



How Cruz, Paul and Rubio's presidential ambitions rock the GOP's agenda. P. 12

PLUS: Elizabeth Warren's sideline influence, P. 18

COVER STORY

Presidential Bids Roil The Senate

With Cruz, Paul and Rubio jostling for the national stage, McConnell is left trying to pick up the pieces

BY ELIZA NEWLIN CARNEY











HE RACE FOR THE WHITE HOUSE has already drawn three of the Senate's most combative Republicans, thrusting the chamber into a disruptive and distracting political scrimmage.

For Texas firebrand Ted Cruz, libertarian standard-bearer Rand Paul of Kentucky and telegenic conservative Marco Rubio of Florida, the mandate for the 114th Congress is clear: seize the national spotlight with bold sound bites and bills that underscore their differences and offer voters a clear choice.

For Senate Majority Leader Mitch McConnell, this Congress' mandate is essentially the opposite: unify Republicans behind a governing agenda with minimum drama and GOP infighting. That puts the Kentucky Republican on a collision course with three of his party's most visible figures, including his fellow Bluegrass State senator.

As Cruz, Paul and Rubio jostle for space on the national stage, the showboating trio is complicating both McConnell's policy agenda and his bid to retain Senate control in 2016. For one thing, their increasing absences from the Senate to hit the campaign trail complicates McConnell's strategy for reaching 60 votes to block filibusters. More directly, their potential infighting and Senate hijinks could undermine McConnell's bid to rebrand the GOP as a party that can actually legislate and govern responsibly, indirectly hurting the party's White House nominee.

From threatened government or agency shutdowns to filibusters and foreign policy ultimatums, the three have been at the heart of some of the GOP's most heated internal disputes. Now they are starting to tailor their provocative platforms to their electoral ambitions. These include calls from Cruz and Paul to abolish the Internal Revenue Service; from Paul to audit the Federal Reserve and from Rubio to continue the U.S. embargo against Cuba.

"I think it's going to make it more difficult for McConnell to get the amount of votes necessary" to advance his agenda, says Josh Huder, a senior fellow at Georgetown University's Government Affairs Institute. "If Cruz, Paul and Rubio can't sign on to a relatively moderate appropriations bill, McConnell is either looking at a shutdown or he is going to have to rely on Democrats to get those votes."

So far, McConnell has presided over a GOP caucus that, particularly in comparison with the boisterous House, appears interested in getting things done. Last year, Cruz whipped conservatives into a lather over President Barack Obama's executive action to delay deportation for millions of illegal immigrants. When the issue came up this year, however, Cruz didn't try to block, or even slow down, McConnell's plan for a "clean" Homeland Security Department funding bill. In the end, it was House conservatives who held up the DHS bill and forced Republicans into another round of brinkmanship.

Other senators could still join the trio on the presidential campaign trail. South Carolina Republican Lindsey Graham has set up a testing-the-waters political organization for 2016. Vermont independent Bernard Sanders is talking about a presidential run. And while Democrat Elizabeth Warren of Massachusetts says she's not seeking national office, she is raising money all over the country.

But it's the three conservatives who have thrown themselves most aggressively into the ring, even though none has yet declared formally. Their candidacies could aggravate looming fights over raising the debt limit, reauthorizing the Export-Import Bank and conducting foreign policy. Cruz, Paul and Rubio all won their Senate seats challenging the Republican establishment and are lobbing procedural, political and policy grenades at their leaders and colleagues.

They're also racing around the country, big-footing TV talk shows, missing some key votes, competing for big donors and squabbling among themselves. Paul, for example, has derided Rubio's Cuba stance as "inconsistent and incoherent." Rubio has tagged Paul as an Obama patsy. Their GOP colleagues are watching warily for signs that one is preparing some kind of stunt, perhaps on the Senate floor.

"If I [were] in a Senate Democratic office right now, I think I would be quite pleased with the potential for chaos that's laid out in front of me this year," says Ben Ray, communications director for the Democratic opposition research group American Bridge 21st Century, which is preparing to rally behind Hillary Rodham Clinton in 2016.

