

UNITED STATES OF AMERICA

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THE PRESIDENT'S INITIATIVE ON RACE

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CORPORATE AND LABOR FORUM

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WEDNESDAY

JANUARY 14, 1998

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The Advisory Board met in the Academy Auditorium, at the Phoenix Preparatory Academy, 735 East Fillmore Street, Phoenix, Arizona at 1:45 p.m., Dr. John Hope Franklin, Chair, presiding.

PRESENT:

JOHN HOPE FRANKLIN, Ph.D.	Chair
ROBERT THOMAS	Board Member
LINDA CHAVEZ-THOMPSON	Board Member
ANGELA OH	Board Member
GOVERNOR WILLIAM WINTER	Board Member
REV. SUZAN JOHNSON COOK	Board Member
ALEXIS HERMAN	Secretary of Labor

ALSO PRESENT:

CURTIS ARTIS, Lucent Technologies
 PAT THOMAS, AT&T
 WILLIAM LUCY, American Federation of State,
 County and Municipal Employees
 SANDRA FERNIZA, Arizona Hispanic Chamber of
 Commerce
 JOHN SENA, IBEW, Local 111
 ANTONIA OZERHOF, U.S. West, Law and Corporate
 Human Resources
 GENE BLUE, Opportunities Industrialization
 Center
 PEGGY DEWEY, Communications Worker
 GEORGE RUSSELL, President, Indian Chamber of
 Commerce

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P-R-O-C-E-E-D-I-N-G-S

(1:45 p.m.)

SECRETARY HERMAN: Welcome back to everyone. I think we would all agree that we had a very informative discussion this morning and a suggestion, I think that was made -- we had a lot of concrete suggestions in terms of recommendations, ideas and strategies and this afternoon we have the opportunity to continue our discussion about race in the workplace with a specific focus on what employers are doing, what labor unions are doing to foster greater diversity, greater cooperation, to open even wider the doors of equal opportunity.

I am very pleased that we have a distinguished panel that is with us this afternoon to enable us in this discussion and as I said this morning in my opening remarks, I believe that we would all agree that whether employers do it for enlightened self-interest or because it is the right thing to do, the reality is that the more diverse our work force, the better able we are to truly take advantage of a global economy today and to insure that we are truly investing in all of our workers.

So I want to welcome everyone back to this afternoon's session and if you're just joining us, we're glad to see you. And I'm going to turn now to my two colleagues who will assist with the co-chairing

1 of this session this afternoon. The first is Linda
2 Chavez-Thompson, who is the Executive Vice President,
3 the National Executive Vice President for the AFL-CIO
4 and I am proud of calling Linda Chavez-Thompson my
5 sister warrior in the struggle. Linda.

6 MS. CHAVEZ-THOMPSON: Thank you, Madam
7 Secretary. This afternoon's forum is to talk about
8 how unions contribute to not just better wages and
9 better working conditions, decent benefits for workers
10 but also how they can contribute to a better
11 understanding of race and diversity within the
12 workplace. We hope to hear today from both corporate
13 and labor representatives on how they have
14 accomplished some of their goals and I'm looking
15 forward to hearing that, plus any ideas or any
16 suggestions that may come from the panelists or from
17 the audience about what more needs to be done.

18 The American labor movement has initiated
19 two initiatives as of today as I announced earlier and
20 some of you may have heard; a publication that will be
21 printed and distributed on September 1, 1998
22 addressing a practical guide for workers on how to
23 make sure that diversity issues are addressed, racism,
24 discrimination is eliminated in the workplace. But
25 beyond that also, that we will make sure that the
26 unions are counted in the dialogue that the President
27 of the United States wants to have on what America

1 needs to do to become a more diverse nation in the
2 workplace.

3 So I'm really looking forward to the
4 comments and certainly looking forward to any
5 suggestions and ideas that any of the panelists or the
6 audience may have this afternoon.

7 SECRETARY HERMAN: Thank you very, very
8 much, Ms. Thompson. And now Mr. Robert Thomas, who is
9 a member of the President's Advisory Board, and Bob is
10 also serving as the Executive Vice President for
11 marketing for Republic Industries. Bob.

12 MR. THOMAS: Well, thank you, Madam
13 Secretary and welcome to all the panelists. This is
14 the second such meeting that I've attended and as a
15 representative of business I can tell you that it's a
16 great opportunity for us to be part of this outreach
17 program. We think that the economic opportunities of
18 which we'll be discussing today are one of the strong
19 foundations of building one America. So we look with
20 great interest to the discussions today and the
21 interaction with the panelists and with the audience
22 as well. So we'll learn a lot.

23 So, again, Madam Secretary, pleased to be
24 here to help out.

25 SECRETARY HERMAN: Thank you very, very
26 much, Mr. Thomas. And as I indicated, the focus this
27 afternoon is on practical strategies and solutions of

1 what's working from your perspective, what are some of
2 the things that you are doing to bring down the
3 barriers in the workplaces that you have
4 responsibility for.

5 I'm going to ask each of our panel members
6 as they speak if you would introduce yourselves to our
7 audience as we open up the discussion and I'm going to
8 begin the discussion by calling on Mr. John Sena.
9 Thank you for being with us.

10 STATEMENT OF MR. JOHN SENA

11 MR. SENA: Thank you, Madam Secretary. My
12 name is John Sena. I'm a Senior Assistant Business
13 Manager for IBEW, Local Union 111, headquartered in
14 Denver, Colorado. And one of the things that I get --
15 I've been on staff for 16 years working full time.
16 One of the things that we implemented that I think has
17 addressed the diversity in the workplace with our
18 major employer was going into a partnership in
19 conducting joint investigations.

20 The local union developed a human rights
21 committee, which I am a chair of that committee. It
22 consists of 12 members of the rank and file and that
23 took place in 1990. In 1995 we finally entered into
24 this letter of agreement or partnership with our
25 employer. What we do is basically go out and conduct
26 joint investigations when allegations involving the
27 rank and file or bargaining unit personnel. From that

1 point, we come back and deliberate and determine
2 whether there's been a violation of our discrimination
3 and harassment policy.

4 We have -- in labor, in our local union,
5 have found individuals, our members guilty of our
6 policy and we have filed charges against those
7 individuals under our IBEW constitution and fines as
8 high as \$3,000.00 have been levied against that
9 individual. In addition to that, the employer has
10 taken punitive action in some cases and perhaps, given
11 up to two weeks suspension.

12 SECRETARY HERMAN: Over what period of
13 time, Mr. Sena, were you able to achieve these kind of
14 results?

15 MR. SENA: We started having major
16 problems, I think in -- that I started experiencing
17 probably 1985. So it took us approximately 10 years
18 to actually get to the joint process. That was
19 through litigation and so forth like that. Besides we
20 needed to basically find a way to cut down on the
21 cost.

22 SECRETARY HERMAN: Thank you. Our next
23 guest is from the Chamber of Commerce and we would be
24 very interesting in hearing, Ms. Ferniza, from your
25 perspective are corporations really meeting the
26 challenge today of encouraging diversity in their
27 workplace and if so, what kinds of initiatives seem to

1 be making a real difference?

2 STATEMENT OF MS. SANDRA FERNIZA

3 MS. FERNIZA: Thank you, Secretary Herman.
4 Let me respond first with a general statement to that.
5 Diversity in corporate America today is often defined
6 and measured through demographics and dollars. Both
7 of these measures are frequently used to shape and
8 define policy. In Arizona we have a population that's
9 over 28 percent minority and that number to corporate
10 America can represent power, for instance, buying
11 power in the Hispanic community of \$7 billion or it
12 can represent fear backlashed against immigrants and
13 those who might employ them. And that's based on our
14 personal perspectives.

15 I would caution us and corporate America
16 not to use demographics as a poster child for fear and
17 competition among minorities or the general population
18 because discrimination, whether by conquest, slavery
19 or ignorance remains discrimination in any language or
20 culture.

21 I think in corporate America, with some
22 benign neglect from leadership in government, we have
23 managed through time intentionally or unintentionally
24 to make scapegoats of racial or culturally diverse
25 people in order to lay blame for economic and social
26 ills of our country. And those answers are really
27 things like a technological revolution for which we

1 were not prepared, information technology, the end of
2 the cold war which was based on defense spending and
3 either the unwillingness or the inability to invest in
4 education and worker retraining.

5 Those were the seeds of economic woes
6 which I think are often confused with racial and
7 cultural problems. Those remedies have in the past
8 been addressed by law but they are just one tool. We
9 believe and we have some wonderful examples in the
10 Chamber membership, where those have been addressed
11 through or need to be addressed through equal
12 educational opportunity and in that state and in
13 others that means school finance reform. And we need
14 in corporate America to embrace at the highest level
15 in the board room the value of diversity because we
16 are dealing, as you stated Secretary Herman, with a
17 global market, with consumers who don't necessarily
18 look like white mainstream America.

19 And so we believe, at the Chamber, that
20 programs that foster diversity as employees, as
21 minority vendors and the recognition that the
22 consumers of products and services will share the
23 color of green is important.

24 SECRETARY HERMAN: And even though I agree
25 that there's much more in terms of what we're seeing
26 as trends beyond the demographics, I'm curious to know
27 from your perspective looking at the employer

1 community is the demographic future a motivator to
2 have employees become more active to encourage more
3 diverse workplaces and I see Mr. Artis shaking his
4 head. So maybe I'll ask you from your perspective,
5 Mr. Artis.

6 STATEMENT OF MR. CURTIS ARTIS

7 MR. ARTIS: Was that a deflection? I
8 think the demographic future is a significant
9 motivator. I think as people look up the corporate
10 mainstream, they are influenced by what they see in
11 terms of their perception of the opportunity that
12 might exist for them. And so I think profile and
13 certainly improving the profile as it exists in
14 corporate America as well as other sectors, public as
15 well as private, is really important for the future of
16 people who have aspirations in our country.

17 SECRETARY HERMAN: Ms. Dewey, let's turn
18 to you. You're the worker on the panel. Could you
19 say more, too, in terms of your own background
20 Governor Winters is asking?

21 STATEMENT OF MS. PEGGY DEWEY

22 MS. DEWEY: Well, I am a common worker.
23 This is an unusual forum for a person like me to be
24 into and if it weren't for my labor union, I would not
25 be in this forum. My background has always been in
26 the work force as a worker and I'm very proud of that.
27 For me, I'm successful. I don't strive to be anything

1 but what I am.

