

**NATIONAL GOVERNORS
ASSOCIATION**

95th ANNUAL MEETING

PLENARY SESSION

**Sunday, August 17, 2003
11:00 a.m.**

**Indianapolis Marriott Downtown Hotel
Ballrooms 5 & 6
Indianapolis, Indiana**

John E. Connor & Associates, Inc.
Registered Professional Reporters
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Indianapolis, IN 46282
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PLENARY SESSION

The Plenary Session of the National Governors Association met on Sunday, August 17, 2003, in Ballrooms 5 & 6 of the Indianapolis Marriott Downtown Hotel, Indianapolis, Indiana, commencing at 11:00 a.m., Governor Paul Patton of Kentucky presiding.

GOVERNOR PATTON: Good morning. Good morning. I'm Paul Patton, chairman of the National Governors Association, and I welcome you here this morning. Again, let me thank Governor O'Bannon, his staff and the people of Indianapolis and Indiana for their outstanding hospitality.

Governor O'Bannon, thank you.

(Applause)

It's been a very enjoyable year for me as the chair of the National Governors Association to work with you and your staffs to move the cause of state government forward in our nation.

Before I start with the program, you'll notice in front of you a package which is wrapped in Kentucky blue. It's our gift to you to commemorate this year. This is, in fact, Stephen Ambrose's "Undaunted Courage," the story of the Americans who explored the Northwest Territory. It encompasses an awful lot of the history of our country. Its origins are many.

The people from Pennsylvania proclaim that the Lewis and Clark expedition started in Pennsylvania. The people of Indiana claim that the Lewis and Clark expedition started in Indiana. The people of Missouri claim that Lewis and Clark started in St. Louis. It ended somewhere up in Oregon somewhere.

And, of course, the truth of the matter is it started in Kentucky.

(Laughter)

And there were many Kentuckians on that journey. This is a book, I've read it myself. I find it to be extremely readable and enjoyable and enlightens us on an extremely important part of our American heritage. So I hope that you enjoy it.

In this session we'll hold a discussion on turning around low-performing schools. And we're going to hear from a teacher and several students from a local school which is here in Indianapolis. Then Professor Richard Elmore of the Harvard University Graduate School of Education will provide us with his insight on the topic.

We'll also recognize some of the distinguished service award winners.

And finally, we'll convene a meeting of the NGA Executive Committee.

So I now call the 2003 Annual Meeting of the National Governors Association to order.

May I have a motion for the adoption of the Rules of Procedure for the meeting.

GOVERNOR KEMPTHORNE: Mr. Chairman, I so move.

...The motion was seconded by an unidentified governor.

GOVERNOR PATTON: Is there any discussion? Hearing none, all in favor say aye.

Opposed, no.

Now the rules have been adopted.

Part of the rules require that any governor who wants to submit a new policy or resolution for adoption at the meeting will need a three-fourths vote to suspend the rules. So please submit any new proposals to David Quam, Director of State/Federal Relations for NGA by 5:00 tomorrow, 5:00 Monday.

I'd like to announce the appointment of the following governors to the Nominating Committee for the 2003-2004 NGA Executive Committee: Governors Romney, Perdue, O'Bannon, and Baldacci, and Governor Douglas serving as chair.

INTRODUCTION OF GUESTS

GOVERNOR PATTON: Now I'd like to recognize some special guests who are joining us at this meeting. We have Mr. Michelle Robitaille, who is the Delegate General for Quebec in New York. Mr. Robitaille, there we are. Thank you, sir, for being here. We're honored.

(Applause)

Mr. Andrew Seaton, British Consul General from Chicago that covers several of our Midwestern states. Andrew? Andrew.

(Applause)

And I believe your Deputy Consul, Caroline, is here also. Caroline?

(Applause)

Andrew has been on station one week. Caroline's been around a little longer than that, so stay in touch with her. She'll provide you with any kind of advice that you need about the United Kingdom.

We have Mr. Sergio Aguilera Beteta, Mexican Consul General. Are you here? I'm sorry, my Spanish is not very good. Appreciate you being here, sir.

(Applause)

And the Honorable Kimitake Kuze Councillor of the Japanese House of Councillors. That's not right, but Mr. Kuze.

(Applause)

Welcome. And welcome to Mrs. Kuze.

And we have a new member. I'd like to welcome our newest colleague, Governor Togiola Tulafono of American Samoa. He was sworn in on April 7th.

(Applause)

Welcome to the National Governors Association.

And, of course, on a sadder note, Governor Tulafono's predecessor, and a good friend of all of ours, was Tauese Fiti Sunia who passed away suddenly this spring at the age of 61. Governor Sunia served as lieutenant governor from 1993-1996, at which time he was elected governor of American Samoa.

As governor, two of his highest priorities were healthcare and education, including ensuring computer access in schools. He also doubled funds for road programs and secured funding for village roads. Governor Sunia spent many years as a teacher, educational television instructor and administrator. He also served a single term in the American Samoa House of Representatives and operated a law practice specializing in land and title legal affairs.

So let's have a moment of silence in honor of our colleague and as a sign of respect for Mrs. Sunia and the Sunia family.

(A moment of silence was observed.)

Also, I'd like to take a minute to recognize a longtime member of the NGA staff who is not able to be with us at this meeting in Indianapolis. Nolan Jones has been with the NGA for 25 years and currently serves as the director of the Human Resources Committee. Some of you may know Nolan is at home recovering from a heart attack that he suffered on the 4th of July.

Nolan has dedicated much of his career to this organization and is loyal to all of us and as an employee and as a friend, I hope you'll all join with me in wishing Nolan a healthy and quick recovery.

Nolan, if you're watching out there on C-SPAN, we look forward to seeing you again at the next NGA meeting.

Next I'd like to again recognize and thank our host for this year's annual meeting, Governor Frank O'Bannon and Judy O'Bannon. Before Governor O'Bannon makes his welcoming remarks, let's show our thanks to the O'Bannons for their hospitality and for their service to Indiana and to the nation.

Governor O'Bannon.

(Applause)

**WELCOMING REMARKS
HONORABLE FRANK O'BANNON
Governor of Indiana**

GOVERNOR O'BANNON: Thank you, Paul. And thank all of you for being here in Indianapolis and the state of Indiana. Judy and I are very excited at your being here, but there's also about 250 other people that are very excited that are volunteers and are contributors and the people that make it possible for us to present a program to you here as we have our summer meeting here in Indianapolis. We were honored when we were picked. We've worked on it very hard for two years, and we look for continuing exciting times.

We know that the substance of this meeting will be serious because we all have certain difficulties with the national recession that's caused us to really make some very, very tough choices. I couldn't be more prouder of the leadership of the people around this table that stepped up and made those hard choices for the benefit of the people in each one of their states.

I'll be talking to you some more. We have some social events that we'll be looking forward to the next two nights. Being at the Indiana State Museum last night was very special for the governors and, of course, the Eiteljorg Museum for the media and the NCAA Champions Hall of Fame for the staff people, as we all came together on the lawn for a concert after that on a beautiful night.

I know some even enjoyed the baseball game over in Victory Field, which is also a part of White River State Park. So many of you have commented on how beautiful downtown Indianapolis is, and that's taken a lot of work by a lot of leaders over the years. Part of it's a state/city government collaboration on what we've done in the park. The mayors that have been a part of this in the time of my time coming to Indianapolis in state government has provided leadership to get us where we are.

Certainly I have the honor right now to introduce the mayor of the city of Indianapolis who's been a part of it for four years, but before that was a part of it in state government. He was chief of staff of Governor Evan Bayh in the '90s, and who has certainly added to his leadership by the great things that are happening in Indianapolis which has been a continuation of Republican Mayors Hudnut and Goldsmith; and we're proud that he now joins us as the mayor of the city of Indianapolis and his great dedication and great leadership here in Indianapolis to provide us this forum to move forward.

Mayor Bart Peterson.

(Applause)

**WELCOMING REMARKS
HONORABLE BART PETERSON
Mayor of Indianapolis**

MAYOR PETERSON: Well, good morning, everyone. Thank you very much, Governor O'Bannon. Thank you for your great leadership in our state.

I have often had the occasion to say that I am very proud to serve in and to live in a state that is governed by Frank O'Bannon; and it makes me especially proud to be able to say that to his peers today.

I want to thank you, Governor Patton -- where did you go, Governor? There you are. I want to thank Governor Patton, also, for bringing the NGA annual conference here to our city.

And I want to welcome you all to Indianapolis. It is, I know, a welcome -- even though you're working over the next few days -- I know it's a welcome respite from the day-to-day responsibilities of your jobs back home. And I think it would be good of you to celebrate that welcome respite by spending every dollar that's in your pocket while you're here.

(Laughter)

And when you run out, we do have ATM machines here in Indianapolis as well.

So we are grateful, privileged and honored to have all of you in our city to talk about the important subjects that you're going to be discussing over the next few days.

I attended my first National Governors Association meeting, a winter meeting, in Washington, D.C. a little over 14 years ago when I was a relatively young staff person for Governor Evan Bayh. I later became his chief of staff, as Governor O'Bannon mentioned, and in that position learned just a little bit about what the day-to-day life and responsibilities of a governor are.

I want to tell you that governors really are heroes to me. I can say that with honesty and with a great deal of experience. You are in the midst of very tough times in all of your states. But you're focused on not just dealing with those tough times but in moving your states forward.

When I put forward my budget proposal before our City-County Council two weeks ago, I said, You know, we didn't get elected to these jobs just to deal with budget crises. But deal with them we will. And in the midst of it we'll try to move our city forward. I know that that is what each of you are doing in your respective states, dealing with budget crises but also working diligently to move your states forward at the same time.

You know, I opened up the Indianapolis Star today and there was an article about governors. When they get outside of their home states, they often have a little bit of blessed anonymity. And I want to tell you that the same thing is true for mayors as well. When we get out of our cities, we enjoy a little bit of anonymity.

I'm in the middle of a contentious budget season myself. So I just want to close by asking would any of you be willing to take me home with you for just a few days? Just a few days.

(Laughter)

Welcome. Thank you all very, very much for coming to Indianapolis. Have a great time while you're here.

(Applause)

“REACHING NEW HEIGHTS”

GOVERNOR PATTON: Thank you, Mayor. Thank you, Frank.

Now I'd like to move the discussion to one of the most important challenges that faces us as a state and as a nation, ensuring the academic achievement of all of our children and improving our low-performing schools.

Our world has changed. There was a time when I was in school that our country and our economy could accommodate people that didn't have a sophisticated education. That time has gone. We must do the intellectual work of the world. And we must empower all of our people to participate in that work. That's different than it was years ago.

I applaud President Bush for focusing our nation on the fact that we cannot leave any child behind. It is our responsibility as governors to make sure that that national commitment is realized. So we must make sure that every school and that every classroom and that every student achieves.

Helping all children to succeed in school is an issue that's very important to me. So it's been my focus as the chairman's initiative, "Reaching New Heights," turning around low-performing schools.

Governors have been leading the way on education reform since the mid-1980s. I'm proud to say that Kentucky was an early leader in state education reform. Kentucky has posted remarkable success in identifying and assisting the state's lowest performing schools. But in Kentucky and across the country our work continues and challenges remain. The president has challenged each of us to make sure that no child is left behind; and we all now have state accountability plans that meets the requirements of NCLB.

I want to take this opportunity to thank Secretary Paige and his staff at the U.S. Department of Education for working with the states to develop our plans and for recognizing the unique needs of each of our states.

NCLB challenges states to bring all students to proficiency by 2014. To meet this challenge, we'll need to identify all of our schools in need of improvement and provide assistance to more low-performing schools than ever before.

As part of my chairman's initiative, I've asked the NGA Center for Best Practices to develop a guide for governors. This guide, which you have in front of you, offers a set of guiding principles for governors on turning around these schools and highlights best practices from states, districts, and schools around the country.

Today's speakers will be addressing what these principles mean for governors and schools in their states. To get to the heart of the issue of school improvement, we will first hear from a teacher and students from the Francis Scott Key Public School 103 located right here in

Indianapolis. This school has significantly improved student achievement but I'll let my friend, Frank O'Bannon, tell you more about this Hoosier success story.

Frank?

GOVERNOR O'BANNON: Thank you. As Governor Patton just described, we have certainly many challenges and opportunities before us. In Indiana we have established tough academic standards, some of the highest in the country, and an accountability system that ensures our children are making continuous improvement.

We're into our fourth year in this program. But we do not dictate exactly what an individual school must do to meet the standards. We think the people at the local level know best what is needed at the local level. So we asked the schools to develop their own individualized improvement plans in line with the high standards and the accountability system for continuous improvement.

That's what Indianapolis Public Schools' Francis Scott Key 103 has done. Teachers, administrators, parents, community leaders, and students all committed to making a difference in their school. And the results have been astounding.

Think about this: In 1998, just 29 percent of the third graders of School 103 passed our state test we use to assess student progress. Three years later, 2001, not 29 percent but 73 percent of the school's third graders passed. That's 150 percent increase in just three years at the third grade level.

Now, some people had written these children off. Some would say they can't learn. It's because 90 percent of the children in School 103 qualify for free and reduced lunch. Of the 300 students in the school last year, 260 were African-American, 13 were white, 13 Hispanic, 14 were multiracial; and 22 children qualified for special education services. But a commitment to

excellence and a conviction that these children can learn have made it so. School 103 illustrates that an individual school identifies the students and their needs and determines how to address them, great things can happen.

Before I turn it over to the school, let me introduce some of the people making those great things happen in this state and this city: First, Dr. Suellen Reed, who is Superintendent of Public Instruction in the state of Indiana.

Dr. Reed, would you stand? Thank you.

(Applause)

Dr. Reed's also chairman of the national Chief School Officials Association in the country.

Also, Pat Pritchard, Superintendent in Indianapolis Public Schools, has done an absolutely marvelous job. Pat, thank you.

(Applause)

And Mrs. Toni Trice, the principal of School 103, who has been a big part of that success.

Toni?

(Applause)

Now, Karen Stuart has taught at School 103 for seven years. She did her student teaching there and liked the environment so much that she pursued her professional career at School 103 after graduating from college. She has since earned her Master's degree and has completed an administrator's program also.

Karen is here to tell us a little bit about School 103 and to encourage some students from there to tell us what works for them. Welcome to our conference.

(Applause)

MS. STUART: Thank you. Thank you, Governor O'Bannon, governors, and distinguished guests, for allowing School 103 the opportunity to participate in this meeting and represent Indianapolis Public Schools.

Before we get started, I would like for our students to introduce themselves to you and tell them a little bit about themselves. We'll start with Brandon Washington.

STUDENT WASHINGTON: Hi, I'm Brandon Washington. I'm representing Francis Scott Key School 103. I'm going to attend John Marshall Middle School this year. My favorite book is "Lord of the Rings: The Twin Towers." My favorite subject is math and spelling.

STUDENT JENKINS: Hello, I'm Nicole Jenkins. I'm 11 years old. I will be attending at John Marshall Middle School for the sixth grade. My favorite book is the "Sleepover Secret," and my favorite subjects are math and science, and I like to travel.

STUDENT HOENSTINE: Hello, my name is Rachel Hoenstine. I'll be attending Francis Scott Key 103 for fifth grade. My favorite book is "Harry Potter and the Sorcerer's Stone." I'm 10 years old and my favorite subject is math and reading.

(Applause)

MS. STUART: Thank you. First, I want to start off by saying that there is no secret formula for raising test scores or getting children to read. But there are resources and good people that we can use to help in achieving or, shall I say, raising test scores and helping them to learn how to read and write and do other things.

The one thing that we did at Francis Scott Key first was to become a team. Teamwork is definitely the key to success. We worked with the parents, we worked with the staff, we worked with the community. We are a learning community and we need everyone's help in order to succeed.

We use different instructional strategies that was research based. We also invited the parents into the classroom to help out, and we worked with other organizations that would help us with our students.

It was hard, it was challenging, because we raised the bar. Our expectations are very high at France Scott Key because we want our students to succeed.

Some of the things we did in the classroom I have up here on the board for you. We use Venn diagrams. We use world walls. And we use a Computer On Wheels to help test our students. Three times a year we did assessment tests because we wanted to know what was going on with our students, what did they know, what didn't they know, and we wanted to address their needs immediately.

So before we started with these things, these strategies and using the computer, we had to develop a school improvement plan. So we had to look at what were we doing right in our classrooms, in our school, or what were some of the things that we were doing that didn't work. We had to throw those things out and we had to be willing to change so that we can get the kind of success that we knew we could get.

With the Computers On Wheels, the teachers were able to look at their test scores and say one particular child might be low in reading vocabulary. So we targeted that skill for that particular person. We changed our instruction. We met one on one with some students and we also did some group work.

Brandon is one of the students that took the test on the computer; and he's here to tell us a little bit about taking a test on a computer versus the pencil and paper test.

Brandon, would you give us some information on that.

STUDENT WASHINGTON: A COW is a Computer On Wheels. A COW has a main computer on the top of the base that controls the rest of the laptops. This year we did about five tests on the laptops about English and math. On math we did different subjects like fractions, division, multiplication, and least common multiples. In English we did things like pronouns, verbs, adjectives, adverbs.

MS. STUART: Brandon, how did you feel when you took the test on the computer for the first time?

STUDENT WASHINGTON: It was kind of difficult because it's different from like using a pen or a pencil because you -- like sometimes it's easier because you can use your fingers instead of writing with a pencil and make your fingers tired.

MS. STUART: Did you like the fact that you could go on that computer and see what you were doing wrong or what you were doing right and then work on those skills? Did you like that immediate feedback?

STUDENT WASHINGTON: Yeah, because the computer is like even more funner and it wasn't boring like when you write with a pencil and a piece of paper and things like that.

MS. STUART: Thank you. Another strategy that we use in the classroom was the Venn diagram. We use that in social studies, our reading and science. And the reason why we -- it's really called thinking maps and this is one of the thinking maps, and we use that to help break down the stories so the kids can understand about the characters. What are the characters' personality like? Where do they live? What were their hobbies? What was the main idea of the story? What were some of the main events?

And Nicole Jenkins will tell you a little bit about the Venn diagram today.

STUDENT JENKINS: This is a Venn diagram showing comparison and contrasting, which tells the difference in between the two, different and alike.

MS. STUART: Okay. So how did that help you with your reading?

STUDENT JENKINS: I used to read through a book real fast not understanding what it meant or what the story meant, but now I take my time to understand to help with context clues and I could tell the difference and the same about the two.

MS. STUART: So did this help you when you wrote everything out to find out more about the story?

STUDENT JENKINS: Yes.

MS. STUART: Good. Thank you.

Another strategy that we used was the word wall. The word wall was used to pick out words in the story that the kids didn't know and those words we would put on a word wall. And I'm going to have Rachel explain what we did with those words.