CURSE OF THE CHAMBER

Often considered a liability for a presidential candidate, a Senate seat is becoming an increasingly popular White House launching pad. Starting with James Monroe in 1817, 16 senators have gone on to become president, including John Kennedy, Lyndon Johnson and Richard Nixon. In 2008, Obama upended the conventional wisdom that a novice U.S. senator could not win a presidential campaign.

Moreover, that election also featured starring roles for Sen. John McCain of Arizona, who won the GOP nomination, and for then-Sens. Joseph R. Biden Jr. of Delaware, now vice president, and Clinton, who ran a close primary race with Obama in her second term representing New York.

This year's White House-minded senators are not faring as well in the polls so far as the current or former governors leading the field, most notably ex-Florida Gov. Jeb Bush and Wisconsin Gov. Scott Walker. Some Republicans argue that what their party needs is a leader with executive, not Capitol Hill, experience.

Still, the "curse of the chamber," as some have dubbed the burden of running for president as a senator, may now fall less on the candidate and his or her vote record than on the institution itself. While all are cut from conservative cloth, Cruz, Paul and Rubio embody different wings of a

Undeclared Candidates Often Play Loose With the Rules

AS THEY SCRAMBLE TO RAISE the \$400 million to \$600 million it now costs to make a realistic run for president, the three Republican senators eyeing White House bids are relying on a hodgepodge of personal political action committees, unregulated tax-exempt groups, super PACs and even book tours to fund their activities.

Between them, Sens. Ted Cruz of Texas, Rand Paul of Kentucky and Marco Rubio of Florida either run or are backed by a dozen campaign fundraising committees. They and other White House hopefuls are at best skirting Federal Election Commission rules that require candidates who are "testing the waters" to observe strict contribution limits, says Paul S. Ryan, senior counsel at the Campaign Legal Center.

"If these folks are spending money to test the waters of a candidacy, they need to be raising money under the candidate limits, and those who are using (c)4s and super PACs are not complying with that requirement," says Ryan, who recently penned a white paper dubbed "Testing the Waters and the Big Lie."

But as long as they have not yet officially declared their candidacies, White House hopefuls enjoy considerable leeway to bend the rules. And the routinely deadlocked FEC is doing little these days to enforce the campaign laws in any case.

"It would be almost irresponsible for a candidate to play by the rules when no one else is," says Craig Holman, government affairs lobbyist for Public Citizen. "So everyone understands that they can do just about anything they want and get away with it."

Former Florida Gov. Jeb Bush recently drew headlines for asking wealthy donors not to contribute more than \$1 million at a time for now. Less noticed was that Bush is raising those five-figure donations, well beyond the federal contribution limit of \$2,700 per election, for an unrestricted super PAC that by law is forbidden to coordinate with a candidate. But since Bush is not yet an officially declared candidate, his lawyers appear to have shrugged.

Similarly, Wisconsin Gov. Scott Walker has set up a so-called 527 group, a type of political organization that must disclose its donors but that may accept contributions in unlimited amounts, to explore the field. Ryan maintains that Walker, too, is likely violating the FEC's "testing the waters" rule. The candidates have said they are following the rules.

As they hire top strategists and travel the country to meet with donors, senators on the trail are making full use of their existing campaign accounts. Cruz essentially has five war chests: his Senate campaign committee; a personal PAC (known as a leadership PAC); a joint fundraising operation that divvies up cash between the campaign and leadership accounts; and two unrestricted super PACs.

Paul and Rubio are also raising money via Senate, leadership and joint fundraising accounts. A pro-Paul super PAC called America's Liberty is run by John Tate, the former campaign manager for Paul's father, ex-Rep. Ron Paul of Texas. Tate also runs an affiliated taxexempt advocacy group dubbed the Campaign for Liberty, which heav-



SIGN OF THE TIMES: Rubio has the obligatory biographical book out, "An American Son."

ily promotes both Rand and Ron Paul, and which operates outside both the campaign finance limits and the disclosure rules.

Rubio as yet has no super PAC actively rounding up money on his behalf, but he

does have a promotional backer of sorts in the publishing company Sentinel, a subsidiary of Penguin Books, which put out his latest book, "American Dreams."

Sentinel "covers travel related specifically to book marketing or events," a Rubio spokeswoman said in an email. In February, that included book signings conveniently located in West Des Moines, Iowa, and Manchester, N.H., as well as in Las Vegas, Miami and Greenville, S.C.

