



MARCH 10, 2017 BACKGROUND

## Elaine Chao, Secretary of Transportation

### INTRODUCTION

Elaine Chao, best known for her work as Secretary of Labor under President George W. Bush, has been confirmed as President Trump's Secretary of Transportation. This memorandum provides an overview of her background, expressed opinions on relevant topics, and the response to her nomination from Congress and other political players.

### POSITION

Secretary of Transportation

### CONFIRMED NOMINEE

Ms. Elaine Chao (confirmed by the Senate on January 31)

### EDUCATION

B.A. in Economics from Mount Holyoke College

MBA from Harvard Business School

### AGE

63

## PROFESSION

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- Hudson Institute, Distinguished Fellow (2016-2017)
- Heritage Foundation, Distinguished Fellow (2009-2016)
- Department of Labor, Secretary (2001-2009)
- The Heritage Foundation, Distinguished Fellow (1996-2000)
- United Way of America, President and CEO (1992-1996)
- Peace Corps, Director (1991-1992)
- Department of Transportation, Deputy Secretary (1989-1991)
- Federal Maritime Commission, Chairman (1988-1989)
- Department of Transportation, Deputy Maritime Administrator (1986-1988)
- Bank of America, Vice President of Syndications (1984-1986)
- White House Fellow (1983-1984)
- Ruth Mulan Chu Chao Foundation, Chair (2009-2017)
- Board of Directors, News Corp (2012-2017)
- Board of Directors, Bloomberg Philanthropies (2012–2015)
  - Stepped down because Bloomberg was, "ramping up its Beyond Coal Partnership with the Sierra Club to wean cities off fossil fuels." ([Curbed](#))
- Board of Directors, Wells Fargo (2011-2017)
- Board of Directors, Protective Life (2011-2017)
- Board of Directors, Dole Food Company (2011-2013)

## FAMILY

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Husband, Addison Mitchell "Mitch" McConnell, Jr., is the senior U.S. Senator from Kentucky and Senate Majority Leader. Father, James Si-Ching (S.C.) Chao, is the founder of the Foremost Group, a New York-based shipping, trading and finance enterprise.

## SUMMARY OF KEY ISSUE POSITIONS

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Secretary Chao has not expressed detailed opinions on many positions related to key transportation issues. As Secretary of Labor, she was well known for rolling back federal regulations, suggesting that her tenure as Secretary of Transportation could focus on transferring regulatory authority to the states.

- **Regulation:**

- Noted she wants to “decrease the regulatory burdens when appropriate” and “find more efficient ways to address bottlenecks in planning and permitting.” ([Politico](#))
- Her record suggests a laissez-faire attitude towards new safety regulations and a roll back of existing regulations. Under Chao, “... the Occupational Safety and Health Administration didn’t issue a single significant new safety regulation for four years, and mine safety inspectors were cut and inspections reduced,” said Thomas McGarity, a University of Texas law professor and author of “Freedom to Harm,” a book about the labor department that includes Chao’s tenure. ([U.S. News](#))
- From her 1989 DOT Deputy Secretary Confirmation Hearing: “If vehicles already meet an acceptable level of safety on a particular aspect of vehicle performance without being required to do so by regulation, I believe the Department should devote its resources to other issues rather than engage in rulemaking simply to affirm the existing level of safety.” ([Wired](#))

- **Self-Driving Cars:**

- “We don’t really have any idea where Ms. Chao would be,” says Chan Lieu, an advisor to the Self-Driving Coalition for Safer Streets, whose members include Ford, Google, Lyft, Uber, and Volvo. ([Wired](#))

- **Air Traffic Control:**

- Chao has not taken any position on Transportation Committee Chairman Bill Shuster’s (R-PA.) plan to take air traffic control out from under the FAA and place it into a nonprofit body. ([Politico](#))
  - During her confirmation hearing, she noted “Obviously this is an issue of great importance, it’s a huge issue that needs to have a national consensus. For that national consensus to occur there needs to be a dialogue. The administration has not made a decision on this point.” Chao said she is “open to all ideas,” understands the sides, and pledged to work with Congress on the matter.