STUDENT HOENSTINE: A word wall is a wall that has words that you don't know or understand; and you look through a book and find words that you don't know and you put them on a word wall and study them for a vocabulary test that you might have.

MS. STUART: Did that help you with your stories when you knew what the words meant?

STUDENT HOENSTINE: Yes.

MS. STUART: Yeah. Because, see, after we would do the word wall, we always went back and read that story. We had to reread it so that they could get an understanding of what they were reading. So that was one way that we did that.

Another thing is that we have an after-school program with the Boys and Girls Club. And the Boys and Girls Club is there to help out with the tutoring, the homework, and also to keep the kids off the streets and give them something to do.

Brandon will tell you more about Power Hour and the Boys and Girls Club.

Brandon?

STUDENT WASHINGTON: Power Hour was an activity we did with the Boys and Girls Club where you do your homework for an hour and if you get done with your homework before an hour, they give you extra work. And when you're done after that, you get to pick different activities like gym, music, computer lab or games.

MS. STUART: Good job. So do you enjoy being in that? Does the Power Hour really help you with your classroom work, your homework and your test scores? Do you think that was something that helped you?

STUDENT WASHINGTON: Yes.

MS. STUART: Okay. Another thing that we would recommend is summer school. Remediation is important. You need something to do over the summer to help these children get ready for their next grade or the ISTEP test.

Nicole went to summer school this year, and she could tell you a little bit about that experience.

STUDENT JENKINS: I attended summer school at Forest Manor Middle School for ISTEP. They gave us tests for math and language arts. It helped us and prepared us for the ISTEP that's coming up in sixth grade.

MS. STUART: Did that really help you? You think you'll be ready this September when you take the ISTEP test?

STUDENT JENKINS: Yes.

MS. STUART: Good. And also parents, we try to work with the parents because we want to empower them. I always told my parents that we have to work as a team to help their child or children, that the parents can get a lot of help if they come and talk to me and I can get a lot of help if I take the time out to talk to them.

Rachel will tell you a little bit about her parents who have really helped her a lot with her school work.

STUDENT HOENSTINE: My mom helps me by making sure I do my homework on time and making sure it gets in to school on time, and makes sure I'm reading at my level or above my level. Makes sure I read more.

MS. STUART: Good job. Thank you.

Before I end this, there's something I wanted to say. I wanted to talk more about the school improvement plan because we work from the bottom up to raise test scores. We started with the kindergarten level, the first grade level, the second grade level to get the results that we wanted for third graders.

We started with phonics, vocabulary development and reading comprehension. So we targeted those three areas and that's what's in our school-wide improvement plan. We had to be agents of change in order for change to happen at our school.

So I would like to leave here with a quote from John F. Kennedy. He said, "Ask not what your country can do for you, but what you can do for your country." Well, I want to change that quote around for our schools and say ask not what your schools can do for you, but as senators, governors, presidents, parents, teachers, and superintendents, ask what you can do for our schools.

And I want to give it back to Governor Patton.

(Applause)

GOVERNOR PATTON: Thank you. Thank you. I'll tell you, when you see young folks like this and dedicated teachers like that, it gives you great hope for our country.

And, Ms. Stuart, I think you hit the nail on the head when you said there's no magic bullet. It just requires dedicated teachers, dedicated leaders, dedicated political leaders and we can get this job done. That's a part of the job of the Center for Best Practices.

So I urge the governors, particularly the new governors, to realize how much help that is available, and make sure that your chief education advisors, your chief state school officer understands that this, the education commission of the states and other publications and other organizations, make the information available. We have to make sure that it's used.

I know that the teachers are very, very important and the classroom is very important. But a school must operate as a unit and work together to achieve the overall goal. And principals, of course, are very, very important to that.

Karen -- Ms. Stuart, talk to us a little bit about the way you've worked with your principal, the way your principal has been an integral part of your great achievements.

MS. STUART: I like the fact that our principal had high expectations for her staff. So she wanted us to perform on a higher level than we ever performed in the past. She worked with us as a team. She attended the grade level meetings. She helped find the research strategies that we used in our classroom. She forced us to look at the data, see what we were doing wrong, see what was going on in our school. She made me look at the school in a whole different way than I've looked at it in the past. She rolled up her sleeves and she helped tutor some of the third-grade students that achieved high scores. So she was definitely a leader of change for our school.

GOVERNOR PATTON: Thank you.

Other questions, comments, from members of the governors?

MS. STUART: I think Governor Holden.

GOVERNOR PATTON: Governor Holden.

GOVERNOR HOLDEN: Yes. When you were working on this, did you make a lot of changes in your staff or did you change what you were doing?

MS. STUART: There were no changes with the staff, we changed what we were doing. We found out certain things were not working with our students and so we had to change those things.

GOVERNOR HOLDEN: How hard was it for the staff to change?

MS. STUART: It was hard because some people had been teaching for 20 or 30 years and they're not good at changing. But you have to think about what is good for the student.

So everybody was willing to jump on board and make changes that would help our school.

GOVERNOR PATTON: Governor Kempthorne.

GOVERNOR KEMPTHORNE: Thank you, Mr. Chairman. Ms. Stuart, also, I would imagine that you had to bring parents into the equation.

MS. STUART: Yes.

GOVERNOR KEMPTHORNE: How did you change that culture of demonstrating to the parents the role that they have in the education of their children?

And then I'd like to ask the children a question.

MS. STUART: Okay. We have an open-door policy, so we wanted to make the parents feel comfortable with coming up to our school and going into the classrooms and looking at what their children were doing or not doing. We have to make them feel important.

We made phone calls to our parents. We send out a newsletter. We invite them to certain functions at our school. And we always give them information that they can use to see, well, this is what your son is doing in school and this is the areas that you need to work in.

That helped because if I make you feel important, then you're willing to help me; and if you make me feel important, then I'll be willing to help you. And I think that made the difference.

GOVERNOR KEMPTHORNE: Good. And may I compliment Brandon, Nicole and Rachel for doing an outstanding job this morning and just ask each of you --

(Applause)

I'd like to ask each of you what you and your friends think about education. Do you believe that after high school that you want to continue education? And do you think that your friends, all your friends will graduate from high school?

STUDENT WASHINGTON: Well, I think some of my friends might graduate from high school but they might not attend college because they think they want to just like get done with high school and they think they can have all the kind of jobs that they want and other special jobs that other people have through college.

STUDENT JENKINS: Some friends, but not all. And education is great. It gives you great opportunities in life.

STUDENT HOENSTINE: I believe that all my friends can pass because education is important to me and all my friends.

GOVERNOR KEMPTHORNE: Thank you very much.

GOVERNOR PATTON: Governor Granholm?

GOVERNOR GRANHOLM: I very much am an enthusiast of technology and -- Ms. Stuart, I'm over here.

MS. STUART: Okay.

GOVERNOR GRANHOLM: I'm wondering if you could just describe for us how the Computers On Wheels, how many of them are there? Do you have them for -- one per classroom? How often do the kids get to have access to them?

MS. STUART: The Computers On Wheels, we have enough for, I think, about 25 or 30 students. What we usually do, we put the computers in the media center and we bring down a class of students and we test them. We test them three times a year because -- we usually test them in September or October so we can find out what their strengths are and what their weaknesses are. And from there, I will change my instruction and my lesson plan to fit the needs of my students.

Then we'll test them again in the middle of the school year and at the end of the school year to see whether or not there's any growth and to see if I did my job.

So in other words, if Brandon is having problems with fractions, I'm going to focus on that. And that next test, that second test, there should be some improvement.

GOVERNOR PATTON: Governor Musgrove?

GOVERNOR MUSGROVE: Thank you, Mr. Chairman. Ms. Stuart, in your opinion, how important is the technology in learning and testing on the computers as you use them in the classroom?

MS. STUART: I think that's real important, especially nowadays when everything is so computerized. We use the computer for almost everything. So I think our children should be empowered with the opportunities to use the computers on a daily basis.

I want them to be able to do PowerPoint presentations and all kinds of different things. We use it for research. And I think that's important, because everywhere you go there are computers. Our children should be able to be a part of that.

GOVERNOR PATTON: Governor.

GOVERNOR TULAFONO: Ms. Stuart, I'm curious about your success rate in getting parents motivated and interested in participating. A second question to that is: Do you draw any difference between parents of underachieving children and children who seem to be doing well in accordance with your standards?

MS. STUART: I think all of the parents are important, but you really want to get to know the parents whose child is below the average level because you need that parent's help and that child needs that parent's help. So we really try to talk to those parents more often than the other parents because we don't want to leave any child behind. And that's our goal, is to continue pushing them to succeed.

GOVERNOR PATTON: Governor Turnbull?

GOVERNOR TURNBULL: Do a good percentage of the fathers participate in the program?

MS. STUART: There wasn't a good percentage but there was a small percentage of fathers that participated; and that's something we're still working on. We still need to increase parental involvement.

GOVERNOR PATTON: Governor Pawlenty.

GOVERNOR PAWLENTY: Do you use the computers only for testing or have you used them in other curriculum? And in particular, I'm interested in the concept of individualized or customized or differentiated learning whereby you can use technology and other means to allow children to accelerate if they're capable of accelerating or if they need extra help, there's programs and companies who specialize in that, but have you had any experience with using technology for this individualized or customized learning? And if so, what do you think of it?

MS. STUART: Yes, we do. Computers On Wheels are mainly used for testing but every classroom has five, I think there's three to five computers in every classroom. We use those on a regular basis for research assignments, for writing assignments. We also have CDs, all different kinds of software that they can use to help with certain skills that they're weak in.

So yes, we do use computers on a regular basis in all of the classrooms, even special ed.

GOVERNOR PATTON: Governor Douglas?

GOVERNOR DOUGLAS: This is indeed a wonderful success story. I wonder if other schools in Indianapolis or elsewhere in the region are planning to replicate the model that you've achieved to be successful in their own right.

MS. STUART: I really don't know but I think it would be nice because we want all of our children to succeed. We'd be more than willing to go to some of the schools and do some workshops to help them, because we would like to work as a team with the whole IPS public school system, yes.

GOVERNOR PATTON: Governor Sebelius?

GOVERNOR SEBELIUS: Thank you, Mr. Chairman. You talked about the fact that there were no -- there weren't any personnel changes in the school.

MS. STUART: Yes.

GOVERNOR SEBELIUS: That the teachers were just encouraged and urged to shift patterns. Given the emphasis on technology, and I think whether it's testing or other areas, one of the things I think that we've begun to discover is that while kids are pretty fearless about technology --

MS. STUART: Oh, yes.

GOVERNOR SEBELIUS: -- a lot of teachers are not fearless. And that may be a real barrier to assume somehow that they can empower kids to use technology if they're not very comfortable.

What kinds of strategies were used for the faculty to get them proficient enough in technology that they could open those doors for students?

MS. STUART: IPS participated in a grant program, it was called a CLIC program. It was a computer professional development workshop. Every teacher in the IPS school system had to attend those professional development workshops to be trained on the computer so that we could feel comfortable when we go into the classrooms to teach the students. So all of us had to do it.

GOVERNOR PATTON: Well, Karen -- Ms. Stuart, thank you. This has been very inspiring, very informative. To Brandon, Nicole and Rachel, thank you all for being with us today. We're very proud of what you're achieving. Our goal is that every child in America could have this kind of a teacher and that kind of classmates.

Thank you all for being with us today.

MS. STUART: Thank you for inviting us.

(Applause)

GOVERNOR PATTON: And now I'd like to introduce and welcome our guest speaker, Dr. Richard Elmore. Dr. Elmore is the Gregory R. Angren Professor of Educational Leadership at the Harvard University Graduate School of Education. He's co-director of the Consortium for Policy Research in Education, a group of universities engaged in research on state and local education policies funded by the U.S. Department of Education.

He's worked with schools and districts all over the country and brings expertise on the role of leadership and policy in improving our schools. Dr. Elmore's research focuses on leadership and policy at the federal, state, and local levels and the impact on schools and classrooms.

He's also the author of the new NGA publication, "Knowing the Right Thing to Do: School Improvement and Performance-Based Accountability," which is in the folder in front of you.

So please join me in welcoming Dr. Richard Elmore. Dr. Elmore?

(Applause)

DR. RICHARD ELMORE
Professor of Education
Harvard University

DR. ELMORE: First, let me say what a pleasure and a privilege it is to be here today with you to talk about this important issue, to be invited to be in your presence. It's a rare occasion when we academics, who hang out in schools and spend time teaching professionals in this field, get a chance to address an audience like this.

I also have to say that it's every professor's nightmare to follow three such winning students as a presenter.

You will notice in my remarks a high level of consistency between what you've just seen and what's been described to you and what I have to say about the problems of failing schools or schools in need of improvement. I have been working for the last five or six years on the issue of accountability at the school and the system level and at the state level.

I spend about 80 percent of my time when I do research sitting in classrooms watching teachers teach, interviewing teachers and students about their work; and my work backs out from the classroom to the school to the system level.

I'm going to focus on two main messages here today for you about this problem of low-performing schools. The first is that we're now in an era of accountability in which there are going to be many, many more schools that are going to be identified as needing improvement. This is not because schools have necessarily gotten worse, it's because the accountability systems are becoming tighter.

States have played the major role in constructing performance-based accountability in this country. And governors have played the major role in leading the political change that's been necessary to bring this about.

We're raising the ante now, and the challenge is going to be to raise the capacity of states and localities to handle this issue of many, many more schools being identified as in need of improvement. So I think the role that governors play in this is going to have to be a powerful and visible one to get us through this period.

The second message is that school improvement really is fundamentally an issue of skill and knowledge. I noticed your questioning focused on do you change the staff in the building or do you raise the level of knowledge and skill. And the answer is yes. I think there will have to be some major changes.

But this is a mass profession. It's 2.5 or 3 million people. If we try to solve this problem simply by moving people around, we're going to get basically the results we've gotten in the past which is the good teachers, quote unquote, are going to move toward the good schools and the less experienced, less well-trained teachers are going to move toward the lower-performing schools. So unless we work on the fundamental problems of investment in human skill and knowledge, we will not be successful.

Sorry, technology seems not to be working here.

There's a promise and a challenge. All states are basically now in the business of performance-based accountability and federal policy is now leading the charge. The states have been the laboratories of federalism on this issue. They've taught us an enormous amount about how to work on this problem, but we are still well short of all the knowledge we need to do this work.

We know that there are many schools like the Francis Scott Key School out there, and we're trying our best to learn from them about what the process of school improvement looks like. But we are working on a fundamental problem of American education; and I tell my students this is the 100-year problem of American schools, which is you can go to any city or any state, any jurisdiction in this country and find one of the best schools in the country and one of the worst.

The problem has not been that we can't create good schools, quote unquote. The problem has been how to sustain high-quality instructional practice at scale across many schools. And this is the challenge that we are working on right now and this is the challenge that we have consistently failed to meet over the last several decades.

Under this new accountability regime, we're basically expecting all schools to improve. Now, the schools that are going to have the toughest time are the schools that are furthest away from the standard. But basically performance-based accountability poses huge challenges for all schools. One of the things that we will soon learn, I think, under this new accountability pressure is that there are several nominally high-performing schools in most jurisdictions which have gotten to be high-performing largely on the basis of the socioeconomic status of their parents and communities, not based on the quality of instruction. And one of the things that the performance-based accountability systems are going to begin to reveal is which schools those are.

But the basic problem we're talking about today is that the lowest-performing schools have the largest gains to make; and we're asking them to make gains that are unprecedented in the

history of American schooling. Never have we put so much pressure for academic performance on schools.

Now, there's a tendency to think that all low-performing schools are alike. I've spent most of the last year in my research focused exclusively on schools that are likely to be classified as low-performing under No Child Left Behind. The major insight that I take away from that research is that there's tremendous variety among low-performing schools.

The first two categories I'd like you to think about are low-performing schools that are improving, that is they're showing evidence that instructional practice is changing and student performance and student learning are occurring. There are many such schools out there that are currently classified as low-performing that are actually in the early stages of improvement. There are also many such schools that are currently classified as low performing that have not yet begun improvement; and there's a huge difference between these types of schools.

There are also huge differences in the takeoff points of schools. Some schools begin with a sufficiently diverse socioeconomic mix so that some of the pressure for instructional practice is met by families and children much more quickly than in other schools.

As a consequence, the improvement process in these schools, as they go up and as they begin to show evidence of increases in performance, is not a simple linear process. I think most of you who have experienced managing large organizations understand that organizational change and improvement doesn't occur in a simple, direct, straightforward way. There are periods of significant growth followed by periods of level performance, followed by periods of significant growth. I think one of the challenges we're going to face here is understanding this process more deeply and more clearly so that we're actually doing justice to the schools that are improving but for whom the process of improvement is not a simple and linear one.

The strategy that the Francis Scott Key School pursued, I think, is an incredibly important template and it's one, I think, followed by most of the improving schools that I've seen: A heavy curricular focus, reading and mathematics.

I like to tell my students they pay the big bucks for these kinds of insights. Kids are more likely to do well on tests they can read than those they can't.

(Laughter)

Accompanied with that curricular focus is a heavy focus on expectations, both for adults and for students. That is, we're changing a culture here. One of the ways you change a culture is by literally saying what the expectations are and expecting people to meet them.

It requires teamwork and what we call internal accountability, which is people are focused on the work primarily and on meeting each other's expectations for success in the work. The idea, the central idea is that the adults in the school are essentially responsible for the learning of the students.

This may sound like a truism, but we're coming off a period in which Americans have been encouraged to think of the results of schooling as largely a function of the socioeconomic background of students. And we're shifting that culture to the point of being able to understand and recognize that students generally learn what they are taught. To the degree that we face a performance problem in schools, it's largely a consequence of the quality of instruction and the quality of instructional leadership in those schools.

Different stages of improvement involve different problems. Extremely low-performing schools really do need to focus in a very literal way on simply getting the content taught. Schools that are in the situation the Francis Scott Key School is in are focusing on a different set of issues.

They're trying to understand how to raise the level of content that they've managed to get established in classrooms and to increase the level of capacity in the school.

We need to begin to understand better what the distinctions are between the very lowest-performing schools and schools that have already begun to move. Central to all this is what kind of investments we're making in the human skill and knowledge of the people who work in the school.

Basically, the single largest determinant of what students learn is the knowledge and skill of adults and how it's deployed in the classroom. If we're not investing in that, we shouldn't expect increases in performance. So improvements in capacity always precede improvements in performance. That is, you can see schools begin the process of improving their performance by watching how the adults are learning new practices. It shouldn't, actually, surprise us that improvements in performance follow investments in knowledge and skill for teachers.

You know, this is a high-skill profession. It's a profession that requires adults to make high-stakes decisions. We should not expect people to do this work without a continuous investment in their knowledge and skill. Nor should we expect them to do it on the basis of their pre-service training however many years ago that is. High-performing organizations in our society and in this industrial economy, post-industrial economy, get that way basically by investing in people.

