Center for American Progress

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The Power of the President

Recommendations to Advance Progressive Change

By the Center for American Progress Staff and Senior Fellows

Compiled by Sarah Rosen Wartell

Forward by John D. Podesta

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In the aftermath of this month's midterm congressional elections, pundits and politicians across the ideological spectrum are focusing on how difficult it will be for President Barack Obama to advance his policy priorities through Congress. Predictions of stalemate abound. And some debate whether the administration should tack to the left or to the center and compromise with or confront the new House leadership.

As a former White House chief of staff, I believe those to be the wrong preoccupations. President Obama's ability to govern the country as chief executive presents an opportunity to demonstrate strength, resolve, and a capacity to get things done on a host of pressing challenges of importance to the public and our economy. Progress, not positioning, is what the public wants and deserves.

The U.S. Constitution and the laws of our nation grant the president significant authority to make and implement policy. These authorities can be used to ensure positive progress on many of the key issues facing the country through:

- Executive orders
- Rulemaking
- Agency management
- Convening and creating public-private partnerships
- Commanding the armed forces
- Diplomacy

The ability of President Obama to accomplish important change through these powers should not be underestimated. President Bush, for example, faced a divided Congress throughout most of his term in office, yet few can doubt his ability to craft a unique and deeply conservative agenda using every aspect of the policymaking apparatus at his disposal. And, after his party lost control of Congress in 1994, President Clinton used executive authority and convening power to make significant progressive change. For instance, he protected more great spaces in the lower 48 states than any president since Theodore Roosevelt, established for the first time significant protections for Americans' medical privacy, and urged the creation of the Welfare-to-Work Partnership that enlisted the help of 20,000 businesses in moving more than 1 million welfare recipients into the workforce.

The upshot: Congressional gridlock does not mean the federal government stands still. This administration has a similar opportunity to use available executive authorities while also working with Congress where possible. At the Center for American Progress, we look forward to our nation continuing to make progress.

John Podesta
President and CEO

Introduction and summary

The opportunity

Concentrating on executive powers presents a real opportunity for the Obama administration to turn its focus away from a divided Congress and the unappetizing process of making legislative sausage. Instead, the administration can focus on the president's ability to deliver results for the American people on the things that matter most to them:

- Job creation and economic competitiveness
- Educational excellence
- A clean energy future and energy independence
- Quality affordable health care
- Consumer protection
- The home foreclosure crisis
- Accountable government delivering results at lower cost
- Sustainable security for the nation

In addition, the key legislative accomplishments of President Obama's first two years in office, most notably health care and financial reform, now need to be implemented effectively. Both the Affordable Care Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act require hundreds of separate rulemakings and other agency actions to implement the legislative framework.

The public has made clear its disgust with Washington's ways—the same sentiment that helped to bring President Obama to office. It would be a welcome relief from watching legislative maneuvering to see the work of a strong executive who is managing the business of the country through troubled times, doing more with less, each day working to create a stronger economy and a more effective government.

The Obama administration, of course, is already using the capacity of the presidency to drive change in the public and private sector. For example, it promoted the forma-

tion of Skills for America's Future, a new public-private initiative in support of the president's goal of 5 million more community college graduates and certificates by 2020. At the recent White House Community College Summit, convened by Dr. Jill Biden, industry, labor unions, community colleges, and other training providers made commitments to help put this initiative into action.

Similarly, President Obama's recent trip to India provided an opportunity for him to win agreements that will bring significant economic benefits to U.S. firms and American workers. Trade transactions were announced or showcased, exceeding $14.9 billion in total value with $9.5 billion in U.S. export content, supporting an estimated 53,670 U.S. jobs in the production of aircraft, energy generation equipment, advanced machinery, and telecommunications services, among others.

There is much more the president can do. The list below of ideas from the Center for American Progress's policy experts offers just some of the many possible actions the administration can take using existing authority to move the country forward.

Specifically, in the energy and environmental arena, the president can:

- Reduce oil imports and make progress toward energy independence.
- Progress toward reducing greenhouse gas pollution by 17 percent by 2020.
- Conserve federal lands for future generations.
- Manage public lands to support a balanced energy strategy.
- Convene and engage hunters and anglers in the development of a fish and wildlife climate adaptation plan.
- Generate solar energy on U.S. Air Force hangar roofs.

On the domestic economic policy front, President Obama can:

- Direct an assessment, strategy, and new policy development to promote U.S. competitiveness.
- Launch the new consumer financial protection bureau with an aggressive agenda to protect and empower consumers.
- Increase the capacity of small businesses to expand hiring and purchases by accelerating the implementation of the Small Business Jobs Act.
- Promote automatic mediation to avoid foreclosure where possible and speed resolution.
- Create a web portal to empower housing counselors, reduce burdens on lenders, and speed up home mortgage modifications.

- Help stabilize home values and communities by turning "shadow REO" housing inventory into "scattered site" rental housing.
- Promote practices that support working families.

Elsewhere on the domestic policy front, the Obama administration can:

- Partner with the private sector in health care payment reform.
- Focus on health care prevention in implementing the Affordable Care Act.
- Streamline and simplify access to federal antipoverty programs.
- Replace costly, inhumane immigration detention policies with equally effective measures.

In the education policy arena, the president can:

- Launch an "educational productivity" initiative to help school districts spend every dollar wisely to best prepare our children for the 21st century.
- Ensure students can compare financial aid offers from different postsecondary institutions.
- Improve the quality, standards, and productivity of postsecondary education.

In improving the performance of the federal government, the president can:

- Scrutinize federal spending programs and tax expenditures to achieve greater returns on public investment.
- Build the next-generation Recovery.gov web site to track all public expenditures and performance in real time.
- Use new information technology for faster, more transparent freedom of information.
- Create a virtual U.S. statistical agency.
- Collect data on lesbian, gay, bisexual, and transgender Americans in federal data surveys.

And in the foreign policy and national security arena, the president and his administration can:

- Rebalance our Afghanistan strategy with greater emphasis on political and diplomatic progress.
- Promote domestic revenue generation in Afghanistan and Pakistan.
- Appoint a special envoy for the Horn of Africa and the southwest Arabian Peninsula region.

- Appoint a special commission to assess contracting practices in national security and foreign affairs.
- Use executive branch authority to mitigate the impact of the "Don't Ask, Don't Tell" policy if Congress does not repeal it.
- Redouble support for Palestinian state- and institution-building efforts.
- Pursue dual-track policy on Iran while sharpening focus on Iranian human rights issues.
- Reinvigorate the U.S.-Turkey strategic alliance.
- Develop a comprehensive policy on the Russia-Georgia conflict.

This is by no means an exhaustive list of the important policy objectives President Obama can pursue over the next two years, but it illustrates the range of important executive branch work beyond proposing and negotiating legislation.

Energy and environmental actions

Reduce oil imports and make progress toward energy independence

Our nation imports nearly two-thirds of its oil. This reliance poses economic and security threats. Americans spend $1 billion daily on foreign oil. One of every five barrels of oil consumed in the United States comes from "dangerous or unstable" nations, according to the State Department. The president should seek to cut oil imports and increase our energy independence by achieving a 2.5 percent cut in oil imports by 2015, reducing consumption by 460,000 barrels per day.

This is slightly less than 2009 imports from Algeria, and slightly more than imports from Iraq—an achievable goal. To hit this target, the president specifically should:

- Instruct the secretary of commerce and secretary of defense to determine whether continued high rates of oil imports threaten to impair national security. If they make the determination that they do, then the President should invoke the authority granted under the Omnibus Trade and Competitiveness Act of 1988 to levy a fee on imported oil, applied in a manner consistent with United States obligations under international agreements. A temporary $2 per barrel fee on the nearly two-thirds of U.S. oil imported from other nations now would raise up to $9.5 billion annually to help reduce the federal budget deficit or Congress could approve the use of these funds to pay for clean energy investments. This small levy would raise gasoline prices by an estimated 2 cents per gallon, or less than prices increased between November 1 and November 8, 2010.

- Issue an executive order to require the U.S. General Services Administration to double the percentage of the federal transportation fleet that uses non-oil-based fuel by 2015. All other federal vehicles purchased should attain fuel economy standards 15 percent higher than the average vehicle in that class.

- Instruct the Environmental Protection Agency to implement Section 219 of the Clean Air Act, which requires bus fleets in metropolitan areas with

more than 750,000 people (as of 1980) to have buses powered by "low-polluting fuel," defined as "methanol, ethanol, propane, or natural gas, or any comparably low-polluting fuel."

Progress toward reducing greenhouse gas pollution by 17 percent by 2020

To help reduce greenhouse gas pollution by 17 percent by 2020, even without legislation, the Obama administration can take the following regulatory steps at the Environmental Protection Agency, the Department of Agriculture, and the Office of Management and Budget:

- EPA should spur the retirement of coal-fired power plants and their replacement with natural gas by requiring that coal ash is treated as a hazardous waste for disposal and by significantly reducing allowable levels of sulfur dioxide and mercury pollution. EPA's final rule on coal ash is due in 2011.