- **President Trump’s \$1 Trillion Infrastructure Vision:**

- Promised to look at creative ways to attract funding for President Trump’s \$1 trillion infrastructure investment plan. ([Politico](#))
  - Under questioning from Sen. Cory Booker (D-NJ), Chao said she thinks Trump’s infrastructure package would include at least some federal spending.
- Supported during her confirmation hearing convening an advisory group. ([CQ](#))

- **Highway Trust Fund:**

- Acknowledged that the Highway Trust Fund needs to be fixed, saying it was “among the top priorities” for Trump. She did not discuss how the president planned to alter the revenue source for the fund. ([Politico](#))

- **Train Anti-Collision Technology:**

- “If confirmed, I hope to get briefed on this, and if there’s a deadline of that particular date I would look at it very seriously,” Chao said. “Again I want to get an updated briefing on that, and I did promise you that I would do that.” ([Politico](#))

- **Rural Infrastructure:**

- Sen. John Thune (R-SD) reportedly raised the issue of balancing urban and rural infrastructure needs with Secretary Chao prior to her hearing. “My question for her was: In areas of the country where you don’t have the necessary income stream to repay investors if there is private investment, i.e. toll roads and things like that, then what do you propose in areas like that? We’ll be anxious to hear from them about how they intend to address

an infrastructure package that would also take into consideration the needs rural areas have.” Chao said rural voices would be a part of a task force to develop ideas for infrastructure legislation. (CQ)

- **Cross-Industry Cooperation:**

- During her confirmation hearing, Sen. Roy Blunt (R-MO) asked Chao, “Do you think 10 years from now, we’ll look back on this moment, where world food demand will double in 30 or 40 years ... and we’ll ask, why didn’t we do something? Why didn’t we get inland port structure, rail structure and air to come together?” Chao responded, “We still have sectors of the economy viewing each other as competitors when we should all be working together. As we consider the infrastructure of the future, we need to focus on how different modes of transportation can be seamless partners and deliverers of services to provide a more productive transportation system.” ([Courthouse News](#))

## RESPONSE TO NOMINATION TO DATE

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Chao’s nomination has garnered broad, enthusiastic support from Congressional Republicans, conservative political organizations and business associations. Congressional Democrats, progressive political organizations and labor union leaders have expressed support of the nomination for the fact that she is one of the more bureaucratically knowledgeable nominees put forth by the administration.

### Elected and other government officials:

- **President Donald Trump:** “Secretary Chao’s extensive record of strong leadership and her expertise are invaluable assets in our mission to rebuild our infrastructure in a fiscally responsible manner. She has an amazing life story and has helped countless Americans in her public service career. I am pleased to nominate Elaine as Secretary of the Department of Transportation.” ([Press Release](#))
- **Sen. John Thune (R-SD), Chairman, Commerce, Science and Transportation Committee:** “Elaine Chao has the experience, ability, and now the bipartisan backing of the Senate to address our nation’s transportation and infrastructure challenges. Her unwavering commitment to public service will be an asset to the Department of Transportation and the new administration. As a new era begins, I look forward to working with her on an agenda to boost innovation and our country’s economic success.” ([Press Release](#))
- **Sen. Mitch McConnell (R-KY), Senate Majority Leader:** “I was very pleased that the Senate confirmed Transportation Secretary Elaine L. Chao. Our infrastructure is vital to the future of the Commonwealth, and I know that Secretary Chao will bring the necessary experience and skills to the job. I am so proud of Elaine for her many accomplishments and her dedication to public service. I know that she will make this nation, and the Commonwealth of Kentucky, very proud.” ([Press Release](#))
- **Sen. Chuck Schumer (D-NY), Senate Minority Leader:** “Her relationships in Washington are really deep and very well-respected, and that helps a lot. Senate Democrats have said that if President-elect Trump is serious about a major infrastructure bill, backed by real dollars and not just tax credits and without cutting other programs like health care and education, that we are ready to work with his administration.” ([Washington Post](#))
- **Rep. Paul Ryan (R-WI-1), Speaker of the House of Representatives:** “Elaine Chao is an outstanding choice to serve as the next Secretary of Transportation. She is a conservative reformer with unrivaled experience and a great passion for improving the lives of working families. We will be particularly fortunate to have Elaine leading the charge as we work to ensure America has the infrastructure needed to keep our economy moving in the 21st century. I congratulate Elaine, and applaud the president-elect on this choice.” ([Press Release](#))
- **Rep. Nancy Pelosi (D-CA-12), House Minority Leader:** “President-elect Trump has indicated a strong interest in renewing America’s infrastructure, and Democrats hope we can work with Secretary Chao to swiftly pass a robust infrastructure bill that creates more good-paying jobs. Bold, job-creating investments in infrastructure can and should be a bipartisan priority. However, Democrats will not allow Republicans to use an infrastructure bill as a Trojan horse for undermining workers’ wages and handing massive tax breaks to big corporations. Given Congressional Republicans’ ceaseless attempts to undermine the economic security of America’s hardworking families, Democrats

