

**NOMINATIONS OF CHRISTOPHER P. LU FOR
DEPUTY SECRETARY OF LABOR AND PORTIA
Y. WU FOR ASSISTANT SECRETARY OF LABOR
FOR EMPLOYMENT AND TRAINING**

HEARING
OF THE
**COMMITTEE ON HEALTH, EDUCATION,
LABOR, AND PENSIONS**
UNITED STATES SENATE
ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

ON

NOMINATIONS OF CHRISTOPHER P. LU, TO BE DEPUTY SECRETARY;
AND PORTIA Y. WU, TO BE ASSISTANT SECRETARY OF LABOR FOR
EMPLOYMENT AND TRAINING

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FEBRUARY 11, 2014
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**NOMINATIONS OF CHRISTOPHER P. LU FOR
DEPUTY SECRETARY OF LABOR AND
PORTIA Y. WU FOR ASSISTANT SECRETARY
OF LABOR FOR EMPLOYMENT AND TRAIN-
ING**

TUESDAY, FEBRUARY 11, 2014

U.S. SENATE,
COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:07 a.m. in room SD-430, Dirksen Senate Office Building, Hon. Tom Harkin, chairman of the committee, presiding.

Present: Senators Harkin, Alexander, Casey, Franken, Warren, and Isakson.

OPENING STATEMENT OF SENATOR HARKIN

The CHAIRMAN. Good morning. The committee on Health, Education, Labor, and Pensions will come to order. I thank everyone for being here today.

The nominations we are here to discuss are critically important, both for the Department of Labor and for the countless working families across the country who depend on the programs, services, and protections provided by the Department of Labor.

As I have said on more than one occasion, of all the executive agencies, I believe it is the Department of Labor that touches the lives of ordinary working Americans the most on a day-to-day basis. The Department of Labor ensures that every American receives a fair day's pay for a hard day's work; that they can come home from work safely each night. It helps ensure that a working mother can stay home to bond with her newborn child and still have a job to return to. It helps workers who have been laid off, veterans returning from military service, young people with disabilities entering the workforce, and it helps guarantee that hard-working people who have saved all their lives for retirement can enjoy their retirement years with security and peace of mind.

It has been a pleasure to see this critical agency revitalized under the Obama administration after years of neglect. Enforcement statistics are improving. More workers are getting better training so they can find better jobs. Employee morale at the agency is improving. In short, the Department of Labor is doing what it is supposed to be doing, and doing it well, and they know what they are doing is working.

The Government Accountability Office recently conducted a survey of 24 executive branch departments and agencies about their use of evidence-based, data-driven decisionmaking, basically trying to determine if agencies have good, evidence-based ways to measure their progress. The Labor Department beat all 24 Federal agencies that were part of the survey. I think it is safe to say that that would not have been the case a few years ago. It is a testament to the hard work of the dedicated career staff of the agency and its strong leadership team that they have come so far, so fast.

It is the job of the nominees before us today to build on that record. The issues that are facing the Department are front and center in our national dialog right now. As we move down the road of economic recovery, the Department of Labor will play a vital role in determining what kind of recovery we have: a recovery that benefits only a select few, or a recovery that rebuilds a strong American middle class, where everyone who works hard and plays by the rules can build a better life.

As the official responsible for overseeing the day-to-day operations of the Department, the Deputy Secretary of Labor will play a key role in helping the Department meet these challenges. Our outgoing Deputy Secretary, Seth Harris, built a strong record of accomplishments in this position. I know that our nominee, Chris Lu, will carry that tradition forward. As the former Assistant to the President and Secretary to the Cabinet, Mr. Lu brings a unique knowledge of the inner workings of the Administration to this position. He knows how agencies run, and how they can work together to produce the best possible results for the American people. In addition, as a longtime congressional staffer, I know that Chris has a deep knowledge of Congress and how to effectively work with lawmakers, which will also be an asset to the Department.

As the recovery progresses, putting people back to work in good jobs and engaging more of those who have not been in the workforce—such as those with disabilities—will remain priority No. 1 for the Department. And the Assistant Secretary for Employment and Training will be the point person in this effort. The Employment and Training Administration is an agency within the Department of Labor that has had some real accomplishments in recent years and also faced some management challenges.

From 2012 to 2013, programs administered by the Employment and Training Administration served 32 million people across unemployment, employment, and job training programs. Last year, the percentage of workers exiting Department of Labor job training programs receiving industry-recognized credentials—the kind that can lead to good jobs—was the highest in the Department's history. That is a success that should be applauded.

Fortunately, President Obama has chosen a strong leader to spearhead this effort. Portia Wu is unquestionably a policy expert in these areas and she has a deep knowledge of the agency, the Administration, and Capitol Hill; the best knowledge coming from her service on this committee for a long time. I have every confidence that working with the dedicated and talented career staff in the Employment and Training Administration, Ms. Wu will bring renewed accountability and real progress to the Employment and Training Administration.

I look forward to seeing all that these two talented nominees can accomplish, and to seeing the Department of Labor make even further progress in the remainder of the Obama administration. I thank both Ms. Wu and Mr. Lu for their willingness to serve, and look forward to today's discussion.

I will recognize our Ranking Member, Senator Alexander.

OPENING STATEMENT OF SENATOR ALEXANDER

Senator ALEXANDER. Thanks, Mr. Chairman.

Welcome to Mr. Lu and Ms. Wu, to the Congresswoman and the Senator, and to the families of the nominees.

I think it is fair to say there is probably no committee in the Senate where the ideological differences are as split as they are on this committee. I mean, we have the most conservative Republicans and the most liberal Democrats.

It is also true that last year in the Senate, no committee produced more legislation than ours. And I think the reason for that is that Senator Harkin and I, and all of us, look for those areas where we can agree on. We especially focus on those, and that is the spirit I would like to go forward with.

There will be some differences of opinion we have, hopefully, not too many because we have, on this side of the aisle, we have different solutions than minimum wages, and ambush elections, and definitions of fiduciary. We are concerned about the OSHA silica rule, the OLMS persuader rule, the use of guidance to change long standing laws like the Davis-Bacon Act. So we will have our discussions about that.

But an area that I would suggest that we could make some real progress on during the time you are in office and the time we are here is on workforce training. Every Governor I know is focused on it. That is where most of the action is. I mean, you cannot really do it from here. Governor Kaine knows that.

But if a business comes to Tennessee, or to Virginia, or to Iowa, or somewhere, the biggest problem they are going to have is identifying enough skilled workers to get jobs. At a time when we have 10 million unemployed and so many long-term unemployed, that needs our attention. We need to create an environment in which Governors and the private sector can solve that.

In Tennessee, Governor Haslam has proposed this week that community college be free, which would make our State the only one to do that, I believe. It is a very smart move, I think, in the right direction, because when you add up all the support community college students have anyway, like the Pell grant, and the low cost of tuition, it does not cost that much more to say to the half of the students who are in high school in their junior year, "You can go to college. Do not worry about the cost." Or to people who are out of work, "You can go to college. Do not worry about the cost." So we need to think of ways here that we can create an environment in which this can happen.

The bill that we are working on right now is the Workforce Investment Act. And Senator Murray and Senator Isakson, at the request of Chairman Harkin, have done a lot of work on this. The issue is how much to delegate to States?

I am for delegating more. Our former Democratic Governor, Bredesen, who came in as a part of the Bipartisan Policy Center, worked on this issue and urged us to get rid of so much overhead here in Washington. He said that when he became Governor after he got into the 47 programs that we have for workforce training, he just threw up his hands and told his State cabinet member to do the best he could. We do not want that to happen. I mean, that is \$147 million every year going into Tennessee that could be better spent.

The President has recognized this in his State of the Union Address and he said the Vice President was going to focus on it. And that is good, because we have 47 programs and the Government Accountability Office has told us that 44 of them are duplicative. So we are a long way toward getting a result between the House and the Senate on this bill.

But I would hope that you would weigh in. This is an area where we ought to have a common goal, which is, how do we create an environment in which those closest to the ground, the Governors and the private sector, can do a better job of this skills gap, this training gap that needs to be fixed? That is not a Republican or a Democratic idea and that is an area that you will have a direct say about.

The one thing that I would ask you to do is to be very skeptical of too many rules from Washington on the Governors and the private employers as they seek to spend this money in an effective way. When the Democratic Governor of our State says it is so complex that he threw up his hands, and he was a very good Governor, that gets my attention and I hope it gets yours as well.

So, welcome. I look forward to the hearing. I thank the chairman for hosting it.

The CHAIRMAN. Thank you, Senator Alexander.

We have two distinguished guests here today to introduce one of our nominees. Normally I say, Senator Kaine, I usually recognize our guests from the other side first, but I understand you have a very tight schedule. So I will go ahead and recognize Senator Kaine, and then you can be excused after that for your committee meeting, and I will ask Representative Gabbard after that.

