

# The Insider's Insider

**Forget Buchanan. Forget Perot. When it comes to the future of U.S. trade policy, the economic nationalist who makes things happen is Robert E. Lighthizer, a lawyer-lobbyist who's close to Senate Majority Leader (and presidential contender) Robert Dole, R-Kan.**

**BY BEN WILDAVSKY**

**R**obert E. Lighthizer can see helicopters landing at the White House from his 11th Floor office on the corner of New York Avenue and 15th Street. With his spectacular views of the Treasury Department, Lafayette Park and the closed-off stretch of Pennsylvania Avenue in front of the executive mansion, it would be hard for the 48-year-old lawyer-lobbyist to get much closer to the Oval Office short of going to work there.

Many say that is exactly what Lighthizer would like to be doing come January 1997. A trade and tax expert who has been close to Senate Majority Leader Robert Dole, R-Kan., for 17 years, first as a top aide, then as confidant and informal adviser, Lighthizer has used his brains, connections and take-no-prisoners style to climb his way to the top of a very tall heap of ambitious, aggressive Washington lawyers. Too seasoned a player to admit to any designs on power, he nonetheless refers to the area outside his office windows with a military metaphor: "Fort Clinton." And as Dole's campaign treasurer for the 1996 presidential race, he is doing his utmost to help his mentor scale the walls and storm the citadel.

Should Dole make it inside, the odds are good that Lighthizer would join him, probably as chief of staff or U.S. Trade Representative (USTR). For Lighthizer, a doctor's son from Ashtabula, Ohio, a plum assignment in a Dole White House would be the crowning touch to a résumé already filled with buzzwords that telegraph Washington insiderdom: Georgetown University, Covington & Burling, Senate Finance, deputy USTR and, for the past decade, partner in the Washington office of the blue-chip New York City law firm of Skadden, Arps, Slate, Meagher & Flom.

"If Bob Dole is a Washington insider, I'd describe Lighthizer as the insider's insider," said Rufus H. Yerxa, a trade lawyer who was staff director of the House Ways and Means Trade Subcommittee from 1985-89 and who was USTR Mickey Kantor's chief deputy until early this year. "He is very effective as a kind of

Mr. Inside adviser to Dole. He knows how Washington works very, very well."

Yerxa, now a partner in the Brussels office of the Dallas-based law firm of Akin, Gump, Strauss, Hauer & Feld, likened Lighthizer's skills to those of James A. Baker III, the former Cabinet member and White House chief of staff in the Reagan and Bush Administrations, and Leon E. Panetta, President Clinton's chief of staff. "He knows the intersection between business and government and law and politics, and that's a very difficult intersection for a lot of people to understand. Someone like Lighthizer is a natural at that," Yerxa said.

To Lighthizer's critics in the trade world, however, the prospect of his already considerable influence growing still further sets off alarm bells. They wonder whether he can set aside the interests of his domestic manufacturing clients, including protection-seeking U.S. steel producers, in favor of a broader view of American economic welfare that pays heed to the needs of importers and consumers as well as manufacturers. Already, many see Lighthizer's hand in Dole's increasingly skeptical stance on free trade—as evidenced most recently by his Nov. 3 Senate speech opposing any new trade deals until the returns are in on the North American Free Trade Agreement (NAFTA) and the Uruguay Round of the General Agreement on Tariffs and Trade (GATT).

That positioning could play well with voters: An early November poll by Lansing (Mich.)-based EPIC-MRA/Mitchell found many Americans worried about trade and sympathetic to protectionist tariffs.

Indeed, while much of the ink that has been spilled so far on the role of trade in the 1996 election has focused on the America First oratory of Republican presidential candidate Patrick J. Buchanan and his populist bedfellow Ross Perot, Lighthizer is arguably a far more important player in practical terms. Despite the rhetorical importance of the Buchanan-Perot axis in defining one boundary of the national debate on trade, the reality on the ground in Washington is that Light-