hope Secretary Chao will honor her responsibility to ensure good-paying jobs and worker safety. We hope that Secretary Chao will be a partner in Democrats' efforts to create more good-paying jobs rebuilding America." ([Press Release](#))

- **Rep. Bill Shuster (R-PA-9), Chairman, House Transportation and Infrastructure Committee:** "I congratulate Elaine Chao on her confirmation as the next Secretary of the United States Department of Transportation. I look forward to getting to work with her, the new administration, and my colleagues in Congress on the many issues before the Committee this year, including critical FAA reforms and smart, responsible investments in our Nation's infrastructure network. We have a tremendous opportunity to improve our transportation systems, reduce regulatory burdens, encourage innovation and private-public partnerships, strengthen our competitiveness, and build a 21st century infrastructure for America." ([Press Release](#))

## WHAT OTHERS ARE SAYING

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**Industry, advocacy, think tank, and political organizations:** For the fact that Secretary Chao is one of the more experienced bureaucrats serving in the Trump administration and that her Transportation Policies are not well fleshed out, public statements have largely been congratulatory.

- **Trucking Industry Comments:**
  - **Daimler Trucks North America, owner of the Freightliner brand:** "Chao's nomination signals the incoming Administration's attention to the importance of our nation's transportation systems. We look forward to working together with secretary-designee Chao on the challenges facing American transportation systems in the coming years, including upgrading our infrastructure and modernizing our roadways."
  - **Jim Spangler, Navistar's Vice President of Corporate Affairs:** "Her distinguished career in the private sector, coupled with her service as the former deputy secretary of transportation and secretary of labor, will ensure strong leadership at the Department of Transportation as the federal government looks for innovative ways to address the nation's infrastructure needs."
- **American Trucking Associations:** ([Press Release](#))
  - **ATA President and CEO Chris Spear:** "Secretary Chao has a long and distinguished track record, from her time as Secretary of Labor where I got to know her best and her service as Deputy Transportation Secretary as well as with the United Way and Peace Corps. Wherever she has gone, Secretary Chao has demonstrated the kind of leadership and vision we need to address our nation's pressing transportation issues and we look forward to quickly getting to work with her."
  - "The trucking industry is excited to begin working with Secretary Chao, and eager to join with her in pushing to improve the safety and efficiency of our nation's highways."
- **Pete Ruane, President and CEO, American Road & Transportation Builders Association:** "President-elect Trump has made a very good choice in selecting an experienced and proven leader to serve in this key cabinet post. As a former deputy secretary of transportation and secretary of labor in the respective Bush Administrations, there will be little learning curve for Elaine Chao. She is already well-versed on federal transportation policy, regulatory and safety matters. We look forward to her playing a critical leadership role in fulfilling President-elect Trump's campaign pledge to make major new strategic investments in America's transportation infrastructure network." ([Press Release](#))
- **Edward R. Hamberger, President and CEO of the Association of American Railroads:** "With her previous experience as DOT deputy secretary, Ms. Chao has a deep appreciation of critical surface transportation issues. This includes the important role the rail industry plays in this country and the working relationship it has with DOT agencies that oversee the industry, so, together, we can continue to move America's commerce safely and efficiently. The rail industry is also encouraged with statements by Secretary Chao in which she has indicated regulations should be focused and based on data, something the AAR supports, as America's freight rail industry believes new rules should be empirically driven, supported by cost-benefit analysis and geared towards today's innovation economy. The AAR and its member railroads congratulate Secretary Chao on her confirmation and we are ready to work with the secretary and her department to achieve a stronger regulatory framework in the country." ([Press Release](#))

