

NATIONAL PRESS CLUB LUNCHEON WITH BEVERLY O'NEILL, MAYOR OF LONG BEACH, CALIFORNIA AND PRESIDENT, U.S. CONFERENCE OF MAYORS

SUBJECT: "CITIES FOR STRONG AMERICA" INITIATIVE

MODERATOR: JERRY ZREMSKI, VICE PRESIDENT, NATIONAL PRESS CLUB

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MR. ZREMSKI: (Sounds gavel.) Good afternoon. Good afternoon, and welcome to the National Press Club. My name is Jerry Zremski, and I'm the national correspondent for the Buffalo News and vice president of the National Press Club.

I'd like to welcome club members and their guests along with our other guests here today, as well as those of you watching on C-SPAN.

Please hold your applause during the speech so we have time for as much -- many questions as possible. For our broadcast audience, I'd like to explain that if you hear applause, it may be from the guests and the general public who are attending our luncheon rather than from the working press. (Laughter.)

The video archive of today's luncheon is provided by ConnectLive and is available to Press Club members only through the website at www.press.org. Press club members can also access free transcripts of our luncheons at the website. Non-members may purchase transcripts, audio and video tapes by calling 1-888-343-1940. For more information about joining the National Press Club, you can contact us at 202-662- 7511.

Before introducing our head table, I'd like to just mention a few of our upcoming speakers. On May 22nd, Senator Arlen Specter of Pennsylvania will be with us. The next day we'll have a special breakfast with Senator Hillary Rodham Clinton from New York, and later that afternoon we'll have a luncheon with Paula Kerger, the president and CEO of PBS.

If you have any questions for our speaker, please write them down on the cards that are provided on your table, and make sure that they get passed up to me, and I will ask as many of them as we have time for.

Now I'd like to introduce our head table guests, and ask each of them to stand briefly as their names are called. Please withhold your applause until the end, if we could. Now, from your right we have: Paul Mackie, senior media relations officer for the World Resources Institute; Dan Vock, chief political correspondent -- I'm sorry, excuse me -- of Stateline.org -- he's a staff writer; and Roger Simon, chief political correspondent for Bloomberg News; Kimberly Schwant (sp) producer for Hearst-Argyle Television, Washington bureau; and Tom Cochran, the executive director of the U.S. Conference of Mayors; next, skipping over the podium, we have Angela Greiling Keane of Traffic World, and vice chair of the Speakers Committee here at the club; our speaker, who I'll introduce at greater length in a moment; the organizer of today's lunch, Shawn Bullard, who is president of the Duetto Group; next we have Lisa Friedman, Washington bureau chief of the Los Angeles Daily News; Doris Margolis, president of Editorial Associates; and Bill Carey, associate editor of Traffic World. (Applause.)

When Long Beach Mayor Beverly O'Neill was elected president of the U.S. Conference of Mayors last June, she had no idea that cities like hers would find themselves at the center of a controversy that echoed across the airwaves and through the halls of Congress.

Earlier this year, dozens of members of Congress lined up to blast Dubai Ports World's purchase of operations at several of the nation's ports, including the Port of Long Beach. Though there were some legitimate security concerns with the deal, it would be safe to assume that Mayor O'Neill was as aware as anyone as to what they were.

Now in her third term as mayor, after winning a write-in campaign last time because her city only allows two terms for mayors, Mayor O'Neill has been a national leader in national government and -- local government since 1994.

In addition, she's been a leading voice on the roles cities play in homeland security ever since September 11th. At a conference shortly after the attacks, Mayor O'Neill told her colleagues to find their ports' primary areas of vulnerability. She stressed that once cities found those vulnerabilities, they needed to make sure that the proper protections were in place.

It's no wonder that Mayor O'Neill knows something about ports. The Port of Long Beach, part of the Los Angeles Port complex, is the third-largest seaport in the world after Singapore and Hong Kong. The mayor also has to be intimately familiar with the immigration issue. Located on the Pacific between Los Angeles and Orange County, Long Beach has one of the nation's most diverse urban populations.

Mayor O'Neill will speak to us today about her Cities for a Strong America initiative. And in addition to touching on homeland security, she will discuss other topics important to cities all across America, such as energy, transportation, gangs and poverty.

Prior to becoming mayor, Dr. O'Neill spent 31 years at Long Beach City College. Beginning her career as a music instructor and women's adviser, she eventually rose to become the college's president. She is the product of the Long Beach Public School System, starting with the Long Beach Day Nursery. (Laughter.) And from there, she moved on to get a PhD from the University of Southern California -- with a few steps in between.

