

Obama's staff
shake-up
Updated 1/6/2011 4:31 PM
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The White House is undergoing a major staff shake-up at the halfway point of President Obama's first term. Here's a look at the key open positions -- and who might be in line to fill them:

WASHINGTON — If President Obama wanted a tough manager with sharp political instincts who wouldn't seek the spotlight as his next White House chief of staff, he found his man in William Daley.

Obama named Daley as his new chief of staff Thursday afternoon, praising him as "an experienced public servant, a devoted patriot."

The Chicago lawyer and business executive, a brother and son of Chicago mayors, combines the traits of Obama's first two White House bosses, former colleagues say. He's as tough as Rahm Emanuel, the former congressman running to be Chicago's next mayor, and as humble as Pete Rouse, a former Senate staffer who eschews attention and has held the chief of staff spot on an interim basis.

THE OVAL: Former colleagues react to Daley's appointment

Perhaps most important, Daley boasts political acumen that one ex-colleague compared to that of former president Bill Clinton, who named Daley secretary of Commerce in 1996. And he brings another lifeline to Chicago, from where Obama's re-election campaign next year will be run.

"He is a very unusual guy at the top levels of American politics. He's fair and decent and smart and doesn't have a huge ego," says Robert Shapiro, a veteran of past Democratic campaigns and administrations who served under Daley at the Commerce Department. "I think he brings just about

everything you would want in a chief of staff."

That's an opinion shared by former White House chief of staff Erskine Bowles, who worked with Daley during Clinton's second term and most recently co-chaired Obama's bipartisan fiscal commission on the national debt.

"He understands both the political side of the equation and the management side of the equation and how to get things done in Washington," Bowles says. "He's got presence. He's going to have some tough negotiations with folks in Congress. They're going to respect him immediately."

Daley, at 62 the youngest of seven siblings, comes to the White House steeped in politics. His father, Richard J. Daley, was mayor of Chicago for 21 years. His brother, Richard M. Daley, has been mayor for the past 21 years.

He comes steeped in business, a quality that has been lacking in the Obama administration. He ran Amalgamated Bank of Chicago before joining the Clinton administration. Since 2001, he has been president of SBC Communications, then Midwest chairman of JPMorgan Chase.

U.S. Chamber of Commerce President Thomas J. Donohue praised the appointment. "Bill Daley is a man of stature and extraordinary experience in government, business, trade negotiations and global affairs," he said. "He's an accomplished manager and strong leader."

Critics of the appointment worry that it means Obama will favor business over consumers in the days ahead.

"Daley would act as a stovepipe for the interests of Wall Street, as if bankers didn't have enough influence already," says Paul Blumenthal of the Sunlight Foundation, a government watchdog group. The appointment "would plant an official emissary from Wall Street into one of the most important jobs in Washington."

"It would be nice if one of these appointments didn't have a Wall Street connection," says Roger Hickey of the liberal group Campaign for America's Future.

Daley's background makes it clear that he's squarely in the moderate wing of the Democratic Party. His appointment comes as the White House works to respond to voters who turned scores of Democrats out of Congress last fall and gave control of the House to Republicans.

Last year, when Daley joined the board of the moderate Democratic think tank Third Way, he offered a clear outline of his political philosophy:

"I believe in Third Way's unique mission — advancing moderate ideas, challenging orthodoxies and building a big-tent political movement that can attract an enduring majority," Daley said. "Their views are right for both campaigning and governing: pro-market, strong on security and seeking common ground on culture issues.

"Third Way is doing exactly the work that we must do — with the White House, Congress and statehouses — if we're going to own the center of American politics and create the kind of pragmatic change the country wants."

In an interview with The New York Times last year, Daley said the Democrats had "miscalculated on health care" and misinterpreted the message of the 2008 presidential election.

"The election of '08 sent a message that after 30 years of center-right governing, we had moved to center-left — not left," he said.

Liberals disagree and say Daley's appointment could spell even more trouble at the polls for Democrats.

"Bill Daley consistently urges the Democratic Party to pursue a corporate agenda that alienates both independent and Democratic voters," says Adam Green of the Progressive Change Campaign Committee. "If President Obama listens to that kind of political advice from Bill Daley, Democrats will

suffer a disastrous 2012."

During the Clinton administration, Daley worked to help pass the North American Free Trade Agreement in 1993. He was nominated as secretary of Commerce in December 1996 and served there for most of Clinton's second term, managing a budget of about \$5 billion and more than 30,000 employees.

"He cared a lot about management," Shapiro says. "He knows how to run a big ship."

He also cares about politics. During his Commerce tenure, he was one of Clinton's most willing campaign surrogates, attending events for Democratic Senate and House candidates during the 1998 midterm elections on behalf of the White House.

"He was tireless and just totally unflappable, never irritated with these kinds of requests," says Thurgood Marshall Jr., who was Cabinet secretary in the White House. "If there was any way he could do it, he would."

Daley was chairman of Al Gore's presidential campaign in 2000 and was an early backer of Obama in 2008, despite Hillary Rodham Clinton's campaign. He gave \$4,600 to Obama's campaign in two separate 2007 donations. Later, he helped Obama during the presidential transition period.

Last year, when polls showed voters were becoming disillusioned with Democrats controlling Congress, Daley reaffirmed his own moderate ideals.

"We've really got to listen carefully to the public," he said in his remarks at Third Way. "Voters are not embracing conservative ideology. But we must acknowledge that the left's agenda has not won the support of a majority of Americans — and, based on that recognition, we must steer a more moderate course."

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