- **American Public Transportation Association:** “On behalf of the more than 1,500 members of the American Public Transportation Association (APTA), we congratulate Elaine Chao, an individual with extensive federal government experience, on her nomination by President-Elect Donald Trump for the Cabinet position of U.S. Secretary of Transportation. We are grateful to have an experienced leader in this position who has previously served at the highest levels at the Department of Labor and the Department of Transportation. As the former U.S. Secretary of Labor from 2001-2009, Chao is well aware of the concerns of working people and economic competitiveness. Public transportation offers job access for millions of American workers. Also, since transportation is the backbone of an economy, public transportation is critical to local and national economic competitiveness. We are pleased that Chao also has experience with transportation, serving first at the Maritime Administration under President Ronald Reagan and then later as the Deputy Secretary for the U.S. Department of Transportation under President George H.W. Bush. The public transportation industry is ready to work with Chao on President-Elect Trump’s infrastructure initiative and advance public transportation nationwide.” ([Mass Transit Magazine](#))
- **Association of Global Automakers:** “Elaine Chao will become transportation secretary during an unprecedented wave of automotive innovation that is redefining how we think about transportation. We congratulate her and look forward to working together to support technologies that will save lives, time and fuel on our roadways.” ([Detroit News](#))
- **American Maritime Partnership:** “The American Maritime Partnership congratulates Secretary Elaine Chao for her nomination by President-elect Donald J. Trump to be the next U.S. Secretary of Transportation. With vast experience across the maritime industry and prior service at the U.S. Department of Transportation, Maritime Administration, and Federal Maritime Commission, Secretary Chao understands the critical role our industry plays in advancing the nation’s economic and national security.” ([Press Release](#))
- **Brian Wynne, President and CEO of the Association for Unmanned Vehicle Systems International:** “AUVSI congratulates Secretary Chao on her Senate confirmation and looks forward to continuing our collaboration with the U.S. Department of Transportation and Federal Aviation Administration to foster a favorable policy environment for the unmanned systems industry and work to safely integrate unmanned aircraft systems into the national airspace. An AUVSI report projects the UAS industry will create more than 100,000 jobs and generate more than \$82 billion in economic impact during the next 10 years. Under the right circumstances, there’s no question these numbers could be even higher. Sustained industry-government collaboration is key to advancing the innovation needed to create jobs and keep the U.S. at the forefront of this growing and exciting field. We look forward to working with Secretary Chao and her team to realize the many societal and economic benefits that the unmanned systems industry is poised to bring to our nation.” ([Press Release](#))

## Labor Unions

- **Edward Wytkind, President of the Transportation Trades Department, AFL-CIO:** “I congratulate Elaine Chao on her confirmation by the Senate as our new Secretary of Transportation. The challenges Secretary Chao inherits are monumental. Decades of wrongheaded austerity policies and partisan gridlock in Washington have left this country with a badly deteriorated transportation system and infrastructure that is harming American competitiveness and stifling job creation. Secretary Chao will play a central role in following through with President Trump’s promise to reverse this neglect and finally modernize our transportation system with significant new investments. I look forward to working with Secretary Chao to advance a robust, bipartisan investment plan that repairs and expands our transportation system, lifts more working people into the middle class and protects and honors the jobs and rights of frontline transportation workers who operate, maintain and build our vast passenger and freight network.” ([Press Release](#))
- **James Hart, President of the Metal Trades Department, AFL-CIO:** “On behalf of the Metal Trades Department and our seventeen national and international affiliated unions, I would like to congratulate Secretary Chao on her confirmation as the next Secretary of Transportation. We look forward to working with Secretary Chao and the Department of Transportation (DOT) to strengthen and enforce the Jones Act, improve the lives and working conditions of our unionized maritime workforce, and bolster the economic future of the shipping and shipbuilding industries.” ([Metal Trades](#))

