

POLITICO

The deciders: Veteran chairmen

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Barack Obama will dominate the headlines this year, and Nancy Pelosi will still call most of her own shots. But a handful of powerful chairmen in the House and the Senate will hold the keys to their legislative successes — or failures.

On the economy, health care and banking, Democrats will have to walk their agenda through some often ornery chairmen who are unlikely to roll over for the popular new president.

House Ways and Means Committee Chairman Charles B. Rangel (D-N.Y.) may find himself in a limited role because of the ethical cloud hovering over him. But these gavel holders will yield considerable power as the Democrats take control of Washington:

Barney Frank House Financial Services Committee

Pelosi gave Rep. Barney Frank, her often-grouchy, always-rumpled chairman, remarkable leeway to negotiate on his own with the Bush administration throughout the financial crisis, including on the \$700 billion Wall Street rescue plan.

The House speaker has granted Frank this freedom, in part, because the credit problems were so complex and because policymakers rarely had time to react as a roster of established Wall Street titans crumbled. But she also knows that Frank has become the master of his domain.

That trust isn't limited to Pelosi — House Democrats also believe in their eloquently acerbic colleague because he invests so much time and effort in his job. Even critics laud Frank for his understanding of the markets and his dedication to solve complex problems.

Frank regularly runs circles around Republicans on his panel, particularly since Richard Baker — once the GOP's cerebral, standoffish attack dog on the committee — left Congress for a job lobbying for the hedge fund industry.

Frank also plays hardball with the army of financial services lobbyists who spend so much time — and money — trying to influence committee decisions, occasionally putting restrictions on those who work with his staff. But most consider him a fair arbiter of business before the committee and praise his steadfast ability to keep his word.

Over the past year, Frank has developed a close working relationship with Federal Reserve Chairman Ben Bernanke, who presides over the most powerful reserve bank in modern history, and Tim Geithner, the treasury secretary-designee.

Frank has already promised to revisit the oversight and enforcement mechanisms that govern the markets and homeownership in the U.S. And, as a longtime advocate for low-income housing, he keeps pushing for more federal assistance to prevent foreclosures, a request that has been ignored by the current administration but one that might face a more receptive audience with the president-elect.

Financial firms will clash with Frank's efforts to increase regulation and oversight, but the federal government's historic bailout, coupled with scandals (Bernie Madoff, anyone?) and woefully overleveraged investment decisions, leaves critics without much ammunition in a tussle with Frank.

Chris Dodd, Senate Banking, Housing and Urban Affairs Committee

This past year was not a particularly good one for Sen. Chris Dodd. Wall Street crumbled as Dodd distracted himself with a failed presidential bid. And some of the financial titans who helped fund his campaign sit atop the very firms at the center of the collapse.

Top that off with revelations that a chief executive at Countrywide — a firm at the head of the mortgage meltdown — reportedly cajoled his colleagues into offering Dodd special terms on a home loan.

So redemption is the Dodd theme in 2009.

Dodd "needs to redeem himself for not being on guard while he was out in Iowa vying for the nomination," said Ross Baker, a congressional expert at Rutgers University.

Like Frank, he should have plenty of opportunities, given the amount of money the federal government has doled out to struggling financial firms.

And unlike Frank, his committee is a far tougher testing ground for financial regulations — particularly those generated in the House.

The primary roadblock will be Sen. Richard Shelby (R-Ala.), the ranking member on the banking committee. Shelby was a critical player in scuttling legislation to save Detroit's struggling Big Three automakers.

Tennessee Sen. Bob Corker could emerge as the dealmaker on the Republican side of the committee dais, and Dodd could sidestep Shelby when he needs Republican support.

A genial backroom operator with a first-rate wit, Dodd can be plenty convincing in this role, but aides and lobbyists have questioned his dedication to the chairmanship. His top aide just left to be Obama's eyes and ears in the Senate. So his relationship with the administration could be the key to his productivity this year.

Max Baucus Senate Finance Committee

In contrast to Dodd, Obama might need Sen. Max Baucus this year more than the Montana Democrat needs Obama.

Baucus, a taciturn public figure who has always been hard to read, sits atop the committee that could be the linchpin for Obama's legislative wish list of health care reform and a middle-class tax cut. And he's had a rocky relationship with former Senate Majority Leader Tom Daschle (D-S.D.), Obama's pick to head the Department of Health and Human Services.

Baucus works closely with the ranking member on his panel, Sen. Chuck Grassley (R-Iowa), a savvy negotiator who is always willing to barter and who holds particular sway on health issues.

Both have an exceptional staff, and the two offices work closely with each other on many issues. In fact, Finance Committee aides often regard the Ways and Means Committee, rather than the other party, as their main rival — and that feeling is often mutual on the far more partisan House panel.

For 30 years, Baucus has typified the red state Democrat, with a resurgent constituency following successive elections in which Democrats performed well in traditionally conservative districts.

Baucus has angered Democratic leaders at times, particularly by working with Republicans on tax cuts, trade deals and a prescription drug benefit for Medicare.

Over the past two years, Democrats in the House have grumbled that Baucus refused to spend political capital when moving bound-to-fail tax increases to offset increased federal spending. The more liberal Rangel has echoed those complaints, but the Senate is a much more influential testing ground for tax policy.

