

NYC Global Partners Summit
Business Innovation and Entrepreneurship: City Strategies
Columbia University Low Memorial Library
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Michael R. Bloomberg, Mayor of the City of New York

in conversation with

Jeffrey R. Immelt, CEO, GE and Chair, President Obama's Council on Jobs and Competitiveness

Moderator: **Meyer Feldberg**, President, New York City Global Partners, Inc.

[Remarks as transcribed]

Meyer Feldberg:

It's always an honor and a pleasure for me to be on this campus. First time I was on this campus was almost fifty years ago as a graduate student, and there is no greater space than this particular room in our city of New York. It is an honor for me President of the Board of New York City Global Partners to welcome everybody here today.

This summit, as you heard from Rob, marks the 5th Global Partners summit that Columbia has co-sponsored and we greatly value our relationship with this extraordinarily world-class university. We also would like to thank the World Bank who joins us as a co-sponsor, and this event would not have happened without the generous support of GE. And I do say very generous support. Jeff, it is wonderful.

A special welcome to the thirteen or fourteen City Commissioners and deputy mayors who are with us today. We're always delighted to have so many members of the city administration join us for these summits.

Today marks the 10th Global Partners summit convened by the Bloomberg Administration. As the global economic recession continues, the work of these summits has become increasingly important, and I am particularly pleased that so many cities keep returning for these summits. In other words, we have cities that have come three, four times in the last five years because they learn as much from each other and from New York as they do in their own cities so they keep coming back which I think is a reinforcement of the value and the importance of these summits.

Today's summit will focus on just what cities are doing around the world to promote business development through innovation and entrepreneurship. All of it focused, of course, on creating jobs for the 21st century.

Represented here today are international delegates from Bangalore and Barcelona, from Berlin and Bucharest, Budapest and Buenos Aires, Cape Town, Geneva and Ho Chi Minh City, Istanbul,

Johannesburg and Karachi, Kiev, Lisbon and Luxembourg, Lyon, Montréal, Munich and Panama City, Stockholm, Tel Aviv and Tokyo. A truly global representation.

I hope that I will be forgiven for singling out that there are two mayors here, one from Johannesburg, the city in which I was born and grew up, and a mayor from Cape Town, a city in which my family lived for ten years when I was dean at the business school of the University of Cape Town. So I'm delighted to have two South African mayors with us today. We have a group of other mayors with us today and I would like to introduce them. We have the mayor of Bangalore, the mayor of Bucharest, of Budapest, of Geneva, and of Ho Chi Minh City as well as Johannesburg and Cape Town.

This morning it is my pleasure to introduce and moderate a conversation between two great innovators: Mayor Michael Bloomberg, the 108th Mayor of New York City, and Jeffrey Immelt, the chairman and CEO of GE, and, as you all know, Chair of President Obama's Job Council. So, I'm first going to introduce Jeff Immelt and I will invite Jeff Immelt to speak to us for about five to seven minutes. He will then take his seat on the stage. I will then introduce the mayor of New York City and he will speak for five to seven minutes and take his seat on the stage. Then I will pose a series of questions to our two guest speakers and they will have a conversation around these issues.

So let me first introduce Jeff Immelt. Jeff Immelt graduated with a BA from Dartmouth in Applied Mathematics and an MBA from Harvard Business School. He assumed the top position at GE in September 2001, ten years ago. He has positioned GE as a global leader in multiple industries including power, energy, healthcare, transportation and infrastructure development. Jeff leads an iconic company with over 300,000 employees in more than 100 countries. As a member of the board of the Robin Hood Foundation here in New York City, Jeff has worked with other business leaders on programs focused on reducing poverty. President Obama recognized Jeff Immelt as an effective job creator when he appointed him Chair of the President's Council on Jobs and Competitiveness in January of this year. Please help me welcome Jeff Immelt.

Jeff Immelt:

Thank you, thank you. It's easy to say thanks and welcome to the two mayors, Meyer Feldberg and Mayor Bloomberg. It's my honor to be here with you this morning representing GE, to have a conversation about innovation and about the city's role in innovation. I just, to relate, to frame my perspective: I make three overall points. The first one is that a lot of innovation in the coming years will be around companies, both big and small, creating solutions to big, I would say to social and demographic issues. And this is something that really GE has worked on much of the last decade. We've picked two, what I would call, big themes: one is clean energy and the notion that we can make innovative products, we can produce jobs, we can do it economically, and we can improve the environment at the same time. Green is green. And we've launched that in 2005 and when we launched that, we had about five billion dollars of revenue in those products. Today we have twenty one billion dollars of revenue in those products. It's about 20% of our industrial company. And we've done that by more than doubling our RND and we've done that by progressing from a technical standpoint, we've done that by doing this in every corner of the world. So that's an initiative we call eco-imagination. Three years ago we launched an initiative called health-imagination and this is about affordable healthcare. We said we were going to focus three billion dollars of RND on products that improve cost,