- EPA should strive to cut toxic mercury emissions in half, reduce harmful sulfur dioxide emissions by 300,000 tons, and particulate matter emissions by 30,000 tons from existing and new boilers at industrial facilities. In compliance with the Clean Air Act, EPA is in the process of establishing emission limits for all existing and new boilers and process heaters at the nation's industrial facilities, hospitals, and universities. The so-called Industrial Boiler Air Toxics Rule requires boiler maximum achievable control technology, which will establish emission limits for mercury, dioxin, particulate matter, and carbon monoxide, and will establish a precedential template for an important power plant air toxics rule. EPA's emission limits must be stringent enough to reduce mercury and other toxic air pollution and achieve the major health benefits for the U.S. public. As the rule pertains to biomass-fired boilers and process heaters, EPA should provide sufficient flexibility to ensure the standards will achieve suitable emission limits at a cost that is not prohibitive for small- and medium-sized biomass boiler operators.

- EPA should complete the Power Plant Air Toxics Rule, in compliance with the Clean Air Act, due no later than November 16, 2011. EPA is now in the process of establishing emission limits on toxics that would require the installation of substantial new pollution controls at coal-fired power plants. Despite the rule being directed at toxics—and not greenhouse gas emissions—the new pollution-control requirements could lead to many old inefficient plants being shut down rather than attempt to achieve compliance.

- EPA should issue final guidance under the National Environmental Policy Act to include an assessment of impacts of federal projects on greenhouse gas emissions and climate change, following the draft included in the February Council on Environmental Quality proposal to modernize and reinvigorate NEPA on its 40th anniversary.

- The Department of Agriculture's Rural Utilities Service now has a freeze on financing new coal-fired power plants, a policy that should be extended to include no longer agreeing to debt restructurings that allow for the construction of new coal-fired generation—even if that generation will be paid for with non-RUS financing.

- Office of Management and Budget should review their implementation of Title XVII of the Energy Policy Act of 2005 to ensure that their regulations accommodate all of the eligible technologies in 1703(b), including "efficient electrical generation, transmission, and distribution technologies."

- For all federal agencies, the president should issue an executive order requiring them to purchase at least a fixed percentage of its energy from renewable sources, to complement and help implement Executive Order 13514 on Federal Sustainability, which is designed to reduce federal government generation of greenhouse gas pollution by 28 percent by 2020.

Conserve federal lands for future generations

The National Landscape Conservation System, established during the Clinton administration, is designed to conserve nationally important Bureau of Land Management landscapes noted for wilderness, recreation, cultural, ecological, and other values. In addition to national monuments, the 27-million-acre system run by this Department of Interior agency includes national conservation areas, wilderness and wilderness study areas, wild and scenic rivers, scenic and historic trails, and areas of special conservation value within the California Desert.

Presidential authority to designate national monuments dates to 1906 and passage of the Antiquities Act, a foresighted statute that allows presidents to serve the national interest in conservation of special places even when local and state commercial interests oppose public land protection. Since its passage by Congress in 1906, 15 presidents from Theodore Roosevelt to George W. Bush

have used the Antiquities Act to preserve our shared natural and cultural history by better protecting land already owned by the American public and managed by the federal government.

The Antiquities Act gives the president the authority "to declare by public proclamation historic landmarks, historic and prehistoric structures and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be National Monuments."

Some of our nation's most treasured parks and landscapes, including the Grand Canyon and Grand Teton national parks and the Grand Staircase-Escalante National Monument in Utah, were first given protection via presidential proclamations under the Antiquities Act. Often controversial at the time they are created, national monuments have usually stood the test of time and proven to be extremely popular and economically beneficial.

In line with a draft "Treasured Landscapes" initiative prepared by the Obama administration's Bureau of Land Management, the president should designate more than a dozen new national monuments and include them in the National Landscape Conservation System, which offers enhanced protection to BLM-managed public lands while also continuing certain specified multiple uses. Among the areas cited by the BLM for possible monument designation are the San Rafael Swell in Utah, 2.5 million acres of northern prairie in Montana, the 1.2-million-acre Otero Mesa in New Mexico, and parts of the Owyhee Desert in Idaho and Nevada.

Manage public lands to support a balanced energy strategy

Current federal policy guiding the management of public lands elevates oil and natural gas development above other objectives. Federal management of public lands should be at the center of a national energy strategy that develops traditional energy in a safe and responsible manner, while at the same time transitioning the nation to clean, renewable energy sources that will increase our security and reduce carbon pollution. The Obama administration has tools to begin this shift to a balanced lands management policy.

President Obama should therefore rescind E.O. 13212 and E.O. 13211, which mandated oil and natural gas development be the overriding consideration in land management and characterized other resources as "impediments." In their place,

the president should direct agencies to prioritize properly sited renewable energy development and ensure that the management of the onshore oil and natural gas program incorporates protections for wildlife, habitat, air, water, and other critical resources in its plans, leasing, and development decisions. The president also should direct agencies to:

- Review and modify current oil and natural gas development policies including the following Bureau of Land Management Instruction Memoranda: IM 2002-053; IM 2004-110; IM 2003-234; and IM 2003-233.

- Resolve competitive interests by competitively offering rights of way, ensure fair return to the public, and ward off speculation by requiring upfront financial investments.

- Give priority to development on already disturbed sites, encourage clustering of projects near existing transmission, and ensure public lands with high conservation value receive additional protections to mitigate impacts.

Convene and engage hunters and anglers in the development of a fish and wildlife climate adaptation plan

America's hunters and anglers are witnessing many of the consequences of climate change firsthand and are greatly concerned about the future of their recreational and cultural heritage. President Obama should engage with this broad, conservation-minded community to craft a national strategy to protect fish, wildlife, plants, and the ecosystems that support them, including the watersheds, migration corridors, and the large landscapes necessary to ensure the long-term survival of North America's fish and wildlife—and our sporting heritage.

In 2007, President Bush issued Executive Order 13443, which directed federal agencies to facilitate the expansion and enhancement of hunting opportunities and the management of game species and their habitat. In 2009, the Conference Report for the FY2010 Interior, Environment and Related Agencies Appropriations Act urged the Council on Environmental Quality and the Department of the Interior (with the U.S. Fish and Wildlife Service as lead agency) to develop a national, governmentwide strategy to address climate impacts on fish, wildlife, plants, and associated ecological processes. The Fish and Wildlife Service is already pursuing this goal, identifying stakeholders and existing efforts such as the Western Governors'

Association's Wildlife Corridors Initiative. An initial draft of the strategy is scheduled to be completed in 2011 and a final plan completed during 2012. In implementing this strategy, President Obama should:

- Convene a National Summit on Preserving North America's Fish and Wildlife, where private and public actors come together to identify their roles in the preservation of fish and wildlife, with participants including private-sector companies, professional and scientific societies, academics, nongovernmental organizations, conservation and outdoor advocacy organizations, state and local natural resource and agricultural agencies, tribes, and various federal agencies.

- Direct agencies to consider the best ways to engage the hunting and fishing community in land management planning processes—including but not limited to the Federal Fish and Wildlife Climate Adaptation Plan—and to ensure that opportunities for hunting and fishing are provided for on our public lands.

- Establish a coordinating body that allows for greater interagency cooperation across administrative boundaries to improve the management of essential watersheds and migration corridors and facilitate broad participation of state and tribal natural resource agencies, conservation NGOs, and other key stakeholders in policymaking.

- Direct these agencies to identify essential fish and wildlife migration corridors and to review current management policies to ensure their consistency with the long-term conservation of these corridors.

Generate solar energy on U.S. Air Force hangar roofs

The Department of Defense is the world's largest single consumer of energy, with enormous demands for electricity to power bases and military facilities and oil-based fuels to power planes, ships, and vehicles. Secretary of the Navy Ray Mabus is leading an aggressive program to "green the Navy" by using efficiency, renewable electricity, and alternative fuels at its bases. The U.S. Air Force, however, is the largest energy user among our armed services, spending more than $1 billion in 2007 alone. It has an enormous opportunity to reduce energy costs and drive demand for renewable technologies.

The Air Force can accelerate its own clean energy transformation. Nellis Air Force Base in Nevada has a vast solar array that generates 14 megawatts of electricity but it is unique among our airbases. The Air Force could save energy and generate its own electricity, particularly at the 11 domestic bases that have high solar energy potential.

Case in point: Hangar 25, the world's first solar-powered airplane hangar, a private commercial-size aviation facility in California. Hangar 25 boasts LEED certification, an acronym that indicates it is recognized internationally as a green-certified building, and is outfitted with solar panels that produce more energy than the hangar consumes. It is a model the Air Force can adopt to capture the untapped energy literally bouncing off the roofs of the Air Force's airplane hangars. We recommend that the secretary of the Air Force:

- Establish a pilot program to retrofit a small number of Air Force hangars at high solar-potential bases, using Hangar 25 as a model and employing the latest efficiency measures.

- Enlist the participation of the Department of Energy in a joint "clean energy task force" with the Department of Defense to build successful models, build internal DoD expertise, and create learning opportunities for all the services.

