

**Testimony for the
U.S. Senate
Subcommittee on Oversight of Government Management, the Federal Workforce, and
the District of Columbia
Senator Daniel Akaka (D-HI), Chair**

on

**“After the Dust Settles: Examining Challenges and Lessons Learned in Transitioning the
Federal Government”**

by

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Mr. Chairman, members of the committee, thank you for inviting me here today to discuss lessons learned from past presidential transitions. I also want to thank you for making the time for a hearing on this important topic and your interest in improving the transition process going forward. As co-chair of President [Barack] Obama’s transition team, and before that, as outgoing chief of staff during the transition from President [Bill] Clinton to President George W. Bush, as well as the incoming staff secretary during the transition from the President George H. W. Bush to President Clinton, I hope my insights and past experiences prove useful.

The importance of pre-election preparation

I want to begin by emphasizing how seriously President Obama and Vice President [Joe] Biden took the transition process. Despite an impending set of challenges that I believe were unprecedented in modern times, independent observers have noted that the 2008 transition was one of the most successful in history. President Obama and Vice President Biden's leadership, and the hard work done by their team, are key reasons for its success. The professionalism and cooperation of the outgoing administration, along with the dedicated work of the staff at the General Services Administration, also deserve great credit for making the 2008 transition exemplary.

The president understood that the needs of the country demanded that we begin planning in earnest prior to the general election on November 4. National security risks have become heightened during periods of transition – in addition to September 11, both the U.K. and Spain suffered terrorist attacks near recent transfers of power – and this is one critical reason why transitions should proceed with full cooperation from all parties and with adequate institutional support.

In this regard, the Bush administration's national security team deserves to be commended for their extensive assistance in assuring the transition occurred as seamlessly as possible. They worked closely with us throughout the process to ensure that our team was in place, informed, and poised both to prevent potential acts of terrorism and handle an emergency situation if one were to arise. As a result of the Intelligence Reform and Terrorism Prevention Act of 2004, we were also able to accelerate the process of security clearances by submitting names and the requisite background information to the Department of Justice and FBI before the election. This enabled our key staff to receive approximately 150 security clearances and to dispatch 500 people into the agencies within a week of the inauguration.

In addition to the heightened risk of terrorist activity, as 2008 wore on it became increasingly clear that the Obama administration would inherit a host of extremely severe economic challenges. As housing prices plummeted, credit markets froze, and financial markets fell deeper into crisis, avoidance of outright economic collapse hinged on the administration's ability to execute a range of policy initiatives immediately upon taking office. Over 700,000 jobs were lost in President Bush's last month in the White House. Two of the big three auto companies were heading steadily towards bankruptcy. The economy was in the midst of contracting more than 5 percent for two subsequent quarters for the first time since the Great Depression. It was not only responsible, but imperative that the Obama campaign prepare as fully as was feasible for the possibility of governing in a time of crisis.

The ability of the incoming Obama administration to prepare to address these national security, economic, and other critical national issues was greatly assisted by President Bush's executive order facilitating the transition (EO 13476, signed October 9, 2008), signed a month before the November election. President Bush's approach built on the transition executive order issued by President Clinton in 2000, (EO 13176, signed November 30, 2000), widening the Presidential Transition Coordinating Council to include key White House policy advisors and encouraging their active involvement.

The impressive cooperation between the incoming and outgoing administrations and the good work of the GSA is a success story that can hopefully be repeated during future presidential transitions. It was especially crucial in minimizing security vulnerabilities that were of concern due to changes in leadership. And although the country still faces economic challenges, the preparation for managing the many moving pieces of the financial and economic crisis was instrumental in returning to growth, stemming job losses, and improving credit conditions as quickly as possible in 2009.

Depoliticizing the transition process

The only risk to any party in preparing in this fashion was a political risk to Obama's own campaign for president. Despite the complexities of transitioning the federal government, the urgent nature of mounting economic challenges, and the obvious probability that one of two Senators would be taking office, the risk to the Obama campaign of fallout from political attacks were a genuine complication to the transition team's work.