quality, and access in healthcare that we felt like this was going to be important, not just in the US but on a global basis. We thought if we can improve healthcare delivery at a low cost and healthcare innovation at a low cost it would help our business grow. This is roughly half of our RND that we do in our healthcare business. It's allowed us to really lead in market share in the emerging markets around the world in healthcare, but it's also really helped up improve our presence in hospitals here. So, affordable healthcare, clean energy, big problems like this, are ways that companies can innovate, produce a good return for our investors and solve big problems at the same time and I'm convinced that's the way in which these innovations have to be treated.

In order to do this frequently, you need to offer a solution and, almost all the time, some form of government is going to interface with the work you do. And so as we've done this over the past six or seven years, we've done more work with cities. And, in many ways, cities can provide, I'd say the most effective form of government to partner with in clean energy and affordable healthcare. We've increased our effort to understand how cities can innovate and Mike [Bloomberg] has been on the leading edge of both of these, both clean energy and affordable healthcare.

Smart grid technology that you all read about, electric vehicle technology that you all read about, these are really city solutions. You know at the end of the day, you know we're working on big smart grid projects in Miami, Florida, a big smart grid project in Rotterdam, several cities in China. They're not national programs; that's too grand. You need to focus on city solutions. So a lot of clean energy is going to be driven by working with cities and particularly in the area of grid management, grid productivity and electric vehicle. So, cities are now an important partner.

The other point I'd make about cities is in the area of affordable healthcare. There's no such thing, not just in the US, but anywhere, as national healthcare. We don't have one healthcare market in the United States; we have fifty city healthcare markets. So if you're going to work on things like affordable healthcare in the US, you're going to do it in cities. In our case in GE, fifteen cities count and those are the ones driving affordable healthcare programs. In the place where we're really pioneering is in the city of Cincinnati which has the highest density of GE employees and retirees.

So, solutions are a great way to innovate. Cities are particularly good partners with whom to innovate with because they offer the local solution that is required. The third point I'd make on these big solution sets is that they require partnerships between big companies and small companies.

We've had two innovation challenges. We did a smart grid challenge about eighteen months ago where we basically said to entrepreneurs and startup companies "here's our vision for the smart grid. We'd like your ideas." We got over four thousand ideas. We're making over thirty investments in these companies from outright acquisitions to strategic partnerships. And these are startup companies. Similarly, we did the same thing about two months ago in breast cancer, again calling out to the entrepreneur community to help us offer better solutions, lower cost solutions in the market place.

Big solutions count, cities are great partners, there're big and small company collaborators; those are the three points I'd make just to frame this discussion. The last thing is I want to shamelessly merchandise the Jobs Council. This is the interim report that we gave President Obama about two weeks ago. It's very specific, it's very focused. We really set it up to try to avoid the need for bipartisan

legislation. There are many things that can happen just with the private sector and the public sector acting.

Five big areas: infrastructure which is something that creates jobs and is desperately needed. Sponsoring high growth companies: forty million jobs in the US since 1980 have really been created by high growth enterprises, not specifically small business. The job creation in this country are companies like Bloomberg and Amazon and Microsoft. These are the guys that really, these high growth enterprises and how can the US be great at that. A national investment initiative both to help our exports but also to convince companies to execute and invest here. The fourth thing is regulatory simplification. That's important. And number five: education. One of the focuses in education is each year to increase the number of engineers that are graduating by ten thousand. We graduated about one hundred thirty-five thousand engineers every year. China and India combined graduate a million engineers every year. If we want to create jobs and if we want to drive exports, we got to change that equation. So, that's the work that I hope you've seen or can download on jobs. So, I'm thrilled to be here today. And, Mayor, I look forward to having a great discussion. Thanks.

Meyer Feldberg:

Thank you, Jeff. I was remarking to Jeff Immelt that this is probably the fourth or fifth time that I've introduced him to an audience at Columbia University, but in the past it was always to students at the business school.