- Put initial project investments in states whose energy policies reward clean energy installations.

- Implement reforms identified in the Air Force Infrastructure Energy Strategic Plan to the Air Force's planning, programming, and budgeting processes to speed the development of Air Force energy infrastructure projects.

- Take advantage of smart solar financing vehicles that use third-party investments to build or retrofit hangars.

Domestic economic policy actions

Direct an assessment, strategy, and new policy development to promote U.S. competitiveness

Our nation now is going through one of the most significant periods of economic upheaval in our history. We are not alone in facing such significant challenges. Countries around the globe are struggling to find a path forward that will produce sustained growth, restore employment, find markets for their products, and balance government budgets.

Our competitors in the developed and developing world propose, debate, and adopt formal explicit strategies to address these challenges and guide their policy, but in the United States we do not have one place where we lay out a comprehensive strategy for long-term growth and competitiveness. The Obama administration has developed important manufacturing, export, higher education, and other component strategies. We recommend that the president take it to the next level through an unrelenting focus on competitiveness as a necessary underpinning of future prosperity and as a way to bring the public and private sectors together to find common solutions to thorny problems limiting domestic job creation and broad-based economic growth.

Key elements of a competitiveness strategy will require focusing on our nation's infrastructure; educational institutions and jobs skills; science, technology, and innovation; and finance and investment. The objective should be to enable us to do our part to rebalance global trade and investment flows in order to support vibrant global economic growth. To achieve these objectives, President Obama should issue an executive order that directions the creation of:

- A Quadrennial Competitiveness Assessment by an independent panel of the National Academy of Science's National Research Council whose objective is to report on the current state and future challenges and opportunities to U.S. competitiveness.

- A Presidential Competitiveness Advisory Panel to advise the administration in developing policy and ensure consistent public-private dialogue about barriers to investment and job creation.

- A Presidential Competitiveness Strategy to lay out the president's approach to competitiveness and strategic policy priorities and, in its development, ensure the focus and buy-in of members of his cabinet.

- An explicit Spurring Innovation Plan for how the government can support innovation, new entrants and stronger competitive positions for U.S. firms, and job creation in specific areas such as green energy, advance manufacturing, and biomedical technologies, where U.S. competitiveness is crucial to social goals and there are barriers to near-term job creation in those sectors.

- An Assessment of an Economic Development Bank Model, as used by other countries, and a study of the role of well-designed and targeted federal credit enhancement to leverage private investment in crucial sectors to spur job creation, including how existing federal direct loan and guarantee programs can make regulatory changes to enhance their utility in leveraging private investment for job creation without increasing taxpayer exposure.

- An Interagency Competitiveness Task Force led by a new deputy at the National Economic Council that develops the strategy and ensures White House coordination of competitiveness policy, new initiatives, and agency implementation to maintain a consistent focus on U.S. competitiveness and the job and growth benefits it yields.

Launch the new consumer financial protection bureau with an aggressive agenda to protect and empower consumers

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requires that the Obama administration take various organizational steps to stand up the new Consumer Financial Protection Bureau. The Treasury secretary has selected a transfer date of July 21, 2011 to transfer powers to the new agency. The president named Elizabeth Warren to the position of assistant to the president and special advisor to the Treasury secretary. She has the authority to get the consumer agency up and running.

The statute establishes aggressive deadlines for regulatory action in a variety of areas and gives the new bureau extensive authority over a long list of consumer protection laws, such as the Truth-in-Lending Act, the Real Estate Settlement Procedures Act, the Home Mortgage Disclosure Act, and the Home Ownership and Equity Protection Act. The bureau will also have the power to identify services or products that it considers deceptive or abusive.

The Obama administration should use the period during the organization of the institution to lay out a rulemaking agenda that demonstrates to the American people how this new institution will improve their financial security. Specifically, the president should:

- Instruct the Treasury secretary and assistant to the president to lay out a plan of future agency actions to protect consumers that will be the initial focus of the CFPB's Dodd-Frank implementation. Priorities should include: streamlining mortgage disclosures; clarifying appropriate mortgage lending practices; banning abusive lending practices; better aligning incentives between consumers and service providers; promoting consumer financial education; embracing new technologies to reinvent consumer disclosure that provides relevant information at relevant moments; and beginning enforcement of Fair Lending and Equal Opportunity laws.

- Identify and find innovative, talented, and diverse individuals to head the new bureau's Offices of Bank and Non-Bank Supervision, Research, Complaints, Financial Education, Community Affairs, Fair Lending and Equal Opportunity, Service Member Affairs, and Financial Protection for Older Americans, and to the Consumer Advisory Board. Each of these appointments presents the opportunity to demonstrate a blend of real world practicality and clarity of mission and establish what the public can expect from a new watchdog consumer agency.

Increase the capacity of small businesses to expand hiring and purchases by accelerating the implementation of the Small Business Jobs Act

- President Obama in September signed the Small Business Jobs Act, which provides significant opportunities for small businesses to make substantive positive adjustments to their balance sheets and increase their liquidity, spurring new economic activity, orders, and job creation. Since the goal was to affect the economy quickly, many of the bill's provisions are time limited, so rapid imple-

mentation is essential. But take-up of the legislation requires community banks, SBA lenders, state small-business loan funds, small businesses themselves, and their tax and financial professionals to quickly learn the new rules and change how they do business to take advantage of the legislation's benefits.

An aggressive campaign by the administration to drive rapid implementation would ensure that the bill has its intended effect. Among the act's key provisions are:

- Creation of a $30 billion Small Business Lending Fund to provide capital to community banks to increase lending. Treasury must provide guidance and then banks have one year to apply to Treasury for capital investments, so they must become familiar with the program's innovative repayment and incentive structures and make a determination whether they will have loan demand that merits participation.

- $1.5 billion in grants to new small business lending through already successful state programs. Treasury has already allocated the available funding for each state per the act's formula but states must indicate an intention to apply by November 29 and submit an application by June 27, demonstrating a minimum "bang for the buck" of $10 in new private lending for every $1 in federal funding.

- An increase in the loan limits and other terms and conditions applicable to a variety of SBA's loan programs in order to reach larger businesses and help smaller businesses grow. Many businesses who had not participated in SBA lending may now be eligible and must become familiar with the SBA opportunity and requirements.

- Significant tax changes to attract private capital and spur small business investment. Tax professionals and business owners must quickly get up to speed on the tax code changes in order to take advantage of them before they expire.

To optimize the short-term impact of these small business measures, the president should direct the Treasury secretary and SBA administrator to:

- Convene a series of regional Small Business Investment Summits with lenders, small businesses, venture capital leaders, and others to promote a gradually improving business climate, draw attention to the new opportunities, win commitments from national institutions to support the rapid implementation of the statute, and identify other barriers to small business investment and job creation.

- Seek the participation of national business and banking organizations reaching community banks and small- and medium-sized firms, including state and regional chambers of commerce, in a national campaign to promote the new Act's tax and lending provisions, including:
  - Convening organizations that provide legal, financial, investment, and accounting advice to small businesses to devise strategies with them to educate their members of the new tax and lending changes
  - Training and seeking the support of agencies around the federal government who interact with small business, such as the Farm Credit Administration and the Manufacturing Extension Partnership, to promote the new tax and credit opportunities

Promote automatic mediation to avoid foreclosures where possible and speed resolution while enhancing foreclosure avoidance tools

We are three years into a rolling housing crisis that first brought us the Great Recession and now threatens our economy's nascent recovery. In the interim, state and local governments have been experimenting with foreclosure mediation to very good effect and a lot is now known about how to design mediation that works. While not a replacement for other foreclosure prevention strategies, automatic foreclosure mediation is an underutilized tool whose adoption the administration could help to drive.

Done right, automatic foreclosure mediation can be the last line of defense in foreclosure prevention, keeping many more homeowners in their homes with sustainable mortgages while netting lenders and investors greater value, and the first line of defense against recent uncertainty regarding lenders' right to foreclose that will slow the process of getting to a resolution and against possible errors in loss mitigation. At the mediation table, all the parties can determine if it is possible to achieve a loan modification that is both sustainable for the homeowner and nets the mortgage servicing company greater value than it can expect from selling the home in foreclosure. There is nothing in mediation that requires settlement and yet more than 70 percent of mediations reach a settlement.