2 The experiences that I have experienced in
3 the work force led me to become more involved in the
4 diversity programs and one of the things that you talk
5 about with the demographics being in Arizona, we have
6 a large Hispanic speaking population here. And one of
7 the things that we did not do is we did not service
8 that community when Spanish was their first learned
9 language. They couldn't communicate with us to order
10 telecommunications service or to order repairs.

11 It was unionists that brought this to the
12 forefront and had to convince our corporation --

13 MS. CHAVEZ-THOMPSON: Excuse me, give her
14 another mike.

15 MS. DEWEY: Anyway it was unionists that
16 brought this to the forefront and had to fight with
17 corporate leaders to say, "This will be profitable",
18 and had to prove that. It's called El Centro and it's
19 -- you know, started out with like five
20 representatives and now they have over 100 and they
21 take Spanish speaking calls for 14 states. It's very
22 profitable but the roadblocks that we face in
23 convincing sometimes corporate America are huge.

24 With our union, The Communication Workers
25 of America, and we are also affiliated with AFL-CIO,
26 I was very happy to hear about the initiatives. I'm
27 looking forward to that information but we have an

1 equity committee. And what we do is investigations on
2 charges of discrimination not only against our
3 corporate leaders, but against our unionists. I think
4 it's important to acknowledge that not only is
5 corporate America not where it needs to be but labor
6 unions also have a little ways to go and just to
7 acknowledge that we are working on that.

8 MS. CHAVEZ-THOMPSON: Ms. Dewey, you
9 alluded to and I don't know if the microphone was on
10 to what you said at the very beginning. You said that
11 there was no -- there was no attempt and no one that
12 was attending to the needs of the Spanish speaking for
13 telecommunication services. You said something about
14 it started out with five people and it has proved
15 profitable.

16 MS. DEWEY: Yes.

17 MS. CHAVEZ-THOMPSON: What are you talking
18 about there? I mean, how profitable or it's grown
19 from five people to what?

20 MS. DEWEY: I brought an associate with me
21 who is actually one of the people that formed that.
22 If it's okay, could I direct that to him? He's in the
23 front row there.

24 MS. CHAVEZ-THOMPSON: If he's in the
25 audience, perhaps, during the community forum if we
26 could get, perhaps, an explanation of how did this
27 work. How did the union bring this to the attention

1 that there was a need in the Spanish speaking
2 community, how it was addressed and perhaps during the
3 community forum, if your colleague would come up to
4 the microphone and tell us a little bit about that,
5 I'd like to know more.

6 MS. DEWEY: I think that would be the best
7 way to address it because he was more directly
8 involved with that. He also has a very deep passion
9 about that fight.

10 SECRETARY HERMAN: Ms. Ozerhof, speaking
11 about corporate America, we talk about diversity being
12 good business and impacting the bottom line but from
13 your perspective and working with a major corporation,
14 what are some of the real challenges that you think a
15 company faces in dealing with the real issue of how to
16 bring about a diverse work force?

17 STATEMENT OF MS. ANTONIA OZERHOF

18 MS. OZERHOF: I'd like to address that by
19 first stating what my background is and that may shed
20 some light on how I come to these issues. I came to
21 U.S. West with 11 years of experience in labor and
22 employment litigation for large corporate employers.
23 Since coming to U.S. West that shifted from the legal
24 compliance component of diversity to the broader
25 diversity picture as I think mirrors the way a lot of
26 corporations have looked at diversity. In other
27 words, it started out as legal compliance, we must do

1 this, plus it makes business sense from a litigation
2 risk reduction and that kind of cost, but I think what
3 I now understand and have come to really appreciate is
4 the broader economic impact.

5 As far as the challenges you refer to, I
6 think we've gotten pretty good at defining diversity,
7 training internally as far as discrimination, looking
8 towards certain source pools to bring in diverse
9 candidates. I think where our big challenge is making
10 sure those people are successful, changing our culture
11 to appreciate that and to make sure those people can
12 rise up and be at the top.

13 I think that it was Mr. Artis who said
14 people want to look up and they want to say, "Well, my
15 career, there's some place to go because there's
16 people up there that I can identify with", and that's
17 a self-fulfilling prophecy because if you have people
18 in higher, you know, places within the corporation you
19 will encourage diversity. Beyond that it's, again,
20 education.

21 If I could have everyone in my work force
22 understand that it's not a zero some game, that it's
23 a win/win for employees, for customers and for
24 shareholders, that would be my -- I will have won.

25 SECRETARY HERMAN: Mr. Blue, speaking of
26 education and training, would you speak to us from
27 your perspective then, a long history with an

1 organization that has invested in just that?

2 STATEMENT OF MR. GENE BLUE

3 DR. BLUE: Thank you very much, Madam
4 Secretary. Yes, the Opportunities Industrialization
5 Center has for more than three decades been in the
6 forefront of really being a bridge, a conduit in
7 preparing individuals and working directly with labor
8 and corporate entities to provide the necessary
9 training and preparation so that people can go in and
10 compete without a concept or a perception that they
11 are coming in somehow with green skins (ph) or with
12 s o m e s p e c i a l p r e f e r e n c e .

13 We have worked here in this city
14 particularly and our name in and of itself came out of
15 a protest, a protest to exclusion and as well as to
16 segregation and discrimination, but moving from
17 protest into progress, a progressive move that enabled
18 us, not just here but other places around the country,
19 to be a bridge.

20 Specifically in the city of Phoenix we're
21 very, very proud of the fact that we worked with the
22 city and addressed a specific need for diversity in
23 race as well as in gender in the public safety area,
24 the area of police and fire fighters. We were able to
25 put together a project, a program that the city joined
26 with us in financing and seeing that it came to
27 fruition, of identifying ethnic minorities and women

1 to work in the fire department and police department.

2 It was not an easy task. It wasn't
3 something that came about overnight. It took us some
4 time to do it. There was a convincing, the first
5 convincing in education was that individuals given an
6 opportunity can succeed. That if you are in a house
7 that's burning and you are on the ninth, tenth or
8 whatever floor may be and you can't get out, are you
9 interested if someone comes in and their skin color is
10 different than yours are you going to refuse to be
11 rescued or do you want that person to have the skills
12 to rescue you.

13 We were assisted in that endeavor not just
14 by the city of Phoenix, but by the unions that
15 represented both the fire and police department. They
16 continue to work with us and have committed their
17 membership to reaching back and bringing in other
18 individuals to work in that particular area.
19 Education is key but I think we have to address this
20 issue as something that hopefully in our lifetimes I
21 trust we could come up with a cure. But it is a
22 disease that at least we must control if we cannot
23 cure it.

24 SECRETARY HERMAN: Thank you very much,
25 Mr. Blue. And I want to turn now to Mr. Russell to
26 share with us from your perspective in this area.

27 MR. RUSSELL: Can you hear me?

1 SECRETARY HERMAN: I can hear you just
2 fine.

3 STATEMENT OF MR. GEORGE RUSSELL

4 MR. RUSSELL: I am the President of the
5 American Indian Chamber of Commerce and for all
6 practical purposes we're the new kids on the block.
7 Our Chamber was formed about two years ago and I'd
8 like to give you just a little background about the
9 Indian people.

10 One of the big problems in the community
11 is that there are so many misperceptions about Indian
12 people. People really don't understand them. And I
13 think that would be one of the steps that corporate
14 America could make would be to educate itself about
15 Indians and find out what the true facts are.

16 A couple of things that I throw out at
17 people when I talk to them is that Indians did not
18 categorically become citizens of the United States
19 until 1924. We were not allowed to vote in the state
20 of Arizona until 1953. So we're a little show coming
21 out of the chute but we're catching up very rapidly,
22 playing catch-up. And I think it's evidenced by the
23 formation of the Chamber. Indian business is rapidly
24 becoming big business.

25 With the advent of the casino business,
26 that seems to be our flagship in the economic world
27 right now and there are different opinions about that

1 but it's much easier to deal with poverty when you
2 have money.

3 (Applause)

4 One of the things I'd like to say on a
5 positive note, that's happened in our community is
6 that the city of Phoenix prepared a disparity study
7 about three years ago and I was fortunate enough to be
8 on the commission that was involved in the preparation
9 of that disparity study and the monitoring of that
10 study. And the city of Phoenix has done a human's job
11 in compliance but one of the reasons I think that the
12 compliance was kept in line was because we had a
13 monitoring system in place. We kept track.

14 We meet at least twice a year to see what
15 the numbers are, to see if the numbers are improving
16 and they've improved dramatically as far as
17 contracting opportunities with the city of Phoenix.
18 Along another positive note, since I got involved with
19 the Chamber, one of the things we're doing is we have
20 an Arizona Federation of Minority Business
21 Associations and what we're doing is we're trying to
22 pull everyone together into a coalition and that
23 includes the ladies. And when that happens, we're not
24 longer a minority. We become a majority at that
25 point.

26 And I think it's in the best interest of
27 corporate America to stay in tune to that line of

1 thinking because I saw an article in Time magazine a
2 short time ago and it said by 2040 that the face of
3 America was going to be different shades of brown.
4 And along that line I'd like to say that I look at
5 this panel and I look at the audience and I see
6 different shades of brown, and I wonder how many of us
7 could go through a DNA analysis and say that we are
8 all of anything.

9 I think we're all pretty much mixed now in
10 one form or another. And those of us that are not
11 aware of it, it could still be there. I saw a program
12 on Oprah not too long ago where she said there are 28
13 million people in the country that have black blood in
14 their background that don't even know it and it's the
15 same thing with the Indian community.

16 We've been mixing inter-tribally for
17 thousands of years and we've been mixing inter-
18 racially for the last 500 years. And I think if the
19 old folks would leave the kids alone, I think in a
20 couple of generations it would all be a moot issue
21 anyway. Thank you.

22 (Applause)

23 SECRETARY HERMAN: Thank you very much,
24 Mr. Russell. I want to turn now to Mr. Lucy. You're
25 a union leader. What do you see as the challenge
26 really that we face in achieving a more diverse work
27 force as we go into the 21st century and what specific

1 strategies are you using or do you see others using
2 that's making a difference?

3 STATEMENT OF MR. WILLIAM LUCY

4 MR. LUCY: Well, Madam Secretary, let me
5 first express both my personal and institutional
6 appreciation for us being allowed to be a part of this
7 forum. We are an organization that represents a
8 million 300,000 people across the public and private
9 sector, so the problems we're discussing effects
10 virtually all of those people.

11 We have, like a number of others here,
12 have been trying to create the environment so that we
13 can address the issues that flow out of these
14 longstanding problems. We have been attempting to
15 convince public sector employers first of all that
16 discrimination exists both individually and systemic
17 within their systems, aside from trying to convince
18 the work force to be participants in seeking
19 solutions.

