

FINAL

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Senate Homeland Security & Governmental Affairs Committee
“Governing Through Goal Setting: Enhancing the Economic and National Security of America”
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Thank you Senator Lieberman and thank you to the committee for inviting me here today as well.

Almost five years ago, I helped found No Labels because I believed there had to be an alternative to the relentless partisanship that made it virtually impossible for our nation to solve big problems. There had to be a way to bring our parties together around a common vision and common goals. Many members of this committee have been working tirelessly to find that common vision.

With No Labels’ *National Strategic Agenda*, I believe we have found a way, by setting ambitious goals in four areas that are most important to the American people: jobs, the budget, Social Security and Medicare, and energy.

A *National Strategic Agenda* can bring the focus, the discipline and the accountability that is necessary to solve the problems that Sen. Lieberman and many on this committee have so aptly described.

(pause)

Sen. Lieberman just said something that bears repeating:

To solve a problem – any problem – we must set goals, get people to buy into those goals and put a process or plan in place to achieve them.

That’s what the *National Strategic Agenda* does. That’s what we have to do every day at Loews Corporation.

Although running a business is somewhat different than running a government, it requires a similar outlook.

At Loews, our businesses are constantly changing. What began some seventy years ago as a family business with a single hotel, is today a multi-national corporation spanning hotels, finance, energy, pipelines and insurance. In a dynamic market, it is easy to get distracted, sidetracked or to let short-term tactics divert you from long-term goals.

But that road inevitably leads to disappointment or failure. And that is too often the road chosen in Washington. In business we tend to work in longer cycles, such as five-year projections. But in public companies, we report results quarterly and report to Boards of Directors monthly, and shareholders

annually. We deal with distractions but we try to get back to our long-range plans as quickly as feasible.

(pause)

In business, as in government, the road to success is not so different.

The first step is to identify a problem or an opportunity. The second step is to figure out how to solve that problem or seize that opportunity.

Then, a goal is set that identifies the metrics and the timeline for success. And you hold your team accountable for meeting that goal. That's how we succeed in our business. That's how our government has succeeded in the past, whether it was winning a World War or sending a man to the moon.

So let's start with a few facts that illustrate the problems facing America.

It begins with our economy, which despite recent improvements, still isn't creating enough good jobs that can sustain a middle class living for enough people.

When you account for new people entering our labor force, the U.S. is still 3.6 million jobs below where we need to be just to reach pre-2007 employment levels. Household income is about where it was at the turn of the century, meaning many Americans haven't gotten a raise in 15 years.

Meanwhile, small business, which is America's best job creation engine, is sputtering. In the last few years, more new businesses have been dying off than are being born. That's the first time that's happened since record keeping began in the 1970s.

Then of course, there are America's budget and entitlement challenges.

The CBO projects that the federal government will be paying almost \$800 billion in annual interest by 2024, and that number can only grow if interest rates rise. Instead of investing in the future – in infrastructure, in education, in research – more of our resources are going to pay for profligate spending from the past.

Of course, two key drivers of our long-term debt are Social Security and Medicare. These are programs that are critical to the security of so many families; that must be preserved and protected. But those programs must be updated to adjust to the new realities of the 21st century.

Whereas there were once 16 workers paying into Social Security for every beneficiary, today there are only three. Whereas once, retiree benefits could be expected to be paid for a few years, today they are often paid for decades. People are living longer and in most cases healthier lives, which is one of the most exciting developments of our time. But our safety net programs simply weren't built to accommodate this new reality, or some of the end-of-life costs.

Finally, there is energy, where our nation is still much too vulnerable, with an electric grid that is unreliable, with an economy that is still too exposed to volatility in global energy markets and with a greater need for cleaner and more efficient use of energy.

(pause)

These are different challenges, but they all have something in common. Each gets harder to solve the longer we wait.

I liken America's situation to an airplane heading into a big storm system. At several hundred miles out, the pilot is able to make gradual adjustments to avoid the thunder clouds. You shift a degree here and a degree there, and you can get to safety without too much turbulence. But wait too long, and you need to take sudden, evasive maneuvers. It is a bumpy and dangerous ride.

Well, America is headed for a bumpy and dangerous ride if we do not rise to meet these problems soon. That is why the *National Strategic Agenda* is such an essential idea. It identifies our most pressing problems. It sets realistic goals and timelines to solve them. And as Governor Huntsman will explain shortly, it provides a rigorous process and a decision-making framework that could help Congress do the work of and for the people.

Thank you.