New Heights: Shaping the Perspective

2011 ANNUAL REPORT

BIPARTISAN POLICY CENTER
“The country’s success could actually hinge on the presence or absence of two people—a Democrat and a Republican who have some combination of courage, fear, confidence and creativity to violate tribal expectations and actually lead.”

— BPC President Jason Grumet
“The Bipartisan Policy Center provides a much needed venue for principled Democrats and Republicans to come together and transcend ideology and rhetoric to develop pragmatic, politically viable solutions.”

— Representative Steny Hoyer (D-MD)
Dear Friends,

Even as the partisan rhetoric intensifies in the run-up to the 2012 presidential election, the Bipartisan Policy Center (BPC) is expanding on its commitments to bring new perspectives to the national debate and to encourage consensus on politically viable solutions to the key challenges confronting America. Like the candidates, BPC debates the significant issues facing our country, such as health care, the economy, housing, energy, the nation’s infrastructure, and national security. These issues are our primary focus, because we know that no matter who wins the White House in November, cooperation between the political parties will be essential to solving these problems.

The recent debt ceiling fight, the federal budget gridlock, and even the Occupy Wall Street movement only served to underscore the expanse of our nation’s vast political divide and the immense need for individuals of divergent ideologies to end their entrenchment for the greater interest of our nation. We recognize that those elected to office often have conflicting and deep convictions over how best to solve our country’s most pressing problems. It always has been this way, and history shows that healthy, civil debate among those with differing viewpoints is an essential component to our democracy. But history also shows that when both political parties cooperate to reach principled compromises, it leads to major and enduring reforms.

These are the precepts on which we founded BPC. We believe rigorous analysis, reasoned negotiation, and respectful dialogue are the means for producing pragmatic
solutions that both Democrats and Republicans can support. Once again in 2011, BPC succeeded in assembling an extraordinary array of former lawmakers, stakeholders, and policy experts to put aside their partisan differences and cultivate common ground on legislative proposals. BPC has become such a valuable resource for both political parties that we decided to continue to broaden our mandate in challenging new areas. For example, in 2011 we formed a Housing Commission. This panel is examining what the appropriate role of government should be in helping to shape the future housing landscape in an increasingly diverse society with increasingly diverse housing needs. The commission will also look at the complexities of the housing industry and its significant link to the U.S. financial recovery. BPC also started a yearlong Nutrition and Physical Activity Initiative to address the impact of obesity and poor health on the economy. The initiative will identify novel, collaborative, and bipartisan approaches to food and fitness issues in order to improve the wellness and performance of all Americans. And at a time when some fear our political system is fractured beyond repair, our Democracy Project has been analyzing and advocating for improvements in our democratic institutions and for a stronger commitment to civil discourse in government.

BPC’s influence on the national dialogue was dramatic in 2011. As the debt ceiling deadline approached, members of Congress and the media continually turned to the work done by BPC’s Debt Reduction Task Force to further illuminate the discussion. In fact, all of BPC’s programs are considered reliable, knowledgeable sources of information for elected leaders, advocacy organizations, and the press outlets who want facts, not spin.

BPC also launched a major effort to bring state and local perspectives into the national conversation. We established a Governors’ Council, comprising six immediate former state chief executives who offer unique viewpoints on key policy issues considered at the federal level. We are determined to reflect the full scope of the nation’s opinions, and not just the conventional wisdom in Washington. This regional input was vital to the work of a number of BPC projects that traveled outside the Beltway in pursuit of fresh approaches. One was our new Health Project, which hosted events in Chicago, Illinois, and Austin, Texas, in addition to Washington, in order to gather information from state, federal, business, and workforce leaders to develop creative answers to the major challenges facing states under health care reform.

While presidential election partisanship may be dominating the political landscape right now, we remain extremely proud that BPC enters its fifth year as a steadfast proponent of balanced and respectful debate and advocacy. We also remain dedicated to seeking workable, bipartisan solutions for the benefit of our great country today and far into the future.
“The Bipartisan Policy Center demonstrates that by striking a civil balance between partisan ideals and reasoned analysis, policymaking can reach practical conclusions with the potential for broad support.”

— Former Senator Bob Bennett

“I decided to join this effort after 30 years in Congress, because I know from experience, the only way we can change energy policy is if it is bipartisan. I also know that instead of using the same, tired arguments, what we need are new ideas that are bold, and we need new approaches.”

— Former Senator Byron Dorgan

“These are difficult times, obviously, and everybody’s trying to figure out how do we do something about being more bipartisan and getting things done. And so that’s why I’m so pleased to be a part of the Bipartisan Policy Center.”

— Former Senate Majority Leader Trent Lott

“The Bipartisan Policy Center creates a forum for critical conversations. BPC has no fear in taking on complex, multi-sector issues, like the debt and health care, and is uniquely able to bring differing, even opposing, perspectives to the table to work on solving our nation’s most challenging problems.”

— Former Senate Majority Leader Bill Frist
“To properly address the major problems we face as a nation—issues such as defense, energy security, and the economy—we need to come together around our shared interests rather than partisan agendas. BPC keeps the focus on establishing mutual benefits and fostering solutions.”

— General (ret.) James L. Jones

“Overwhelmingly, Americans want their political leaders to find solutions to the many difficult challenges we face. Through its policy work and other programming, the Bipartisan Policy Center crafts and aggressively advocates for solutions that are taken seriously by Republicans and Democrats. When we find ideas that can be agreed to by both parties, we will then be able to solve our greatest problems.”

— Former Secretary of Agriculture Dan Glickman

“Since its recommendations are the result of thorough analysis and thoughtful deliberations, the Bipartisan Policy Center is seen as a credible resource by members of both parties. The Bipartisan Policy Center has enjoyed terrific success in its short five-year history, and I am excited to be associated with it.”

— Former Senator Pete Domenici
“We don’t believe that simply coming up with a nifty idea and putting a study on somebody’s shelf is going to change anything. Our view: First, we come up with principled solutions and then we advocate aggressively.”

— BPC President Jason Grumet
Mission Statement

Common ground: It is the critical nexus where clashing political voices unite—for a time—to create legislative solutions to the nation’s problems. These days, in the echo chambers of partisan blogs, talk radio, and cable news, it sometimes seems as though polarization itself is championed over doing the hard work of talking out the issues and compromising—that is, governing.

The Bipartisan Policy Center (BPC) strives to be the antidote to polarization as well as to those who think politics is a sport with winners and losers—rather than a diverse body of leaders who need to work together for the good of the country. In fact, BPC is one of the only think tanks in Washington that actively supports a bipartisan vision while endeavoring to address the key challenges facing the nation: health care, energy, homeland security, foreign policy, infrastructure, housing, nutrition, the state of our democratic institutions, and, of course, the economy. BPC achieves this in several ways:

- Working with top former elected officials, business leaders, academic experts, policy analysts, and advocacy groups, BPC creates policy solutions that are driven by rigorous study as well as perspectives from across the political spectrum.
- Provides a space for—and actively encourages—Republicans and Democrats to participate in substantive dialogue through task forces, political summits, policy discussions, off-the-record meetings and policy education efforts that enable problem solving.
- Once the most critical issues of the day are analyzed, negotiated, and discussed, BPC captures the consensus, shapes it into legislative language, and proactively attempts to move the ball forward in Congress through its (c)(4) affiliate, the Bipartisan Policy Center Advocacy Network.

Founded in 2007 by former Senate Majority Leaders Howard Baker, Tom Daschle, Bob Dole, and George Mitchell, BPC combines civil discourse, politically balanced policy making, and strong, proactive advocacy to create change. BPC is committed to fostering civil debate among leaders with opposing views, to bringing Republicans and Democrats together on issues, to seeing our policy solutions enacted, and to pursuing strategies that overcome political division and improve the efficacy of the nation.

BPC is the critical nexus where clashing political voices unite.
Dear Friends,

It’s hard not to be anguished by the news out of Washington today. Amid inflated fears that China may usurp America’s place atop the global hierarchy, Pennsylvania Avenue seems mired in dysfunction. Only a generation ago, driven by the exceptional qualities of American democracy—the seemingly miraculous capacity to balance individual freedom with collective good—the U.S. was a global paragon of hope, optimism, perseverance, and possibility. Today, with congressional approval ratings in the single digits, our democracy is more often derided as the fountainhead of our inevitable decline than celebrated as an object of global envy.

By most standards, disappointment is justified: Debates over substantive policy have become mired in partisan caricature and, in turn, Washington appears incapable of solving real problems. But the juxtaposition with China too often points to the wrong conclusion. There’s no denying that heavy-handed, autocratic regimes are more proficient at drawing up comprehensive plans—and accomplishing them with stark efficiency. Nearly all visitors to coastal China can relay a story of how the Chinese have constructed world-class buildings, bridges, and rail lines in the time it typically takes our local public works departments to fill in a pothole.

But the great blessing of our democracy has never been efficiency; rather America has risen above threats and challenges by tapping into a unique capacity to harness its exceptional diversity. We should take care not to be swept up into an autocratic envy. Remember: In the aftermath of Sputnik, we looked back to the triumph of World War II and worried prospectively about Soviet aggression. As the Berlin Wall fell, we harkened back to the postwar years and trembled over Japan’s explosive growth. Today, amid China’s rise, many pine for a return to the dynamics of the 1990s.

In each case, however, America prevailed by dint of our exceptional ability to make what Tocqueville termed “repairable” mistakes. The secret to our resilience is the capacity to forge a national interest composed of clashing ideas. Throughout our history, the best solutions have emerged from the vibrant friction of different perspectives from different regions, interests, and worldviews. During this latest moment of national anguish, we ought not forget that the steel spine of our democracy forged—through our diversity—a unique combination of elements that has provided strength and flexibility. We bend, but rarely break.

That is the guiding principle of the Bipartisan Policy Center (BPC). Our mission is not to persuade the nation’s leaders to leave their politics at the door, but to help them embrace the constructive collision of ideas. By marshaling expertise and inspiration from former members of Congress, policy experts, and stakeholders, BPC is working today to demonstrate that it takes the best ideas of both parties to create effective and resilient public policy.

At a moment when many want Washington to abandon what has propelled the U.S. forward, we prescribe a return to first principles. Governing was never supposed to be easy. BPC exists to provide ideas and advocacy to re-harness the power of democracy. There is much work to do.

We hope you’ll join us.

JASON GRUMET
Tackling the Nation’s Greatest Challenges

★ While Congress sparred over the budget, BPC leaders promoted a new economic strategy for the nation by going through the federal budget line by line. The Economic Policy Project’s Debt Reduction Task Force—co-chaired by former Senator Pete Domenici and former Director of the Office of Management and Budget (OMB) and the Congressional Budget Office (CBO) Dr. Alice Rivlin—was the only group outside the Simpson-Bowles Commission to do this.

★ In May 2011, the Treasury Department announced that the U.S. would breach the debt ceiling. BPC immediately created the Debt Ceiling Analysis Initiative—led by BPC visiting Scholar and former Under Secretary of the Treasury for Domestic Finance Jerome “Jay” Powell—which combed through Treasury statements and cash flows, correctly revealing the August expiration date and the urgency of raising the debt ceiling.

★ To combat the risk of cyber-attack and to raise national awareness of the cyber threat, the Homeland Security Project launched a Cyber Security Task Force—co-chaired by former Director of the National Security Agency and the CIA General (ret.) Michael Hayden and Boston Properties CEO Mort Zuckerman.