Accountability systems don't necessarily measure the improvement of schools. And I would ask that -- I'm a big fan of performance-based accountability, but I would ask that we have some modesty about what the external accountability systems can actually measure. They don't measure the improvement of student learning over time. In order to do that, you actually have to measure the learning that a cohort of students learns over time.

So what they actually measure are snapshots of a school's performance at a given grade level in a given year. And that is useful knowledge, but they don't actually necessarily capture all that we need to know about the improvement process inside schools.

This isn't to say that accountability systems are bad in this respect. It's to say that they cannot stand on their own. I would point to the computer-assisted assessment process in Francis Scott Key as evidence of a system and a school that have taken on responsibility for assessment and have internalized it in the organization and have made it part of the pattern of their work.

So there are two big factors in the improvement of performance in schools. One my colleagues and I call internal accountability and that's really the level of agreement on goals and expectations and processes and the coherence and trust that's present in an organization. If you push hard on an atomized organization with an external accountability structure, if you push hard on a school that is atomized, has no agreement, it becomes more atomized. It becomes a lower-performing school.

Schools don't automatically develop high agreement and trust just because there's external pressure for accountability. That internal accountability, that coherence, that agreement, that trust develops as a consequence of the people in the school having the skill and knowledge to do that.

The other big factor is individual and organizational capacity. That's what I've called knowledge and skill in content and pedagogy. It's not surprising that schools that are improving focus heavily on specific instructional content. They don't try to do general work on school improvement, they try to do reading and math successfully.

By doing so, they learn how to do the work more powerfully because the adults are learning both the content and the pedagogical skill at higher levels. People are also learning how to work

together and people are learning how to get access to higher levels of knowledge and support from the outside.

Now, I want to say that a lot of the work the states have done in this respect has had to do with changing the structure by which we work with low-performing schools and changing the sanctions that apply to schools. So, for example, we give low-performing schools assistance or No Child Left Behind actually proposes that after a certain period of time we deliver schools to external contractors, we allow parents to choose or to opt out of low-performing schools, et cetera.

What I want to say to you is that these problems exist no matter what those solutions are. If you drive school enrollment toward charter schools or if you invite private firms in to take over low-performing schools, or any one of a number of other solutions, we still have the problem of knowledge and skill and capacity. We still have to evaluate the performance of those organizations based on their ability to meet these expectations.

So changing the system doesn't necessarily change the knowledge and skill and capacity of people in the system. I think what we need to do is to get smarter about keeping our eye on the factors that actually promote improvement and try to use the systems and sanctions to support those factors.

This is a -- this is a not very accountable computer here.

I want to conclude with a few ideas about what we can do. These are, I must say, present in the document that you have in front of you as well as in my paper that accompanies that document. I think that I have to really applaud the work that the staff has done to produce this background piece because I think it really does represent, I think, the state of the art that we understand about improving schools.

The first thing to understand is that we just need to acknowledge that improvement is not a linear process and that schools are going to go through fits and starts. We need slightly more forgiving understanding of how the improvement process occurs, and we need a lot more knowledge about what it looks like on the ground.

Above all, I think if we get into the business of penalizing improving schools because they have made huge investments in knowledge and skill and we haven't seen the results of those investments, we're going to make some people pretty discouraged. One of the stages of the improvement process is after the adults have internalized accountability for performance but before they've gotten to the stage of being able to get the knowledge actually in place, one of the things that I've observed in schools is that they actually internalize failure. The adults will actually look you in the face and say, "We are a failing school."

For me, that's a major accomplishment, because the adults are saying they're assigning responsibility to themselves and not to the outside world. But that's also a very, as you know, a very perilous place to be. Because once you've internalized the fact that you're responsible, you also, then, have to have the knowledge and skill to advance your practice.

I'm becoming increasingly convinced that there's a role for states in developing an infrastructure outside of schools to support professional development and improvement in content-focused areas. There have been in the past some fairly remarkable success stories in the states of investments in state infrastructures to support teachers in reading and math. Those programs haven't always been acknowledged politically and they've come and gone sometimes before they've had a chance to really demonstrate what they've done. But I think over time what we're going to see is more and more pressure on supporting teachers and schools and school systems through some sort of external assistance.

I think we do need to be more careful in the design of accountability systems to distinguish between schools that are improving and schools that are not improving at a given level of performance. Because if we begin to penalize schools that are improving and not distinguish them from schools at similar levels of performance that aren't improving, we're going to have a terrific incentive problem on our hands.

I also think that we shouldn't allow school systems to operate in this new environment without a plan. You saw, I think, the results of a school-level improvement plan in the Francis Scott Key case. I think districts should be forced to have such plans and they should have to look at them periodically and evaluate them in the same way that the school-level plans have to be evaluated.

These plans should actually require districts to look at the investments they make in teacher professional development and curriculum improvement efforts. We're working very hard on this issue right now because my theory is that we can make substantial investments in the human skill and knowledge of people without increasing expenditures in most schools.

Finally, one of the biggest problems of low-performing schools is that they don't actually hold on to teachers long enough to realize the investments that they make in knowledge and skill because the teacher turnover is the highest in the lowest-performing schools.

I think one of the things that we really need to begin to focus on is what are the incentives that we can use to bind teachers over the long-term to low-performing schools. Because it's keeping the talent that you've got and raising the level of knowledge and skill that's ultimately going to improve those schools.

Right now I'm working in some urban districts in which -- well, I'll just tell you about one. Thirty-five hundred teachers in the district. This is a district that has a professional development

strategy, it has a focused improvement strategy. That district is losing 500 teachers a year. It's an urban district that's on the boundary of a large city and the suburban school superintendents camp on the boundary of the system and say, "Once you've finished the full course of professional development in mathematics and reading in the urban district, cross the line, I'll pay you \$15,000 more a year and give you another job."

So part of the problem here is that the investments we're making in the lowest-performing schools aren't staying in those schools. I think it's important to begin to find ways to handle that.

I really want to applaud your willingness to focus on this issue and to applaud your leadership in the past on the accountability question and to encourage you to sustain that level of interest and support in the future.

Thanks again for having me here.

(Applause)

GOVERNOR PATTON: Thank you, Dr. Elmore.

We're running late. I'm going to suspend the question-and-answer discussion session, but I'm sure Dr. Elmore will be willing to stay late and talk about individual questions. You have his publication and we appreciate his help.

Governor Kempthorne, have you got something to do for us right now that I've lost in my notes?

GOVERNOR KEMPTHORNE: Sure.

GOVERNOR PATTON: My note just says Governor Kempthorne, would you expand on that report at this time. So let's just pass that over.

(Laughter)

GOVERNOR KEMPTHORNE: Mr. Chairman, I will yield back my time.

(Laughter)

GOVERNOR PATTON: Okay. Governor Bush is going to have an event later on in December that talks about having a national forum on the quality of preschool. So be sure and pay attention to that.

Before we get into the awards program, I want Governor Vilsack to give us a report on an organization that I've had the opportunity to serve on the board and it's the Jobs for America's Graduates, a program that we've expanded in Kentucky. It's a non-governmental program but it's a very important program that I think has been of great benefit in Kentucky.

Tom, would you give us a report on -- you're, I guess, the chairman of the board of JAG right now? This is something that is very important to us, I think.

JOBS FOR AMERICA'S GRADUATES

GOVERNOR VILSACK: Paul, thanks very much. We've been focusing on school districts and schools today. What I'd like to do is spend just a few minutes of your time focusing on youngsters who are most likely to drop out of high school and the program that has been enormously successful in 26 states across the country in making sure that those young people, in fact, stay in school and succeed.

As Paul indicated, it's Jobs for America's Graduates. It started in Delaware under then Governor DuPont. And as I said, it's been expanded into 26 states, including my state of Iowa.

It works relatively simply. A nonprofit organization or affiliate is established in each state. That affiliate basically raises resources through state government, either as a direct appropriation from state government or as a result of using some of the governors' discretionary money for workforce development. Those moneys are often matched by the private sector. There is a

nonprofit component to this in which industry is encouraged to participate. In our state we have a number of corporations that provide resources.

Those resources are then used to essentially hire a jobs specialist, an individual who will work in individual high schools across the state. Each jobs specialist receives the responsibility of taking care of approximately 30 to 40 students. These young people are selected by the school; and they are often the most likely young people to drop out in their junior or senior year.

The job specialist works with these individuals and these youngsters on a daily basis in the school, ensures that the youngsters enroll, ensures that the youngsters attend class, keeps track of performance, and works with them during the school day on job characteristics and job qualifications and gives them a sense of what it would take to be successful in the business world.

What's unique about this program is that it does not stop once a youngster has, in fact, graduated from high school. The program has a follow-up component for a full year after graduation.

Now, the success rates that I'm about to tell you about are not made up. I can tell you from my own state that these numbers are verifiable. But over the course of 26 states, 70,000 youngsters have been impacted by this program in 1200 high schools. On average, the Jobs for America's Graduates organization achieves a 90 percent success rate for high school graduation, which means that nine out of 10 of these youngsters, in fact, graduate from high school.

Then in terms of success, one year following graduation from high school, it is defined as a youngster who is gainfully employed with a raise during that 12-month period; a young person who is in the military service performing adequately or someone who has followed up with additional educational opportunities and is getting at least a C average or better. The success rate one year after is at the 80 percent level.

This is an extraordinary program with extraordinary success. The average cost of this program is roughly \$1,500 per student per year. So there's a relatively low cost associated with it, particularly when you compare it to the consequences of not helping and assisting these youngsters graduate from high school.

I can't speak for all of the governors here, but I suspect that what I'm about to say about my state is probably true of every state. And that is that the 8300 people that are in prison in my state today, a substantial percentage of them never graduated from high school. And had they graduated from high school, we would probably not be spending roughly \$25,000 a year to incarcerate them.

This is a relatively small investment. To the extent that it is, in fact, paid for through the private sector, it's an even greater opportunity for a public/private partnership to focus on youngsters who have a chance of success if they're given a chance to succeed.

You have at your tables materials concerning Jobs for America's Graduates. I can tell you that it's had a distinguished number of individuals who have been associated with it. Former Governors Carper and Roscoe were champions of this program. Senator Voinovich has also been very important in the federal Congress advancing the cause of Jobs for America's Graduates. Julie Nixon Eisenhower has been very involved for the last 14 years serving on the board and is currently the vice chair and has been very, very important in raising resources for this. A number of major corporations are supporters.

Ken Smith, who is the president of the organization, is here at the conference today. I would encourage governors who are interested in learning more about this program to visit with Ken or with me after the session. I can tell you, a 90 percent success rate with the most difficult youngsters to educate, and 80 percent success rate for those youngsters a year after are phenomenal results for a very small investment.

I want to thank the Chair for the opportunity just to spend a few minutes of your time talking about it. Paul, thanks very much.

(Applause)

GOVERNOR PATTON: Thank you, Tom. Just one more example of things that we share together and learn from each other. This was a favorite program of Governor Tom Carper of Delaware, and he got us interested in it in Kentucky.

It's much like the National Guard's Youth Challenge Program in that it focuses on individual attention to young people that are in danger of not succeeding in our society. So, as Tom says, we've had great success in Kentucky. Particularly for our new governors, I would urge you to look at this very, very effective program.

DISTINGUISHED SERVICE AWARDS

GOVERNOR PATTON: Now, the final part of our program is to recognize distinguished individuals that have distinguished themselves in service to and through government. Recognizing outstanding achievement is a very, very important part of inspiring other people to strive for greatness and for success.

So in 1976, the National Governors Association Executive Committee established the National Governors Association Awards for Distinguished Service Through State Government and In The Arts. These awards focus attention on the commitment of state administrators and the importance of the contribution private citizens make to government and the arts.

The individuals and organizations we're recognizing today truly represent the best that states have to offer in public service, community activism and the arts. I want to thank all the governors who submitted nominations for this year's awards program; all the nominees were certainly outstanding.

My thanks goes to Audrey Haynes who chaired the selection committee as well as other members of that committee. I'd like to particularly thank First Lady Judi Patton of Kentucky who chaired the arts review panel and the members of that panel for their efforts.

Awards will be presented in the state official, private citizens, and arts category. As I announce each winner, would you please come forward, along with your governor, please, if he or she is present. I'll ask each of the governors to step to the podium and make remarks or read their particular award winner.

We'll begin with the official state category. First is Dr. Gregory A. Wilson, Indiana's State Health Commissioner. Dr. Wilson, please come forward along with Governor O'Bannon who will present the award.

(Applause)

GOVERNOR O'BANNON: Thank you, Paul. Thank you, Dr. Wilson, for joining us today. We are very greatly honored for you, and we're greatly honored for me to join with other governors in recognizing your exceptional service to the people here in the state of Indiana.

It's really your calm voice and clear vision that have been a true asset to the people here in the state of Indiana and to me during the last three years. I imagine that many Hoosiers forget about the state health department unless it hits the headlines in the paper.

Since you've taken over, there have been numerous, numerous headlines about bioterrorism, an anthrax scare here, West Nile virus, SARS, monkeypox, just to name a few. You have used your post to educate Hoosiers about living healthier lives. But your work with Medicaid Director Melanie Bella to develop the Indiana Chronic Disease Management Program will revolutionize the way healthcare professionals and Hoosiers manage their long-term medical conditions.

I said in my nomination letter that I could think of no better way to sum up your service to state government than this: Indiana is a better place to live and stay healthy because of your service to the people of Indiana. I'm glad that I can share those words with my fellow governors today and I'm proud that today you are a powerful advocate for healthier lifestyles for Hoosiers and certainly a trusted member of my team.

Congratulations to you.

(Applause)

GOVERNOR PATTON: Thank you, Frank.

Our next winner in the state official category is Dr. Viola Miller, secretary of Kentucky's Cabinet for Families and Children. I'm pleased to honor Dr. Miller with this award.

When I was invited to make the nomination for the awards program, the first person to come to mind was Dr. Miller.

I'm going to ad lib a little here a little bit. I didn't know Dr. Miller when we started putting together a cabinet, she didn't know me. We started looking for distinguished people that really had the capacity to contribute to our administration, particularly in the social services area.

She was a dean at Mary State University in far western Kentucky. And she got this call and said, "Governor Patton would like you to come to Frankfort and consider being a part of his administration." She really thought a friend was playing a practical joke on her to start with. But she said, "I can't imagine what this is all about but I'm interested enough to just go see," and had absolutely no intention of signing up for eight years as a part of our administration.

But when she came, we got acquainted with her, she got a vision of what we wanted to do. It became a partnership that has served the people of Kentucky very well. We're very, very proud to have her as a part of our administration.

She began her eight-year tenure as Secretary of the Cabinet For Families and Children by overseeing a total restructuring of the cabinet which now blends protective services, income maintenance, and child support enforcement into a seamless system of comprehensive family services. She also guided the implementation of welfare reform in Kentucky and insisted that the measures for success be greater child safety and improved family well-being, not just reduced welfare rolls.

I'm proud to say that through her efforts, not only has the number of Kentuckians receiving welfare benefits been reduced by 50 percent, but research has affirmed that a sizeable majority of those citizens who have left the rolls are better off economically.

Let me say that the public service is a difficult challenge, the major reward being the personal satisfaction of a job well done. Few can take the constant criticism with little credit which is prevalent in the current public service environment.

Secretary Miller is an exception and this is just one of the many personal attributes which make her so deserving of this award.

Congratulations, Dr. Miller.

DR. MILLER: Thank you.

(Applause)

GOVERNOR PATTON: Next, let's talk about awards in the private citizen category.

First, from Alabama, is Regina M. Benjamin, M.D. Bob Riley wanted very much to be here today to present Dr. Benjamin with this award, but unfortunately state business prevented him from joining us. So, therefore, I have the privilege and honor of this most worthy recipient.

Dr. Benjamin has been a socially conscious, compassionate family physician in Bayou La Batre, Alabama, since 1987. She's the founder and owner of the Bayou La Batre Rural Health

Clinic and associate dean for Rural Health Services at the University of South Alabama's College of Medicine in Mobile.

In 1995, she was elected to the American Medical Association's board of trustees, making her the first physician under age 40 and the first African-American woman to be elected.

Dr. Benjamin has received numerous national recognitions for her work. She was named by Time magazine as one of the nation's 50 future leaders age 40 and under. She was featured in a New York Times magazine article as "Angel in a White Coat," and was chosen person of the week by ABC's World News Tonight with Peter Jennings, Woman of the Year by CBS This Morning, and Woman of the Year by People magazine.

In 1998, she was the United States recipient of the Nelson Mandela Award for Health and Human Rights.

Governor Riley has stated that Dr. Benjamin's contributions to furthering rural healthcare and to public service are extraordinary. Her dedication to the state of Alabama and to humanity is a model for doctors everywhere.

Congratulations, Dr. Benjamin.

DR. BENJAMIN: Thank you.

(Applause)

GOVERNOR PATTON: We've got another state official award winner is Bryan E. Beatty, Secretary of Crime Control and Public Safety in North Carolina. I'd like to ask Governor Easley to join me at the podium to make some remarks and present this award.

Governor Easley.

GOVERNOR EASLEY: Thank you, Governor, and Mr. Secretary.

Thank you. I'm proud to stand here today and be able to say that North Carolina is one of the most prepared for homeland security in the country. A lot of that credit, most of it -- in fact, all of it goes to our secretary of crime control and public safety, Bryan Beatty. A lot of time, a lot of resources, a lot of energy, a lot of dedication he has demonstrated over the past two-and-a-half years.

He has an interesting background. Secretary Beatty started off as a special agent with the State Bureau of Investigation, actually providing executive security to Governor Hunt back in the early 1980s. He then went back to law school, was assistant attorney general when I came to the attorney general's office. We made him the first inspector general for the Department of Justice.

He did an outstanding job there, so good that we made him our legislative liaison, which I think you will agree is good preparation for homeland security and dealing with those type minds.

(Laughter)

He did an outstanding job there and was named director of the State Bureau of Investigation in North Carolina. In 2001, he was the first cabinet selection I made, Secretary of Crime Control and Public Safety. In that role he oversees the four statewide law enforcement agencies as well as emergency management, the National Guard, and homeland security.

In his first two-and-a-half years, he has had to rebuild the state from our largest flood, 40 of 100 counties, dealt with the most severe drought in our state's history, and just this year, three severe ice storms. And I don't know whether he's just bad luck, but he gets the job done.

Bryan Beatty and his wife, Rhonda, are outstanding friends as well as public servants. I'm pleased that you would recognize his service in this area for North Carolina; and I'm proud to call Bryan Beatty a friend.

Thank you, Mr. Secretary.