Ladies and gentlemen, please welcome the mayor of Long Beach and the president of the U.S. Conference of Mayors, Beverly O'Neill.

(Applause.)

MAYOR O'NEILL: Thank you. You know more about me than I want you to know. (Laughter.) I really thank you for the introduction, however. It included a few things that I don't know where you got the information.

But I am delighted to be here and I'm honored to be here representing the U.S. Conference of Mayors, as president for this year, and also as the mayor of the City of Long Beach, California. I just finished my third term, or I will be finishing my third term this year.

And I did not do it, the third term, because of term limits. I did it because we -- as I mentioned in my speech, we had so many things going that I had to see it finished. And they say that's every politician's excuse, but that was really why I wanted to make sure that we continued with what we had been doing to transform our city.

I'm really honored to be here, representing the U.S. Conference of Mayors. And Tom Cochran you met, is the executive director of the Conference of Mayors. I've really enjoyed working with him. I can't believe that he has had 30-some mayors that he has dealt with as president of this organization, all with their own demands. And so he -- I thank him very much for his patience and his innovation.

When I became president of the U.S. Conference of Mayors this last June in Chicago at the conference, I chose as my theme "Cities for a Strong America," focusing on various issues, because mayors have the same issues. I don't care where you are mayor; you still have to take out the trash; you still have to focus on issues that have to do with your population, whether it's security, crime, whatever it is. We all talk the same language.

And I wanted to focus on those issues that were pressing for American cities. I wanted to draw attention to the importance of the cities in our national economy and to show how the economic health of our nation depends on the economic health of the cities of our nation.

Metro economies, which is made up of cities and suburbs, are critical to the overall economic health and our national economy. And according to a survey that we have had done by Global Insight, one of the nation's leading economic forecasting firms, metro economies are responsible for 86 percent or \$10 trillion in gross domestic output, and 85 percent of the jobs and income of our country.

For example, if Los Angeles and Long Beach together were a nation, we would be the 18th-largest economy in the world, producing \$581 billion annually. And the Chicago area -- metro area would be the 19th-largest economy in the world, producing \$392 billion annually. And that means that Chicago's metro area economy is bigger than Switzerland and Belgium and Taiwan and Sweden, Turkey, Austria, and that if all the U.S. metro economies were considered nations, 42 of the top 100 would be metro areas of the United States.

So when you talk about metro areas, you see that they are essential to the prosperity and the continued health of our nation. And it's a story that we must continue to tell. People don't realize that. They don't realize that this is where the population is, this is where the economy is -- becomes healthy. And that was my goal -- we must be aware that the population of our country is shifting, and that over half of our population is now in 39 different metropolitan areas of the United States.

The Conference of Mayors Metro Report shows beyond a shadow of a doubt that cities and counties together are the well-being of our nation. And the types of examples that I've given you just state the case, and -- to our state and federal government -- regarding the importance of providing the resources and tools to our metro economies. It's not a handout; it is an investment.

It's similar to a CEO who has business who has a prosperous area of their business. If they don't provide the resources to that prosperous area, then it's not going to make any difference to the ones that are struggling because they haven't given them the tools that use that they -- to increase their effectiveness and productivity. And it's not like the days of old where they'd say you'd come to Washington or the state with a tin cup and say I need a handout. It's not a handout. It is not begging for money. It's asking for assistance in making sure that the cities are strong.

We approach Congress looking for resources and ways to assist our efforts to do business efficiently and more effectively. And if they're not willing to invest in the cities, we should be given the tools so that we can make it happen for ourselves because we as mayors know that our communities are vital. They're living, thriving areas of commerce and residential living. The mayors are in their cities daily. They know the problem that they're being -- facing. They know what the constituents are demanding, needing, wanting. And we must continually strive to make our communities the best place to live.

So I began my year as president of the U.S. Conference of Mayors committed to sharing this message in a series of summits on issues that are being faced by the cities of America. But a

short time later, we could never anticipated that one of America's most celebrated cities, New Orleans, would be devastated, along with the Gulf Coast, by the most devastating disaster that I think we've ever seen. As we approach the beginning of another hurricane season, one thing is for certain: we're going to have to be creative if we're going to remain strong and vibrant, especially in the wake of what we have seen already.

The devastation in the Gulf Coast, which I was able to witness firsthand as president of the mayor's group, is nothing like I've ever seen before. The Conference of Mayors is committed to that region, and we'll do what we can to assist those communities.

At first I thought Hurricanes Katrina, Rita and William would force us to completely shift our focus for the year, so that we were not facing the issues, but we were facing this issue. But then I realized that what was happening really underscored the theme of my year. Hurricane Katrina exposed some truth about this country that we must all face.

