

This Time, McAuliffe Is Selling Himself

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By Jennifer Skalka

When he turned 52 early this year, Virginia gubernatorial candidate Terry McAuliffe -- glad-handing former rainmaker of the Democratic National Committee and permanent First Friend of Bill and Hillary Clinton -- fittingly celebrated with a fundraiser lightly disguised as a birthday party. Old pals, including such famous-for-Washington types as lawyer Richard Ben-Veniste and former Rep. Tom McMillen, turned out for the Macker, as he's known.

In the middle of the room stood a five-tier confection -- bright blue and decorated with cardinals, the state bird. A McAuliffe-looking figurine, but blonder, stood atop the cake, which had the state's motto, Sic semper tyrannis (Thus always to tyrants), draped across it. But when the time came for guests to dive in, a waiter instead delivered ready-to-eat slices of some other goodie from a back room.

Was the strange, towering creation for real? Without dragging a finger through the Technicolor frosting, it was impossible to tell. But as the irrepressible party pitchman-turned-candidate closes in on his first-ever primary, the mystery dessert makes an easy metaphor for what Old Dominion voters must decide about his gold-plated campaign. "If you're lookin' for the same old thing, I'm not your guy to go to Richmond," the transplanted New Yorker, who has developed a new habit of dropping his g's, told well-wishers.

The architect of President Clinton's Lincoln Bedroom fundraising strategy and a fast-talking fixture on cable television, McAuliffe spent three decades selling the candidacies of other Democrats. Now he is concentrating on his own political advancement and on raising enough money to steamroll his party rivals in what may well be the most-watched race of 2009. Already, McAuliffe has raked in more than \$5.1 million and hired a staff of more than 100. But he has never served on a city council, never toiled in a statehouse, never run a government agency, never argued with local lawmakers about tax rates or school construction dollars. His governing skills are untested.

Both national parties are closely watching the Virginia contests. Democrats believe that a general election victory would confirm that the state has turned true blue in the Age of Obama; Republicans see flipping both of the governorships on the line this year -- in Virginia and New Jersey -- as a powerful way to demonstrate their rebound. Democrats have won the last two gubernatorial elections in the commonwealth. But to repeat this year, they would have to break a strong pattern: Ever since 1977, Virginia's governorship has been captured by the party that lost the previous year's presidential election. And in former state Attorney General Bob McDonnell, who resigned in February to run full-time, the GOP has a strong contender.

Eighteen months ago, McAuliffe probably never imagined that his political future would hinge on how well he stacks up in Virginia voters' minds against longtime state pols. But his 2008 presidential candidate of choice, Hillary Rodham Clinton, was foiled by Barack Obama, her White House aspirations heaped into the dustbin of history. Along with them went McAuliffe's chances of becoming, say, White House chief of staff.

Looking for a personal political rebirth as a candidate, the boisterous McAuliffe is using the sales skills he honed at the knees of party giants. On the stump, the man who The New York Times Magazine noted has a "Barnum & Bailey personality" is relentless, loud, and a master of hyperbole.

"New energy for new jobs!" he crows at every opportunity. On a gray and chilly March morning while touring a Lorton waste-to-energy plant with company executives and reporters, McAuliffe, the grip-and-greet connoisseur, sounded every bit the auctioneer.

"I love all waste!" he roared. Incinerated chicken poop, he said, will help meet the state's ever-growing demands for electricity. High-speed rail from Northern Virginia to Richmond and Hampton Roads? He'll make it happen. Higher teacher pay? He's in. And candidate McAuliffe will insert your name, voter, into every sentence.

To those who complain that he hasn't worked his way up in Virginia politics, he retorts, "This is democracy. No one has a birthright in democracy. If you have good ideas, go run. What if they told Barack Obama that? 'Where have you been?' "

McAuliffe is charging into the minutiae of state government with his trademark gusto, but the journey isn't likely to be easy. Even if he prevails in the June 9 primary and the November general election, he will still have to figure out how to get his way in a governorship that is notoriously weak because it is limited to a single, four-year term.

A native of Syracuse, N.Y., who has lived in Northern Virginia's tony McLean for 17 years, McAuliffe transformed the primary race merely by entering it. His opponents, former state Del. Brian Moran and state Sen. Creigh Deeds, have long served in Richmond, but they can't match McAuliffe's fundraising clout, seasoned campaign savvy, or political celebrity status. In the first quarter of this year, McAuliffe raised \$4.2 million -- more than five times the take of Moran, who served for 13 years in the General Assembly and whose brother Jim represents Alexandria and Arlington in the U.S. House.