★ The Governors’ Council, created in 2011, grew from BPC’s desire for insight from elected leaders outside the Beltway. Council members include former Governors Phil Bredesen (Tennessee), Jim Douglas (Vermont), Brad Henry (Oklahoma), Linda Lingle (Hawaii), Mike Rounds (South Dakota) and Ted Strickland (Ohio).

★ In 2011, the housing crisis became a touchstone issue for Americans and the reason BPC launched its new Housing Commission, which aims to reform U.S. housing policy and to help policymaking understand housing's role in economic downturns and recoveries.

★ In 2011, the Foreign Policy Project’s Stabilizing Fragile States Initiative identified the key drivers of instability in Yemen—all before the Arab Awakening erupted and the Yemeni people revolted. BPC was one of the few organizations to have a thorough understanding of this pivotal country pre-revolution.

★ Led by Ambassador Jim Glassman and former Agriculture Secretary and BPC Senior Fellow Dan Glickman, the Strategic Public Diplomacy Initiative led up-to-date efforts to emphasize Egypt’s importance as a test case for examining the efficacy of U.S. public diplomacy.

“The Bipartisan Policy Center is designed to do one thing and that’s find common ground.”
— Former Senate Majority Leader Tom Daschle
Members of the Foreign Policy Project’s Russia Initiative—co-chaired by former Senator Charles Robb and former Commerce Secretary Don Evans—forged a hard-fought and practical bipartisan template for Congress to capture the benefits of free trade with Russia while still addressing its lack of transparency, rule of law, and human rights record.

The Energy Project’s groundbreaking Task Force on Climate Remediation Research called for a federal effort to explore the effectiveness, feasibility, and consequences of climate remediation technologies before the planet reaches a tipping point.

The Energy Project launched its Nuclear Power Initiative—co-chaired by former Senator Pete Domenici and former Energy Department Assistant Secretary for Nuclear Energy Warren “Pete” Miller—to address the challenges of nuclear power and how the U.S. might use nuclear power in a new energy system.

In December 2011, the Democracy Project launched its newest effort, Redistricting Reform: Drawing the Maps One Rorschach Test at a Time, to examine the potential effects of redistricting reforms on the 2012 elections—particularly the presidential race.

BPC’s Health Project started the Delivery System Reform and Health Information Task Force in 2011 to examine real-world, patient-centered care and to recommend steps to ensure that health IT improves quality of care and reduces costs.

The Health Project also launched the Health Professional Workforce Initiative, an effort to ensure providers are able to acquire the skills to deliver health care in the future.

Working alongside the National Association of Regulatory Utility Commissioners and Northeast States for Coordinated Air Use Management as well as nearly 60 energy experts, the Energy Project assembled a top-flight team for its Initiative on Delivering Electric System Reliability and Clean Technology, which will focus on improving electric-system dependability and transitioning to cleaner electricity.

“The Bipartisan Policy Center, a Washington think tank that takes on the kind of gnarly issues most other organizations will not touch.”

— Reuters
2011 Accomplishments

Time and Again, Government Turned to BPC

★ Debt Reduction Task Force leaders Domenici and Rivlin testified before House and Senate committees, the Joint Select Committee on Deficit Reduction (the super committee), and ultimately presented their findings to many members of Congress and senior staff. Members of Congress now work very closely with BPC’s Economic Policy Project to put the task force’s recommendations into formal legislative language.

★ The entire Republican House caucus requested a presentation of BPC’s Debt Ceiling Analysis, as did the Senate Republican conference, the Democratic leadership in both the House and Senate, and many individual members of Congress. The initiative resulted in hundreds of media citations, TV appearances, and interviews. BPC was the leading voice in explaining the import of the debt ceiling to the media and to Americans.

★ At the request of the U.S. Senate Energy and Natural Resources Committee, the Energy Project analyzed the president’s proposed Clean Energy Standard. BPC found that the president’s target is likely to be more expensive than planned and that a single standard may not work for the entire country.

★ After BPC’s Homeland Security Project rolled out its 9/11 Commission report card before more than a dozen TV outlets and scores of print media, the project’s efforts led to the implementation of one of the major unfulfilled 9/11 Commission recommendations: improved communications for first-responders.

★ Homeland Security Project members working on the threat from radicalized American terrorists met with key White House officials and testified before the U.S. House Intelligence Committee. Several BPC recommendations—e.g., creating lead agencies for counter-radicalization—have since been included in the administration’s strategy to counter violent extremism.

★ Co-chairs of the U.S. House Natural Gas Caucus, Representatives Tim Murphy (R-PA) and Dan Boren (D-OK), hosted a Hill briefing with the Energy Project’s Task Force on Ensuring Stable Natural Gas Markets. The task force’s report caught the attention of The New York Times, Time, POLITICO, and Energy and Environment Daily. And, in 2011, the National Association of Regulatory Utility Commissioners adopted a resolution that “urges State regulators to give serious consideration to the Task Force’s recommendations.”

“We can arrive at workable solutions and move forward.”
— Former Ohio Governor Ted Strickland

“Great movements often start with small steps.”
— BPC President Jason Grumet
The U.S. Department of Health’s Office of the National Coordinator for Health IT included much of the language and suggestions from the Health Project’s Delivery System Reform and the Role of Health IT report in its proposed rules and criteria for electronic health records.

The President’s Council on Fitness, Sports, and Nutrition joined BPC’s Nutrition and Physical Activity Initiative to host a discussion on U.S. physical activity.

The Foreign Policy Project’s Stabilizing Fragile States Initiative members briefed high-level officials at the State Department, Defense Department, and National Security Council about the significance of neutralizing threats from failed states. Being ahead of the curve on the Arab world meant the project also generated enormous press attention.

Foreign Policy Project Director Michael Makovsky gave congressional and state-level testimony on Iran’s nuclear advances, and Iran Initiative members held individual meetings with policymaking. Project members and staff published articles and op-eds in The Washington Post, The Wall Street Journal, The New Republic, and The Weekly Standard, and were interviewed by print and TV media. The initiative’s recommendations have since been incorporated in bipartisan legislation.

The Energy Project’s American Energy Innovation Council worked with Congress and the administration to boost funding for ARPA-E, an energy-technology funding program that supports dozens of key potential technologies. These efforts resulted in bipartisan support for $275 million for ARPA-E in 2012. The council also supported and helped to create bipartisan legislation in the Senate, the Quadrennial Review Act of 2011.

BPC’s National Transportation Policy Project is the leader in promoting awareness of the urgency of fundamental national transportation policy reform as a solution to deficits and national debt. Throughout 2011, the project’s ideas gained currency on the President’s Council on Jobs and Competitiveness. The project’s advocacy also had an influence on Congress, which moved closer to developing surface transportation legislation.

In 2011 alone, the Bipartisan Policy Center Advocacy Network held nearly 300 meetings with members of Congress and their staffs, and hosted more than two dozen committee briefings and public events on Capitol Hill.

“The Bipartisan Policy Center—which has assembled a roster of political all-stars in recent months—is one of Washington’s most attractive destinations for former lawmakers, Cabinet members, and others because it guards against intellectualism on the one hand and parochialism on the other.”

— National Journal
2011 Accomplishments

Civil Debate, Public Engagement, and Events to Spark a Conversation

In 2011, BPC hosted more than 60 public events. While spanning a broad array of topics, each provided the spark for engaging conversation. 2011 events included:

★ The Economic Policy Project presented a simulation of a systemic financial institution failure under Dodd-Frank. This simulation—held at the annual Buttonwood Conference and hosted by The Economist in New York City—addressed the unusually complex range of issues that would arise in the event of such a breakdown.

★ The Energy Project’s Nuclear Power Initiative hosted two workshops—one to explore the “Lessons Learned from the Disaster at Japan’s Fukushima Daiichi Plant” after the March 2011 earthquake and tsunami, and one to examine “Effective Approaches for U.S. Nonproliferation Policy” as Iran continued its pursuit of nuclear capability.

★ Working with the newly created, Tucson-based National Center for Civil Discourse, the Democracy Project sponsored the keynote panel at the 66th Annual National Conference on Citizenship at the Walter Cronkite School of Journalism at Arizona State University.

★ The Democracy Project created the “On Leadership” speaker series: a forum to explore the importance of leadership in today’s polarized political climate. Each event in the series examines a different facet of leadership through conversations with luminaries from various fields. The series kicked off with retiring Exelon CEO and former BPC Board of Directors Chair John W. Rowe.

★ The Aspen Institute and BPC’s Democracy Project held a four-part roundtable discussion series, “Conversations on Civility: Making our Democracy Work.” The joint effort examined the breakdown of national civil discourse with guests including Pulitzer Prize–winning journalist Cynthia Tucker, Governor of Delaware Jack Markell, and NPR and ABC News commentator Cokie Roberts, among others.

Partisan Review

Just weeks before the start of the presidential campaign season, BPC held its third Annual Political Summit, “Taking the Poison out of Partisanship,” at Tulane University in New Orleans. Hosted by political duo James Carville and Mary Matalin, the summit showcased:

★ A screening of The War Room, the 1993 documentary chronicling Bill Clinton’s first campaign for the White House, and Walter Isaacson in conversation with BPC Senior Fellow Dan Glickman and producer R.J. Cutler.

★ Former Senate Majority Leader and BPC Senior Fellow Trent Lott, CNBC’s John Harwood, political strategist Kiki McLean and media consultant Steve McMahon discussing the quest for political common ground and possibilities for progress.

★ Former Senator and BPC Senior Fellow Bob Bennett, former President George W. Bush Counselor Karen Hughes, MSNBC’s Richard Wolffe, POLITICO’s James Hohmann and political strategist Peter Fenn reflecting on campaign war stories.

★ Newsweek/The Daily Beast’s John Avlon, MSNBC’s Melissa Harris-Perry, pollsters Stan Greenberg and Bill McInturff, and Fox News’ Margaret Hoover looking ahead to the impact of changing demographics on the 2012 presidential campaign.
Breakfast of Champions

BPC’s Bridge-Builder Breakfasts shine a spotlight on the people who cross party lines to develop solutions to the critical challenges facing the country. In 2011, the ongoing series featured a broad spectrum of leaders and issues. Below is just a glimpse of the breadth of ideas and conversations from the 2011 season of Bridge-Builder Breakfasts:

★ The Redistricting Reform program launched with an open conversation with BPC Senior Fellow and Democracy Project co-chair Dan Glickman, The Washington Post’s Aaron Blake, Democracy Project Director John Fortier, and The Cook Political Report’s David Wasserman about the effects of partisan, incumbent-protected districts and the push for nonpartisan redistricting commissions.

★ The Governors’ Council hosted a breakfast discussion—“On the Ground: State Leadership in Times of Crisis”—to examine disaster management, the importance of strong leadership in times of crisis, and the federal government’s response to disaster preparedness at a time of steep spending cuts.

★ The Health Professional Workforce Initiative launched with a high-profile event featuring former Senate Majority Leader and BPC Senior Fellow Bill Frist, former Administrator of the Centers for Medicare and Medicaid Services Dr. Don Berwick, and Administrator of the Health Resources and Services Administration Dr. Mary Wakefield.