Senator Kaine, welcome.

STATEMENT OF SENATOR KAINE

Senator KAINE. Thank you, Mr. Chairman, and Ranking Member Alexander, and committee members. It is a treat to be here before the committee to talk for a second about Chris Lu.

Actually, parenthetically, it is a treat to be here before the committee. This is the one committee I really hoped to be on that I did not get on. I think there was a determination that I would pull down the collective I.Q. of this bunch, and so I was assigned to other committee assignments.

But I am here to say that whatever the meritocratic standard that would be applied to any nominee, Chris Lu would clear it, and I am thrilled to be here for him.

This is an important role, and just to pick up on the introductory comments of the Chair and Ranking Member. There is no more important issue that we are wrestling with economically now than the

skills of our workforce. And I noticed something very interesting in my previous life as a mayor and Governor.

When I was doing economic development deals as a mayor, the deal always hinged upon the benefits and incentive package. Then I became lieutenant Governor and Governor, and about the time I got into being Governor, I noticed that the negotiation over the incentive package really ceased to be the main issue. And what became the main issue, again and again, was the quality of the workforce. That became the main issue.

In fact, I even had after a deal was done, a company tell me,

“You know, we negotiate on the tax incentives. That is all for show. We know what decision we are going to make going in, and we are going to make a decision based on the quality of the workforce. If we can negotiate some tax incentives out of you, more to do the good, but it is the quality of the workforce that drives our decisions these days.”

That is why this position is so important for Chris Lu. The quality of our Nation’s workforce and the matching of the workforce, the skills with the available jobs, is so key to our success. And that is why I am so pleased to support Chris Lu.

Chris is a Virginian. His family is here. He grew up in Montgomery County in Maryland and we kind of coaxed him over, and he and his wife, Katie, live in Arlington. His background demonstrates sort of in his DNA that he gets this about the skills imperative in our economy. His parents were immigrants from Taiwan who came to the United States, as so many do, because of educational opportunities. And then they stayed here after they got their education, and became very, very productive in their own communities, including so many of Chris’ family members have worked as civil servants. They believe in the dignity and the power of working as a public official, which is so important.

In 2007, Chris was working here in the Senate for President Obama and then began working on the election, and was asked to go chair the transition. That transition was a difficult administrative job. Much of what Chris would do at DOL is try to administer all the programs and administer them to reduce overlap, reduce gaps, and streamline everything so that every dollar is being used to its maximum advantage. And Chris has real expertise in that kind of a complex management environment.

He is very well-educated, obviously, educated here in Montgomery County in the DC area, but then onto Princeton and Harvard Law School where he was an honors graduate at both places. He has worked for all three branches of Government, worked in the House with a wonderful colleague, Henry Waxman.

But I will just conclude and say, again, this issue of our skills gap and making sure that more folks receive skills. Some of the statistics that the chair cited about workers receiving credentials through DOL programs, industry credentials, is a positive sign. But we know we have so much more to do.

What Chris brings is a passion around this particular issue, a passion borne of his own life experience to make sure that people receive skills, but also the administrative expertise to go into a challenging bureaucracy with many programs and try to make them more streamlined.

The President in his State of the Union probably talked as much about workforce development as in any State of the Union in my memory. And one of the tasks he put on the table for the Vice President was taking the different kinds of programs and making sure that they are all kind of pulling in the same direction. That is something that will be received with hosannas by Governors and mayors everywhere, and I cannot think of a better person than Chris to play a key role in leading that effort.

Thank you very much.

The CHAIRMAN. Thank you, Senator Kaine. That is a very strong supporting statement. Thank you for being here.

I know you have another committee, so thank you very much. Please be excused.

Representative Gabbard, welcome to this side of the Capitol. Welcome to you and please proceed.

STATEMENT OF REPRESENTATIVE GABBARD

Representative GABBARD. Thank you, Mr. Chairman, Senator Alexander, members of the committee. Aloha and good morning.

It is an honor to be here to introduce my friend, Chris Lu, as the nominee for Deputy Secretary of Labor. I have known Chris for a while now and have had the opportunity to see firsthand, both personally and professionally, the strength of his character, his integrity, and his conscious choice, as you will see throughout his life, his dedication to public service.

He is someone who has made his decisions on different jobs. He has taken different projects he has taken on, not based on title or stature, but really to see where he can use his skills to best be effective and make a positive impact on those around him.

You will hear much about the breadth of his experience as you have already, but I would just like to highlight a couple of areas that I have really been impressed by personally.

First, as the co-chair of the White House Initiative on Asian-Americans and Pacific Islanders, Chris got things done. He traveled around the country, listening to people, really doing his best to address the diverse kinds of challenges that they face. Everything from Southeast Asian fisherman who were deeply affected by the Gulf Coast oil spill, doing his best to address the poverty that we see in our Nation's Chinatowns, or the health and educational disparities that have been faced and continue to be an issue for our native Hawaiians, my constituents, in the State of Hawaii. He has been committed to ensuring that we do our best to make sure that no one is left behind.

Since leaving the White House, Chris has remained engaged working with myself and others to make sure that we, as a country, are using data, technology, and innovation to harness the critical assets that our veterans bring to the table. That we are making sure that they have the training that they need to fill the positions, that they are employed, and that their dedication to service continues to benefit us as a country.

His legislative experience, no doubt, will serve as an asset to the Department of Labor, especially at a time where collaboration with Congress is essential for us to get anything done. His executive branch experience, working with each Federal agency, I think, will

serve to enhance the ability to improve efficiency and see where there are assets in other agencies that can help achieve that common objective of creating more opportunity for the American people.

Most importantly, Chris Lu's tireless commitment to service and his laser-like focus on creating opportunity for the people that he works for, the American people, from all across the country is his greatest qualifier.

I am really proud to be able to speak in support of his nomination and appreciate the opportunity to be here.

Thank you.

The CHAIRMAN. Thank you very much, Representative Gabbard, for being here and for a very strong supporting statement for Mr. Lu.

I know you also have work to do on the House side and you can be excused. But I understand it is going to be snowing here tomorrow. You cannot go to Hawaii tomorrow, so.

[Laughter.]

Rep. GABBARD. I will try to see when I can get a flight before the snow.

The CHAIRMAN. You have to be here and suffer with the rest of us. Thanks very much.

Since Ms. Wu is from the District of Columbia, and we do not have a Senator or Member of the House, I get the privilege of doing the introductory remarks for Portia Wu, and I feel somewhat privileged to do this. I was the first candidate for President, when I had my short run, some of you may have missed it, but that is all right, to come out for full Statehood for the District of Columbia. That was 1991, and I still think the District should have its proper representation in the U.S. House as a full voting member of the House, and we should have two Senators from the District of Columbia.

But since we do not, and since I have had the privilege, also, of chairing the appropriations committee on the District of Columbia in the past, I have a long relationship with the District of Columbia and with the administration of the District. And so, I have the privilege now of introducing Portia Wu.

As a long-time DC resident she, as I said, does not have a Senator, but we all here on this committee want to claim her as our own since she did so much great work here for 7 years on this committee, both with Senator Kennedy and with me.

During her years with this committee, she was the lead staffer on several landmark pieces of legislation, the Pension Protection Act, the Miner Act, reforms to the Energy Employees Occupational Illness Compensation Program, and of course, the Lilly Ledbetter Fair Pay Act.

Her expertise on such a broad range of issues is unparalleled. Her strong relationships, again, across party lines that help build this committee's reputation as a workhorse committee that Senator Alexander spoke about.

Portia has always been a champion for American working families. Her impressive career reflects this passion. Prior to working at the Senate, she was an attorney at Bredhoff & Kaiser, where she represented workers, labor organizations, and pension plans.

Since leaving this committee, she served as Vice President to the National Partnership for Women and Families where she advocated for policies to promote fairness in the workplace and help working people to meet the dual demands of work and family. At the White House Domestic Policy Council, she serves as Special Assistant to the President on Labor and Workforce Policy.

What is even more impressive to me than Portia's long list of accomplishments is the fact that she has been able to do all of this while raising two twin girls. That, to me, is an amazing accomplishment.

Portia, it is great to have you back in your home turf here in this committee where you spent so much of your life. We could not ask for a better person to fill this billet on Assistant Secretary for Employment and Training.

Welcome.

I have both your testimonies. They will be made a part of the record in their entirety. Mr. Lu, we will start with you. Just, if you can sum up in a few moments, and then I will turn to Portia Wu.

Mr. LU. Thank you, Chairman Harkin, Senator Alexander, and distinguished members of the committee.

If I could, for a moment, I would just like to introduce my family behind me. I have my wife, Kathryn Thomson, who is the Acting General Counsel of the Department of Transportation and is also seeking confirmation by the Senate. I wanted to put a plug in.