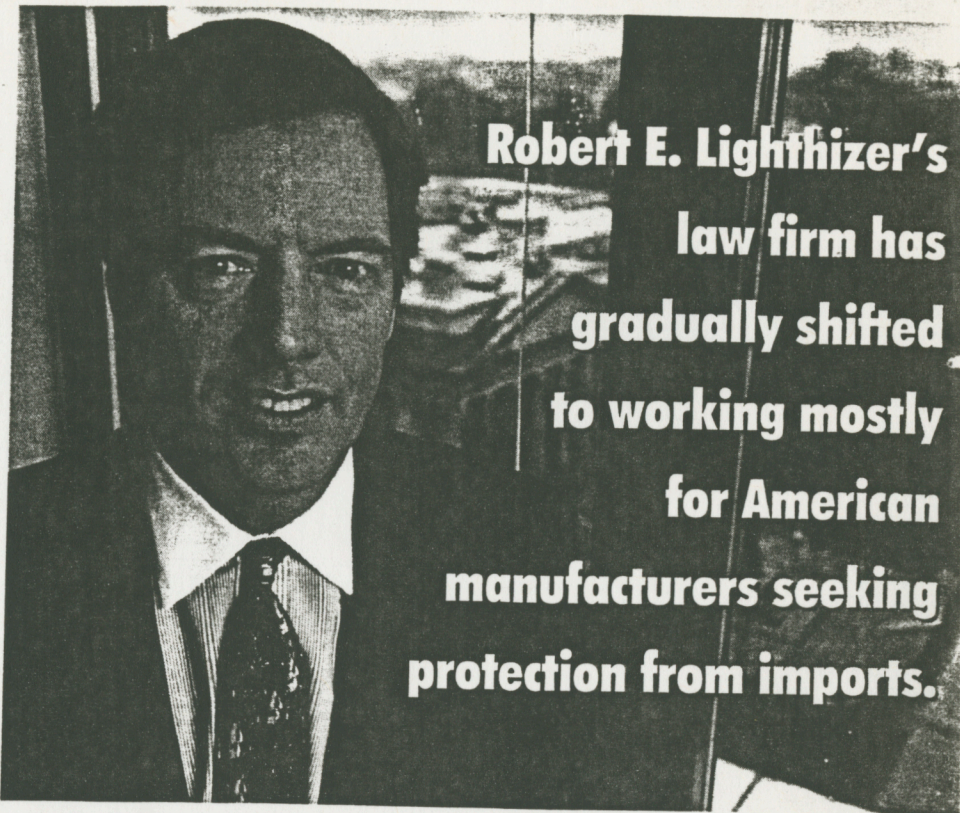
hizer and player-coaches like him have enormous influence on which laws are passed and which deals are made. Even if Dole doesn't make it past the GOP primaries, Lighthizer's skills, access and clients virtually ensure that he will continue to enjoy A-list clout and, for better or worse, do all he can to move U.S. trade policy further in the direction of economic nationalism.

### A REVOLVING DOOR OVERLOOKED

Many critics in recent years have denounced the revolving door that leads large numbers of former U.S. trade negotiators into lucrative posts as lawyers and lobbyists for foreign businesses and governments. Perot adviser Pat Choate devoted his 1990 book, *Agents of Influence*, to the topic, for example. And in July, the Senate voted, 98-0, for a lobbying reform bill that included a Dole-sponsored amendment that would bar any former USTR or deputy USTR from lobbying for foreign interests. The bill, which is expected to reach the House floor by mid-November, would also prevent anyone who has worked for foreign entities on trade disputes with the United States from being appointed to senior U.S. trade negotiating posts.

But Lighthizer is a prime example of a less-remarked-upon phenomenon: the domestic revolving door. After negotiating steel import quotas with seven foreign countries during his stint as deputy USTR from 1983-85, he was quickly hired by U.S. steel companies when he left government for private practice. And both his trade work and the highly successful tax practice that dominated his first couple of years at Skadden, Arps had him lobbying the Finance Committee, where he had been staff director and chief counsel just a few years earlier.

Some trade specialists say that it's ironic that public criticism has focused on former U.S. officials who work for foreign clients rather than on Lighthizer and his breed. In Washington's trade battles, they argue, American consumers may be better served by those who are condemned for "changing sides" and working for foreigners than by flag-waving lawyers for domestic producers. "An American who's representing a foreign client is probably going to represent liberalization, which from a purely economic standpoint would be welfare-enhancing for the entire economy," said Howard F. Rosen, a trade economist who is executive director of the federal Competitiveness Policy Council. "A person working for domestic industry is likely to be seeking protection, which has costs to the U.S. economy. Therefore, in my mind, it's not clear that one is necessarily better than the other."