If Rubio were an officially declared candidate, Sentinel's role in underwriting his book tour could run afoul of ethics and campaign finance rules. In 2013, the House Office of Congressional Ethics, which conducts preliminary ethics investigations, recommended that the full Ethics Committee investigate whether then-Rep. Michele Bachmann of Minnesota violated election laws and House rules by accepting in-kind contributions to her presidential campaign from the publisher promoting her book, "Core of Conviction."

The ethics office also recommended that the full committee look into whether Bachmann illegally skirted contribution limits when she used her leadership PAC to pay a consultant working on her presidential campaign. The Ethics Committee declined to probe the matter further, but Bachmann remains under federal investigation.

Two White House hopefuls are mounting campaigns the oldfashioned way: Sen. Lindsey Graham of South Carolina and former Sen. Jim Webb, a Democrat from Virginia. Both have set up traditional "testing the waters" committees that have both capped donations at \$2,700.

Says Ryan: "The fact that we have at least two prospective candidates complying with the law means that both prospective candidates and political lawyers know what the rules are."

- ELIZA NEWLIN CARNEY





party struggling to define itself.

Cruz is pure tea party. Paul gives voice to the party's aspiring libertarians. And Rubio, a Cuban-American who has championed immigration changes, has the ear of the GOP's business wing. Their White House aspirations elevate some of the GOP's policy priorities, as evidenced by Rubio's splashy new tax overhaul plan. But their national campaigns also spotlight the GOP's larger identity crisis.

CRUZ IN THE CROSS HAIRS

None has roiled internal GOP divisions more brashly than Cruz. Starting in January, Cruz largely withdrew from the recent fight over DHS funding and immigration and ultimately stayed out of McConnell's efforts to broker a deal - but not before he instructed conservative activists in December to go to the mat over the same issue.

Cruz declared in an op-ed that the Senate shouldn't confirm a single executive or judicial nominee until Obama withdrew his "unconstitutional" order and should attach riders to must-pass appropriations bills to strip Obama's authority to take executive action on immigration.

It was familiar territory for Cruz, who helped orchestrate a government shutdown in 2013 in his high-profile crusade to defund the Affordable Care Act. Cruz may have gone along with McConnell this time on DHS funding, but in a mid-January speech at the Heritage Foundation he all but mocked the majority leader's pledge to demonstrate that Republicans can govern.

Cruz declared: "There are some people in this town who will intone in gravelly voices: 'We need to get things done.' Oddly enough, [for] the people saying that, it doesn't really matter what those things are. There are voices who will say if you stand for anything, that has electoral risk."

Such open challenges help explain why Cruz wasn't invited back to continue serving as a National Republican Senatorial Committee vice chairman this year. NRSC officials say his term was simply up, but Republicans acknowledge privately that some senators were irate over his actions. Cruz himself acknowledged as much when he apologized to GOP senators at a caucus lunch late last year for "inconveniencing" them with unexpected weekend votes as he maneuvered to block Obama's immigration orders.

Some argue that Cruz would behave the same whether or not he were considering a White House run. "Is he going to grandstand more because he is running for president? I don't see how he could," says John Feehery, a former senior GOP Hill aide who heads Quinn Gillespie Communications.

Others suggest that Cruz's presidential aspirations may make him less likely to disrupt the Senate, not more. Indeed, his higher national profile may explain his reluctance to enter the recent immigration fight.

"A lot of Republicans are probably happy to see Ted Cruz out of town," says John J. (Jack) Pitney Jr., a professor of politics at Claremont McKenna College, not entirely in jest. "If Ted Cruz is in Hanover, New Hampshire, he can't be offering mischievous amendments on the Senate floor."

The real test may be whether Cruz once again puts GOP leaders and swing-state senators in a bind over the next debt ceiling hike. Congress is expected to have until October or November to act, setting up a high-stakes deadline on the eve of the primary campaign. Democrats are already making hay out of the near-DHS shutdown and are poised to exploit any fresh GOP discord.

"It is undeniable that this kind of irresponsible legislating and political infighting amongst Republicans is helpful to Democrats," says Democratic Senatorial Campaign Committee spokesman Justin Barasky.