20 And one of the first things we had to do
21 in order to be credible was to accept the fact that
22 racism and discrimination does exist both personally
23 and systemically within the public as well as private
24 sectors. We then had to accept the notion that even
25 within the various groups effected as one brother said
26 to me that it is the impact is inversionally
27 proportional to color, meaning the lighter you are,

1 the less the impact; the darker you are, the greater
2 and the quicker you notice the problem.

3 So we set out essentially to try and
4 structure programs within the public sector that would
5 address these and what we learned was in the public as
6 well as the private sector, the drive for a diverse
7 work force must begin first with an institutional
8 commitment to a diverse work force. Diversity assumes
9 that the excluded groups are present and you can sort
10 of work with that, which in many cases is a false
11 assumption.

12 And in pursuing the mission there must be
13 a strong partnership between the union and the
14 employer, a partnership which would produce a set of
15 policies or a set of programs that all elements of the
16 institution can buy into. And in our case, we
17 obviously are addressing public sector employees the
18 most, which makes the problem even more difficult.
19 When I say elements, I mean the executive level, the
20 mid-management level, the line supervisors' level and
21 the work force because unless all of these come
22 together, no diversity plan is going to be successful
23 and our ultimate goal is quality of service.

24 The program as structured, at least it's
25 been our experience, has to have the capacity to do a
26 number of things. It has to have the capacity to
27 educate those who make decisions about the work force.

1 It has to have the capacity to train those decision
2 makers in the implications of their decisions, both
3 real and perceived. It must be able to investigate
4 and resolve problems both real and perceived and in
5 many cases, the perception for folks become the
6 reality.

7 And I think as a brother here was saying,
8 we must be able to address both the reality and the
9 perception. And the programs must be credible in that
10 they must demonstrate that they are both fair and they
11 are effective. We don't have to really to an awful
12 lot of studying to realize that promotions,
13 evaluations, and all of those things that deal with
14 upper mobility are very subjective judgments and
15 unless the program deals with that, it's not going to
16 be effective and won't work.

17 Diversity must, in our opinion, address
18 some tangible problems rather than the feel good
19 issues and concepts. Somebody in the audience this
20 morning mentioned the sort of Kumbaya, you know,
21 attitude or feeling. First, it has to make an
22 argument on behalf of the excluded if they are not
23 present in the work force. I mean, you can't have
24 diversity if their groups are excluded from whatever
25 the local demographics may be. It has to be credible
26 enough to address the resultant income and equalities
27 within the groups who is involved and this has to be

1 done by the program.

2 It can't be done by us as a union absent
3 the participation of the employer. And then at the
4 end of the day, the results must be comparable. I
5 don't think it will be credible if you still have
6 within the same categories and classifications of
7 workers disparities in responsibilities, disparities
8 in wages. So I guess in sum, we think the trade union
9 movement must be made full partners with the
10 employers, whether they be private or public in
11 pursuit of a fair and equitable workplace.

12 We have our contractual relationship that
13 speaks to grievances and unfair treatment but if we're
14 going to have a harmonious workplace, you can't get
15 there by contract. It must be by partnership.

16 SECRETARY HERMAN: Thank you. Doctor
17 Franklin, you wanted to respond.

18 CHAIRMAN FRANKLIN: Madam Secretary, I
19 wanted to pursue this with Mr. Lucy who is really one
20 of the truly great authorities in this area. It's my
21 impression and correct me if I'm wrong, that there's
22 a natural almost inevitable tension -- I don't use
23 that word disparagingly but almost inevitable tension
24 between management and labor. They are working in the
25 same enterprise but their objectives are not
26 necessarily the same.

27 The worker is interested in advancing his

1 own well-being by securing higher wages. The employer
2 is interested in advancing his own well-being by
3 keeping the cost of his product down, which means
4 keeping the cost of labor down. How is it that you're
5 going to work as a team? How is it that you're going
6 to achieve some kind of cooperation on a common
7 objective like diversity or racial heterogeneity in
8 the workplace if his argument is that the more we get
9 -- the more you and he can cooperate in his program,
10 the more it is for you as a worker, the more you can
11 get out of the thing as a worker and don't rock the
12 boat, disturb it by bringing all these elements of
13 diversity and whatnot. Just keep quiet on that and
14 let's just work together and get you a good wage and
15 get me a good bottom line.

16 So how do you reconcile these what I call
17 almost inevitable, certainly natural tensions between
18 these two major groups, the employers and the
19 employees?

20 MR. LUCY: Well, first, I think it,
21 obviously, depends upon the nature of the product, how
22 resistant the employer is to diversity. I mean, if
23 your market is a diverse market and you want to
24 respond to it, then you'll respond to a diverse work
25 force. It depends a lot upon whether or not you think
26 good management practices really impacts positively on
27 the bottom line. And I think study after study after

1 study suggests that good management practices produces
2 a strong committed work force which produces a strong
3 commitment to the company.

4 I think you've got the issue to deal with
5 is workers only pursue higher wages in reaction to
6 higher prices. I don't think you've ever seen a
7 situation where wages led prices. It's the other way
8 around. Negotiating a relationship between the
9 employer and the work force is about wages and
10 benefits. The new discussion is about workers having
11 a voice in the manner in which production capacity is
12 arranged. Most studies we see argue strongly that our
13 work is arranged in a way that the system itself
14 produces cost inefficiencies.

15 Our theory is that a few folks who are
16 smarter ought to be telling a lot of folks who are not
17 so smart how to do it. Most international studies
18 suggest that's the wrong way around. I forget the
19 gentleman's name who did so many studies but suggested
20 when you bring workers into the discussion about the
21 production capacity, both interests are met. I think
22 Saturn (ph) is sort of suggesting that that's been the
23 key to -- I guess it was Deming.

24 SECRETARY HERMAN: Deming.

25 MR. LUCY: Deming who suggested that least
26 at the Japanese model produce one of the strongest
27 economies and all U.S. corporations bought into

1 everything Deming said except the question of giving
2 workers job security. I mean, there is where the
3 inevitable tensions lie. A worker wants to know that
4 they have a job next week, next month, next year. And
5 they will cooperate with a company in any way, shape
6 or form or fashion.

7 But if they're going to contribute to
8 their demise, I think there's a strong reluctance to
9 do that. I don't know that the tensions are
10 inevitable. I think our corporate community, and this
11 certainly is not condemning, does not have what I
12 would call a sense of corporate patriotism, meaning a
13 commitment to their workers and their markets to the
14 same degree that they're committed to total profit.

15 MR. ARTIS: I feel compelled to follow if
16 I may on several points. First, the notion that
17 management and union are inherently adversarial on all
18 issues is anachronistic. I think that there are many
19 issues on which management and the union together
20 cooperate to solve workplace and business problems
21 together and, frankly, I think that is the future of
22 management/union relations in this country.

23 At Lucent Technologies there are many
24 examples of where AT&T and now Lucent and TWA and IBEW
25 have collectively bargained programs and initiatives
26 that are in the best interests of both the company and
27 of the employees. An example, is the employee

1 assistance program which helped employees who had
2 problems with drugs and alcoholism and family problems
3 and gambling problems, Mr. Russell. And we cooperated
4 on that.

5 We have scholarship programs. We have
6 training programs that we have jointly developed and
7 deployed for our employees that we think are both good
8 for the employees and good for the company.

9 On the issue of workplace diversity, I
10 want to say that I'm not exactly sure how it's done
11 elsewhere but at Lucent Technologies management is
12 extremely committed to diversity and we view that the
13 leadership on diversity must come from the top of the
14 organization. Our top leadership team is one of the
15 most diverse in the country. All you have to do is
16 pick up our annual report and the evidence is there.
17 You just look at the pictures of the top 17 people.

18 If you look at the officer cadre or the
19 executive cadre, the top 400 people in the company,
20 there's diversity there. If you look throughout our
21 business, you see cooperation with groups that we call
22 -- that call themselves rather, employee business
23 partners. Some people refer to them as affinity
24 groups. There's HISPA, the Hispanic employee
25 organization, ABLE, the Black employee organization.
26 There is an Asian employee organization. There is a
27 Native American employee organization. We partner

1 with them.

2 We fund development conferences. Our
3 executives go and speak at the conferences. It's
4 about professional development. It's about networking
5 and we support that. We also support programs such as
6 leadership forums that insure that the top commitment
7 of the leadership at Lucent is there. We have adopted
8 a policy of intolerance of intolerance because we
9 believe that while demographics are important,
10 demographics are not a panacea and that demographics
11 often hide what we perceive to be pockets of
12 intolerance in the firm and we have committed
13 ourselves as the leadership of Lucent Technologies to
14 going after and eliminating them.

15 We also believe that if you're not
16 measuring and if you're not keeping score, you're just
17 practicing. So matrix and measurements are deployed
18 so that we're not practicing. We have everything from
19 360 degree feedback, to report cards, to profile
20 monitoring by organization, something we call the
21 value in people index, where we monitor with questions
22 like, "Do you feel that your management respects
23 differences amongst people in your organization", as
24 well as a number of other questions that tell us what
25 the barometer is with respect to not just quantitative
26 progress in our business but also qualitative, the
27 quality of the environment in which our people operate

1 is equally as critical to progress and diversity as
2 well.

3 We have training and development programs,
4 diversity council networks in all of the business
5 units and in some sub-business units and we have a
6 very strong MWE program and lest there be pockets of
7 intolerance, we also have a strong monitoring and
8 compliance system. With a single number 800 any
9 employee can call a single 800 number with a complaint
10 of discrimination and we attack those ourselves,
11 investigate them and eliminate them and redress them.

12 We also have an environmental scanning
13 capability at corporate that allows us to go out into
14 a factory or a center and do a complete environmental
15 scan and report to leaders both at the factory and/or
16 center and at corporate on our findings and then
17 develop specific action plans that are time bounded to
18 get at that. Now, we do this because we consider
19 diversity to be an element of our competitive
20 advantage. We're fairly hard-nosed business people,
21 business men and women and we think that the
22 connection to the business results for us and
23 diversity is very strong, not only from the ability to
24 be able to attract, retain and develop the best talent
25 but also in terms of being able to nurture different
26 ideas and creativity so that we're more than
27 competitive in our industry.

1 So I just want to make those comments. I
2 think that companies and unions can and must come
3 together and have. I think there's a significant
4 amount of evidence that they have come together to
5 attack these kinds of workplace problems.