It is now my pleasure to introduce Mayor Michael Bloomberg, who like Jeff, also went to that other business school. Mayor Mike, like Jeff, knows a bit about entrepreneurship and innovation. In 1981, over thirty years ago, he founded a small tech startup company, and gave it the unlikely name -- Bloomberg LP. I think at the time, Mr. Mayor, you started with a half a dozen people at Bloomberg LP. I also understand that some of your advisors at that time suggested that you to give the company a generic name rather than Bloomberg LP. You did not listen to them and that's a good lesson for all the entrepreneurs in this room: seek advice, but use your own judgment.

Well, you all know the rest of the story about Bloomberg LP. It is now a global media company that currently employs over 13,000 people in 160 countries. Since its founding thirty years ago, Bloomberg LP has employed almost 30,000 individuals, the vast majority of whom live in global cities around the world. Mike is a one man job creator.

Today Michael Bloomberg leads a global city of nearly eight and a half million people – arguably one of the greatest cities on earth. New York City has approximately 300,000 employees, a budget of 66 billion dollars and school system where more languages are spoken than are spoken at the United Nations. Mayor Mike has made New York City a leader in the innovation entrepreneurship and job creation and I know he will be telling us more about this during the morning.

Ladies and Gentlemen, please help me welcome Mayor Michael R. Bloomberg, the 108th mayor of the City of New York.

Mayor Bloomberg:

Thank you. It is true that Jeff and I went to another business school but he went to undergraduate school with somebody I live with and she is a graduate of your business school, so we have a connection.

Anyways, thank you for that kind introduction and also all that you do for our city as President of Global Partners, and Jeff, welcome. Now if I can just get you to move all of your facilities from Cincinnati to New York, mission accomplished.

Let me also thank Columbia University Senior Vice President Robert Kasdin and the Columbia community for hosting and co-sponsoring this event. I'm on a number of boards together with Robert and he is one of the great corporate citizens, does an enormous amount for our city and has been very helpful in working with our deputy mayor, Bob Steele and president of EDC, our Economic Development Commission, Seth Pinsky. So, Columbia is not just one of the greatest universities in the world that's located here, it really is a part of our city and their success is our success.

And also let me thank my sister, the city's Commissioner for the United Nations, Consular Corps, & Protocol. I think she has the distinction of leading the agency with the longest name, but it is also an agency with an enormous amount to do with the success of this city because the diplomatic community here in New York is a great part of our economic success. But also, it's New York's opportunity to speak to the world and to learn from the world through the United Nations and through all the embassies and consulates that are here. Marjorie, also, this is her tenth year of working with this summit and in my book that means she scored a perfect ten. Most of you aren't old enough to remember the movie ten, but that's another issue. If you did, then it would be a lot funnier the response I got. This year she had the able assistance of Seth Pinsky. And I also want to thank those, thank Columbia and those who joined with Columbia in co-sponsoring this, the World Bank, GE and it's chair and without corporate sponsorship, most of these things shouldn't work, so while you can give some business to GE, it's hard to give business to the World Bank, always have a smile on your face at least and tell people these are two great organizations that really are part of this country and this world's success.

I also wanted to take the opportunity to welcome the representatives of twenty-two cities who are here for the summit, including seven of my fellow mayors who I just had the pleasure of talking with and taking pictures with and exchanging ceremonial gifts. I have enough reading material now to carry me for the next two weeks. I will report back to all of you of what I've learned about your cities, so thank you for doing that.

Together, everybody here and all these cities represent people of widely diverse cultures and histories and, never the less, we all share a common heritage, and that is the spirit of innovation and entrepreneurship and I just wanted to take a couple of minutes to talk about that.

Throughout history, cities in every corner of the globe have always been the magnets for talented and ambitious people and that has made us, as Jeff pointed out, the birth place for new ideas, new products that spur human progress and fuel economic growth.

The crucial question that we face, the focus of this summit is: what can we do to encourage that process now despite all the economic difficulties that everybody around the world face? And to get that

discussion started, let me just briefly suggest five answers, and then that maybe can get you thinking if nothing else. The first is bolstering the quality of life in our cities, strong public safety, excellent schools, affordable housing, attractive parks, and a vibrant cultural life. We have to think of those as economic assets of the first order.

Today, financial capital and human capital – in the form of skilled and talented workers – are more mobile than ever. International boundaries mean less and less. And cities that offer the best quality of life will be magnets for that capital and that talent and will reap dividends in innovation and growth. Without the human capital, you just can't grow and that's always been New York's strong point.

The second imperative is promote economic diversity, especially in today's creative and emerging industries. Let me talk about New York a little bit. From around the globe, people think of New York as a financial center and for good reason; half of the world's equity flows through this city every day. But the strength of New York's economy – a key reason why we went into the last recession later and came out faster than the rest of the nation – is that our many creative and emerging industries are growing rapidly in our city, as well.