The benefits of certainty and speed to servicers (and the lenders on whose behalf they act) are readily evident in the wake of the "robo-signers" scandal and renewed claims that lenders' use of the Mortgage Electronic Registration Systems instead of traditional recordation of liens has hurt their ability to prove they own

the loans on which they are foreclosing. Agreements reached in mediation avoid claims that delay foreclosure as these issues are litigated. To encourage greater use of mediation in the foreclosure process, the president should direct:

- Agency heads to require mediation for loans where the government is the insurer or guarantor, such as the Federal Housing Administration, Veterans Administration, and Rural Housing Services loans

- The secretary of housing and urban development to issue interim guidance that clarifies that Community Development Block Grants may be used to fund mandatory mediation programs

- The HUD secretary to create a nationwide working group of homeowner advocates, servicers, investors, and federal, state, and local government officials to raise awareness, disseminate best practices, address barriers, and promote the use of foreclosure mediation

- The attorney general's Access to Justice Initiative to work with HUD to promote foreclosure mediation

- Treasury to require all servicers participating in the Home Affordable Modification Program and the Home Affordable Foreclosure Alternatives Program, which provides incentives for servicers to allow short sales or deeds-in-lieu for eligible homeowners in default who wish to avoid foreclosure, to engage in automatic mediation prior to the ultimate disposition in cases where a modification is not achieved under program rules, creating effectively an appeals process

- Treasury to issue guidance to recipients of Hardest Hit Funds, noting that funds may and should be used to fund automatic mediation programs, including the housing counselors supporting such programs

- Treasury and HUD to work with the Federal Housing Finance Administration, as the conservator of Fannie Mae and Freddie Mac, to determine whether they would increase returns to the taxpayer if they required all servicers acting on behalf of those entities to participate in mediation prior to foreclosure, since mediation resolution is optional and the agents of Fannie and Freddie would never have to offer less than they could get through foreclosure

Create a web portal to empower housing counselors, reduce burdens on lenders, and speed up Home Affordable Modification Program modifications

HAMP modifications have not happened at the pace originally conceived for the program, despite several efforts at streamlining. One bottleneck continues to be a lack of sufficient human resources at lenders and servicers to handle the requests. Housing counselors are already doing tasks that, if empowered, would help speed up the modification process without diminishing lender control.

Housing counselors are often a critical component in the HAMP process, assisting homeowners in understanding the process, gathering paperwork, corresponding with lenders and servicers, and identifying the information those lenders and servicers need to run the "Net Present Value" test that determines whether the borrower is eligible for a modification. Lenders and servicers prefer dealing with housing counselors instead of homeowners because counselors provide a knowledgeable and consistent point of contact for a number of pending cases.

With technology, these counselors can be given a larger role to play in the HAMP process and smooth communications and the flow of documentation back and forth. A less robust portal was developed as a pilot by a collaboration of lenders: the HOPE LoanPort. An official portal could permit housing counselors to input the homeowner's income and similar information, run the Net Present Value calculations, and provide a response either rejecting a modification or providing its terms.

Lenders are already providing this information to the government. If the calculation indicates a modification, the information could be transmitted to the servicing entity for implementation, perhaps within 90 days, during which the lender or servicer could contest the counselor's inputs. If the servicer did not contest the modification, then it could become permanent.

The result would be a significant reduction in effort by lenders' and servicers' loss mitigation staff, who would not have to run the Net Present Value calculations, but could instead review its results for any errors. Currently, servicers receive $1,000 in incentive payments for a modification. Housing counselors, who would be undertaking most of the labor could receive $750, leaving $250 to cover the servicer's overhead.

This is why the Treasury secretary should direct his team to consider the potential of such a portal, including whether any current portals in use can be modified to this purpose, the cost of development, how lenders would transmit and monitor their NPV assumptions in the portal, and how best to allocate the incentives between housing counselors and servicers.

Help stabilize home values and communities by turning "shadow REO" housing inventory into "scattered-site" housing rentals

Clearing foreclosed homes, known as "real estate owned," or REO housing in real estate parlance, from the books of private and public institutions is one key to a long-term housing recovery. Currently, the Federal Housing Administration, Fannie Mae, and Freddie Mac are still taking on record numbers of REO. And estimates of private-lender REO put the so-called "shadow inventory"—vacant housing not currently for sale on the market—at 1.5 years by itself. Even optimistic estimates assuming REO comprise 30 percent of all home sales going forward suggest that clearing the shadow inventory will take more than five years, with sluggish home values and negative community impacts persisting through the period.

The traditional approach to REO is to sell off the houses one at a time in their current condition. But in today's market, there are not enough potential homeowners. When REO properties are auctioned off in bulk, the buyers are nearly always investors with a short investment horizon. To the extent these investors make repairs to the property to improve the chances of sale and increase their returns, the repairs are often largely cosmetic and can saddle unwary buyers with significant maintenance costs. Indeed, these kinds of investors have little regard for the long-term habitability of the homes they bought and sold.

An alternative approach to clearing portions of this inventory is to convert REO housing into a portfolio of tenanted, single-family rental properties for sale to private investor groups. Typically, so-called "scattered-site" rentals are rare because the management and maintenance of these portfolios is inefficient. But with effective government control of such large portfolios of REO housing at one time, we are at a unique moment when larger portfolios of geographically concentrated properties can be assembled creating efficiency and market value.

Many of these properties will require some renovation to make them marketable, creating an important opportunity also to do energy efficiency retrofits, with cost

savings recouped within an estimated three years of operation, making them more attractive to investors. Finally, the properties should be transferred to management entities for rental purposes, with stakes sold to private investors. Properties participating in these programs can be eligible for affordable housing subsidies or other incentive programs as well.

This transformation would create new, high-quality affordable rental housing at a time when more and more people are looking for good rental options. What's more, significant numbers of jobs would be created in the rehabilitation, energy efficient retrofit, and management of these properties.

To launch this new effort, President Obama should:

- Direct the Departments of Housing and Urban Development and Treasury to coordinate a process by which the Federal Housing Administration, Fannie Mae, and Freddie Mac identify suburban areas in which the density of foreclosed properties is sufficient to permit a cluster of homes to be managed efficiently together, selecting the best area or areas for a pilot program.

- Convene a working group of experts in affordable housing, retrofit, rental property management, and real estate investment to determine the best parameters for a pilot program that will reduce long-term taxpayer losses, enhance community stability, and create a new source of affordable rental housing.

- Direct the Department of Energy to examine how existing funds for energy efficient retrofits can be channeled to help upgrade these units in bulk.

- Direct HUD and Treasury to examine the availability of resources at FHA, Fannie Mae, and Freddie Mac and from existing appropriated funds, such as the Neighborhood Stabilization Program, that can be used to finance pilot program implementation and evaluation.

Promote practices that support working families

The fact that women are increasingly breadwinners changes everything. Businesses now think about their employees' hours and place of work, and how families provide care to loved ones. And community organizations, such as faith-based institutions, are reassessing how they sustain themselves on volunteer

labor. What's needed today are government policies that recognize our changing workforce and what this means for working families.

There is a long list of government policies that need to change to encourage a shift in culture and attitudes about workplace flexibility. Since most families no longer have a stay-at-home parent, many workers struggle every day with the mundane challenges of scheduling work and care for an infant, an ailing spouse, or an elderly parent. Government policies need to ensure employers work with employees to find solutions that work for everyone since each situation is a little different. Currently, these struggles conflict with work, employers lose from lower workforce productivity, and workers suffer not only lost incomes and employment instability but also greater stress.

The executive branch can help address this problem for working families, employers, and the economy by incentivizing working family-friendly practices for federal contractors whose policies touch nearly one-quarter of the American workforce and shaping policies for the federal workforce. Specifically, the president should:

- Create a national awareness campaign on workplace flexibility, as suggested by Workplace Flexibility 2010, which could include:
  - Sending workplace flexibility spokespeople on a national listening tour to hear about the challenges that workers and businesses face, and host town hall meetings with experts and community members to talk about how flexible work arrangements might address those challenges
  - Following up this tour with a written report to help draft effective family friendly rules and possible legislation.
  - Encouraging policymakers to speak and write about the utility of flexible work arrangements for families and communities
  - Using advertising in various media outlets to explain how flexible work arrangements can help meet the challenges of the 21st century economy and the changing American workforce
  - Encouraging employer recruiters at local community colleges and universities to advertise, as part of their recruiting efforts, their use of flexible work arrangements

- Direct the secretary of labor to:
  - Include family-friendly benefits in existing prevailing fringe benefits laws, including the Service Contract Act.

- Ensure that the Family and Medical Leave Act is fully enforced in the federal contracting community, particularly with regard to the obligations of successor contractors to abide by promised FMLA leaves.
- Work with the Equal Employment Opportunity Commission to educate the public about pregnancy and caregiving discrimination; and improve enforcement and implementation of Executive Order 11246, which prohibits pregnancy and caregiving discrimination by federal contractors.

- Provide incentives to federal contractors to offer family-friendly benefits, which would reward contractors for reducing turnover resulting from work-family conflict and providing additional points to those contractors that provide paid sick days that can be used by their employees to take time off to recover from their own illness or take care of an ill child or other family member.

- Continue the Results Oriented Work program started within the White House Office of Personnel Management to develop a fair and uniform process in the federal government to allow federal workers the right simply to request flexible work arrangements.

- Conduct analysis of that flexible work process and make a report available so employers nationwide can see the effectiveness of this program.

- Conduct a new comprehensive survey of federal and state Family and Medical Leave Act implementation and make that data available to researchers and policymakers.

- Conduct a review of the data compiled by the Department of Labor, Bureau of Labor Statistics, Bureau of Economic Analysis, and U.S. Census Bureau, among others, to determine what changes should be made to regularly conducted surveys to better reflect and understand the changing workforce.