6 CHAIRMAN FRANKLIN: Madam Secretary, I
7 deliberately did not use adversarial because I think
8 adversarial means one thing and tension means another
9 and I think that tension is not necessarily unhealthy.
10 It's, as a matter of fact, is healthy as long as we
11 understand exactly what the nature of it is and both
12 Mr. Lucy and Mr. Artis brought out precisely, if I may
13 say so, was hoping would be brought out. But it did
14 not have to do with adversary. It had to do with the
15 kind of -- the kind of tension that really is self-
16 constructive if used properly and if interpreted
17 properly. And so I very much appreciate the response
18 from both of you.

19 MR. ARTIS: Thank you for asking the
20 question.

21 MR. LUCY: Just to follow up on even Mr.
22 Artis' comment, we're talking about one America in the
23 21st century and the 21st century as far as the
24 workplace is going to be radically different than it
25 is now and both the interest of the corporate
26 community and the interest of worker organizations
27 will be radically different. They are changing now.

1 We're not dealing with whether or not we'll have a
2 global economy. We have a global economy already and
3 our mutual interest is tied up in how effectively we
4 can compete in this new environment.

5 And as trade unionists we recognize that
6 there's got to be a new relationship built and I think
7 the foundation of that relationship has to be a
8 diverse and productive work force.

9 SECRETARY HERMAN: Mr. Lucy has talked
10 about not only the need to have more synergy with
11 labor and management but there are clear pay-outs and
12 clear benefits. I want to ask you, Ms. Thomas, coming
13 from a corporation that has gone through a number of
14 transformations in its own culture, how have you seen
15 those benefits pay out practically in your work
16 environment?

17 STATEMENT OF MS. PAT THOMAS

18 MS. THOMAS: Well, I consider myself a
19 survivor. So far I've survived 17 years as an AT&T
20 operator and I'll tell you the first year I was there,
21 I didn't think I'd ever be here this long. And I'm
22 also a Communication Workers of America Steward, Local
23 7019 here, and I think because of the union I have
24 this job. I've been able to support my family because
25 of it. I can make a decent living.

26 And one thing I see a lot in operator
27 services now is re-engineering, that's our new term

1 for, you know, layoffs and relocations and one thing
2 I've seen in my department a lot is Black people
3 moving -- being forced to move to Phoenix here and it
4 has caused a problem. You know, like I said, there's
5 only three percent of Black people here in Arizona.
6 I'm a native actually but I can remember when I lived
7 in Virginia, people were saying to me, you know, "I
8 didn't know there were Black people in Arizona", and
9 I think we still have that perception a lot.

10 One problem that I've seen in the office
11 with the people moving in, a lot of people, different
12 people have come into the office and I don't really
13 like the term "minority". It really seems like you're
14 different and there's something wrong with you, so
15 we'll just say people that are a little different have
16 come in. And we had one problem in our office. I put
17 up a Black history display and there was a note left
18 up on another bulletin board that kind of mentioned
19 white power and watermelon and fried chicken which I
20 wasn't real happy about but luckily in our office
21 we've got an area vice president with the union.

22 She's kind of gone through discrimination
23 herself. She's white. She's with an Irish background
24 but, you know, her attitude is, "I've been there, I've
25 done that", and anything I bring to her, any ideas
26 that I bring to her, "Let's try to work this out,
27 let's see if we can make this better", she says, "Yes,

1 yes, let's try that". So I'm really happy about that.

2 You know, we don't ever get everything
3 worked out but we're working towards accomplishing
4 something.

5 SECRETARY HERMAN: And do you think your
6 management supports this flexibility and the desire to
7 achieve some different outcomes? Do you feel
8 supported in your own environment that way?

9 MS. THOMAS: Yes, we're working on them.
10 Even they are starting to say, "Yes".

11 SECRETARY HERMAN: Ms. Ozerhof, you talked
12 about the fact that if you could have more leaders,
13 diverse leadership in the top echelons of the company
14 and assuming that we are investing in the education
15 and training that we need to have in workers that we
16 can be successful in diversifying our work forces, and
17 I want to ask you, assuming that we have those
18 ingredients and assuming that as Mr. Lucy had said
19 that we recognize that you have to have the
20 institutional buy-in, that there has to be the
21 framework to know that this is something we have to do
22 for the greater good of the business to move it, then
23 one would say, "Well, that's just common sense. Why
24 doesn't everybody do it"? Why doesn't everybody just
25 do it?

26 MS. OZERHOF: That's a good question.
27 First, I want to make clear that sort of following up

1 with Mr. Artis' comments, we do have, compared to the
2 majority of corporate America, a fairly diverse work
3 force and at the senior levels of my corporation. I
4 just see it needs to increase. And when I say the top
5 level, I mean, the pools that are below that, making
6 sure that it's a constant, constant push, because you
7 can never be satisfied as far as I'm concerned in this
8 area.

9 It is common sense. Many things in the
10 workplace are common sense but we don't always do
11 them, so I don't know if I can answer that
12 psychological question. I think a lot of it is
13 historical. If you look at different parts of the
14 company I think you'll probably find a little more --
15 you'd probably find a lot more buy-in at the
16 leadership level and maybe not so much out in the
17 trenches. It has to get down to the work force and it
18 has to be pushed down.

19 So people understand it, but implementing
20 it is the key and I don't -- I don't have the absolute
21 answer to that. Programs are important. The constant
22 reminder that you can't just set up a program but you
23 have to continue to put the resources into it and
24 continue to remind people. You can't just be
25 satisfied with the numbers. You have to keep pushing.
26 But I can't answer your question.

27 CHAIRMAN FRANKLIN: May I ask a question

1 --

2 SECRETARY HERMAN: Doctor Franklin, yes.

3 CHAIRMAN FRANKLIN: -- of Ms. Ozerhof and
4 anyone else? If this is -- if this cooperation of
5 labor and management is so important and is so
6 obvious, and if the absence of discrimination is so
7 healthy, I wonder why is it that some of the really
8 major companies in this country have been caught in
9 such obvious violations of the most fundamental human
10 decency.

11 I'm not going to mention them by name. I
12 don't want to get in any trouble but one of the
13 biggest oil companies in this country has had a
14 disgraceful record. One of the biggest fast food
15 companies in this country has had -- they've been
16 caught, you know, violating human decency. One of the
17 biggest auto rental companies in this country has been
18 found guilty of that and they've had to spend millions
19 and millions of dollars protesting all the time that
20 they want to settle but they weren't guilty but they
21 want to settle just to keep things moved forward as
22 they say and that sort of thing.

23 If all this is so good, if the absence of
24 discrimination is so obviously good for the -- for
25 everybody concerned, why do these big companies with
26 all this talent at their disposal, why do they carry
27 on like this? I just wonder what the problem is.

1 Don't they see what you see?

2 MS. DEWEY: No, they don't, open mike. I
3 don't feel that they do. I feel that by the time
4 people have reached that plateau they're pretty far
5 removed from the common worker and they don't see what
6 happens in the workplace day after day. They don't
7 see what the policies are. I've heard, you know,
8 several times, diversity programs. Well, a program
9 has a start and an end and when it ends, then what
10 happens. Then we revert back to the behavior because
11 employees will look back and say, "See, I told you, it
12 was a program and it's gone now", and so there's no
13 repercussions.

14 I think if we're truly going to change our
15 workplaces it needs to be a process and it needs to be
16 constant and it needs to be there day after day after
17 day and people need to know that it's not okay to
18 discriminate. It is not okay to mark up signs in the
19 workplace. It's not okay to do these things. There
20 has to be -- that has to be in the forefront all the
21 time and it has to be a way that we conduct our
22 business.

23 Our customers don't all look the same
24 either. And when we come out -- I'm a technician. I
25 go to people's houses and to their businesses and they
26 don't all look like me and I don't want them to all
27 look like me, but they need to know, we need to know

1 also that they are diverse. And in order to serve our
2 customers, no matter what business we're in, we need
3 to reflect that I don't want to say tolerance,
4 acceptance. We need to respect them and treat them
5 with dignity.

6 We don't, you know, often do that to just
7 our employees let alone customers. I think that the
8 problem is when you get to a certain point you've lost
9 touch of what really happens on a day to day working
10 basis. How many people that are employees know what
11 the vice president of their company looks like? I
12 know what he looks like because I make it a point to
13 see his picture but most of the people I work with
14 haven't got a clue.

15 A director that comes into the workplace,
16 which is like three levels up, they ask him, "Who are
17 you". So they don't know what happens day after day
18 and that's what needs to happen to make these changes.
19 We have to pay more attention as to what's going on
20 and that diversity needs to be a process rather than
21 a program so there's not an ending and everybody knows
22 that it's not going to stop. It's going to continue
23 and these changes have to be made.

24 MS. FERNIZA: Secretary Herman?

25 SECRETARY HERMAN: Yes.

26 MS. FERNIZA: I would like to address
27 Doctor Franklin's comment. Sometimes I think we have

1 in the community viewed the types of abuses that he
2 outlined in those unnamed corporations a schizophrenia
3 in corporate America which has to -- as Ms. Dewey just
4 put it, has to go beyond addressing a legal remedy for
5 a past problem.

6 It has to be inculcated in the philosophy
7 of the corporation from the highest leadership and
8 that's the board room and I think that if you look at
9 those numbers that we talked about that report card
10 that we can measure, that our board rooms in corporate
11 America are sometimes absent the diversity that we're
12 looking for. That while we are beginning to see some
13 increases in some of that, the numbers don't speak to
14 that. And that's a board room that is responsive not
15 only to the law but to a shareholder and I think
16 someone spoke earlier of the trade-offs over the
17 profitability and the patriotism that a corporation
18 must engage in with its employees to help contribute
19 to that profitability.

20 So it's interesting to me that for
21 instance chambers such as ours who receive strong
22 corporate support and we have some excellent role
23 models here in our community who participate with us
24 on minority vendor programs and job opportunities for
25 minorities and look to us for counsel in that area, at
26 the same time I find I encounter their lobbyists in
27 the halls of the legislature and in city halls

1 campaigning against programs that have provided
2 remedies, et cetera. And that's what I refer to as
3 the corporate schizophrenia about how to deal with the
4 issue of diversity in the workplace.

5 At the same time you have a third arm with
6 that corporate schizophrenia. You have the marketing
7 department who has now recognized that the consumer is
8 black, it's brown, it's yellow, it's red and you hear
9 and see advertising that's beginning to reflect what
10 we look like, but that's just beginning. You have
11 things like El Centro and U.S. West Communications.
12 You have things like Quenta Tel (ph) at Bank of
13 America. You have things like the vendor minority
14 program at Arizona Public Service, all of which we're
15 very proud of but that has to be coupled with
16 participation in the board room because I guarantee
17 you that the lowest level of employee is looking to
18 leadership from above.