★ One year after passage of the Healthy, Hunger-Free Kids Act, the Nutrition and Physical Activity Initiative hosted a roundtable conversation on early childhood health, federal feeding programs, and incentive programs.

★ The Nutrition and Physical Activity Initiative held a two-day healthy-institutions forum at the University of Miami to discuss improving nutrition at large venues—like hospitals, schools, and stadiums—and enhancing wellness at work.

★ The Health Project, in collaboration with Seton Healthcare Family and the Texas e-Health Alliance, hosted its first Health Innovation Exchange as part of a conference in Austin, Texas, to discover local solutions to national health care problems.

★ Former Secretaries Dan Glickman, Mike Leavitt, Donna E. Shalala, and Ann M. Veneman, co-chairs of BPC’s Nutrition and Physical Activity Initiative, traveled to Salt Lake City, Utah, to attend a roundtable discussion with local leaders on affordable and accessible physical activity programs for kids and families.
Reports that Spotlight Solutions

★ BPC’s *Debt Limit Analysis* was the only independent, non-Treasury review of the impending debt ceiling breach. Through daily examination of Treasury statements and cash flows, BPC correctly pinpointed the debt ceiling expiration date.

★ On the tenth anniversary of the September 11 attacks, BPC’s Homeland Security Project—the successor to the 9/11 Commission, co-chaired by former Governor Tom Kean and former Representative Lee Hamilton—released *Tenth Anniversary Report Card: The Status of the 9/11 Commission Recommendations*. The report card found that nine of the 41 recommendations were still unaddressed.

★ In June, the Homeland Security Project issued a report, *Preventing Violent Radicalization in America*, to provide concrete policy proposals to quell homegrown extremism.

★ In March, the Foreign Policy Project’s Stabilizing Fragile States Initiative released its in-depth Yemen case study, *Fragility and Extremism in Yemen*, becoming an instant blueprint for how the U.S. might proceed with other regional states after the Arab Awakening.

★ The Stabilizing Fragile States Initiative also released its comprehensive report *A Stitch in Time*—a multiyear effort to improve governance and security in at-risk states—in May, just as the Arab world exploded in revolution.

★ The Foreign Policy Project’s Strategic Public Diplomacy Initiative issued two papers on post-revolution Egypt. The first, by former National Security Advisor and BPC Senior Fellow General (ret.) James L. Jones, assesses the impact of Egypt’s economic crisis on democracy development. The second, by the initiative’s task force, analyzes U.S. public diplomacy toward Egypt.

★ The Foreign Policy Project’s Iran Initiative prepared its fourth Iran report, *Meeting the Challenge: Stopping the Clock*, promoting its triple-track policy: diplomacy, sanctions, and a credible military option.

★ A Stitch in Time: Stabilizing Fragile States
★ An Introduction to the Environmental Regulation and Electric System Reliability Report
★ Building a Strong Foundation for America’s Health Care System
★ Catalyzing American Ingenuity
★ Debt Limit Analysis
★ Delivery System Reform and the Role of Health IT: An Interim Report
★ Energy Security: Goals, Metrics, and Accountability
★ Environmental Regulation and Electric System Reliability
★ Fragility and Extremism in Yemen
★ Geoengineering: A National Strategic Plan for Research on the Potential Effectiveness, Feasibility, and Consequences of Climate Remediation Technologies
★ Investing in the Revolution: Economics and the Prospects for Democracy in Egypt
★ Iran’s Nuclear Program: Status and Breakout Timing
The Energy Project’s American Energy Innovation Council issued *Catalyzing American Ingenuity: The Role of Government in Energy Innovation*, which found that government investment in technology is integral to U.S. competitiveness and that more investment is needed in energy technologies.

The Energy Project’s report *Environmental Regulation and Electric System Reliability* recommended what steps the electric-power system must take in order to maintain reliability, public health, and the environment in a market with reduced demand, low natural gas prices, new green protocols, and uncertain future carbon regulations.

The Energy Project released a staff issue brief, *Reassessing Renewable Energy Subsidies*, to highlight opportunities to make existing renewable-energy tax incentives more effective—both fiscally and environmentally.

The Energy Project’s report *Task Force on Ensuring Stable Natural Gas Markets* pressed for balancing natural gas development with environmental safeguards, and urged state public-utility regulators and industry to use long-term supply contracts to foster price stability.

The Health Project’s report *Delivery System Reform and the Role of Health IT* outlined recommendations for health IT on topics like high-tech medication safety features and electronic capture of health data.

The Health Professional Workforce Initiative released a study with The Deloitte Center for Health Solutions, *The Complexities of National Health Care Workforce Planning*, outlining strategies to empower health workers with skills for a high-tech future.

BPC’s National Transportation Policy Project released *Performance Driven: Achieving Wiser Investment in Transportation*, creating a template to promote smart fiscal decisions in transportation, and *Strengthening Connections Between Transportation Investments and Economic Growth*, emphasizing that transportation-infrastructure investments should provide long-term benefits.
Ideas, roundtables, and reports go only so far. It is not possible to guarantee the attendance of crucial legislators at every event or to ensure that they will read Bipartisan Policy Center (BPC) papers before every vote. The hard work of impacting the federal policy debate and passing legislation requires action on the ground. That’s why the Bipartisan Policy Center Advocacy Network (BPCAN) works directly with Congress and the administration—translating BPC projects into workable proposals and finding common ground between the left and right.

BPCAN pairs the substantive analysis of BPC with strong advocacy efforts and ongoing strategic engagement with the legislative process. The sister organizations work as complementary efforts: BPC impacts the public dialogue and then BPCAN influences the policy outcomes. In 2011, BPCAN fully staffed up, adding legislative expertise from both congressional chambers and both sides of the aisle, creating a seasoned team of strategists with a combined nearly 40 years spent working on Capitol Hill.

The results speak for themselves: In 2011 alone, BPCAN held nearly 300 meetings with members of Congress and their staffs as well as hosting more than two dozen committee briefings, and public events on Capitol Hill. Composed of federal legislative-process experts, BPCAN provides BPC programs with political insight, advice, comprehensive advocacy strategies, and targeted materials for each of BPC’s program areas. BPCAN leaders then forge relationships with members of Congress and their staffs, serve as resources for Capitol Hill, and, of course, advocate for bipartisan solutions.

As the 501(c)(4) BPC affiliate, BPCAN sets BPC apart from other Washington think tanks. More often than not, D.C. organizations will develop comprehensive policy recommendations only to fail to interact with Congress or the administration to ensure their successful implementation. Not only is BPC among the very few think tanks in D.C. that promotes bipartisanship, it is also one of the few think tanks that actively works to see its recommendations move through the legislative and regulatory processes. Thanks to BPCAN, the work of BPC projects will not grow dusty in an archive once released; the work of BPC projects will have a real shot at making an impact in Congress, influencing legislative language, changing minds, changing laws, and even changing the nation.

BPCAN STAFF
Vice President of Public Policy and Executive Director Michele Stockwell
Senior Advisor Kimberly Dean
Senior Legislative Assistant Laura Hall
Legislative Assistant Ben Ludwig
Legislative Associate Jessica Smith
Impact by the Numbers

★ BPC’s presence enjoyed tremendous growth online, with a 123 percent increase in total visits to the website and a 72 percent increase in page views over 2010. That’s 1,055 visits per day—almost double 2010’s daily visits. Also in 2011, return visitors represented 45 percent of total traffic—a great reflection on the quality and strategic placement of fresh BPC content. In 2010, just 23 percent of visitors came back three times or more; in 2011, 34 percent did.

★ As the debt ceiling deadline grew closer, July 2011 became BPC’s best month for website traffic ever with more than 134,000 views (November 2010 was BPC’s previous best month with 31,048 views). BPC’s Debt Limit Countdown Clock, unveiled less than two weeks before the debt limit deadline, drew more than 100,000 hits over two-weeks. Visitors could add the widget for the clock to their own website or blog. Plus, social media links allowed Facebook and Twitter users to send the latest clock reading to their followers.

★ BPC boosted its online presence with a new blog, which highlighted BPC staff, promoted BPC’s work, and created a new up-to-the-minute channel to inject BPC’s unique viewpoint into the national debate. With more original content going up each day, traffic to the blog has soared—from a mere 6,000 hits in 2010 to more than 40,000 in 2011—and a number of posts were picked up by other prominent blogs and news outlets. BPC’s reach in the world of online commentary has never been stronger.

★ BPC’s Twitter account more than tripled its following in 2011. Followers receive a steady stream of updates, including BPC news, live tweets from events and notifications of new blog posts.

★ Got coverage? BPC does: In 2011, BPC earned more than 1,400 press mentions, a 40 percent increase over 2010. This includes 300 citations in newspapers, 180 in newsletters, 186 on news websites and blogs, 81 in magazines, 152 in legal news services, and 150 in trade publications. BPC also secured 28 op-ed placements and its experts made 65 TV appearances, including spots on C-SPAN, PBS NewsHour, CNN, Fox News, MSNBC, ABC News, Bloomberg TV, and BBC.

“It would be easy to dismiss recent calls for civil discourse in politics as starry-eyed idealism… At the Bipartisan Policy Center, a think tank toiling with lawmakers to eke out legislative compromises, the business of comity goes way beyond politesse.”

— National Journal
“Throughout last year’s heated debt and deficit debate BPC and its Debt Reduction Task Force served as vital resources for credible analysis and pragmatic paths to achieve common sense solutions.”

— Senator Michael Bennet (D-CO)
ECONOMIC POLICY PROGRAM

During a year in many ways defined by the economy—fluctuating unemployment rates, rising numbers of home foreclosures, the growing wealth gap, an out-of-control budget, a debt ceiling hovering over Congress, a national credit-rating downgrade, and even a super committee—the U.S. desperately needed a potent force for fiscal reason in an unruly economic environment. The Economic Policy Program rose above partisan bickering with strong analysis and consensus fiscal policy recommendations.

The Economic Policy Project’s Debt Reduction Task Force offered a bold plan for a new national economic course. The Debt Ceiling Analysis Initiative worked alongside the task force, undertaking an exhaustive accounting of daily Treasury statements and cash flows—ultimately pinpointing the debt ceiling breach date and explaining the ramifications of a breach to lawmakers, the media, and the public.

The Housing Commission launched in 2011 to chart a new course for the U.S. housing sector—while recognizing the fiscal realities of the future housing needs of an increasingly diverse society. The commission is examining every aspect of U.S. housing policy—from the role of private investment to homeownership and affordable rental policy. The recent collapse of the housing finance system played a significant role in one of the worst recessions the nation has ever experienced. Reforming this system and creating a stable housing market is essential for a strong and competitive U.S. economy.
Economic Policy Project Accomplishments

Line By Line
The Economic Policy Project’s (EPP) Debt Reduction Task Force, co-chaired by former Senator Pete Domenici and former Director of the OMB and CBO Dr. Alice Rivlin, continued to promote an entirely new strategy for the federal budget, as outlined in their 2010 report Restoring America’s Future. The plan includes some tough choices: it freezes discretionary spending, reforms programs, ends tax deductions, and raises new taxes. But it also stabilizes the debt, reforms the tax code, and controls health care costs, laying the groundwork for a fiscally responsible future:

★ Aside from the President’s Fiscal Commission (the Simpson-Bowles commission), Restoring America’s Future is the only plan that went through the federal budget line by line and made specific, detailed policy recommendations.
★ The effort became a policy touchstone. Senator Domenici and Dr. Rivlin testified before House and Senate committees, the Joint Select Committee on Deficit Reduction, and ultimately presented their findings to many members of Congress and their staffs.
★ The respect across parties for the diligence, accuracy, and detail in the plan has given EPP a meaningful national profile. Project staff receive daily media requests and senior staff make several media appearances weekly.
★ Several members of Congress and their staff now work very closely with the project to put these ideas into formal legislative language for later use in the House and Senate.

