of the economy.

Chao: But there were—1.5 million Americans lost their jobs, so we extended unemployment insurance—benefits—to help people bridge their compensation.

Perry: So that's the immediate—In addition to the workplace security at Ground Zero, that's the next thing that comes down the pike for you.

Somerville: Something else that happened was the 90 percent approval rating—I think his approval rating—

Perry: Oh, yes, that approached his dad's after the First Gulf War.

Chao: And he also had an economic recovery program, so we were part of that, as well.

Perry: Yes, and the tax cuts were going through, in the first year.

Somerville: And you talk about bipartisan—Suddenly, Washington was very bipartisan.

Chao: Yes. But then very soon after, you had the corporate scandals, with WorldCom, and also with Enron. So Enron—We're in the Cabinet Room—This is why people need to be—I don't know—The rules are all different now—There, it was taken very seriously that whatever you said to the President—It was discoverable. You know, Enron—WorldCom is—There's pressure to do something about corporate malfeasance.

Perry: And employees and stockholders of—

Chao: I remember the Cabinet meeting of February 12, 2002, in which there was a discussion about these corporations that were having problems. It demonstrated the importance of what is said in front of the President and the Cabinet that implicates everyone in the discussion. The discussion was not on Enron. It was more about what should be done with all these companies that perhaps may be misstating their results. We're talking in general terms about what's happening with the scandal at Enron, a well-known company in Texas. Then Paul O'Neill says, "Oh, yes. Ken Lay gave me a call, and he wanted me to take a look at whether I can do something for him." He says this right to the whole Cabinet. Then, he says, "Oh, yes, Mr. President. Don't you remember? You spoke with Ken Lay, the—"

Genero: Oh, my gosh.

Chao: So he ties the President to Ken Lay. And I think everybody else realized the significance of what Paul has just said. The Cabinet meeting ended soon after and Ari Fleischer and Karen Hughes huddled together in the Oval Office, discussing what to say to the press, because they knew they could not sit on information like that. The Department of Labor was involved because of the pension issues involving the companies, so I was in the Oval Office as well. The Cabinet meeting is usually one hour. About 5 minutes before the end, the President tells his staff to allow the press to enter. During these five minutes, he gathers his thoughts and writes down what he wants to say to the nation after having held the Cabinet meeting. It's difficult to summarize for public consumption an hour of reports from a room full of people in five minutes, and he did not have prepared talking points. I think it's very reasonable that he sometimes had some difficulty.

So the press comes in, and they chat, and he summarizes, and then the Cabinet meeting breaks up. I think it was Karen or Ari who says, "We've got to tell them that Enron approached us." Then we move over to the Oval Office and then they say, "Well, what do you tell them?" And Ari and Karen say, "You've got to say something. You can't sit on this." And then somebody says, "Well, why don't we just say they only spoke—Enron spoke to Paul O'Neill." This is an example of where you have to be careful and accurate. And then someone says, "Well, you don't know who else they spoke with. It's a big government. You don't know whether they spoke to somebody else in the government." They then leave the Oval Office and move to the press secretary's office to craft a message that was accurate.

This was a very clear example that what you say as a principal has consequences. Paul O'Neill should not have said that to the whole Cabinet meeting. He should have said it as an aside. But I still remember that. After he said what he said, there was kind of a silence, because I think everybody else realized what kind of bomb he just threw into the room.

Perry: Yes. And what was the President's facial reaction? Did he—

Chao: I don't know. I didn't really notice.

Perry: He didn't gasp or—

Chao: He's cool. No, he did not gasp. I also remember the first Cabinet meeting we had after September 11, 2001, and how resolute the President was about protecting the country. He really felt that very deeply and heavily. It was, I think, September—maybe 12th—I can't remember. He said, "We will never be attacked again." And he was very emphatic. With his forefinger hitting the Cabinet table forcefully, he said, "We are *not* going to be attacked again." In the 2002 midterm elections, security was a major issue.

Perry: Yes. To be sure.

Chao: But throughout the whole administration, keeping our country safe was his number one priority.

Perry: And I think that's the other meaning of "every day is 9/12"—that we're not going to ever have what happened on 9/11 happen again. But the scary thing is, it could.

Chao: Talking about the media—They criticized our soldiers but not what the terrorists were doing. At Cabinet meetings, we would get reports from Donald Rumsfeld, Secretary of Defense, about what was going on in Guantanamo Bay. The prisoners were well treated. They were given hot meals three times a day, according to their religious requirements. Their health care needs were addressed. Apparently, dental care was provided to these prisoners. Yet, the prisoners were terrible to the U.S. soldiers. They would put sharp objects underneath ledges so that when the guards went there to check the ledges, they would cut themselves. And the men would be terribly disrespectful toward the women guards; they would throw feces at them or expose themselves.

Perry: Now, what is it like to be—The War on Terror begins 9/11, but then in October, the Afghan invasion begins, and then come, what, March of '03, the invasion of Iraq begins. Does this have any impact on what you're doing in the Labor Department? If not, what are you seeing in the Cabinet meetings or meetings with—

Chao: In the Cabinet meetings, we heard reports about how the war was going, and how the rebuilding of Iraq and Afghanistan are coming along: how we are helping them, the schools we're building, the bridges and the roads we're trying to rebuild. It was an effort to win the hearts and the minds of the people in these two countries, but it was a very difficult slog.

Laura and I went to Iraq in January of 2004. We were encouraged to go—The members of the Cabinet were encouraged to go, to show that the War on Terror was proceeding well, that it was safe, and to be able to spread the news as to what was happening in Iraq at the time.

Perry: What did you see there?

Chao: It was much better. The war was over. And we were there to help the Iraqi Ministry of Labor open up job-training centers, and to share with the Ministry of Labor in Iraq best practices on how we train people and transition them to new jobs.

Genero: And help people find jobs. They had no idea. One of the things the Secretary did is, we picked three people to come from Iraq to the Department of Labor to go through all our bureaus and talk to all our leaders and understand the American approach to this particular issue of job training and unemployment and finding people work. All those three people were women. The Secretary wanted to make sure that they were all women.

Chao: The Assistant Secretary of Policy subsequently left our Department to work at the CPA—the Coalition Provisional Authority in Iraq, Chris Spear, who is now head of the American Trucking Association. He was able to connect us with the Iraqi Ministry of Labor people.

Genero: The Secretary had a particularly moving visit to Hillah, which is near the old—what they say is—the Tower of Babel, in the south. We went to a women's center there that was funded by the U.S. government. It taught Iraqi women about democracy—civic responsibility, how to participate in civil society, and what democracy was all about, what voting was all about—but also skills training, things like that. What the Secretary had done—had the forethought to do this—she had taken the photos of all the women Assistant Secretaries at the Department of Labor and put them in a large photo frame to present to this women's democracy center in Hillah. We were the only Department during that time that had gender parity, women versus men, in all the key leadership roles in the Department. I think there were seven or eight, but she had pictures of all of them; she made a big photo frame of it and had each one sign, and then she presented this to the women leaders of this center.

The women in this center just could not believe it: "You can't tell us that all these people actually run meaningful agencies in your Department." We said, "Oh, yes. They run large agencies, the one that regulates wages and compensation; ETA [Employment and Training Administration]; they run pensions"—We had these fabulous people—Emily DeRocco, Tammy McCutcheon, Vicki [Victoria] Lipnic, Ann Combs, who was head of the welfare benefits agency that oversaw employer-provided pensions. The Iraqi women were all agog. Then we went and saw all these programs where they were training and things like that. But the American woman who arranged this visit for us was murdered about three or four months after that.

Perry: Oh, no.

Genero: Yes. She was riding on some roads down in Hillah with a couple of USAID guys and they were stopped by people dressed as Iraqi policemen, but they were actually bad guys that had stolen the uniforms, who just shot them all.

Perry: [*gasps*] They were ambushed?

Genero: Yes. The Secretary often asked me to follow up—What happened to that center? Is it still in operation? Unfortunately, after things heated up in Iraq, I believe the place was looted.

Perry: Was this during the insurgency?

Genero: Yes, it was when the insurgency got really bad.

Chao: We haven't talked about EEOICPA [Energy Employees Occupational Illness Compensation Program Act].

Genero: Oh, yes. That's important.

Chao: I'm just going to go and talk about EEOICPA.

Genero: OK. Absolutely. I was just telling her about the visit to Hillah and the pictures and gender parity and—

Chao: And here's where my Kentucky roots came in—

Genero: To the kids' school.

Chao: —because I asked an elementary school in Indian Hills, in Kentucky, to show their outreach to a school for orphaned boys in Iraq that one of the U.S. soldiers had adopted and befriended. The kids at the Indian Hills Elementary School must have taken a white bedspread, and painted their palms, and put all their hands on it—

Genero: Yes, with finger paint.

Chao: Yes, in an overall pattern of the American flag, to show their friendship, which I thought was so cute. American children are so creative.

Genero: Yes, I have a picture of that. I have several pictures of that. That was a lovely moment, when we went to visit that school.

Chao: Then after I returned, we took the pictures we took with the Iraqi boys and showed them to the young kids at Indian Hills Elementary School so that there's feedback, so that they know what happened to their handiwork. It was held by all these young Iraqi boys, and we took the pictures back to tell them that's what happened to their gift. And you also told them about the pictures of the female leadership at DOL?

Genero: Yes. I told them about that.

Chao: Did you tell them about the head of that cow or the head of that goat?

Genero: Oh, my God! This was—

Chao: It was to commemorate the opening of the job-training center in Iraq.

Genero: Yes. We were supposed to go in the main entrance of the Iraqi Labor Ministry, and they were having a ceremony, and the Secretary was supposed to cut the ribbon. They were having a ceremony to open the Labor Ministry. Dennis Chomicki, one of the Secretary's security details, came up to her right before we got out of the car and said, "You can't go in the front entrance."