[Laughter.]

The CHAIRMAN. To this committee? Not this committee.

Mr. LU. My mother, Eileen, is here. My brother, Curtis, and my nephew, Sam, are here as well.

The CHAIRMAN. Thank you all for being here.

STATEMENT OF CHRISTOPHER P. LU, ARLINGTON, VA

Mr. LU. Senators, today marks a milestone on my family's journey. That journey began in China where my parents were born and in Taiwan where they attended grade school.

In the mid-1950s, my father received a scholarship to study at Hiwassee College, which I know Senator Alexander is familiar with, in Tennessee. A couple of years later, Senator Isakson, my mother had the opportunity to study here at Norman College in Georgia. They both got their college degrees here. They became U.S. citizens. And because of the opportunities that America provided, they were able to build careers. They bought a home. They sent their kids to college and they saved for their retirement.

My family has lived the American Dream. It is the same dream that has lifted up generations of Americans and every one who has lived this dream is proof that in a country founded on the ideal of opportunity for all, where you start out does not determine where you end up.

If, as the President says, "the best measure of opportunity is access to a good job," then the Department of Labor is really the Department of Opportunity. The Department trains Americans for the jobs of the 21st century. And the Department continues to protect workers' opportunities when they enter the workplace to ensure that they receive the wages that they are entitled, that their safety and health is protected, and that their pensions are secure.

A well-managed Labor Department is important, not only for American workers, but also for our country's long-term prosperity.

The Department's employees are the source of the strength, and I have a great appreciation for what they do since, as Senator Kaine said, I come from a long line of civil servants.

My father was a career civil servant at the Department of Defense. Three of my aunts and uncles have worked for the Federal Government including one aunt who spent 34 years at the Bureau of Labor Statistics. And my very first job ever was as a GS-2 clerk typist at a Federal laboratory.

The role of the Deputy Secretary is to be the chief operating officer of the Department. And if confirmed, I will build upon the work that former Deputy Secretary Seth Harris did to promote data-driven decisionmaking and a robust performance management system.

As Senator Harkin pointed out, in a GAO survey last year, the Department of Labor ranked highest among all agencies in using data, evidence, and performance management to drive decision-making.

Understanding what programs work and what programs do not work is critically important in a fiscal climate in which the Department has been called upon to do more with less. If confirmed, I will continue to build upon these evidence-based management practices to ensure that the Department aligns its resources to its strategic priorities.

If confirmed for this job, I will draw upon the management experience I have gained during 17 years in the Federal Government. From my time here in the Senate and in the House, I understand the importance of Federal agencies being attentive to the concerns of Congress. I also understand the importance of working across party lines and reaching out to a broad range of stakeholders to solve difficult problems.

As the executive director of the 2008 presidential transition effort, I helped manage an organization with 1,000 employees and volunteers to help transition the Federal Government within 77 days. And as the White House Cabinet Secretary, I was a member of the President's management council, which challenged Federal agencies to rethink how agencies do their business in the 21st century by eliminating wasteful spending, by breaking down silos, and by fostering transparency.

Ultimately, sound management alone means little unless it is informed by sound values. If confirmed, I will be guided by the ideals of hard work, responsibility, integrity, and fairness that my parents instilled in me.

From an early age, I was taught that if you are fortunate to climb the ladder of success, you have an obligation to those still climbing. If confirmed as the Deputy Secretary, I will work to ensure that the opportunity that I have had and that my parents had continues to exist for anyone willing to reach.

Thank you for allowing me to appear today, and I look forward to taking your questions.

[The prepared statement of Mr. Lu follows:]

PREPARED STATEMENT OF CHRISTOPHER P. LU

Chairman Harkin, Senator Alexander, and distinguished members of the committee, I am honored to appear before you today as President Obama's nominee to serve as the Deputy Secretary of the Department of Labor.

I am pleased to be joined by my wife, Katie Thomson, the Acting General Counsel at the Department of Transportation. My mother Eileen and my brother Curtis are also here. My father, C.Y. Lu, passed away more than 20 years ago, but he is here in spirit, and there's not a day that I don't think about the sacrifices he made for me.

Today marks a milestone in my family's journey. That journey began over half a century ago in China, where both of my parents were born, and in Taiwan, where they attended grade school. In the mid-1950s, my father was fortunate to receive a scholarship to study at a small Methodist college in Tennessee. My mother immigrated to this country a few years later to attend a Baptist college in Georgia, where she was the first Asian student at the school. They both earned their college degrees and became U.S. citizens. Because of the opportunities that America provided, my parents built careers, bought a home, sent their sons to college and law school, and then saved for their retirement.

My parents' story is not unique. They are some of the millions whose experiences exemplify the American Dream. It is the same dream that has lifted up generations of Americans and has drawn people from around the world to our shores. Everyone who has lived this dream is proof that in a country founded on the ideal of opportunity for all, where you start out should not determine where you end up. Indeed, 50 years after my parents first came to this country, I had the privilege of walking through the White House gates each morning to serve my fellow citizens.

So it is with great humility that I come before you today, with a special connection to the important challenge facing our Nation—how do we protect and expand the opportunity that my parents enjoyed for future generations of Americans.

A thriving and expanding middle class is the foundation for sustained economic growth and shared prosperity. That's why President Obama is committed to building more ladders into the middle class and ensuring that everyone who works hard and plays by the rules has a chance to climb those ladders.

If, as the President says, "the best measure of opportunity is access to a good job," then the Department of Labor is really the Department of Opportunity. The Department trains Americans for the careers of the 21st century. And the Department continues to protect workers' opportunity once they enter the workplace—ensuring that they are paid wages they have earned, that their safety and health are not compromised, and that their pensions are secure for retirement. A strong, well-managed Labor Department is important not only for working families, but also for our country's long-term prosperity.

If confirmed as Deputy Secretary of Labor, I would be privileged to join an organization that has flourished under the dynamic leadership of Secretaries Solis and Perez. The Department's success is also a testament to the dedication of its 17,000 employees, who fight every day for America's working families.

I have a special appreciation for the employees at the Labor Department—and throughout the government—because I come from a long line of civil servants. My father was an engineer with the Defense Department. Three of my aunts and uncles worked for the Federal Government, including one aunt who spent 34 years at the Bureau of Labor Statistics. As for me, my very first job was as a GS-2 clerk/typist at a Federal laboratory.

The role of the Deputy Secretary is to be the Chief Operating Officer, and if confirmed, I will be working under the Secretary's direction to manage the day-to-day operations at the Department. I will look to build on the legacy of former Deputy Secretary Seth Harris, who did remarkable work to promote data-driven decision-making and a robust performance management system.

In a recent GAO survey of Federal managers, the Labor Department ranked highest among all agencies in using data, evidence, and performance management to guide decisionmaking. By rigorously measuring and analyzing performance, the Department can demonstrate that it is doing a better job today than it did several years ago.

Understanding what programs work—and what programs do not work—is critical in a fiscal climate in which the Department has been called upon to do more with less. If I have the privilege of being confirmed for this job, I will continue to expand these evidence-based management practices to ensure that the Department aligns its resources to its strategic priorities. These management practices will allow the Department to deliver services that are most impactful to its customers—the Amer-

ican people—and just as importantly, demonstrate that it is being a good steward of taxpayer dollars.

If I am confirmed for this job, I will draw upon the management experience I have gained during my 17 years working in the Federal Government. From my time on Capitol Hill, I understand the importance of Federal agencies being responsive to the concerns of Congress. I also understand the need to find common ground on difficult issues by engaging a wide range of stakeholders. When I served as the Legislative Director for then-Senator Obama, we worked in a bipartisan manner with Senator Lugar to pass non-proliferation legislation and with Senator Coburn to foster transparency and accountability in Federal spending.

As the executive director of the 2008 presidential transition planning effort, I helped manage an organization with 1,000 employees and volunteers that had 77 days to prepare for a turnover of the Federal Government. I am proud that outside observers have called the 2008 Presidential transition one of the best-managed transitions in history.

As the White House Cabinet Secretary, I was a member of the President's Management Council, which challenged Federal agencies to deliver services more efficiently and effectively, and rethink how they did business. During the first term, we worked to identify and eliminate wasteful spending; expand cross-agency collaboration by breaking down silos; make agencies more responsive to customers; leverage public-private partnerships to solve problems; and promote open government. In the coming years, all of these efforts will be important as the Department of Labor tackles one of the most critical issues facing our country—how do we better train American workers for the careers of the 21st Century.

Ultimately, sound management alone means little unless it is informed by sound values. If I am fortunate to be confirmed for this position, I will be guided by the ideals of hard work, responsibility, integrity, and fairness that my parents instilled in me. From an early age, I was taught that if you have the good fortune of reaching the top of the ladder of success, you have an obligation to those still climbing.

