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Business Need Not Fear Obama

By Adonis Hoffman -- Broadcasting & Cable, 12/8/2008

Emergency plans for a doomsday scenario are being rehearsed up and down Washington's K Street, even as we speak. Anxiety is high among corporate lobbyists and organized business trade groups, who have been meeting since the election, hoping to discern the impact of the new Obama era. The working presumption seems to be that Obama's administration will be anathema to the things that really matter to big business.

But business need not fear Obama. It should beware of the fear of F.E.A.R.—False Evidence Appearing Real. When it comes to the corporate sector and the business of America, President-elect Obama's early moves suggest that his policies will stress acumen over antagonism, results over retribution and deal-making over dogma. The fears of radical regulation may very well be overblown. And business could find that Obama will be a stern, but steady, friend at a time of unprecedented challenge and perhaps unforeseen opportunity.

Here are a few things that should provide some context, if not comfort.

Acumen over antagonism, results over retribution: For all of the campaign bluster blaming big business for American economic woes, Obama is not and never has been an anti-corporate crusader. Obama's key economic appointments suggest his administration will pursue acumen over antagonism when it comes to the business sector. The designations of Timothy Geithner, Lawrence Summers, Christina Romer and Melody Barnes will allow the president-elect to hit the ground running with an economic team of advisers who are cozier with the business community than former candidate Obama might have wanted to acknowledge in a campaign for change. The fact that none of these people has an ax to grind with big business should be of considerable comfort to the business lobby.

Deal-making over dogma: If Obama has proved anything, it is that he is an über-pragmatist who prefers practical solutions over dogmatic ties to political philosophy. While business may have taken solace in the mainstream Republican ideology, it will be surprised at how non-ideological Obama may prove to be. After all, he has shown a willingness to borrow from the best of conservative, liberal, progressive and libertarian thinking in the development of his own world view. His commitment to success will compel him to think and act far outside the constraints of predictable political dogma.

Balancing commerce and the Constitution: More than any other president before, save Thomas Jefferson and James Madison, Obama is acutely aware of both the expanse and the limitations of government power. His facility with constitutional law may be unparalleled in American presidential history.

As a constitutional scholar, Obama knows, or should know, the balance that must be struck between permissible government regulation of business, trade and commerce on the one hand, and the light touch of regulation on the other that fuels innovation and investment in the marketplace.

Above all, he should appreciate the wide swath that the commerce clause of the Constitution cuts through our lives and should direct his cabinet and his erstwhile congressional cohorts to err on the side of less—not more—government regulation.

In the area of commercial marketing and advertising, for example, a string of successive Supreme Court decisions have struck down burdensome restrictions on commercial speech as impermissible under First Amendment jurisprudence. The president-elect should recognize that heavier regulation in that sector, alone, will mean less revenue for many, many industries.

It will be important for the president-elect to send clear, unambiguous signals to his fellow Democratic leaders in Congress that he expects them to treat business with prudence and pragmatism. He must allay the anxiety that went through the corporate sector when Rep. Henry Waxman (D-Calif.) was elevated to the chair of the powerful House Energy and Commerce Committee.

Obama should seek to work with proven pro-business Democrats such as Sens. Tom Carper (D-Del.) and Max Baucus (D-Mont.) and Rep. Steny Hoyer (D-Md.), the House Majority Leader, Speaker-in-waiting and chief arm-twister on important floor votes. These men can and should be trusted sounding boards on the effects of public policy on business.

Of course, as with any other administration, the business community will have its differences and spates with Obama, and some will be more serious than others. There could be a blowup over the president-elect's popular tax proposal or the sweeping stimulus package. There could be a bit of bloodletting over executive pay or corporate governance. Or there could be a dustup over a decision to bail out one industry over another.

Whatever the issues are that will bring business and Obama face-to-face, I would bet that Obama's goal every time will be to carve out a win-win scenario so that the public good does not obstruct the gains of the private sector.

Last but not least, all indications are that Obama will challenge big business—as he has challenged us all—to become its best; to live up to higher standards and ideals, and to contribute to society and humanity in a way that it has never done before. Such an outcome surely would profit our nation, and the dividend would go directly to the bottom line.

Author Information

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