[*laughter*] And the Secretary said, "Why? Why can't I go into the front entrance?" And he said, "Well, they've got a goat and they're going to butcher and sacrifice a goat"—

Chao: Which they did!

Genero: —"in honor of your visit, and there's going to be blood all over the place, so I think you should go around the back way." [*laughter*] So we went around the back way.

[*Somerville reenters the room*]

Somerville: The day I became a vegan. [*laughter*]

Genero: Then we also visited Iraqi Police Training Academy with Fraternal Order of Police President Chuck [Kenneth C.] Canterbury.

Chao: There were also two reporters who came with us on this trip: Jim Carroll of the *Louisville Courier-Journal* and Bill Bartleman of the *Paducah Sun*. It was a very moving trip.

Genero: And we took them everywhere. I remember when we went down to Hillah, we were in Black Hawk helicopters—these big, open Black Hawk helicopters. I'll never forget, we get in these big, open helicopters, and then there are these big, burly guys with machine guns on either side of you [*laughs*] pointed outward so that if there's an incoming—

Chao: And then when our EC120 [Eurocopter Colibri helicopter] began to land, they had to land in a spiral pattern.

Genero: Oh, the screw-top landing, yes.

Chao: And what impressed me was how young those pilots were—They were only 18, 19 years old. It was amazing.

Genero: Yes. In particular, I remember the pilots from the plane that landed in Baghdad—They were in the National Guard, American Airlines pilots or something like that, and they were doing their National Guard service.

I remember the pilots themselves, because they said, "Oh, ha-ha, does anybody want to come up and sit in the cockpit while we land?" And I'm like, "Oh, OK. I'll do it." So I get in the jump seat behind these guys, and they're laughing, and of course when they land, because it's dangerous, they cannot do the usual approach, which is a gradual approach, because as they get nearer and nearer to the ground—

Somerville: It's like you're on an aircraft carrier, then?

Genero: Yes. It's like, you get nearer and nearer and nearer to the ground, people can fire RPGs [rocket-propelled grenades], so what they do is, they do this landing where they basically fly straight down in screw-top pattern. And I'm covering my eyes, because I didn't want to see it. [*laughs*]

Chao: Yes, it was very dangerous.

Somerville: How long were you guys there?

Chao: We were there two, three days, I think.

Genero: Yes, we were there two or three days. They wouldn't let us stay in Baghdad in the Green Zone overnight, because they'd get shelled every night, so we had to stay in a hotel in Amman, Jordan, every night. And then we had a big C-130—

Somerville: You did that flight every day?

Genero: Yes, we did the flight twice a day: [*laughter*] going there and coming back every day.

Chao: But I just remember—Yes, this was before the surge. When the President told us about going into Iraq, I don't know what he thought, but I don't think many Secretaries in that Cabinet Room thought that we would still be in Iraq 15 years later.

Genero: Oh, I agree.

Somerville: No one imagined that. I can't imagine that.

Genero: It's so interesting, though. When we were traveling, when we would land at the airport, they'd put us in a motorcade. The Secretary, of course, was in an armored car, but all the rest of us were in these buses. And I thought, *Uh-oh*. And we had an eight- or ten-mile drive between the airport and the Green Zone, which was called "Sniper Alley" for a reason. And so they'd cut down all the trees along—in the median and on the sides—so snipers couldn't hide in them and shoot at you.

Chao: What a way to live, you know?

Genero: Yes, it is.

Chao: It's very sad.

Genero: But I remember, as we were going through the streets and we got into the more-populated areas, we had a couple of translators on the bus, and they had their books and their papers, and they'd put them up against the side of their head so that people on the outside couldn't see who they were.

Somerville: You wonder how many of those people you encountered are still alive.

Genero: Yes, you do wonder.

Chao: But let's go back to WorldCom and also Enron.

Genero: Enron.

Chao: What happened there was, sentiment began to build for a very intrusive bill. And so the administration was trying to ward that off, not because we were trying to protect the companies, but because we believed in the free enterprise system.

Somerville: You're trying to protect the economy.

Chao: Yes, we're trying to protect the economy. And that was what led to the eventual crescendo about pension protections. We're talking about pensions—pension protection proposals starting from 2002, because of WorldCom and Enron. In fact, DOL's lawsuit against Enron, its officers, directors, and administrative committee members resulted in a $220 million settlement to cover retirement and pension benefits of Enron employees and retirees.

Genero: Well, if you also remember, at that time, one of the other things that spurred our efforts on union transparency, financial transparency, was the D.C. Teachers' Union. Remember at the time there was that big scandal, because it turned out that the president of one of the chapters of the D.C. Teachers' Union had embezzled $3 million from the union fund and had spent it all on cars, furs, jewelry.

Somerville: I forgot about that. She was living high.

Genero: Yes, she was living high off the hog because of the money that she'd embezzled from the teachers' fund.

Chao: But they didn't care about that. They were after corporations.

Genero: I know. But union members cared.

Chao: From 2002, there was a ratcheting up of attention and proposals, culminating in the Pension Protection Act of 2006. One of the most important parts of that legislation was autoenrollment in defined contribution accounts with greater access to quality financial advice, which we had to implement and has led to more Americans enrolling in 401(k) plans.

Genero: And Ann Combs was the lead person who worked on that. She was over at the White House all the time.

Somerville: She was a blessing.

Genero: She was a firecracker.

Chao: I think we've covered everything. Quecreek [Mine]? We can talk about that. Oh, West Coast ports.

Genero: West Coast ports was very important.

Somerville: You haven't talked about Hurricane Katrina. Do you want to—

Genero: That's right.

Somerville: For you, that was—

Genero: We have to talk about Katrina.

Somerville: You were amazing then.

Chao: Tam, do you want to cover Hurricane Katrina?

Genero: I would like to start. I remember that first week very—

Somerville: Do you want to go ahead and jump ahead to Katrina for a moment?

Perry: Oh, thank you. That is helpful.

Somerville: So I started with the Secretary at the end of '04. And a year later—It was the last week of August—Katrina hits.

On August 29, a Monday, Katrina makes landfall at New Orleans and Biloxi. And immediately—In fact, ETA, particularly—I remember all of our relevant agencies had been meeting since the end of the previous week, even though Katrina wasn't looking that threatening at the time. Remember, it had hit Florida, I think, as a Cat [Category] 3, and then at some point it warmed up over the Gulf—Nobody the previous week forecast what was about to happen in New Orleans.

Chao: Never thought the dikes would break.

Somerville: But our folks had prepared for whatever, were prepared to—whatever happened—to send out National Emergency Grants right away and suspend various filing requirements during the recovery, including working with the IRS [Internal Revenue Service] to allow emergency pension withdrawals without penalty.

The administration subsequently was much criticized—mostly because of the FEMA [Federal Emergency Management Agency] stuff—about its response, but the Department of Labor—

Chao: —singularly won praise.

Somerville: We were highly effective at providing immediate resources and relief to those who needed it. Actually, when we were talking about the United Way earlier, this immediately came to my mind, because I remember, we were doing press releases to go out about the initial NEGs [National Emergency Grants], which—We have a timeline here—It makes landfall on Monday the 29th; on the 31st, we've already sent the first NEGs out.

That first week, August 31 to September 5th, the Secretary had called the Governors of Louisiana, Mississippi, Alabama. They already had almost $200 million coming their way, because she had gotten that ready to go. So anyway, I do this press release—with the quote from the Secretary, the steps coming out—and I remember you called me—and I had thought, *My job is done on this*. You called me and said, "So how are we getting money into the people's hands?" [*laughter*] And you were quite adamant about it. I was like, "Well—"

Chao: "We've given out these grants." "No, no. How are we actually getting them money?"

Somerville: And you were very clear about it. Cash in their hands. [*laughter*] The ATMs [automated teller machines], they're gone. They floated away. They don't work. The banks are gone. Everything's gone. Nothing's going to take a credit card. They don't have any power. [*laughter*] They need dollar bills, money. And I was like, *How the hell would I know? I just write quotes*. [*laughter*]

So I said, "Uh, I don't know, I'm just processing a press release, but I'll find out." But I remember you talked about when you were at the United Way, and you had been on a number of disaster scenes. In the continuum of your career, you had actually begun learning about disaster response. You had learned about disaster response at United Way, which is not what you think of United Way, but—and that came to bear, particularly when Katrina hit, and then that same month, when we had Hurricane Rita and Hurricane Wilma. And that always stuck with me. It was like, *Geez, I have to actually understand these press releases I'm putting through*. [*laughter*] But it was true. And that was your level of engagement—making sure that the people who needed help actually got the help they needed.

I remember that weekend—This was a few days before Labor Day weekend. And the Secretary went on MSNBC—in fact, I pulled that transcript; I've got it somewhere—and a couple of other cable shows. That whole week, the Secretary was saying, "How are we getting the money into people's hands?" We already had an 800 number for people to access benefits, including disaster unemployment assistance; we had all this stuff. The country was just in shock already at what was happening down there. The Superdome fiasco was going on. And they're able, because of the Secretary, to blast up this 800 number on the screen, 866-4USA-DOL, and she's saying, "If you have family down there, you can go ahead and call this number and get this moving." And so many people in the country—as a private citizen and those of us who worked for the government—when you saw what was going on at the Superdome and everything, you just—

Somerville: All of America just wanted to go help.

Perry: Just broke your heart.

Somerville: I knew a lot of people who went down to try to help. Everybody wanted to help. And she finally—We had on the TV screen, this is help—real, concrete help. And that was amazing. I was immensely proud of you during that time.

Chao: Isn't that amazing? When you think to ask, and then it actually makes an incredible difference.