Dan Doctorov ten years ago started a program which the press got a little bit tired of hearing about because I worked it into every single speech, but an economic and geographic diversity, diversification in our city really has made a difference and we've grown in bioscience and media in technology, film, and TV production, fashion and design. Today we have twice as many fashion houses, for example, as Paris. We also rival LA as the TV production capital of America. And with those very high-profile industries supporting thousands of less glamorous but very important jobs in areas ranging from catering to carpentry, they all strengthening our economy and give us a future, gives us a tax base to improve services and gives us the ability to make the kind of investments that will ensure our city's success for the future.

Third, cities should actively encourage an innovation economy. And let me just cite two examples - since many of you are undoubtedly making an outline of my remarks, you can mark these as sub-titles "A" and "B." I know Bob Tierney is doing that there along with our fire commissioner, Sal Cassano. Many young workers in financial services firms suddenly found themselves out of work in the last downturn. But they were precisely the kind of energetic and entrepreneurial people that we wanted in New York. So, one of the things Bob Steele and Seth Pinsky did was create incubators throughout the city: places where people thinking about starting their own businesses in digital media, in fashion, and in other industries – could get reduced-rate office space, access to business equipment, and also, very importantly, the chance to interact with one another. Some of you mayors are going to visit some of these incubators tomorrow. I cannot tell you how successful they've been. The firm started them have already attracted forty million dollars in venture capital and they have made and retained about eight hundred jobs with more on the way.

And now for sub-heading B: About a year ago, we launched a competition challenging universities near and far to bring a major new applied sciences campus to our city. We offered land to build on as well as up to \$100 million in infrastructure investments to make it possible. Our reasoning? Well, the startup businesses that would spin off from that campus, and the jobs they would create would pay our initial investment many, many times over. If you go and take a look on so many high tech jobs are in Palo Alto

or in Austin or Cambridge, Massachusetts, it is because the universities there have graduated, educated, young people who have gone out and started businesses and those businesses have become the economic engines of those areas and we want that here as well. The deadline for submissions, you should know, was last Friday. The results were beyond anything that we had imagined.

Seven outstanding bids from seventeen major institutions including our host, Columbia University, and early in 2012 we'll announce who has been selected.

A fourth vital way to start innovation and urban economic growth is to welcome immigrants. For the past twenty years, American cities like New York that have large immigrant populations have also had far and away the biggest economic growth. This is not a coincidence. Immigrants are enterprising. They're more than twice as native born Americans to start their own businesses, businesses that fuel economic growth and provide jobs to Americans who have lived here for generations. For example: despite the difficulties of starting a business in this economic climate, one area where New York City has seen major growth is in food manufacturing. There's been a fourteen percent increase in such firms over the past three years and, typically, such businesses are immigrant-owned and operated. So our Economic Development Corporation is actively working with them to help them market and serve their goods more widely. And today and later on you'll hear from Jessamyn Rodriguez, a woman who runs a city incubator for food industry startups and will share her recipe for, pardon the pun, for helping them grow.

Fifth and finally, cities need to reform or eliminate policies that discourage innovation and entrepreneurship. For example: four years ago, at our urging, our state legislatures to significantly ease the tax burden on self-employed New Yorkers, many of whom are working in creative sectors like publishing and design. And that has put tens of millions of dollars a year back into their pockets. And, believe me, nothing spurs innovation more than cash like that. And we have also cut the regulatory red tape that many small businesses face. For example: we created business acceleration teams we call "Limit" speed up the process of licensing new restaurants. And the result: more than four hundred and eighty restaurants throughout the city have opened weeks and even months earlier than they would otherwise. And if you're wondering what four hundred eighty restaurants mean, we have about twenty five thousand restaurants in New York City. So, it is a very big part of our economy. And I urge all of you who are taking part in the summit to drop into a few of them. As a matter of fact, I'm sure they can find a table for you. Although, if they can't, I guess that's even better news for us. They offer food to satisfy every palate and your sales tax dollars will be much appreciated at City Hall.

So, thank you very much and let me turn things back over to the real mayor here, Meyer Feldberg.

Meyer Feldberg:

Thank you for those two compelling presentations and I think some of the questions that I'm going to ask each of you, you've already started the answers, but let me observe what both of you commented on, that is people around the world and very much so in cities have been thinking about the anemic growth that the world has been experiencing, particularly in the developed countries over the course of the past two years. And that's the focus of this summit: how do we get out from under this anemic growth and what role cities can play in doing this. So the first question is addressed to Mayor Mike

Bloomberg. We heard about the innovative approaches to business development and job creation that you've initiated and that have already been executed in New York City, and your last observation had to do with simplifying the regulatory environment in the cities so businesses can start more rapidly and become effective more quickly. So, I'd like to ask you what role you think the federal government can or may be should not play in assisting cities in innovation and in job creation.