When the world watched New Orleans and Biloxi and Gulfport and numerous other cities suffer in a tragic way immediately following the storm -- and we as mayors could not ignore what we were seeing. We saw fellow mayors pleading for help. All of the other mayors in the cities of the United States responded to that because this would be your worst disaster. This would be your worst emergency as any mayor saw it. And in spite of the devastation, we could still see the potential opportunity that presents itself now. And when I was in the South talking to all of the mayors of the Gulf Coast, it was amazing the determination they had: we are going to rebuild, we are going to have our city back, we are going to make it. And they're facing manhole covers that were blown three miles inland and then filled all of their sewers with sand, hard-packed; couldn't find a stapler; had their offices behind a building that had no roof; and hoped they could find a card table.

So when you face that devastation and you put yourself in their shoes, you think, we've got to do something. But the opportunity that we have, that we see there, is to reinvest and rebuild that community, that area. Before Katrina, New Orleans' metro economy of 49 billion (dollars) was the powerhouse for Louisiana. It brought in 30 percent of the state's gross product. And it's no question that it must be rebuilt and the nation must help in the process.

This tragedy also shed light on the fact that this country in so many ways need to reinvest in itself and to be rebuilt, which begs the question: Are we truly a strong America? We know that America is not to be truly strong unless issues like poverty, infrastructure, investment, effective transportation, energy conservation are really addressed over the long term. These issues aren't very sexy and do not always demand media attention or grab the headlines, but that does not make them any less important to America's health. And we as mayors on the front lines see this daily.

I'll just mention a few of the summits that we had on these major issues, and the first one was on energy. Without a doubt a key component in keeping our economic engines running is -- must be reliable and cost-effective energy sources.

Over the past several months, energy costs and the impact on transportation has been on the front cover of every national newspaper and the lead story for the nightly news. The media's calling it pain at the pump, and we're feeling it. Not long ago now -- I mean, it's good to say that, but are you feeling it other than when you empty your gas tank and have to fill it up? In the nation's cities, we feel it with our fleet services, we feel it when we hear the people talking of the things they cannot do because of this pain at the pump.

We've gone from about \$1.20 a gallon to pushing \$4.00 a gallon, and just last week, the Conference of Mayors held a national summit on energy and environment in Chicago with my good friend, Rich Daley, who was once the president of this group, U.S. Conference of Mayors. We brought about 40 mayors together with energy and environment experts, business community to sound a national alarm about the record level of gas prices, rising fuel costs and the energy crisis that we are all still experiencing.

When prices go up, whether it's the energy to heat or cool our homes, run a business, or to fuel our vehicles or our fleets, it has a large impact on our local and national economies. And we need to face the fact that we cannot continue doing things in the same way we've always done them. We need to be more energy independent, energy efficient and diversify our energy portfolios. Mayors are dealing with this on a local level, and we're not -- we cannot wait for the federal government.

We are doing what mayors do best: We are acting now. The crisis is affecting every working family in our cities. The people in our communities are making financial decisions as they deal with the ripple effect of this crisis. Rising gas prices are not just affecting working families, but they're impacting and straining city budgets.

Mayors across the nation are evaluating transportation alternatives such as hybrids, plug-in hybrids, ethanol, natural gas, biodiesel and propane to meet these new demands. In addition, mayors are addressing the tremendous amounts of energy used in homes and in commercial buildings. For example, mayors are working with partners such as the nation's architects to promote green buildings that are designed to use half the fossil fuel energy that they currently use. By doing this, we will help save money for homeowners, businesses and protect the environment.

In fact, this week The Wall Street Journal had an article that says, "Greening of America is easier in local communities," because we act. We have to act. Mayors are not sitting idly by waiting for the federal government to move.

Many cities have implemented innovative programs that provide best practices as a short-term solution to our energy and environmental challenges. And at our energy summit last week, we released a best practices guide that shows how many mayors and how they are dealing with this issue. And at our annual conference in June, we are going to release an energy, environment, conservation action agenda that will outline a national strategy to encourage energy efficiency, conservation, and alternative power sources.

The nation's mayors heard President Bush declare that America is addicted to oil, and the Conference of Mayors is on the forefront of a national effort to engage mayors and industry experts and private sector to find a comprehensive long-term solution to move the country from this energy crisis to energy independence.

We also have a summit on transportation. It's another area of focus during this year, and that is the area of transportation investment. Last fall we brought together mayors and key public officials for a transportation investment summit in Denver to discuss significant transportation challenges confronting our cities and suburbs, including the need for much greater investment in public transportation as well as airports, ports and rail.