Somerville: Well, I'll never forget. I had my nice glass window looking toward the Capitol; it's a bright, sunny day. I think my press release is done. "How are we going to get the money in their hands?" [*laughter*] "Never thought about it." Well, I hadn't thought about it, because I had no experience with disaster stuff, but I think about it always now.

Chao: I'm really into implementation.

Somerville: Yes. Results. Results.

Genero: And I remember, too, the Secretary called all of us in—all of her top people—and she called us all in on the weekend. "OK, we're going to have pizza, but everybody stay here." And then we had to go—Emily DeRocco had to chase down the Governor and the mayor—

Chao: —of Louisiana.

Genero: —and say, "Here, we have money to give you. Just sign."

Chao: This is a very important point. Somehow, the then Governor was very distrustful of the administration, because she thought that—

Perry: This was Kathleen Blanco?

Chao: Yes, Kathleen Blanco. She thought that because we were Republicans, we could not be trusted to help in her state. She did not trust us, as if hurricane relief would be a partisan issue. And she was so inexperienced. She was a schoolteacher her whole career and she really had no experience in government. She was crying on television, and she said that we would never get out of this. It taught me such an important lesson about leadership. We saw Governor Haley Barbour of Mississippi, who was leading his state out of the devastation of Hurricane Katrina, and Haley was saying, "We're going to do this together. We're going to be OK." Then he came to Washington and pigeonholed every single one of us until we gave him something [*laughter*]—a lot. And then he wanted it, like, right away. Like, tomorrow. So they were two contrasting individual leaders—

Perry: Back to leadership style.

Chao: Yes.

Perry: One results oriented, and one, apparently, not so much.

Genero: Confused.

Chao: We actually had to chase down Governor Blanco and her people to say, "We have the money ready for you. You are entitled to receive this National Emergency Grant, but we need your signature. Please sign this paper." It took three days. And then she would not allow, I think, federal troops to enter. Because of that, there was incredible chaos.

Genero: Looting.

Chao: And a breakdown of law enforcement. We are close with the FOP, and the New Orleans chapter of the Fraternal Order of Police suffered incredible losses. There was complete breakdown of order and discipline in the city. It was complete chaos in the city. Kathleen Blanco said, "You can take things from stores"—looting—"you can take things from stores if you just sign out and say what you took." But people weren't doing that; they were just going into the store and taking things. And the New Orleans, Louisiana, police, I remember, really need to be commended, because their homes were devastated, they were worried about their own families, and yet they had to report for duty. Two of them committed suicide. And then one, the New Orleans superintendent, resigned after the hurricane.

Perry: Were you having Cabinet meetings? Were there any emergency meetings at the White House to call in all of the federal resources and get everyone on the same page?

Chao: Well, again, if you were a Cabinet officer and you don't know what to do, you really don't belong in this position. FEMA has a very important role to play, in that they coordinate us. The best relief action is locally executed, state managed, and federally supervised. It was incredible.

Perry: But the lead is at the state level.

Chao: The White House sent a delegation of three Secretaries: Treasury Secretary Snow, Commerce Secretary Gutierrez, and me to visit Baton Rouge, Houston, and Mobile, Alabama. When we visited Houston, we saw citizen action, self-initiation at work. Houston was receiving all these refugees from New Orleans. And the can-do state, I call them, had everything ready. They had cots, they had—They were able to just set up all sorts of assistance.

Perry: These refugees were absorbed into their communities.

Chao: Yes. It was Harris County. They did a great job. And their only request to the federal officers who visited—me, the Treasury and Commerce Secretaries—was to get out of their way. Please cut the red tape so that we can help provide for our own people and for the incoming flood of new people. It was so different. And I learned a lot, also, about leadership.

Somerville: We were working on that, it seems like, for the next year.

Chao: We received a lot of praise on how we handled it.

Somerville: Actually, I remember one of the shows you were on that week, and on MSNBC, was—They weren't calling it *Morning Joe* at the time—It was Joe Scarborough, and he was thrilled that he, then, had your 800 number, that he could give people this—"Call this number if you're affected." And then, yes, for months afterward—We met, I think, almost every day—We had a team meeting: Where are we? What do we have to do now? Get it done.

Genero: The Secretary said, "OK, we're putting up an 800 number. Who called it? Does it actually work?" [*laughter*]

Chao: But the cell phones were being passed from people to people, also. That was another sad thing. We also sent people armed with mobile laptops to be able to register people right away for disaster unemployment assistance, which is—

Genero: An extension of unemployment compensation.

Chao: It's unemployment compensation for small business, for people who are self-employed. And then also signing up for unemployment insurance—

Perry: And you were doing that for New Orleans as well as—

Chao: Actually, we did it for New Orleans basically, because Mississippi didn't seem to need anything. They just told us to get out of the way and give them money and they know how to handle it. It was, like, a total breakdown in New Orleans. It was very sad. It was a failure of the state and local government.

Somerville: Yes, the mayor was—Yes. And I'm showing here, Rita hit the Texas-Louisiana border on September 24th. That was a Cat 3. And then Wilma hit Florida on October 24th. And DOL provided a total of $380 million to assist with temporary cleanup work and provide benefits and services to those displaced by Katrina, Rita, and Wilma. And for many months, we were—

Chao: But we were also at an advantage, because we always worked through Labor Day. Because we're the Labor Department, [*laughter*] we never take vacation on Labor Day.

Genero: The Secretary always had to do events on Labor Day, so we always worked.

Chao: I think at that particular time, the White House was on vacation. Many of the White House staff were dispersed throughout the world.

Perry: Oh, that's right.

Chao: There was a wedding going on in Greece. Somebody's wedding was going on in Greece, and several of the key White House staffers were at that wedding, I heard.

Perry: Right. And the President was down in Crawford, at the ranch. Yes. And that ended up being part of his public relations problem.

Somerville: And I think Andy Card was on vacation in Maine.

Perry: Yes. Then the photograph of the President flying over the devastation—That didn't play well. As I remember, he had been told by the law enforcement people, "We can't staff you and secure you to come in right away." So he did eventually, remember, go to Jackson Square and give a talk, which was very eerie, because it was just—Everything was blacked out, but they had a spotlight on him.

Genero: When we flew down there, the pilot got the plane down when we flew over New Orleans so we could see, and he tipped the plane to one side, and we could all the see devastation—I'll never forget—cars stuck in the middle of—

Chao: When were you there? When did that happen?

Genero: That's when we went down to Texas. We flew over Louisiana. Or we were going to Louisiana and then Texas, and we flew over New Orleans, and you could see everything—It was eerie. Nothing was moving. Everything—All of these bridges and overpasses were completely engulfed with water. There were a few cars floating here and there. It was unbelievable—I'd never seen anything like it in my life.

Perry: Well, just the utter devastation of having those levees break. It would have been bad enough to have a Cat 4 or 5 storm come in, but to have those levees break and then just have the entire city inundated and be totally unprepared—

Genero: I'll tell you another great thing—Afterward, the Secretary asked for volunteers, for people to go down, and a lot of career people volunteered. Even though the living conditions were bad, we had so many people from ETA and other agencies volunteer to go down there and help people. Everybody wanted to do something.

Somerville: That's really when it's especially nice to actually be in government, particularly when you're at a place that can make a difference. Because every American wants to help when something like that happens—9/11, any disaster. And when you're in government, you often have an opportunity to help as part of your job.

Perry: And isn't that good that—back to the old Reagan statement that you quoted—the worst words—Americans hate someone coming to the door and saying, "I'm from the government, I'm here to help you," but the government does help.

Chao: Yes. It has its proper role. For the Gulf Coast recovery, DOL ultimately provided over $290 million in emergency funds to give more than 99,000 dislocated workers a paycheck to participate in recovery efforts and to provide education and training for new career opportunities. Another $44 million in grants was provided to states to process claims and expedite unemployment insurance and disaster unemployment assistance payments for those left unemployed in the wake of the hurricanes. DOL also reallocated resources and developed innovative ways to disseminate information to protect workers safety and health and ensure compliance with labor laws in the region.

Perry: And that's what you were doing. And they have to have people, in effect, volunteer from the Department to go and do more. I just wish that word could get out more. [*laughter*]

Chao: West Coast ports on October 7, 2002, was also very important.

Perry: Yes, that's at the top of my next list.

Chao: We knew that the renegotiations would be coming up with the West Coast ports with the 10,000-member International Longshore and Warehouse Union. They basically controlled the West Coast ports. It is very difficult to become a member. You almost have to register your grandchild as soon as he or she is born. [*laughter*] Average salary was between $88,000 to $120,000, with overtime.

Somerville: That's 20 years ago, right?

Chao: Yes, and they did not want automation, so they didn't want the management's proposed tracking of who enters into each area of the property. It's common now, but they didn't want management to be able to track someone going from one place to another. There was speculation that the union opposed tracking because of "featherbedding"—ghost workers. One person would check in for a whole bunch of other people, and they may or may not actually show up. If you

had a pass that would track each individual's movement—for security purposes—They didn't like that, and the second thing was, of course, they did not want tight security on the containers.

They did not strike, because there would be repercussions, so they initiated a work slowdown instead. They did everything exactly by the book, which resulted in tremendous delays and congestion of the whole port right before the holiday season.

Perry: And these were all the West Coast ports, correct?

Chao: Right.

Perry: So it was just blocking up all the West Coast ports.

Genero: Oh, yes.

Chao: Right. Forty percent of trade comes through the West Coast ports.

Genero: Oh, it's huge. And this was around Christmastime, too.

Chao: Right. There was concern about stores not having enough toys to fill their shelves for Christmas. And I had a wonderful chief of staff, Steven Law, and he asked Chris Spear, who was then Assistant Secretary of Policy, to commission a study on the cost of such an action to the U.S. economy, because the only basis for which the Secretary of Labor can intervene is not economic, but actually national security, so we had to make a case. The study found that there is damage to the economy, about $1 billion a day, which could translate into international security considerations.