President Obama himself conducted the transition in a way that prioritized process and experience over politics. Perhaps one indication of that was selecting me, a strong supporter of Secretary Clinton during the primaries, to guide the transition team. But the transition itself did not avoid becoming a political football. On the campaign trail and on the airwaves, Republicans accused Obama of measuring the drapes, tempting fate, and disrespecting voters by preparing prudently to govern.

The Bush administration, again very much to its credit, recognized the importance of preparing candidates for the duties of the executive prior to Election Day, a priority evidenced by President Bush's executive order, which was issued nearly a full month before the general election and directed the coordinating council to assist major party candidates, instead of only the president-elect. Far from participating in campaign season rhetoric, Dana Perino, President Bush's press secretary, stated in October 2008 that a seamless transition had never been more critical, and was "especially important as our nation is fighting a war, dealing with a financial crisis and working to protect ourselves from future terrorist attacks." President Bush's Chief of Staff Josh Bolten worked with us diligently to ensure the transition was as seamless as possible. After

taking office, President Obama has rightly and repeatedly praised Bush administration officials, especially those officials at the Treasury Department and the National Security Council, for putting politics aside in the best interest of the country during a time of crisis.

My experience in the prior two presidential transitions confirms that, despite campaign sloganeering, both Democrats and Republicans have taken presidential transitions extremely seriously and kept their work from being overly affected by political influences. For example, in 1992 my predecessors as Staff Secretary in the Bush administration, Jim Cicconi and Phil Brady, were extremely helpful in preparing me for my assumption of responsibilities on January 20, 1993. Again in January 2001, along with my Deputies Maria Echaveste and Steve Ricchetti, I worked closely with incoming Chief of Staff Andy Card and Deputy Chief of Staff Blake Gottesman to ensure the same was true for the administration of President Bush.

The orderly transfer of power since the inception of our democracy is one of the characteristics that we as Americans should be most proud of and should not take for granted. Efforts to politicize the transition process should be strongly discouraged. Planning a presidential transition prior to Election Day, on the other hand, should be encouraged and considered appropriate regardless of poll numbers or political party.

That's why The Pre-Election Presidential Transition Act, sponsored by Sens. Kaufman (D-DE), Voinovich (R-OH), Akaka (D-HI), and Lieberman (I-CT), is such an important step forward towards institutionalizing some of the activities that made the 2008 transition such a success. In addition to providing additional resources for transition activities, it will begin to create a new political climate where presidential candidates are rewarded, rather than punished, for preparing for the challenges that await the nation after Election Day. The new normal should be that we expect candidates to take the steps necessary to be thoroughly prepared for governing, rather than be criticized for it.

Preparing to govern

In total, President Obama's transition team consisted of over 1000 people. It was governed by a transition board, which I co-chaired along with Valerie Jarrett and Pete Rouse, both of whom now serve in senior positions in the White House. There were 517 people working on agency review teams, 134 people in policy working groups, and scores of people working on public outreach, personnel, communications, scheduling, advance, etc.

We endeavored to create a highly disciplined process that I believe contributed greatly to the transition's overall effectiveness. As a result of our extensive planning in the pretransition phase, members of the various subteams were provided with specific guidance on the questions to which we sought answers, how to present information, and the amount of information required. The specificity with which their missions were defined ensured both that time was maximized and the work undertaken was relevant and actionable.

The bulk of the transition staff were on agency review teams. Ten teams of various sizes were organized around issues and agencies to provide the president-elect and his advisors with the information necessary to make policy, budgetary, and personnel decisions in advance of the inauguration. The concise reports they produced guided senior officials through the confirmation process and helped them take over their departments and begin implementing policy decisions in the first weeks of governing.

Seven policy working groups operated alongside the agency review teams to prepare initiatives for the administration to enact once in office. These groups were responsible for a number of early policy achievements, including the Lilly Ledbetter Fair Pay Act (signed January 29, 2009), the Children's Health Insurance Program Reauthorization Act (signed February 4, 2009), and the American Recovery and Reinvestment Act (signed February 17, 2009). Within the administration's first 10 days, the president signed nine executive orders and nine presidential memoranda the policy working groups had helped to prepare.