With escalating gas prices, it's time this country be committed to investing in public transportation. Across the nation people are discovering that public transit provides an affordable, comfortable and energy-efficient way to get to work and to reduce the impact of high gas prices. In fact, if Americans use public transportation the same way as Europeans do, for only 10 percent of their daily needs, the United States would reduce its dependence on imported oil by more than 40 percent.

Public transportation also promotes energy independence. Last August, at \$286 billion, Congress enacted the largest transportation program in our nation's history. And I was delighted. That was something that probably a lot of you in this room -- that I see so many people from the cities, representing cities -- worked very hard on. Yet with most of the money going to state highway projects, which are badly needed, transportation investment will not meet the needs of mass transit in this country.

Today we are calling on Congress and the administration to invest in a national initiative for a substantial and rapid expansion of public transportation in our cities and suburbs.

Additionally, in this country we also need to have security for our air, rails, highways and waterways. With more than 9.7 billion trips logged on the nation's public transportation system in 2005, securing this critical infrastructure and protecting the riders from potential terrorist attacks remains a high priority for mayors, public safety officials and first responders.

As we continue this discussion about rebuilding and reinvesting, we look seriously also at infrastructure. We all know that New Orleans levees were insufficient to withstand hurricane-force winds. The levee breach in California a few months ago caused serious flooding in that region. And just last week, we saw flooding caused by high water levels in New England.

The Conference of Mayors joined with the American Society of Civil Engineers last year to release their report card on America's infrastructure. The 2005 report card for America's infrastructure, which examined the conditions of our nation's roads, bridges, schools, transit, rail, aviation, drinking water, public parks and recreation, security, energy, waste water and dams and other areas, gave our country a cumulative D.

Traffic congestion and overcrowded schools are daily reminders that the nation's aging infrastructure is struggling to meet the needs of its growing population and directly affects our economy and quality of life.

At the Conference of Mayors 2005 Urban Water Resources Survey, it revealed that 35 percent of the 414 cities surveyed indicated they will not have an adequate water supply in 20 years. We think of water as free. It may be free, but how does it get to you?

These are issues -- and water is the second thing that we need to live -- and air is the first, you know, so -- I was going to ask you, but I was thinking maybe I'd -- (interrupted by laughter) -- I'd get dead silence. I mean, you are a good audience, let me tell you. (Chuckles.) I mean, you're either asleep or dead or something because -- (interrupted by laughter) -- you are very attentive. I have to tell you, I love it. (Laughter.)

Anyway, the statistic is an alarming reminder that reinvestment in domestic infrastructure is reaching a critical moment. The question is, are we going to improve America's infrastructure by investing in these areas? Or are we going to continually building other countries and watch our infrastructure needs fall to a failing grade?

Another area that we covered with one of our summits was poverty. As I mentioned earlier, Hurricane Katrina forced us to face some real truths about the overall condition of this country. This devastation unmasked a hidden problem not only in New Orleans, but in this country. That is the issue of poverty and the plight of the working poor. You don't need to go to New Orleans to understand poverty in this country; just go to South L.A., the south side of Chicago, go to South Bronx or Southeast D.C. Poverty is all around us, yet no one wants to look it square in the face. We cannot ignore a poverty index that unrealistically says that a family of four can live on \$20,000 in this country, nor can we ignore the fact that three and a half million men, women and children are homeless in this country. Our American families need our help to build a strong economy with strong wages.

In January the conference documented that there was a 20 percent wage gap between the loss of jobs during the recession and the jobs gained during our recovery.

The good news is that average wages are gaining, but the bad news is that they're only gaining for the top 20 percent Americans. In 2004 average wages for 80 percent of the workers declined.

So as you can see, not everyone is sharing in the growing economy.

A couple of months ago the Conference of Mayors held its Poverty Task Force meeting, led by Los Angeles Mayor -- and my neighbor -- Antonio Villaraigosa. During this task force meeting, mayors and policy leaders from around the country were challenged to think differently about poverty and the changing dynamics of the global economy.

The truth is, hardworking Americans are still struggling to compete and succeed and are oftentimes failing. That's why we must address the issues of education and the skills gap, which is widening as we speak, so much that our nation can compete in this new global economy.

The Conference of Mayors is so aware of these things, working so hard to make sure that these issues are important issues to our country, moving discussions from the margins to the mainstream. We'll have an entire session at the conference's annual meeting in June, in Las Vegas, that will engage mayors and experts on how we can create real opportunity for everyone in America.