Perry: That's under [Robert A.] Taft-[Fred A., Jr.] Hartley [Labor-Management Relations Act of 1947]?

Chao: For the first time since 1971, we invoked Taft-Hartley. The unions didn't like it, of course.

Perry: [*laughs*] Shocking.

Genero: Then the Federal Mediation and Conciliation Service was asked to intervene and mediate between the two sides, and they weren't getting anywhere out on the West Coast, so they shut the negotiations down and moved them to Washington, to a federal office building—partly because people were coming to the negotiations armed, and if you have them in a federal office building, you can't be armed. [*laughter*]

Perry: A common-sense rule, to be sure.

Genero: Yes, yes.

Chao: One of the hardest battles we fought was on the overtime rules. As I mentioned previously, these overtime rules were very prescriptive as to whether a worker is an exempt or nonexempt worker. If you were exempt, then you did not receive overtime, and if you were not

exempt, you did receive overtime. But these rules referred to jobs that no longer existed. The ambiguity in this very old regulation gave rise to the largest number of class action lawsuits. Because when the federal government fails its responsibility of clarifying regulations, people litigate. And these rules had been in place since 1934.

Genero: And then they go to the courts.

Perry: And take class actions.

Genero: That's what they were doing to try and clarify the law, because the law was so outdated.

Chao: But the ambiguity and uncertainty in the regulations was a tremendous boon for trial attorneys; trial attorneys were taking advantage of this. But the worst part was, people weren't getting justice. If they were entitled to overtime, they had to wait three to five years before they could receive compensation, so we believed in clarifying the rules. The other side—the unions, trial attorneys—basically attacked this administration for destroying overtime, which was completely untrue. The regulations, for the first time ever, explicitly guaranteed overtime protection for blue-collar workers, police officers, firefighters, EMT [emergency medical technician]s, factory workers, construction workers, and hourly workers, among others. The changes enhanced overtime protection for workers by making the rules easier for employers to comply with, easier for workers to understand, and easier for DOL's Wage and Hour investigators to enforce effectively. Despite these facts, it became a campaign slogan in the 2004 Presidential elections: The Bush administration is taking away your overtime!

Good rulemaking takes a long time. It took four years for the Department to promulgate. It came out around August of 2004. Much to my surprise, it was such a major issue that it actually became part of the attack against the Bush administration. The tagline was, "Bush is taking away your overtime." They actually had doorknob hangers that said that. But in actuality, we clarified the overtime regulations, and therefore gave about 6.7 million more Americans overtime rights and compensation. We also lifted the floor of the overtime from $8,000 to about $23,000. But it was a very hard regulation to bring to conclusion. In promulgating this rule, the Department received over 100,000 comments.

Then the administrator of the Wage & Hour Division, Tammy McCutchen, did a great job. She also was tough as nails. I had really wonderful senior leaders in the Department, and half were women. They led large divisions—Emily DeRocco headed up ETA; Tammy McCutcheon at Wage and Hour; Vicki Lipnic at Employment Standards; Ann Combs at Employee Benefits Security Administration, or pension benefits; Kathleen Utgoff at Bureau of Labor Statistics. We had women heading up very substantial divisions.

Perry: When you had stepped out, this is what Laura was telling me, about going to Iraq and talking to women there, and taking pictures—

Chao: It was very moving.

Perry: That's what she said. And the women couldn't believe it. The Iraqi women couldn't believe it.

Chao: Yes. We framed the women leadership—a picture of the women leaders of the Department in a frame—and then we gave that over to the Freedom and Democracy Center in Hillah.

But overtime was probably the fiercest fight. It took a lot of planning and just strong, courageous execution as well.

Genero: It was Section 541 of the Fair Labor Standards Act. And the Fair Labor Standards Act is the iconic federal labor law that was created during the industrial and postindustrial revolutions. It is very old. It is sacrosanct. But it's like Sleeping Beauty's castle—It had been sleeping for 40, 50, 60 years, and all of these barbs had grown up around it, and everybody had been afraid to clear away the brush—to take the thing out and say, "OK, let's update this." It had job categories of people eligible for overtime that didn't exist. I had worked for two Secretaries of Labor before, and I never thought I'd see any Republican Secretary of Labor in my lifetime touch it. [*laughter*]

Chao: And this is bipartisan.

Genero: Yes, to tackle this.

Chao: Alexis Herman tried to update the rules, as well.

Perry: Let me ask you, on Presidential politics, because we'll certainly want to get in a little bit about the 2004 reelection—

Chao: But I'll say one other thing about this White House, is that they were really experienced. And if you build trust, as we did, with the Bush White House, you got a lot of support.

Perry: That was my question.

Chao: They trusted us. They knew we had good judgment. They knew that we would not take on any battles that we could not win. I was very selective about what battles I took on. And I should not say "I"—It's not just me; I had a wonderful, principled, conservative, courageous team. We had Laura and Tam; and there was Steven Law, the deputy chief of staff, who then became Deputy Secretary; Andrew Siff, who was counselor then Chief of Staff; Howard Radzely, Solicitor, then Deputy Secretary—The whole team was just stellar.

Genero: We had tremendous lawyers.

Chao: I kept the A-Team throughout all eight years.

Genero: All eight years.

Chao: Well, six to eight years.

Perry: That's amazing. But to that point, the President trusted you, the administration trusted you, not to take on things that you couldn't win. But when something—

Chao: Well, they had confidence that we were a competent, capable, skillful team who knew how to manage an issue well. Hopefully, we would win, but it was not guaranteed.

Perry: Well, you would hope to win—

Genero: We weren't going to waste their time, yes.

Perry: Right. Or political capital, it seems to me.

Genero: Exactly.

Perry: So that raises—As you were talking about overtime, where you said, but then there were groups—tort lawyers, trial lawyers—who were going to turn against the President because of this issue—

Chao: They were not our natural allies to begin with.

Perry: True enough. But critiques of the President—

Chao: The difference is, this White House—the role of the Cabinet—You asked what the role of the Cabinet is?

Perry: Yes.

Chao: For those who stayed, who were able—They figured this out. Those who did not figure this out did not stay. The key is that you are the President's advocate. You are to bring his message out. Your job is not to take everybody else's message and bombard him with it. Do you understand what I just said?

Perry: I do. I do.

Chao: My job is to convey the President's message, and if there are problems, it's my job to fix it. I don't take my problems to the White House unless it's really, really bad and I can't deal with it.

Perry: But what happens with something like overtime, or any of these controversial issues, where there's going to be blowback?

Chao: They were very calm about it. It's kind of similar to our prior discussion about how the President moved onto winning South Carolina after losing in New Hampshire. They were just very calm: This is your issue. You assured us that you're on top of it, you will handle it. You're going to handle it. We will be with you. We will have your back. That was very nice.

Perry: That is very helpful to hear. And then as you say, for those—

Chao: So that gave confidence to the ranks that we will do our best, but that the President is not going to saw the branch off.

Perry: Now, to a very interesting point that you raise—Those members of the Cabinet that for whatever reason didn't get that role that they were to play, didn't have the President's confidence—

Chao: Well, I think in other administrations, the Cabinet acted differently, but certainly in the Bush 43 administration, we knew what the role is: Our job is to get the President's or administration's message out.

Perry: From him?

Chao: It's from the whole White House apparatus.

Perry: You just get—That's the message that goes out. That's the feeling that you get from the—

Genero: They would inundate us with talking points. We would have to put—

Chao: And toward the end, it was hard. Speaking very bluntly, toward the end of any administration, you begin to get younger and younger people, because the more experienced would leave. And sometimes we'd be dictated to by a 24-year-old. That's just how life is. You've got to deal with them.

Perry: Oh, this is just all so wonderful and helpful. Other topics—I'm noticing family leave issues and the immigration—We don't want to leave here without immigration and the H-1B visas.

Genero: And we also want to talk about the Energy Workers' Compensation Act [Energy Employees Occupational Illness Compensation Program Act], which was very important to a lot of people.

Chao: Also, USERRA [Uniformed Services Employment and Reemployment Rights Act]. Although USERRA was enacted in 1994, no regulations existed to help employers comply with it until the Bush administration. In 2005, we issued the first-ever regulations implementing statutory protections for employment and reemployment rights and benefits of National Guard and reservists when they return to civilian life. This was one of a series of proactive steps DOL took to ensure job security for those who put themselves in harm's way to defend our freedoms. Other initiatives included REALifelines, a comprehensive program to provide individualized job training, counseling, and reemployment services to each and every veteran seriously injured or wounded in the War on Terrorism, and expanding the Transition Assistance Program (TAP) for separating service members by offering job-search assistance and related services.

As to paid leave—We were seeing, obviously, because of the war, an increasing number of caretakers who had to leave their jobs for extended periods of time to take care of their loved ones, so we went ahead—And we understood the pressure also building on family medical leave, so we thought that by addressing that particular niche, we would address a need, but then also hold off on paid family medical leave for a bit longer.

Perry: Hold off?

Chao: Paid family medical leave is extraordinarily expensive, and for a vital economy and flexible workforce, you don't want to have that heavy a mandate on the economy. I think people's opinions are changing on this, but at that time, OECD [Organization for Economic Cooperation and Development] based in Europe ranked the U.S. as among very few industrialized nations that don't have paid medical leave. But—

Perry: That's one of those decisions that you made? To say: That's not one we can take on now. Let's do this important but incremental change.

Chao: I think it was a team effort. And I want to give, I think, Steven Law a lot of credit. He and Chris Spear—Well, the whole team, we—

Somerville: Vicki Lipnic, I think, on the family medical leave, was the—Steven was gone by then—by '08.

Chao: He was gone by '06.

Somerville: He left in '06, at the end of '06.