(Applause)

GOVERNOR PATTON: Next, again from Indiana, is John A. Hillenbrand, II and I'd like to ask Governor O'Bannon to talk to us about Mr. Hillenbrand's award.

GOVERNOR O'BANNON: Thank you, Paul.

We feel very fortunate in Indiana to have two awards. This also is very, very special to me; and we're happy to have John with us here.

I think summing up his contributions to the state of Indiana over a good many years was very difficult to put in a too late two-page nomination letter. But we did that, and then let me just give you a couple of brief remarks.

John has been a respected counselor to Republican and Democrat governors alike here in the state of Indiana for over 30 years, a highly successful Hoosier businessman and a dedicated conservationist. What he's done for the state of Indiana in natural resources has never been equaled here in this state.

He served as the original chairman of Indiana's Natural Resources Commission in 1965, and served until 1980. In the late '80s and going into the '90s, he chaired the Indiana Heritage Trust Fund, which is a fund that raised money to preserve natural resources in the state of Indiana. He's helped to preserve over 30,000 acres for state parks, nature preserves, and outdoor recreation areas. One of the nature preserves carries his name certainly to honor his service in this area.

You know, how others respond to us sometimes tells us a lot about ourselves. And John, John fought a difficult gubernatorial race as a Democrat nominee back in 1980, eventually losing to Republican Bob Orr, who you met last night. But near the end of Governor Orr's term, he presented John the Sagamore of the Wabash, the highest award you can give someone for service to

the state, which was very highly deserved by him; and he's received that award also from other governors.

My admiration for John is extreme admiration and extreme respect. The service to Indiana has greatly improved the lives of the people in our state.

Congratulations, John. We're very, very proud of you.

(Applause)

GOVERNOR PATTON: The winner in the artistic production category is Goodspeed Musicals of Connecticut. Unfortunately, Governor Rowland couldn't be with us today, so I have the pleasure of making this award.

Celebrating its 40th year of producing acclaimed musical theater, Goodspeed is known worldwide for premiering three of Broadway's most successful musicals: "Annie," "Man of La Mancha," and "Shenandoah," and for sending many other shows to Broadway and musical theaters throughout the country.

The theater's main stage has produced more than 150 musicals, with 16 productions moving to Broadway. It's unique in American nonprofit theater in its dual mission to create new works and to preserve and restore America's musical theater heritage.

Recently the theater intensified its education efforts by developing the new Max Showalter Center for Musical Theater Education. The center's strategy plan calls for partnering with the academic community -- high schools, undergraduate and graduate levels -- to create innovative programs for students and teachers.

I'd like to add a comment from Governor Rowland who said, "Goodspeed Musicals is one of Connecticut's finest art institutions and a true cultural gem for all of our residents. Both Goodspeed's past accomplishments and its vision for tomorrow speak eloquently to its merits.

Accepting the award on behalf of Goodspeed Musicals is Dan McMahon, director of marketing and public relations. Mr. McMahon, congratulations.

MR. McMAHON: Thank you very much.

(Applause)

GOVERNOR PATTON: Our final award winner in the category of art support is Boise Cascade Corporation. Who would possibly make that presentation?

Governor Kempthorne, do you think perhaps you could handle that?

GOVERNOR KEMPTHORNE: I would love to.

GOVERNOR PATTON: You have the podium, sir.

GOVERNOR KEMPTHORNE: Mr. Chairman, thank you very much. And may I thank the first lady of Kentucky, Judi Patton, who chaired the arts review panel. Last night at the reception she had some wonderful praise for Boise Cascade Corporation.

Joining me at the podium is Guy Hurlbett who will be receiving that in just a moment.

Since its founding nearly 50 years ago, Boise Cascade Corporation has been an active benefactor contributing to excellence in arts in the state of Idaho. Its long-term support of the best arts presentation groups in the city of Boise has been critical to the survival and advancement of the city's cultural life.

In 2002, employees, families, and friends donated more than 5,000 hours of service to community organization projects, including 1400 volunteer hours connected to the arts. Annual financial support for the Log Cabin Literary Center, Ballet Idaho, Boise Contemporary Theatre, Boise Art Museum and others are well-known examples of the company's dependable corporate commitment to a wealth of artistic opportunities for varied audiences.

Let me add that many corporations make significant financial contributions to civic causes. But an exceptional aspect of Boise Cascade and its corporate culture are the actual involvement of hundreds of their employees in the arts. And for that it has enriched the entire state of Idaho.

I present this with a great deal of pride on behalf of the NGA and the people of Idaho to Guy Hurlbett of Boise Cascade. And, Guy, I know that Linda has joined you on this trip, we thank both of you for being with us.

MR. HURLBETT: Thank you.

(Applause)

GOVERNOR PATTON: Unfortunately, one of our recipients couldn't be with us today but I'd like to recognize her anyway.

Mildred Fiery of Maryland was chosen as one of the winners in the private citizen category for her outstanding record of volunteer community service for over 46 years. That includes 30,000 documented hours of service -- now, that's equivalent to about 15 years of full-time employment -- at Western Maryland Hospital Center.

Ms. Fiery, who's 88 years young, brings her warm sincerity and charm to countless patients and performs her work in the hospital's volunteer service office with cheerfulness and confidence. Governor Bob Ehrlich, who will present Mildred with her award at a ceremony at the statehouse in Annapolis, said, "Over many years Mildred has infused her own light, serenity and strength into whatever volunteer activities she undertakes. Her dedication and ability to touch the hearts of those around her deservedly make her a role model and worthy of this award."

Let's give a round of applause to all of our award winners and acknowledge their outstanding performance.

(Applause)

CORPORATE FELLOWS AWARDS

GOVERNOR PATTON: Also, an important part of the NGA and our effort to enlighten governors on state causes is our Corporate Fellows Program. At this year's meeting we're commemorating the 15th anniversary of the NGA Corporate Fellows Program.

Like their counterparts in the public sector, America's corporations are agents for change. As captains of industry, they're partners with the public sector in developing innovative ideas, creative solutions and bold programs to meet the challenges of and capitalize on opportunities facing states and territories. More often than not, it's been these valuable partnerships between public leaders and private industry that have resulted in effective responses to public policy issues.

Founded in 1988, the NGA Corporate Fellows Program promotes the exchange of information between private sector and governors, and stimulates discussion among the corporate fellows on emerging trends and factors that affect both business and government. Working through NGA's nonprofit arm, the NGA Center for Best Practices, the program generates the spirit of partnership through meaningful dialogue between leaders of public and private sectors.

Participation in the Corporate Fellows Program is a commitment to improving cooperation and understanding between government and industry and to develop bipartisan collaborative responses and solutions to issues that affect our nation.

Four companies are being recognized today for their support and display of positive corporate citizenship as charter members of the Corporate Fellows Program. I'd like representatives from each company to come forward as I announce their name.

AT&T. Accepting on behalf of AT&T is Bill Leahy. Bill, come forward, please.

Thank you.

(Applause)

Monsanto. Accepting on behalf of Monsanto is Pat McGuffey. Pat?

(Applause)

ConocoPhillips. Accepting on behalf of ConocoPhillips is Bill Easter.

(Applause)

MR. EASTER: Thank you very much.

GOVERNOR PATTON: Thank you, Bill. We appreciate your longstanding support.

And finally, Verizon Communications. Accepting on behalf of Verizon is John Dudley.

(Applause)

Again, our Corporate Fellows are essential to the work of the National Governors Association and have been of great service to the people of America.

As you know, at each annual meeting our agenda focuses on issues that we as governors feel are important to our states and our nation. In a forum such as this, we have the opportunity to draw upon our combined experiences to form programs and initiatives that have the potential to benefit the entire nation.

Ten years ago, at our annual meeting in Tulsa, we launched a model public/private partnership between our organization, the National Association of Community Health Centers and Pfizer that would help improve the lives of our nation's medically underserved. The result was an unparalleled pharmaceuticals access program called "Sharing the Care," which was designed to provide state-of-the-art prescription medication to qualified low-income and uninsured Americans. Today we commemorate the tenth anniversary of this very important program.

Sharing the Care began as a handful of health centers in just a few states. Since then, the program has expanded its reach to more than 380 community health centers throughout 48 states.

Through these community health centers, Sharing the Care has distributed more than 7.5 million prescriptions valued at more than \$426 million.

Sharing the Care has clearly surpassed all expectations to become one of the nation's largest pharmaceuticals access programs. Today I'm proud to commemorate its tenth anniversary.

Now I'd like to recognize one of our partners in Sharing the Care, Pfizer, Incorporated, who's represented today by Rich Bagger, senior vice president of government relations, and Robert Mallett, senior vice president for corporate affairs.

(Applause)

EXECUTIVE COMMITTEE MEETING

GOVERNOR PATTON: Okay. Now we want to convene a meeting of the National Governors Association Executive Committee. All governors are welcome to participate but only members of the Executive Committee may vote. So the meeting will now be in order.

I'd like to have a motion and a second to approve the minutes of the May 14th, 2003, Executive Committee meeting.

GOVERNOR KEMPTHORNE: So moved.

GOVERNOR PATTON: Is there a second?

...The motion was seconded by an unidentified governor.

GOVERNOR PATTON: Any discussion?

All in favor, say aye.

Opposed, no?

The minutes are approved.

At each governor's place is an agenda book that includes summaries of legislative updates. At this time we'd like to discuss Medicare prescription drug legislation, specifically the issue of dual eligibles.

Let me clearly state that we're on record as strongly supporting the approach that's incorporated in the House bill in relation to drug coverage for the lowest income, sickest and most vulnerable citizens, the so-called dual eligibles. It's critical that the federal government assume primary responsibility for the prescription drug coverage of this population.

All 40 million Medicare beneficiaries should be eligible for the new Medicare drug benefit, not just those with higher incomes. They've worked all their lives to earn Medicare's coverage and deserve to be treated just like other seniors.

The truth is state budgets can no longer bear the burden of this expensive population. The average dual eligibles is 10 times as expensive as the average child on Medicaid; and when fiscal demands require cutbacks, the brunt of these cutbacks would fall on low-income working families.

The House provision is vitally important to the future of both the Medicare and the Medicaid programs; and we need to press the conferees on this Medicare prescription drug bill to strongly support the House provisions.

Are there any comments or discussions on this issue?

If none, we'll move to the approval of the Executive Committee of this policy proposal.

Let me mention that the new policy, EC-8, "Asbestos Litigation Reform," has already been approved by the Executive Committee on May 14th as interim policy. It will be placed before the full association for a vote on Tuesday, but we do not need to vote it out of committee again.

So let's move on to proposed amendments to policy EC-5, "Homeland Security Comprehensive Policy." I'd like to call on Governor Minner to discuss these amendments.

Governor Minner.

GOVERNOR MINNER: The Executive Committee's homeland security policy has been revised to consolidate the existing policy language from HR-14, "Terrorism and Homeland Security," and to retain primary jurisdiction for homeland security issues in the Executive Committee.

Other related issues remain in the respective NGA committees. Bioterrorism is still with Human Resources; transportation security is in Economic Development Committee; and, of course, food security is in the Natural Resources Committee.

In addition to the consolidation, new language was added to amplify the importance of ongoing federal funding authorization for: First responders with a state allocation formula; emphasize the importance of the integral role of the National Guard; address the necessity of maintaining traditional duties of agencies now consolidated within the Department of Homeland Security; advocate the need for federal guidance on what constitutes satisfactory levels of prevention, protection, and preparedness; and advocates for the inclusion of overtime as an eligible response for federal funding reimbursements.

I think that covers the changes that would be made to that resolution.

GOVERNOR PATTON: Thank you, Governor Minner.

Do we have a second, motion and a second to approve this change?

GOVERNOR KEMPTHORNE: Second.

GOVERNOR PATTON: Any discussion?

All in favor, say aye.

Opposed?

The motion is carried.

And let me thank Governor Minner and Governor Romney for the tremendous amount of work and effort that they've put in on this homeland security issue, one of the most important issues facing our country, one of the most important federal/state partnerships that we have that's in the process of being redesigned. So I certainly appreciate your all's effort on that behalf.

As one final item, I would ask Governor Kempthorne to give us a financial update.

Governor Kempthorne.

GOVERNOR KEMPTHORNE: Mr. Chairman, thank you very much. NGA and the Center for Best Practices are operating essentially on a break-even basis at one month into the current fiscal year of 2004, based on July financial statements.

The financial statements show that our revenues are slightly behind projections at this point by approximately 6 percent. But the flip side of that is that we have reduced our expenses to stay in line with those reduced revenues.

GOVERNOR PATTON: So thank you, Governor Kempthorne.

I think that's all the announcements. I will say that we're going to go almost immediately into a governors-only meeting. We might have a little something to eat there, I don't know, for us. The rest of you just have to shift for yourself, I guess. We'll be in Ballroom 7 and 8.

That concludes the work for today. Thank you, and see you tomorrow.

(At 12:58 p.m., Sunday, August 17, 2003, the Plenary Session of the National Governors Association was adjourned.)

**NATIONAL GOVERNORS
ASSOCIATION
95th ANNUAL MEETING**

PLENARY SESSION

**Tuesday, August 19, 2003
10:00 a.m.**

**Indianapolis Marriott Downtown Hotel
Ballrooms 5 & 6
Indianapolis, Indiana**

**John E. Connor & Associates, Inc.
1860 One American Square
Indianapolis, IN 46282
(317)236-6022**

I N D E X

Remarks by David Ignatius
Secretary William Cohen remarks
Consideration of Proposed Policies
Nominating Committee Report

PLENARY SESSION

The Plenary Session of the National Governors Association met on Tuesday, August 19, 2003, in Ballrooms 5 & 6 of the Indianapolis Marriott Downtown Hotel, Indianapolis, Indiana, commencing at 10:00 a.m., Governor Paul Patton of Kentucky presiding.

GOVERNOR PATTON: Good morning. Welcome to the closing plenary session of the 2003 National Governors Association Annual Meeting.

This morning we're going to focus on the world alliances and the global economy with two very distinguished guests, and then we'll consider some proposed policy positions, and elect a new chairman. So let's get started.

At our meetings it's not often that we have an opportunity to discuss how world events affect our daily lives and responsibilities as governor. Our focus, rightly so, is on what takes place within the borders of our communities, our states or territories, and our country. Yet today, even more than ever, we know what happens in the world affects the way we live and where we live.

Recent world events have proved to us that global actions have local consequences. Shifting alliances and political upheaval below our borders can affect our trade relationships. Malice directed at America from abroad can threaten our homeland. History has shown repeatedly that we're not isolated from world actions.

It's for that reason that we're honored to have two very distinguished speakers with us today who can provide us with perspectives on the world today and what changing alliances, altered relationships and future challenges mean to our lives, our communities, and our responsibilities.

Both David Ignatius and Bill Cohen have a unique opportunity to decipher these global actions and I know all of us will leave this session knowing a little more about our global challenges and opportunities than before.

I'd like to begin the session with a presentation by Mr. Ignatius and then follow with a presentation by Secretary Cohen. I'd like to conclude the session with a question-and-answer period between the governors and both speakers. So let's hold our questions until after both gentlemen have spoken.

Let me begin by introducing our first speaker, David Ignatius, who's witnessed the recent events in Iraq firsthand, including the post-war evolution of the Iraqi society and economy. He's in the midst of a distinguished career as a writer and journalist, serving at various times as a reporter, a foreign correspondent, editor and columnist. He's written widely for magazines and published five novels. I believe all of us know him for his twice-weekly syndicated column in the Washington Post on global politics, economics and international affairs.

As an economist, Mr. Ignatius follows global trends with an eye toward providing readers with early warnings about developments that will affect their business and personal finances.

He spent significant time in the Middle East. In addition to his current posting, he served as the Post's foreign editor from 1990 to 1992, supervising the paper's Pulitzer Prize winning coverage of the Iraqi invasion of Kuwait.

He also served as the Wall Street Journal's Middle East correspondent from 1980 to 1983, covering wars in Lebanon and Iraq. He returned to Washington in 1984 as the Journal's chief diplomatic correspondent and received the Edward Weintal Prize for Diplomatic Reporting in 1985.

Raised in Washington, D.C., Mr. Ignatius attended Harvard College. He received a Frank Knox Fellowship from Harvard and studied at Kings College, Cambridge University, where he received a diploma in economics.

He's published articles in foreign affairs, the New York Times magazine, the Atlantic Monthly, the New Republican, Talk magazine and the Washington Monthly.

Please welcome David Ignatius.

(Applause)

ADDRESS
DAVID IGNATIUS
Journalist

MR. IGNATIUS: Thank you for that very nice introduction, Governor Patton, and thank you for the invitation to be here, Governor Kempthorne. To all of you, it's very exotic for someone who lives in Paris to find himself in Indianapolis. I want to say that I'm never going to forget the sight of seeing Larry Bird play basketball with a fish on Sunday night at the zoo.

(Laughter)

That was a high point for me.

As Governor Patton said, I have spent as much time in Iraq and Kuwait over the last six months as in the United States. I have to say that last Thursday, to see a little bit of Baghdad on the East Coast was kind of a shock to me. There isn't much funny out of Iraq these days, especially this morning. You probably have all seen the bulletins about the U.N. headquarters that was car-bombed this morning, and I'll talk a little bit more about that.

But I did momentarily enjoy the story that moved Friday from Baghdad on the Associated Press which offered Iraqis' top 10 tips for enduring a blackout in the heat, something Iraqis have some experience with. Their list included sleep on the roof, sit in the shade -- this is obviously ancient Iraqi wisdom -- hold protest demonstrations complaining to the Americans, and finally, get expert advice from Iraqis. So maybe last week's events will bring us together in a new way.

Governor Patton asked me to speak about changes that I see abroad in my work as a columnist and in my former job, which he didn't mention, which was editing the International Herald Tribune newspaper published in Paris which we humbly like to call the world's daily newspaper. So I would travel the world as the editor of that paper. And I hope that I can tell you a little bit about how that world looks from the other end of the telescope from the one that we hold here in the United States.

I want to begin with Iraq and offer you three snapshots that are on my mental hard drive after my time there, which sum up for me what I learned which I hope will be a useful starting point. The first is one that you probably remember from television, which is the image of that vast army in the desert making its way north from Kuwait to Baghdad. I don't think I've ever seen anything like that image of tanks and APCs and fuel trucks and bridging equipment and supply trucks literally stretching to the horizon, all moving at high speed, all arriving pretty much exactly where they were supposed to be at the time that they were supposed to be. It was really a dazzling performance of logistics and military power.

On the road up to Baghdad, it was astonishing to see the precision of the fire power that that army could bring to bear. You would pass tanks that were just hulks in their sand revetments, the sand still piled almost as if it had been untouched.