And then the last issue: homeland security and crime.

And finally, I -- every mayor I know would tell you that their first priority must be public safety. Safety and security impact every part of the nation's -- of the community's social and economic fabric. If you were ask mayors what are the first five things a city must have -- public safety, good education, jobs, ownership in business and in home, and my last one is respect for one another -- and those are core things that we must work with and try for.

But for every mayor in America, the job of ensuring public safety has changed forever on September the 11th. On that day of tragedy, we saw that local police and fire personnel are truly the nation's first responders to acts of terrorism. And in the days immediately following 9/11, we came to the conclusion that local police must be a part of preventing acts of terrorism. Who is more likely to witness suspicious activity than police officers working daily in the airports, ports, public transportation systems, schools, sports, and other key infrastructure issues -- sites.

The nation's more than 600,000 sworn officers must be integrated into our national effort to stop terrorists from destroying our American way of life. That's why mayors have been pushing -- as first responders -- have been pushing for equipment, training, and deployment resources for police and fire emergency services personnel to make sure that they have the skills and tools they need in the domestic fight against terrorism. We have been fighting to make sure that these funds get to the cities that need them and are not stuck in state or regional bureaucracies.

As we learned following Katrina, mayors know that we need to be prepared to help ourselves in the early days, and in the weeks and maybe even months following a devastating attack or a natural disaster. Cities like Baltimore, Louisville, Indianapolis, Pittsburgh; Richmond, Virginia; Cincinnati; Lexington, Kentucky; Washington, D.C., and Nashville are signing city-to-city mutual agreements to help each other if it's needed. They are not waiting for state or federal assistance.

At the same time, mayors continue to focus on the ongoing need to address crime. We have made great strides in American cities fighting crime, with crime rates at a 30-years low in many area of the country. But we still have growing major problems with illegal drugs and violence, and newer problems now facing us, such as meth, growing gang violence in center cities and suburbs. As we heard during our recent Gang Summit, hosted by Mayor Villaraigosa in Los Angeles, cities of all sizes and regions of the country are experiencing an evolving gang problem.

According to a recent survey by National Youth Gang Center, there are 21,500 youth gangs in the United States with 731,500 gang members. And in Northern Virginia the MS-13 gang problem has reached suburban communities that thought that they were safe from gang violence.

Now you see why we can never let up on the ongoing fight to keep our streets safe, our families protected and our nation secure.

We are not going to give up. We are in there for the long haul. But what about Washington? Mayors face these problems daily, and they are not partisan problems. Mayors are moving on key issues like transportation, investment, homeland security, crime and violence, environmental protection, energy efficiency and poverty. But what about our federal government? Is it acting as a true partner in these efforts?

Key investment programs like Community Development Block Program, which creates jobs and opportunities for economic development and housing, continues to be on the chopping block. It affects every city in the United States. Funding for key police and anti-crime programs have been almost completely eliminated. Port transportation security funding is not where it should be. First-responder funding is being reduced because it's tied up in state and regions bureaucracies, just as we predicted -- the mayors -- when we fought for direct funding. Congress is also threatening to preempt our ability to manage telecommunication resources that protects cities to protect their consumers. These are not the actions of what I consider to be a full partner.

Mayors have always had to adapt to the changing times, and I think that's the strength of the mayors of this nation. Many of our communities were known for certain industries, whether they were steel, shipbuilding, textiles, or other types of manufacturing jobs that have vanished. In many of our communities, we were left with a mere shell of what a city once was.

In my own community of Long Beach, for most of the 20th century we were defined by being a Navy town and an aerospace town and an oil town. In the 1990s we were devastated by the closure of the Navy hospital, the Navy station, and finally the Navy shipyard. At the same time, we were trying to deal with the layoff of 30,000 McDonnell Douglas employees.

In total, we lost in our city -- and right now, we're almost a half a million people -- but in the middle '90s, we lost over 50,000 jobs with economic losses totalling \$4 billion. And for a city of our size and for the impact that it had, because workers came from all over Southern California to be there. We had visions for our future, and we -- that we could leverage our historic strengths in tourism because it's a wonderful place to visit -- sunny, bright, you know, all the things that Chamber says that I say a lot, but that's really not part of this speech. (Laughter.) But if you ask me a question, I'd be glad to answer it about it. (Scattered laughter.)

But we had to look into a new diversified economy that would carry us into the 21st century. We also envisioned that we could take advantage of the emerging technology boom and have a technology center in Southern California, as they had in Northern California. We also needed to stop the retail leakage that had happened to our city over the years. We were suffering from that and put more vitality into our downtown.