Mayor Bloomberg:

Well, I think cities need, and businesses as well, is consistent, understandable policies from their federal government, in our case from Washington but it would be true around the world. If the regulations are difficult to understand or change all the time, if the tax policy is so convoluted that you can't understand it, if everyday there are new threats and new people to blame for anything that went wrong in our past, it's very difficult to have a consistent policy.

You need the price of energy to stay at the same level for a long period of time, for example, otherwise we can never be energy independent and people aren't going to make the kind of investments to get us to energy independency and to clean up our environment. You need a tax policy that everybody understands is fair but where everybody shares in it. Tax policies are used for encouraging economic growth or discouraging economic growth in other areas, but people have to feel that it's their money. I think too many people say "it's somebody else's."

Regulation. Every regulation was put there for a good reason, but on the other hand, the totality, it makes it sometimes impossible to run a business or to run a city government. So it's not that we want them to go away. We want them to provide the services that are appropriate federal: defense, getting guns off the streets because guns are a cross-border problem, providing a lot of the social services that no one city or state could afford.

But when it comes to business, when it comes to commerce, that is much more a local issue. And if the federal government wants to really help, they can do the things I said in terms of consistency and lacking complexity and also deal with what is arguably the single greatest inhibitor to the growth of this country and that is our crazy immigration policy which is trying to drive business overseas. It is about as misguided a policy as anybody has ever created.

Meyer Feldberg:

Thank you. This second question is for Jeff Immelt. We know of your work as chair of President Obama's council on jobs and competitiveness. What do you think is the most important thing that the federal government can do to help businesses in cities create jobs?

In other words, I think both the mayor and you have focused on the role that the city has in actually being the source of innovation, being the source of entrepreneurship, and being the source of job creation.

So what do you think the government can do, specifically, to aid cities and recognize the role that cities play in the overall economic machinery of the nation?

Jeff Immelt:

You know, Meyer, again I think, you know, Mike probably knows more about this particular than I do but when we thought about it, it's infrastructure, entrepreneurship, investment, regulatory simplification, and education. So those are the big five that the jobs council has looked at. If I pick two of them, and Mike hit a number of them in his speech, something around infrastructure, okay. So a lot of that is going to have to be executed in a local place.

Now, this could be simple things like retrofitting commercial buildings. That would create thousands of jobs in New York City to get them up to a more current standard. These are the people that are currently unemployed. You got more than two million construction workers out of work. The only way those people are going to come back to work is in infrastructure, so we have a thing called the better buildings initiative. I think this is imminently financeable in the private sector, but it's standards, it's regulations, and in some ways it's just letting the city do its thing and letting it go; I think that's number one.

The second one I think is in the area of just education, you know. We have big pockets of unfilled jobs today that we just don't have people trained to do and the best thing the government can do in the short term is to create programs that can unleash community colleges and things like that to get people trained.

I think mayors are problem-solvers. Mayors have more freedom to operate, they have more freedom to execute, they can move faster, and that's where I'd go. The last point I'd make is, look, we need growth; growth creates jobs. We need growth; growth creates jobs. We need growth; growth creates jobs. The government should get up every day and say those words. We work on so many things as a country today that have nothing to do with solving the problem. And I find that to be completely, mind numbingly unacceptable. And I just think we're not all in on this problem and I think a lot of this, Meyer, is just tone. We need growth; growth creates jobs. I think Mike has a way of doing that, of really focusing in on solving the problem, but as a country I just don't think we're all in on solving the problem. That starts in Washington, it goes through every business and it goes to every city.

Meyer Feldberg:

Either of you, you both spend a considerable amount of time in Washington and you know all the key players in Washington.

Jeff Immelt:

Not so much. No, seriously, I sell jet engines really. That's what I do.

Meyer Feldberg:

Does Washington understand the role that the cities are playing and can play and should play in actually being the engines for innovation and growth and job creation?

Mayor Bloomberg:

I would argue no. If you take a look at most elected officials in Washington, they came up through, may have started in city government, but they came up through state government and then they would argue, I'm just not clear it's true, but they would argue they moved up the ranks. I don't know why we don't think the other levels of government are just as important.