Chao: But this issue took a while to work forward. In 2008, we implemented the first-ever amendments to the Family and Medical Leave Act, which provided new military family leave entitlements, and updated the regulations to improve communication between employees, employers, and health care providers and clarify responsibilities and rights. It was a race against the clock to get that rule completed, and many aspects had been percolating for years, but comprehensive paid leave would be much more difficult.

Perry: But it's a really interesting point to make on policy development and evolution.

Chao: It was a process within the Department, as well.

Perry: Tell me about that.

Chao: It comes from each of the modes. They determine what comes up, each of the offices, and then we'd talk about it. They staff it and then they work it out.

Perry: And how did that bubble up to you—to you all, but to you particularly, and through senior staff? How did that bubble up from the modes, from the offices? What was the process to get it to where you all would talk about it and say, "Look, should we go forward with this?"

Somerville: You had a number of mechanisms. Was it the Wednesday meeting? Was that a weekly?

Chao: Yes. We also had the regulatory agenda. There was a regulatory agenda twice a year, spring and fall. Then we would discuss what needs to go on the regulatory agenda. We culled it from 130 to 87. The previous administration—the Clinton administration—had left a lot of regulations on the books, because they didn't want to go through the trouble of taking something off the list and incurring stakeholder wrath. But we thought that the regulatory agenda should be realistic and should be transparent. If we're not going to go ahead with a certain action, we

should take it off of the regulatory agenda. If it's redundant, we're not going to pursue it; in fairness we should just take it off. So we did that.

Genero: It's just basic good governance.

Perry: Yes. And these two meetings—meetings, were they? Where you talk about the agenda—

Chao: But there would be a policy council, and so they would—

Perry: Ah. So not just the Department, but stakeholders?

Chao: No, no. It's this Department first.

Perry: Just your Department?

Chao: And then they do what they need to do. They need to go out to the stakeholders; they need to think about it. But most of the time, if you're talking with stakeholders, you know pretty much who's coming from where. There was a policy council—actually, Chris Spear instituted that in March of 2001.

Somerville: He was the Assistant Secretary for Policy.

Chao: Yes. He had instituted a centralized policy deliberation council, so to speak.

Perry: That is helpful.

Somerville: But then you had a weekly meeting with the heads of the agencies. And what was in the fishbowl? That was just minus—

Genero: That was with the heads of all the agencies.

Somerville: So that was also once a week.

Chao: It was kind of like modal administrators, as well.

Genero: Yes.

Chao: But more, actually, Steven handled that.

Somerville: Yes. And then we were the hallway. Remember? We were the hallway there.

Genero: Yes.

Perry: Oh, what was the hallway?

Somerville: The Secretary's office was at the end of a long corridor in the corner of the building. The Secretary's immediate staff had offices down that whole side of the building, just that one hallway, with offices on each side, conference rooms—and the council—

Chao: The architecture and—what is it called—the flow—of that building was very conducive to coordination.

Genero: It really makes a difference.

Somerville: It does. At DOT, it could not be more different. This building is—ugh. [*laughter*]

Chao: It makes the coordination very difficult.

Genero: Because we have two headquarters buildings—three, actually—the FAA has its own building a few blocks away.

Chao: It increases silos. It maintains silos.

Somerville: Architecture matters. But—So the Secretary office is at one end of the hallway in the DOL building—

Perry: I'm totally fascinated by this. And we talk about it even at the Miller Center, with 40 people—who's in what office, on what floor—silos—

Somerville: You know, chief of staff, Dep Sec, you know, all—

Chao: Assistant Secretaries, they're all in a row—

Somerville: And these are all politicals.

Genero: All of the Assistant Secretaries—

Chao: It was a square donut.

Genero: Yes, exactly. It was a square donut. [*laughter*] And Tam and I, when we had to get stuff cleared, we could just walk around the hall. We'd start at one end of the hall, walk around the hall, and get clearances.

Somerville: And at the end of that hallway was the chief counsel, Howard Radzely.

Perry: Well, even better, in the era of email, that you were personally going office to office?

Genero: Oh, yes.

Somerville: We didn't think that way, but yes, [*laughter*] that was convenient.

Perry: I like it.

Somerville: But actually, it was just so great, because it was just so easy to have conversations with people.

Perry: Right. Right. The hallway.

Chao: But that's also a reflection of the fact that the Department of Labor was very centralized, and everything was in the Office of the Secretary. Whereas here, at the Department of Transportation, the modes are more like corporate subsidiaries. This is a subsidiary model. There's a head office, which is the Office of the Secretary, and then fully functional, independent subsidiaries.

Genero: We're the holding company, and then we have all these subsidiaries around us.

Perry: Oh, my God. That had to take some getting used to, coming from Labor.

Genero: Yes. [*laughter*]

Somerville: Well, the Secretary was there before she went to Labor, so—

Perry: That's true. At least she knew the structure.

Chao: Yes.

Somerville: She knew before we got here—

Perry: Yes, that helped.

Genero: She knew what she was getting into.

Chao: I liked it when I was here, in the modes.

Perry: In the modes?

Chao: Yes.

Perry: [*laughs*] When you were modal.

Chao: Right.

Perry: Oh, immigration. We definitely want to talk—

Chao: Well, the immigration that we're talking about is employment-based immigration—

Perry: Correct, correct.

Chao: —which is H-1B visa for high-tech skilled workers, H-2A, H-2B. These are seasonal and farmworkers. I come from a rural state, so I'm very much aware that during planting season or during certain seasons, farms need to have seasonal workers. And under Democrat administrations, the Labor Department clamped down on issuing temporary seasonal farm visas, because they don't really agree with the principle of having all these temporary workers. During Democrat administrations, farms in Kentucky, for example, were experiencing delays and tremendous difficulties in getting workers to come during harvesting, picking season, or to find seasonal workers for the farms.

One example was employers would be required to post notices to hire domestic workers to come and work. There would not be enough workers, and the farmers would miss their planting season. Of those workers who do show up, some could not keep up with the hard work and sometimes left midseason. A lot of farmers hire the same temporary workers year after year, so what we did was to make that system more flexible, so that it would be easier for these farmers to be able to get the temporary workers that they need.

Perry: And you were able to do that through regulatory revision?

Chao: Yes. Assistant Secretary of Labor Leon Sequeira, actually, did a lot of that.

Somerville: He was the last Assistant Secretary of Policy, toward the end.

Perry: And therefore didn't have to go to the Hill?

Somerville: There were caps, but that was on a separate issue, wasn't it?

Chao: H-1B had 66,000 visas every year, and H-2B, for unskilled nonagricultural workers, also has a cap. If the economy is very robust, these 66,000 visas would be snatched by high-tech companies in one hour.

And then if the economic times are bad, then perhaps in a couple of months these 66,000 would be gone. But the Democrats seldom agreed to increase the cap. They just don't like these temporary workers program. They would prefer either workers to be here permanently—

Perry: Right. So it's not that they're against the immigrants who would be coming to do these jobs temporarily; they would prefer that they come in some permanent way.

Chao: We made a number of reforms to make the system for temporary workers more efficient, but to also protect American workers and prevent fraud and waste. For example, in December 2004, DOL updated the PERM [permanent foreign labor certification] program to permit electronic filing, reducing paperwork and allowing for prompt decisions. Under the previous system, a backlog of more than 300,000 applications had developed. We did similar things in H-2A, agricultural, and H-2B, nonagricultural, and got an agreement from the Department of Homeland Security to take over some enforcement responsibilities for H-2B.

Perry: Right, right. Swirling about all of this, by the way, of course, is an attempt by John McCain and Senator Kennedy and others to do bipartisan comprehensive immigration reform—

Chao: Well, President Bush—

Perry: And he was—as you pointed out—quite—

Chao: Yes, he was very much in favor of it. But once again, Hurricane Katrina threw everything off course. In 2005, at the beginning of his second term, in the early part of 2005, the Cabinet was sent on the road to promote the President's Social Security reform agenda. And then Hurricane Katrina hit, and that blew away—a funny analogy—President Bush's moral authority on this issue, because he was unfairly deemed to be uncaring toward the poor and minorities.

And so he was fighting for just legitimacy after Hurricane Katrina. He had little political capital left.

Perry: And then you layer upon that the Iraq War beginning to go, with the insurgency.

Chao: Yes.

Perry: Did you see it out on the road? Were you out on the road at the time, and seeing—

Chao: Well, compared to now, everything out on the road then was so civil. [*laughter*] It's nothing like what it is now.

Somerville: That was pre–social media. Yes, it was a different time. That stuff—Facebook and all—Twitter was just coming out nationwide.

Genero: The Social Security reform—I remember you talking about this a little bit—The President had this overarching concept of the ownership society—that a way to give people more stake in their financial future is if they owned everything, so why can't they take a portion of their Social Security benefits to invest themselves—that the government wouldn't own that, they would. And of course, that's the Holy Grail—

Perry: The third rail.

Somerville: It's called the third rail for a reason, yes. [*laughter*]

Genero: And it just never went anywhere.

Perry: He touched it. Yes.

Genero: He wanted to, for example, give out vouchers and let people choose themselves, rather than this arcane job-training system of professional—

Chao: You see, Laura is important, because she was a recipient of all of their messaging. And so I sometimes forget, but yes, it was the ownership society.

Genero: Very important.

Chao: So they had themes all the time that they were feeding us.

Perry: And so that would come directly from the White House apparatus to you and—

Genero: Yes. Oh, yes. To the whole government—the administration.

Genero: You know, they'd say, "We're—"

Chao: And every single one of us would take that and try to blast out the message.

Genero: Yes. What does your Department have that can be part of the ownership society? What can you create that could be part of the ownership society?

Perry: Here's our theme—

Genero: Here's our theme.

Perry: —what do you have that will work with it?

Genero: What will fill it in?