Much of what we discussed at that time, in 1994, has finally happened, and we're beginning to see some results. Visually, we started to see results in 2003.

Our former Navy shipyard is now our largest container terminal port, and our port continues to be the second busiest container port in the Western hemisphere. Long Beach, Los Angeles are individually, each one is the largest port in the United States, and combined, these two -- and Jerry, I have to tell you, you're not up on the latest news -- (scattered laughter) -- sorry. (Laughs.) Well, this happened in the last two months. We are now, combined, LA, Long Beach, the fifth largest port complex in the world. Shanghai and Tianjin, two Chinese ports, have come in at third and fourth, and Shanghai hadn't even opened before they were the third, I think.

So the passage of cargo containers still to the United States, the port of Long Beach, the port of Los Angeles brings in 42 percent of all of the cargo into the United States.

And I was so glad I was sitting here by Angela. She's in transportation by -- surface -- (thinking ?) water. And that's a real problem that we have, and that is transporting goods once they get off the ship.

But in addition to that, we expanded our convention center, put in an aquarium, Carnival Cruises now comes to our city, had been in San Pedro, and we have a convention center that people can come to, walking from the hotels directly to the convention center. The Queen Mary. And we have a dynamic downtown.

And how did we accomplish this change in our city? In fact, one of the undersecretaries that I worked with, Cassidy, Secretary Cassidy, is over there someplace. I got to know him almost more than my husband for -- in a different way -- (laughter) -- because he was in charge of working with the transfer of land. And the land was in our city, but we still had to work with the Navy through all of the restrictions that happened, to make sure that we had the land back and we could something with it.

But we didn't ask for money as much as we asked for assistance. This was handled for investments -- by investments in our community, and public and private partnerships and assistance from the federal government. I'm glad that people realized the opportunities, shared our vision for Long Beach, and I would hope that all levels of government would still see the potential in every community and not turn its back when what has happened to their cities was not of their own volition, when they need it the most.

Our communities are the backbone of this country. Our industries and businesses fill the state and federal coffers, and we have the right to insist that now is the time to invest in our communities. And give us the tools we need to strengthen America's economy.

There is a new breed of mayor, and I've seen it in the 12 years that I've been part of the Conference of Mayors. Mayors are more socially conscious than they have been in the past. They are innovative. They're aggressive. They're tenacious and outspoken about the needs of their communities.

And when history is written about this moment in time, it will take into account how we responded to the challenges we faced as a country and as a society. And whether history is kind

to us or whether we -- will be dictated by whether we ignore the challenges before us -- and I think we are right now -- or we had the courage and conviction to act.

An unknown person said, "Compassion without action may as well as be indifference." And I couldn't agree more. Now is the time to reinvest and rebuild this country, and mayors are on the forefront leading the way. We need the cities for a strong America.

And I'm delighted I had this opportunity to tell you that.

Thank you very much. (Applause.)

I know that some of you brought up questions before I even spoke. (Laughter.) So I know you're not going to ask me about the speech. You're going to ask me my stand on something. And I have to tell you, I -- not knowing a stand on a lot of things -- so I'm going to say I'll get to you later. (Laughter.)

MR. ZREMSKI: Well, we're going to try to ask some -- ask these questions, anyway. (Laughs, laughter.)

In light of the controversy about Dubai Ports World, how confident are you of the security of the Long Beach port and other ports around the country?

MAYOR O'NEILL: I thought that the publicity on the Dubai Ports situation was somewhat misleading. We're on the west coast, and the news that we got was that the foreign countries are taking over the ports.

Now, every shipping company that uses a port is from another country. And my understanding is that the ships that were coming into -- from foreign countries into a terminal, and the terminal was being taken over by Dubai. They're -- they have lots of terminals in every country -- or every port, so they were taking over a terminal.

Now, terminals are not run by foreign entities by the people and the workers on the dock; they have American workers.

In the city of Long Beach, during the time -- and maybe some of you remember this -- during the time when the Navy closed our port, their port, we had a China shipping company that had been with us for 17 years. And the China shipping company was going to move into that land that was vacated by the Navy. It got as far as Congress to vote against that the foreign country of China could not use that Navy land because they might spy on us. And the Navy had been there all this time, and the Chinese had been there for 17 years and we had never had a problem. But the Chinese company is still there. And in China at that time it was much more run by the government than it is now. So we have a Chinese company using one of the terminals at the port, using American workers.