I would argue city government is the most important in terms of delivering services and influencing people's well being. But when federal government, for example, has a program, they distribute money never to cities. They distribute it to the states, and states, if you think about it, have typically a bicameral government, one house based on population one house based on geography – the founding fathers had a great idea but they never stopped to think that you need both houses so either one can stop things as opposed to working together.

And so what they do is tend to distribute the monies around to every place whether they need them or not. And you just have to go around and look in this country the number of small cities that have hazmat trucks where there is no reason to worry about terrorism or hazardous materials, but everybody had to get some. And you can go right down the list. There's an awful lot of that. The bottom line is that fifty percent of the people live in the big urban areas - it'll be seventy percent soon; if they distribute monies directly to where the services were needed they would have a much greater impact with those dollars whereas the current process has so much of a spread out, not waste, but a spread out that it doesn't get to where the real problems are. And I don't think they understand what goes on in cities.

Mayors, typically, don't go on to other jobs and the reason is that mayors have to be explicit. Mayors can't be on both sides of every issue. You know where a mayor stands. Yes or no. The press is there every day even in small cities. And the legislative side, you can say, "well I'm in favor of it but we need more study," or "let's have a pilot program" or that sort of thing. That doesn't sell at a local level. The public wants their garbage picked up, they want crime down, they want their schools better, they want to reduce their taxes and help their businesses get going.

Jeff Immelt:

I think, Meyer, healthcare is the case and point where there is no such thing as national healthcare. Doesn't exist. It's done city by city by city. And if we want to bend the cost curve, if we want to improve quality, if we want to do as a healthcare system, we should be encouraging fifty mayors to have great entrepreneurial programs on where we go with healthcare, and that hasn't been a part of healthcare reform debates. We're a big payer, we're a three billion dollar payer. We've got hundreds of thousands of GE employees and the retirees, and I can look out over, let's say twenty cities, the span of quality and cost in these twenty cities is massive. And so that's, I think that's the case where if you turned, the cities are where the action is on that one and that's one I think we get, we've sub-optimized by thinking about it too much on a national basis.

Meyer Feldberg:

Too politicized.

Jeff Immelt:

Well, definitely that. Yeah.

Meyer Feldberg:

Alright, let me pose this second question which rolls into that particular question: you're known for putting in programs and strategies that actually get executed on the ground as you're moving forward and you're putting in programs and plans and strategies now that will be executed in two, three, four, five, six, seven years time.

What are the challenges for you, and therefore for New York City, in two, three, four, five years to make sure that the strategies that you have initiated and have executed and the ones that are in the process of being executed actually move forward and get executed going forward? What are the challenges in making that happen?

Mayor Bloomberg:

Well, a lot of people think that when we execute some of these strategies, they'd prefer to execute me, but that's neither here nor there.

The things that really matter are not the day to day things that grab the headlines and that the editorial writers write about. They are the long-term things that impact whether we're going to have a future or not, they are investments in education where you can't really see the pay off in years, they are the investments in infrastructure.

This country has woefully failed to keep its infrastructure up to date. We haven't had a new big infrastructure program in America since Eisenhower's interstate highway system. But if you go back to look, whether it was the Erie Canal, the trans-continental railroads, those kinds of things had enormous impact. And the problem with the big infrastructure stuff is the payoff is down the road, you don't know how much it's going to cost because you're dealing through so many different economic cycles and changes in government while you go and do these things.

It's very difficult to explain to the public why they should reach into their pockets today and have less money for them to spend on the fun things in life because this will give their children a better life. New York City, I'm happy to say, New York City tax payers have, not just under our administration, but under others, reached into their pockets. Today every single bridge in New York City, and we have something like seven hundred and fifty bridges, every single one is up to standard with exception of a few ramps to the Brooklyn Bridge and every night we create a traffic jam because we're working on that, fixing that.

We've built a new subway system and extension down the west side which will open up an enormous amount of jobs and businesses and stores and housing and we had to do it with city money because the state would not come up with any money, but the New York City tax payers reached into their pockets, once again, to do that. And you can go right down the list: a new water tunnel so that we'll have a future. All of these things, but it really requires an administration and those that before me did it and those, some of them, and those that succeed us I hope will do it, of leading from the front, bringing the

public along, getting them to do these things even though the administration that starts the program isn't going to be in office when the ribbon cutting there, they're just in office when you have to come up with the money, and even though the public who's paying for it may not ever even realize the benefit. The benefit may be ten and twenty years down. And if you want to know big things, reducing bureaucracy, Seth and Bob's ideas on the universities coming here, all of the infrastructure, we've done the new roads programs, those are the things that really matter but they are difficult sells because everybody says "we can postpone those till tomorrow. What's the difference in a twenty year infrastructure project if we start it now or next year?" And you never want to start it in good times because you're worried about other things and you certainly don't want to do them in bad times because you don't have the money, but if you go back and look at the worst part of New York City modern day, the worst things done that had long term disastrous consequences, it was the seventies walking away from infrastructure investments, letting the bridges rot away, not working on our schools, all of that kind of stuff.