Perry: Got it. This is just fascinating to me, because I'm just—

Chao: So the White House has a lot of say. They direct. That's why, when the White House is not planning ahead, we are all rudderless. Because we can all think about our own individual programs, but we lose the leverage of the whole. And for really important issues, we need the heft of the White House. No one's going to listen to me on an issue—on an initiative I have—but if it's a White House initiative, Members of Congress pay greater attention.

Genero: Yes, that's why they also glommed on to our job-training programs, and had the American Competitiveness Initiative, which is just a ramped-up version of what we already had. They did a lot of that. But I thought it was interesting how they tried to be thematic and bring everything under the rubric of certain big themes.

Chao: Cabinet members were dispatched on road trips—

to carry out these messages.

Perry: I have to say I was struck by that in the timeline in the briefing book—how often I would come upon that—Secretary Chao and Secretary So-and-So and So-and-So—

Chao: We were dispatched by the White House.

Perry: —were dispatched by the White House to go speak on such-and-such topic.

Genero: Yes. The Secretary did a trip—We did a bus tour. [*laughter*] Remember the bus tour with Don Evans to promote—

Chao: And John Snow.

Genero: Yes, and John Snow.

Chao: It's the funniest story. I'm going to tell the story.

Genero: Go ahead.

Chao: So the three of us are in the Cabinet meeting. We get a hint that there's going to be a bus tour of like, Wisconsin, Michigan, and whatever. We looked at each other and said, "No way. We are not going." And then three days later, we see each other on the bus. [*laughter*]

Perry: Who got to you to say, "You're going"?

Chao: Oh, no, you need to—No, you kind of need to go. [*laughter*]

Genero: Well, yes, they just tell you. They don't ask you; [*laughter*] they tell you.

Perry: They order you on the bus.

Genero: Yes.

Perry: I hope it wasn't in the winter that you had to go to Wisconsin.

Genero: No, it wasn't.

Chao: Somebody said I was hot.

Genero: Yes, it was kind of fun.

Chao: No, no, no. Somebody said I was—I was wearing my blue suit, I was—It must have been summertime, because I was wearing a blue suit, and they didn't have social media, but apparently, Jon Stewart, Comedy Central, whoever it is, they said, "Yes, Secretary Chao is hot." [*laughter*] "That's a hot Secretary over there"—or something like that. [*laughter*] It was really cute.

Genero: Well, I remember, we visited Harley-Davidson and Mayo Clinic, and it was sort of like a 21st-century jobs—

Chao: But it was very disciplined. Karen Hughes was at the White House, and there was a message of the week, of the month. And then within 90 days—

Perry: We did read about that. And Karl Rove—plotting out the trips and the themes and the dates and the speeches and the communications apparatus. Since you're there—You're the only one who's there all eight years, so, as you say, there's Katrina, there's the insurgency in Iraq, so there are things that begin to chip away at that heft that you talk about. Do you also see it changing with changes in the communications people who are in the White House or—?

Chao: Well, generally speaking, you have the A-Team at the beginning, and then they get tired or they want to monetize their government experience and they move on.

Somerville: Tony [Robert Anthony] Snow died during that time.

Perry: Yes, he had cancer.

Somerville: He was so good. Oh, my gosh.

Chao: He replaced Scott McClellan, who replaced Ari Fleischer as press secretary, and then he had to—

Somerville: He was fantastic.

Perry: Yes, that was a shame, such a shame. And a tragedy. Yes.

Chao: And then we lost the House and the Senate in November 2006. So 2007 and 2008 became very difficult.

Perry: What did that feel like?

Chao: Besieged. It was a siege. Well, we're going to face somewhat of the same situation starting this Congress. That was nasty.

Somerville: [Henry] Waxman was pretty bad, wasn't he?

Genero: Yes, Waxman was always bad.

Chao: Yes, Congressman Waxman was very smart, very partisan, very skillful.

Genero: Yes, but he was a stinker. [*laughter*]

Chao: His people are very skillful in oversight. I don't think Republicans are as good in oversight.

Somerville: And Kennedy—you know, he always had an excellent staff.

Genero: Well, they're also ruthless.

Chao: Senator Kennedy was also very good. But Senator Kennedy would criticize you on substance. He would never get personal. Congressman George Miller, on the other hand, would make nasty comments about you, on the record, in the newspaper.

Chao: Yes, there are plenty of those. [*laughter*] So it was just—It was different.

Somerville: Also, at that point, you're in the Presidential cycle, so that's where the news goes.

Chao: In the last two years, it was a lot of oversight. Every Friday at five o'clock—five o'clock!—we would get two letters, almost every week—one from somebody or other. A lot of times, it was Senator Kennedy and Congressman Miller—Chairman Miller. And we would have to answer 75 questions by Monday morning at 9:00. You make all of your people work—We were very conscientious. In retrospect, we probably should have ignored them. That's what they do to us. But we were very conscientious. People worked over the weekend, and we would get the answers. And then we were hauled up for hearings. A lot more—

Genero: We had a lot FOIA [Freedom of Information Act] requests and committee requests.

Chao: But it wasn't personal, either. The FOIA requests were not as personal as they are now. They were much more substance oriented, like: How did you discuss OLMS or something. It was—

Somerville: But George Soros—His groups, among others, they weren't what they are now. They have weaponized FOIAs now in a way that wasn't nearly as extreme then. It was vigorously exercised, but now, you have this whole—

Perry: Yes. But not weaponized, you would say, like today—

Somerville: They are weaponized now.

Chao: But in those times, the FOIA requests came toward the end of the administration. In this administration, they started on January 20, 2017. And if you don't answer the FOIA request now by a certain date, they take you to court. And there have arisen a whole new group of dark money, partisan political groups who claim 501(c)(3) nonprofit status to attack the Cabinet. Their boards comprise former appointees of the Obama or Clinton administrations. They FOIA the calendars and emails of certain Cabinet members, construct a false narrative, peddle it to the media—first the print media, then the electronic media—against a backdrop of a storm of tweets, et cetera, then moving over to congressional oversight committees to encourage them to initiate inquiries, investigations—each action prompting an unfavorable headline against the Cabinet regardless of the facts—

Perry: So these are FOIA requests coming in primarily from groups like that?

Chao: Yes.

Perry: Fewer journalists—or investigative journalists?

Chao: What they do is, these outside groups get the information; they sift through them by posting them on the internet, and so there are lots of volunteers who are energized. They go through all of that, and then they peddle it to journalists. They construct a false narrative, and then they peddle it to the media and to the Democrats in Congress.

Somerville: Remember, journalism—news media—used to be a smaller universe. Now, it's—

Perry: I always say, media is now a misnomer, because everyone has become—with social media—

Somerville: The White House has struggled with this press credential question—and the Obama one, too. That is, who's a media outlet now?

Perry: Correct, yes.

Chao: It's hard, but it was helpful to have gone through that 2007–08 period, because it prepares us better—for the changing political environment now.

Somerville: You had it all during those eight years. We had control of Congress for—

Chao: For six months. [*laughs*]

Somerville: —for part of it; lost it—

Chao: Oh, that's right. And then we gained it in 2002. Lost it again. It's better to have it. [*laughter*]

Perry: You're just saying, for the record, it's better to have it.

We definitely, in our final minutes, want to get to what we call the Bush Presidency in retrospective, but one other thing that's happening that I think you may have made some mention of, but we haven't really delved into, is the financial crisis that comes in the last year or two.

Chao: Actually, I was not too much a part of that. I was only a part of that, in part, because of my husband. He was running for reelection, and the financial crisis—

Perry: In '08?

Chao: My husband voted for the TARP [Troubled Asset Relief Program]—

Perry: The first TARP.

Somerville: He was the minority leader.

Chao: He was told by Chuck Schumer, "Don't worry. We're not going to use this against you in your reelection." Less than a month later, there were ads by the Democrats saying that Mitch McConnell was working for the banks, and didn't care about Main Street. So it was pretty tense time as the congressional and administration officials knew how close to the brink of collapse the worldwide economy was and it was difficult to explain to the American public and garner the support necessary to pass the needed legislation.

Somerville: It was like, if that does not pass, the world economy—It's hard to imagine—It's almost like 9/11. It really was the financial 9/11. I even go back and try to remember how scared—I remember, when the money market broke the buck. I was over the amount—Who is it that insures your accounts? FDIC [Federal Deposit Insurance Corporation]?

Genero: FDIC. You were changing your accounts around.

Somerville: I literally took the morning. I had to run to the Senate Credit Union. I went and opened up a new—A lot of people were moving money around. It was like, "Oh, my God, the banks might actually go under." We were scared of that.

Perry: It's funny that you should mention this, because when I started at the McConnell Center in 2006, I went to the Chase Bank in St. Matthews, and they were offering 7 percent on a CD [certificate of deposit]—

Somerville: Wow.

Perry: Only one year, but I said, "I'll take it."

Genero: Oh, my Lord!

Perry: [*laughs*] I dealt with a woman there—My parents had dealt with her, a lovely woman, and I said—What is it now?—I think at the time, what was it, $100,000 per account?

Somerville: Yes, it was $100,000 at that time.

Perry: They raised it during this time, but it was $100,000. And I said, "You know, I'm going to cap this. I'm just going to do $100,000. I could give you some more, but I'm going to just say $100,000, because I don't want to go above the FDIC insurance cap." And she said, "Oh, Barbara, if we ever get to that point, where Chase Bank is in trouble, we're all going to be in trouble." And I said, "Well, you may feel that way, but my dad came up in the Depression, and I'll take $100,000 worth, please." And sure enough, [*snaps*] within a year and a half, we were all afraid of that. But I felt like I was at least safe on that.