McAuliffe's supporters say he will bowl over the competition by launching an air and ground war (he has more than 50 field workers) that won't be easily rivaled, and that will be built on a retooled Bill Clintonesque "It's the economy, stupid" message emphasizing job creation. Detractors predict that McAuliffe's appeal will prove quite limited, that voters will reject him as an interloper. "For Democrats, the key to success is to find a Democrat who appeals to [Virginia's] urban base but who also has strong appeal in rural Virginia," said Democratic Rep. Rick Boucher, a Deeds supporter who represents Tazewell and other counties in the state's southwest. "I think people are going to make their judgment based on reasons other than the number of TV commercials they see."

In the view of veteran Democratic strategist Peter Fenn, McAuliffe's chief task is to persuade voters that his campaign isn't an ego trip. "The real question is, can he prove to the citizens of Virginia that this is about Virginia, that this is about them?" Fenn said. "What he's got to show is, he has the clout and the ideas to deliver for folks -- and not because he's a national figure."

In a turn of the screw not lost on local political observers, McAuliffe is playing down the work for which he is best known -- boosting the Clintons -- to cast himself as an independent voice for Virginians. That is a tricky maneuver, given that McAuliffe is simultaneously trying to cash in on Bill Clinton's star power by appearing with him in Richmond, Roanoke, and the state's Washington suburbs. McAuliffe is doing nothing to remind Virginia Democrats of his ties to Hillary Clinton, who was crushed, 64 percent to 35 percent, in their 2008 presidential primary.

Obama's landslide in that contest signaled the state's lack of interest in Clinton 2.0. So McAuliffe is refashioning himself in the model of, well, Obama -- a post-partisan figure devoted to job creation and renewable energy. But questions remain: Why does the salesman want to govern? And can he win?

Still Spinning

When Hillary Clinton walked into the cavernous main hall of Washington's National Building Museum last June to belatedly bow out of the 2008 presidential campaign in front of thousands of die-hard supporters, she was accompanied by the Goo Goo Dolls' song "Better Days," which wraps up with "Tonight's the night the world begins again." The line was intended to herald the dawn of the next chapter of Clinton's public life. But it was also a fitting tribute for her campaign chairman, McAuliffe, who stood in the back, still spinning to the television cameras for his longtime friend even as she walked off the stage.

On the stump in Virginia, McAuliffe often says that he always intended to run for office but that his life took a long, exciting detour. Immediately after college in

1980, he stepped into national politics as the finance chairman of President Carter's re-election campaign, and eight years later he raised money for then-Rep. Dick Gephardt's first presidential bid. McAuliffe is best known, of course, for becoming a confidant of Bill Clinton and masterfully milking Democratic cash cows. According to several published reports, McAuliffe raised at least \$300 million for the Clintons over the years -- for Bill Clinton's two White House campaigns, for his legal defense fund and his library, and for Hillary Clinton's successful 2000 Senate bid. McAuliffe even helped arrange the mortgage for the couple's \$1.7 million post-presidency residence in elegant Chappaqua, N.Y.

Bill Clinton rewarded McAuliffe by joining Gephardt and others in endorsing him for the chairmanship of the Democratic National Committee in the wake of Al Gore's failed White House bid. McAuliffe won easily over former Atlanta Mayor Maynard Jackson.

Leading the party from 2001 to '05, McAuliffe built, as he likes to recount, a massive \$535 million war chest and modernized the DNC. With Republicans in control of Congress and the White House, his was one of the most visible faces of the Democratic Party. He sings his own praises with enthusiasm: "When you don't have the White House, you're the guy on television every day setting the tone."

During that time, McAuliffe was eager to prove that he wasn't just a fundraiser, that he could do message, too. Still, his legacy was clear. Gephardt, who was an usher at McAuliffe's wedding two decades ago, says, "He raised more money for the party and left the party in better shape for the [2004] general election than anyone ever has."

That year produced another disappointment for Democrats, though, when they lost to George W. Bush for the second time. McAuliffe, ever the optimist, knew that another Clinton was waiting in the wings. He signed on as Hillary Clinton's campaign chairman. Then, when McAuliffe realized that the product he had long pitched would no longer move, he did what any salesman might. He found a new commodity and a new spiel. His world did indeed begin again.