One lesson learned during President Clinton's incoming transition was the importance of designating not only Cabinet positions, but also key White House staff early in the process. While President Clinton selected his Cabinet staff in a careful and timely manner, many top White House posts were not filled until very late in the transition. The result—in addition to a degree of competition among transition staff for positions close to the president—was a team that did not have much experience working together in similar capacities as they would later in the White House.

During the Obama-Biden transition, on the other hand, there was a conscious effort to clarify White House, National Security Council, and National Economic Council positions early in the process to seamlessly shift between their responsibilities in the transition and their authority once in government. Long before the election, this team worked closely together, almost as a shadow government, to exercise cooperation, work on specific problems, and develop initiatives that would be implemented soon upon President Obama's inauguration. This model was highly successful in ensuring critical members of the president's staff were prepared to work together in the best interest of the country and the president once they began serving in the White House.

One other novel achievement of the Obama-Biden transition was its commitment to public engagement and transparency, a commitment that began on the campaign, continued throughout the transition, and remains a priority in the White House. We made unprecedented use of the Internet to encourage talented people to work for the government, listen to the public's concerns, share information on legislative initiatives, keep records of meetings between transition staff and outside groups, and disclose financial information. In a further effort to increase accountability and practice good government even before we were actually serving in government, the transition implemented the strictest ethics requirements in history, curbing the influence of lobbyists at the outset.

Financing the transition

The Obama-Biden transition received \$5.2 million dollars in federal funding and raised over \$4.4 million in private donations to pay for transition costs through a tax-exempt 501(c)(4) entity, The Obama-Biden Transition Project, Inc. We placed strict limits on individual contributions and did not accept corporate contributions or contributions from lobbyists, in accordance with our internal ethics stipulations.

The fact that federal funds cover only slightly over half of the transition budget is an obstacle to achieving an optimal transition process and should be addressed, as the Pre-Election Presidential Transition Act is designed to do. The act would also release funds prior to Election Day, helping to stand up transition teams long before the 10 short weeks between the general election and the president's inauguration. These changes would bring policy in line with the realities of carrying out a 21st century transition, both in terms of expanded support and facilitating a longer lead time in the run up to both Election and Inauguration Day.

Nomination challenges

At this point, a year and a quarter into office, one of the key challenges the Obama administration faces remains filling important positions. A new report from the Center for American Progress has taken stock of where the administration stands in this regard and why a number of administration positions remain unfilled. Although there are a variety of actions that could improve the appointment process, the Senate plays a critical role in agency appointments and has been responsible for significant delays in personnel confirmations.

Within the first 100 days of the Obama administration, 17 percent of Senate-confirmed executive agency positions were in place, compared to only 9.5 percent for President Bush and 12.6 percent for President Clinton. But after a year, the Obama administration fell behind all four administrations preceding it. The Senate has taken more time to confirm President Obama's nominees to executive agencies than under the previous three administrations, and the gap between the number of nominations and number of confirmations was larger for the Obama administration than any other after one year. Sixty-four nominees were pending in the Senate, compared to 46 for President Bush and 29 for President Clinton after the same length of time.

As someone who served for many years on the Senate staff and has deep respect for Senate rules and traditions, I would urge the Senate to consider ending the use of the filibuster for executive branch appointees. The world is too dangerous and the issues facing the government too complex to deny the president his key appointments where they command majority support in the Senate. At the very least, the Senate should eliminate holds unrelated to the nominee to prevent abuse of the system by individual senators. Although holds involving concerns over an appointee's qualifications or statements to the Senate could be appropriate, holds that are unrelated to particular nominees or placed to express opposition to a policy matter should not be allowed.

Again, I appreciate the opportunity to testify before you today. Thank you to the chairman and members of the subcommittee for your time this morning.