Somerville: So a friend of mine told me years later—I don't want to say her name for this said she took a PVC [polyvinyl chloride] pipe, screwed the ends on it, put $10,000 in cash, and buried it in her backyard [*laughter*] in the fall of 2008. And her husband thought she was a little nuts, but she's like, "You're going to be glad we have that cash." Yes, maybe.

Perry: Or as another friend of mine says, "Get a few good gold coins," and he says, "that way, you'll have one to put in your shoe when we run across the border." [*laughter*]

Somerville: When you think about those eight years, my God, a lot happened.

Genero: Which border?

Perry: I think he meant Canada.

Somerville: A lot happened.

Chao: Well, the last thing is EEOICPA. It's the Energy Employees Occupational Illness Compensation Program Act, basically workers' compensation for nuclear energy workers.

The Department of Energy had been administering this program, much to the dissatisfaction of many of the recipients. Labor unions always wanted this compensation program to be part of the Department of Labor, because the Department of Labor was more experienced, in their view, in dispensing individual benefits and had other workers compensation programs for longshoremen, coal miners, and federal employees. The Department of Energy was not really very experienced in doing that. And the Department of Energy's inability to execute that mission well only gave impetus to move this program to the Department of Labor.

Our team actually did not want this program at Department of Labor, because we thought it would be difficult to administer, that there would be another underfunded program like Black Lung, which was running a deficit, and there would be incredible pressures to increase the level of compensation. We initially tried to fight it and have it stay at Energy. But again, because of Energy's lack of experience in administering this program and the dissatisfaction of the recipients, that program was actually moved over to us. Congress ordered the transfer, and we had a deadline of August 1st to disburse the proceeds.

The program impacted Kentucky. Paducah was the site of one of the gaseous diffusion plants. There were many workers in that community who had worked at this gaseous nuclear diffusion plant and had gotten cancer. Steven Law, again, needs to get the credit. He set up this office in Paducah, and we were able to drive this program and cut the first check just in time, on August 1, 2001, to give the first $150,000 check to the first recipient, who was Clara Harding, of Murray,

Kentucky. Her husband had died of cancer, because of exposure. These workers handled toxic materials without any protections; they breathed it in. They weren't warned of adverse impacts.

Somerville: These were World War II–era, right?

Chao: Yes.

Somerville: In Oak Ridge, Tennessee, right, also.

Chao: They walked among it; they handled it barehanded. It was quite moving to learn of their patriotism and sacrifices. I'm really glad that we were able to do that. From 2001 to 2008, we disbursed about $4.2 billion in compensation, as well as $282.1 million in medical benefits.

Perry: That is a lot of money. Again, when government works, it can really help people.

Genero: Well, another big example of government working was the Quecreek mining disaster in 2002—

Perry: Oh, yes.

Genero: —where MSHA, Mine Safety and Health [Administration], staff developed this little capsule, and they used it in training exercises. This is the first time they deployed it, and they saved nine people in Pennsylvania.

Perry: Because you had had these two mine disasters in Kentucky, of all places, and then one out west in Utah, was it? The Crandall—

Chao: Crandall Canyon in August 2006.

Perry: So you were searching for better mine safety, to be sure.

Chao: Yes. No. This was on July 24, 2002.

Perry: So this was even before the disasters had a—

Chao: This was the first big one. But here, again, personnel is policy, because we had a great MSHA administrator, Dave Lauriski, who had spent his whole life in mine safety, so he knew what to do. The mine was in a very remote part of Pennsylvania. And these capsules were very narrow, literally the width of a small human body.

Genero: A small person.

Chao: Yes. If you were claustrophobic, it was going to be tough.

Perry: But it would be lowered—

Genero: Yes.

Chao: It was lowered, and then they brought the miners up one by one.

Genero: They lowered it into the shaft. They had to drill a shaft, and then they lowered it into the shaft. And they were able to get—

Chao: They had to find these people first.

Genero: Yes. And when they did, they were able to get—It's the only way they were able to get them out. They got all nine people out.

Perry: But this is another example, it seems to me, of trying to find that balance—whether it's Enron going under and workers losing their pension plans because they had invested almost everything in Enron, or Enron stock had been their pension plan—mine safety, the companies not taking care enough with mine safety, and therefore people losing their lives—and finding that balance of allowing that flexibility and free enterprise to flourish while protecting—

Chao: Unfortunately, there will never be zero fatalities, zero accidents—

Perry: Correct. And particularly in such a dangerous environment as mining.

Chao: It is dangerous. Yes. We see less and less of it. We see less and less dangerous workplaces, because we're moving away from heavy industry into a service industry, so we're not accustomed to the injuries that occur in these dangerous industries.

Perry: Did you want to say anything about the changes that were made and the policies that changed after those three—the two disasters in Kentucky and then the one—

Chao: Yes. That was the MINER [Mine Improvement and New Emergency Response] Act of 2006. This was the most significant mine safety legislation since the Mine Safety and Health Act of 1977 and contained a number of reforms to improve safety and health in America's mines, including reform of emergency mine evacuation, mine rescue teams, civil penalties for violations, and new refuge alternatives and flame-resistant conveyor belts—all of which provided better protections for our nation's miners. Our focused enforcement, smart regulation, and outreach work in mining also paid dividends. In 2008, mining fatality and injury rates had been reduced by approximately 45 percent compared to averages of the 1990s.

Somerville: Because second term we had one or two mining emergencies that led to the legislation. There was one in West Virginia.

Chao: And then your researchers asked the question—President Bush was very results oriented. I don't know whether it's his MBA background or whatever, but he was very results oriented. He believed in metrics. Karl Rove believed in metrics. So we measured results all the time. We had a balanced scorecard of management.

Perry: I have to say, *I* added that question, because I was so fascinated by that—that he's our first MBA President. You have an MBA from the same superb business graduate school, so he's results oriented; you're results oriented; Karl Rove is results oriented. You want metrics. It seems like that's—

Chao: It's tough. I don't like being held to metrics. [*laughter*] But sometimes it's necessary.

Genero: And it's not just metrics such as, How many people are in the classroom today, but, OK, how many people who attended that class got a job, and how long did they hold it?

Chao: Yes. In OSHA, for example, we actually tried to—I always say "tried to," because you never know how deep these changes are—but we always tried to manage by results. Did fatalities decrease? Did injuries and illnesses decrease? We looked at actual numbers, and how do we improve the quality of life—not how many inspectors we dispatched to a factory over a six-month period, or how many citations we wrote.

Perry: "Meaningful metrics" I would call them.

Chao: Yes. And DOL faithfully implemented major management reforms in accord with President Bush's metrics. DOL was the first agency to receive all green scores on e-government, financial performance, human capital, budget performance and integration and competitive sourcing. From fiscal year 2001 to fiscal year 2008, ineffective programs costing $424 million were eliminated and resources were redirected. We did all this without increasing spending—DOL achieved cost savings in its discretionary budget of 19 percent in real terms from 2001 to 2008. I also wanted to make sure that we rewarded our career employees properly, so we created new performance plans for managers, set pay-for-performance standards, and established a more realistic rating system for all of DOL's 15,000 employees. We even received a number of awards from outside entities for our thoughtful stewardship of taxpayer resources.

Genero: Yes.

Perry: That's great. Before we get to those final questions that are the grander questions about the administration and President Bush, anything else specifically that you wanted to add at this point in the day?

Chao: No, I think we can kind of add them in as we are finishing up.

Perry: OK, great. We've been so comprehensive today. I love these—So often, we run out of time and we don't get to ask—These are my favorite questions, and we are running low on time, but if you would like to take a stab, I like the second bullet point under "the Bush Presidency in retrospective": What were President Bush's most effective assets as President—his strengths, his weaknesses as a domestic policy maker, legislative leader—

Chao: He's very focused. He hires good people, he empowers them, and you handle what you need to handle.

Perry: No micromanaging.

Chao: No.

Perry: No. It doesn't sound it.

Chao: And I think he was very focused—very clear, very disciplined. Then real life interrupts. But at least he has a plan. He was very focused. He had a strong and experienced White House staff. There was a policy process by which policy decisions were made in the interagency

process, culminating in the decision by the White House. We spent a great deal of time crafting an immigration proposal. The second term was supposed to be about tackling entitlement reform, specifically Social Security reform. But reality intruded, and despite the best of intentions and planning, he never got the opportunity to implement that, nor immigration. But he was successful in education reform: No Child Left Behind.

Perry: Absolutely. In a bipartisan fashion.

Chao: Yes. And what were his weaknesses? Every President had strengths and weaknesses and it's a matter of how these fared in the times they were in. People say he was not a great speaker, but I'm—

Somerville: It depended. There were occasions—Well, particularly, the National Cathedral speech from 9/11 and his speech before Congress on 9/11—of course, those were grand occasions, but yes, off the cuff.

Chao: He rose to the occasion. He rises to the occasion every time. I think he also understands the significance of the Presidency. He respects the office. He understands what it stands for.

Somerville: And how refreshing that was after the 1990s.

Chao: Yes. And he understands the dignity of the office.

Genero: And the institution—

Perry: Did that come from his father?

Chao: I'm sure it does. Because he's been through it already. I was Deputy Secretary, and therefore I understand the Secretarial role; he watched his father, and that must have taught him so much.

Perry: His father was so dignified.

Somerville: Yes, and going back to 9/11—You can't *not* go back to 9/11 a lot, because it was so unprecedented—other than Pearl Harbor. We had never been hit like we had been on 9/11, and how we were waiting for the next shoe to drop—so many of us, I think most of America—for years after. And he got us through the end without that happening again.

Perry: Exactly.

Chao: So people didn't understand. I think what people did not understand was his forward strategy, his reason for going into Iraq and Afghanistan. But the whole point of going overseas was to stop the terrorists from coming here.

Genero: It was to take the battle to them so they wouldn't bring it to us.

Chao: Yes. And somehow, I don't think that ever got through to the public.