Hitting The Roof
In May 2011, the Treasury Department announced that the U.S. had reached the legal limit for issuing new sovereign debt and that the U.S. would breach the debt ceiling within a few months. BPC began a Debt Ceiling Analysis Initiative, combing through daily Treasury statements and cash flows. Led by former Under Secretary of the Treasury for Domestic Finance and BPC Visiting Scholar Jerome “Jay” Powell, the analysis team revealed that the expiration date would be in the first week of August (which it was) and that the U.S. needed to raise the debt ceiling or watch the economy crumble. Most important, the team led an incredible effort to make elected leaders and American citizens aware of the impacts of a breach by detailing the consequences.

★ This analysis was the only independent, non-Treasury review of the impending debt ceiling breach.
★ The entire Republican House caucus asked for, and received, a presentation of the analysis, as did the Senate Republican conference, the Democratic leadership in both the House and Senate, and many individual members.
★ The debt ceiling analysis resulted in hundreds of media citations, television appearances, and interviews. What’s more, the media attention is ongoing: the analysis continues to be cited as questions emerge about the expiration of the next debt ceiling.
★ BPC was the leading voice in explaining the impact of allowing the debt ceiling to expire with its just-the-facts, straightforward analysis.

Designed To Fail
In October 2011, EPP presented a simulation of a major, systemic financial institution failure under the regulation law known as Dodd-Frank. This simulation—held at the annual Buttonwood Conference and hosted by The Economist in New York City—addressed the unusually complex range of issues that would arise in the event of such a failure, and it was constructed with significant input and high-level cooperation from the principal U.S. regulatory agencies, major banking trade groups, and other private-sector participants.
Media Highlights

“Since the Bipartisan Policy Center and the president’s fiscal commission aren’t constrained by politics, they offered real solutions to the nation’s twin problem of deficits and debt.”

— McClatchy Newspapers

“We need a package of the size and scope of the plans proposed by the president’s Fiscal Commission and the plan put forward by the Bipartisan Policy Center.”

— Senator Kent Conrad (D-ND)

“A Reading List for Following the Debt Ceiling Drama.”

— ProPublica

“These are not my numbers. These come independently verified by many organizations, including the Bipartisan Policy Center.”

— Senator Patrick J. Toomey (R-PA)

Looking Ahead

In 2012, the Economic Policy Project will:

★ Continue to emphasize the looming fiscal crisis if the federal policy status quo persists.

★ Work closely with Congress and the administration on an overall fiscal plan that will reduce projected multitrillion-dollar indebtedness. This includes coordination with BPC’s Foreign Policy Project to examine the national defense budget and issue a report on its findings in June 2012.

★ Continue to make the case for fiscal reform and fundamental changes in tax policy and entitlement programs in 2012, despite the election-year chaos among legislators. The project will continue to use major meetings of policymaking and financial-market participants to educate the public and Congress.

LEADERSHIP

ECONOMIC POLICY PROJECT

FORMER SENATOR, DEBT REDUCTION TASK FORCE CO-CHAIR AND BPC SENIOR FELLOW
PETE DOMENICI

FORMER DIRECTOR OF THE OMB AND CBO AND DEBT REDUCTION TASK FORCE CO-CHAIR
DR. ALICE RIVLIN

PROJECT STAFF

Senior Director Steve Bell

Visiting Scholar Jerome “Jay” Powell
Policy Analyst Loren Adler
Policy Analyst Shai Akabas

“I can count on the Bipartisan Policy Center to unravel complex issues, suggest big ideas, and provide straight facts that will help to solve the federal government’s debt crisis.”

— Senator Lamar Alexander (R-TN)
BPC's Housing Commission launched in October 2011 with a dialogue about U.S. housing needs. The commission aims to reform the nation's housing policy by crafting a package of realistic and actionable policy recommendations that take into consideration both near-term and long-term challenges. Already the commission has highlighted the housing industry's historical—and significant—impact on national growth through the release of a detailed infographic. This tool helps policymaking visualize the vital role of housing in both economic downturns and recoveries. The commission is now at work on a series of white papers that assess the fiscal, economic, and political conditions for future federal housing policy reform. And, to spark a vibrant discussion among all parts of the housing sector and to inform its work, the commission hosts an online expert forum, where contributors present creative ideas for addressing the nation’s housing challenges.
Media Highlights

“For the first time since the housing crisis began, a group of Republicans and Democrats are in agreement that fostering a true economic recovery is inextricably linked to the health of the housing market, and they are vowing to create a bipartisan solution.”

— National Journal

“The American Dream of homeownership recently turned into a nightmare for many families and, in turn, our neighborhoods, communities, and entire economy suffered. Solving these issues and addressing long-term questions on the role of government in housing will be no small stump to jump, but we cannot afford to fail.”

— Former Senator and BPC Housing Commission Co-chair Kit Bond

“BPC’s Housing Commission Sounds Promising.”

— The National Housing Institute’s Rooflines: The Shelterforce blog

Looking Ahead

In 2012, the Housing Commission will:

★ Examine the documented needs of U.S. households and the dimensions of housing demand.

★ Craft realistic and actionable policy recommendations that reaffirm a national commitment to providing a decent home and suitable living environment for every American.

★ Ignite a sense of urgency for action in housing among policymaking and legislators with the understanding that the housing market is inextricably entwined with the economy.

★ Host a series of regional forums on key housing issues and best practices, in partnership with the Jack Kemp Foundation. Forums in San Antonio, Orlando, St. Louis, and Bar Harbor will gather input from experts and the public alike to create smart, actionable U.S. housing policies.

★ Prepare to report on its recommendations in early 2013.
BPC’s Debt Reduction Task Force started 2011 by rewriting the nation’s entire economic framework. Though Congress couldn’t produce a 2012 budget and failed to pass 2011 spending bills in a timely fashion, BPC’s Debt Reduction Task Force was in top form. Co-chaired by former Senator Pete Domenici and former Director of the OMB and the CBO Dr. Alice Rivlin, the task force’s thorough fiscal reform plan, Restoring America’s Future, tackled Social Security, taxes, and national debt, among other tough issues.

“This plan is proof that a group of Republicans, Democrats, and independents can work together to create a balanced package of spending cuts and revenue increases that solves the debt crisis,” said Rivlin and Domenici. Aside from the President’s Fiscal Commission, BPC was the only organization to go through the federal budget line by line.

Meanwhile, slow growth and high unemployment persisted. By spring, the Treasury Department announced it would be unable to finance the national debt. So BPC set up a Debt Ceiling Analysis Initiative, led by BPC Visiting Scholar and former Treasury Under Secretary for Domestic Finance Jerome “Jay” Powell. The project began an exhaustive daily examination of Treasury statements and cash flows. Amid the partisan claptrap in Washington, Powell and his team pushed ahead, ultimately correctly pinpointing the debt ceiling expiration date and urging Congress to raise the ceiling or face unprecedented market chaos.

BPC made a communications full-court press: They gave scores of TV and print interviews, published op-eds, contributed to blogs, and made more than 100 trips to Congress. People listened. The breach date was set for August 3, and BPC created a Debt Limit Countdown Clock on its website. Soon both the House and Senate Republican conferences requested a presentation of BPC’s analysis. Powell also personally presented the results to senior House and Senate members in both parties.

In August—skirting a breach—Congress approved the Budget Control Act, increasing the debt ceiling and forming the Joint Select Committee on Deficit Reduction. Domenici, Rivlin, and other BPC leaders met daily with members of this super committee to try and cut the deficit by $1.2 trillion. Domenici and Rivlin also testified before select House and Senate committees and ultimately before all of Congress. But, despite excellent advice, the super committee remained mired in partisanship and collapsed. “We are profoundly disappointed by the failure to reach a bipartisan agreement,” said Domenici and Rivlin. “The American public, the markets, and the world need to be reassured that our political process is functioning in the public interest, not stuck in partisan gridlock.”

Still, the project made a dent: Task force proposals for a payroll-tax holiday and multiyear freezes on defense and non-defense spending became law. But more work remains. Of course, in an election year, fiscal accord is unlikely. That’s why, in 2013, fundamental tax and entitlement reform will likely top the congressional agenda. And the Economic Policy Project will be ready—with an updated, comprehensive, bipartisan plan.
“Successful housing makes successful cities,” says BPC Housing Policy Director Pam Patenaude. “Washington, D.C. is alive after five o’clock because of the variety of housing options available to the workforce.”

Over the last several years, the nation has watched as the housing market plummeted, foreclosures spiked to unprecedented levels, and the foundation of the housing finance system collapsed. Yet it appears that housing is still not a top priority for federal policymaking. Patenaude is determined to change that. “We have an opportunity to rewrite housing policy to meet the needs of future generations of Americans,” she says.

She should know. Patenaude has been involved in virtually every aspect of housing for more than 30 years. She has worked in market-rate development, has served as chair of a local housing commission and planning board, and has held positions at the U.S. Department of Housing and Urban Development (HUD) ranging from college intern to her eventual posting as assistant secretary for community planning and development—a role for which she was nominated by President George W. Bush and confirmed by the Senate. As assistant secretary, Patenaude managed $8 billion in housing and community development funds while working with mayors across the country.

After HUD, Patenaude opened the J. Ronald Terwilliger Center for Workforce Housing at the Urban Land Institute (ULI). As executive vice president and founding executive director of the center, she focused on the critical shortage of affordable housing for middle-income earners. Four years after successfully launching the ULI start-up, she was asked to lead BPC’s new housing commission. Patenaude saw BPC as an opportunity to use her technical expertise and political skills to alter the U.S. housing landscape. As a veteran political appointee and former Hill staffer, Patenaude was used to being surrounded by her own party. “It’s cool to work in a place where we come together under the same roof, working with colleagues from both sides of the aisle,” she says. “Politics stands in the way of progress. But at BPC, we cross the political divide and develop realistic and actionable policy solutions.” BPC also discourages silos. Patenaude and her team regularly join forces with other BPC experts when housing policy intersects with issues like transportation, energy, and health care. “We work with the debt guys,” she says. “Or, as I refer to them, The Reality Check.” In this environment, Patenaude realized, she could get things done.

Her first priority? “We have to educate the policymaking and the public,” she says. “Prior to the housing crisis, few people outside the Beltway were even aware of the secondary mortgage market or how the housing finance system operated.” Of course, educating lawmakers about the intricacies of housing policy is no small task. “It’s an enormous challenge, but it’s also an opportunity to make a real difference.”
ENERGY AND INFRASTRUCTURE PROGRAM

America’s way of life is dependent on stable, affordable, reliable energy. Fortunately, increasing domestic oil and gas supplies, improving energy efficiency, investing in innovations, and enhancing the environment are all possible with the right policy choices. The Energy Project and the National Transportation Policy Project each embrace long-term visions for the nation: U.S. energy strategy that improves competitiveness, national security, and sustainability; as well as advanced surface transportation and well-planned mass transit that reduces emissions while creating a vibrant economy.