As President Obama said recently, “[E]ach generation has to work hard to make sure that dream of opportunity stays alive for the next generation.” My parents were able to come to the United States because two small colleges in the South invested in them. I am here today because my parents invested in me. If I have the privilege of serving as the Deputy Secretary of Labor, I will work to ensure that the opportunities I had—and that my parents had—continue to exist for anyone willing to reach for them.

I look forward to working with the members of this committee and others in Congress to further this important mission. Thank you again for allowing me to appear today.

The CHAIRMAN. Thank you very much, Mr. Lu, a great family journey, and a great personal story on your part.

Ms. Wu, welcome and please proceed.

STATEMENT OF PORTIA Y. WU, WASHINGTON, DC

Ms. WU. Thank you, Mr. Chairman. Thank you for that gracious introduction.

I thank you, and Ranking Member Alexander, and the distinguished members of the committee. It is truly an honor to be here before you today.

Before I start, I also want to introduce my family. My parents are here, Tom and An-Ya Shih Wu. They—similar to Chris' story, actually—they are immigrants from Taiwan and they have been fortunate to build a wonderful life in this country. It truly has been the land of opportunity for us and our family.

They taught me that hard work and a great education are the keys to success in life. And their example also showed me the value of public service. They spent most of their career as doctors in the Veteran's Administration Hospital in Albany, NY, caring for sick veterans who often had nowhere else to turn.

My parents' support, and my husband, Brad's, have been crucial to my career, and I could not have come this far without them. I did not bring my daughters because I thought two 4-year-olds run-

ning around in superhero capes and tutus would be a little distracting for the committee. But I am thinking of them today, too.

And of course, Mr. Chairman, I am pleased, very pleased and honored to return to this hearing room where I spent so much time under you and under the late, great Senator Kennedy. Here I saw Senators come together to make life better for working people in this country, and that bipartisan example, which Senator Alexander alluded to, has inspired me to this day.

It is an honor to be considered for the role of Assistant Secretary of the Employment and Training Administration. And I think one reason I feel so strongly about this job is because work is really not just about earning a wage. It is about dignity. It gives our lives purpose and meaning. That is why the loss of a job can be so devastating for a worker and their family. And that is why the right job and the right training and opportunities is not just about economic security, but also about a brighter future. That is why ETA's work is so important.

I believe I bring the vision and experience this job requires, helping workers to improve their lives and working cooperatively with businesses to find solutions have been guiding principles throughout my career, both in Government and outside of it.

As an attorney in private practice, I represented many workers whose industries and lives were in transition: hotel housekeepers, fire fighters, garment workers, steel mill and factory workers. They hold very different jobs. They all face the same struggles: lack of opportunity, stagnant wages, job loss. And they have the same aspirations: greater opportunity and security for themselves and for their families. Wanting to help more workers and families access these opportunities led me here to work at the HELP committee.

As a Senate staffer, I worked to make our Nation's laws more responsive to the needs of workers and employers. I tackled many complex issues, as Senator Harkin referenced, and I helped to reform programs that needed changing. I also learned the great value of bringing people together across party lines to find common ground for action.

Often that action involved programs within ETA. Senator Kennedy's Unemployment Insurance Modernization Act provided incentives for States to update their laws to better serve Americans looking for work.

During the immigration reform debates in 2006 and 2007, I worked on temporary labor programs, trying to strike the balance between meeting the needs of employers and protecting the wages and opportunities of American workers.

In my current position at the White House, I have had the privilege to continue working on these vital issues and, in particular, on advancing the President's job training and skills agenda to build a stronger and more secure middle class. This work has included proposals to support community colleges, to improve our workforce system, and reform our unemployment insurance system so that it supports Americans who are looking for work and better connects them to jobs.

I led the Cross Agency Priority Work Group on job training, helping agencies to focus on improved data, transparency, and increase accountability.

Most recently, I was very proud of my work on the President's initiative to address long-term unemployment. That brought together corporate CEO's, nonprofits, community colleges, and the workforce system to help those workers who have been hit hardest by the Great Recession to help them get back to work.

As the President said in the State of the Union, the goal of our job training system should be to train workers with the skills employers need and match them to good jobs that need to be filled right now. This goal is one that unites us, it benefits workers, businesses, and our economy. This is the mission of ETA and if confirmed, one I would be honored to help guide.

[The prepared statement of Ms. Wu follows:]

PREPARED STATEMENT OF PORTIA Y. WU

Thank you Chairman Harkin, Senator Alexander, and distinguished members of the committee. It is an honor to appear before you today as you consider my nomination. I want to thank President Obama for nominating me and for allowing me to serve in the Administration thus far, and I thank Secretary Perez for supporting me for this position.

I also want to acknowledge my family, particularly my parents, Tom Wu and An-Ya Shih Wu, who are with me here today. They taught me that hard work and a great education are the keys to success in life. Their example showed me the value of public service: they spent most of their careers as doctors in the Veterans' Administration hospital in Albany, NY, caring for sick veterans who often had nowhere else to turn. My parents' support, and my husband Brad's, have been crucial to my career and I could not have come this far without them.

And of course, I am pleased to return to this hearing room, where I spent many hours working for the committee under Chairman Harkin and the late, great Senator Kennedy. Here, I saw Senators come together to make life better for working people in this country, and that bipartisan example inspires me to this day.

It's an honor to be considered for the role of Assistant Secretary of the Employment and Training Administration (ETA). Work is not just about earning a wage; it also is about dignity. It helps give our lives purpose and meaning. That is why the loss of a job can be so devastating and that is why access to the right job training and opportunities means not only economic security but also a brighter future for workers and their families. And that is why ETA's work is so important.

I believe I bring the vision and experience this job requires. Helping workers to improve their lives and working cooperatively with businesses to find solutions have been guiding principles throughout my career, both in government and outside it.

As an attorney in private practice, I represented many workers whose industries and lives were in transition: hotel housekeepers, firefighters, garment workers, steel mill and factory workers. They held very different jobs but they all faced the same struggles—lack of opportunity or even job loss. They also had the same aspirations—greater opportunity and security for themselves and their families. I wanted to help more workers and families access those opportunities, and that led me here to work at the HELP Committee.

As a Senate staffer, I worked to make our Nation's laws more responsive to the needs of workers and employers. I tackled complex issues—mine safety, pensions, worker' compensation—and helped to reform programs that needed changing. And I learned the great value of bringing people together across party lines to find common ground for action.

Often that action involved programs within ETA: Senator Kennedy's Unemployment Insurance Modernization Act provided incentives to States to update their laws to better serve Americans looking for work. During the immigration reform debates in 2006 and 2007, I worked on temporary labor programs, trying to strike the right balance between meeting the needs of employers and protecting the wages and opportunities of American workers.

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transparency and increased accountability. Most recently, I worked on the President's initiative to address long-term unemployment, which brought together corporate CEOs and non-profits, community colleges and the workforce system to help those workers who have been hit hardest by the Great Recession to get back to work.

As the President said in the State of the Union, the goal of our job training system should be to train workers with the skills employers need, and match them to good jobs that need to be filled right now. This goal is one that unites us, and benefits workers, businesses and our economy. This is the mission of ETA's programs, and if confirmed, one I would be honored to help guide.

The CHAIRMAN. Thank you very much, Ms. Wu and Mr. Lu, thank you very much.

We will now have a round of 5 minute questions.

Portia, I will start with you. OK. This comes as no surprise to you, but the one thing that I am most interested in is getting people with disabilities into the workforce. That is a big part of the WIA bill that we are working on right now, that is to change the structure of how young people with an IEP in school enter the workforce. And to maximize, to the maximum extent possible, people with disabilities, young people with disabilities entering competitive, integrated employment. The workforce participation rate of people with disabilities is one-third of that of the general workforce, about 20 percent versus 68 to 70 percent.

This has been very tough to crack over the years, and a lot of that had to do with the Supreme Court decisions, the Sutton Trilogy in the late 1990s. And then we worked hard here over a course of 8 years to pass legislation to overcome that decision, those three decisions by the Supreme Court, which we did in 2008 and it was signed into law by President Bush; a very significant piece of legislation. But businesses were a little concerned before that and so was the disability community about what their rights and responsibilities were.

Beginning in about 2009, then, it opened up again and the business community has been very good about, again, addressing this issue of hiring people with disabilities. Great leaders like Walgreens and others have stepped forward to sort of pave the way in this.

We know that adults with disabilities want to work. They can work with very modest supports. As the CEO of Walgreens, Greg Wasson said, they had one plant we visited where over 50 percent of their employees were people with disabilities. He said, "I do not do this out of the goodness of my heart." He said, "This is my most productive distribution center." I went up there with some other people to look at that.