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Richard A. Bloom

During Lighthizer's 10-year watch at Skadden, Arps, where he now heads the 18-member international trade group, the firm has undergone an unusual shift from representing mostly foreign clients that are responding to unfair-trade complaints to working predominantly for domestic firms that are petitioning for import relief. Lighthizer, who sits on the advisory board of the protection-inclined Economic Strategy Institute (and whose nonsteel clients include insurance companies and high-technology firms), says his preference for domestic clients stems from his growing concern about the direction of the U.S. economy. "The need in this country is to preserve our manufacturing base," he said, "and you're not going to get that by representing foreign clients."

America's shrinking manufacturing sector is "a fundamental problem for society," Lighthizer said in an interview. "These are the jobs that are the backbone of the middle class . . . and to the extent you get rid of those jobs, you're getting more of a stratified kind of society. You're getting the rich and lower middle class and nobody in the middle." Part of the problem is unfair trading practices by foreign countries, he contended. And part of his solution is to keep antidumping and other unfair-trade laws strong. "We have a real obligation to keep people from losing their jobs in an unfair way," he continued.

Lighthizer, who supported both NAFTA and GATT, bristles at his detractors' contention that he is simply an effec-

tive, high-class protectionist. Open competition with similar market systems is fine, he said, but realpolitik requires a tougher approach to mercantilist economies such as China's and Japan's. "I clearly view myself as a nationalist," he said, asserting that the "theology of free trade" often doesn't square with reality. "I think we have to have a 'What is good for the United States?' point of view on all of these things. I am not one who says, 'Our objectives should be what's good for the world community.' Now, what I want may be good for the world community, but I think the starting point ought to be what's good for the U.S." At one time, according to a Lighthizer critic, the running joke at Skadden, Arps was that "he even hates Canadians."

### PULLING DOLE'S STRINGS?

In trade circles, Lighthizer is often mentioned in the same breath as Democratic trade lawyer Alan Wm. Wolff, managing partner of the Washington office of New York-based Dewey Ballantine. (For a profile of Wolff, see *NJ*, 8/5/95, p. 1994.) The two form a sort of bipartisan tag team as co-counsel to the domestic steel industry. But despite some overlap, their strengths and styles differ. Wolff has a lower-key personality that seems to match his scholarly, detail-oriented policy approach. Although Lighthizer can dot i's and cross t's when he has to, he is more charismatic, a gregarious pitchman who jokes and exaggerates for

rhetorical effect before settling down to the serious business of deal making.

"Bob would not particularly regard calling himself a trade theoretician as an honor," said Leonard E. Santos, a partner in the Washington office of Perkins Coie, a Seattle-based law firm. Santos, who was

mittee was held just two days after President Reagan formally nominated him for the job in April 1983. The hearing lasted all of 20 minutes. The full Senate confirmed him a day later.

At USTR, Lighthizer was responsible for a variety of industrial, agricultural and investment issues, but steel was the highest-visibility portion of his portfolio. "He proved to be an extraordinarily tenacious and effective negotiator," said Laird D. Patterson, the Washington-based counsel for Bethlehem Steel Corp. A veteran observer of the Washington trade scene said that Lighthizer stood out for a different reason. "He struck me as almost the first USTR person who had almost no ideological predispositions," the trade specialist said. "The standard was to be ideologically disposed to free trade but very pragmatic." Lighthizer, by contrast, "seemed to be ideologically indifferent between restricting

trade and promoting trade."

When Lighthizer left the government for Skadden, Arps, "we signed him on early," Patterson said, "because there's a rich tradition in this town of USTR negotiators' promptly going to work for foreign interests, and we were very anxious that he not do so."

Lighthizer remained close to Dole, serving as campaign vice chairman for his 1988 presidential bid. And even as Lighthizer's power grew, some believed he was setting his sights still higher. As the 1988 Omnibus Trade and Competitiveness Act was making its way through Congress, he lobbied for a proposal to boost the status of the USTR by renaming the nation's chief trade negotiator "Secretary of International Trade" so he or she would be called "Secretary" rather than simply "ambassador." Some Capitol Hill observers noticed that after Dole dropped out of the GOP primaries, Lighthizer seemed to lose interest in the provision.