The Energy and Infrastructure Program has two major projects:

The Energy Project strives to unify the nation around a new era in energy. Its task forces are focused on everything from nuclear power to climate remediation technology, from renewable energy assessments to innovation promotion. The project’s flagship activity is the Strategic Energy Policy Initiative, which launched in 2011 and is supported by a board comprising executives from companies like ExxonMobil, top advocates from organizations like the Natural Resources Defense Council, economists, technology experts, labor leaders, and experts from past Republican and Democratic administrations. The initiative is focused on a fundamental reassessment of America’s energy goals and policies. It will release a major report in 2013.

The National Transportation Policy Project is creating a dynamic and enduring strategy for the future of federal surface transportation policy. The goal is to develop proposals for transportation reforms that introduce the value of outcomes, performance, and accountability in national transportation policy. Whether it’s mass transit, well-planned highways, or new infrastructure innovations, transportation policy presents one of the nation’s best opportunities to really have an effect on the U.S. economy and energy consumption.
Energy Project Accomplishments

**Fine-Tuning The Planet**

The Energy Project’s Task Force on Climate Remediation Research released a national strategy calling for a federal effort to explore the effectiveness, feasibility, and consequences of climate remediation technologies. This 18-month-long effort was very politically challenging: Many fear futuristic-sounding theories will hijack the more important discussion of reducing emissions. The task force emphasized that remediation is no substitute for emission reductions—but some new ideas might offer temporary relief or help to reduce climate change itself. What we don’t want, says task force co-chair Dr. Jane Long, is to reach a climactic tipping point in which we are unable or unprepared to do something about it.

**Life On The Grid**

The Energy Project’s report, *Environmental Regulation and Electric System Reliability*, tackled the importance of maintaining electric power reliability without risking public health or the environment in a difficult market—one with reduced or flattened demand, low natural gas prices, and new regulations. The project worked with the National Association of Regulatory Utility Commissioners and Northeast States for Coordinated Air Use Management as well as nearly 60 energy experts; it also assembled an Initiative on Delivering Electric System Reliability and Clean Technology to improve electric reliability while transitioning to cleaner electricity.

**Going Nuclear**

The Energy Project launched its Nuclear Power Initiative—co-chaired by former Senator Pete Domenici and former Department of Energy Assistant Secretary for Nuclear Energy Warren “Pete” Miller. The project hosted two workshops in 2011 to explore “Lessons Learned from the Disaster at Japan’s Fukushima Daiichi Plant” and “Effective Approaches for U.S. Nonproliferation Policy.” The initiative continues to host public workshops on policy options aimed at ensuring that nuclear energy remains a safe, reliable source of low-carbon electricity and that the U.S. maintains technological and diplomatic leadership on international nuclear issues.

**How Clean Is Clean?**

At the request of the U.S. Senate Energy and Natural Resources Committee, the Energy Project analyzed the president’s proposed Clean Energy Standard (CES). A CES requires utilities to hold a certain percentage of their energy-generation portfolios in green fuels. The analysis found that both nuclear- and renewable-energy generation could see significant growth under the president’s plan, that the president’s CES target is likely to be more expensive than earlier proposals, and that regional disparities may be difficult to avoid under a single standard.

**Renewable Report Card**

While most energy analysts are looking at ways to improve the efficiency of renewable energy, the Energy Project is looking at ways to improve the efficiency of renewable energy tax incentives. With the release of a staff issue brief, *Reassessing Renewable Energy Subsidies*, the Energy Project highlighted the significant opportunities to make existing renewable-energy tax incentives more effective—both fiscally and environmentally. The brief also marked the kick-off of a deeper examination of energy taxes and subsidies for 2012.

**Energy At Home**

The Energy Project’s Task Force on Ensuring Stable Natural Gas Markets released a report encouraging development of domestic natural gas, with environmental safeguards, and urging state public-utility regulators and industry to use longer-term supply contracts to foster greater price stability. Articles touting the report appeared in *The New York Times*, *Time*, and *POLITICO*, among others. BPC also hosted a Hill briefing with U.S. House Natural Gas Caucus co-chairs Representatives Tim Murphy (R-PA) and Dan Boren (D-OK). Then, in July, the National Association of Regulatory Utility Commissioners adopted a resolution to “urge state regulators to give serious consideration to the task force’s recommendations.”
Media Highlights

“Boosting U.S. oil and gas production is critical in the near term and medium term, bringing jobs, revenue and a reduction of imports and our trade deficit. But support is also growing for finding a means to fund long-term alternatives to oil. These include infrastructure investments for the electrification of transportation and for natural gas and propane as substitutes for heavy-duty vehicles. Such alternatives can help insulate us from future high oil prices while creating a vibrant new economic sector.”

— Energy Project co-chairs former Senator Byron Dorgan and former Senate Majority Leader Trent Lott, POLITICO

“Microsoft founder Bill Gates is urging senior lawmakers to buck the current zeal for budget cutting and boost federal investment in clean-energy research and development. Gates—joined by a number of private-sector titans—took to Capitol Hill on Tuesday to argue that a far more muscular role is needed to expand innovation. Their group, called the American Energy Innovation Council, wants to boost … anemic federal investments in a sector vital to U.S. economic competitiveness, security and other goals.”

— The Hill

Looking Ahead

In 2012, the Energy Project will:

★ Develop a comprehensive U.S. energy strategy with practical policy recommendations that address the nation’s near and longer-term energy challenges.

★ Examine how the shale gas boom impacts the energy system and explore ways to expand natural gas use to improve the economic and environmental performance of our energy system.

★ Develop policy recommendations to assure U.S. electric system reliability and a smooth transition to cleaner electricity.

★ Continue to support a strong federal role in energy research and development and innovation policy, and identify barriers to investing in and deploying new technologies in the energy sector.
Mapping The Route

Merging Lanes
NTPP was deeply influenced by the work of BPC’s Debt Reduction Task Force. Between the Domenici-Rivlin report and NTPP’s consistent focus on ensuring that transportation economics makes sense, BPC has been the leader in pointing out the urgency of fundamental reform in national transportation policies as one solution to annual deficits and a growing national debt. Despite scarce investment resources for transportation infrastructure, investing in transportation is critical to economic renewal and fiscal sustainability.

★ Throughout 2011, these ideas gained greater currency in the policy debate and on the President’s Council on Jobs and Competitiveness.

★ NTPP’s advocacy of these reform principles had an influence on Congress, which moved closer to developing surface transportation legislation.

★ It was evident during two 2011 NTPP-organized workshops that NTPP principles have had an impact on key participants in the debate over national transportation policy and legislation. NTPP has played an important role in changing the language and thinking about this national policy issue.

“If things are worth having, they are worth paying for. That includes infrastructure and transportation infrastructure.”

— Senator Tom Carper (D-DE)
Media Highlights

“The Bipartisan Policy Center has, for five years now, housed the National Transportation Policy Project, which is a bipartisan, private-sector effort devoted toward better transportation policy and infrastructure. I was lucky enough to participate in this. We need to really reinvent our transportation infrastructure funding programs.”

— President of the American Action Forum Douglas Holtz-Eakin speaking at a National Journal panel

“Fortunately, there’s no shortage of think tanks dreaming up ways to improve the way funding gets doled out. In June, the Bipartisan Policy Center released a proposal to consolidate the 108 federal transportation programs into 10 and to focus more clearly on five goals: economic growth, connectivity, metro access, energy security and safety. The logic here is fairly straightforward: If Congress is going to have fewer transportation dollars to play with in the years ahead—and unless politicians want to hike the gas tax, that looks inevitable—then it’s a good idea to make sure those dollars aren’t wasted. And there’s a lot of room for improvement there.”

— Brad Plumer, The Washington Post

Looking Ahead

In 2012, BPC will build on the work of the National Transportation Policy Project by:

★ Continuing education and advocacy efforts highlighting transportation’s value to the economy and national security.

★ Influencing the debate on new surface-transportation reauthorization legislation, emphasizing performance management, program and institutional reform, and the leveraging of federal funds.
Energy Project
Getting To Eureka!

Working with BPC’s Energy Project, several of America’s top business executives formed the American Energy Innovation Council (AEIC) in 2010. Since then, the group has released groundbreaking recommendations focused on creating energy-technology breakthroughs that can power the U.S.—and the world—in this century and beyond.

“We are in critical need of a government commitment to research into new energy technologies that can free us from our dependence on foreign oil,” says council member Bill Gates, Microsoft Corporation chairman. The council’s most recent policy plan, Catalyzing American Ingenuity, found that government investments in technology research—integral to U.S. economic competitiveness—are not being made in the energy sector. “The U.S. government spends only one-sixth as much on energy innovation as it does on medical research,” says Gates.

Still, Gates is enthusiastic about energy innovation; he thinks the U.S. could have transportation and electricity systems with zero carbon outputs by 2030. But first, government must provide incentives for applied scientists to pursue clean energy. “It’s fascinating and should be drawing in about ten times more people,” says Gates. “This is fun work!” Council member Jeffrey Immelt, GE Chairman and CEO, agrees: “I’m a free-market capitalist, but energy research really does have a government component. The good news is having energy security, job creation, and an end to global warming is eminently solvable by innovations.”

To this end, AEIC worked with Congress and the administration to boost funding for ARPA-E, a new funding program (modeled on the successful Defense Advanced Research Projects Agency, or DARPA) that supports dozens of key energy innovations, like electricity storage. These efforts successfully led to bipartisan support for $275 million for ARPA-E in 2012. AEIC along with the Bipartisan Policy Center Advocacy Network also helped write legislation in the Senate—the Quadrennial Review Act of 2011—to implement a federal-wide energy review.

Catalyzing American Ingenuity notes that without incentives for long-term energy research, rates of private investment in energy technologies will remain too small: “Government-funded innovation research has improved lives, created jobs, and supported more than a century of U.S. preeminence. As business leaders, we are acutely aware that America’s future success depends on … generating new ideas, technologies, processes, and products—especially when it comes to energy.”

“We are in critical need of a government commitment to research into new energy technologies that can free us from our dependence on foreign oil.”

— AEIC member Bill Gates
“Changing transportation policy in this political and economic environment is extremely difficult,” says BPC Visiting Scholar Emil Frankel. It’s easy to see why: Most people—including policymaking—see transportation and infrastructure as, well, a one-way street, a fiscal loser that can cost taxpayers millions and at best provide temporary construction jobs. “This is bigger than any construction job,” says Frankel, former assistant secretary for transportation policy under George W. Bush. “Infrastructure is the greatest influence on the economy outside of technological innovation.”

Think that’s an exaggeration? Then think about this: How much would the homes in, say, suburban Washington, D.C., be worth if the Metro rail didn’t exist? What if the Woodrow Wilson Bridge didn’t exist? The Wilson Bridge creates micro-economies throughout eastern Maryland. Thousands of federal employees and other members of the D.C. workforce cross the bridge every day. Along the way, they grab a bite to eat, they buy gas, they pick up milk on the way home. And in turn, D.C. urbanites head for the shore to relax, eat crabs, look at vacation homes, and go to the outlet stores. Infrastructure is no one-way street. It is an economic boon.