My point being is just generally tell me what your ideas are that you might think about doing in Employment and Training. I do not know if you have looked at our WIA bill yet and what we did with VOC Rehab in terms of voting, working with young people with disabilities to get them into summer internships, job shadowing, different things so they can try different things out before they actually have to enter the workforce.

Give me some thoughts about how you might approach this and your views on how we can increase the number of people with disabilities working in competitive, integrated employment.

Ms. WU. Thank you, Senator. And, of course, thank you for your tremendous leadership over the years to advocate for individuals with disabilities, and helping them get into employment.

This would be a very high priority for me if I were confirmed at ETA. First of all, I care very much about this issue. I have had the pleasure of working on some of the President's initiatives on this front. The Federal Government has really set its goals for hiring individuals with disabilities. We are doing a great job in meeting that. Last year also we issued regulations encouraging Federal contractors to hire individuals with disabilities. We have worked with a lot of employer-side organizations on that too because we knew encouragement and goals were good, but we had to do it in a way that would be workable for businesses and not too burdensome. So the Administration has taken some steps. I have been pleased to support them and work on them.

In terms of what can be done at ETA, I think being sure that American job centers and the workforce system is serving individuals with disabilities is tremendously important. But as you flagged, Senator, coordination with other agencies is really going to be key here because a lot of the services individuals with disabilities are receiving are not coming from the Department of Labor. They are coming through vocational rehabilitation. They are coming through Medicaid. They are coming through SSDI. So I think very close coordination on that front is important.

We actually have a working group in the Administration that meets monthly, talking about these issues. I have met with that group. I have talked with them, worked on some ideas with them, and that is something I will continue to do even from my current position.

Senator, I look forward to any ideas you may have. As the WIA bill progresses, we would love to have the opportunity to continue to talk with you about that and about these important issues.

Thank you.

The CHAIRMAN. Thank you very much, Ms. Wu. I see my time is up. Second round, Mr. Lu, I want to ask you about the Office on Child Labor, and trafficking, and how that operates. I will get back to that.

Senator Alexander.

Senator ALEXANDER. Thanks, Mr. Chairman.

Mr. Lu, I want to assure you that the fact that your father graduated from the University of Tennessee will not interfere with my objective assessment of your nomination. We are welcome.

I have one specific question. In 2010, the Department of Labor Employee Benefits Security Administration proposed regulations regarding the definition of fiduciary under the Employment Retirement Income Security Act. And we asked Secretary Perez about that when he was here. He said he would assess the potential adverse impacts of the rule on low- and middle-income Americans and allow public reaction to that if they proposed a rule.

I would ask you the same thing. If you are going to be the chief operating officer of the Department, this has created a lot of concerns, the proposed rule, about the effect on middle- and low-income Americans.

Will you commit to study those aspects of it and consult with us in the development of such a rule?

Mr. LU. Thank you, Senator, for that question.

I certainly share your concerns about the impact of this proposed rule on all Americans. I know this is an issue that members of the committee, in particular, Senator Harkin has been involved on it. How can we do more to protect the retirement security? I know Senator Harkin has introduced legislation on this.

With regard to the specific rule—

Senator ALEXANDER. I am talking about the fiduciary definition.

Mr. LU. Exactly. With regard to the specific rule, I have not been involved in the formulation of this rule, but I—

Senator ALEXANDER. My question is, will you, if you are confirmed, see to it that the Department studies the adverse impact of that proposed definition—

Mr. LU. Yes.

Senator ALEXANDER. For fiduciary—

Mr. LU. Yes, I will, Senator.

Senator ALEXANDER. And consult with us.

Mr. LU. Absolutely.

Senator ALEXANDER. That is all I would ask.

Now let me ask Ms. Wu and both of you, and I will show my bias here as a former Governor. Will you—in your effort to focus on how we do the best job of creating an environment for job training—work closely with the Governors and with the States in developing that? And this is why I say that.

My own view is that that is where the action is. Governors are already doing what the President said. They are doing their best to try to match workers with jobs. And as I mentioned, our Governor is proposing free community college and almost every Governor is doing that.

The thing we seem to agree on, we are spending \$9 billion a year through the Workforce Investment Act, a total of \$12 billion through 47 programs, including the Workforce Investment Act and everybody says it is duplicative. It is not just the Government Accountability Office. The President says that and he even put the Vice President on the job.

So you with your experience and your connection in the White House, and with the Vice President on the job, who has a lot of skill, and with the work that has been done here by Senator Isakson and Senator Murray. As you help bring this piece of legislation to a conclusion, will you work with people like the Bipartisan Policy Center's group of former Governors, three Republicans and three Democrats, who have very specific recommendations about how to decentralize this program so that the Federal Government can create an environment in which others can do a better job of fitting skilled workers to jobs. Rather than try to impose a whole range of specific, overlapping, duplicative programs here over the \$12 billion and try to do it ourselves from Washington. That is my question.

Ms. WU. Thank you, Senator.

Of course, we would welcome working not only with Members of Congress, but with the Governors. I know actually the President

himself has spoken with the National Governor's Association about this. Skills always come up, as you said, sir. It is a huge priority.

I also recognize that the structure of our Workforce Investment Act is really about saying States and local entities, they are the ones on the ground doing the work, and we need to figure out a way to support them, help give them the flexibility, also with appropriate Federal Government oversight of our funds. So we do want to work on them.

Senator ALEXANDER. There is a difference here about what appropriate regulation is and what the Governors are saying is that we have just handcuffed them and we are wasting our money. I mean, this is \$12 billion on the most crucial issue we have, and we have done a lot of good work on this committee. I would like to push it more toward the Governors' point of view on this. I would just urge you.

I think you could do more of your best work with Governors on this issue than you can with Members of Congress, in all respect, because they are the ones who actually have to do it.

Ms. WU. We look forward to doing that, sir.

Senator ALEXANDER. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Alexander. In order, I have Senator Casey, Senator Isakson, Senator Warren, and Senator Franken.

Senator Casey.

STATEMENT OF SENATOR CASEY

Senator CASEY. Thank you, Mr. Chairman.

I want to thank both of our nominees for your testimony today and taking these questions, but in a larger sense, for your commitment to public service and that of your families. It is a fact of life that when you serve, your family serves with you. So we are grateful for that commitment.

I have two areas of inquiry. One is on black lung cases and the backlog which extends to other cases as well, and then to the question of Job Corps.

But Mr. Lu, I would ask you first about black lung. There is an old expression in the law of justice delayed is justice denied, and I think it applies in this instance. The backlog of black lung, longshore, whistleblower, and immigration cases pending at the Department of Labor has grown from 4,900 to 11,000 just since 2006. But at the same time, the number of administrative law judges has dropped by some 20 percent to only 36 judges. The vacancies include two of four empty seats at the DOL offices in Pittsburgh. So obviously, I have a particular concern about it.

I am not sure you are aware, but if you are not, I am sure you will be, it takes an average of 429 days for a black lung case just to be assigned, and an additional 90 to 120 days before the case is even considered.

So I would ask you two questions. No. 1: are you aware of any plans or a strategy to confront that and bring those numbers down? And if the answer to that question is no, the second question is: what steps can DOL take in the near term to confront that?

Mr. LU. Senator, thank you for the question, and thank you for your leadership on this issue. I know you have fought long and

hard to ensure that miners get a fair and quick adjudication of their claims.

You have raised this issue with me; your staff has raised this issue with me. I believe it is important that we get our arms around this. It is certainly difficult in this budgetary climate. But if confirmed, I look forward to what steps the Department can take internally to fix some of these issues, whether it is ensuring that those unfilled positions are filled faster, whether it is a better use of technology to manage the cases, whether it is looking to other agencies that might have similar issues and adopting some of their best practices.

But I agree with you that justice delayed is justice denied, and this should be a priority of this Department.

Senator CASEY. And I say thank you for that, and I appreciate you keeping us updated on the efforts undertaken to reduce that number.

This problem is compounded by the reporting that was done by ABC News where, I would never thought I would see this kind of reporting on national television, where you had in a whole range of cases diagnoses that did not match the truth where people were denied black lung benefits because of, really because of fraud by a doctor and a healthcare institution. So it is especially important to at least have the mechanics in place to deal with these cases on a much faster basis.

This backlog issue, of course, extends to the administrative law judge seats, and I am going to be sending out a letter to the White House to outline that problem as well.

This is really a question for both, but I guess it is more directed at Ms. Wu, and I know we talked about this when you came to our office on Job Corps. It was, I think, a singular failure of the Federal Government when Job Corps had three problems. One is the budget shortfall, and that was bad enough. Then a freeze on enrollment, and then the third problem, of course, is the reduction in available slots for students.

I think if we are going to give integrity to the commitment the administration makes, and the Congress makes to workforce development and skills training—all of the things that get us to a stronger workforce, and therefore, a strong economy—we have got to do, the Department has to do a better job when it comes to financial management of Job Corps and the transparency that is brought to bear on this.