Lighthizer said that he pushed for the title change as "a good-government thing to do," but that it's "totally untrue" his interest faded along with Dole's presidential hopes. In any case, he said, "there's no way I would have gone into government in '88—I just got out in '85."

Lighthizer is sensitive to the perception that clients seek him out because of whom he knows rather than what he knows. "I don't view myself, and I don't think it's fair to view me, as being hired

basically because I'm close to Sen. Dole," he said. "The vast, vast majority of what I do professionally has nothing to do with Sen. Dole."

Others back Lighthizer's contention that Dole isn't inclined to let Lighthizer or anyone else pull his strings. "I've always felt that the view that everything Dole does comes from Lighthizer is completely overrated," said Brad G. Figel, a former Finance Committee chief trade counsel who leans more toward free trade than Lighthizer does. "I think Dole calls his own shots," said Figel, who left Capitol Hill earlier this year to become director of government relations and international trade counsel in the Washington office of Beaverton (Ore.)-based Nike Inc.

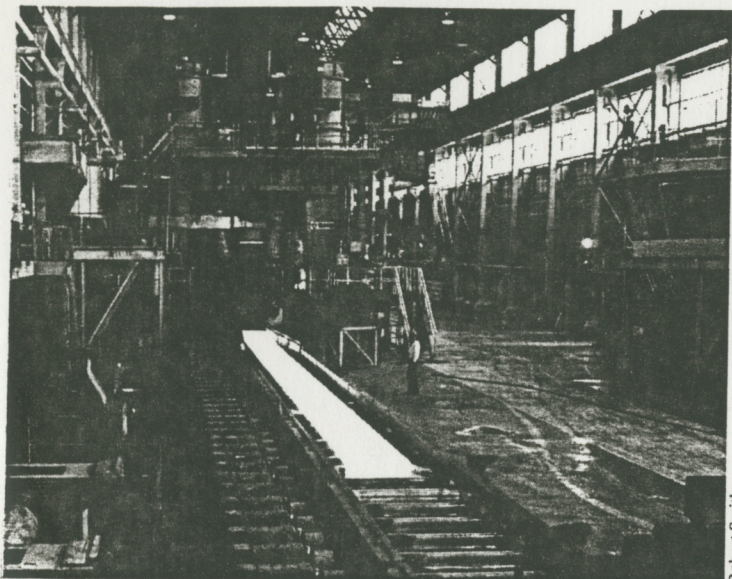
Still, Lighthizer's influence on Dole's general trade stance seems unmistakable. According to a source familiar with the negotiations, Lighthizer masterminded the deal struck between the Senator and the White House last year to create a panel of U.S. judges to review the decisions of the new World Trade Organization (WTO).

Some analysts viewed the "three-strikes-and-you're-out" concept simply as a clever way to buy political cover at home from those worried about threats to U.S. sovereignty. But others complain that the so-called Dole Commission was designed to help Lighthizer's steel clients. They say it would implicitly threaten WTO panels judging steel cases by holding out the prospect of U.S. withdrawal from the organization if panelists rule against American industry. Despite several attempts by Dole, the Senate hasn't yet passed legislation creating the oversight body.

Lighthizer is "obviously somebody who is influential in helping the leader to look at the issues and form his opinions," Sheila P. Burke, Dole's chief of staff, said in an interview. "I don't think it's undue influence. It's the influence you'd expect from somebody who's a trusted aide and who's worked with him for a long time. They agree sometimes, and they disagree sometimes. Bob is always scrupulously honest when he deals with us if he has a client interest. . . . He's one of the most straightforward people I know."

A senior House Democratic aide, who like many in his party praises Lighthizer's work on trade issues, said that getting to the bottom of how much he influences Dole is "sort of like the Wizard of Oz. I've never got into the palace to find out what's happening behind the curtain, but Bob usually says we should look at X, and X generally happens."