Other domestic policy actions

Partner with the private sector in health care payment reform

The Affordable Care Act supports a variety of payment reform innovations for the federal government's health care expenditures in the Center for Medicare and Medicaid Services, chiefly through the Innovation Center at CMS, but through other means as well. Health care innovations such as the bundling of services and accountable care organizations are meant to reform the systems of payment for health care to reward integrated, efficient, quality care over volume of services. All of these efforts are within the Affordable Care Act.

But to address national health care expenditures, we need to involve the private health care system as well. The Federal Employees Health Benefits Program works with private insurance companies to offer coverage to 8 million federal employees and their families; all the companies are private insurers and therefore their efforts in the private sector can dovetail, and reinforce, action in the federal public insurance systems like Medicare. The president should:

- Use his executive authority to require the Federal Employees Health Benefits Program to encourage private health insurers to promote payment reforms.

- Convene large employers who share the national interest in lowering health care costs to discuss how they can use their own insurance-purchasing power to drive payment reform as well.

Focus on health care prevention in implementing the Affordable Care Act

The president should focus directly on health care prevention as the new ACA is implemented. Specifically, ACA mandates a media campaign on prevention and promoting good health to encourage greater use of preventive care focused

on nutrition, physical activity, and smoking cessation. But the mandate does not preclude an even broader focus on disease prevention. We recommend that the Department of Health and Human Services should:

- Take advantage of the campaign to publicize the new coverage provided for prevention, educate the public on which preventive services are recommended for children and adults, and inform people on how to access preventive care in their areas.

- Make it a priority to analyze prevention services for comparative effectiveness.

- Focus on obesity-prevention initiatives within various new grant programs created by ACA, such as Community Transformation Grants.

Streamline and simplify access to federal antipoverty programs

There are many federal government programs designed to support the needs of low-income individuals and families and help them return to self-sufficiency. But participation in any one program can be complicated by bureaucratic hurdles designed to ensure income eligibility as well as other factors necessary for participation. Often, document requests and questions are understandable and necessary, but some program information requirements are unnecessarily burdensome, such as frequent reapplication requirements or travel to physical locations that are not easily accessible by public transportation.

Further, complications for families and the size of the bureaucracy multiply when families qualify for more than one government program. Families must juggle the requirements for each program and are often providing duplicative information about income eligibility and other factors to more than one government actor.

In recent years, some programs made great progress in this area by directly certifying families for one program if they qualify for another or allowing for online applications. But there is more work to be done. Large-scale simplification of these processes reduces the amount of time and energy government employees spend on paperwork, allowing for greater focus on actually helping people and fulfilling the needs antipoverty programs were designed to address. It is the most efficient use of government resources. It also helps families gain easier access to services that increase self-sufficiency, minimizing their need for future services and reducing poverty.

There are concerns that simplified access will cost the federal government more money, but the vast majority of antipoverty programs are not entitlements—their budgets will be no more or no less than what Congress allots to them. As with current conditions, when the resources run out, they run out and families are placed on waiting lists for services. Instead, reducing the application burdens and streamlining processes can reduce the cost to taxpayers of administering these programs.

To accomplish this goal, President Obama should direct the Domestic Policy Council and the Office of Faith-Based and Neighborhood Partnerships to convene the Departments of Health and Human Services, Agriculture, Housing and Urban Development, Transportation, Justice, and other relevant federal agencies together with state program implementers and poverty advocates to:

- Undertake a review and make recommendations on regulatory revisions that will enable program eligibility simplification.
- Develop new guidance and models for simplifying and consolidating (within and across agencies) public benefits application and participation requirements.
- Develop new informative materials, trainings, and meetings that help market such guidance and models to states and localities.
- Create lasting federal interagency collaborations focused on making continued improvements towards these aims over a period of years.
- Translate collaborations on the federal level into models for long-lasting state and local collaboration efforts.

Replace costly, inhumane immigration detention policies with equally effective measures

The massive increase in the practice of jailing noncriminal immigrants is costly and unnecessary. The limited purpose of immigration detention is to ensure compliance with the removal process. But there are highly effective, less restrictive, and more economical means of ensuring that individuals appear at their hearings or their removal.

Electronic monitoring via ankle bracelets, for example, is used successfully in a variety of jurisdictions in lieu of jail. Partnerships with community-based orga-

nizations that make them accountable for ensuring that immigrants appear at their hearings are also proving to be successful in some pilot programs. Despite the availability of these cost-effective alternatives, the Department of Homeland Security defaults to the use of detention for individuals placed in detention proceedings. This has led to numerous documented rights violations, scores of deaths, unnecessary family separation, and lost workforce productivity.

President Obama should issue an executive order requiring all civil immigration detentions to be based on an individualized assessment of whether the immigrant is a flight risk or threat to community safety. The order should explicitly clarify that:

- The Department of Homeland Security will continue its policies of aggressively pursuing enforcement that target unauthorized immigrants with criminal records, including detention and eventual removal from the United States.

- In the case of noncriminal unauthorized immigrants in DHS custody, detention should be the practice of last resort. When detention is warranted, the agency will adopt alternatives that are in the least restrictive setting possible based on the risk assessment.

- A presumption of release on recognizance should be enforced for defined vulnerable undocumented immigrants, such as minors, the sick, and the elderly.

- The Legal Orientation Program that provides detained immigrants with information about their rights should be expanded to operate nationwide in all immigration detention facilities.

Education policy actions

Launch an "educational productivity" initiative to help school districts spend every dollar wisely to best prepare our children to compete in the 21st century

To ensure our children will have a better future and can compete in the global economy, we must improve the kind of results we get for all the money we invest in education. The concept of "educational productivity," defined as the achievement from education per dollar of investment, must play a far greater role in the management of educational systems around the country.

Specifically, we must know more about how well school systems are investing federal, state, and local taxpayer resources; identify who is getting the best results and why; and promote the best practices that yield the best outcomes, where appropriate to local circumstances. We cannot accept lesser objectives and outcomes for high-poverty schools but must instead insure that students with greater needs receive proportionately greater investments. To this end, President Obama should direct the secretary of education to:

- Launch a national conversation about school investments and educational efficiency, seeking to develop and improve metrics, increase information sharing, and incentivize use of best practices to better educate our children.

- Require the annual publication by the Department of Education of a database that includes school-level achievement and accountability data, which the department already collects through programs such as Title I.

- Make permanent the required reporting of school-level expenditures, which was mandated as a one-time requirement under the Recovery Act of 2009.

- Direct a series of academic studies of alternative measures of educational productivity and how to improve systems for reporting costs and achievement so that the measures are reliable and promote quality educational outcomes.

- Convene an advisory panel of innovative state and local education officials to make recommendations on how the federal government can better support state and local efforts to become more productive.

Ensure students can compare financial aid offers from different postsecondary institutions

To ensure students make good choices about where to go to college, students and their families need easily understandable information about financial aid packages and prices. They must be able to compare financial aid packages across schools to discern the true net cost. Currently, colleges have broad latitude in how they present financial aid packages to students and families. Some include student loans in their offers and others do not, even though the student loans are available in either case. Some inflate work-study awards by including more hours than a student could reasonably work. Many use acronyms for grant programs and financial aid jargon that families do not understand.

Federal Student Aid, a performance-based organization in the Department of Education, is charged with improving the services of the federal student financial assistance programs and making these programs more understandable to students and parents. In its recently released five-year plan, FSA pledged to provide superior services and information to students and borrowers. To fulfill this goal, FSA should work in conjunction with colleges, student advocates, service member representatives, and Education Department staff to develop policies to ensure that all federal student financial aid packages are presented to students in a uniform, comparable way. Specifically, the secretary of education should direct Federal Student Aid to:

- Convene a series of stakeholder meetings on how best to ensure effective comparison by students.

- Consider emerging research on students' college decision-making.

- Issue regulations directing all colleges that are eligible to receive federal student financial assistance under Title IV of the Higher Education Act to use a standard format for presenting information about financial aid offers that include federal financial aid.

Improve the quality, standards, and productivity of postsecondary education

Today, variations in the quality and performance of U.S. postsecondary institutions present a major challenge to national efforts to graduate a higher proportion of college students, ensure their readiness for work in today's economy, and increase our nation's global competitiveness. Currently, federal law requires colleges and universities to receive institutional accreditation from any accrediting agency that is recognized by the Department of Education. The department maintains a list of requirements for approved accreditors (some mandated by law, others not), and the National Advisory Committee on Institutional Quality and Integrity makes recommendations about accreditors' qualifications. Under this system, approved accreditors are not required to hold institutions to any uniform performance or quality measures.

This accreditation system was meant simply to ensure that only quality postsecondary programs receive federal student financial assistance, yet this system of voluntary accreditation with federal oversight does not deliver meaningful safeguards against institutions with low educational standards.

Meanwhile, accreditation became a signal to students of institutional quality and legitimacy, but the system of accreditation is so complex that it is frequently difficult to distinguish between accredited programs and institutions. Moreover, certain programs within an institution may need to receive an additional program-specific accreditation in order to qualify graduates to take state licensing examinations. Colleges, particularly for-profit ones, hold themselves out as accredited institutions without specifying whether their programs are accredited. Students rely upon these assertions of accreditation and then find upon graduation that their degrees are worthless without the ability to qualify for state certification.