Senator Isakson and I conducted a hearing that did a lot of probing and pushing at that time to bring about both better financial management and better transparency. So I would ask you to undertake even greater efforts to bring that about.

I do not know if there is anything you want to say in the remaining seconds we have before we transition?

Ms. WU. Senator, I would like to say I am very committed to Job Corps. I know this is a high priority for the committee and for the Congress, bipartisan priority. I have met with contractors. I have spoken at their conference. I met with the students who have come through Job Corps.

And absolutely, when there are problems in the management, that hurts not just the program, but it really hurts the students

for whom these opportunities are incredibly important. The education, the job training, it is really a huge chance for them. And as I said, opportunity opens doors. That is part of what ETA is supposed to do, that is its core mission, and I want to be sure Job Corps succeeds in that mission.

I would love to work with you further. I will work with the staff if I am confirmed to ensure sound financial management, and also transparency, and an open dialog with the House.

Senator CASEY. Thanks very much.

The CHAIRMAN. Thank you, Senator Casey.

Senator Isakson.

STATEMENT OF SENATOR ISAKSON

Senator ISAKSON. Well, thank you, Mr. Chairman.

Congratulations to both of you on your nomination. I enjoyed our meeting yesterday very much, and both of your opening remarks were excellent, but Ms. Wu hit the nail on the head.

You used one phrase that ought to be a sign over the door of every Department of Labor Office in the United States of America. You said, "A job gives purpose and meaning to life," and I think that is an exact quote and I think that is exactly correct. And that is one of the things that we have a lot of problems with in America right now; the number of people who are no longer looking or the number of people who are looking and cannot find those jobs.

As Senator Alexander said, we are this close and I want to thank Chairman Harkin for the meeting we had last week. But we are this close on the WIA bill of accomplishing what is needed to be done for 6 years in the Workforce Investment Act. I know from your past experience with Senator Kennedy and the committee, you are familiar with what that Act does.

What will you do in your job of training and administration Under Secretary? Share with us what you would do to get employers to play a role in workforce development and getting America back to work? What employers—what role they should play with the Department in getting employees back to work or Americans back to work.

Ms. LU. Thank you, Senator.

I really believe that the thought that work gives us all purpose is so important, and I commend the committee for its work on the WIA reauthorization. I know it has been a long road, but the bipartisan leadership of folks here today and also, as you mentioned, Senator Murray, Senator Alexander.

I think it is very important to have employers really be at the center of the conversation. If we are not training people for jobs that are here today, what are we training them for? And that is what both workers and businesses want.

We know our economy is evolving and changing every day. In order to be competitive, America has to have a strong and deep skilled workforce. Also, we need a system where workers can upgrade their skills or change their skills. As technology changes, we need all sorts of skills in new areas that might not have been the case 10 years ago.

So, I think it is very important that employers be at the center of that conversation. In the President's recent Memorandum, which

he issued, he talked about that, about job-driven training and bringing people to the table.

If I were confirmed at ETA, I will work with Secretary Perez and I hope also with the Department of Commerce. Secretary Pritzker has shown tremendous leadership, and she has a lot of experience in this area. We really want to have businesses at the center of this conversation.

I believe the work the Department has done in terms of business partnerships, and Senator, I know you expressed concern about the long-term unemployed. The recent event we did at the White House and the partnerships, the funding for partnerships will have businesses at the center of that, so people are being trained for open jobs.

Senator ISAKSON. Well, that is the right answer. That is the answer I wanted to hear.

[Laughter.]

But one of the things that we do not do a very good job of in Government, is we have meetings with corporate executives for show at the White House to make a point. But on the ongoing day-to-day operational basis of the Government, they are out-of-sight and out-of-mind.

So let me suggest that in your position, which you will be confirmed for, to get a working group of either Governors, or labor secretaries from the States, or employers that are representative of mainstream America, and use them as an advisory board. Not to fly them up here when you want to make a point, but to communicate with them by email and technology on ideas that they have to bring more people into the workforce and get training more focused on where the jobs are needed.

I do not think we do a good enough job of engaging the employers of America to find jobs for the employees of America. And you will be in a perfect position to do that.

Mr. Lu, you said yesterday that based on your experience, you were perfectly—you did not say, these are my words, not yours—you were perfectly positioned and trained to be a chief operating officer, and I would agree with that from looking at your resume.

Job Corps had lots of problems. Most of those problems are because when the cat is away, the mouse will play, and that is what happened in Job Corps. There was not good oversight. The Department did not do a very good job. We talked about one spending incident on a book club where \$100,000 had been spent. If you ask yourself the question, "Should that money really have been spent by the Department?" The answer is probably no. Where the responsibility falls is on the person that calls themselves the chief operating officer of the Department.

So let me suggest, ask you to comment if you would for a moment, what are you going to do on expense oversight and what are you going to do on seeing to it that programs are watched closely so they are most effectively and efficiently managed?

Mr. LU. Senator, during my time, not only here in the Senate but also in the White House, one of the priorities was to cut wasteful spending.

As you know, Senator Obama worked with Senator Coburn on a bill to better track Federal spending. When I was in the White

House, we were also involved with OMB on identifying aspects of wasteful spending by the Federal Government.

You and I had a wonderful conversation yesterday about press accounts about how the Department of Labor is spending its money. I am not aware of that specific incident, but what I will tell you is in this budgetary climate, we cannot afford any wasteful spending. And whether it is the spending on big programs like Job Corps or the issue that you identified, we need to make sure that every dollar of taxpayer money is furthering the mission of the agency.

As you and I discussed, this is not only about being good stewards of the taxpayer dollar; it is about perception. And when those stories come out, it undercuts the overall mission of the agency. So I agree with you about the importance of this issue.

Senator ISAKSON. Well, thank you very much.

My time is up, Mr. Chairman. Thank you.

The CHAIRMAN. Thank you, Senator Isakson.

Senator Warren.

STATEMENT OF SENATOR WARREN

Senator WARREN. Thank you, Mr. Chairman, Ranking Member, and thank you Mr. Lu and Ms. Wu for being here with us and for your willingness to serve in this capacity, and for all the work you have done in public service.

I wanted to talk a bit more about the Employment and Training Administration at the Department of Labor because I think it is so important for helping employees get the right skills for good jobs and helping employers find those employees who have the right skills for the jobs.

And I wanted to ask, Ms. Wu, particularly about a program, YouthBuild, which engages at-risk young people to help them get their first job or to enroll in college, giving troubled youth an opportunity to learn the skills needed for a good job and has proven to be a cost-effective investment in our future.

Now, we have 11 YouthBuild programs in Massachusetts, but they are forced to turn away two out of every three applicants. Nationally, these programs are turning away about 19,000 applicants a year because of inadequate funding. I will work with my colleagues to try to get adequate funding for the program, but the ETA will be limited to what it is that Congress appropriates here.

So Ms. Wu, I am wondering if you could discuss Federal funding, if you could discuss how it can be used to leverage private dollars into this system, and how it is we ensure that every dollar is being used effectively.

Ms. WU. Thank you, Senator.

YouthBuild is a very important program, as you said. There are certain populations for whom they face particular challenges in getting good employment, good skills, good jobs. And I think that a very important role for the Federal Government is to serve those populations.

In terms of YouthBuild itself, there is a match in the program. I understand that can be in-kind or in cash. And, of course, that is something we want to encourage. Federal dollars leveraging other private investments, I think, is a very effective way for the

Federal Government to work. As you said, we do have some constraints on that, and we often cannot serve as many people as we would like without additional funds from Congress.

In terms of sort of the proven efficacy of these programs, this has not come up that much today, but I think it is really important that as we spend, we continue to evaluate, and I know the Department of Labor has been working on an evaluation here. And to your point about showing, demonstrating that Federal dollars are doing everything we can, I think we can learn a lot from those evaluations.

I understand that it is not complete in this particular program's case, but if I am confirmed, when that evaluation comes out, I look forward to looking at it and certainly working with you and members of the committee to make sure this program continues to be effective.

Senator WARREN. Good. Thank you very much, Ms. Wu. I think it is just really important.

Mr. Lu, I was very much struck by your statement and Ms. Wu's statement about the importance of public service and what it means. But the Department of Labor, or any other part of Government, will not be successful without good people to carry out its mission.

Nonetheless, the last few years, we have seen a freeze on Federal employee pay, a requirement that Federal employees pay more for their pensions, and we have subjected our Federal employees to a Government shutdown. Now, I understand that you have done some work with the Partnership for Public Service on improving the operations of our Government.

What I wanted to ask is what will you do to ensure that the Department of Labor can recruit and retain an effective, diverse, strong workforce especially given these constraints?

Mr. LU. Thank you, Senator.