So I think that it was very misleading as to what was actually going to happen. And when it came out, it was, of course, all over the world that they were taking over -- what was it, seven ports, or

something like that? -- and they were all on the East Coast. It never got to us that they were going to take over Long Beach, so we didn't ever react to any of this. But they take over a part, a terminal, and that's where their ship goes. And a ship from Israel will go -- company would go to another terminal. And shipping from Korea would go to another terminal. So it -- every port that brings in goods doesn't bring it from the United States, it brings it from a foreign country.

MR. ZREMSKI: Could you give us your opinion of the current immigration debate before Congress, and also President Bush's plan to deploy National Guard troops at the border?

MAYOR O'NEILL: Let me just say that we had an economic study done of the Long Beach/Los Angeles area on workers, and we have a large, large population of immigrants -- some legal, probably many more not legal. I feel that people should be legal. How we get there, I don't know.

I'm not sure that the plan that is currently in effect -- I was talking with a young man in the city who came from Honduras years ago, at 16 years of age. He wouldn't have known where a piece of paper was, let alone have a visa or a worker's -- visitor -- worker's -- what is it? Visitor's visa -- a visitor's worker. And then if they sent him home, he couldn't even afford to get there in the first place. He wouldn't be able to go home.

So I know that our economy in Southern California, as it is throughout the United States in many areas, is dependent on all of the workers that are there now. And it would be a real drastic change if that changed. It would make a difference to the economy.

But how we have illegals become legal -- the city of Long Beach has the largest population of Cambodians outside of Cambodia. And we know that they are legal because of the fact that they had to come across the water, and they had to go to a relocation camp. But I don't think that these people have mainstreamed either.

So this is a population -- we all have populations that we're having real problems -- but the migration problem right now, I think, needs to be much more debated. The Conference of Mayors is going to be discussing this in June, because this is a situation where we have not had a stand on it. But the mayors are vitally concerned.

MR. ZREMSKI: What qualities do you think the next mayor of New Orleans needs? (Light laughter.)

MAYOR O'NEILL: Winning ways. (Chuckles.)

I think the mayor has to be tenacious, has to be able to work within a system that he's depending on. And I can say "he," because it's two men that are in the finals. I think he needs everything that any mayor would need: the skills to do the job.

And this is a really important time for New Orleans. I think there's more than just the race itself and the rebuilding, but also the cultures and the population and what they hope for the future of New Orleans.

So I -- you know, and I have to say that Mayor Nagin, to be in the position he was in, I would never try to second-guess what he did right, what he did wrong.

I think Mitch Landrieu is an outstanding man. When we were there we had conversations with both of them. They weren't in the position that they are right now, being in a race. But they both have New Orleans in their heart, and they need -- but they need to be able to work with the system that we have in the United States. I mean, if you don't work with it, whether you like it or not, it's the best system anyplace, and we need to know how to work and also try to make it better.

MR. ZREMSKI: You've had the opportunity to work both with President Clinton and with President Bush, who you recently had dinner with. How would you compare President Bush's involvement with mayors and cities with President Clinton's? (Laughter.)

MAYOR O'NEILL: Well, I'm a little partial. During the Clinton administration is when we went through the disasters in our city, or the tragic -- the crisis in our city. And I have to say that the Clinton administration was so open because they realized that with the BRAC hearings and the loss that a city suffers, they didn't ask for, our city didn't ask for. In fact, we loved being a Navy town. We had the largest dry dock in the West Coast. But President Clinton was very open to helping us. The meeting that we had with him and department heads, secretaries, was one where we were not asking for money, we just wanted them to acknowledge and to facilitate the things that we turned in, pay attention to the grant applications, all of the things that actually they offered that they we could qualify for. So -- and President Clinton, every time the mayors met, we -- in Washington, which was every January, we always had an audience in one way or another with President Clinton.

President Bush has not been as open to the input from the mayors. I did have dinner with him. I thought it was one of the most delightful evenings -- there were five mayors, one county supervisor -- when he was in Los Angeles and was at Rancho Mirage in the desert, invited five mayors, I was one. And it was like having your neighbor come in and have dinner. I kept thinking, "This is the president," you know. And we're talking about, you know, baseball, and we're talking about immigration, and we're talking about all of the things that you might talk with him. And I was very impressed with how genuine he was. But he has not been as open to input from mayors as President Clinton was.

MR. ZREMSKI: How close does the transportation bill, finalized by Congress last year, come to addressing the nation's transportation and infrastructure needs?

MAYOR O'NEILL: This was a bill that every city was looking forward to that had any transportation problems -- and they all do, especially the large cities where they have mass transit every day.

I am delighted that it finally got through.