What's more, we know little about the return on investment that is obtained from higher education at different schools and programs because the accreditation process focuses on inputs rather than outputs. In an era of scarce resources, policymakers should be able to measure whether the federal investment in the form of Pell Grants and student loans is going to support participation in effective educational programs. Even more, families who save and sacrifice to support their children's education need to know that the dollars will be well spent.

Yet there are no common metrics, nor even significant data collected and made widely available to students and their families about the completion rates, achievement rates, employment success, and incomes received by graduates of different programs. The time has come to improve standards in higher education, including at for-profit institutions but by no means limited to them. The Obama administration should:

- Convene a major conference on quality, standards, and productivity of postsecondary educational quality.

- Direct the education secretary to propose reforms to the accreditation process to make the system more user-friendly for students.

- Determine the information-collection requirements necessary to allow for better performance measures and information disclosure that can empower meaningful student choice.

- Determine whether the Department of Education can require accreditors to incorporate measures of productivity (including graduation rate, job placement rate, loan default and loan repayment rates, and other increasingly widely accepted yardsticks for institutional performance).

Federal government reform actions

Scrutinize federal spending programs and tax expenditures to achieve greater returns on public investment

At a time of pressing national needs but scarce fiscal resources, it is critical that every taxpayer dollar is well spent. Performance of both spending programs and tax expenditures must be measured. Effective programs on the spending and tax side should be maintained or expanded; ineffective programs should be reformed or eliminated. President Obama can advance results-based budgeting in at least two major ways.

First, he and his administration can incorporate high-priority goals into budget decision-making. The administration recently directed federal agencies to identify three to eight high-priority goals. Policymakers should also know what each agency is doing to advance those priority goals and whether what they are doing is working. To this end, the president should:

- Direct the Office of Management and Budget to revise Circular A-11 to incorporate high-priority goals into budget decision-making. The new circular should specify that:
  - Agencies must develop a list of programs that support the agency's high-priority goals, including those run by other agencies and tax expenditures affecting these high-priority goals.
  - Agencies must describe how the program contributes to the goal, future progress expected, and why it is expected to work.
  - Programs most effectively serving high-priority goals will receive high priority for allocation of resources while those that do not will be vulnerable to cuts.

Second, the administration can order performance reviews for the $1 trillion in tax expenditures. Any effective system for performance-based budgeting must assess not only government spending but also tax expenditures, those many and various special preferences for individuals and businesses that are rampant throughout the

tax code, costing a total of $1 trillion. Circular A-11 requires agencies to be prepared to submit tax expenditure performance data "upon request," but in practice, tax expenditures are rarely reviewed for performance. The president should:

- Direct OMB and Treasury's Office of Tax Analysis to develop a performance-review framework for tax expenditures and ensure that the federal agency or agencies with responsibility for the policy advanced by the tax expenditure collaborate on the assessment. Among other criteria, tax expenditure performance reviews would consider:
  - What policy purpose is served by each tax expenditure, and whether that purpose advances, overlaps with, or contradicts other public policies
  - How the tax expenditure relates to federal direct spending programs
  - Whether the tax expenditure advances its purpose in a targeted and cost-effective manner
  - Whether the program is designed as effectively as it could be, including whether it would be more effective as a spending program administered by an agency other than the Internal Revenue Service

Build the next-generation Recovery.gov web site to track all public expenditures and performance in real time

The American Recovery and Reinvestment Act of 2009 required that a web site be created to "foster greater accountability and transparency in the use of funds made available in this Act." Recovery.gov's primary mandate was to give taxpayers user-friendly tools to track Recovery Act funds—how and where they are spent—in the form of charts, graphs, and maps that provide national overviews down to specific zip codes. In addition, the site offers the public an opportunity to report suspected fraud, waste, or abuse related to Recovery funding.

A unique feature of Recovery.gov was the ability to track Recovery Act spending in real-time. Expanding this and other features of the Recovery.gov model to other aspects of government spending could produce significant savings and improve results. For instance, fraud complaints have been filed on less than 2 percent of Recovery Act contracts and grants. Typically, complaints are filed on 5 percent to 7 percent of projects. Costs have also been lower than expected, allowing the administration to fund an additional 3,000 projects.

Recovery.gov provides additional information on the number of jobs created or saved as a result of recovery funds. Linking information on government perfor-

mance to spending information can help boost taxpayers' confidence that they are getting their money's worth. The federal government, however, generally does not present performance information to the public in ways that are so easy to find and so easy to understand. And such information is typically not tied to spending information to show our return on investment. To make Recovery.gov a signature legacy, the president should direct OMB to:

- Develop a new online "budget dashboard" to track federal expenditures in real-time.

- Work with agencies to create web sites for at least three high-visibility initiatives that link spending information to performance information so taxpayers can see what they are getting for their money.

Use new technologies for faster, more transparent freedom of information

President Obama made transparency a watchword of his administration. Reflecting those values, Attorney General Eric Holder issued a memorandum shortly after President Obama took office that directed federal agencies to err on the side of openness in responding to Freedom of Information Act requests. Nonetheless, in 2009, federal agencies increased their use of legal exemptions in response to Freedom of Information Act requests, according to the Associated Press. Questions persist about whether the changed attitudes at the top have permeated the agencies where FOIA requests are handled.

The problem is implementation. Often it is easier and cheaper for an agency to withhold information than to disclose it. Reducing the time and expense associated with processing FOIA requests could save valuable resources and help overcome agency-cultural barriers to transparency.

New technologies provide the tools that could help automate the FOIA process, cut down on paperwork and administrative overhead, and consolidate redundant or overlapping requests to different agencies. President Obama should issue a new executive order that:

- Directs the Office of Management and Budget and the Department of Justice to develop a interagency tool that automatically tracks the status of all FOIA requests and measures agency performance in responding

- Requires agencies to routinely and automatically dump all new FOIA responses into a centralized, searchable, public database, reducing duplicative FOIA requests

Create a virtual U.S. statistical agency

Today, statistical and data collection functions are scattered throughout approximately 70 different government agencies with subject matter expertise, but varying degrees of expertise in data collection and analysis. The 11 primary statistical agencies are located within nine different cabinet departments: the Bureau of Economic Analysis at the Department of Commerce; the Bureau of Justice Statistics (Justice); the Bureau of Labor Statistics (Labor); the Bureau of Transportation Statistics (Transportation); the Census Bureau (Commerce); the Economic Research Service (Agriculture); the Energy Information Administration (Energy); the National Agricultural Statistics Service (Agriculture); the National Center for Education Statistics (Education); the National Center for Health Statistics (Health and Human Services); and the Statistics of Income (Treasury). While oversight and coordination of the U.S. statistical system is the responsibility of the Office of Management and Budget, each agency in the system has its own separate budget.

The Obama administration deserves credit for creating Data.gov to make government-generated statistical information available to the public in one place. Data.gov provides a foundation on which to build a more integrated statistical system. Nonetheless, federal agencies still use different technologies and systems to gather and manage statistical information. This makes it difficult for agencies to share relevant information with each other and collaborate on related statistical efforts. Agencies also duplicate each other's efforts and miss out on significant savings as a result. Consolidating statistical infrastructure could slash spending on IT resources and support personnel by many billions of dollars.

We also miss opportunities to fuse information across agencies. Imagine an analytical tool that combines economic data, population data, transportation data, environmental data, public health data, and data on government spending, along with other statistical information. A tool like this could be used to generate powerful insights and smarter policymaking. As it stands, the public can only download one dataset at a time through Data.gov.

Doing what works for our country requires more flexible, nimble, and integrated information management and disclosure. But integration does not require a large

and potentially disruptive reorganization of the executive branch. Rather, this can be accomplished (at least initially) by virtually rationalizing and consolidating government data collection across platforms as the administration did with Recovery.gov.

This is why the president should issue an executive order that directs the design and implementation of a virtual American Statistical Agency that:

- Takes ownership of Data.gov.
- Works with federal agencies to consolidate data collection, management, and disclosure where possible and desirable, beginning with the largest statistical bureaus dealing with economic analysis.
- Improves the functionality of Data.gov by integrating statistical information and providing useful analytical tools to the public.

Collect data on lesbian, gay, bisexual, and transgender Americans in federal surveys

Developing high-quality data on lesbian, gay, bisexual, and transgender Americans is essential if federal, state, local, and nonprofit agencies are to adequately serve the LGBT community and individuals. Improved data is also necessary to allow researchers to better understand the health, economic, and demographic characteristics and needs of LGBT individuals and families. In the absence of accurate data, policymakers are often unable to assess the effectiveness of current policies in meeting the needs of lesbian, gay, bisexual, and transgender people. In addition, organizations interested in applying for federal funding to support programs designed to improve the well-being of this group of Americans are at a competitive disadvantage because they lack federal statistics that can help define the size and needs of this community. Finally, the lack of good data in policy debates and decisions increases the likelihood that stereotypes and myths will guide policies that impact LGBT Americans.

