

Washington, D.C. - IBM Chairman, President and CEO Ginni Rometty this week sent the following letter to the president-elect of the United States:

International Business Machines Corporation
Office of the Chairman, President and Chief Executive Officer
One New Orchard Road
Armonk, New York 10504-1783
November 14, 2016

Mr. Donald J. Trump
Office of the Presidential Transition
1800 G Street, NW
Washington, D.C. 20006

Dear Mr. President-elect:

Congratulations on your election as the 45th president of the United States.

Last Tuesday night you spoke about bringing the country together to build a better future, and the opportunity to harness the creative talent of people for the benefit of all. I know that you are committed to help America's economy grow in ways that are good for all its people.

I am writing to offer ideas that I believe will help achieve the aspiration you articulated and that can advance a national agenda in a time of profound change. I do so as the leader of the nation's largest technology employer, its leading patent creator, and the company that for more than 105 years has believed that prosperity and progress can be achieved by unleashing the potential of all people. Permit me to offer a few specific suggestions:

Creating "New Collar" Jobs

Getting a job at today's IBM does not always require a college degree; at some of our centers in the United States, as many as one third of employees have less than a four-year degree. What matters most is relevant skills, sometimes obtained through vocational training. In addition, we are creating and hiring to fill "new collar" jobs – entirely new roles in areas as such cybersecurity, data science, artificial intelligence and cognitive business.

You've spoken about the importance of vocational education, and we agree. IBM has championed a new educational model for the United States – six-year public high schools that combine traditional education with the best of community colleges, mentoring, and real-world job experience. The first of these schools opened with IBM's support 5 years ago in New York; we have hired some of the first graduates. There will soon be 100 such schools across the country. With your support, we could do much more. Let's work together to scale up this approach of vocational training, creating a national corps of skilled workers trained to take the "new collar" IT jobs that are in demand here in America.

Building Intelligent, Secure Infrastructure

You've said we need to invest in America's infrastructure, and we agree. As we build big, let's also build smart. The country should focus on infrastructure investments that incorporate Internet of Things (IoT) technology and artificial intelligence to improve performance. And as infrastructure gets smarter, it also increases the need for cybersecurity, so that vital networks cannot be compromised. We recommend that your infrastructure package include incentives for states and localities to build intelligent – and secure – roads, bridges, buildings, and other public facilities.

Healthcare: Applying Lessons from Private Sector Experience

IBM operates one of the largest employer-sponsored health plans in the United States. In 2009, IBM offered 15 specific ideas for how America could save more than \$900 billion over ten years through common-sense reforms to the healthcare system, leveraging lessons learned in the private sector. These included using data analytics to reduce fraudulent Medicare claims, improving the exchange of healthcare information among providers, and leveraging the government's purchasing power to lower the cost of

drugs and care. IBM will update its recommendations for the healthcare system and hopes to work with Congress and your HHS Secretary to drive better healthcare at lower cost.

Using Data to Fight Government Waste and Inefficiency

Eight years ago, IBM helped lead an effort to identify \$1 trillion in savings the federal government could achieve through using advanced data analytics, data center consolidation, and the use of cloud technologies to improve the cybersecurity of key government systems. As part of the Technology CEO Council of which I am a member, we will prepare an updated set of recommendations for how you could use technology and fraud analytics to save the government more than \$1 trillion.

Bringing Money Home to Invest in America

IBM supports your proposal to make American's tax system more competitive. Many billions of dollars of American companies' earnings do not come home because of an outdated and punitive tax system. Your tax reform proposal will free up capital that companies of all sizes can reinvest in their U.S. operations, training and education programs for their employees, and research and development programs. We will support the efforts of your administration and Congress to pass tax reform early in 2017.

Taking Care of Our Veterans – With the World's Best Technology

All of us at IBM share your gratitude and devotion to the men, women and families who serve our country. More must be done to give our vets the best medical care possible. So we recently announced a pilot program with the Department of Veterans Affairs to help its oncologists treat 10,000 veterans through the power of precision medicine and genomic analysis powered by IBM's cognitive computing system, Watson. We hope to work with your VA Secretary to expand this collaboration.

Mr. President-elect, IBM's roots are in the United States. We are investing, hiring, and continuing to reinvent our company for long-term competitiveness. At more than 50 major locations across the country, we hired more U.S. employees last year than in the previous five years. We are opening new innovation centers and business units across the country. We are proud of the work we do here in the United States, just as we are proud of the work we do in more than 175 countries around the world.

In the years ahead there will be issues on which we agree, and issues on which we do not. But as you prepare to take office as our new president, I hope the ideas I have offered in this letter represent ways that we can work together to achieve prosperity that is broadly shared in our society.

Sincerely,

Ginni Rometty
Chairman, President and CEO, IBM