PAUL'S OWN PATH

Paul's decision to skip his party's House-Senate policy retreat in Hershey, Pa., in January captured both his frenzied campaign schedule and his determination to blaze his own trail. Paul has barnstormed through more than 30 states, including multiple stops in Iowa and New Hampshire.

He's also largely dropped out as a reliable cosponsor on bills by such conservative colleagues as Mike Lee of Utah. One Republican groused that Paul's last big accomplishment was his March 2013 filibuster to protest the government's use of drones in the United States – a talkfest, joined by both Cruz and Rubio, that tied up the Senate floor for 13 hours.

"We still have a job to do here," grumbled a GOP Senate aide whose boss is unhappy with Paul. "This isn't just a platform to run for president. We still have to turn back a bunch of bad policies that were enacted in the last few years. And we need some help on that."

Some of the issues Paul talks about most, moreover, could stir up trouble. Take his "audit the Fed" bill to remove the Federal Reserve's current exemption from government audits of monetary policy. The bill is as popular among libertarians and grass-roots Republicans as it is loathed by the Fed, which warns that it would destroy the central bank's ability to guide the economy without congressional interference.

The bill has about 30 co-sponsors, including McConnell, who has said he would support a Paul presidential run. McConnell might consider putting the legislation on the floor to help his fellow Kentuckian, who campaigned hard for him during his 2014 primary. But doing so could spook financial markets and the GOP's Wall Street donor base.

Paul has at least found the push profitable. He raised \$125,000 as of early March through an online fundraising campaign titled "Audit the Fed Money Bomb," organized in part by his father, former House member and GOP presidential candidate Ron Paul of Texas.

Paul has also tangled with Rubio over Cuba, saying "the 50-year embargo just hasn't worked" and calling Rubio's assaults on administration policy "rude" and "intemperate."

Rubio has lashed back, accusing Paul of "repeating the talking points of the president." As the new chairman of the Senate Foreign Relations Subcommittee on Western Hemisphere Affairs, Rubio has threatened to block congressional funding for an ambassadorial nomination and a future U.S. embassy in Cuba.



AND THE WINNER IS ...: Paul, a regular at conservative conferences for years, won the 2015 CPAC straw poll.

Republicans on and off Capitol Hill who are considering White House bids

are competing intensely over the party's most coveted strategists, Hill aides,

Paul has also complicated life for Republicans in his home state. Under Kentucky state law, no candidate's name may appear on the ballot for more than one office at a time.

Kentucky Secretary of State Allison Lun-

dergan Grimes, a Democrat who unsuccessfully challenged McConnell in the midterms, has vowed to take Paul to court if he violates that law. Paul asked the Kentucky GOP's executive committee to choose its next GOP

The Wheels on the **Campaign Buses**



TED CRUZ Texas Senator

HOT STRATEGIST:

Jason Johnson, chief strategist; longtime Cruz political adviser who owns Austin-based J2 Strategies.

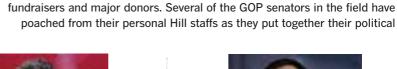
HILL PEOPLE:

Chip Roy, senior political operative; had been Cruz's Senate chief of staff.

Nick Muzin, another top political aide; formerly deputy chief of staff in Cruz's Senate office.

DEEP-POCKETED BACKER:

David Panton, owner of the Atlanta private equity firm PCH Holdings Group.



RAND PAUL Kentucky Senator

HOT STRATEGISTS:

Steve Munisteri, adviser to Paul's political operation; as chairman of the Texas Republican Party, he represented a key get for the Paul team.

Chris LaCivita, senior adviser; a former aide to Sen. Pat Roberts, R-Kan., who helped salvage Roberts's 2014 election campaign.

DEEP-POCKETED BACKER:

Kenneth Garschina, principal with the New York hedge fund Mason Capital Management.



MARCO RUBIO Florida Senator

HOT STRATEGIST:

Jim Merrill, senior adviser for Rubio's leadership PAC, Reclaim America; a New Hampshire strategist and consultant who directed Mitt Romney's presidential primary bids in that state.

ULTIMATE INSIDER:

Wayne Berman, adviser and fundraising guru; a senior adviser for global government affairs for the private equity and investment banking firm Blackstone Group.