Indeed, whether by coincidence or not, a week after Lighthizer remarked in an interview that he believed a "cooling-off period" was necessary following the passage of NAFTA and the creation of the



Robert Smith

**Robert E. Lighthizer negotiated steel import quotas. Soon thereafter, he was hired by . . . U.S. steel companies.**

chief trade counsel to the Senate Finance Committee in the mid-1980s and whose clients since then have included some foreign steel companies, termed Lighthizer a "pragmatist" rather than a free-trader or a protectionist. "He sees himself as a person who understands the politics of trade and how to position his principles to respond to the political forces generated through trade policy."

Another key difference between Lighthizer and Wolff is that the Republican half of the duo hitched his star to a now-prominent politician early on. A product of Catholic schools in Ohio, Lighthizer graduated from Georgetown University in 1969 (where he knew Clinton slightly through his roommate).

He spent nearly a year on active duty in Fort Gordon, Ga., as a military police sergeant in a District of Columbia National Guard unit, then graduated from Georgetown Law Center in 1973. After five years honing his litigator's skills as an associate specializing in antitrust cases at the Washington firm of Covington & Burling, he was hired by Dole in 1978 as chief Republican counsel to the Finance Committee.

After the GOP took control of the Senate in 1980, Lighthizer became the committee's staff director and chief counsel at age 33. Three years later, he moved to a new deputy USTR slot that insiders say was created at Dole's behest. His confirmation hearing before the Finance Com-

WTO, Dole was on the Senate floor saying the same thing. "I do not believe Congress should extend new fast-track [trade-negotiating] authority until we have had an adequate cooling-off period following the two recent major trade agreements," Dole said.

A Republican trade lawyer who often represents foreign clients lamented Lighthizer's influence on the Senator. "I do worry about Dole's judgment in relying on a guy like this, who's a perfectly decent guy but extremely ambitious and not terribly knowledgeable," he said. Lighthizer "is in beyond his depth," the lawyer maintained. "It's the old story. He hasn't got his driver's license, but he's behind the wheel of a Mack truck."

### IN YOUR FACE

Like Dole, Lighthizer has a personal style that inspires both fierce loyalty and, from some, fierce condemnation.

"He's a person who doesn't play games with other people," said Roderick A. DeArment, a partner at Covington & Burling who worked at the Finance Committee with Lighthizer, a longtime friend. "He's very direct and straightforward, and no one has to guess what his position is. He has an in-your-face style that I've always enjoyed—but not everyone does."

Among those who don't are those who have been on the receiving end of his cutting put-downs. He has a reputation for riding roughshod over subordinates. Some say he doesn't suffer fools gladly—and that he has a very broad definition of what constitutes a fool. But in a perverse confirmation of his effectiveness, even a former colleague who speaks bitterly of Lighthizer's "abusive" and "belittling" behavior says he would send clients to him because of his ability to deliver. (Lighthizer said that it's "totally untrue" that he's hard to work for. He acknowledges being a demanding boss, but points out—correctly—that he has maintained a loyal network of former employees and colleagues.)

Even some of those who differ with Lighthizer ideologically commend his incisiveness and political instincts.

"You can be in a whole room of lively, intelligent people and it's often Lighthizer's comment that you remember," said trade lawyer Judith H. Bello, a former USTR general counsel who is now a partner at Sidley & Austin. "He captures the essence of an issue. He's a master of cutting to the chase and doesn't feel that it's necessary to speak in a carefully nuanced, lawyerly way, hedging all of his bets. He says, 'Yeah, yeah, yeah—this is what's going to happen.'"

Famously hardworking, Lighthizer says he rarely sleeps more than five hours a night. He's up by 5 A.M. to complete a