I remember as we neared Baghdad seeing a tank that had hidden under a bridge, a big concrete bridge. The tank was completely gone, the bridge was, again, untouched. How you find a missile that knows how to go down under the bridge, hit the tank and miss the bridge, I'm sure the Iraqis didn't know. When you look at things like this, no wonder the Iraqi army gave up. They were facing a kind of military power that the world quite literally has never seen before. And I will never forget that.

The second snapshot in my mental camera is Easter Sunday of this year, April 20th. The statue of Saddam Hussein had fallen 10 days before. I found myself in Baghdad thinking then, and I think it's important to remember this today, that this really was a war of liberation. You know, that rhetoric is easy, but it was a powerful physical sensation on that Easter Sunday. I couldn't help but think in terms of resurrections around me.

Across the city you saw political parties opening their headquarters for the first time, parties that had been banned, people who had been in prison or tortured for their political beliefs coming out, opening the doors, starting newspapers. I began the morning in a small protestant church in the center of Baghdad, surrounded by parishioners coming out to worship in that church, trying to sing traditional Easter hymns in Arabic, which I must say I didn't do very well at.

I talked to a parishioner after the service was over. As I wrote later, her words were like pastel bubbles. There was just this sort of beauty but also fragility to her hopes in that moment. She said, "We want a happy future. We want technology. We want freedom. We want everything." On that Easter Sunday in the beginning of this story, that "everything" seemed possible and I hope still is.

I should also say that on that Easter Sunday, across Baghdad you could see thousands, tens of thousands of young Shiite Moslems marching barefoot toward Karbala, which is a holy city to the south of Baghdad. On one level it was an intimidating sight. They were carrying black and green banners, they were chanting in Arabic. Many commentators saw this and said, "Oh, my goodness, here comes the next Iran."

But, you know, as you asked questions, you realized that this was the first time that many of these young men had ever in their lives been able to express their religious beliefs, to go to this

Arbiyeen festival that is very holy for Shiite Muslims. So, again, in an unlikely way it was a kind of resurrection story that you were seeing.

Sadly, the last snapshot that I want to share with you is the one that we're all watching that we saw with special force this morning as this car bomb hit the U.N. headquarters in Baghdad. Apparently injured the chief of the U.N.'s mission there. When I left my TV, the news was still fragmentary.

But it's the image of looting and disorder, of continued killing of U.S. soldiers, of what seems a growing frustration and even anti-American sentiment among ordinary Iraqis as they say, you know, "Where's the beef," in effect. Where's the things that we expected?

It tells us that despite this amazing army in the desert and our magnificent victory, we have not yet won the war to create a new Iraq. That war is continuing and it's a difficult one in ways that we couldn't have imagined.

To me it shows the gap between our hard military power which, as I say, is at a level that the world has never seen before, and the kinds of softer power that will be essential ingredients in winning a final victory and creating a new Iraq. I think it's clearer now to all of us than it was a few months ago that power as a nation requires both kinds, that the Army itself, absent these other skills, will not be able to guarantee our national security.

The gap between what we did in the weeks of the war and what we're able to do now is so striking that it leads us all, I think, to ask why were we not better prepared for a post-war Iraq and the challenges that we're now facing. That's a question that I think we'll all be struggling to analyze for some years.

From what I saw on the ground in Kuwait before the war and in Iraq during the war, I have to tell you that I think a part of this story is a Washington story. I think that disagreements between

agencies about what the right strategy for reconstruction was were not resolved in Washington. The Pentagon, for a month, would not sign off on the State Department's list of people to run the reconstruction. The State Department and CIA officials sat and fumed and grumbled and sometimes to people like me and weren't able or weren't getting the job done. The exiled groups of Iraqis bickered among themselves. So you had a process when you should have really been focusing, making decisions, getting ready for this huge challenge instead of spinning wheels. I think that for that reason we got off to a slow start and we're still trying to recover from that imbalance.

I think it's really a tragedy. The moment when Iraqis were really ready to embrace decisive, clearly formulated plans passed and we weren't able to capitalize on it. I don't think it's a fatal mistake, I think we can recover from it, but I think it's a shame.

Before I leave the subject of Iraq, I should tell you how I, as one person who's visited there over many, many years and now recently, add things up. I think that historians, as they look at this, will conclude that the strategic rationale for going to war in Iraq was weak. Even if weapons of mass destruction are ultimately found, and I suspect that they will be, it's increasingly clear that they did not pose the kind of imminent threat that people feared and that the president talked to the country about. It's also increasingly likely that Iraq did not pose an immediate terrorist threat linked to al Qaeda in the way, again, that people feared.

I'm not imputing bad faith, intelligence analysts have to imagine every possibility. But the explanations that were given to the country may, in retrospect, look weak. The question is how will the country react to that.

Even so, even assuming all that, I continue to feel that the war was morally justified. As someone who knows and loves Iraq, wrote a book about Iraq, I do believe that we freed an

oppressed people from a regime that quite literally governed by torture, governed its people by physical intimidation. People say there's so many terrible regimes around the world, why go chasing after that one? Well, I don't know a regime that was more cruel than this, and I have gathered a lot of evidence about it.

Our invasion was what the Arabs sometimes call a *hassana*. I'm not an Arabist, so I'm leaning on my friends but that's a word that the Arabs use to describe a good deed that someone does without thinking about the benefit to them personally, about the cost they'll have to pay. It's just a good deed. That's the way I look at this. I think we did something really good for the Iraqi people. I hope they understand that. I hope we get as much good out of it. But of that I'm less sure than of the benefits for them.

The war could -- and I underline could -- open the way for democratic change in a part of the world that really needs it. I have been optimistic about that. I wish the president had made the case for the war more on those terms because I think people would have responded to it and I think it's a powerful case. But, again, that's something that's hard to be sure about.

Whether the United States will end this story more secure than it was in strict national security terms remains to be seen. Certainly if we pull out suddenly, we will be less secure. The price of going in and then bailing out quickly will be severe. So one can only hope that we will stay the course, get a little luck, do a little better in our planning, have sufficient forces, both hard and soft in the way that I was speaking of earlier, to get the job done and to emerge from this more secure and hopefully in a position to make other good things happen in that part of the world.

You governors would understand far better than I whether the American people fully understand the seriousness of the commitment that we have undertaken, the president has undertaken on their behalf. In conversations with some of you, I have the sense that this is not an

issue of great concern in your states, that people are stepping up and are ready for what comes; and that's good if it's so.

I should say finally, before leaving Iraq, that thinking of this morning's news, I think the terrorists -- you have to say when people let off car bombs, you don't call them the resistance anymore, you call them terrorists -- have made a serious error today in attacking the United Nations. This should show the rest of the world, the countries that have been reluctant to support us, that their interests are threatened as much as those of the United States by what's happening in Iraq.

I hope that the Bush administration will use this moment, this tragic moment, to seek to broaden the international base of support for reconstructing Iraq and establishing order there. It really is an ideal moment in which the rest of the world should see more clearly that they have something at stake here.

Let me now turn quickly to some other questions that I hear when I travel overseas that I suspect you may hear from your constituents in different forms, and try to offer you my thoughts about them.

First, given this overwhelming, unprecedented American military strength, it's a reasonable question to ask whether we really need other countries in the same way that we used to. Are we strong enough to go it alone? I live in France, so I don't need reminding what a nuisance other countries can be sometimes and how frayed America's alliances with old friends became in the run-up to war.

But to me it's increasingly clear that we do need allies, not to be a nice guy, but to be a secure guy and to accomplish what we want in the world. It's especially when you're at war that you need friends and allies. It's not a gift to them, it's prudent policy.

So I think the argument for multilateralism is really a strategic one. I worry that countries that try to go it alone attach a great big kick-me sign to their back side in a way that only magnifies their difficulties in situations like we find ourselves in in Iraq, and I worry about that.

We need allies in Iraq, we need allies in our battle against al Qaeda where we depend, to an extraordinary extent, as Secretary Cohen knows better than any of us, on our intelligence liaison relationships with countries like Jordan, Pakistan, Syria, Saudi Arabia, even France. These are countries that we need and we need friendships with to be able to protect ourselves.

This need for friends is also clear in the other looming crisis of North Korea where the administration seems increasingly to be turning to China for diplomatic help in dealing with a situation for which military options are, by the account of the administration's senior officials, very, very limited.

A second question is how can America use this military strength most wisely to achieve its national interests. As I suggested earlier, I think a lesson we really need to ponder is the requirement for both hard power, of which we've got plenty, and soft power, of which we don't have enough. We need to think about, in the ways that our tax dollars are spent, how do we augment that side of our national security package.

The prospect we're facing in Iraq is an unattractive one but it's going to be more so if we don't have the language skills, the intelligence officers, the development economists, the people, the civil engineers who can put things back together.

Third, is the rest of the world comfortable with this powerful America? And I have to tell you that, sadly, the answer is no, it isn't. In fact, as I travel, I have never seen a time where my country is understood less or mistrusted more and I think that that's something that, again, goes to our security as a country; and so we have to take it very, very seriously.

Being disliked doesn't bother me or most Americans, sometimes we kind of like it. I'm certainly happy to stick to California wines and to give up French fries altogether.

(Laughter)

But I do think that this degree of mistrust and skepticism should worry us. I worry beyond that that we may be in the process of unwittingly creating a kind of coalition that will try to contain our power. One saw a little bit of this in the run-up to the Iraq war where it seemed that Russia, which we expected would support us out of its interests, was concerned enough about this very strong and expansionist America that, to our surprise, had sided with France, with Germany, with other countries that were quite open in saying they wanted to contain American power and thought they had a national interest in doing so.

We shouldn't kid ourselves. As our troubles worsen in Iraq, there are a lot of people around the world who are saying, not out loud, but say it nonetheless, "We told you so." That's something that we need to be aware of, concerned about. We shouldn't fall into the same trap, I think, of sort of, again, trying to get back at them for getting back at us.

I think, finally, you need to understand that the rest of the world does not yet understand how powerfully America was changed by 9/11. I'm struck by this almost every day and every week. They just don't get it. They didn't live through it, they don't have the same history. You try to explain it to them and they still don't get it.

I think we just have to understand that what we feel, the sense of being at war, that we either fight or we die, you know, that sense that's in the gut of Americans, is not shared abroad and we're not going to be able to communicate it. It's shared in Israel, it's shared in Singapore, maybe it's shared in Russia, which is under a kind of terrorist attack, but that's pretty much it. I don't see that changing, and that's a curb on our options, I fear.

Finally, Governor Patton asked me to talk about the global economy. The question that I think all of us ponder is whether this global economy rules our destiny as individuals, whether we are its prisoners in a sense. My answer is that, for better or worse, globalization is, if anything, even stronger than it was before 9/11.

One of the paradoxes of 9/11 to me is that an attack that was meant to subvert this system ended up showing just how powerful it is. I don't know that there was ever an event in world history that was experienced simultaneously by the whole world in pretty much the same way. I mean, people in France, in China watched those images of the World Trade Center tumbling just as we did; and, you know, the experience was the same. Why they didn't react to it in the same way is a bit of a mystery but they experienced it in common.

The way in which the world's economy has gone down essentially simultaneously, I've written that it's as if there's this global central nervous system all hooked up to Alan Greenspan's brain, you know, all kind of interlocked in this strange way as if tied together. But I don't think there's any escaping that.

I know that most clearly when I'm abroad -- I'll tell you a brief story and a happy one about China. I was in China late last year when the Chinese decided that they didn't like the Google search engine, which I'm sure we all use all the time. It was just outrageous that you could type into the search box President Jiang Zemin and get back anything, critical information. So the Chinese decided this wasn't a good idea at all and they created a knock-off which would pop up. If you went to Google, you'd get instead this Chinese substitute for Google, which had only safe information on it. That was up for several days while I was there. Then all of a sudden Google was back. I asked a Chinese friend, "What on earth happened?"

He said that during these few days, China's leading technologists and business people had gone to the government and said, "We have to compete in the world economy. We cannot do that without access to all the information that everybody else has. You cannot ration our information and expect us to win this economic battle."

Well, that's life in the global economy. And if the Chinese can't escape it, and their a totalitarian society, I don't think we can escape it either.

To conclude I want to just note what I see as the biggest economic challenges for the United States. My answer, the three biggest economic challenges would be China, China, and China. You know, I do think that we're living in a century that is going to speak Chinese and English and probably increasingly Chinese. I think that when the productive capability, the innovation, the brilliance, the old-fashioned greed of the Chinese people is allowed to full flower, that this is going to be a kind of economic competitor that we have not seen for a century, since the collapse of the European empires.

I don't think that should necessarily worry us. A richer China, in theory -- and as Governor Patton said, I did have the misfortune of studying economics -- in economic theory should be better for everybody. It should buy more for what we produce and trade and wealth should grow around the world. As we all know, things don't work out the way economics says they're supposed to a lot of the time, so there are reasons to be concerned, especially if the Chinese decide that they want to challenge us not simply in the marketplace but in other ways.

I happen to think, unlike many people, that Europe is on the way to being a much more aggressive and successful competitor for one simple reason. European expansion, moving from the 15 old Europe countries to 10 more new Europe countries in Eastern Europe I think is going to break down a lot of the rigidities that make Europe uncompetitive. The average per capita income

of the new members is about 40 percent of the per capita income of the 15 old members. I don't think you can have that kind of disparity without enormous pressure on some of the traditional social and economic institutions of the old Europe. In particular, labor unions. I don't think European labor union power will be able to continue as strong as it has. I think Europe as a whole will go through something like what Britain went through under Margaret Thatcher and will be more powerful and productive for that.

I'll close there. I want to, again, thank Governor Patton and all of you for inviting me here. I look forward to answering any questions you have later.

(Applause)

GOVERNOR PATTON: Thank you, David. I think you have opened up several avenues of discussion.

Many of us around this table know Bill Cohen personally, from his very first days in Washington to the completion of his term as Secretary of Defense. Secretary Cohen's distinguished career in public service spans almost 31 years.

In 1974, during his very first term in Congress, Time magazine named him as one of America's 200 future leaders. In 1978, he left the House to join the Senate. As chairman of the Senate Committee on Aging, Secretary Cohen led efforts to improve the efficiency of Medicare and other healthcare programs and was a central player in the healthcare reform debates of the 1990s.

Secretary Cohen also was a member of the Select Committee on Intelligence for a decade, serving half of that time as vice chair, overseeing a large budget involving some of the nation's most advanced technology.

In 1996, President Clinton asked Secretary Cohen to lead the Department of Defense, the first time in modern U.S. history when a president has chosen an elected official from the other

party to be a member of his cabinet. Reversing the steady decline in defense budgets that began in the 1980s, Secretary Cohen succeeded in modernizing the military and maintaining its readiness to fight and strengthened security relationships with countries around the world in order to reorient them from the Cold War to the challenges of a new era.

Under his leadership the U.S. military conducted the largest air warfare campaign since World War II, and conducted other military operations on every continent. During his tenure, Secretary Cohen met with foreign leaders in over 60 countries.

A published author of nine works of nonfiction, fiction, and poetry, a futurist with degrees in classical Latin and Greek, the son of a working class immigrant who rose to the highest levels of government, it was natural for the Christian Science Monitor to call him a true Renaissance man.

It's my pleasure to welcome Secretary Cohen. Mr. Secretary.

(Applause)

**ADDRESS
WILLIAM COHEN
Former Secretary of Defense**

SECRETARY COHEN: Thank you very much, Governor Patton, for your very generous, overly generous introduction but I thank you very much. Governor O'Bannon, it's a pleasure to be here. As I told you, my wife, Janet, is a native of Indianapolis. She's a Hoosier to the core and maybe even capable of taking on Larry Bird in that contest that you witnessed last night. But she wanted me to express her best regards for her home state.

I've had relations with many of you, directly or indirectly, having served with Frank Murkowski and Dirk Kempthorne in the Senate, having served as a member of President Clinton's cabinet with Governor Bill Richardson. I hosted Mike Huckabee's wife, Janet, on the joint civilian orientation tour. I believe she became the first first lady to participate in this particular program.

I'm not sure what I've unleashed, Governor, she has since that time jumped with the Golden Knights. She's also flown in the F-16. I don't know if we can contain her. She didn't get that ride last night in that Corvette, but perhaps next time.

I have two former staffers who now work with Governors Mitt Romney and Bob Ehrlich. Doug Wilson, who is here with me today, is part of my own group, has served with the DLC and worked closely with Kathleen Sebelius and Mark Warner, among others. I recently hosted dinners for Janet Napolitano and, of course, Governor Bill Owens, two of your rising stars. And I couldn't stand here today without mentioning John Baldacci.

John Baldacci and I hail from Bangor, Maine. His parents operated a spaghetti house, Momma Baldacci's. My father was a baker. We served the bread, they served the spaghetti and the two of us over the years have risen from working in a bakery and a restaurant through city council. Now, of course, he's a governor.

So I've had quite a relationship with many of you over the years.

I think I might begin by pointing out that up until about two years ago governors were generally involved in foreign policy only to the extent that you were concerned about promoting state goods in overseas markets. I can recall traveling around the world visiting various trade centers and I will remember, Governor Huckabee, I went to the trade center in Taipei. I saw that Governor Clinton had made two visits to Taipei, and I saw that Arkansas was then marketing parking meters overseas. I don't think I had any indication at that time that I would have a parking place by virtue of Governor Clinton at the Pentagon years later.

But we were basically, all of us were trying to promote our individual state products. We want to continue to do that, and governors play a crucial role in all of that.

But today, after September 11th, there is a foreign policy component I think that is quite extensive because I think everybody now understands that your relationship to the foreign policy and your interests in foreign policy really pertains to not only our economic security but our physical security. To the extent that we maintain policies around the world, as David Ignatius has just indicated to you, it will have a direct impact upon whether we can market our goods, whether there's an economic climate in which we can market those goods, whether they are open to American products or hostile to us, and whether or not we have physical security back here, homeland security which you are now directly responsible for.

As Governor Ridge pointed out yesterday, you're on the front lines. You are now on the front lines of the security of this country because our oceans no longer insulate us against terror. We now are vulnerable to the influx of people coming into these open borders that we have. So you're on the front lines and this is what homeland security is very much all about. So your interest in the foreign policies of this nation are ever more intense than they were certainly just two years ago.

I thought what I might do is just quickly, to try to give a thumbnail sketch, and this is hard to do following David Ignatius because I think he has really usurped what I was going to say to you. There's always a danger in following someone like him. He's also, I might add, a noted novelist. Anyone who has written something called "Sun King" and made the comments concerning the French in that novel and still lives in Paris, that tells you a lot about his survivability instincts. But I commend that little novel to you, it was quite ahead of its time.

But I thought what I might do is just kind of give a quick overview of some of the key countries and policies toward them that will have an impact on all of us.

I don't know whether the story's apocryphal or not but it's a good story to tell that a group of reporters once approached Boris Yeltsin. They asked, one reporter in particular approached Yeltsin, he said, "Mr. President, if you had to sum up in one word the state of the economy of Russia, what would that one word be?" He said, "Good."