Genero: It never did.

Perry: I don't think people understood that Afghanistan had been the staging ground for al-Qaeda.

Genero: Yes, I don't think they understood, either.

Somerville: Nationally, we have a short attention span, and people move on. You have to move on, to a degree.

Perry: Right. And we wanted people to move on. We said that we wanted people to move on. But then the downside of that is that—Maybe that answers this other bullet point, which I also like: How should the Bush Presidency be viewed in history?

Chao: I think it will be viewed well—that he was a consequential President during a momentous period in our history, and he kept our country safe.

Perry: I think that sums it up well. And that also matches what you said at the end of the administration. There was an article in here in which you were interviewed with other members of the administration and the Cabinet about—Here you are at the end—At that point, his approval ratings had fallen into the 30s—

Chao: Well, it was sad, because toward the end, you know, somebody said, as soon as he appeared on television, people just began to turn off.

Perry: I think that goes back to your earlier point.

Chao: It was a war issue. People were fatigued.

Perry: War fatigue, the war going badly.

Somerville: And then the economy.

Perry: The economy tanking.

Somerville: The way it was so painful.

Perry: Yes, that was difficult.

Somerville: And scary.

Chao: But I think President George W. Bush has conducted himself so well in his post-Presidency years.

Genero: Absolutely.

Chao: He could have criticized; he did not. He could have interceded; he did not. Someone told me he felt, as a matter of a gentleman's honor, that his turn was over; it's now somebody else's turn to lead.

Somerville: Do you know what occurs to me just now, too? It was not about him.

Chao: Yes. Absolutely.

Somerville: It was never about him.

Chao: Yes.

Somerville: It was about America.

Chao: Yes.

Somerville: I know I'm partisan, but I can't say that about the person who preceded him or the person who followed him—just my personal impression.

Chao: He had a great sense of respect for the office and for what it stood for. He had a real sense of history, I think. Contrary to—

Somerville: He wasn't World War II generation, but that shaped him.

Chao: Yes.

Genero: Well, his background was so different from Clinton's or Obama's. These were people who were plucked out of relatively obscurity and then all of a sudden found themselves as President of the United States, whereas George Bush—His family had, going back a long way, had been involved in public service—You know, in addition to being President of the United States, George Herbert Walker Bush was Director of the CIA, U.S. Ambassador to the United Nations, chief of the Liaison Office in China, and a former Congressman—

Perry: World War II hero.

Genero: His uncle was a Senator.

Chao: Yes.

Perry: His grandfather was a Senator.

Genero: Yes, so he knew the—He was well grounded in terms of his own personal life. He wasn't somebody just plucked out of nowhere.

Somerville: And he grew up in Midland, Texas.

Genero: Yes, so he was very—

Perry: Actually, he had, in some ways, the greatest balance of that northeastern establishment—prep school, Ivy League—but Midland, Texas.

Genero: And his parents sent him to public school.

Perry: Yes, until prep school.

Somerville: And nothing was ever prep—He may have gone to prep school, but you never thought about him that way.

Chao: What was misunderstood—I thought that it was very unfair of the press to say he was unintelligent. I could never understand that. Even if you had affirmative action for legacy kids, he went to Yale, he went to Harvard Business School. He was not a dummy. But somehow—

Somerville: Southern accent. That twang was part of it.

Genero: He had an unfortunate penchant for malapropisms, [*laughter*] and I think that did it. Just like Gerald Ford, who was a big college athlete—

Perry: Yes, yes. A star.

Genero: —he fell once, so all of a sudden, he's a klutz.

Perry: Yes. And *Saturday Night Live* picks it up and then it's all over.

Genero: Yes, and makes fun of it—and then that's what people think.

Perry: It's a caricature.

Genero: Yes. It's a shame.

Chao: But George W. Bush is funny. He makes fun of himself. He says, "I have a problem speaking English." It was self-deprecating.

Somerville: But you know, when was the last time a Republican was—I mean, Reagan was denigrated for not being smart.

Chao: I know.

Somerville: H. W. also tripped over his tongue; Eisenhower—I don't think anybody—

Genero: And Nixon.

Perry: Oh, yes. And, you know, Eisenhower—There was a political scientist who just passed away, Fred Greenstein was his name—He was sort of the dean of Presidential scholars at Princeton and beyond. He wrote a book about Eisenhower called *The Hidden-Hand Presidency* when his papers opened up at the Eisenhower Library. The book showed how involved Eisenhower was, when he did not have that reputation—That was not the view people had of him. And then one of my colleagues just wrote a new book called *The Age of Eisenhower* and also supports that.

Genero: Paul Johnson wrote a very favorable book about Eisenhower, too.

Chao: Well, it's like Ronald Reagan, in his own hand. Reading his letters, you realize: *This is not a dunce*.

Perry: Oh, I know. I know.

Chao: This is a thoughtful person.

Somerville: Or, if, in fact, he is a simpleton, it argues for simpletons. [*laughter*]

Perry: More simpletons for President, I say!

Somerville: Well, you know, because some things are black and white. And when he called the Soviet Union evil—

Perry: "The evil empire."

Somerville: —it's like, *That's not sophisticated. Oh, my God, you can't say that*. And he's like, They are, and I will. [*laughter*] And he did.

Perry: Well, as I thank all of you—

Chao: Thank you.

Perry: —I'm going to quote my colleague, Russell Riley, who always says, "We never exhaust all the topics, but we sometimes exhaust our interviewees." [*laughter*] But you all seem to have as much energy right now as when we came in, which is—

Chao: Thank you. Thank you so much.

Genero: You're very easy to talk to, and it's been a lot of fun.

Perry: Oh, well thank you. And it was such a surprise. We had talked on the phone—I didn't know that you would be joining us, and this has just made it, as well. But we just can't thank you enough for giving an entire day as a current Cabinet member—

Chao: No, thank you very much. It just reminds me that we had a wonderful team, and it's a lot of joy to be able to be together and revisit some of those issues that we faced.

Perry: Well, I hope that it felt like a reunion for you. And you brought me into it, and I feel like part of the team now, as well. [*laughter*] I just can't tell you how rich this has been. But it's the comprehensive view that you had, of eight years—

Chao: I'm surprised that you didn't ask—I thought this would focus much more on George W. Bush, but actually, it actually focused a lot on me, too.

Perry: Oh, so we do both—because you'll notice that as you would be talking about policy, I'd skirt back to, How did the process work? Or Did you see the President on that? But it's not meant to be just about the President; it's meant to be about the Presidency. And then again, because we're political scientists, we want to know how the whole process works, how the whole system works, how the three branches of government work.

Chao: So what we said here today, was it similar or on parallel tracks with what you are hearing from the others?

Perry: Yes, so many things that you said would be viewed as, I think, parallel—or people will say, "Oh, yes, that's what So-and-So said." And then you get to a point where you say, "Well, so many people said this about X." That's where the point about oral history comes in, when you say, "Well, that must be—That's because X was that way or X happened that way." What I love about having these eight hours was that, again, your background, where you came from, and how you got to these positions is unique. That is virtually unique in the Bush Presidency. That's going to be unique. Your view of public service, your views on leadership—those are going to be unique. Just your analysis of how a Cabinet Department operates. The fact that you were there eight years with a President and had also served in the administration of this President's father—and Ronald's Reagan's Presidency. Now there are going to be some people who will parallel that, but you're going to have always your own unique insights and analysis.

Chao: You're such a good teacher.

Perry: Oh!

Chao: I bet you're so reassuring. [*laughter*]

Genero: She is a teacher.

Perry: Well, I always try to be. Yesterday I was told that I was a good storyteller when I did my presentation on Senator Kennedy's oral history.

Chao: Yes!

Perry: But you are a superb storyteller, you are a superb storyteller as well.

Chao: We've had some wonderful, wonderful stories.

Genero: Yes. Those were some great times.

Perry: This is, again, what people will love about this interview particularly. And—

Chao: The Gaddafi one. [*laughter*]

Perry: Oh, the Gaddafi one! [*laughter*] Oh, yes. Oh, I can't wait for that.

Somerville: It's a pity we don't even have a photo.

Perry: "Through the Glass Darkly" with Muammar Gaddafi.[*laughter*]

Chao: It was like being in the fishbowl. It's exactly what it was.

Perry: And then there are—that's the other thing; there will be anecdotes like that in nearly every oral history, but you just have such a sparkling way of telling the stories—

Chao: You're very nice. Thank you.

Perry: —and making them come alive again—that people will see it. My only complaint that I have about us and how we are doing this—but we are going to try to change this for Obama and [Donald] Trump, I think, going forward—is that we have not done video. We've only audio.

Chao: Oh! Interesting.

Perry: And because you all have been so engaging—and I think we, as a team, were engaged with each other—I think it would have just been even more spectacular on video. But—

Chao: But everybody's—Yes, you're right—

Perry: —we have different views. You know, people have different views.

Chao: —but it's more expensive.

Perry: It is way more expensive, harder to store. And then you do get some people who say, "Oh, well, people—like George Bush—when the camera's there, will they change?"

Genero: Yes, exactly.

Perry: Will the camera change them?

I cannot thank you enough. Please tell the Senator I said hello.

Chao: I sure will.

Perry: The last time I saw him, I was sitting with him and Scott Jennings at the UVA game in Louisville. It was two Christmases ago, I think. And yet another pasting by UVA of Louisville. They just cannot figure out Tony Bennett. But I'm hoping, in the Chris Mack era, we can figure out UVA.

Chao: We're pretty good.

Perry: Because I pull for UVA until they play my [University of Louisville] Cards. [*laughs*]

Chao: Well, Mitch continues to be very steady, and very calm. I'm very proud of him. [*laughter*]

Thank you so much.

Somerville: It was such a pleasure. Thank you.

Perry: Oh, Tam, thank you.