"I think people respect the loyalty that I showed to Hillary right up until the end," McAuliffe told *National Journal*. "I didn't cut and run. I don't cut and run. I'm a loyal sticker. I'm proud of her. I love her. I think she's fantastic. But the day she said, 'Terry, I'm done,' ... I never looked back."

Smooth Operation

McAuliffe insists he's not running for governor simply because he had time on his hands once Hillary Clinton's campaign derailed. He had previously given serious thought to seeking office, he says, either in his native New York or in Florida, his wife's home state.

But Hillary Clinton's loss undeniably ended a major chapter in McAuliffe's life. A father of five, he became a rich man during his years as advocate for the Clintons, turning a \$100,000 investment in Global Crossing, the telecommunications company that ultimately went bankrupt, into at least \$8.1 million. (His campaign says that a widely reported \$18 million figure for his Global Crossing profit is incorrect.) He also ran a Florida construction company, American Heritage Homes, which he sold for an undisclosed amount. During an April rally at a Richmond farmers' market, President Clinton said of McAuliffe, "Yeah, he's made a lot of money. He did that

by taking care of other people." Details of the multimillion-dollar ventures never make it into McAuliffe's Virginia stump speech. He prefers to regale listeners with tales of his success in resurfacing driveways as an entrepreneurial 14-year-old.

McAuliffe launched his bid for governor much as Hillary Clinton started her Senate campaign in New York. For two months he traveled throughout Virginia, meeting voters from Emporia and Waynesboro to Wise and Melfa. The listening tour was a formality. No one doubted that he would run.

He has created a campaign machine that only a skilled party veteran could craft in short order. McAuliffe's effort is built around business roundtable discussions (an attempt to tap into the constituencies that moderate Democrats Mark Warner and Tim Kaine successfully wooed), regular telephone town hall meetings, and text messages to attract the state's young, tech-savvy Obama voters. McAuliffe periodically signals he can identify with regular working folks -- by suiting up to toil at the Fairfax City Fire Station or pitching at an African-American barbershop in Richmond and in Roger Brown's Restaurant & Sports Bar in Portsmouth. Meanwhile, his team has cranked out detailed position papers on jobs, energy, transportation, and education.

The McAuliffe camp boasts well-known consultants from Hillaryland, including Mike Henry, Clinton's deputy campaign manager, and Mo Elleithee, a respected spokesman. They run a smooth, moneyed operation. They have already aired a half-dozen TV spots and attracted major union endorsements -- from the American Federation of State, County, and Municipal Employees, and the International Brotherhood of Boilermakers, as well as the Virginia Professional Fire Fighters.

But doubts remain that McAuliffe is well enough versed in clubby Virginia politics to accomplish much if elected. Richmond's entrenched network of civil servants and homegrown pols is hard to buck, and Republicans dominate the Legislature. The glamour of winning a marquee competition could quickly fade.

"I think there's sometimes still a sense that he hasn't paid his dues," said Harris Miller, a Moran supporter who ran for the Senate in 2006. Despite his own superior fundraising, Miller lost to political newcomer Jim Webb in the Democratic primary. "As I proved," Miller says, "you can outspend your opponents and still lose."

McAuliffe's outsider status is underscored by his lack of giving to in-state candidates -- and his bountiful fundraising outside of Virginia. Between 1997 and early 2008, he did not contribute to a single candidate for state office, according to the nonpartisan Virginia Public Access Project. Since late last year, McAuliffe has personally given a total of \$6,500 to three candidates -- two running for the Fairfax County Board of Supervisors and another running for delegate. His campaign committee has given \$94,530 so far this year, largely to the state Democratic Party. Asked why McAuliffe ignored Virginia candidates in the decade before his own run, a campaign spokeswoman noted only that McAuliffe, as DNC chief, shepherded \$5.1 million of party money to Kaine's successful 2005 gubernatorial campaign.