And then the reporter came back looking for a follow-up question. He said, "If I asked you to describe the state of the economy in two words, what would you say?" And Yeltsin thought for a moment and he says, "Not good."

(Laughter)

We're sort of in the same position today in terms of how is our foreign policy doing, how is our economic policy doing. It's good and not so good; and I'd like to talk about a couple of countries in particular.

With respect to new allies and partners abroad, I think we can take great comfort in the fact that we are witnessing the expansion of NATO successfully. We've gone from 16 countries in 19 countries and just most recently have added another seven. Those new additions, if you look at the Czech Republic, Hungary, Poland, and the ones who are now coming in, they tend to be much more supportive of the United States and our policies than some of our older allies. I personally suspect that that is not a long-term phenomenon, however.

I think right now these new countries who have been lifted or had the burden of oppression lifted from them most recently see the United States as the liberator as such, that we are the ones who are carrying high this torch of freedom and they are now free to integrate not only in the EU but also in NATO; and they take great comfort in that and they want to be supportive of the United States.

So if you look at the countries who are now contributing forces to Iraq, you look to the new admissions, accessions to NATO, and you will find them. I think in the long-term, however, and it's just a personal view, that the pressure coming from the EU will be such over the next 10 or 15 years that they'll be under enormous pressure to conform to a European solution or as a counterweight, as the French like to say, to the United States of America.

So I think we have to take that into account which means we have to work all that much harder to really embrace all of the countries that we have relationships with, rather than seeking to divide them saying which is new and which is old. Because I think the pressure will be on all of them in Europe to conform to a single standard.

Now, David mentioned soft power, hard power. I would commend to you two books, very thin books. One is "Of Paradise and Power" written by Robert Kagen, which I think is an interesting book. Very thin book, a collection of his essays, basically. But talking about how we see the world and how the world sees us in terms of the use of power.

He talks about America being from Mars and Europe being from Venus. I'm not sure the Europeans appreciate the feminization of their politics as such, but it's an overall superficial way of summing up what he basically is pointing out, that historically the action internationally is related directly to one's power; that during the 18th and 19th centuries, since the United States didn't have much power, we tended to be more "isolationists" as such, more akin to resorting to diplomacy to solve international problems, whereas the Europeans had military hard power and were pursuing their own empires at that point.

Then following World War I and World War II, of course, the United States emerged as a superpower. What he was suggesting, once you have the power you tend to see every problem and

you hold that hammer, every problem is a nail. Where if you don't have the hammer, then every problem is not a nail but an issue to be resolved diplomatically.

So there's been some inversion on the part of the United States and our European friends. But we have to take that into account because there is a real difference in how they see the world and how the world's problems ought to be resolved and how we see them. And that difference ought not to be accentuated but try to be resolved.

With respect to Russia, I would defer it to Governor Owens on Russia. He is a true expert on the history and the philosophy of the Russians and gave, I think, a brilliant presentation to our group in Washington just a few weeks ago.

But there is both good news and bad news or not so good news concerning Russia. If you look at our relationship with Russia, it has really improved dramatically in recent years. They are now with us in Bosnia, they are with us in Kosovo.

We have the Nunn-Lugar program, the cooperative threat reduction program where we are cooperating with them to reduce the size of their nuclear arsenal. All of that is very positive. President Putin's policies, I think, are very positive.

At the same time, the transition to a full and open democracy has not taken place. There has been an economic rebound since 1998 when there was a near collapse, but that rebound, I think they're growing at the rate of roughly 6 percent or more. That may be simply a cover for the extraordinary oil prices that they're now receiving and not reflective of the economic transition and transformation that has to take place. But nonetheless, we have to watch that very closely to see whether that transformation is going to result in a completion to a democratic form of government.

There is suppression of the press in many regards and there still are the oligarchs, and so we have to be concerned about that. We also have to be concerned, it seems to me, about the

deterioration in their conventional military capability. Because to the extent that the military declines in their conventional capabilities, there's more and more of a tendency to rely upon the nuclear weapons. So we have to be concerned of how that is managed. And we have to be concerned how we reduce the size of our respective nuclear arsenals, because we're both at roughly 6,000 nuclear weapons each. They have a few more than that, and we are committed to reducing it down to around 2,000 on each side.

But in the meantime, there should be concern about the security of those nuclear materials, the security of their chemical and biological stocks as well. I don't think one can take a great deal of comfort when you see the lack of security of those facilities and knowing that there are terrorists who are seeking to gain access to weapons of mass destruction; and we have to keep our focus on that.

David Ignatius also talked to you about China. I think he's absolutely correct. China is going to be an emerging power. If you talk to any of the Asian nations, they will say that a new heavenly body has burst on the scene and the gravitational pull of that heavenly body is extraordinary. They are all now being pulled into that economic dynamism known as China itself.

It's the future of the entire economic system in Asia as far as I'm concerned. While it may not be a strategic partner, I think we have to be careful that we not make it into a strategic enemy. We can have competition, assuming we keep it at a rational level and that we continue to engage them.

There is no way, in my judgment, that we can isolate China. It's not capable of being isolated. What we have to do is engage China in a very positive way. Constant communication, as we did in the Defense Department, military-to-military relations, constant exchanges of information. It has to be reciprocal, of course, but we need to engage China to help them fully

integrate into the international community as such so that they can be a strategic competitor but not a strategic enemy.

I had the privilege a few years ago of speaking on the floor of the Shanghai Stock Exchange. It was a remarkable experience, something as modern as anything we have in this country. What was to me extraordinary is they carried it on television and broadcast it throughout Shanghai and beyond.

I pointed out during the course of my remarks that I look forward to the day when China would have a stock-owning middle class because that stock-owning middle class was really the key to stability and prosperity and security in China, because the stock-owning middle class would demand accountability and openness on the part of their leadership.

I could not have made that speech 10 years ago. They would not have transmitted -- I could have made the speech but they would not have transmitted that speech beyond the confines of that audience.

So there have been remarkable strides taken in China from the time I first went there in 1978, and went to Beijing and they had one hotel, and they had no private cars, and everybody wore a Mao suit and women couldn't wear makeup and men and women couldn't hold hands in public. And you go to Beijing or Shanghai or any of the metropolitan areas today, you'll see a remarkable transformation.

So we have to engage China in a very positive way. We, as David just pointed out, we're calling upon them now to help us out in North Korea. They have been reluctant to do so in the past but I think they also now recognize that helping on that particular issue will also be in their very serious national security interest. To the extent that North Korea becomes a nuclear power or

producing nuclear weapons, that will unleash pressure for the Japanese, the South Koreans and others to follow suit, which is something that's not in China's interest.

I want to say a few words about Mexico. I had the opportunity a few weeks ago to entertain Andreas Rosenthal. He's a former deputy foreign minister of Mexico and now one of the close advisors to President Vicente Fox. He indicated, you know, he was frustrated, frankly, that here's a country that has very significant importance to a number of our states, at least four border states, certainly in terms of the economic and social impact upon the states, that this was a country that President Bush certainly signaled was of key importance to the United States during his first term of office, first year in office, and then came 9/11. And suddenly, Mexico has been put, in his opinion at least, on the back burner. Issues such as immigration, trade, and water are serious issues that need to be addressed and they have not been addressed ever since that event which transformed certainly our perception of the world.

So we have to get back to doing business with Mexico and to treat, I think, this country in a very fair and respectful fashion if we hope to have a partner on our borders which certainly can have a direct influence upon our future security as well.

Middle East, I strongly support President Bush's road map. I believe this is the best hope that we have had in recent times in that if we fail to take advantage of the road map, if we fail to support the president on this issue, then I see a future for the Middle East which is not optimistic at all.

I look at it from two points of view, from a moral point of view, certainly, as well as a pragmatic. I believe that the Palestinian people certainly need three things. They need sovereignty, they need economic opportunity, and they need security for themselves. I believe the Israelis also need to have their security guaranteed. I believe that the majority of the Israelis as well as the

majority of the Palestinian people want to find a way to make peace. Because the alternative is a continuation of this incredible violence that we have paid witness to in recent years.

From a practical point of view, whenever you have, in my judgment, an island of prosperity surrounded by a sea of misery and lack of opportunity, the people who are in that sea of misery will do everything they can to take away your prosperity.

So from a practical point of view, I think it's absolutely imperative that we find a way the Palestinians can have their separate state living side by side in peace with the Israelis. That's going to take not just the Palestinians, it's going to take the entire Arab community to support that.

That's why I think it's important that we seize upon the so-called Saudi initiative which is not new but old, to build upon what took place at Camp David under President Clinton and at Taba in Egypt with President Mubarak, and to support what President Bush is seeking to do. I will tell you, there are many people in Israel, in Palestine, and even within the administration that don't support creating a separate Palestinian state. I think that's a mistake. I think what we have to do is to find ways in which we can reinforce what needs to be done.

The terror has to stop. The Palestinians have to take action to stop that terror; and the settlements have to stop. The Israelis have to stop the settlements, freeze them, and then a long process that has been laid out in the road map to start to dismantle them. Without that, we're likely to see a return to the kind of violence which only will accelerate as more and more people with more and more weapons become involved.

Iraq, I would agree with David Ignatius. You can set aside for the moment at least the rationale for going into Iraq. I believe the president's key message was weapons of mass destruction. It is my hope that we will find them because I think it has to do with the credibility of the United States for the future, because we still have to deal with Iran, we still have to deal with

other countries in the region and elsewhere. To the extent that there's any question about our credibility in terms of that intelligence, it will have an impact upon whether we can gather the kind of support that we're going to need.

But aside from that issue in terms of why we went and whether it's liberation or whether it's weapons of mass destruction, the fact is we're there. Whether you're a Republican or a Democrat, it's absolutely critical that we succeed, that we not pull out prematurely, that we not do what George Aiken had recommended in Vietnam, just declare victory and get out. That would be the worst thing that could happen to the United States.

So what we have to do is to commit ourselves in a major way as we are now, but to add to it. We've got to have more countries involved. That may mean that we may have to go back to the United Nations to get some kind of a resolution that will give those countries who are not currently involved the cover for them to get involved. Because right now the United States, with our British friends, are the principal targets. Out of the 170,000, we're 147 but roughly 150,000 strong; and the other 20,000 is made up maybe of 19 countries, most of them British, however.

What we have to do is have a far greater international face on that force which is, in fact, an occupying force. Even though we seek to liberate the Iraqi people, we have to occupy, in a sense, we've got to provide protection to their infrastructure.

As you can see from the daily news accounts, the terrorists now, whether they're the remnants of the Baathists or whether they are other groups coming in, whether they're part of al Qaeda from different countries in the region, they are seeking to destroy that which is our goal, to, number one, have security for the Iraqi people, number two, to provide economic opportunity. Because if we can't provide economic opportunity, then the forces of negativity will set in and say our lives were better before, we had electricity, we had water, we had power, we don't have that

now. For whatever reason, we don't have it now and you haven't provided it. So we quickly can see a shift in support for the United States to one of complete opposition.

Now, John Hamry, who served as my deputy secretary at the Pentagon, was asked by Secretary Rumsfeld and others to make a quick visit to Iraq to make an assessment through the Center for Strategic International Studies, CSIS, and came back with a report a couple of weeks ago, a month or so ago. In that report, Dr. Hamry indicated that the window of opportunity is very narrow and it's closing. We have until about next spring -- actually, I'm a bit more pessimistic than that -- but he said we have about until next spring in which to start to really show that we can secure the country's infrastructure, which means its gas and oil and distribution system and electrical system, that we can produce water, electricity, and job opportunities for the Iraqi people. And that if we aren't able to do that within the reasonably near future, then we are going to lose the opportunity to succeed.

So we've got to internationalize the force much more than we have now. We may need different kinds of forces. Frankly, we've got our forces over there, they're not policemen. They're not trained to be policemen. They're doing police work.

So what we have to do is get more police forces in place and that means other countries have forces specifically trained for that, as do we, but we have them in larger numbers. We have to get them in there if we're going to be successful.

North Korea I think poses one of the most critical problems that we will face, and are facing right today. I know it hasn't been labeled a crisis but I believe it to be a crisis. Anytime you have a country like North Korea, which is in the process, we think, of producing even more nuclear weapons, that's our fear, at least, that they are known proliferators. Secretary Rumsfeld has pointed

this out time and time again. They have disseminated missile technology, drugs, narcotics. That's how they survive.

The notion that they would be starting up a production line, producing more nuclear materials that terrorist groups would then have access to, ought to be of the highest concern of all of us. The notion that you would have some nuclear material smuggled into one of our states through one of our ports in a suitcase or other type of container device and exploded really is our ultimate nightmare.

So we have to prevent North Korea from becoming a nuclear power. We're calling upon the Chinese and others to help us, Russia, Japan, South Korea and others. But it's critically important they not be allowed to become a nuclear-producing state.

Homeland security, let me just talk just a quick moment about homeland security since that's something that is of critical interest to you.

I helped form the Hart-Rudman Commission, appointed all the members to the Hart-Rudman Commission. They, of course, filed a report long before 9/11 forewarning us that we're about to be attacked, we're likely to be attacked on American soil by terrorist groups. We did very little to anticipate this or to prepare for it; and then we got hit in a very big way on 9/11.

I think David Ignatius is quite correct, this has been a life-transforming experience for the American people; and other countries do not share the intensity of our concern. They tend to see us, the United States, as really the targets of terrorists. Of course, that's a very shortsighted view.

If you think about the SARS problem that we had just this past year, that was of natural origin we assume. But assume it was created in a laboratory. You can see how something that's created in one laboratory can spread globally in a matter of a few days.

So we have to be prepared for that if it's a smallpox virus that's released or any other type of biological agent. It transcends all geographical boundaries. There's no way to prevent that given our globalization, international trade. We are all vulnerable and all of us governors, senators, all people, all of our citizens are totally vulnerable to these types of attacks.

I recently came back just yesterday from Asia and stopped briefly in Singapore. I was relating to David last evening, as Jeff Sorenson and I were going down this escalator to stop quickly in Singapore to make some business visits, I noticed a series of cameras, not quite as obvious as the ones out here. Some young people were sitting at tables and they were just chatting amiably amongst themselves and I thought, well, maybe they're taking photographs of people. They weren't taking photographs, they were beaming an infrared beam at us measuring our body heat.

Technology has now developed to the point where in Singapore, because of the SARS virus, they have to be concerned about whether or not someone's carrying that virus. So they now have technology which measures your body heat as you step off a plane and visit their country.

This is the shape of things to come, frankly. If you think about the prospect of people who are wearing bombs on their belts or grenades walking into our shopping centers or to our places of government or business in this country, it's going to pose serious questions about how do we contain that. How do we contend with it, not to mention manage the consequence of all of it.

So technology's going to play an increasing role in our lives. That's a subject, I think, for a different discussion, but it's something that you and all of us will have to contend with in terms of how much technology can we rely upon.

Now, Governor Ridge talked to you yesterday about the container security initiative that he has put in place. We ought to be very strongly supportive of that. The notion somehow that we can

wait until cargo comes into our ports and then try to examine it is impossible. You cannot examine ships once they come in because you'll tie up those ships all the way to Hong Kong and to Shanghai and to Singapore.

So we have to have them examined before the contents of the cargo is loaded. That means we have to go to all of these other exporting countries, major exporting countries and say, "What are your systems here? How do you examine this? How do you certify it? How do you secure it?" And to make sure that we are satisfied that there's nothing that's dangerous inside that particular cargo.

So we have to support that particular initiative of his. He also, again, pointed out how important it is for the governors to remain on the front lines of this war against terror.

This is, of course, where we get into your allocation of resources, the Guard. This is something that I think is of concern to every single governor.

I was trying to look at the numbers here. But there have been, out of the National Guard Reserve we have trained and deployed them to 98 countries to date. In Afghanistan, we've had two killed, 11 wounded. As of the first of this month in Iraq we've had five killed and 62 wounded.

The Army Reserve has mobilized one-half of the 340,000 since 9/11 and 80,000 alone in Iraq. In Bosnia and Kosovo the Army National Guard is pretty much responsible for manning those peace-keeping operations.

Governor Huckabee, I know you're concerned with how many of the Guard Reserve units you'll have available if you have a natural disaster.

Governor Wise I saw last evening, and I'm sure he's concerned that one-third of the Army and Air National Guard are deployed overseas, putting tremendous stress on his local police and medical services.

I had the chance to talk to Lt. General Richard Schultz, the director of the Army National Guard. He was very complimentary of your efforts in working with you. He said morale is high, but there comes a point where there's going to be some diminishing returns. We cannot continue to witness the men and women who are serving in the Guard and Reserves who did not anticipate they would be deployed for a year at a time, with all of the stress that places on the family, with all the stress on their pocketbooks as such, with taking them out of the community, the stress that places on the services that you would be responsible for delivering. So we're going to face an enormous stress in the time to come.

I didn't talk about cyber security, but our electrical failures, the grid failures most recently points out that cyber terrorism is just as dangerous if not more dangerous than the things we talked about in the way of chemical or even biological. If you think about the possibility of someone with a few strokes of the keyboard being able to shut down your electrical grid system or shut off your power systems or shut down your air traffic control, I mean, you can go on the whole list.

So looking at the critical infrastructure is going to be absolutely imperative. You have this public/private partnership. I know that Oracle and other companies who are here play a vital role in helping to protect that critical infrastructure.

Let me conclude with just a word about our foreign policy in terms of the war on terror, in my judgment, is not going to be fought on the battlefield for the most part, Iraq aside for the moment. The war on terror is going to be fought by special forces, to some degree, covert action, and our police. That's where the war is going to be fought.

If you think about it, a knock on the door in the middle of the night over in Britain, where we discovered that some people had the deadly poison Ricin in their possession, and Ricin can be made from a bean that produces castor oil and you can use it also to produce Ricin. So how do we

find out about these sorts of things? It takes great police work and the sharing of intelligence across the globe.

So we're going to have to continue to share intelligence with many, many other countries. To do that we have to have relations with them. We have to make sure that we're constantly embracing other countries to work with us and not against us.

David, again, talked about hard power, soft power. The other book that I didn't mention was Joseph Nigh's book called "The Paradox of American Power," which points out that no country can challenge us face-to-face, military-to-military; and there's no power out there and likely to be there for certainly a generation. But it's not only hard power that we have to contend with. Hard power alone will not protect us. We need the other soft power as well and we need the support of our allies in order to achieve them.

So in terms of foreign policy, Henry Kissinger has written extensively over the years. If you've read him, you've read a lot. Because Henry Kissinger would say, "I may not be a great writer but if you read me, you'll be a great reader." That's because of the voluminous material that he writes and much of it profound on every single paragraph.