19 So it's a two-way street.

20 CHAIRMAN FRANKLIN: Who is lobbying the
21 legislature? Who engages that lobbyist?

22 MS. FERNIZA: I think corporate America
23 has sufficient representatives in the halls of public
24 government.

25 CHAIRMAN FRANKLIN: Well, to be specific
26 though, if a particular corporate executive or a
27 particular corporation is engaging a lobbyist to fight

1 legislation that would be what they would call
2 unfavorable to them in the area say of employment or
3 equity and whatnot, I don't see how that's
4 schizophrenia if the same people in the board room are
5 employing the lobbyists to lobby against a legislation
6 that they would regard as emphathetical to the
7 interest.

8 MS. FERNIZA: Well, I think that I would
9 not want to characterize my statement as we have
10 corporate America lobbying against affirmative action
11 programs if you would. But I think what we have is a
12 corporate America who sometimes in their effort to
13 preserve a legislation that enhances their
14 profitability often look to programs as someone said,
15 as something that is a cost center versus a profit
16 center and therefore, do I need to implement this.

17 Can I do this on a marginal basis? And
18 it's interesting because I think we're seeing changes
19 in corporate America on that who is now placing value
20 on a diverse work force, but we often times in
21 minority communities see corporate America as
22 supporting groups or not necessarily legislation but
23 groups who are opposed to the types of things that
24 have made advances in our community and I think we
25 have to be -- at least acknowledge that that exists.

26 You have to be able to sit down with
27 members of that corporation and talk about, you know,

1 what this practice does and its impact on some of the
2 programs they've adopted. As I said, I think the key
3 is not necessarily that they've adopted a program but
4 that they have inculcated as part of their corporate
5 philosophy a commitment to diversity because it's
6 good, as someone said earlier, a demographic motivator
7 for their consumers and because it is the right thing
8 to do, because in the future it is the minority
9 community who will pay for the retirement of others.

10 It is a community who is under-educated
11 right now, who will be tomorrow's work force and we
12 have to be conscious of that.

13 SECRETARY HERMAN: Mr. Thomas, do you want
14 to get in on this discussion?

15 MR. THOMAS: Well, I just, from the inside
16 of being somebody in the corporate board rooms, I
17 really recognize a lot of what I hear here and I would
18 just say that's probably one of the reasons that we
19 have the Dilbert cartoon is very depictive of real
20 life situations. But from somebody who's been on both
21 sides of this and looked at it from the uninformed to
22 maybe more informed on it, one of the things that you
23 find is that there is sort of an overriding issue here
24 and there's a lot of resistance to change.

25 And the status quo is very, very powerful
26 and that can come true on any -- we happen to be
27 talking about racial issues and sensitivity and that

1 type of thing, but it can also be sexual harassment.
2 And I thought Ms. Ozerhof caught the flavor of what
3 happens in corporations a lot in that you get to where
4 you are insensitive to it and it's the good old boys
5 and it's the locker room mentality and it's anything
6 goes because we're just having fun and we're all alike
7 here and it doesn't hurt anybody too well, we'd better
8 watch it because somebody's going to sue us if we
9 don't.

10 And when you get to that stage, yes, you
11 can get some training involved but you're way, way far
12 short of getting anywhere. And you have to eventually
13 get to where you have to have a renaissance of
14 thought, epiphany or something, that changes the whole
15 mentality of all the people involved so that those
16 thoughts don't occur, not in private, not in public,
17 that they don't occur. And until you get to that
18 point, you're going to have these instances of abuse
19 or communication abuse or lack of sensitivities and
20 that's -- I'm struck by the polarities here.

21 You need the people at the top to do that
22 but just as Ms. Thomas said, you also need the
23 supervisor. Her view of her company's views on
24 racial issues is how her supervisor responds to that
25 and there could be five levels above that said, "Hey,
26 that's -- we believe in it", but if her supervisor
27 doesn't believe in it, somebody can interrupt that

1 chain. And there's -- it's a tough issue for all of
2 corporate America to get involved in and they should
3 view what's happening here in the discussion very,
4 very harshly.

5 SECRETARY HERMAN: Let me go to Mr. Blue
6 and come back to Mr. Lucy.

7 DR. BLUE: Madam Secretary, I wanted to
8 comment as well regarding this discussion. I think
9 the -- within the corporate board rooms, as Mrs.
10 Thomas had mentioned, and within the corporate
11 community. One of the things, Doctor Franklin, I
12 don't think that we've had change in the corporations
13 because there haven't been penalties. Certainly there
14 haven't been the kind of penalties that have been
15 assessed recently regarding conduct or remarks or
16 treatment of individuals and that is where the law, I
17 think, comes into place and must not just be
18 maintained but be strengthened.

19 I think that one of the things that is
20 very evident is that a sense of a loss of control or
21 loss of power if there is shared in that board room as
22 well as in management a different type of persons.
23 Folks like what Mr. Thomas said, "Well, yes, somebody
24 comes in that doesn't look like me". It's a different
25 type of person, but I think that it has to be
26 recognized, has to be put on the table that the
27 difference is there and that rather than looking at a

1 difference of ethnicity, a difference of gender or a
2 difference in terms of language, if it really comes
3 down to the corporate bottom line, it all contributes
4 to the green.

5 And I think maybe if, in fact, the folks
6 who look at -- marketplaces are looked at not at a
7 minority community, not at, you know, this particular
8 area but that is truly one of the things that
9 contributes to our bottom line. They process green
10 just like everyone else does and we need that process
11 in the highest levels, in the board rooms, making
12 decisions so that the corporate entities can certainly
13 obtain their share of that wealth, then we will see
14 some change.

15 I agree with you, it has to be a change.
16 Change is something that is resisted, not just in this
17 instance but I think, you know, like folks get
18 comfortable. They are comfortable, they are not going
19 to challenge. There has not been an outcry saying
20 that we need to be in the policy making area. That is
21 what is starting to take place now and I trust there's
22 going to not just be a report but it will gain
23 momentum and that we can really have some absolute
24 changes, because there will not be a loss of power, it
25 really will be a win/win situation if everyone is
26 represented at the board table.

27 REV. JOHNSON COOK: Could you speak a

1 little more? I think you're right on, Mr. Blue, in
2 terms of power issue, in terms of how it will be a
3 win/win, because I think the real issue is the power
4 loss and to answer your question, Mr. Franklin, I
5 think that a lot of people are comfortable where they
6 are and so the assumption is that everybody wants to
7 end discrimination and there are a whole lot of people
8 I can guarantee while we're meeting here who are on
9 the golf course and other places saying, "How do we
10 hold onto what we've got"?

11 So I think that that's part of the
12 problem, that not everybody wants to change and a lot
13 of people are afraid of losing their power. I entered
14 the ministry 17 years ago as the first African
15 American woman of my denomination and men from all
16 over the world came together because they were saying,
17 you know, "Woman cannot enter the ranks of the
18 ministry. We cannot share this power with them".

19 Seventeen years later, however, the
20 discussions of change because there have been so many
21 of us who have entered the rank, that there's been a
22 certain new level of comfort saying, "Hey, we can do
23 this thing together and perhaps, there's some other
24 gifts that women bring that we didn't have", but it
25 took 17 years of really kind of penetrating the
26 conscience and kind of for women staying persistent
27 and on course for the change and to keep raising our

1 voices as there were men then also who became our
2 counterparts and raised their voices with us.

3 But it took a long time but the real issue
4 is power. Although it was disguised as being a gender
5 issue, it was really a power issue, "We do not want to
6 share this with you". And I think that's the same
7 thing that we're seeing in corporate America. So I
8 wanted to just push a little more, Mr. Blue, on how it
9 would be helpful to those who do not do it at this
10 point to see that it would be a win/win situation.

11 DR. BLUE: The examples in corporate
12 America, I think, their bottom line is perhaps one of
13 the greatest influences toward those individuals who
14 are resisting change and who are -- and it's fear.
15 It's a fear of loss of a controlled environment that
16 has been the purview of the few for so long. I think
17 that certainly the entities that exercise diversities
18 Mr. Artis was talking about, if we look at we've had
19 a diversification, we've gone through diversity, we've
20 been inclusive and it has not caused any loss of
21 business, as a matter of fact, it has caused us to
22 expand our business and to expand our particular areas
23 that we're working in, I think those kinds of examples
24 need to be looked at and analyzed and talked about on
25 the golf course as well, as well as in sessions like
26 this.

27 That if individuals who are in the

1 positions now and who fear that by having other folks
2 come in, having the ethnic diversity, having the
3 gender diversity, by looking at what is happening to
4 those companies that recognize it as an asset but not
5 as a liability, then I think we can see some changes
6 and they should be lauded and promoted with companies
7 that resist that kind of change.

8 MR. ARTIS: If I could add onto that, I
9 think it also takes a measure of courage and
10 commitment. Our chairman, Henry Shot (ph) tells a
11 story about when he was with Cummins Engine and he was
12 promulgating the notion that differences are good for
13 the business not bad for the business and, therefore,
14 we needed to be more inclusive at all levels, one of
15 his executive vice presidents, because Henry was so
16 relentless, approached him one day in private and
17 said, "Henry, you know, I think you're taking this
18 diversity thing too far. I've thought about it a lot
19 and I'm not sure I can commit to this. I think you're
20 just going too far with this".

21 And Henry said, "Are you sure". The guy
22 said, "Well, I've thought about it and I just -- I
23 can't buy into it". And what he said to him was,
24 "Then we'll help you find employment some place else
25 because that's what we're about, that's what we
26 believe in", and in fact, they did that. They helped
27 him find a job some place else where he could be

1 happier. But I think it takes courage for leaders to
2 step up to the accountability dimension particularly
3 where you have other leaders whose behavior is
4 inconsistent with what you desire but whose results
5 are very good, whose bottom line results are very
6 good.

7 You've got to step up to the plate and
8 say, "You're a great producer, you're making a lot of
9 money for us but your beliefs and your behavior are
10 inconsistent with what we're trying to do,
11 inconsistent with the future we're trying to achieve
12 and therefore, you have to leave". That requires
13 courage and leaders, I think, have to step up to the
14 plate and be held accountable for demonstrating that
15 kind of courage.

16 The other point I wanted to make is that
17 often as Ms. Dewey said, we lose connection with
18 what's really happening in the workplace. Leaders get
19 reports, they get whatever people give them and often
20 they're sort of floating around frankly thinking
21 things are fine when they're falling apart because of
22 the filtered information that they get.