It was painful. It was something you had to be aware of all of the time. It changed directions. The House would say this much, the Senate would say this much, and the president would say this

much. And I mean, it was a constant effort to keep up with what was going on, and I thought at that time that the 710 -- oh boy -- the 710 Freeway in Long Beach that carries all the traffic from the ports, which is 60 years old and crumbling, finally, you know, we're going to have something.

Now, we didn't get what we wanted. I don't know if anybody did, except two or three, which I won't mention -- (laughter) -- who have people in the right places. But it's wonderful for our country that we have this because this was a major, major act of Congress to do something like this, and I don't think we've ever had this much before. But it's drastically needed, just as in California it's drastically needed and our governors working on this right now.

But infrastructure needs are desperate. They are desperate. The movement of water, the bridges that are crumbling, the federal infrastructure buildings that we have are desperate to be -- to pay attention to. It's like, you know, if you never finish your roof because -- or change your roof because it's -- you know, it isn't leaking yet, and you wait too long, you have a major disaster. And that's what's going to happen.

MR. ZREMSKI: What affect will the rash of state eminent domain laws have on city redevelopment efforts?

MAYOR O'NEILL: I think everyone's interpreting it a different way, and different states are coming in and making decisions that are for their states. The word "eminent domain" scares people to death in a city. That means that you could come in and take my house. And in any of the discussions that we have had, eminent domain is not something that cities are going to go in and threaten their citizens for. This is not something that people want to do to their citizens -- for their citizens.

But I've got to tell you that in some of the cities that -- as I said earlier -- that had old steel mills, that had textile mills, that had -- and these things are still standing, and they might have three or four houses, you know, in the middle of it, you cannot use for -- and maybe you can't use this land for anything if that one house doesn't move or relocate.

I think they have to have that type of ability to look at the economic direction for their city, and especially with the changes that we've had in our society from industrial and manufacturing to a technologies society.

So I think that there has to be some flexibility in there. But the word is "scary." I mean, you talk about this little lady who's lived in the house, and you can have -- every city has them, where you have -- they've lived there for 60 years and they raise their kids, and they don't want to move, and, you know, this is where they want to live and die. And, you know, there are stories where you have to really rethink this and ask if this is really what you want to do, or wait until the place is available.

So I'm not dodging the question. I'm just saying that I think there has to be flexibilities for cities in there, whether they are city-mandated, whether the state is saying what you can do and what you can't do.

We just went through a situation where we have property on both sides of a church. And the church was worth \$230,000, and -- but the guy sold it to another church, so another group was coming in. They hadn't been in there very long, and the city offered them 800 and something (thousand dollars) rather than the 230 (thousand dollars) that it was assessed at because property value had changed in the last two years in Southern California. And they said they would take it because when they bought it, they knew the city wanted it and they would take it. And at the last minute, they decided not to take it.

And all of a sudden, we had churches coming in -- a national church group saying that we are destroying religion in the city, that we are anti-religion. You know, and it was, like, "What happened? You know, that isn't what the cause was." Gave them about 11 different locations, and they didn't like any of it, so we decided we'll let them stay there and we'll develop on both sides. And now they're saying, "Well, you know, maybe we'll look at it again." So -- (interrupted by laughter) --

MR. ZREMSKI: All right. It's time for our last question. But before the last question, we have to produce -- present you with our plaque --

MAYOR O'NEILL: Oh, I like that. Thank you very much.

MR. ZREMSKI: -- our honorary plaque, and the much-treasured National Press Club coffee mug.

MAYOR O'NEILL: Oh, how nice.

MR. ZREMSKI: So --

MAYOR O'NEILL: Thank you. (That's so lovely ?). (Applause.) Thank you.

MR. ZREMSKI: Right. One -- one last question.

MAYOR O'NEILL: Let me just say that when I got in the elevator, and I saw your next two speakers were Arlen Specter and Hillary Clinton, I thought, "I can't believe it. Here I am." And now this validates the fact I was here. (Laughter.)

Thank you very much. (Applause.)

MR. ZREMSKI: (Laughs.)

Our last question is a very tough, tough question, and that is, a lifelong Southern Californian, please tell us your favorite beach. (Laughter.)

MAYOR O'NEILL: Depends on what you want to do on the beach. (Laughter, applause.)

MR. ZREMSKI: Thank you very much.

I want to thank Mayor O'Neill. I want to thank everyone for coming today. And I'd also like to thank National Press Club staff members Melinda Cook, Pat Nelson, Joanne Booz and Howard Rothman for organizing today's lunch, and thanks to the NPC library for its research.

We're adjourned.

(Sounds gavel.)

(Applause.)

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