He has a new book out, which I have not read. The most recent one that I did read was called, "Does America Need a Foreign Policy," a nice rhetorical question which he answers, of course. Of course, we need a foreign policy.

But in that book he raises this issue: He said the American people must come to accept our preeminence, our preeminence in world affairs. In other words, we are a superpower whether we call ourselves that or not. We must accept our preeminence as a power throughout the world, but we must always try to conduct our foreign policy as if there are multiple centers of power.

It's just a question of human relations. You have to at least take into account other countries' concerns, their viewpoints, their history, their culture. You may not agree with them and you may not accept them, but you have to at least give the impression to them, real or not, that you're willing to listen to what their view of the world is, what they see as an important course of action. So we have to, even recognizing that we are the power, that we must look at multiple centers of power and treat them as such.

I think actually that particular wisdom was summed up by Shakespeare quite a few years ago. In measure for measure Shakespeare said, "Oh, how excellent it would be to have the power of a giant. How tyrannous it would be to exercise it like a giant." So what we have to recognize is that we are the giant, but we have to take care in how we exercise it because we need other people. One giant cannot dominate the world in today's world affairs, so we need other countries to work with us and not treat us as a Gulliver that has to be hamstrung by every other country, our allies and enemies alike.

Thank you very much.

(Applause)

GOVERNOR PATTON: Thank you. Thank you, Bill and David, for bringing a little bit different perspective to the problems we've been discussing here for the last three or four days.

Before I get to Mike Huckabee, neither of you really mentioned Saudi Arabia. Where does Saudi Arabia fit in this Mideast equation? Are they friend? Are they foe? What is the enigma of Saudi Arabia and where do they play?

MR. IGNATIUS: Well, let me, Governor Patton, offer a thought. I think that Saudi Arabia is the only country, other than the United States, that has really gone through a period of intense soul-searching and trauma since 9/11. I think the Saudis were shocked that their country could

have produced the terrorists who took down those buildings. I don't think the Saudis understood how serious al Qaeda had become and, you know, they went through a period of denial which infuriated Americans, quite understandably. But internally I know that they were really vexed by it. I think that the Saudis are a different country today than they were two years ago.

My own feeling is that the old U.S./Saudi relationship was not good really for either party. We had troops there that were vulnerable to attack. The Saudis resented them, and it wasn't good for the United States. Our relationship implied that the threat to Saudi Arabia was external and that they needed the troops to protect themselves against that threat. That was wrong, the threat really is internal. You know, they've got to look at home first.

So I think there have been some changes that are going to make Saudi Arabia more stable, less of an ally for the United States probably. I think the closeness of the relationship of years past may be ending, but I'm not sure that's a bad thing.

SECRETARY COHEN: Let me just add an observation. Change is coming to the Middle East. Whether we are successful, and I think we have to be as far as changing the situation in Iraq, that that will ultimately serve as a very positive model for other countries. But change is coming inevitably.

If you look at what is taking place in Bahrain, in Qatar, these are small, tiny countries but are introducing great changes in terms of stressing the equality of women, which is something that is not done in Saudi Arabia. But in Qatar, for example, you cannot only drive a car, which you can't do in Saudi Arabia, but you can actually vote and run for office.

So change is coming to the region. It's coming last, perhaps, and least to Saudi Arabia, but it will come. The question is how we manage this relationship, as David was talking about, it's not going to be the same by virtue of what the Saudis have promoted through the madrasahs and the

more extreme form of religion in Islam. But they also recognize that they are the targets of the bin Ladens, that they are the ones at risk now; and I think change will come to them as well.

What we should not seek to do is to bring about "regime change" in Saudi Arabia through revolution but through evolution. Right now the notion that we should try and undermine the royal family without understanding what would take its place, I think, would be a mistake.

So I think that this relationship is changing, it will change and it will evolve into a much different country than it is today. It will be better for them and better for us.

GOVERNOR PATTON: We'll go to Vice Chairman Dirk Kempthorne and then Mike.

GOVERNOR KEMPTHORNE: Mr. Chairman, thank you very much. May I just, on a personal note, say to Bill Cohen one of the great honors I had was serving with you on the Senate Armed Services Committee. I remember on different occasions I would describe you as I would sit and listen to you articulate these issues of armed services that you were a poet/philosopher/warrior, which is a wonderful combination.

And, David Ignatius, thank you for your thoughtful presentation here today.

My question is with regard to homeland security, a question to each of you, please, and perhaps you'll put on some of your abilities at authorship and to think beyond just the black and white.

Are you surprised that we have not been hit yet again by the terrorists? And how would you explain that? Is it the patience that we're told that is part of their makeup? Is there a sophistication here that causes them restraint? Or what is it that is leading us to not see a car bomb or a human bomb take place in some mall or some municipality today?

SECRETARY COHEN: Well, I'll try and answer it first. There is the issue of patience. The professional terror groups as such are very clear in terms of their looking at a target, sizing it up, waiting patiently to organize everything.

If you'll remember, the USS Cole was attacked during my final year in office. They had tried that a year before and they had failed; and they waited a full year before attempting again, watching every ship that came into port, watching who was servicing it, seeing how they could integrate into the service of unloading the waste, bringing food out, all of the issues that we have to contend with when we put a ship into port. So there was a year in that planning alone.

Back in '93, you had the attack on the World Trade Towers at that time. So nearly seven, eight years go by and they're still planning how to carry that out. So I think patience is part of it.

I think secondly they probably have been disrupted somewhat by the administration's aggressive disruption of the al Qaeda network and others.

The third thing, at least I believe, is that they will continue to look for ways in which we are ill-prepared to cope with. You mentioned they haven't struck yet. Well, we have a sniper roaming around once again.

In Washington, D.C., it was really incredible, two people, a man and a child who became a man very quickly terrorized the entire community. Washington was virtually shut down by two people with a rifle.

So if you think about terror, we think it's inevitable -- I say "we," those who have looked at it believe it's inevitable that there will be more terrorist attacks here in the United States and the question really is how do we anticipate, try to anticipate what is most vulnerable to us. Namely, providing security for the critical infrastructure, chemical plants, nuclear power plants, telecommunication services, all of the information services that we depend upon, water supplies,

electrical distribution supplies, all of these are prime targets. So we ought to try and anticipate that they will at some point try and take those down.

But I think it's a question of time, I think they will come. What we have to do -- we can't be successful every time and so we have to be prepared for that. This is an open, vulnerable country with vast borders, with multiplicity of ports and ports of entry. So it's just a question of time when it comes.

So the question, then, we have to deal with is if you can't deter it, and deterrence doesn't work against terrorists, can you defend against it and then what about consequence management. So all of these things are tied into homeland security, being prepared to defend but also managing the consequence when it fails. That's something, and I think more attention has to be placed on in terms of the governors.

MR. IGNATIUS: Just very briefly, Governor Kempthorne, I think if you read the writings of bin Laden himself, a central assumption that he made was that the United States as a country is weak.

A kind of formative moment for him was Beirut in 1983, when we were hit by car bombs and bailed out. Couldn't take high levels of casualty. I think he must have thought that the same response would happen after these terrible attacks. The aggressive, decisive American response confounded him.

You know, when I'm in an optimistic mood, I think that 9/11 will mark the high watermark of Islamic terrorism, not the beginning of a new wave that will go ever higher. The only other thing I'd say is that I think through very aggressive operations we're now in an enviable position where we have many, many people who we've captured, who we're interrogating. And it's impossible for those out in the field to know precisely who's been caught, precisely what they've

said. I think our intelligence agencies are using that position very cleverly, doing all the things you'd want them to do to sew confusion, discord, uncertainty.

I'm sure that there will be other attacks. But I do think that bin Laden's basic assumption was proved wrong; and I think the center -- al Qaeda means the center -- the center's been broken.

GOVERNOR PATTON: Mike Huckabee?

GOVERNOR HUCKABEE: Mr. Secretary, I appreciate your comments about the National Guard. For many of us, the issue of both recruitment and retention is going to be increasingly a major concern because of the longer deployments, the foreign deployments, the type of deployments that troops are experiencing.

What would be your recommendation to the president, to the Congress, regarding how do we maintain a legitimate defense strength without over-utilization of the Guard, which has historically been sort of a last resort and it increasingly is now becoming seemingly almost the first turn for front-line defense?

SECRETARY COHEN: Governor Huckabee, please don't ask me to make a recommendation to the President of the United States. He's got very capable individuals who are advising him.

But I can respond to your question in terms of what I think needs to be done as far as the redistribution of our forces. Secretary Rumsfeld has spoken on this, I think, quite forcefully.

There's a debate taking place now: Do we need to increase the end strength of our military. The answer is, well, if we're going to continue to be as fully deployed as we are, then something has to give. What we have is the same size force that President Bush inherited from President Clinton two years ago. It's the same size force essentially with far more missions.

If there was concern two years ago that we were "hollowing out our force," we have more concern today that we're hollowing out the force because of these over-deployments, especially with those units that we call high demand, low density, special forces, police, military police, engineers, and others. And so they have got to have a break as well as the Guard and Reserve.

So you have a choice. You can have an increase in the end strength. That's not easy. It will take time, it will take a lot of money; and those are one of the choices facing this administration and us.

The other alternative would be to restructure the forces in a way to say can't we -- and every Secretary of Defense wants to do this -- can't we restructure the tooth-to-tail ratio? Namely, we've got too much tail and not enough tooth. We've got people in the military who are doing jobs that civilians could do in their place. So you could turn more and more of our uniformed personnel into the fighting force as opposed to doing activities or conducting activities better handled either by the private sector or by a civilian workforce.

Now, that's running directly into opposition in Congress and elsewhere. But it's something that -- we have choices. You can either increase the strength or you can redistribute the people inside of those numbers right now. But those are pretty limited.

The third option, of course, is to get more of the international force involved. I would like to see NATO, as an institution, very much involved as they are in Afghanistan but to involve them in Iraq. It is the only organized military institution in the world today with that kind of command and control and unity of command and control.

So we can call upon other countries. To do that we have to be willing to encourage them to participate. That may take political compromises, namely, that some of the countries, be it France or Germany or others, may say that we also want to share not only on the military side of things

and the peace-keeping side but also in the reconstruction effort in a much more major way.

Another choice the administration will have to make.

So it's either larger end strength, reconfigure your own forces, but also in combination, broaden the participation of other countries. Now, we have other countries coming in, as I mentioned before. The newer countries in NATO are eager to help the United States. We need to have other countries and I would say other Muslim countries. We need to have the Pakistanis, the Indians, and others contributing forces to these global efforts.

One of the reasons that the Pentagon was so reluctant on Liberia was not because the Pentagon doesn't have compassion for people who are in desperate need of humanitarian relief, it's because you look at where we are committed today and say how much more can we do. If we take another engagement under our belt, what does that do to the reenlistment rate in the Guard and the Reserve? How many people are going to reenlist after they've been away for six months to a year only to face another redeployment in the next several months? They will say better to get out, and that will create a real crunch for us.

So we've got these three or four options. It may take a combination of all of them, but I'm sure that President Bush is receiving that advice from a very competent Secretary of Defense.

GOVERNOR PATTON: David, do you have an observation on that one?

MR. IGNATIUS: No.

GOVERNOR PATTON: Mike Rounds of South Dakota.

GOVERNOR ROUNDS: Thank you, sir. I remember sitting here about nine months ago as a newly-elected governor and listening to Tommy Thompson at that time explain and answer questions of this same group about the possibilities of smallpox being released and about other countries having smallpox available to them to be used as a weapon.

After the Iraqi conflict that we're still in the middle of, is this country safer because of what we've done? Is the threat of smallpox being released in the United States today less than what it was nine months ago?

SECRETARY COHEN: Let me talk about smallpox but also how about anthrax? Which is something that I was concerned about when I was Secretary of Defense. I mandated that everyone in uniform be vaccinated or inoculated against anthrax because there are literally hundreds of tons of anthrax in existence and that was the most likely substance that we would confront if we had to go to a wartime scenario.

Since that time, of course, we found that we had a shortage of supply. There was some resistance in the Air Guard in particular, but the Guard and Reserves, but we were able to vaccinate, as I recall, some 6- or 700,000 before we ran out of the supply and then had to get a recertified production facility.

But think about what's happened. Following 9/11 we had a few spores, a few spores of anthrax put through our mail system. It literally shut down the mail system in Washington and in parts of New York and New Jersey. You're just talking spores, we're talking hundreds of tons of anthrax being out there. So that's a threat that remains today.

Smallpox, again, I think is a very dangerous threat to all of us. We've taken steps to mitigate the threat of smallpox. You may recall that CSIS, as I cited before, the Center for Strategic International Studies, conducted sort of a war-games scenario about 18 months ago. It was called Dark Winter.

Basically they said let's assume, let's war game this out, that the terrorists are going to release a smallpox virus in three separate states nearly simultaneously. Because that's the way in which terrorists operate, always to try to hit multiple centers nearly simultaneously to cause mass

confusion and to present all kinds of logistical problems for the United States. You saw it in the embassies in East Africa, nearly simultaneous, about 20 minutes apart. You saw it with the Trade Towers, nearly simultaneous along with the Pentagon.

So the modus operandi at that point is to have these multiple attacks. Well, one of the attacks theoretically -- and this was all, again, an academic exercise. We tried to make it as realistic as possible. Oklahoma, as I recall, was the state where it took place, it really took effect.

You have a situation in which for the first six to 12 days you don't even know that you've been infected. The symptoms don't start to show up until that time, and then when they do show up, you may misconstrue them as being symptoms of the flu. But in the meantime, you have come into contact with literally hundreds, and then you think about it, thousands of people. So how do you cope with that if you're the governor of that particular state?

Well, we found that the first thing there will be, a run on the pharmaceutical stores, drugstores, people trying to break in to get access to antibiotics, anything that will help them in dealing with this. They quickly overrun the local police ability to control it. Then the mayor is involved and then the governor, ultimately, trying to impose a quarantine upon the city and then upon the state. We found that we were really deficient in coping with that. So that was some months ago.

Since that time, of course, President Bush has mandated that all of the health officials, if at all possible, be vaccinated. So a number of steps have been taken to stockpile the vaccines and that is ongoing.

So I would say that we are better off today from a physical point of view in terms of security. Number one, we're now aware. Our innocence has been shattered. Our sense of invincibility has been shattered. So now we know there are people out there who want to kill us in

mass numbers and this is a way in which they may try to do it. So we are better prepared in anticipating that these things are out there, these substances that we have to protect ourselves against.

There's still a big question in terms of are we really more secure in terms of our airport security, our port security, all of those issues still remain. We've made, I think, significant strides but we still are, I think, woefully unprepared for a major biological attack in this country.

So better off than we were. You can debate that issue in terms of whether or not people feel that we, by conducting the war in Iraq, have diverted attention from a wider global attack, global terrorist groups. But I think we're better off today in terms of just being aware that we're under threat and we're better prepared for it, although not really well enough.

GOVERNOR PATTON: David, do you have an observation?

MR. IGNATIUS: Twenty seconds' worth. Governor, I don't know whether you're safer today than you were; but listening to yesterday's discussions with Governor Ridge, Secretary Ridge, and to this morning's discussions, I know that you're better prepared to deal with something if it happens and you'll be much better prepared, you know, in another six months or a year.

GOVERNOR PATTON: I'm going to go to Bill Owens for the last question. But talking about smallpox, at one time I thought that smallpox had been eradicated from the face of the Earth with the exception of the U.S. labs and Soviet Union labs, which were presumed to be secure.

Do we know for a fact that smallpox exists out of those two places?

SECRETARY COHEN: We do.

GOVERNOR PATTON: Okay. Bill Owens.

GOVERNOR OWENS: What an outstanding duo to present to us today. I really appreciated the expertise that both of you bring to it and, David Ignatius, particularly your recent time in Baghdad and Iraq. It's just a great perspective.

I do have one little quibble, perhaps, with David Ignatius's assertion that historians will, in fact, find that the Bush administration was wrong about the imminence of the Iraqi threat. My dispute is not with the fact that historians may find fault with that but with whether President Bush ever described Iraq as an imminent threat in the first place.

Wall Street Journal just had an excellent lead editorial on this very issue and the Journal went back to President Bush's State of the Union speech where he specifically said that the threat from Iraq is not imminent, but it's ultimate; that it's not tomorrow, but he is, in fact, very concerned about the ultimate threat from Iraq.

So I know that consensus is that the president described the threat as imminent. I would suggest, respectfully, that he did not in fact do so, though the perception is otherwise.

MR. IGNATIUS: I'm sure you're right, you know, on the details. I think my only concern here is that, aside from the particular words that were used, the particular statements, the American people were convinced that this was the right thing to do because of a sense that Saddam Hussein posed a threat through his weapons of mass destruction, whether imminent or down the road.

I think it's so important that there be public support for what we're embarked on. As I say, the only way I think it's going to make us much less secure is if we pull the plug and bail out as we did in Beirut and as we have some history of doing in commitments where there isn't public support.

So I think that it's important that the president, the administration makes sure that they have now a solid rationale for what they're doing and that they're comfortable with the case that they've made and that the country as a whole is ready to sustain that commitment.

But I'm sure you're right about the particular words.

GOVERNOR PATTON: Well, again, to David and Bill, thank you for being with us and for your insight. It was very informative to me and I'm sure it was to everyone.

(Applause)

Okay. We're going to finish up a little business here. We have some policies which is the way the National Governors Association, through a consensus process, communicates our positions on important issues primarily to our national government in Washington.

I want to compliment the staffs of the various governors that have worked endless hours to try to get the views of the entire body and to meld those views as best they can into a consensus portrayal of what the governors stand for. That process, I think, has been very successful.

Various governors have proposed different policies, and they were generally sent in by August the 1st. There's a packet of each of the proposed policies at your stations.

No additional amendments were made to these policies by committee at the Annual Meeting. So this should be a relatively simple process. I'm assuming that these have been agreed to by consensus.

It will require a two-thirds vote of those present and voting for them to pass. Now, to expedite matters, I would like for each committee chair to please move the adoption of all of their policies en bloc. If there's any objection to that, then we will address that.

I want to start with Governor Vilsack who is chairman of the Committee on Economic Development & Commerce.

Governor Vilsack.

CONSIDERATION OF PROPOSED POLICIES

GOVERNOR VILSACK: Governor Patton, thank you very much. Actually, I've been asked by Governor Johanns, who chairs this committee, to in his absence move the recommendations and proposed amendments to the Committee on Economic Development & Commerce.

They are six amendments ranging from "Post Office Relocations" to "Economic Development and Evolving Financial Security Services Industry." They were passed unanimously by the committee and we would move them en bloc and be able to respond to any questions.

GOVERNOR PATTON: Second?

...The motion was seconded by an unidentified governor.

GOVERNOR PATTON: Any discussion?

If not, all in favor, say aye.

Opposition?

And they are carried.