“Transportation decision makers don’t look at the returns,” says Frankel. “How many people remember how many construction workers built the national highway system? But it changed America! It became a pillar of American economic success over the last half century.”

It’s the difference, he says, between spending and investment. With achievable federal goals, performance, measurement, and accountability, transportation initiatives can create sustainable revenue streams and long-term jobs. Perhaps that’s why, in 2011, BPC’s National Transportation Policy Project work influenced Senate consideration of transportation legislation, eventually contained in a final bill. “Transportation creates a basis for economic growth,” says Frankel. “Smart infrastructure investments are made when times are bad.”

“Infrastructure is the greatest influence on the economy outside of technological innovation.”

— BPC Visiting Scholar Emil Frankel
The U.S. health care system is on an unsustainable path. The problems of rising health care costs, eroding coverage, and inconsistent quality are endangering our nation’s future health, productivity, and finances. And, with a dearth of wellness programs to promote the simplest measures, like exercise and nutritious meals, Americans will continue to suffer from preventable illnesses. To successfully meet all of these future demands, transforming our health care system will require a new level of cooperation among federal and state governments, health care industry leaders, and consumers.

The Health Project launched in 2011 and focuses on states’ health care challenges, forging consensus among leaders from all sectors of the health care system and both sides of the political aisle, and highlighting innovation. The passage of the Patient Protection and Affordable Care Act underscored a need for cooperation by creating opportunities as well as serious time and resource burdens. Matching excellent health care with budgetary and workforce challenges will require creative and viable strategies.

The Nutrition and Physical Activity Initiative launched in 2011 to respond to a profound public health crisis. Fully two-thirds of American adults are overweight or obese; one-third of American children are. Obesity causes chronic diseases like diabetes, hypertension, asthma, heart disease, and cancer. It’s also a reason why life expectancy in parts of the U.S. is years lower than that of other advanced countries. Meanwhile, escalating health care costs are driving an out-of-control national debt, which jeopardizes global competitiveness and national security by undermining a robust economy, a highly productive workforce, and a top-notch military. This yearlong effort gathered experts and policymakers to explore solutions to this enormous fiscal, social, economic, and public health threat.
Health Project Accomplishments

Health 2.0
The Delivery System Reform and Health Information Technology Task Force examines the real-world delivery of accountable, coordinated care and recommends steps to ensure that health IT improves quality and reduces costs.

★ The initiative’s first report, Transforming Health Care: The Role of Health IT, outlined recommendations for health IT on topics like information exchange, privacy and security, and consumer engagement.

★ The U.S. Department of Health’s Office of the National Coordinator for Health IT included much of the report’s language and suggestions in its proposed rules and criteria for electronic health records.

Next Generation Workers
The Health Professional Workforce Initiative is an effort aimed at ensuring providers, the heart of U.S. health care, are able to acquire the skills to deliver health care in the future.

★ The initiative released a joint study with The Deloitte Center for Health Solutions, The Complexities of National Health Care Workforce Planning, which launched with a high-profile event featuring former Senate Majority Leader BPC Senior Fellow Bill Frist, former Administrator of the Centers for Medicare and Medicaid Services Dr. Don Berwick, and Administrator of the Health Resources and Services Administration Dr. Mary Wakefield.

“We don’t have to check our thoughts and ideas at the door.”
— Former Governor of South Dakota Mike Rounds
Media Highlights

“Former Senate Majority Leaders Tom Daschle and Bill Frist will lead a bipartisan project to help states develop and implement policy changes required under the new health care law. … ‘Moving forward, we know there remains a great political divide over the political future of our health care system but the need for substantive discussions and cooperation and working toward our shared goals has never been greater,’ Daschle, a Democrat, said at a press conference today.”
— ABC News

“The Task Force will identify examples of organizations who have promoted accountable, patient-centered care. … We will highlight opportunities for and challenges related to leveraging health IT to support these new models of care. The Task Force will recommend key actions that must be taken to lay the foundation for delivery system and payment reforms that promise to improve health and healthcare in this country.”
— Former Senate Majority Leader and BPC Senior Fellow Bill Frist, Healthcare IT News

Looking Ahead

In 2012, the Health Project will:

★ Highlight the progress and new innovations occurring in the states around solving the challenges in our health care system.

★ Publish a report in 2012 with recommendations that address the gaps and barriers to health care data-sharing capabilities, which are vital for new models of care delivery.

★ Collaborate with the Debt Reduction Task Force to address the issue of health care cost containment.

“The Bipartisan Policy Center is unique in that we have Republicans who are real Republicans and Democrats who are real Democrats—who are able to not only sit around the table themselves, but ask others to come join them.”

— Director Julie Barnes
Nutrition And Physical Activity Initiative Accomplishments

Executive Action
The President’s Council on Fitness, Sports, and Nutrition joined the Nutrition and Physical Activity Initiative to host a discussion on U.S. physical activity, which injected two new ideas into the national dialogue:

★ President of the Utah Olympic Legacy Foundation Colin Hilton introduced the concept of “physical literacy,” which calls for Americans—regardless of age or athletic ability—to learn the fundamentals needed to lead active lives.

★ The Environmental Protection Agency’s Gina McCarthy presented her Great Park Pursuit, which uses technology to get families outside and moving.

Child Care
One year after the passage of the Healthy, Hunger-Free Kids Act, the Nutrition and Physical Activity Initiative hosted a roundtable conversation focused on early childhood health, federal feeding programs, and incentive programs. The initiative also hosted a dialogue about the nutritional needs during the first 1,000 days of a child’s life.

Live, Work, Play
The Nutrition and Physical Activity Initiative held a two-day healthy-institutions forum at the University of Miami. Attendees explored improving nutrition at large venues—like hospitals, schools, and stadiums—and enhancing workplace wellness efforts. Whether it’s food offered in public or employer-sponsored programs, these big institutions serve Americans millions of meals and have a real effect on our health outcomes.
Media Highlights

“All members of Congress should want to see American kids eat better and live healthy, productive lives. In the United States, childhood obesity constitutes an epidemic, with serious and growing long-term consequences, for individuals and the nation as a whole. We support USDA as it moves forward to implement the remainder of the Healthy, Hunger-Free Kids Act and to make important changes to school food standards.”

— Nutrition and Physical Activity Initiative co-chairs Dan Glickman and Ann M. Veneman, The Huffington Post

“For the first time in our nation’s history, our children and grandchildren are on track to live shorter lives than their parents. They will be sicker and less healthy than the generation that preceded them—our generation. Today, more than a third of American children are overweight or obese. That’s one in every three kids who are strong candidates for chronic health problems like cancer, diabetes and heart disease.”

— Former Senate Majority Leader and BPC Senior Fellow Bill Frist, The Hill

“Farmers and other agricultural leaders will have to get used to consumers, doctors and other activists becoming involved in agricultural policy.”

— Nutrition and Physical Activity Initiative co-chair Dan Glickman, AGWEEK

Looking Ahead

In 2012, the Nutrition and Physical Activity Initiative seeks to:

★ Promote healthy schools with programs like school gardens and partnerships with local chefs, farmers, and sports teams are changing school culture.

★ Improve community health by scaling up successful pilot programs at nonprofits, private companies, and governments—many of which are creating healthier communities by promoting healthy eating, physical activity, and initiatives like city bike-share programs.

★ Encourage healthy institutions through effective employee wellness programs, nutrition education for health care providers, facilities designed to promote physical activity, and healthier concessions at large venues like movie theaters and sports arenas.

★ Deliver recommendations drawn from the information obtained throughout 2011 in a final policy report.
What are the most exciting ideas in health care? The Health Project, in collaboration with Seton Healthcare Family and the Texas e-Health Alliance, hosted a Health Innovation Exchange in Austin, Texas, to find local solutions to national health care problems.

The Health Project invited Texans with new strategies for improving health care delivery to apply to participate in the “Healthy Ideas Showcase: Changing the Way Health Care is Delivered.” Texas' top leaders in health care and health information technology (HIT) considered applications, and 13 innovations were selected to present at the conference. Here is just a sample:

★ Children’s Optimal Health (COH) gives health care providers, social services agencies, and communities access to unique geographic-information systems that highlight the health issues facing Central Texas children. By layering data from multiple sources, COH helps leaders visualize the health of their neighborhoods, identify assets and needs, and unearth opportunities for change.

★ The University of Texas at Austin, along with partners from the HIT industry and other groups, designed a nine-week certificate program—supported by a grant from the U.S. Department of Health and Human Services Office of the National Coordinator for Health Information Technology—for students entering the HIT workforce. They built a unique center to give students hands-on experience with six electronic health-record systems and to teach workflow processes in a mock ambulatory clinic. Of the inaugural graduates seeking HIT employment, 92 percent found jobs within eight months.

★ North Texas Specialty Physicians created a health-information exchange for real-time patient information. SandlotConnect® contains approximately two million patient records and is integrated with more than 350 physicians’ electronic health records and 12 hospitals spanning seven counties. The program helps physicians coordinate care, manage quality, and reduce health care costs.

Countless health care reforms and innovations are being tested nationwide. By identifying the most promising, the Health Project will help health care leaders meet their greatest challenges.
Co-chairs of BPC’s Nutrition and Physical Activity Initiative traveled to Salt Lake City, Utah, to discuss affordable and accessible physical activity programs for kids and families. They also toured athletic facilities around the city and Dan Glickman challenged local kids to a hula-hoop showdown.
For the National Security Program, 2011 was a momentous time: The U.S. marked ten years since September 11, revolutions coursed through the Arab world, and Iran accelerated its nuclear aims. The program exposed evolving risks to the nation from terrorism, advanced legislation to fulfill the 9/11 Commission recommendations, recommended ways to stabilize failed states, proposed policies to strengthen U.S.-Russian relations, and offered realistic options to prevent a nuclear Iran. It’s easy to see why the program’s mission—tackling complex national security and foreign policy issues—is so vital.

The National Security Program has two major projects:

**The Homeland Security Project** is a bipartisan group of former executive branch and congressional leaders as well as national security professionals who carry on the work of the 9/11 Commission at BPC and monitor the implementation of its recommendations, including intelligence reform. As the terrorist threat becomes more complicated, the project tackles cutting-edge counterterrorism issues like cyber security, the radicalization of Islamist extremists in the U.S., and the balance between counterterrorism technologies and privacy. Recognizing the growing frequency and sophistication of online attacks, in 2011 the project launched a Cyber Security Task Force with a formidable array of top experts in the field.

**The Foreign Policy Project** turned its attention to the Arab Awakening in 2011. The Foreign Policy Project examined the uprisings and released groundbreaking reports on stabilizing at-risk states and creating economic and diplomatic mandates for democracy. The project also maintained laser focus on Iran’s nuclear ambitions while promoting a triple-track Iran policy of diplomacy, sanctions, and credible military readiness. Additionally, the project analyzed the benefits of Russia’s World Trade Organization membership and granting it permanent normal trade-relations status.
Homeland Security Project Accomplishments

Radical Concept

Threats to the U.S. do not come solely from abroad. In the last few years there has been an unprecedented spike in the number of radicalized American terrorists. The Homeland Security Project issued a report in June 2011, *Preventing Violent Radicalization in America*, providing concrete policy recommendations to quell extremism, including designating lead federal agencies for counter-radicalization outreach, information sharing, and training.