23 And so what we found we have to do in
24 Lucent is we have to go after the information we need
25 rather than accepting the information that people
26 choose to give us. And some of the information is
27 filtered precisely because of the reasons that others

1 have proffered here and that is because it's a threat
2 particularly to people in the middle of the
3 organization. And they, therefore, are trying to
4 survive themselves and will not provide to you
5 information that frankly makes them look culpable.

6 And so I think that also is something that
7 we, as leaders, have to care for if we're going to
8 avoid the trap that the companies that Doctor Franklin
9 referred to and fall into it ourselves.

10 SECRETARY HERMAN: Mr. Lucy?

11 MR. LUCY: Going back to Doctor
12 Franklin's, I don't want to call it a hypothesis, but
13 that kind of behavior ought to be interpreted as
14 corporate governance and as such, it effects the value
15 of the corporation. This unknown corporation didn't
16 change their attitude, they changed their behavior and
17 they changed their behavior not because they were
18 penalized but because they lost shareholder value.

19 They lost \$2 billion in 48 hours. That
20 gets your attention. What we have come to learn and
21 beginning to analyze, who are the corporate owners.
22 That winds up being a whole host of people who never
23 know where the annual meeting is going to take place
24 but if they begin to understand that corporate
25 behavior effects their value, then they will demand
26 more of their management.

27 What is also happening is as this

1 globalization and movement of productive capacity goes
2 into national, I would find it hard to believe that
3 someone who manufactured chop sticks would be anti-
4 Chinese. I mean, the logic is that you will respond
5 to your product market. If that's true then when we
6 look internationally we can see some relief in
7 behavior here because the markets are going to be in
8 Asia, the markets will be in Africa, the markets will
9 be in developing countries.

10 As we look towards the extension of let's
11 say the North American Free Trade Agreement and the
12 markets in this hemisphere, whether it's Guatemala,
13 whether it's Argentina, whether it's Brazil, we ought
14 to get a different corporate behavior based upon where
15 our partners and our markets are.

16 I mean, it follows logically. The issue
17 is power. Folks are much more comfortable the way it
18 was and the way it is than the way we're not sure it's
19 going to be and I think the issue is green. And it
20 may well be that from a policy point of view we want
21 to figure out how to equate corporate or management
22 behavior with corporate value and then everybody's got
23 something at stake in the process.

24 SECRETARY HERMAN: Ms. Thompson?

25 MS. CHAVEZ-THOMPSON: I just had a
26 question for Mr. Sena and it was based a little bit
27 upon what Mr. Artis had to say about how they dealt

1 with someone who was not happy with the diversity
2 question or the program. When you deal with
3 management, your union committee finds against a
4 management person, do you find the cooperation and the
5 commitment from your management to enforce the
6 administration of the rules of anti-discrimination or
7 the harassment or anything like that? Is that
8 commitment there from your management?

9 MR. SENA: It is now.

10 MS. CHAVEZ-THOMPSON: And that's --

11 MR. SENA: And the only reason for that is
12 because of the almighty dollar. What we did before
13 1995 is assist our members in suing their employer and
14 through litigation all of a sudden it got clear to the
15 corporate room saying, "Look, we don't want to be
16 another oil company, we've got to do something". So
17 from that point in time, they come out with zero
18 tolerance and that came from the board and it's
19 supposed to be confidential but since we work
20 together, yes, they do enforce.

21 When we find in an investigation, joint
22 investigation, that management is the perpetrator, we
23 will write a letter to management officials, it's
24 usually the senior vice president of Human Resources,
25 and at that point in time we tell them what is taking
26 place. We don't give a recommendation that, you know,
27 what to do with this individual or what have you like

1 that; just tell them, "This is taking place. If it is
2 not corrected, then we will take action through
3 litigation". It comes out that nine times out of 10
4 that that manager, supervisor, whoever, has been
5 either disciplined in the form of a suspension, moved
6 to a different location or up to terminated.

7 SECRETARY HERMAN: I want to go back to
8 this question of courage and how one gets courage to
9 do the right thing. I've heard three things as we've
10 talked; the deterrent that obviously the law itself
11 can be in terms of enforcing the law and the penalties
12 that are associated for discriminating in the
13 workplace. I've heard the theme of the bottom line,
14 it's in the enlightened self-interest or it's just in
15 the basic business interest of the corporation.

16 And I heard a little bit of us talking
17 about, and some from you Bob particularly in this
18 area, even peer pressure, peer influence or what
19 everybody else is doing. I was struck recently being
20 in New York City about two months ago at the awards
21 banquet for Working Mothers magazine and the awarding
22 of the top 100 corporations that are fostering
23 balancing work and family practices today in the
24 workplace. And I was struck by the fact that a
25 leading CEO, one of the top 20 corporations in this
26 country was seated next to me and said that CEO's
27 today want to be as much a part of that roster as they

1 do to be listed on the roster of the Fortune 500.

2 So as you think about these three areas,
3 is the law a deterrent, how important is peer
4 pressure, you know, the bottom line. Where is the
5 real motivator? How does one, quote, "get the
6 courage" to act and lead from a leadership perspective
7 and that's an open question but I'm going to start
8 with you, Bob, since --

9 MR. THOMAS: Well, I'll just give you one
10 perspective because I think everybody will have a lot
11 of different perspectives, but I think of the scenario
12 you presented. I think the psychic income reward is
13 or penalty is the strongest one. If there was a list
14 of companies of which you aspired to be on or
15 definitely not to be on, and that could be national,
16 local, whatever, I think that would be the most
17 powerful activity because you are absolutely right,
18 that courage is everything because one of the things
19 that happens and I characterize it as resistance to
20 change, one of the things that happens to anybody and
21 it can be the top person in the company, it can be the
22 semi-top, middle, whoever tries to initiate that
23 change, if anybody resists that they have a very
24 articulate way of sabotaging it and that is that you
25 are diverting us from the real activities, the real
26 purposes of this company which are to produce widgets,
27 sell widgets, whatever.

1 And it is a great rallying cry of those
2 who want to sabotage whatever initiative it is. And
3 so whomever is going to lead that initiative, if they
4 don't have an outside reward, stimulus, penalty by
5 which to reference to, the courage may not last long.

6 SECRETARY HERMAN: Other comments? Mr.
7 Russell?

8 MR. RUSSELL: You know, in listening to
9 this, it sounds like an awful lot of -- there needs to
10 be an awful lot of education on the board level and
11 I'm wondering if there could be some type of program
12 initiated either by the stockholders or some other
13 type of agency that the big boys go to school, that
14 they develop some type of cultural sensitivity as part
15 of their job.

16 That they have to take a course or some
17 proof that they have given attention to this issue
18 because that's what I keep hearing from the different
19 people is that if we had this cultural sensitivity on
20 the board level, that it's lacking there most of all.
21 So I wonder if that would be possible to implement
22 some type of program to send the big boys to school.

23 SECRETARY HERMAN: I'm going to call on
24 Ms. Thomas because her hand has been up and after that
25 I want to invite the audience as well to join in this
26 discussion. We have staff that will have mikes
27 available, if you can simply go to where those mikes

1 will be in the aisles. And I would ask that you keep
2 your comments brief and concise and if you have a
3 question to the panelists or to the board members,
4 that you be clear and direct in your question to a
5 particular individual.

6 Ms. Thomas?

7 MS. THOMAS: Just briefly, I think what we
8 really need to have is affirmative action in the board
9 room. You know, if you look like me, you know, and
10 you're not likely to allow that type of thing to go
11 on. So, let's move the people that are not up in that
12 position up to that position.

13 SECRETARY HERMAN: Leadership at the top.
14 Ms. Dewey?

15 MS. DEWEY: I think we've done a lot of
16 talking about corporate America and how it's going to
17 effect -- how they need to change. I would be remiss
18 if I didn't talk about organized labor and the fact
19 that we also need to change. We need to implement the
20 same types of changes. We need to value the diversity
21 that we have within our ranks and we need to make sure
22 that we mentor them to move up within the leadership
23 of our unions.

24 So I just didn't want it to look like we
25 were dumping on corporate America.

26 MS. CHAVEZ-THOMPSON: And I want to say as
27 well that the American labor movement has begun to

1 make some of those changes since the new leadership
2 took over two years ago. Bill Lucy serves as a vice
3 president of the national AFL-CIO and in my capacity
4 one of my responsibilities is to make sure that we
5 build the coalitions and the partnerships to make sure
6 that the inclusion and the diversity of organized
7 labor reflects what's happening in America today.

8 SECRETARY HERMAN: We'll start on this
9 side of the aisle.

10 AUDIENCE PARTICIPATION

11 MR. VISIE: (ph) Thank you very much for
12 hearing me. My name is Avar Visie, Junior.

13 SECRETARY HERMAN: Can you come down
14 closer so we can see you? Thank you.

15 MR. VISIE: I'm a dues paying member with
16 AFSCME 2384 city of Phoenix, also a dues paying member
17 for IBEW 640. And what a coincidence, I looked at
18 this panel and I was here earlier and I was cut short,
19 not given a chance to speak, so I hope you give me
20 just a few minutes longer, but to see that Mr. Blue is
21 sitting there. And I thought I started out right back
22 in the '70's when I took his class at OIC because he
23 was the director of training.

24 I graduated from high school. Then I took
25 his course. I got accepted into the apprenticeship
26 program. I did what I thought was right. I went on
27 forward to work in the labor movement until work was

1 not good here. One thing that we forgot to mention
2 here today, we're taking the issues here in Arizona.
3 This is a right to work state. So not only because
4 I'm Hispanic but also because I'm a union member, I've
5 got a double whammy against me.

6 And that is very clear on what goes on at
7 work. We are dealt with improperly, unfairly because
8 of the disciplinary actions taken against us. When we
9 do something wrong, we get the maximum amount of
10 disciplinary action. When management does something
11 wrong, they get the minimum.

12 And I think you said from the very
13 beginning it has to start at the top. So where do you
14 go with this thing. When you do everything right that
15 you should do, I'm an Eagle scout, 30 years in the Boy
16 Scouts of America. I sit on the largest non-profit
17 board in the Southwest of Arizona, here at Chicanos
18 Por La Casa, been on there going on 15 years. I've
19 done I think everything right.

20 I've got a clean record. I didn't throw
21 myself out of the loop going to prison, doing jail
22 time. I've done what I thought was right and as a
23 shop steward, I push for fairness for amongst all of
24 us, whether you're non-union or union and you get
25 labeled. You become the person they don't want and
26 that's why we never advance because one thing that
27 everybody forgets is once you get to the top, you have

1 to help your brother behind you. You have to bring
2 them up through the ranks. You have to help them
3 along, but that's why they don't bring us up, because
4 they know you're a fair person and they know you're
5 going to do that and they don't want to lose that
6 power structure that that young lady was talking about
7 over there.