Health, economic, and social surveys always adapt to changes in society. Currently, federal statistical agencies are working to improve the accuracy and validity of data collected about same-sex couples in federal surveys. The next step in the full federal administrative recognition of LGBT Americans in our nation should be to include questions that identify any LGBT people, regardless of their partner-

ship status. This recognition requires adding questions on sexual orientation and gender identity to a wide range of surveys.

Nationally funded surveys, state surveys, and other efforts that already collect this information for limited purposes provide substantial evidence that adding questions on sexual orientation and gender identity does not sacrifice data integrity or negatively affect other survey responses. Consequently, the president should direct the Office of Management and Budget to work with key statistical agencies to determine a government approach to adding questions about sexual orientation and gender identity to government surveys. The highest priority should be directed at collecting LGBT demographic data on the:

- National Health Interview Survey
- Behavioral Risk Factor Surveillance System
- American Community Survey
- Current Population Survey
- Survey of Income and Program Participation
- Youth Risk Behavior Surveillance System
- National Crime Victimization Survey

Foreign policy and national security actions

Rebalance our Afghanistan strategy with greater emphasis on political and diplomatic progress

Our nation needs to realign U.S. statecraft in Afghanistan to more effectively advance U.S. national security interests. Building legitimate, responsive, and self-sustaining Afghan government institutions is essential if the United States and its NATO International Security Assistance Force allies are to withdraw their military forces from Afghanistan without the country descending into civil war and regional proxy fighting. The task isn't helped by 30 years of war, eight years of neglect and mismanagement, and an Afghan government plagued by a lack of capacity and political will.

The president can provide greater clarity of purpose in defining the U.S. end-state goal as a legitimate, responsive, and self-sustaining Afghan government and focus greater attention on using the tools that will best help to achieve that objective. President Obama should rebalance his administration's Afghanistan strategy placing greater emphasis on political and diplomatic components. Specifically:

- The United States and its allies should create a clear set of expectations for the Karzai government around political reforms that increases accountability for government actors and strengthens the autonomy of local communities.

- International assistance to the Afghan government should be conditioned on clear benchmarks.

- The administration should push for a genuine and inclusive reconciliation process, lending as much urgency to bringing together the diverse factions within Afghanistan in a political agreement as it does military operations.

- The president and his team should more aggressively seek support from key countries such as Iran, Pakistan, India, China, and Russia on a fully functioning

Afghan government. Any peace settlement in Afghanistan will need to be supported by Afghanistan's neighbors for it to be successful.

- President Obama should urge the international community to appoint a third-party facilitator or mediator to lead regional diplomacy and peace talks in Afghanistan—either a prominent individual or a representative from the United Nations.

Promote domestic revenue generation in Afghanistan and Pakistan

The United States has a security interest in sustainable, legitimate, and effective governance in Afghanistan and Pakistan, but we will not be able to provide enormous financial support to these governments indefinitely on the scale needed to address their own internal challenges. Furthermore, although international donors can help address immediate humanitarian needs and provide military assistance to protect against insurgent takeover, they also allow the governments of these two nations to avoid the hard task of mobilizing domestic support and revenue to sustain themselves over the long term or develop a political consensus within their citizenry on national priorities.

Investments today in helping the domestic economies of these two countries rebuild and generate state revenues will be essential to achieving our national security interests without persistent sizable U.S. financial support. Afghanistan's mineral wealth and potential as a regional transportation hub, and Pakistan's agricultural base and large youth population have the potential to be developed into assets for economic growth.

But doing so will require greater commitment on the part of the Afghan and Pakistani leadership and more deft development statecraft on the part of the United States to work toward these goals. Consequently, the Obama administration should:

- Establish ambitious targets for revenue generation and the expansion of the taxpayer base and condition our assistance to both countries on their ability to meet or exceed those targets. In Pakistan, the Obama administration should hold the government to its commitments to the International Monetary Fund on domestic revenue generation as a condition of continued assistance.

- Match U.S. assistance to the Afghan and Pakistani government treasuries with their collection of domestic revenues to help build capacity, create incentives for reducing dependence on international aid, and regularize their budget planning processes.

- Work with international financial institutions such as the World Bank and the International Monetary Fund to institute financial reforms and improved budgetary planning processes.

- In Afghanistan, push for more provincial- and local-level control over how development projects are identified and financed.

- Support the efforts of the Afghan government and other international public and private actors to create a legal and economic framework that plans for the responsible development of Afghanistan's mineral deposits, infrastructure projects to bring it to market, and a governance framework that represents affected communities and ensures that this wealth benefits the Afghan people.

Appoint a special envoy for the Horn of Africa and the southwest Arabian Peninsula region

The recent attempted bombing in the United States from a site in Yemen makes abundantly clear that Yemen is a source of terror and therefore an area of vital national security. Yemen has become a haven for al-Qaeda and poses a threat to the United States because it has a weak central government that has been unable to exert control since the Republic of Yemen was created 20 years ago.

Yemen's internal challenges include a civil war in the North that is being waged by Shiites known as Houthis, who ruled northern Yemen from the mid-19th century to the mid-20th century; a growing secessionist movement in the South, whose inhabitants feel that the central government has not provided them with their fair share of resources; a rapidly shrinking water supply and the likelihood that Yemen will be the first country to run out of water; and a 50 percent decline in oil revenues over the last five years, threatening the primary source of government revenue.

What's more, Al Qaeda in the Arabian Peninsula has taken advantage of the instability caused by these developments to reconstitute itself and now numbers at

least a couple of hundred people, spurring a number of attempted terrorist attacks on our nation and its allies.

Similarly, Somalia is plagued by lawlessness and chaos. After rival clans overthrew the president in 1991, no central government has been able to impose authority throughout country. The international community recognizes the Transitional Federal Government, but its authority has constantly been challenged by insurgent groups, among them the Islamic Courts Union and now the Al Qaeda-linked al-Shabaab movement.

Al-Shabaab has recently broadened its reach beyond Somalia, claiming responsibility for simultaneous attacks in Uganda that left 74 dead reportedly in retaliation to Ugandan troop contributions to the African Union's stabilization mission in Somalia. Al-Shabaab is implicated in efforts to recruit young Somali Americans to return to their homeland and fight, leading to several convictions in the Minneapolis area. But so far there are no reports of those fighters being trained for attacks on the U.S. homeland. The general lawlessness in Somalia has given rise to the return of sea piracy of its coast, with NATO now assuming responsibility for policing the shipping lanes around the Horn of Africa.

This area requires significant attention from the Obama administration, development of a strategy to aid Yemeni counterterrorism forces with intelligence and logistic support, and a concerted effort to enlist our allies in efforts to help stabilize Somalia and the region. This is why President Obama should appoint a special envoy for Yemen and Somalia to coordinate U.S. policy in the Horn of Africa and the southwest Arabian Peninsula region.

Appoint a special commission to assess contracting practices in national security and foreign affairs

The federal government spends more than $500 billion a year on procurement, buying an ever-expanding array of products from consulting services to ballpoint pens to fighter jets. Procurement outlays rose by $316 billion, or 142 percent, during the Bush administration, and even the oversight of procurement was often conducted by other contractors.

The surge in federal procurement also results in a significant increase in waste, fraud, and abuse, with numerous high-profile scandals in the war zones of

Afghanistan and Iraq as well as domestically during the reconstruction of the Gulf Coast following Hurricane Katrina. Perhaps most significant was the loss of skilled career civilians in the government acquisition workforce to oversee procurement. The Gansler Commission in October 2007 noted that only 53 percent of the civilian officers were certified for their current positions, and that all Army contracting career general officer positions had been eliminated.

In March 2009, the White House directed the Office of Management and Budget to issue guidance on what constitutes "inherently governmental activities," insource contract oversight, and increase competitive contracting. Following this, in April 2009, Secretary of Defense Robert Gates announced an initiative to reduce reliance on contracted services while increasing government performance, oversight, and control of critical functions. In practical terms, Gates proposed to cut contractors from 39 percent of the workforce to their pre-2001 level of 26 percent by hiring some 39,000 new full-time civilians into the acquisition workforce.

At the same time, the National Defense Authorization Act signed into law on January 28, 2008, mandated the Commission on Wartime Contracting to study federal agency contracting in Iraq and Afghanistan. The hearings of the commission have already yielded significant guidance for the Departments of Defense and State, instructing them to better manage subcontractors and improve the relationship between contract managers and contract auditors.

Yet the work of the Commission on Wartime Contracting is limited in scope to wartime contracting and is destined to sunset in summer 2011 when it provides its final report to Congress. To expand and elevate this effort to cover all government contracting, President Obama should:

- Appoint a Special Commission to Assess Contracting Practices in Federal Spending. This commission should be empowered to secure from any agency of the federal government any information or assistance that it considers necessary to enable it to carry out its mandate of ensuring that the taxpayer gets best value from contractors while ensuring that the government has the ability to do inherently governmental functions.