DEEP-POCKETED BACKER:

Norman Braman, supporter and fundraiser; billionaire auto dealer and former owner of the NFL's Philadelphia Eagles.



ON THE TRAIL: Rubio, who addressed CPAC in February, has missed more votes than any other sitting senator, a study found.

presidential nominee via a caucus rather than a primary and got an early thumbs-up. McConnell backs the idea, but the state central committee must still sign off on it, and Lundergan Grimes has warned that it "could create potential chaos" in the state's electoral process.

Paul, an ophthalmologist, pledged in his letter to Kentucky Republicans to treat his "current job as seriously as I treated being a doctor while running for office in 2010." But he also made clear where his ambitions lie: "I believe I can keep helping the people of Kentucky as senator, but I think there is no doubt I could help them even more as president."

RISKS FOR RUBIO

When Senate Republicans voted on Jan. 21 to approve construction of the Keystone XL pipeline, one of the GOP's leading legislative accomplishments of this Congress thus far, Rubio was the only GOP senator not voting. Instead, he spent the week in California at

fundraisers in Beverly Hills, Costa Mesa, La Jolla and Newport Beach, records from the Sunlight Foundation show.

The pipeline bill passed overwhelmingly, by a vote of 62-36. "It's not unusual for presidential candidates to miss Senate votes," a Rubio spokesman said at the time.

But Rubio also managed to miss a key Senate vote in late February, when Republicans tried without success to break a Democratic

filibuster of a House-passed bill to fund the Homeland Security Department that blocked Obama's immigration executive order. Rubio now has the highest level of absenteeism in the Senate, according to an analysis by the websites Vocativ and GovTrack.us.

If Rubio runs for president, he has pledged to relinquish his Senate seat, prompting conservative blogger Ben Domenech to dub him the potential 2016 candidate with "the most to lose" from a White House bid.

The GOP could lose out, too, given that Florida is a swing presidential state that could offer Democrats a prime shot to pick up a seat. Top GOP officials are lobbying Rubio to run for the Senate rather than the White House, though it's not clear he's paying attention. In the meantime, the Democratic National Committee is staging events challenging Rubio on the minimum wage and other issues during his national book tour in Iowa, New Hampshire and elsewhere.

Far from hurting the party, some Republicans argue that the senators considering White House bids are helping the GOP by turning the national spotlight on conservative

teams. Even those billing themselves as Washington outsiders can't seem to stay away from Hill and inside-the-Beltway talent. All this has set off a merry-go-round of staff changes and led to a mini brain drain from the Hill. Here's where some of the top players have landed.

- KATE ACKLEY AND ELIZA NEWLIN CARNEY



JEB BUSH Former Florida Governor

HOT STRATEGIST:

David Kochel, lowa political adviser to Right to Rise PAC, ran Mitt Romney's Iowa operation.

ULTIMATE INSIDERS

Matt Gorman, aide with Bush's Right to Rise PAC; formerly ran the National Republican Congressional Committee's rapid-response program.

Josh Venable, signed up with Right to Rise; served as deputy finance director of the Republican National Committee.

Dirk Van Dongen, bundler, fundraiser and adviser; president of the National Association of Wholesaler-Distributors.

DEEP-POCKETED BACKER:

Woody Johnson, owner of the New York Jets.



CHRIS CHRISTIE New Jersey Governor

HOT STRATEGISTS:

Ray Washburne, finance chairman of Christie's Leadership Matters for America PAC; former chairman of the Republican National Commit-

Phil Cox, senior aide with Christie's PAC; former executive director of the Republican Governors Association.

DEEP-POCKETED BACKER:

Ken Langone, Home Depot co-founder.



SCOTT WALKER Wisconsin Governor

HOT STRATEGIST:

Rick Wiley, executive director of Walker's political organization, the 527 group My American Revival; former managing director in the Mercury LLC Washington office and former political director of the Republican National Committee.

HILL PEOPLE:

Mike Gallagher, foreign policy adviser; previously a staff member on the Senate Foreign Relations Committee.

Ashlee Strong, national press secretary; previously spokeswoman for the Senate Republican Conference.



Warren in the Wings

ELIZABETH WARREN MAY still be just a freshman senator from Massachusetts. But she has already begun to reshape the Democratic Party into her own populistprogressive image, pushing the party to back stiffer financial regulation and to focus on curbing economic inequality. She's been given a role in the Senate Democratic leadership and has proved she can turn Capitol Hill upside down. She's even taken on President Barack Obama, and won.