Meyer Feldberg:

Thank you.

Jeff, it might be helpful if you could give us a specific example of a GE city public-private partnership in which you, GE, has worked with the city to actually execute a project and/or how you make sure that when you're no longer the CE and the mayor of the city that you've been working with and that administration is no longer in office, how you ensure that it executes going forward as the mayor says. You know, it doesn't end when the administration changes. How do you keep it going? Do you have any examples of that?

Jeff Immelt:

You know, Meyer, I'd say the best, the broadest, and probably the most noteworthy examples we have are around the Olympics. You know we are an Olympic sponsor. We've done this since Torino.

Basically, the way it works is we basically have the infrastructure space so whether it's Beijing or Rio or London. We're able to come in and work with a city in a very comprehensive way and work on their energy, you know, clean energy platform or an electric vehicle project and we can bring a whole solution. So we bring not just technology, but financing, services, all the things that kind of come with it.

So, you know, we probably did a billion dollars, close to a billion dollars of business in Beijing. We hope to do about that much in Rio. We'll do a lot in London. And those are the most big and fun. Now it goes all the way to, we've done with Mike a number of clean energy projects, we do street lighting, I mean, we do a number of things that kind of go with it.

I'd say that the, one of the things, I think, you always want the company to be known for that's part of our culture is that we're a good partner. We're trustworthy, we do what we say we're going to do, and I think that's the part of the culture that lasts far beyond me in terms of where it comes to working with a city which is, we know how to do solutions, we use our breath as an advantage, but we have staying power and we'll find a way to get stuff done.

Meyer Feldberg:

Actually, I think the great sporting events are excellent examples of that. Being originally from South Africa, and observing everything as a result of the World Cup including the fast speed train, that has legs that'll go for a very, very long time.

We're almost out of time, but I did note that there were pieces of paper on the chairs and if any members of the audience had questions that they wanted to ask and Ester, I assume, has screened them very carefully. So, we'll take a couple of questions from the audience if you're comfortable with that. Thank you, Ester.

So, obviously we have to take the first question because it comes from a student at Columbia Business School: "How can you help international students to create their businesses in the US and not in their own home country?"

Mayor Bloomberg

First by giving them permanent status here so they can stay. There's literally, I was talking yesterday to someone who has a business in America but runs it from Canada. He's the CEO. Business is in Seattle, I think, and he is just north of the border. This is craziness. Unless you can get them to come here, and stay here, well they come here for education. Unless they can stay here they can't create businesses here.

After that, you know, entrepreneurs are entrepreneurs, they'll live through just about anything. They'll find their ways though almost any problem, but if you can't come to America and stay in America, you can't do that. And we'll try to compete with other cities arguing New York is more diverse and more interesting and intellectual capital, the employees you're going to need are here, but the first thing is changing our immigration policy.

Jeff Immelt:

So, Meyer, this is from the 'Job's Plan: "When a company routinely lets talented workers slip away, it's called mismanagement. When America does the same thing, it's called politics as usual. At a time when growth is sluggish and jobs are scarce in an era where brains are the only sure source of a lasting competitive advantage, it's wrong that America pushes talented immigrants away."

It just is, you know, we have so many of these things that, again, if you, if you thought jobs was a crisis, you'd wake up tomorrow morning and do something differently. We haven't started this process of actually starting to do things differently. You know we talk about it or we, I quite honestly can't read another op-ed piece or listen to another speech. It's just "okay, let's go. We have a list of ten things; let's do two today."

Mayor Bloomberg:

It is both sides of the aisle and both ends of Pennsylvania Avenue, however. It is all of Washington. They just got to stop this craziness and start working together on the big problems and this is, arguably, one of the biggest.

Meyer Feldberg:

Okay, interesting. Next one comes from a member of the EEC so I'm going to give it to Jeff. Basically the question is: will we have to concede clean energy technology development and production to China?

Jeff Immelt:

Well, I'd answer that, like what I would tell you is that GE is going to win. I don't want anyone to be mistaken.

We are all in. We are going to invest what it takes, you know. We just opened, last week, two weeks ago, a four hundred million dollar investment in thin film solar technology because I know by 2020 this is going to be at least a billion dollar product line.

