

Third Way Aims for Front and Center

Think tank plans to promote moderate face for Dems

BY JAMES HOHMANN

The long-simmering battle between moderates and liberals for the soul of the Democratic Party is about to explode.

That presents a golden opportunity for Third Way, a five-year-old think tank that remains largely unknown outside the Beltway.

The group has spent months preparing to capitalize on this moment and take a more central role in the party.

And it's coming down squarely on the side of centrism — and planning to vigorously challenge the left.

"The party is about to come to a major fork in the road," said Jonathan Cowan, Third Way's president. "A left turn at this juncture is a turn toward permanent minority status."

The group's efforts reflect the underlying tension President Barack Obama faces as he heads into the last two years of his first term. Liberals say there's an enthusiasm gap with Republicans because Democrats are disappointed that the party was too timid about the size of the stimulus, compromised on the public option in health care reform and ran away from its accomplishments. Those closer to the middle say a more moderate face for the party is the only hope to win back independents, reelect Obama and retake the House in 2012, assuming it is lost Tuesday.



THIRD WAY
Jonathan Cowan

Cowan's group wants to play a role in 2011 akin to the Democratic Leadership Council's in 1995. Then, the last time Democrats lost the House, President Bill Clinton's willingness to "triangulate" between traditional Democratic orthodoxies and the Republicans who controlled Congress led to welfare reform, community policing and a slew of smaller accomplishments that helped propel Clinton to a second term.

Third Way, with a staff of 35 and a \$7 million budget for next year, has filled a vacuum left by the DLC's loss of influence in the wake of founder Al From's 2009 departure.

Third Way remains small compared with the Center for American Progress, the left's most powerful think tank and the one most plugged into the White House. For context, CAP gets around \$30 million a year in revenue and employs nearly 300 people.

Capitalizing on Hill turnover that will make high-level talent available, Third Way plans to hire several new employees.

The group is commissioning a post-election poll, to go into the field Wednesday, which will explore why people who voted to elect Obama president in 2008 either backed Republicans or stayed home Tuesday. A sample of 500 "flippers" and 500 "droppers" will be questioned about what they want to see from Democrats going forward. The results are due next week.

In addition, the group's fellows and policy advisers will start rolling out memos and studies that offer a framework for how Democrats could reach common ground with Republicans. The economic team is

developing a proposal that it thinks could win bipartisan support. It includes tort reform and incentives for research and development. And Cowan's writing a paper with a colleague about "the danger of left-wing economic populism."

With cap and trade effectively dead in a Republican House, Third Way will release a "Plan B" for energy reform. On Dec. 7, it's hosting a summit on nuclear energy — one of the group's big causes — with Energy Secretary Steven Chu and Obama energy czar Carol Browner.

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It will come out with a paper on the need for changes that could save Social Security, which it presents as a direct challenge to economist Paul Krugman, a New York Times columnist who has said Obama didn't go far enough with the stimulus and other programs.

And the group will advocate for education reform that focuses on middle-class, not low-income, schools. Third Way is also pushing for more trade agreements and a

new approach to immigration.

The biggest challenge facing the ambitious group: It's not completely clear there will be an appetite from the left or the right for what it has to offer.

Republicans will probably be unwilling to cooperate on most of the group's issues.

Because of the reddish districts moderates represent, they will suffer the heaviest losses Tuesday — which means Democrats in the next Congress will be on the whole more liberal.

Getting Obama to tack to the center will be much easier said than done. Clinton had been chairman of the DLC before he ran for president. Third Way embraces Obama as one of its own, a pragmatist eager to accomplish big things but willing to compromise to get results, but he won his party's nomination largely by transcending the "new"-vs.-"old"-Democrat debate. And he has no personal ties to the group.

Third Way's leaders say that the president and congressional leaders recognize moderates matter more than ever.

To be sure, there are other groups advocating center-left views. The Progressive Policy Institute, which spun off from the DLC, remains in the research and education game under Will Marshall. Simon Rosenberg, a former DLC field director, runs NDN, previously known as the New Democrat Network. And while it's not what it once was, the DLC hasn't disappeared.

"We're going to have to look at what we did wrong and figure out where we lost our way with independents and swing voters," said an aide to a senior congressional Democrat. "Third Way — that is their wheelhouse."