The largest portion of contributions to McAuliffe's campaign have come from Washington, followed by Los Angeles; Fairfax County; Cook County, Ill.; New York City; and Orange County, Calif. Top gifts include \$276,000 from media magnate Haim Saban; \$250,000 from film producer Stephen Bing; \$100,000 from Robert L. Johnson, founder of Black Entertainment Television; \$101,000 from Hy-

att Hotel heir J.B. Pritzker; and \$25,000 from Donald Trump. In his National Journal interview, McAuliffe said that Virginia supporters would see his vast network as an asset: "People would probably say, 'He's a pretty good salesman, probably has a lot of great relationships throughout the world, and would use those to grow our economy.' "

But rival Moran calls McAuliffe a "hyperpartisan national Democrat" with too few ties within the state. "I actually have relationships beginning on day one," Moran said. "Everyone says, 'I'm going to reach across the aisle.' I actually have." But the day-one argument, as McAuliffe could vouch, didn't work in Virginia, or nationally, for Hillary Clinton.

Rep. Gerry Connolly's straw poll demonstrated that money often trumps experience. The St. Patrick's Day traditional feast brings out Democratic activists, and throngs showed up this year for the corned beef and potatoes, and to vote. McAuliffe's campaign purchased 400 tickets, about half the final vote count. But, more important, he turned out his supporters, many of them young, first-time attendees. McAuliffe won with 58 percent of the vote to Moran's 30 percent and Deeds's 12 percent.

His opponents and their supporters were steamed, even though the ticket buying didn't violate any rules. "I think it sucks," said Moran backer Howard Carlin of Herndon. "It's just really unfortunate that McAuliffe had to win it by doing that sort of thing." McAuliffe is unapologetic. "At the end of the day, it's about getting people to show up and vote, isn't it?"

A Mix of Old and New

The White House would be extremely pleased to follow up Obama's 2008 primary and general election successes in Virginia by keeping the state's governorship in Democratic hands for another term. Voter interest in the race, which features the state's first contested Democratic gubernatorial primary since 1985, is unpredictable. More than 977,000 Virginians voted in last year's Democratic presidential primary, but two years earlier only 155,784 came out for the Webb-Miller Senate primary. Most political observers think that high turnout -- signaling the continued participation of young people and sporadic voters whom Obama's "change" message lured to the polls -- would benefit McAuliffe. If turnout is low, the contest will probably be decided by party regulars, people more apt to have connections to Deeds or Moran.

McDonnell, who has no primary competition, is waiting in the wings for the Democratic nominee. He served in the Army and attended law school at Regent University, founded by evangelist Pat Robertson. National GOP leaders, including 2008 presidential candidates John McCain, Rudy Giuliani, Fred Thompson, and Mike Huckabee, as well as Senate Minority Leader Mitch McConnell and Louisiana Gov. Bobby Jindal, have already descended on Virginia to raise money for the social conservative. McAuliffe spokesman Elleithee describes McDonnell as "a lifelong right-wing ideologue who has learned how to speak moderate."

Virginians think more highly of McDonnell than of any of his Democratic rivals, according to a recent poll by Daily Kos and Research 2000. The survey also found the Republican running ahead of each of the Democrats in head-to-head matchups. He is the only one of the four to have won statewide office, edging Deeds by fewer than 400 votes to become attorney general in 2005.

Even though Obama was the first Democratic presidential candidate to carry Virginia since 1964, the commonwealth remains a mix of the Old South and the new, rural and urban, high-tech and low-wage. This year's campaign seems to be turning on the economic issues dominating the national debate, but deep divides remain over social issues, such as guns and abortion, that have proven pivotal in some past elections.

With suburban Northern Virginia having tipped the balance to the Democrats in last year's presidential race and Webb's 2006 Senate contest, McDonnell intends to fight for moderate votes, according to Ed Gillespie, the former Republican National Committee chairman who is his volunteer campaign chairman. "I do think there will be a lot of voters, a lot of centrist and moderate voters in the suburbs who voted for Obama who will vote for McDonnell. There's no doubt about that," Gillespie said. "People saw Barack Obama as someone who could fix things, who could solve problems. And people see Bob McDonnell as someone who can fix things and can get things done."

If McAuliffe gets the chance to knock heads with McDonnell, both will be vying for the Mr. Fix-It title. Trailed by a pack of reporters, McAuliffe donned hard hat and safety goggles to peer into the Lorton waste-conversion facility packed with thousands of tons of stinking garbage.

The trash would be burned and eventually turned into energy to light up Virginia. McAuliffe, who told the plant's managers that he had tried to build this facility's twin in Syracuse way back in 1980, looked as if there was no place on earth he would rather be than here, inhaling the sour fumes.

"This gets me excited!" he bellowed into the abyss. "This is your future. This is as good as it gets."