I don't care about Solyndra or any of that other stuff. We did this with no government funding. We can do this stuff, right, so I know we're going to win.

Now, you know, China's moving as a country. They have both scale, and because they have a central government and because this is now a big feature of the next five year plan, they're going to build solar, they're going to build wind, they're going to build electric vehicles and they're going to do them in a scale that's far vastly superior to the US.

I had a boss, when I was earlier in my career, and he used to, he was a tough guy, and he used to say "you know Jeff, to do something, you have to do something." Right? That's the way I feel about clean energy in the US. If you want to lead, you actually have to lead. You can't talk about. You actually have to do things. And because scale is such a big deal in energy, it's why I worry a little about us.

But I think as an American company, I know we can win, and the question is, as a country, are we going to be able to create the same number of jobs that are going to be created. Again I think it's fair to be critical on Solyndra. But make no mistake, in India and China between now and 2020, there's going to be 200 gigawatts of solar power. So let's not lose the forest for the trees. It's not like something is inherently wrong with solar energy. The rest of the world is moving quickly in that space.

Mayor Bloomberg:

And during that time, we have presidential candidates who don't believe in science. Just think about it. Can you imagine a company of any size in the world where the CEO said "Oh, I don't believe in science," and that person surviving to the end of that day? What, are you kidding me? It's mindboggling.

Meyer Feldberg:

Let me get one more question before we come to the break. This comes from a student at the School of International and Public Affairs. What role does sustainability and investments in green energy technology play for stimulating New York City's and other cities' economic growth? What role does sustainability and investment in green technology and how long do you have to keep at it?

Mayor Bloomberg:

No, Jeff talked before about if you were to change all the boilers that burn number six fuel and convert them to natural gas, you'd create a lot of jobs. You'd also get rid of an enormous percentage of the pollutants in the air.

John Lindsay said when he was mayor he'd never breathe air that he couldn't see. It's a very cute thing but think about what you were doing to people's lives and lungs. Today life expectancy is a year and seven months greater than it was ten years ago, and a lot of that is from cleaning up the air or people who have started to do it before.

It is easier to attract young people. They want to go to cities where the cities are focusing on the future. Companies use it as a competitive advantage, saying "We are very environmentally friendly. We are trying to clean up and do our part." It's a very big part of recruiting young people. There is a good economic potential in there.

In this day in age, no matter what you hear from a handful of doubting Thomas's, or maybe people who are just trying to milk a political issue, environmental space has moved from discussion and innovation into actual action, and people, companies today, are doing things, maybe not as fast as we would like, but New York City has this commitment by 2017 to reduce our [energy consumption], the City generated, meaning city buildings, city vehicles and that sort of thing, by thirty percent, the whole city by 2030 thirty percent, and we are well on our way. We are actually doing things. We're finding ways to get big trucks off the road, we're finding ways to go and use less energy which saves the, is a very green thing. You don't have to clean up energy; you just have to use less.

But this country, it comes back to the same thing, we talk about energy independence and then do nothing about it. We talk about helping people who are sick and don't do the basic thing of trying to keep them from getting sick in the beginning and this is a part of it. It goes on and on.

Jeff Immelt:

So I'd say half, probably half, of the clean energy technology is best applied at the city level. The things that are best done nationally like clean coal or super efficient gas turbines that's best done on a bigger scale. But everything around electric, if you think about electric vehicles.

Electric vehicles work, they exist. Now whether or not it is a fringe or a big part of the consumer market, all has to be decided in cities. It's all about infrastructure business model. That's not going to be done federally. That is going to be done in New York City. Smart grid, same way. Building retrofit, same way. So there's a big chunk of clean energy that is going to be decided on the city level and we see it traveling around, I see it traveling around the world. I mean, the Chinese cities are really where most of this is taking place. Same way in Europe.

Mike's been a leader here. And everything Mike said is true. Next generation, this is the way we recruit. It's what kids want to work on. They're smart about it; they know. In the end, this doesn't require lots of new invention. This is really business model innovation and it just needs some local people to help drive it.

Meyer Feldberg:

Ladies and gentlemen, I promised to keep us on schedule. We have a long day today as well as tomorrow.

I think we've heard from two individuals who actually, I think, have been very encouraging about the future of our great cities and the future of our great companies working together with our great cities. And we now ask them that they should also address Washington for us in addition to the cities. Thank you, Mayor Bloomberg and Jeff Immelt.

Jeff Immelt:

Thank you.

Mayor Bloomberg:

Thank you.