By letting the cup pass on a presidential bid, Warren accrues power on the sidelines. She becomes a potential kingmaker, by bestowing the liberal stamp of approval.

So it was notable when Warren declined to say last month whether Hillary Rodham Clinton would be a "progressive warrior" in the White House. "I want to hear what she wants to run on and what she says she wants to do," Warren told MSNBC. "That's what campaigns are supposed to be about."

Warren poses a potential threat to Clinton even if she doesn't challenge her. Many grass-roots Democrats believe Clinton is too centrist, too close to Wall Street. Liberal groups are already trying to draft Warren.

Aware of the party's changing tides, Clinton is eager to tamp down criticism from the left. She recently invited Warren to her home in Washington to talk policy as she prepares to launch her campaign.

Of course, it's been a rough few weeks for Clinton's candidacy-in-waiting. She's been dogged by questions about her use of a private email account for official State Department business, as well as for foreign government donations to her family's foundation. That's on top of the ongoing GOP scrutiny of how she handled the 2012 attack on the U.S. consulate in Benghazi, Libya.



If Clinton continues to stumble, Warren, a dynamo fundraiser who raised more than \$42 million in her first-ever political campaign in 2012, will face rising calls to run.

Aside from the continuing whiff of scandals, Clinton will need to placate a progressive base that craves a Warren-esque candidacy.

"The prospect of Elizabeth Warren running for president is actually more powerful than if she actually decided to run," says Adam Green, co-founder of the Progressive Change Campaign Committee.

Warren has already moved the dial on Capitol Hill. In January, she sank Obama's nominee for a Treasury post because of his Wall Street ties. Last year, she mobilized opposition to the omnibus spending bill because it loosened regulations under Dodd-Frank. Her rebellion was quashed, but financial industry lobbyists say lawmakers fear inciting another high-profile clash, creating hurdles to further Dodd-Frank changes.

Warren has also rallied Senate Democrats to embrace left-leaning positions on student loan relief and expanding Social Security benefits. She's now leading a challenge to the administration's trade policy.

Warren "has this uncanny ability," Green says, "to give voice to an issue and thrust it to the center of the national debate."

- BEN WEYL

policy issues.

"These people are well-staffed. They all have the ability to make news with what they say and do and what they propose," says Morton Blackwell, president of the Leadership Institute, a conservative political training group, and a Republican national committeeman for Virginia. For any Senate Republican, adds Blackwell, "having a potential or an active presidential candidate allied with you is desirable, and it's mutually reinforcing."

Rubio's ambitious tax plan, recently unveiled with Lee, may well generate buzz around a tax overhaul, a key GOP priority in this Congress. But the plan, which would both lower the corporate tax rate and expand credits for families with children, may prove too sweeping to satisfy both conservative and business-friendly Republicans. It will also compete with and possibly complicate other pending GOP tax plans.

Rubio's pledge to fight the Obama administration's drive to normalize relations with Cuba may also create political headaches for the GOP. While Rubio's hawkish stance is largely shared by other Republicans, his hard-line opposition to opening up ties with Cuba may strike independent voters as backward-looking.

Republican Party organizers downplay the risk that Rubio's White House interests, or any other senator's, will set them up for any Senate losses in 2016.

"I'm sure that they will all miss votes. I'm sure that they will all miss policy opportunities in Washington," says Michael Needham, CEO of Heritage Action for America, the advocacy arm of the Heritage Foundation, of Rubio and other senators testing White House bids. "But at the end of the day, this country is going to be turned around from the outside in."

Still, a January survey by Mason-Dixon Polling & Research found that 57 percent of Florida voters want Rubio to run for Senate, not the White House. Erick Erickson, who runs the influential conservative blog Red-State, is in the same camp. Erickson signaled his unease with all three GOP senators eyeing the White House in a March blog post.

"Cruz, Paul and Rubio all have the same issue," he wrote. "For six years the right has told America we made a mistake hiring a one-term senator for president. So it's going to be awfully hard to say the GOP should nominate a one-term senator. That's just the truth."

Ben Weyl contributed to this report.