The Finance Committee will likely take a back seat on health care reform to the Committee on Health, Education, Labor and Pensions.

The key, however, will be the productivity of Sen. Edward M. Kennedy (D-Mass.), who last year was diagnosed with a malignant brain tumor. Obama has the incentive to grant Kennedy, whose endorsement was a major turning point in the Democratic primary, broad jurisdiction on any measure to expand health insurance coverage.

But if Kennedy is too ill to complete the package, Baucus and Grassley could step in.

Henry A. Waxman, House Energy and Commerce Committee

Rep. Henry A. Waxman assumes the Energy and Commerce gavel after knocking off the Dean of the House, Rep. John Dingell (D-Mich.), in a contentious fight for the chairmanship.

In that contest, Waxman exhibited a series of strengths that should make him an effective chairman: tenacity, methodical planning, pitch-perfect timing and a ruthlessness that would surprise anyone wooed by his toothy smile.

But first he needs to consolidate power on his own committee. Waxman's challenge of Dingell angered many junior members of the panel who remain loyal to their longtime former chairman. During his own tenure on top, Dingell stocked the panel with moderate Democrats who might bristle under a crusading liberal chairman.

But Waxman, who plays the inside game as well as anyone on Capitol Hill, wisely granted his predecessor jurisdiction over health care measures before the committee, an act of goodwill that might also serve to quell any simmering tension.

The incoming chairman never shrinks from a fight — he's taken on Big Tobacco, Major

League Baseball and the domestic auto industry on tailpipe emissions. He has also shown an ability to co-opt rivals — he worked closely with retiring Virginia Rep. Tom Davis, the top Republican on the Oversight and Government Reform Committee — and expand his jurisdiction, when necessary, to win legislative fights.

These skills will come in handy this year, when his committee has either primary or secondary jurisdiction in the House over a number of Obama priorities, energy reform — and its ancillary impact on carbon emissions — topping that list.

Dingell could prove valuable in this process, if Waxman sets his sights on playing a commanding role in the health care debate. The 82-year-old Dean of the House, who begins every Congress by introducing a universal health care measure, brings almost the same sentimental gravitas to the debate as the ailing Kennedy.

Waxman sparred with Dingell, the auto industry's principal surrogate on Capitol Hill, frequently during their tenure atop the committee. But the two also joined forces during key internal fights, like two years ago when Waxman petitioned the speaker to limit the jurisdiction of a special panel on climate change.

And, lest we forget, Waxman's top aide is now Obama's top legislative liaison on Capitol Hill, so the chairman will always have the ear of at least one top presidential adviser (who should know just about everything happening in Congress and the administration).

Dave Obey and Daniel Inouye House and Senate Appropriations committees

Congress is going to spend plenty of cash this year, putting Rep. Dave Obey and Sen. Daniel Inouye at the center of the Obama agenda.

Lawmakers will kick off the session by spending at least \$675 billion to \$775 billion to kick-start a steadily shrinking economy. From there, they must complete their leftover spending bills for 2009. And then they'll have to continue funding the wars in Iraq and Afghanistan; whatever Obama does, the Pentagon still needs money.

In the spring, right after members complete those three tasks, Congress will turn its attention to funding the federal government for 2010.

Along the way, Democratic appropriators can be expected to protect their turf fiercely, even though one of their own is in the White House. By the end of it all, Obey and Inouye should have hand cramps from writing all those checks.

Obey, a fiery liberal who joined the Appropriations Committee in 1969, operates with Pelosi's implicit trust — despite ruffling the occasional feather in her inner-circle — making him even more powerful in his interactions with colleagues.

Obey can be a political liability at times, like when a camera phone caught his lengthy upbraiding of an aggressive anti-war demonstrator. But he also knows the labyrinth of the federal funding process as well as anyone and just sent his top aide to a senior post in Obama's Office of Management and Budget.

Obama's reform agenda may complicate things for appropriators — especially if he wants

to crack down on earmarks. Vice President-elect Joe Biden has already pledged to block them from the stimulus.

Obey is ambivalent on earmarks and even tried to suspend the requests until he could upgrade the process to root out corruption after multiple members of his panel found themselves the target of federal investigations — and one, former Rep. Randy “Duke” Cunningham (R-Calif.), earned a trip to federal prison.

But most House members on both sides of the aisle remain quietly resistant to these reforms.

And Thomas Mann, a congressional expert with the Brookings Institution, believes Obey’s “ties to the speaker, mastery of the federal budget and standing in the Democratic Caucus trump the distribution of earmarks.”

In contrast, Inouye, a low-key, low-profile, long-serving Senate veteran, has staked his political livelihood on bringing home the bacon for his native Hawaii. Inouye is embarking on his sixth decade in Congress, embodying the state he represents in much the same way as his “brother,” former Republican Sen. Ted Stevens, came to symbolize Alaska.

Inouye, who takes over for the 91-year-old Sen. Robert C. Byrd (D-W.Va.), knows how to spread the wealth, which is much less complicated in the Senate because there are far fewer mouths to feed.

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