- Direct the this new commission to support the Office of Management and Budget mandate to "insource" essential public functions back to the federal government, such as agency "core competencies," mission-critical tasks that can be leveraged across multiple agencies, and any tasks that result in a conflict of

interest if done by the private sector. This should include the hiring of appropriately compensated skilled program managers and contracting officers to handle complex multibillion-dollar agreements.

- Direct the new commission to consider the possibilities of reforming federal acquisition regulations to simplify them and increase transparency by taking advantage of new technologies, such as cloud-based computing to increase competition, reduce waste, and improve performance while ensuring oversight and control of government procurement.

- Direct this commission to assess how government agencies conduct oversight functions such as auditing with a view to implementing best practices across the federal government.

Use executive branch authority to mitigate the impact of the "Don't Ask, Don't Tell" policy if Congress does not repeal it

Since 1993 the United States has prohibited gays and lesbians from serving openly in the U.S. military. Not only does this policy, known as "Don't Ask, Don't Tell," undermine our moral authority by forcing our service members to live a lie in order to serve their country, it is detrimental to U.S. national security as well. As Judge Virginia Phillips points out in her recent decision in *Log Cabin Republicans v. the United States of America and Robert M. Gates*, many of the troops discharged under this flawed policy had specialized skills, such as Arabic fluency, or training in counterterrorism and weapons development. Judge Phillips found that the discharge of these service members had "a direct and deleterious effect" on military readiness.

"Don't Ask, Don't Tell" repeal passed the House of Representatives and is currently awaiting consideration by the Senate as part of the Fiscal Year 2011 National Defense Authorization Act. As Congress drags its feet on repealing this discriminatory policy, the U.S. judicial system is moving forward with a number of notable cases related to the law, most recently the *Log Cabin Republicans* case. Judge Phillips imposed a temporary injunction against the enforcement of DADT, which was later put on hold by the Ninth Circuit Court. The uncertainty created by these opposing judicial actions underscores the importance of decisive action from the president.

The president and the secretary of defense have discretionary authority to interpret in ways that would mitigate the policy's impact. In fact, the Pentagon has a history of delaying the discharges of gays and lesbians during past conflicts, including the Korean, Vietnam, and Persian Gulf wars. They should act now, too. Specifically:

- Current regulations implementing DADT state that, "[n]othing in these procedures [p]recludes retention of a Service member for a limited period of time in the interests of national security as authorized by the Secretary concerned." The secretary of the Air Force, for example, might authorize Air Force commanders to retain gay service members for some fixed period of time, perhaps even as long the duration of current hostilities pursuant to this regulation. The condition on this provision, "in the interests of national security," is less stringent than the language in the stop-loss statute, "essential to the national security of the United States." While retention of every gay airman might not be essential to national security, it would be difficult to contest the secretary's determination that the Air Force would be better off with these airmen than without them, and therefore that retention would be in the interest of national security. If Congress does not repeal DADT in 2010, the president and secretary of defense should work with the service secretaries to issue regulations that explicitly retain gay and lesbian servicemembers.

Redouble support for Palestinian state- and institution-building efforts

The Israeli and Palestinian leaderships are demonstrating reluctance to take the necessary political steps to reach an endgame to the conflict. As a result, the prospects for peace are diminishing and the potential for violence is growing as the voices of extremist groups grow louder. These voices threaten to unravel the Palestinian Authority's significant improvements and reforms in the economic, security, and governance sectors during the past two years.

Even though these reforms currently enjoy broad popular support, the general public may grow weary of reform without a political endgame on the horizon. As a result, the benefits of the current efforts need to be highlighted and new programs should be introduced that produce tangible benefits for the Palestinian population. Accordingly:

- The United States, the European Union, and regional actors should increase financial, technical, and training assistance to the Palestinian Authority to expand governance programs, boost security sector training, and maintain strong economic growth.

- The United States should launch a political risk insurance program that spreads risk among multiple parties for problems resulting from border and checkpoint closures and delays and banned dual-use items. The risk insurance program would help protect businesses against these ever-changing obstacles to trade in the Palestinian territories, thereby facilitating business growth, encouraging investment, and creating new jobs and opportunities.

- The United States should build on its coordination with Israelis and Palestinians to create an official protocol for Palestinian traders' supply-chain management systems, similar to the U.S. C-TPAT program, which would improve security and economies for both Israelis and Palestinians.

Pursue dual-track policy on Iran while sharpening focus on Iranian human rights issues

The Obama administration should continue its efforts to engage diplomatically with the Islamic Republic while also strengthening international consensus around efforts to pressure Iran over failure to comply with obligations on its nuclear program. There is broad recognition that the administration's outreach efforts and dialing-down of rhetoric toward Iran, and Iran's refusal or inability to respond to the administration's overtures, have strengthened international consensus around the problem of Iran's nuclear program, resulting in a new round of U.N. Security Council sanctions. According to Iranian human rights activists such as Akbar Ganji and Shirin Ebadi, the administration's efforts have also helped create a serious domestic crisis of legitimacy for the Iranian regime. Consequently, the administration now should:

- Remain committed to diplomacy with Iran, understanding that 30 years of distrust and enmity will not be overcome in a short time. The administration should show patience and allow the current sanctions to work, while continually making clear to Iran that there is an off-ramp.

- Move more quickly to make new media technology and anticensorship tools available to Iranian democracy activists, making sanctions exceptions where necessary.

- Be careful about intervening in Iran's continuing political disputes yet nonetheless sharpen its criticism of Iranian human rights abuses, specifically regarding repression of Iran's pro-democracy Green movement. Unlike the nuclear program, which enjoys widespread support within Iran, human rights are a potential wedge issue and the Iranian regime has demonstrated significant sensitivity toward this sort of criticism from international bodies.

- Resist domestic calls to more explicitly threaten the "military option." Recent history shows that rather than demonstrating "seriousness," such threats strengthen the most hard-line, militaristic elements in Iran, and could scuttle any hope of a diplomatic resolution.

Reinvigorate the U.S.-Turkey strategic alliance

Long an important U.S. ally and located at a key geographic and economic juncture between Europe and the Middle East, Turkey is establishing a more independent and self-confident projection of its power in the Eastern Mediterranean and beyond. While supportive and constructive in Pakistan, Afghanistan, and especially Iraq, the recent attempts to independently negotiate a nuclear deal with Iran and the deterioration of Turkish-Israeli relations after the Flotilla incident in May 2010 raise questions about Turkey's reliability as a steadfast U.S. ally.

Turkey is a rapidly transforming society at a geopolitical crossroads. The United States must continue to make strategic investments in its ties to Turkey as the president has done with his attempts to establish a model partnership. Specifically, he and his administration should:

- Establish a working group with European allies to put the Israeli-Turkish relationship back on track.

- Double U.S.-Turkish trade and investment ties within five years through the cabinet-level Turkey-U.S. Business Council.

- Expand planned cooperation on energy efficiency projects, including the joint effort to develop a "Near Zero Energy Zone" in Turkey, bringing together Turkish and U.S. companies and experts to create an industrial zone where businesses will implement the latest clean energy and energy efficient technologies.

Develop a comprehensive policy on the Russia-Georgia conflict

More than two years have passed since the war between Russia and Georgia. The casual observer might be deluded into thinking that the situation in the South Caucasus has reached a new, stable equilibrium. This status quo in the South Caucasus, however, is not sustainable. The reason: It satisfies none of the parties to the conflict, including Russia. And it is a situation that could easily and rapidly degenerate given the lack of effective tools for preventing renewed conflict.

But the situation presents the Obama administration with an opportunity given that no party to the conflict—not Abkhazia, South Ossetia, Russia, nor Georgia—is reconciled to today's reality. The United States currently lacks a comprehensive policy on the conflict. The Obama administration needs to accomplish four key objectives: prevent a future outbreak of violence; manage the humanitarian situation on the ground; reduce the conflict's role as a roadblock to cooperating with Russia on other critical security issues; and facilitate the reunification of Abkhazia and South Ossetia to Georgia in the long term. To do this, the administration should:

- Reframe its discussion with its Russian interlocutors while maintaining full Russian compliance with the current ceasefire. The United States should make clear that it does not share Russia's view of the legality of its military presence in Abkhazia and South Ossetia, but that the two do share an interest in avoiding a second conflict and managing the humanitarian fallout of the first.

- Develop an incremental action plan that includes steps that all sides can take. These steps should not be explicitly tied directly to a desired end state. Conflict resolution remains the ultimate goal but what is most important now is preventing renewed violence, managing the impact of the conflict on people's lives, and achieving some tangible progress.

- Reject calls for arms sales to Georgia. The administration's continuation of an (unspoken) policy dating from the Bush era of not authorizing the sale of serious military hardware to Georgia rests on a conclusion that the Georgian armed forces lack the capabilities to be able to use the weapons safely and responsibly. Questions also linger about the judgment of the Georgian government when it comes to the use of force, especially after the EU-commissioned report on the August 2008 war suggested that the country's highly centralized decision-making processes were a major factor leading to the rapid escalation of violence. In short, there are good reasons to conclude that arms sales would actually further destabilize the situation, not improve it.

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