8 So what do you do? If anything you take
9 back to President Clinton, you tell him that what do
10 you do for us that are mistreated and not -- and the
11 thing is, I'm a government employee. How about the
12 other brothers and sisters out here that have no
13 backing, that work for those corporations you talked
14 about? How about them? They're getting 10-fold the
15 amount of discrimination that I'm getting, but I'm
16 trying to do better for my family and move up the
17 ladder to help to bring these other brothers and
18 sisters up.

19 SECRETARY HERMAN: I don't want to cut you
20 off but I've just counted 30 people in the line and I
21 think with respect to the others, maybe we could
22 respond to what you said and hopefully give the others
23 an opportunity.

24 MS. VISIE: Can I just finish very, very
25 briefly? This thing of EEOC, you can forget it,
26 because you give that right to sue letter, I don't
27 have the money. I have a family just like everybody

1 else out here that has a family. We can't afford that
2 attorney. That's how the EEOC gets away with that.
3 They give you that right to sue letter to get you out
4 the door. So it's failing. It's failing and it's
5 getting worse.

6 SECRETARY HERMAN: I think we would all
7 agree that the EEOC in particular --

8 (Applause)

9 SECRETARY HERMAN: Thank you for your
10 comments, has been without the resources to do much of
11 its work in recent years and that's one of the reasons
12 that I'm hopeful that the recent increases at least in
13 just dealing with much of the backlog of the EEOC can
14 be dealt with, but you're absolutely right. There's
15 more that we have to do to enforce the laws, quite
16 frankly, and to make sure that we are protecting the
17 rights of all workers.

18 And I would just say to you, I hear your
19 frustration but you too have to hang in there and keep
20 fighting, because it takes everybody really at
21 whatever level you're in today in our society if we
22 want to make a difference for the better.

23 Now, I want to ask each of the individuals
24 who are standing in line if we could really try to
25 keep this tight to a minute, because there really are
26 30 people standing and in order to be able to move to
27 the next session on time and give you the time, we

1 want to make sure that we can move quickly to he
2 individuals that are now on the floor. We'll go to
3 this side of the aisle.

4 MR. ARNOLD: Secretary Herman, my name is
5 John Arnold. I work with the Migrant Seasonal Farm
6 Worker Program. I would not have been here today
7 except Congressman Pastor's (ph) office said -- called
8 me at 7:30 and told me, "You should come and tell what
9 the migrant seasonal farm workers are doing in
10 Arizona".

11 We're the fifth largest state with over
12 100,000 farm workers. We've come up with a model
13 called Micro Business Enterprise and it's one of the
14 few models in business that compromises racism. And
15 I compliment the U.S. Department of Labor for
16 instituting recently a micro enterprise demonstration
17 program. Forty-eight percent of the families of
18 households in America are home based businesses and we
19 need to emphasize micro business as an opportunity.

20 Farm workers have found that that has been
21 a way to compromise racism, so thank you and we
22 compliment your efforts.

23 SECRETARY HERMAN: Thank you.

24 MR. ARNOLD: I've left you a green folder
25 with a little information on it.

26 SECRETARY HERMAN: Thank you very much.
27 Here.

1 REV. SMITH: Yes, my name is Reverend
2 Thomas Smith. I'm with A. Philip Randolph Institute in
3 Tucson, Arizona. I'll just make this short and brief.
4 The thing that bothers me the most is that in America
5 we do one thing the most is talk all the time. Where
6 I think it begins, it begins at home, at home and, you
7 know, I don't understand really what President Clinton
8 is trying reach because, number one, with labor in
9 this country, we talked about the corporations in
10 America, they do what they want to until you levy
11 against their money. Then they get rid of those
12 people that the charges are brought up to.

13 But Secretary, my thing is that I'm
14 looking at where federal monies are going into our
15 universities and colleges and they are outright
16 discriminating against workers on the job and nothing
17 is done. And when you go to the affirmative action
18 officers, nothing is done. How are you going to
19 police yourself when you're being paid by the school.

20 And then we have to understand also that
21 charges can be brought up against everybody.
22 Management, like the young man said, they have their
23 own rules and then as a laborer, you've got to go from
24 A to Z to justify yourself, whereas, management won't
25 do it. So basically what I want to say is I think in
26 America to become one, we've got to be real with one
27 another. We must be real.

1 Number one, we've got to go back to God.
2 I really believe. We really have to go back to God
3 and learn how to be compassionate to one another and
4 stop being greedy.

5 SECRETARY HERMAN: Thank you very much.
6 We have someone, I believe in the back. Where are we?
7 Over here, okay.

8 MS. MEYER: Hi, my name is Mary Meyer.
9 I'm an employee of the United States Department of
10 Agriculture. I and my colleagues and I know a number
11 of people in this organization who have unsettled EEO
12 complaints that are four and five years old and
13 another colleague who can't even get a federal judge
14 to make a decision on his, you know, discrimination
15 case.

16 And I'd like this Advisory Committee to
17 relay to President Clinton that he needs to start at
18 the top and get the federal agencies cleaned up before
19 he can expect corporate America to, you know, to do
20 that things he wants them to do.

21 (Applause)

22 SECRETARY HERMAN: Thank you very much.
23 Doctor Franklin?

24 CHAIRMAN FRANKLIN: I was with the
25 President on Monday and he was responding to the
26 request that the Advisory Board made to him with
27 respect to EEOC funds. The problem is that the -- a

1 very considerable addition in the next budget is for
2 the purpose of strengthening EEOC. The President is
3 quite aware of it. This Board is not only aware of it
4 but recommended it.

5 The President is now recommending it. The
6 EEOC has backlogs and cannot provide answers to your
7 questions and answers to the thousands of other
8 questions because they don't have the funds to staff
9 people, to respond to the complaints. You've got
10 stacks upon stacks of complaints. What you need to do
11 is write your Congress and tell them to support the
12 increase in the appropriations, the line item budgets
13 and so forth, line item items in the budget that will
14 make it possible for EEOC to function effectively.

15 SECRETARY HERMAN: Thank you, Doctor
16 Franklin.

17 MS. LOWRY: Hello, hello, hello, welcome
18 to our great city. My name is Carolyn P. Lowry. I'm
19 an activist on the grassroots level. I represent the
20 black, I'm female, I'm poor and I'm kind of a common
21 type of lady, do you know what I'm saying? But I was
22 listening to the panel up here and you guys were a bit
23 boring to me because when I'm listening at all this
24 talk about what we want to do but why aren't we doing
25 it?

26 And I want to tell you the reason why we
27 don't do a lot right here in Phoenix, so you can go

1 back, Doctor Franklin, and you won't have to scratch
2 your head and have no more gray hair wondering what's
3 up. Number one, we don't support one another, okay.
4 We are a three percent black population that's very
5 divided here. I'm not here to blame anyone else but
6 us for that.

7 I've been working for twenty some years on
8 the grassroots level with the black community and I've
9 yet to be able to get these Uncle Toms to come over
10 here and help me. So what they do, those up at the
11 top, just forget about those of us at the bottom and
12 we never come up. So I'm not here to blame any other
13 culture today but I am here to say to my own black
14 brothers and sisters, it's time that you come back and
15 be who you are and help us in the community because,
16 guess what, I want to drive, too, and get off the bus.

17 (Applause)

18 SECRETARY HERMAN: Thank you very much.
19 Here.

20 MR. HEWLETT: My name is Gerald Hewlett,
21 Junior. I'm the rural tribal technical assistance
22 coordinator for the Arizona Regional Community
23 Policing Institute, however, I'm here to speak as a
24 national training in cultural diversity issues, to
25 address what Doctor Franklin had brought up and what
26 Mr. Lucy had articulated so well and to piggyback on
27 what Mr. Russell said.

1 I worked with over 400 agencies and 4,000
2 people in the last two years alone and until I see in
3 these classrooms the corporate directors and the
4 decision makers, things will not change. When I work
5 with educational systems and I see the teachers but
6 not the principals, things will not change. When I
7 work with governmental agencies, when I see the line
8 staff but I do not see the managers and the decision
9 makers, things will not change.

10 That's what's sorely lacking in these
11 educational programs is not only their practicality
12 and competence levels but also the people that need to
13 be in the classroom, they're doing a lot of talking
14 but they're not doing a lot of walking especially to
15 the classroom.

16 SECRETARY HERMAN: Thank you.

17 (Applause)

18 MR. MEYERS: Good afternoon. I'm Jesse
19 Meyers. I used to be an employee of USDA and I would
20 like to get on record and hopefully someone will
21 listen to me. I am the person that was referred to by
22 Mary Meyer who spoke out of the wheelchair. The
23 federal system does not work. They continually
24 discriminate against people because they keep getting
25 away with it.

26 In my case, in 1993 the USDA says in non-
27 legal terms, "Yes, we admit liability as

1 discrimination against Jesse Van Meyers. However, we
2 have no intentions of doing anything about it". And
3 they got this before a federal judge and this was
4 their statement where they admitted to a federal
5 Judge, Earl Carroll and he has sat on that for more
6 than five years. The letter came from Washington
7 dated the 31st of December 1992.

8 There has been no action taken. I will
9 not go into the farce that EEOC is. EEOC did give me
10 a right to sue and I did sue and my case number is 90-
11 1310PHX-EHC. The 90 means that I filed my federal
12 suit in 1990. It took two and a half years before the
13 government admitted to a liability of discrimination
14 and the federal judge would not take any action on it.

15 Why have these laws, these labor laws, the
16 civil rights laws if the perpetrators are not going to
17 be punished? And things that --

18 SECRETARY HERMAN: Could I ask you to
19 please bring it to a conclusion?

20 MR. MEYERS: Okay, and bring it to a
21 close, because of inaction by the President and his
22 political appointees and so forth and all of the do
23 nothing people, I have been fired again. This time I
24 was fired for making loans to Indians and leaving some
25 of the paperwork out and I was fired for -- and the
26 other reason for me being fired was I was on vacation
27 and I missed paying a traffic ticket in the state of

1 Texas and I have not made up anything.

2 And I had a hearing on this matter and --

3 SECRETARY HERMAN: Could I ask you to do
4 one thing?

5 MR. MEYERS: Yes.

6 SECRETARY HERMAN: Since you obviously
7 would like to share more of your personal situation,
8 perhaps, we can even look into it, I'm going to ask a
9 staff person, who is with the Board if they could get
10 more of the details so that we can hear some of the
11 other individuals who are standing behind you.