Yes, you are correct. I have worked with the Partnership for Public Service, which I know many members of this committee are aware of, to encourage more people to come into the Federal service to provide greater opportunities for them to grow in the Federal service.

But you are right, the Department of Labor, in a most recent survey, finished second to last of all Federal agencies in terms of employee morale. I know this is a source of concern for Secretary Perez and if confirmed, I look forward to working with him on this issue.

I believe as somebody who has come out of public service and has spent his life in public service, that the greatest asset we have are the Federal employees. They know best what works in the agency and they actually know what does not work well. So I want to engage the current leadership from day one to get their ideas.

As you recognized, these are challenging times to be a Federal employee with pay freezes and with sequestration. That being said, there are agencies that know how to do this well, and I want to try to share some best practices with them.

Senator WARREN. Good. Well, I just want to say thank you both very much. You both bring a lot of energy and a lot of innovative

ideas to these jobs, and I hope you will be quickly confirmed. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Warren.
Senator Franken.

STATEMENT OF SENATOR FRANKEN

Senator FRANKEN. Thank you, Mr. Chairman, for this hearing and I want to thank the Ranking Member.

It was good meeting with you both yesterday. We talked when we met about the Community College to Career Fund Act and when Senator Kaine introduced Mr. Lu, he talked about the quality of workforce and brought up the skills gap. And that is something, when I talk to my colleagues on the Senate floor, both sides of the aisle, every State understands that we have a skills gap in this country, and the President talked about it, obviously, in his State of the Union address. That we have these jobs available to people, but we do not have them skilled up.

I talked to you about the partnerships that I have seen in my State of Minnesota where businesses work with community and technical colleges. Very often the businesses will donate machinery, expertise to help design the curriculum, and these partnerships work very well. People get trained, say, in precision machine tooling and get a job. They get a job and they maybe have just a credential, maybe the employer sends them back. They get a 2-year, end up finishing their associate's degree, come back, get sent back to get their bachelor's degree, and they do not have any student debt. And now they have a great job, a very good, high paying, middle class job, and everybody is happy.

When I go around the State, I talk to the colleges, I talk to the businesses, and they all kind of agree that they could do this better, and faster, and bigger if they had some help. And Senator Alexander talked about working with State Governments.

I would like to, one of the ways I would try to make this program work that we have talked about, and I think there is a place for it to go—the Trade Adjustment Assistance, Community College, and Career Training initiative is expiring. That is the TAACCCT initiative. I did not write the acronym, but I think it is ta-act.

[Laughter.]

So, one of the things, I just want you to work with me. I know Ms. Wu, you are going to be working with the Vice President, and the Secretary, and Secretary Thomas Perez to try to get this going. Mr. Lu, you are going to be the COO.

I want to find a way that we can do this and do it with involving the States and perhaps have the States—the whole point of this is the competitive grant. And when you apply for the competitive grant, you have to demonstrate that you have skin in the game. And the businesses have skin in the game and that whether it is donating machines, or curriculum, or whatever. But I would like maybe just have the States have skin in the game too, and that way, they will be involved. But they are the ones who benefit from these skills being provided to these students who then can work.

Can you comment on the benefits of these businesses working with the community and technical colleges, and maybe the role that the States can play?

Ms. WU. Thank you, Senator.

I think one theme that has arisen today, and we have been working on it a lot in the workforce space, is really the central role of community colleges, as you recognize, sir.

We do spend money through the workforce training system, but much of what we are doing in terms of training and skills in this country is coming from individuals who are choosing to go to community college. They are using Pell. Their States are stepping up. They are spending their own money. And I completely agree, community college is going to play a central role.

I would very much welcome the opportunity to work with States, and I think we can work on some innovative ideas to be sure that partnership is there. That is the purpose of the TAACCCT grants, as well as the Community College to Career proposal the President has issued as well. We would welcome working with you, Senator, on your legislation on a way to bring all those players to the table, because the States are the ones that have that vision about what they are doing in terms of a broad, economic development, what the regional economic development is looking like; that alignment with economic development, individual businesses, and what they need in terms of credentials and skills, as well as employers, employer groups, labor groups, and individual workers, and students. We should have all of those people at the table with the community colleges, so they can all work together.

Mr. LU. Senator, I would simply reinforce what my colleague said. When you introduced your bill, you pointed to the stark statistic that we spent \$2 billion on community colleges, \$20 billion on 4-years colleges, and \$60 billion on K-12. As you well know, community colleges are at the front line of training workers for the 21st century. We need to do more to make that investment. And as my colleague indicated, that needs to be a collaboration with States, local officials, and the private sector as well. So we look forward to working with you on that.

Senator FRANKEN. Thank you. I just think this is such an important model, and every Senator I have talked to on the floor recognizes that they are working on this in their State, and want to look at this kind of model.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Franken.

Mr. Lu, as I said, I wanted to just engage a little bit on ILab, International Labor Affairs Bureau. A little history: it started in 1993 with Bob Reich. In 1994, as the chair of the appropriations subcommittee, I started funding it, and it has been a long history since then.

Within that office, within that ILAB, there is the Office of Child Labor, Forced Labor, and Human Trafficking. Again, we started funding that in 1996. It has been funded ever since. One of the most important things they do is every year they put out an annual report on the status of the worst forms of child labor around the world. I take the time to go down to the Department every year for the presentation of that report.

So that office really has become the pre-eminent authority on child labor and forced labor. Well, the pre-eminent authority in the United States on forced labor and child labor around the globe. So it is not just us who use it; other countries are looking at it too. And those that, perhaps, had the worst records in the past, looked upon, get that report and they begin to change their systems.

I think it has had a great effect in a number of countries; but we have a long way to go. I am not saying that we do not have trafficking and forced child labor; we do in a number of places. But Secretary Perez, I know, has been a strong supporter of this. And again, I just want you to tell me about how you see your role in advancing the international labor rights standards in reducing exploitative child labor by using that entity that you have in the Department of Labor.

Mr. LU. Senator, thank you for that question, and thank you for your steadfast leadership on this issue.

As you and I discussed when we met a couple of weeks ago, I share your appreciation for what ILAB does, not only in highlighting, but combating serious practices like child labor, like forced labor, like human trafficking, ensuring that the labor protections that are in the Free Trade Agreement are actually followed through.

In the overall scheme of the Department's funding, ILAB is relatively small, but it is small and mighty. It has a powerful effect, as you point out, in shining a light on some very bad practices overseas. And frankly, it is also a reflection of our Nation's values.

If I am confirmed, I will work with you and your staff to ensure that ILAB maintains its robust funding.

The CHAIRMAN. We have had some bumps in the road in the past, but it is working well now. And as I said, with the adoption of ILO Convention 182 in 1999, the adoption of that treaty by the Senate, the ratification of it—again, we now, I think, have become the leader in this issue as we are in disabilities issues around the world. I do not mean to get into the convention on the rights of people with disabilities, but I hope that will have the same positive outcome as the convention on the worst forms of child labor, which we passed in 1999.

I appreciate your views on ILAB and that office. You are right. It is small, but they do a great job, and you have really dedicated people, career people working there, and I hope and trust that you will give them your support in their job.

One last thing I wanted to cover with you, and it is something that has frustrated me a lot. The Department's regulatory efforts often seem to encounter inordinate delays, both at the Department level, but also at OMB, and I have talked to OMB about this.

Regulations are one of the most important ways that the Department can protect working Americans, but the time it takes to get, for example, a safety standard from OSHA finalized is often inexcusably long.

What efforts would you undertake, if confirmed, to try to address this inordinate delay in regulations?

Mr. LU. Senator, as I indicated, if confirmed as the Deputy Secretary, my job would be the chief operating officer. I am not the

lead on policy. That would be the Secretary. That direction is set by the President.

But that being said, as you recognized, the regulatory process is managed by the Office of Management and Budget. Certainly, you know, I believe that we need to do a fulsome consultation with outside stakeholders, not only before we propose rules, but during the comment period. I would certainly work with your staff to understand your concerns as well. Senator Alexander, I suspect you have concerns on the other side as well, to ensure that these regulations are well thought out and put out after the appropriate consultation.

The CHAIRMAN. I do not mind them being well thought out and everything, but after all the hearings, and after meetings and discussions, and the regulations are drafted, then there seems to be some kind of a blockage there, and it just takes a long time to get them done.

So yes, due diligence, hearings, making sure all sides are heard; absolutely, I would never suggest anything other than that, but once that is done, it is time to move. Some of it is, as I said, is the Department level, which I would expect is the operating officer that you would be on top of, some of it is at OMB and which, well, that is not in your bailiwick.

Senator Alexander, anything else?

Senator ALEXANDER. I had only one question or an observation.