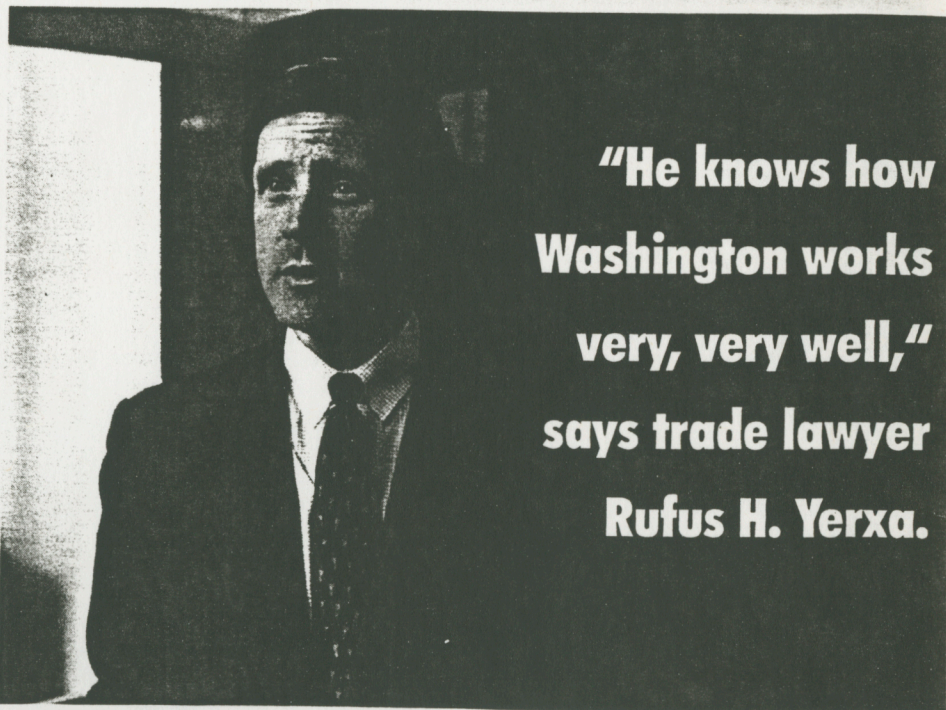
rigorous exercise routine before driving his Chrysler Concorde to downtown Washington from his home in Potomac, Md. (He once drove a Porsche 911 Targa and for a period owned a Ferrari 308, but his family now drives American cars.) Many of his evenings are spent on campaign events.

DeArment said Lighthizer applies the intensity of his work life to his off-duty hours as well. "I've gone on vacation with him a number of times," he said. "He's a ball of fire. He never seems to be at rest. He doesn't want to sit on the beach. He'll say, 'Let's run, let's go play golf, let's go fishing.' It's kind of the George Bush style."

Lighthizer is a devoted Georgetown basketball fan who once hired star player Patrick Ewing as an intern at the Finance Committee. Married and the father of two teenagers, he has become active in the Knights of Malta and other Catholic groups in recent years. In fact, he persuaded Burke—who said that Lighthizer is "far more conservative than I am"—to

seems uncharacteristically short of words. He first responds to the question with a wisecrack. "I guess because I speak when I'm spoken to." When pressed, he adds, "I don't know, we just, I just, you know, I'm comfortable around him and I think he's comfortable around me. There are people—it's hard to articulate—that you find you get along with."

Then, warming up as he lands on safer, more familiar ground, he elaborates on the deference and sixth sense required of a close political aide. "My objective every time I worked for Sen. Dole—and still is today—was to do what I thought he wanted to do. In other words, I did not have my own agenda. I didn't try to tell him how to vote or how to act. I tried to figure out what he wanted, sometimes without asking him. And I had a sense, I felt that I was on the same wavelength as he was, and had a sense that I could analyze what he wanted done and I did it. That's what staff people do. I never viewed myself as the principal, which I think is a fatal mistake."



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join a lay Catholic organization called the John Carroll Society. While Lighthizer has impeccable partisan GOP credentials, he says he rarely disagrees on issues with his older brother James, a conservative Democrat who for many years was a county and state official in Maryland.

### WINNING THE LOTTERY

Although he willingly sits for a two-hour interview, when questions about his working style and his relationship with Dole come up, Lighthizer protests that he isn't much given to introspection. Asked why he and Dole get along so well, he

However Lighthizer may view himself, he is well aware of how others view him. And the perception of having power, after all, is often hard to distinguish from the real thing. Lighthizer has both, and he's counting his blessings.

A few months ago, Lighthizer said, he and a fellow lobbyist were playing golf and chatting about an acquaintance who'd won a sizable lottery jackpot. "Jeez, I don't know what I'd do if I won the lottery," his friend said. "You know something?" Lighthizer replied. "In the opinion of most people in the world, you have. You've won the damn lottery! So have I!"