- **David Madland, CAP Senior Fellow and Senior Advisor to the American Worker Project at the Center for American Progress:** “Like Donald Trump’s smoke-and-mirrors infrastructure plan, Elaine Chao’s nomination to head the U.S. Department of Transportation may look good at first glance, but underneath is an ominous sign for workers. Chao’s long record of anti-union sentiment and worker hostility is well documented; when she served as secretary of labor, her agency “left thousands of actual victims of wage theft ... with nowhere to turn,” according to the nonpartisan Government Accountability Office. Donald Trump ran on a platform of standing up for middle-class families but has nominated anti-worker, big business advocates at every turn. By nominating Chao, Trump has given a clear indication that his much-vaunted possible infrastructure plan is likely to do far less for workers than advertised.” ([Press Release](#))

## ABOUT THE DISTRICT POLICY GROUP

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The District Policy Group is a bipartisan team of lobbyists and public policy professionals who advance client interests before the legislative and executive branches of government at the federal and state levels. The District Policy Group is a boutique lobbying practice within Drinker Biddle & Reath LLP—a prominent law firm, with a 160-year history and 600 lawyers across 12 offices.

The District Policy Group is different from other government relations and public policy teams in Washington, D.C. We are former Hill staffers and former in-house lobbyists. We jump into the substance and become experts on our clients’ issues, concerns, cultures, policy positions, and advocacy agendas. With each representation, we customize our counsel and support to the individual needs of the client, factoring in internal resources, desired level of assistance, and particular policy goals. As a result, all of the insight, information, and recommendations we provide are relevant and tailored, and strategically advance our clients’ respective interests.

We maintain close relationships with members of Congress, congressional and federal agency staff, and have numerous connections to staff and leaders entering the new administration. We are uniquely qualified to help clients navigate the rapidly changing political and health policy world.

## PRIMARY CONTACTS

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Ilisa Halpern Paul leads the District Policy Group and has more than 25 years of experience in government relations, advocacy, and policymaking in non-profit, academic, federally-funded, and government settings. Ilisa’s practice centers on advising clients with respect to advancing their federal legislative, regulatory and programmatic policy agendas. Her work has earned her the recognition as one of The Hill’s Top Lobbyists of 2015 and 2016, as well as a feature story in *The Hill* regarding her rise to success.



**The Honorable J. Phillip Gingrey, M.D., Senior Advisor**

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Phil Gingrey is a senior advisor in the District Policy Group at Drinker Biddle. Dr. Gingrey is a former U.S. Congressman who served Georgia's 11th congressional district from 2003 to 2015. Given his medical background and local, state and federal public policy careers, he is uniquely positioned to provide public policy and government relations counsel to clients on issues related to health care, energy and environment, education, communications, and life sciences.

Throughout his 12 years in Congress, Dr. Gingrey served on numerous influential committees, including the House Committee on Energy & Commerce and its Health Subcommittee, the Committee on Education and the Workforce, and the Committee on Armed Services. In the 110th Congress, Dr. Gingrey was a Ranking Member of the Science Subcommittee on Technology and Innovation.



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Jodie Curtis focuses on policy, appropriations, and regulatory issues. She has more than 20 years of experience in government, Congressional affairs and representing the legislative and regulatory interests of for-profit, non-profit, and global organizations. Jodie is adept at fostering relationships with elected officials and their staff, working the federal appropriations and authorization processes, building coalitions, and developing public policies and setting organizational priorities.

Prior to joining the firm, Jodie served as an assistant director with Planned Parenthood Federation of America (PPFA), deputy chief of staff for U.S. Representative Thomas M. Barrett (D-WI), executive assistant for U.S. Representatives Lynn Rivers (D-MI) and Peter Barca (D-WI), and district director/legislative assistant for Wisconsin State Senator Barbara Ulichny. She credits her interest in politics to her high school civics teacher and an internship for a State Representative of Wisconsin. Jodie received her bachelor's degree from the University of Wisconsin-Madison.



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