12 MR. MEYERS: Okay. I would like to say,
13 I haven't made up anything and my briefcase is out in
14 the car where I brought all this information.

15 SECRETARY HERMAN: All right, we'll get
16 somebody to talk with you and I want to ask if we can
17 limit the individuals who are standing now because we
18 really will not have any additional time to hear from
19 others, but I have been informed, given the numbers of
20 individuals who want to speak that we will make some
21 time in the carry-over session that will begin at 4:00
22 o'clock. That is also a part of the public town hall
23 meeting, so you will all get to speak. We just may
24 have to take a break and make the transition in order
25 to prepare for the next session.

26 So we will continue to move up until that
27 time. We'll take the break and then we'll give you

1 first up at the mike for continuing comment. But I'd
2 ask the staff to make sure that we cut it off for
3 individuals that were actually standing when we made
4 that announcement. We'll go here.

5 MS. SHEPPARD: Good afternoon. My name is
6 Karen Sheppard and I'm the global diversity manager
7 for the Dow Chemical Company. It's been my experience
8 that even with affirmative action programs and
9 diversity programs that real change hasn't come about
10 until the senior management of companies have
11 daughters, for instance, that reach working stage in
12 their lives and they have been discriminated against.
13 And I think that that has been a direct result of
14 white women in corporations really advancing.

15 So I guess my question to you is more from
16 a personal standpoint and not a corporate standpoint
17 because I am only 27 years old. I don't foresee any
18 of the corporation's presidents having a daughter of
19 my color or anyone who looks like me. So how do you
20 get them to experience something like that so that the
21 real commitment is there? Thank you.

22 SECRETARY HERMAN: Would anyone care to
23 respond? Mr. Artis?

24 MR. THOMAS: Well, you can begin to, I
25 won't say that you can absolutely but you can begin to
26 understand other people's points of view if you learn
27 how to look at situations through their eyes. And

1 that's what -- that's what companies have to do, plus
2 the other side of what you said as Mr. Thomas said,
3 affirmative action at the top.

4 SECRETARY HERMAN: Thank you. We'll go
5 here.

6 MS. PHILLIPS: Thank you, Madam Secretary.
7 My name is Vivian Phillips. I'm the President of
8 People In Motion and I will be short but I have a
9 comment, a question and a request. My comment is, I
10 want to acknowledge Doctor Gene Blue, who's a very
11 strong activist in our community for penetrating
12 corporate America from a non-profit standpoint in
13 terms of bringing in people of color, minorities,
14 underprivileged, disadvantaged. He has done an
15 absolutely commendable job.

16 My question, and I'm directing my question
17 to Mr. Artis because I was totally impressed with what
18 your company is doing, and first I'd like to say that
19 this audience, the people that are here today is a
20 reflection of why I'm concerned about Arizona. I
21 thought for sure when I got here today that it would
22 be packed, that there would be no room to get in. So
23 this is a perfect example of us understanding why this
24 issue needs to be engaged in thoroughly here in
25 Arizona.

26 My question to Mr. Artis is someone began
27 to talk about our young people and I think when we

1 talk about racism and developing corporate America we
2 do have to take -- that's one piece of the puzzle.
3 What I'd like to know is what are you doing in your
4 company to work with bringing in or developing young
5 people in preparing them for being in corporate
6 America?

7 And I say that because one of my clients is Junior
8 Achievement of America, and we are in the process of
9 building a multi-cultural initiative to have young
10 people of color understand the economics and
11 importance of what it means to stay in school to
12 prepare yourself for this global market that we're
13 dealing with.

14 And then my request is if there's anybody
15 who's interested in the audience in terms of working
16 with that kind of issue, you're welcome to see me
17 afterward. Thank you.

18 MR. ARTIS: Great and thank you for that
19 question. You can applaud if you'd like to.

20 (Applause)

21 MR. ARTIS: It's a good question because
22 we believe that the success of corporate America
23 depends not only on our ability to be able to attract
24 competitive talent today but also to attract
25 competitive diverse talent for the future. So just to
26 be brief because I know we're pressed for time, we are
27 an avid supporter, in fact the largest supporter of

1 inroads in terms of bringing in qualified African
2 American, Hispanic and other minorities into the
3 business.

4 We also have a very aggressive college and
5 university hiring program and we monitor our intake
6 based on race and sex and are proud to report that
7 over 50 percent of the people that we bring in through
8 colleges and universities, both historically black
9 colleges and universities and Hispanic colleges and
10 universities, et cetera, over 50 percent are
11 minorities. So we're feeding that pipeline, that pool
12 of people.

13 And thirdly, through our foundation we
14 believe it's important to have outreach into the
15 community to effect how people are being educated in
16 K through 12 and other programs and so we support it
17 through our foundation.

18 SECRETARY HERMAN: Thank you. Here.

19 MR. BIUSTEROS: Madam Secretary and Doctor
20 Franklin, my name is Frank Biusteros (ph). As the
21 only Hispanic appointee on President Clinton's
22 Community Development Financial Institution Advisory
23 Council I find myself today as a spokesperson speaking
24 on behalf of those tiny micro-enterprises, the self-
25 employed and the home based enterprises that continue
26 to be discriminated in the financial arena. Financial
27 inadequacies still exist throughout Arizona and

1 throughout the United States.

2 But enough of this well-known problem.
3 Through the President's initiative of the Community
4 Development Financial Institution Fund and the U.S.
5 Treasury, the financial industry is beginning to
6 realize that the nation's poor are minorities, are
7 Native Americans, are a good credit risk and that the
8 Community Reinvestment Act and I suggest should be
9 replicated to have a corporate reinvestment act where
10 active -- where corporate America can invest its fair
11 share to end or at least shorten the disparity that
12 exists between the haves and the have nots.

13 I applaud the President's initiative One
14 America, one nation with liberty and justice for all.
15 Thank you.

16 SECRETARY HERMAN: Thank you very much.

17 (Applause)

18 MR. HIGUERA: Good afternoon, my name is
19 Charlie Higuera. I'm with U.S. West Communications
20 and I work in the Spanish service center, El Centro
21 Service Espanole (ph). Your comments regarding
22 corporate concerns for bottom line prompted my
23 response or what my experience has been. I helped
24 found the Spanish center. We started 14 years ago
25 with about four representatives taking calls from one
26 state. We've grown now to 100 representatives. We're
27 taking calls from 14 states. We're taking about 4,000

1 to 5,000 calls a day.

2 In regard to bottom line concerns, I was
3 there. We helped. With my fellow employees we fought
4 the battles against management to show them that there
5 was a market there. Only after our growth, only after
6 our call volumes increased the revenue was shown to
7 them, then we got the support we needed.

8 I'm grateful for the company, for the
9 support we have now, thank God for that. And where I
10 work is every day a reaffirmation of my culture
11 because all I do is speak Spanish all day. My fellow
12 employees, there's 100 of us, they're from South
13 America, Mexico. It's great. Economic reality sets
14 in when I speak to my customers from across the region
15 that work in the service center here in Arizona, work
16 in the agricultural areas of Washington, they work in
17 the meat packing plants in Nebraska and Iowa and that
18 brings you back to reality. And I thank you for your
19 time.

20 SECRETARY HERMAN: Thank you. We'll take
21 one more question on this side.

22 MR. ABRELL: (ph) Madam Chairman, my name
23 is Anthony Abrell. I am with Neighborhood Spirit
24 Associations. I live in South Phoenix, so I'm a
25 neighborhood activist. I've been for many years. One
26 of the things that I wanted to bring about that's on
27 America regarding to President Clinton's initiative.

1 I wish I would have known that it was early in the
2 morning. I was at the City Council and one of the
3 biggest problems that we have is our own legislatures,
4 our city officials, our county officials, that
5 something like this from the President, I seen it on
6 TV. I tried to get more information but I couldn't
7 find anything.

8 Yesterday at the City Council, Councilman
9 Cody Williams announced that from 4:15 to 5:30 there
10 would be something here at the Preparatory Academy.
11 Had I known it was at 9:00 o'clock, I would have been
12 here at 8:00. But the reason why I speak out is the
13 biggest problem that we have is that a lot of the
14 information that the President is not aware of when he
15 goes to give out monies to the Justice Department,
16 they should investigate the non-profit organizations
17 because involved with the city, they get the
18 information.

19 We, as activists, if we doubt if we get
20 the information. Just like the Rio Salado Project,
21 this is what the public were giving out as far as this
22 is the information that would be coming out, a
23 feasibility study regarding to the Water Act, but
24 then, in fact, this is the actual document that the
25 public is not aware of that's going on regarding to
26 development.

27 And the reason why I speak out in this

1 manner is that I'd like to see these documents go back
2 to Washington so that the President can see that when
3 developments occur on the judicial level that they
4 investigate definitely that the monies go to the
5 immediate areas. South Phoenix has been a garbage
6 dump for many years. It was recognized the city dump
7 and it never gets any revenues. It's always east,
8 west, north.

9 I mean, I like what Mr. Russell said,
10 yeah, it is corporate America that has to look into it
11 and it has to go back to school but they also have to
12 recognize that there's a lot of people out here but
13 the only thing is that there's too many brown noses
14 and it's got to become more whistle blowers where they
15 speak out for the people and all nationalities. Thank
16 you.

17 SECRETARY HERMAN: Thank you very, very
18 much. I would like to ask --

19 (Applause)

20 SECRETARY HERMAN: Thank you. I would
21 like to ask the staff who is in the aisle with the
22 other speakers, if we could either get the names or
23 set up a number system, what we're going to do is to
24 take just a 20-minute break more or less to transition
25 into the town hall meeting. We will then continue
26 with the comments and the dialogue. But for my
27 portion of at least chairing this session, I want to

1 again thank the panelists who have participated and I
2 wanted to recognize Mr. Dick Snell, who is the
3 President and CEO of Pinnacle West who is in the
4 audience and also Jane James of the Arizona Public
5 Service.

6 We thank you for being here and for your
7 contributions as well to this session, to this forum.
8 Again, my thanks to the panelists and to the Board who
9 sat in on this panel. Thank you very much and we'll
10 be back at 4:00 o'clock to continue with the full town
11 hall meeting and this dialogue. Ms. Thompson?

12 MS. CHAVEZ-THOMPSON: Yes, we would
13 encourage all of the people that are in line to make
14 sure that the staff knows your name and you will be
15 put back in the same order that you were in line. It
16 is difficult to try to keep to a schedule but we will
17 do the very best that we can to get back into session
18 right at 4:00 p.m.

19 SECRETARY HERMAN: Thank you very much.

20 (Whereupon, at 3:30 p.m. the above-
21 entitled matter concluded.)
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