In thinking about the amount of money we spend on community colleges, spend \$33 billion on Pell grants, and they are heavily used at community colleges. And I like the way we spend our money for higher education with 93 percent of it follows the students to the institutions of their choice, and that gives an unemployed worker a chance to take a \$5,600 Pell grant to the local technical institute or community college, and be a part of whatever job training program the community and the Governor have put together in order to attract X Industry to expand jobs. So there is substantial money spent through Pell grants at community colleges.

Here is my question, though. Often, congressional oversight, as each of you knows, is one of our most important constitutional responsibilities in the U.S. Senate. If confirmed, will you commit to cooperating with congressional oversight of the Department of Labor, including document requests and to ensuring that the Department works with the Inspector General and GAO in any studies or investigations that they may undertake?

Mr. LU. Senator, yes, if confirmed, I believe that the Department should work closely with Congress, should work closely with the IG and GAO to respond in a timely matter to these requests.

Senator ALEXANDER. Thank you.

Ms. Wu.

Ms. WU. Of course, Senator, I would be happy to work with you in a timely manner.

Senator ALEXANDER. Thank you.

That is all, Mr. Chairman.

The CHAIRMAN. Thank you much, Senator Alexander.

Thank you again very much, both of you, for your distinguished careers in the past and for what you will be doing in the future.

The record will remain open for statements for 10 days. I have asked that any questions, that other Senators might have, be sub-

mitted to the committee so we can submit them to the nominees by the close of business on Friday.

I have some letters of support for the nominees, which I ask unanimous consent that they be made a part of the hearing record.

[The letters of support referred to may be found in additional material.]

The CHAIRMAN. We look forward to marking up our nominees at the end of the month, whenever that is. So we hope that we can get this expeditiously done, so you both can get to work in a hurry. Thank you very much.

And with that, the committee will stand adjourned.

[Additional material follows.]

ADDITIONAL MATERIAL

LETTERS OF SUPPORT

ASIAN PACIFIC AMERICAN INSTITUTE FOR
CONGRESSIONAL STUDIES (APAICS),
WASHINGTON, DC 20036.

Hon. TOM HARKIN, *Chairman,*
Committee on Health, Education, Labor, and Pensions,
U.S. Senate,
Dirksen Senate Office Building,
Washington, DC 20510.

Hon. LAMAR ALEXANDER, *Ranking Member,*
Committee on Health, Education, Labor, and Pensions,
U.S. Senate,
Dirksen Senate Office Building,
Washington, DC 20510.

DEAR CHAIRMAN HARKIN AND RANKING MEMBER ALEXANDER: The Asian Pacific American Institute for Congressional Studies (APAICS) enthusiastically supports the nominations of Christopher P. Lu for Deputy Secretary of Labor and Portia Y. Wu for Assistant Secretary for Employment and Training Administration and encourage the Department of Labor of U.S. Senate Committee on Health, Education, Labor, and Pensions to approve their nominations.

APAICS believes that Christopher P. Lu has proved himself as a strong leader through his work as the President's Cabinet Secretary. First working with then Senator Obama in 2005, Lu has a respected record of working for the Federal Government and interacting closely with varied constituencies. Portia Y. Wu's entire career has been as an advocate. Currently she holds the position as Special Assistant to the President for Labor and Workforce Policy at the White House Domestic Policy Council. Prior to joining the council she worked with the National Partnership for Women and Families and the Senate Health, Education, Labor, and Pensions (HELP) Committee.

Both Christopher P. Lu and Portia Y. Wu have a proven record of dedication to improving lives and building communities. They will serve as an inspiration to those with whom they work and the aspiring youth in this Nation. Both will serve as an example of how diversity is an asset to this country and how those with exceptional capacity to serve can serve well.

APAICS applauds the nomination of Christopher P. Lu for Deputy Secretary of Labor and Portia Y. Wu for Assistant Secretary for Employment and Training Administration in the Department of Labor. We urge an aye vote on their nominations.

Regards,

FLOYD MORI,
APAICS President & CEO.

ASIAN & PACIFIC ISLANDER AMERICAN
HEALTH FORUM (APIAHF),
WASHINGTON, DC 20006,
February 6, 2014.

Hon. TOM HARKIN, *Chairman,*
Committee on Health, Education, Labor, and Pensions,
U.S. Senate,
Dirksen Senate Office Building,
Washington, DC 20510.

Hon. LAMAR ALEXANDER, *Ranking Member,*
Committee on Health, Education, Labor, and Pensions,
U.S. Senate,
Dirksen Senate Office Building,
Washington, DC 20510.

Re: Letter in Support of the Nomination of Christopher P. Lu for Deputy Secretary of Labor

DEAR CHAIRMAN HARKIN AND RANKING MEMBER ALEXANDER: The Asian & Pacific Islander American Health Forum (APIAHF) strongly supports the nomination of

Christopher P. Lu for Deputy Secretary of Labor. Mr. Lu is exceptionally well-qualified, with years of public service and a commitment to advancing the economic and social well-being all communities, including Asian Americans, Native Hawaiians and Pacific Islanders, the Nation's fastest growing communities.

APIAHF is the oldest and largest health policy organization working with Asian American (AA), Native Hawaiian, and Pacific Islander (NHPI) communities across the Nation and its Pacific jurisdictions. APIAHF influences policy, mobilizes communities, and strengthens programs and organizations to improve the health of AAs and NHPIs. With 30-plus community-based organizational partners in 20 States and territories, APIAHF provides a voice in the Nation's capital for underserved AA and NHPI communities and works toward health equity and health justice.

Mr. Lu is a distinguished leader and an exceptional candidate for the position of Deputy Secretary of Labor. He has served as litigator, Deputy Chief Counsel for Rep. Waxman and the House Oversight and Government Reform committee, advisor, legislative director and oversaw President Obama's transition. Mr. Lu's broad range of experiences and responsibilities put him well positioned to manage large agency operations.

At APIAHF, we have had the honor of working closely with Mr. Lu in his former capacity as Assistant to President Obama and Cabinet Secretary, as well as co-chair of the White House Initiative on Asian Americans and Pacific Islanders (WHIAAPI). Mr. Lu's service during this time demonstrated his dedication, knowledge and commitment to AA and NHPI communities.

As co-chair of the WHIAAPI, Mr. Lu ensured that Federal efforts were inclusive and responsive of community needs across multiple agencies and sectors from job creation and education to health. He has championed and elevated the needs of AAs and NHPIs at the highest levels of government.

Mr. Lu would bring a sincere dedication and commitment to improving not only the lives of the Nation's fastest growing communities, but of all working families to the Department of Labor. For these reasons, we strongly support the confirmation of Mr. Lu to become Deputy Secretary of Labor.

Sincerely,

KATHY KO CHIN,
President & CEO.

ASIAN & PACIFIC ISLANDER AMERICAN
HEALTH FORUM (APIAHF),
WASHINGTON, DC 20006,
February 6, 2014.

Hon. TOM HARKIN, *Chairman,*
Committee on Health, Education, Labor, and Pensions,
U.S. Senate,
Dirksen Senate Office Building,
Washington, DC 20510.

Hon. LAMAR ALEXANDER, *Ranking Member,*
Committee on Health, Education, Labor, and Pensions,
U.S. Senate,
Dirksen Senate Office Building,
Washington, DC 20510.

Re: Letter in Support of the Nomination of Portia Y. Wu for Assistant Secretary of Labor for Employment and Training

DEAR CHAIRMAN HARKIN AND RANKING MEMBER ALEXANDER: On behalf of the Asian & Pacific Islander American Health Forum (APIAHF), I offer my sincere endorsement of Portia Y. Wu for Assistant Secretary of Labor for Employment and Training.

APIAHF is the oldest and largest health policy organization working with Asian American (AA), Native Hawaiian, and Pacific Islander (NHPI) communities across the Nation and its Pacific jurisdictions. APIAHF influences policy, mobilizes communities, and strengthens programs and organizations to improve the health of AAs and NHPIs. With 30-plus community-based organizational partners in 20 States and territories, APIAHF provides a voice in the Nation's capital for underserved AA and NHPI communities and works toward health equity and health justice.

Ms. Wu is exceptionally qualified to serve at the Department of Labor. She has worked to improve labor policy at both the private, legislative and administrative levels for over a decade. At the National Partnership for Women and Families she oversaw the promotion of policies and strategies that brought fairness to the work-

place, particularly for women and low-income families. During her time at the Senate Health, Education, Labor, and Pensions (HELP) Committee, she handled complex labor and pension matters. Throughout her career, she has championed the needs of American workers and worked to expand opportunities in the workplace.

It is for these reasons we offer our sincere support and urge that Portia Y. Wu be confirmed for Assistant Secretary of Labor for Employment and Training.

Sincerely,

KATHY KO CHIN,
President & CEO.

[Whereupon, at 11:20 a.m., the hearing was adjourned.]

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