- Project members met with key executive branch officials about the report’s recommendations and testified before the House Intelligence Committee.
- Several of the report’s recommendations—such as having lead agencies for counter-radicalization—were included in the administration’s strategy on countering violent extremism.

The 21st-Century Battlefield

The next terrorist strike may not occur in towers or subways, but in the complex world of cyberspace, where just a laptop and an Internet connection can spur destruction. As BPC’s 9/11 Commission report card pointed out, the nation lacks true cyber-security awareness: “This is not science fiction. It is possible to take down cyber systems and trigger cascading disruptions and damage.” For the project, taking this threat seriously meant launching a Cyber Security Task Force—co-chaired by former Director of the National Security Agency and the CIA General (ret.) Michael Hayden and CEO of Boston Properties Mort Zuckerman.
Media Highlights

“National Security is too important to become a partisan issue. We believe that in matters of national security, our priority should be to figure out what went wrong and how to fix it.”

— Homeland Security Project co-chairs Tom Kean and Lee Hamilton,
USA Today

“This is no time to rest in our efforts to improve the nation’s security. We have damaged our enemy, but the ideology of violent Islamist extremism is alive and attracting new adherents, including recruitment of those within our own borders.”

— Homeland Security Project co-chairs Tom Kean and Lee Hamilton,
The Washington Post

“When the Bipartisan Policy Center recently released its report, Preventing Violent Radicalization in America, I thought it important to hold a hearing in an open setting so that members, others in the government, and the American public could hear the views of some of the foremost non-government experts on this topic. This is especially important and timely considering our government is developing a national counter-radicalization strategy as we speak.”

— Representative Sue Myrick (R-NC), Hearing of House Subcommittee on Terrorism, HUMINT, Analysis, and Counterintelligence

Looking Ahead

In 2012, the Homeland Security Project will:

★ Focus on developing concrete recommendations from the Cyber Security Task Force—including legal reforms, incentives and best practices—to encourage collaboration and information sharing among government agencies and between the private sector and the government, to improve the cyber security of critical infrastructure.

★ Develop principles for balancing the use of counterterrorism technologies and civil liberties.

★ Continue to advocate for implementation of unfulfilled 9/11 Commission recommendations.
Foreign Policy Project Accomplishments

Trade Route

With Russia’s accession to the World Trade Organization, members of the Foreign Policy Project’s Russia Initiative, co-chaired by former Senator Charles Robb and former Commerce Secretary Don Evans, forged a hard-fought, substantive, and practical bipartisan template for Congress to capture the benefits of free trade with Russia while addressing continuing concerns about its lack of transparency, rule of law, and human rights.

★ The project’s plan calls for replacing the Cold War-era Jackson-Vanik amendment to the Trade Act of 1974 with updated legislation addressing human rights in Russia. This was a unique compromise between two factions of the bipartisan task force, each with significantly different opinions on how to improve U.S.-Russian relations.

★ The paper galvanized interest in the project’s initiative and spotlighted BPC as the only think tank to produce a report both on recommendations for Jackson-Vanik and on the economic benefits for the U.S. of extending permanent normal trade-relations status to Russia.

Existential Threat

The project’s Iran Initiative spent much of 2011 preparing its fourth Iran report, Meeting the Challenge: Stopping the Clock, and promoting its triple-track policy: diplomacy, sanctions, and a credible military option.

★ Foreign Policy Project Director Michael Makovsky gave congressional and state-level testimony on Iran’s nuclear advances, and initiative members held individual meetings with policymaking.


★ The initiative’s recommendations immediately reached high-profile audiences—including the White House—and have been incorporated in bipartisan legislation.
Media Highlights

“Despite the loss of centrifuges, Iran’s rate of enrichment is nearly double what it was in 2009, according to a study by the Bipartisan Policy Center. The center estimates that, should Iran decide on a ‘breakout’ strategy of rapidly producing the highly enriched uranium for a weapon, it could do so in as little as 62 days—and that by the end of next year that timeline could fall to 12 days, making it possible to produce the core material for a bomb between visits by international inspectors.”
— The Washington Post

“Whatever the United States can do to support and secure Iraq’s energy growth will not only facilitate Iraq’s economic development, but will also bolster U.S. economic and strategic objectives.”
— The Foreign Policy Project’s Michael Makovsky, The New Republic

“As America confronts these developments, renewed engagement with the political and personal aspirations of those in the developing world becomes more clearly in our interest. Engagement is likely the most ethical and economically efficient way for America to exert positive influence around the world while embracing our core values. Done right, this approach can diminish the potential for new military entanglements and reduce our long- and near-term commitments of money and lives.”
— BPC Senior Fellow General (ret.) James L. Jones, The Wall Street Journal

Looking Ahead

In 2012, the Foreign Policy Project will:

★ Continue its work on Iran, examining preparatory actions the U.S. can take to prevent and respond to the growing threat of Iran’s nuclear advances. The project will continue to push for the U.S. to adopt a triple-track strategy toward Iran that simultaneously pursues diplomacy, tough sanctions, and credible, visible military options.

★ Release the final report of its Russia Initiative, offering the administration and Congress a blueprint for moving toward a more constructive U.S.-Russian relations, which would promote vital U.S. strategic, economic, and political interests.

★ Produce a final report with constructive recommendations for ways policymaking can more closely integrate public diplomacy with foreign policy to advance U.S. strategic interests in a new media age as part of its Strategic Public Diplomacy Initiative.

★ Work with BPC’s Economic Policy Project on a new initiative to examine the nation’s defense strategy and budget in light of evolving security threats and constrained resources. This high-powered joint initiative—co-chaired by BPC Senior Fellows former Senator Pete Domenici, former Secretary of Agriculture Dan Glickman, and General (ret.) James L. Jones—will issue a comprehensive report in June 2012 that will articulate a new defense strategy and a realistic budget that supports it.
Homeland Security Project

Ten Years After 9/11

On September 11, 2001, the world was forever changed. As the American public witnessed its attackers make bombs out of airplanes in New York, in Washington, and in Shanksville, all live on 24-hour cable news, we as a nation steeled ourselves. And we created an unprecedented conclave to ensure we would never be so vulnerable again: the 9/11 Commission.

Led by former Governor Tom Kean and former Representative Lee Hamilton, the 9/11 Commission undertook a nearly two-year investigation into the attacks, their ideological underpinnings, and the nation’s security weaknesses—ultimately outlining 41 proactive steps to improve U.S. homeland security. In 2011, on the tenth anniversary of the September 11 attacks, BPC’s Homeland Security Project—the successor to the 9/11 Commission, co-chaired by Kean and Hamilton—released a report on the commission’s unfulfilled recommendations, *Tenth Anniversary Report Card: The Status of the 9/11 Commission Recommendations*. The report card found that nine of the 41 recommendations were still unaddressed or needed further implementation.

With more than a dozen television outlets and scores of print media in attendance, seven of the ten 9/11 commissioners gathered at BPC for the report card rollout. “While substantial progress has been made in fulfilling many of the Commission’s recommendations, these nine unfinished recommendations demonstrate that we are not as secure as we could or should be,” said Governor Kean.

This was also a theme voiced by Representative Hamilton as he testified before the U.S. House Homeland Security Committee a few days before the anniversary: “While we have done much since the attacks ten years ago and are safer than we were that day, there is much more to do.”

The efforts of BPC’s Homeland Security Project have since helped lead to the implementation of a major unfulfilled 9/11 Commission recommendation: giving vastly improved communications to first-responders—a measure the leaders of the Homeland Security Project had been persistently urging Congress to implement for years. It was a major achievement for first-responders and the public they protect, but the project’s work is not done. As Representative Hamilton testified: “Political leadership from both parties and at all levels of government should renew their focus on completing implementation of the 9/11 Commission recommendations.”

“The report is a wake-up call for everyone reflecting on the 10th anniversary of the 9/11 terror attacks. I urge my colleagues to join me and read this report card and rededicate themselves to getting this done.”
— Senator John D. Rockefeller (D-WV)
In 2011, the Foreign Policy Project released an in-depth case study on Yemen as part of its larger Stabilizing Fragile States Initiative. The study identified the drivers of Yemen’s instability and highlighted the major challenges facing U.S. policy there. What’s more, the project did all of this before the Arab Awakening erupted and the Yemeni people rose against the 32-year rule of President Ali Abdullah Salah. In other words, the case study, *Fragility and Extremism in Yemen*, was not only one of the few comprehensive reports on this pivotal country pre-revolution, but it became an immediate blueprint for how the U.S. might proceed across the region after the Arab Awakening.

The initiative also released its comprehensive report, *A Stitch in Time*—a multiyear effort to improve governance and security in at-risk states—in 2011, just as the Arab world exploded in revolution. Being ahead of the curve on the Arab world also meant the Foreign Policy Project generated enormous press attention. Most important, initiative members briefed high-level officials at the Department of State, the Department of Defense, and the National Security Council about the significance of neutralizing threats from failed states. The inability of failed states to carry out basic functions—securing borders, providing essential civil services, and maintaining the rule of law—can spark a range of crises that might undermine U.S. interests, including terrorism, crime, or the proliferation of weapons of mass destruction.

Then in October, the project’s Strategic Public Diplomacy Initiative issued two groundbreaking papers on Egypt in the post-revolution state. The first, authored by former National Security Advisor and BPC Senior Fellow General (ret.) James L. Jones, assesses Egypt’s economic crisis and its impact on democratic development following prolonged sectarian unrest. The second, written by the initiative’s task force, analyzes U.S. public diplomacy toward Egypt over the past 15 years. Led by Ambassador Jim Glassman and Secretary BPC Senior Fellow Dan Glickman, the initiative’s well-timed papers also emphasized Egypt’s importance as a test case for examining the efficacy of U.S. public diplomacy—which the project sees as not fully aligned with overall U.S. strategic objectives.
GOVERNANCE PROGRAM

Our nation is at risk. The traditions, institutions, and norms we rely on to solve problems are strained. Most ominous is a growing public resignation that government is incapable of dealing with the challenges we face. Congress, top political leaders, and even the American people are more and more polarized. In order to confront disillusionment and resurrect national pride, the Governance Program seeks to fix broken institutions and to nurture leaders who are willing to work together to solve problems.

The Governance Program has two major projects:

The Democracy Project brings together bipartisan voices to improve the ability of the U.S. government to grapple with the nation’s challenges. The project is guided by an advisory committee of top government, civic, business, military, and academic leaders—all of whom are concerned about the lack of civil discourse in the current political environment and about the rules and structures that inhibit shared progress. The project is actively working on policies and programs to strengthen and improve democratic institutions, including redistricting processes, the presidential appointments system, congressional reform, election administration, obstacles to public service, leadership, and civility in politics and the media.