Now, let's go to the Committee on Human Resources, Governor O'Bannon, who is the chair of that committee. Governor O'Bannon.

GOVERNOR O'BANNON: Thank you. Let me just first say our session on closing the achievement gap was just outstanding with five panelists, and certainly followed, Paul, what your theme was of raising low-performing schools.

The Committee on Human Resources has unanimously approved the amendments and renewal of nine policy statements that touch on issues ranging from federal workforce policy,

children's health, federal special education law, and national community service. At this time I'd like to offer a motion to move these policies en bloc.

GOVERNOR PATTON: Is there a second?

...The motion was seconded by an unidentified governor.

GOVERNOR PATTON: Any discussion?

All in favor, say aye.

Opposed?

They are carried.

And Governor Owens, the vice chair of the Committee on Natural Resources.

GOVERNOR OWENS: Mr. Chairman, I'm presenting this report on behalf of our chairman, Bob Wise. The committee adopted on unanimous votes en banc amendments to three existing policies, reaffirmed four policies without change. Policies recommended to the NGA membership for amendment included policies having to do with transportation conformity with the Clean Air Act, comprehensive national energy and electricity policy and policy concerning the drought.

Again, we voted unanimously in our committee. I would move that we adopt these changes and the reaffirmation en banc this morning.

GOVERNOR PATTON: Is there a second?

...The motion was seconded by an unidentified governor.

GOVERNOR PATTON: Any other discussion?

All in favor, say aye.

They are adopted.

Now I'd like for Governor Kempthorne to report on Executive Committee policies.

GOVERNOR KEMPTHORNE: Mr. Chairman, I don't know that we have any additional Executive Committee policies.

GOVERNOR MINNER: Homeland security and asbestos issues were two that the committee was concerned about, and we do have those two issues.

GOVERNOR KEMPTHORNE: Mr. Chairman, yes, we do have then the proposed changes in policy, EC-5 and EC-8, Homeland Security Comprehensive Policy and Asbestos Litigation Reform. So I'd move for their adoption.

GOVERNOR MINNER: Second.

GOVERNOR PATTON: Moved and seconded. Any discussion?

All in favor, say aye.

Any opposition?

They are adopted.

Gary Locke, tell us a little bit about what you have in mind for Seattle next year.

GOVERNOR LOCKE: Well, thank you very much, Mr. Chairman, and I was hoping for that opportunity. We've been passing out a lot of Starbuck's frappachinos and double-shot espressos and Washington cherries and apples. They're all in a booth outside and a lot of the Seattle Chocolates I've tried to pass out to some of the governors around the table already without trying to be disruptive during this morning's presentation.

But we're really looking forward to an exciting summer conference in Seattle next year. We're trying to build upon the success that Governor Kempthorne provided and his state provided in Idaho last year; and, of course, we've been analyzing and admiring what Governor O'Bannon and First Lady Judy O'Bannon have done with this year's conference.

But it's going to be exciting. We're really going to try to make it family friendly with a lot of activities for the kids. I hope many of you will and many of your staffs and our corporate fellows have expressed an interest in Seattle, a great venue.

Want to let you know that there's less rain in Seattle per year than New York City.

(Laughter)

In fact, once the 4th of July starts, there's virtually no rain starting from the 4th of July in Seattle until perhaps the end of September. Already this year we've only had three days of rain the entire summer in Seattle and that was just for a few hours. So we're really looking forward to that. And there's no humidity in Seattle either.

But we have a lot of activities planned. I hope everyone will take a look at some of the brochures, think about extended stays. From climbing Mount St. Helen's and visiting the volcano there, you can hike right up to the edge of the crater and look down into the crater of Mount St. Helen's. You can go whale watching and hiking and camping just within a few minutes of downtown Seattle.

So we've delivered baskets to all the governors and we'll have more to present to you at the winter meeting and hope that you all start planning your agendas for Seattle 2004. Thank you very much.

GOVERNOR PATTON: Looking forward to it. It's going to be exciting.

GOVERNOR LOCKE: And let me just say to everyone that's here, to the governors, their staffs, and the supporters here, we have a booth right outside, free Starbuck's chilled frappachinos and double-shot espressos. So you don't have to go downstairs and buy your Starbuck's. You can get it free at the Washington booth just a few feet away. And we don't want to take the stuff home, so please partake.

GOVERNOR PATTON: It sounds exciting, but let me say that you all are going to have to go an awfully long way to top what Frank and Judy O'Bannon have done this weekend. Thank you all so much. It has really been terrific. We enjoyed it very much.

(Applause)

Well, I know you all provided the leadership and the vision, but I know you also had hundreds of people working very hard and we thank them, also.

I want to take this opportunity to thank the staff of the National Governors Association, Ray Sheppach and all of them, for what they have done over this past year to make this task that I and we have had easier and I think very, very productive.

I thank my colleagues for the confidence that you've placed in me in asking me to provide this leadership over the last year. It's been an unusual year. It's been, I think, one of our most difficult years but I think one of our most productive years.

I believe that the organization is stronger today because we have recognized that in the end, the governors represent the people of this great nation. We have a responsibility to represent the needs of our people to our national government; and I think we have done that for many, many years. I think we did this past year and I know we're going to continue to do that in the future. It's certainly been my pleasure to have been a part and provide the leadership and occupy this position for this year.

Before we elect new leadership, I want to take this opportunity to personally thank Dirk Kempthorne for the tremendous support that he has given me during this past year in a little bit unusual circumstance. While this organization has always operated on consensus and while I had a very good relationship with our previous chairman, this year has been different in that with the White House and both houses of the Congress in the control of the Republican Party, it has been

essential that we as an organization have an effective voice to communicate with those entities, and Dirk has certainly performed that.

So just personally I thank you, and may I provide you with a little gift here. I've read about that motorcycle trip, I hope most of you all have. I understand that this would add to your normal motorcycle costume.

(Laughter)

From Judi and I, I hope you'll accept this as our personal thanks for having worked so well together. Thank you.

(Applause)

Before I get the report of the Nominating Committee, I also want to thank Judi Patton for the outstanding work that she did and her staff did in providing what I understand is an outstanding spouses program. Thank you, Judi, for the work that you've done.

(Applause)

With that, I will ask Jim Douglas to give us a report of the Nominating Committee.

NOMINATING COMMITTEE REPORT

GOVERNOR DOUGLAS: Mr. Chairman, thank you very much. We may want to reconsider after that black leather presentation.

(Laughter)

I think we'll go forward, and thank you for the opportunity to undertake this onerous task. The Nominating Committee launched a nationwide search to find leadership for the National Governors Association for the coming year. I want to express my appreciation to the other members of the committee, whoever they may be.

(Laughter)

We're honored to recommend the following governors to serve on the NGA Executive Committee for the coming year: Ed Rendell of Pennsylvania, Mitt Romney of Massachusetts, Paul Patton of Kentucky, Tom Vilsack of Iowa, Ruth Ann Minner of Delaware, John Rowland of Connecticut, Mike Huckabee of Arkansas.

For vice chairman of the Association, we recommend Governor Ronnie Musgrove of Mississippi; and to provide leadership as chairman of the NGA for the coming year, our colleague and friend, Governor Dirk Kempthorne of Idaho.

GOVERNOR PATTON: Do I have a second in the nomination?

...The motion was seconded by an unidentified governor.

GOVERNOR PATTON: Is there any discussion?

Hearing none, all in favor say aye.

All opposed?

They are elected.

Dirk, congratulations to you and to all of the new members; and I provide you with the gavel.

(Applause)

GOVERNOR KEMPTHORNE: Thank you.

GOVERNOR PATTON: It's been a pleasure.

GOVERNOR KEMPTHORNE: It truly has, thank you.

(Applause)

Governor Patton, thank you so much for your outstanding leadership during this past year. This past year, which has seen the nation at war, this past year that has seen the states in a financial

crisis the likes of which we've not seen since World War II, and yet you remained a steady hand at the helm of the National Governors Association.

I can say to all of my colleagues, because I think you have experienced it as well, but the many, many times that Governor Patton and I spoke on the phone, met in person, the friendship of the partnership was very evident. He is an articulate individual. We have been well-served by him as our chairman of the National Governors Association and Kentucky has been well served by him as their governor.

It's been a challenging year. When we think of the list of accomplishments of Paul Patton, it could take a great deal of time to list all of them. But he has been the chairman of this organization and the vice chairman of this organization, the chairman of the board for the Center of Best Practices, Executive Committee member for the past four years, lead governor on post-secondary education, chair of the Critical Task Force on Surface Transportation. Again, he was the chairman when we received from Congress \$20 billion of fiscal relief at a time when the states were in need.

All governors thank you, Paul, for your leadership, for what you have done. I also would like to recognize you at this time as the outgoing governor of Kentucky, as he completes that phase of his life in public service, and acknowledge some of the accomplishments which you have provided to the citizens of Kentucky.

In Governor Patton's two terms -- and I would add that he's the first governor in 200 years that has succeeded himself. That alone is Kentucky history. But you have provided results that will resonate for years to come in Kentucky. Initiatives like Education Pays and Kids Now, which will give Kentucky children the healthy start and education that they need in order to prosper in this

competitive world. Governor Patton's Smart Growth Task Force has mapped out a plan to preserve Kentucky's unique heritage while continuing vital economic growth to the commonwealth.

I'd also like to take this opportunity to acknowledge the first lady of Kentucky and all of her contributions both to Kentucky and to the spouses organization. An outstanding lady, Judi Patton.

(Applause)

We admire, Judi, your tireless efforts on behalf of so many people, this organization and the citizens there in your beloved Kentucky.

With that, Mr. Chairman, I'd like to present to you three items, one of which is a gavel to commemorate as a tribute to your leadership for this past year which has been a challenging year for all of America, but you served with distinction.

In addition to the gavel, which represents that leadership, I present to you what we traditionally present to governors as they depart from their office, and that is a picture of the first gathering of the National Governors Association with the then President of the United States, President Teddy R. Roosevelt.

GOVERNOR PATTON: Get this team together here.

GOVERNOR KEMPTHORNE: And here's your gavel, sir.

GOVERNOR PATTON: Thank you.

(Applause)

GOVERNOR KEMPTHORNE: Now, I mentioned a third item -- and I appreciate greatly this leather which you provided me. We bikers do not call it costumes.

(Laughter)

This is safety gear as we ride our Harleys. It's nice because in just about a week or so in Milwaukee, Harley-Davidson will celebrate its 100th anniversary; and the Corvettes last night, the 50th anniversary; and Ford Motor Company, 100 years.

But, Paul Patton, good friend, I know of your love for golf, and this is something that I acquired from the Coeur d'Alene Golf Course, the only floating green in the world. But I think this may meet with your approval, take a look.

GOVERNOR PATTON: Oh. That's what I need, something like this. But now, Dirk, let me tell you, the clubs are not the problem with my golf game.

(Laughter)

But I do appreciate it. Thank you very much.

(Applause)

GOVERNOR KEMPTHORNE: May I add, too, my compliments on behalf of Patricia and me, and I think all of the attendees, to Governor O'Bannon and First Lady Judy O'Bannon. What a fantastic job you have done for us in making us feel so welcome into this beautiful state of Indiana, this wonderful, dynamic city of Indianapolis.

We go away with new friends, we go away with wonderful impressions of a very progressive state and a very friendly state. We look forward to coming back.

So, Frank and Judy, would you convey on behalf of the National Governors Association to your hundreds of volunteers, to your citizens, to your staff and to your state troopers, your guardsmen, all of the multitude of individuals that have played such a role in the professionalism and the execution of a beautiful event here in Indiana. Thank you.

(Applause)

And, Gary Locke, we look forward to Seattle. It will be outstanding. I know that you and Mona are going to just provide a beautiful setting for us. So that will be, again, one of those great traditions that we look forward to.

Each day as I drive to work I pass a particular business. Each week they put a different message on the reader board. Truly, last week, the message was: "Common sense is the least common of all senses."

I think all of us should look at the issues facing this nation today. Whether it's education or healthcare, the environment or economic development, we should be ready to apply common sense to solve these challenges.

One of the significant developments of this Annual Meeting has been the creation of a new standing committee on education dedicated to our children and to their future. Now, that makes sense.

As we deal with our state budgets and finite resources, we must be assured that we're investing in practices that will provide the best opportunities for our children. I've asked this new Education Committee to continue the emphasis on early learning, to find practical solutions to the challenges in our educational system. The committee will find great partners in this effort with the spouses group.

In Idaho my wife, Patricia, has been my partner as we declared the Generation of the Child and worked to ensure every child has a strong foundation leading to great success in life.

As chair of the spouses group, Patricia will continue to work for families and children on issues like early care, education, and substance abuse treatment. Our spouses are an invaluable asset. So to the spouses, on behalf of your governor, thanks for all that you do for us.

The chairs of the other standing committees agree on important issues that we're going to be addressing in a bipartisan and common sense approach. A critical issue for the Economic Development & Commerce Committee, of course, is the reauthorization of T-21, the transportation bill. I believe, and I believe you concur, that it's extremely important that we get a six-year reauthorization of that program.

Now, if Congress is unable to complete work on a new six-year bill prior to September 30th, Congress must enact a short-term extension. The inability to do so would mean the loss of funding in projects and jobs in all of our states. So this will be a key area for that committee and the governors serving there to focus on.

I've asked the Human Services Committee to continue working on prescription drugs. This organization is on record with unanimous support. I think it's significant when you have a letter signed by 50 governors and governors from our territories in unanimous support on this issue. It is the responsibility for prescription drug benefits for those that are duly eligible for both Medicaid and Medicare.

Medicare is a federal program for those over 65 and prescription drugs for those over 65 should, therefore, be paid for by the federal government. As Congress addresses this, the nation's governors will have an essential role in implementing needed reforms and we must stay engaged.

In natural resources, again, such very important issues such as healthy forests, we see the devastation of the forest fires that hit in a variety of the segments of our nation and vast tracts of trees that simply go up in smoke. So we need to work with the administration on the healthy forest initiative.

Also, 30 years ago President Richard Nixon signed the Endangered Species Act. Its reauthorization is on the horizon. This is a key issue for the states as we work diligently for the

recovery of species, not simply the listing. So, again, the committee working with regard to the Endangered Species Act will be very, very important.

My initiative this year is called "A Lifetime of Dignity: Confronting Long-term Care Challenges in America." Now, consider this: Today there are more than 35 million Americans over the age of 65. In just eight years, 77 million baby boomers will begin reaching that milestone. Chronic health conditions such as hypertension, arthritis, diabetes, visual and hearing impairments all increase with age. Most elderly people have at least one chronic condition and many have multiple conditions.

In the year 2000, care of chronic illness consumed 75 cents of every healthcare dollar spent in the United States. Over the next 20 years, over half of the current U.S. population is expected to be afflicted by chronic conditions. The combination of high-life expectancy with increased rates of chronic illness paints a bleak picture for our nation's long-term care system.

But this issue is more than simply numbers and statistics. Is it good policy that someone should have to be ready to be entered into a nursing home before they qualify for some assistance that could be made available to them while they're still in their home?

To keep people in their homes, to allow them to age in place, as it is called, we need to have assisted technologies, we need to have improved transportation. The aspect of technology in this area is unlimited. Perhaps we will be declaring a new independence day for our seniors if we can find solutions.

We could go around the table and every one of us could give an example, I believe, of long-term care and how human it is, how challenging it is, and how gut-wrenching decisions about caring for an elderly family member can be. Maybe it's an elderly mother, perhaps a stroke victim who is in essence a prisoner in her own body. And her husband and life-long companion is losing

his eyesight and can no longer drive. He's trying to be the care-giver, cook the meals, get to the grocery store, all very difficult when you can't read labels or get around. It's a story of love and courage and compassion and great challenge.

Let me tell you about another couple I know who now takes care of both of their aging parents but, by the way, they're also now raising their grandchildren. They themselves are aging. When do they have their golden years and who's going to provide for their long-term care?

In essence, this country is a victim of its own medical success. Thanks to better research, medicines, techniques, Americans are living longer. Life expectancy is increasing, but to what end? To what quality of life? Sure we know the problem because of what it does to our budgets. But it's more than budgets. It's more than legislation. It is people, it is dignity.

We need common-sense solutions to truly provide long-term care that addresses the needs of an aging population. While the answers may not be right in front of us, this organization is going to raise these issues during the coming year. We know that we just can't throw more money at it.

The average retiree has \$30,000 in his or her retirement account. One year in a nursing home costs approximately \$50,000. The average stay in a nursing home is 2.3 years. When you do the math, you find it just doesn't work. This doesn't make sense. That's why it's estimated that one in three baby-boomers will go broke trying to meet their healthcare needs within the first year of long-term care.

So part of the solution is what sort of financial solutions or incentives can be created, public and/or private. What sort of technologies can be leveraged to improve the health and well-being or improve the wellness of the population now so that baby-boomers can enjoy better years in the future?

The longer we can hold off the onset of chronic illness, the healthier we will all be as individuals and as a society. What is the cost of a daily dose of 81 milligrams of aspirin versus the cost of a stroke?

The chairman's initiative will seek the best ideas, the best protocols, the best plans and make it part of our respective state initiatives and national agenda. I want the organization to be the preeminent source, the clearinghouse for best practices in long-term care.

The intent is to make the National Governors Association the first reference on long-term care with solid policy discussions, both by this group and by a diverse group of expertise from throughout the country. We will gather together in two national forums and in regional workshops to have this discussion. We utilize the resources of the Center for Best Practices to facilitate our efforts. I will ask a number of the nation's experts in the field to join us at the table.

I don't anticipate that we'll find a cure for aging in the coming year. But I do believe that with our combined efforts, we can identify practical tools that will improve the state of our long-term care system. We are living longer, but we can also live better with greater dignity and independence for our seniors.

This organization, again, identifying it with the fourth standing Committee on Education and Early Learning, and now addressing long-term care with regard to our seniors shows that we're examining the entire spectrum of life and the challenges that that holds for us.

It is a tremendous honor for me to serve with each and every one of you governors. I'm proud to be one among you, and I thank you for your support.

We're going to have an outstanding year, and we're going to become, as we have been, an aggressive organization because the challenges are right there in front of us. On behalf of the citizens that we serve, we will find the answers and the solutions.

With that, I would entertain any other item to come before us before we adjourn what has been an outstanding meeting. Is there any other item?

If not, then, again, Governor Patton, it has been an honor, sir, to serve as your partner. You've been a great chairman for this organization and I intend to continue that tradition.

GOVERNOR PATTON: Thank you.

(Applause)

GOVERNOR KEMPTHORNE: I will now declare that this Annual Meeting of the National Governors Association in the city of Indianapolis and the state of Indiana is adjourned.

(At 12:17 p.m., Tuesday, August 19, 2003, the Plenary Session of the National Governors Association was adjourned.)