The Governors’ Council, launched in 2011, brings pragmatic state-based perspectives to national issues. Many of today’s most complex and pressing federal challenges, from reviving the economy to controlling health care costs, are deeply entwined with states’ roles. As leaders of the laboratories of democracy, governors are on the front lines. BPC’s Governors’ Council brings together bipartisan leaders with records of tackling challenges—because federalism at its best marries the strength and resources of the federal government with the unique perspectives and capabilities of the states.
Democracy Project Accomplishments

Follow The Leader
The Democracy Project created the “On Leadership” speaker series in 2011; it is a space to explore the importance of leadership in today’s polarized political environment. One of the most significant components of improving our political system is bolstering the leadership of our nation’s most important bodies. Reforming laws and rules that guide institutions is important, but leaders shape those institutions and make reforms effective. Each event in the series examines a different facet of leadership through conversations with luminaries from various fields, including business, policy, courts, and more. In the inaugural event of the series, retiring Exelon CEO and former BPC Board of Directors Chair John W. Rowe looked back on his nearly three decades as a key voice on energy and environmental policy and shared his insights on leading a Fortune 200 company through a time of economic and regulatory uncertainty. “The American people need to have confidence that government can do its job—not all of their jobs,” said Rowe.

Talk Of The Nation
In the midst of a political climate comprising the victories of extreme candidates over moderates, a media that caters to the loudest and wildest voices in a room, by elections waged in extremist corners of the Internet, and the most partisan Congress in recent memory, Washington needs a dose of civility. In an effort to rejuvenate the discussion about what ails our system of government and what can be done to reverse course, BPC’s Democracy Project and the Aspen Institute held a four-part roundtable discussion series, “Conversations on Civility: Making our Democracy Work.” The joint series examined the breakdown of national civil discourse and how that trend is affecting political leaders. Each discussion identified opportunities for educators, business leaders, and policymaking to forge a more robust, active, and politically engaged citizenry. Guests like Pulitzer Prize-winning journalist Cynthia Tucker, Governor Jack Markell (D-DE), Harvard Institute of Politics Director Trey Grayson, Pew President Andy Kohut, and NPR and ABC News commentator Cokie Roberts discussed Washington’s ethics wars, rhetoric in the media, the effects of social media on campaigning, and what all of this means for our democracy as a whole.

Lines Of Play
As we enter the 2012 election cycle, how are hotly contested debates about redistricting affecting the political landscape? In December 2011, the Democracy Project launched its newest effort, Redistricting Reform: Drawing the Maps One Rorschach Test at a Time, a series of events examining the potential effects of redistricting reforms on next year’s elections—particularly the presidential race. The redistricting program kicked off with a conversation with BPC Senior Fellow and Democracy Project co-chair Dan Glickman, The Washington Post’s Aaron Blake, Democracy Project Director John Fortier, and The Cook Political Report’s David Wasserman. “From the creation of partisan, incumbent-protected districts to the push for more nonpartisan redistricting commissions,” said co-chair Glickman of the new series, conversations “will explore the current state of play with an eye on how it affect the House, Senate, and presidential races next year.”

“We can disagree without being disagreeable.”
— Political Analyst Richard Wolffe
Media Highlights

“It is said that money is the mother’s milk of politics. I am not so naïve as to believe that we will, or should, totally eliminate campaign money from our political system. But in this case, a little less political milk will be good for all of us—and for our fiscal stability and health.”

— Democracy Project co-chair Dan Glickman, POLITICO

“We are in this period of great anxiety because of economic uncertainty … and that has people worried about their future,’ says Dan Glickman, a former Democratic congressman and Cabinet secretary affiliated with the Bipartisan Policy Center. ‘What they need is confidence building, and what I don’t think they sense from our government system is confidence building. Everything they see is division.’”

— USA Today

Looking Ahead

In 2012, the Democracy Project will:

★ Continue its “On Leadership” speaker series, including an event featuring former Senate Majority Leaders Trent Lott and Tom Daschle discussing leading the Senate in an age of polarized politics.

★ Kick start the 2012 Election Series, focusing on topics like the political effects of demographics, the lack of Democrat and Republican centrists, speechwriting and the State of the Union, and an assessment of the presidential primary system.

★ Host a variety of other events looking at congressional culture, contested elections, and obsolete laws, among other subjects.

★ Issue reports on improving the redistricting process.

★ Make recommendations for improving the functioning of the House of Representatives.
Governors’ Council Accomplishments

Eyes Of The Storm

“Nobody’s going to come and rescue us—we’re five hours away if they left right now—we’ve got to take care of ourselves,” recalled former Hawaii Governor Linda Lingle as she described her conversations with local leaders after a tsunami warning was issued for her state. “And I think that’s a good policy whether or not you’re on the mainland.” From record-breaking floods, wildfires, and tornadoes to oil spills, terrorist threats, and even a massive Phish concert, state governments frequently confront and respond to natural and man-made disasters. The Governors’ Council hosted a 2011 breakfast discussion—“On the Ground: State Leadership in Times of Crisis”—with five members of the council, moderated by author and journalist Kathleen Koch. The council examined the challenge of managing very diverse disaster scenarios, discussed the importance of strong leadership and communication in times of crisis, and debated the federal government’s response to disaster preparedness as Congress and the administration considered steep spending cuts. The Governors’ Council grew out of BPC’s desire for more insight from elected leaders outside the Beltway. To that end, former Governors Lingle, Jim Douglas, Phil Bredesen, Mike Rounds, and Ted Strickland discussed the importance of having excellent emergency preparedness—long before the first storm cloud, earthquake warning, or dust devil comes along. “Competency transcends political parties,” said Governor Rounds of handling emergencies.

“It isn’t a non-partisan policy center; it’s truly bipartisan. We want to get the best ideas from both parties and from all parties.”

— Former Senate Majority Leader Tom Daschle
Media Highlights

“These governors are problem solvers. They have a proven track record of working across the aisle to achieve results,” said BPC President Jason Grumet. “We intend to look to the states for innovative ideas and solutions that can help build a consensus for federal action.’ Recognizing that governors around the country are on the frontlines of many of the nation’s foremost challenges, including health care cost and quality issues, an aging transportation system, and evolving terrorist threats, the BPC is forming a Governors’ Council to gain insights and advice from governors who have recently left office.”

— ProgressOhio.org

“Tornadoes, floods and fires recently struck full force around the country, and terrorism continues to be a threat, despite a weakened al-Qaida. What’s a governor to do? During emergencies, state leaders should aim to be transparent, on scene and know their local counterparts ahead of disasters, a panel of former governors concluded Thursday at the Bipartisan Policy Center in Washington. Governors often play the role of trusted megaphone. With so many sources of information clamoring for attention in modern society, the public tends to trust the government for news in an emergency.”

— Lydia Mulvany, McClatchy Newspapers

Looking Ahead

In 2012, the Governors’ Council will:

★ Examine targeted issues through a handful of short reports and regional events that explore federal-state dynamics, identify state best practices that might be adopted by other states or at the federal level, make recommendations, and set goals.

★ Develop specific recommendations for improving the Medicaid waiver process.
SPOTLIGHT

Democracy Project

Civil Service

On January 8, 2011, in Tucson, Arizona, a gunman shot Representative Gabrielle Giffords—as well as members of her staff and the public. Many saw the vitriol in national political rhetoric as a contributing factor to the tragedy. Then as now, the nation was caught in the grip of deep polarization and heated partisanship. But for a moment, the shouting stopped and reasoned voices came to the fore.

“We hope this will not be a moment for finger-pointing, but rather a time of renewed focus on political discourse,” wrote Democracy Project co-chairs Dan Glickman and Dirk Kempthorne in a statement at the time. “Our nation needs solutions, not Republican solutions or Democratic solutions, but the best possible solutions. The debates that divide the parties will continue, as they should, but Americans and our politicians must find civil ways to disagree.” Though many in government, media, and the public backslid into their respective—stridently red or blue—corners, the crisis in Tucson struck a chord, opening a door to dialogue. And the Democracy Project jumped into action.

The project worked with groups across Washington to discuss improving civic health. In order to bring those conversations outside the Beltway, it seemed fitting to start in Arizona. Working with the newly created, Tucson-based National Center for Civil Discourse, the project sponsored the keynote panel at the 66th Annual National Conference on Citizenship at the Walter Cronkite School of Journalism at Arizona State University. Panelist, former Senator and BPC Senior Fellow Bob Bennett described past congressional floor debates as a “real exchange of ideas” with “a collegiality that’s gone now.” He ascribed this partly to leaders not meeting “offline”—when the day was over and the cameras gone—to hammer out solutions.

This event and other Democracy Project efforts did not go unnoticed. The project is now receiving major funding to increase the responsiveness of democracy in the U.S.

“There is a growing recognition,” says John Fortier, Democracy Project director, “that even in a climate of strongly held views, the institutions around them need to work.” Political differences and competing philosophies are essential ingredients in a democracy; they should be taken seriously, not used as platforms for invective. After all, the solutions to common problems require common ground.
In Washington, D.C., policy experts, advocates, lawyers, lobbyists, and legislators all converge to focus on the work of government—hopefully to create solutions to the problems confronting the United States. Unfortunately, the culture of the Beltway can come to seem like an echo chamber, distanced from the voices and regions that national government is meant to serve. With governors around the country at the forefront of some of the greatest challenges facing the United States—such as health care, domestic terrorism, the economy, infrastructure—BPC saw great value in bringing state executives into a broader dialogue.

Former Governor of Hawaii Linda Lingle immediately appreciated the significance of the council: “All too often laws are enacted at the federal level without considering the impact they will have on people, businesses, and communities in the various states; governors are uniquely positioned to provide this important perspective.”

For Lingle, taking on the Medicaid waiver initiatives as part of the council allowed her to make an impact on national health care policy when she and other council members met with Health and Human Services Secretary Kathleen Sebelius. “Collectively, we were able to cause the policy types we interacted with to see things in a more complete fashion after taking into account the impact on the states,” she says. “There are important differences between the role of a mayor or governor and the role of a congressman. State and local leaders have a direct responsibility to get things done in their communities and can serve as examples of how to work in a bipartisan way.”

Of course, the Governors’ Council also had an effect on Lingle herself: “Being out of office enabled governors from both parties to relate more easily to one another as colleagues rather than adversaries.”

Ultimately, Lingle says, the Governors’ Council reminded a lot of folks in the capital about an important reality. “Passing a law may seem difficult,” she says. “But usually it’s the implementation where the real work takes place.”
**Financials**

**FISCAL YEAR 2011 REVENUE**

- Foundations: $16,479,755
- Corporations & Individuals: $2,542,402
- **Total**: $19,022,157

**FISCAL YEAR 2011 EXPENSES**

- Program: $15,180,884
- Management & General: $821,211
- Development: $1,248,603
- **Total**: $17,250,698
Supporters

Over this past year—and in its short five-year history—the Bipartisan Policy Center (BPC) saw successful and expansive growth in its private sector support. BPC is particularly excited to welcome a variety of foundations and corporations, which were critical to launching meaningful and innovative new initiatives to address the importance of democracy, health care, housing, and nutrition.

BPC’s dedicated private-sector leaders are champions of the organization’s vision and have given BPC the opportunity to expand the scope of its work and to build a thriving network of top experts along with a vast range of strategic resources. BPC gratefully thanks its foundation supporters, Leaders’ Council members, corporate contributors, and individual donors for their generous and ongoing support. Contributions sustain BPC’s current initiatives and allow BPC to expand on its important work—to promote bipartisanship and to find creative, effective solutions to the key challenges facing the nation.

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Jane Flegal
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Colleen Kelly
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Lazzaro Zamora
Assistant

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Visiting Scholar
JayEtta Hecker
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“BPC draws stakeholders from all perspectives on national issues for constructive dialogue about developing and advancing the most effective policies.”

— Representative Tom Reed (R-NY)