FOIA Marker

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Speechwriting, White House Office of

Currin, John

Stack:	Row:	Sect.:	Shelf:	Pos.:	FRC ID:	Location or Hollinger ID:	NARA Number:	OA Number:
W	17	2	7	3	3370	16305	5242	5407

Folder Title:

SEC Cox, June 2005

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DOCUMENT NO.	FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
001	Webpage	Biography Resource Center [page 1]	1	06/01/2005	P6/b6;
002	Speech	Speech by SEC Chairman: Remarks Before the Foundation...	8	05/27/2005	P5;
003	Speech	Nomination of SEC Chairman	3	06/02/2005	P5; P6/b6;
004	Webpage	Congress, White House Await His Explosive... [page 3]	1	06/01/2005	P6/b6;

COLLECTION TITLE:
Speechwriting, White House Office of

SERIES:
Currin, John

FOLDER TITLE:
SEC Cox, June 2005

FRC ID:
3370

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

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b(1) National security classified information [(b)(1) of the FOIA]
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b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Records Not Subject to FOIA

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The Hill
April 14, 1999
-Car crash
Betsy Rothstein

Executive Office of the President

Biography Resource Center

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Name Search: Cox, Christopher (•) Name contains ( ) Start of last name SEARCH Search

Name Search

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Mark this document

◀ Results List

Narrative Biographies | Thumbnail Biographies | Marquis Who's Who™ | Magazine Articles | Websites

Document 1 of 1

Christopher Cox

Also known as: Christopher Cox

Birth: (b)(6) in St. Paul, Minnesota, United States
Occupation: Congressman
Source: *Marquis Who's Who* ™. Marquis Who's Who, 2004.

Source Citation

Family: s. Charles C. and Marilyn A. (Miller) C.; m. Rebecca Gernhardt; children: Charles, Kathryn, Kevin. **Education:** BA, U. So. Calif., 1973; MBA, JD, Harvard U., 19 **Certification:** Bar: Calif. 1978, D.C. 1980. **Political/Religious Affiliations:** Republica **Addresses:** Office, US Ho Reps, 2402 Raybum Ho Office Bldg, Washington, DC, 205 Address unknown, 1 Newport Place Dr Ste 420, Newport Beach, CA, 92660-2412.

Positions Held: mem., Bipartisan Commn. on Entitlement and Tax Reform, Washingt 1994; chmn. house policy com., homeland sec. com.; mem. fin. svcs. com.; mem. ene and commerce com., steering com.; mem., U.S. Congresses from 48th dist. Calif. (formerly 47th), Washington, 1989; sr. assoc. counsel to the Pres., The White House, Washington, 1986-88; ptnr., Latham & Watkins, Newport Beach, Calif., 1984-86; lectr. bus. adminstrn., Harvard U., 1982-83; assoc., Latham & Watkins, Newport Beach, Cali 1978-82; law clk. to judge, U.S. Ct. Appeals (9th cir.), 1977-78. **Career-Related:** prin., founder Context Corp., St. Paul, 1984-88.

Editor Harvard Law Rev., 1975-77.

This individual's biographical profile has been published in the following Marquis publications: *Who's Who in America* ®, 57th edition
Who's Who in America ®, 56th edition
Who's Who in America ®, 55th edition
Who's Who in America ®, 54th edition
Who's Who in America ®, 53rd edition
Who's Who in America ®, 52nd edition
Who's Who in America ®, 51st edition
Who's Who in America ®, 50th edition
Who's Who in America ®, 49th edition

Who's Who in America®, 48th edition
Who's Who in America®, 47th edition
Who's Who in America®, 46th edition
Who's Who in American Law®, 5th edition
Who's Who in the West®, 30th edition
Who's Who in the West®, 29th edition
Who's Who in the West®, 28th edition
Who's Who in the West®, 27th edition
Who's Who in the West®, 26th edition
Who's Who in the West®, 25th edition
Who's Who in the West®, 24th edition
Who's Who in the West®, 23rd edition
Who's Who in the West®, 22nd edition
Who's Who of Emerging Leaders in America®, 3rd edition
Who's Who of Emerging Leaders in America®, 2nd edition

SOURCE CITATION

"Christopher Cox." *Marquis Who's Who*™. Marquis Who's Who, 2004. Reproduced in *Biography Resource Center*. Farmington Hills, Mich.: Thomson Gale. 2005. http://galenet.galegroup.com/servlet/BioRC

Document Number: K2020269719

_______ Document 1 of 1 _______

Withdrawal Marker
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FORM	SUBJECT/TITLE	PAGES	DATE	RESTRICTION(S)
Speech	Speech by SEC Chairman: Remarks Before the Foundation...	8	05/27/2005	P5;

This marker identifies the original location of the withdrawn item listed above. For a complete list of items withdrawn from this folder, see the Withdrawal/Redaction Sheet at the front of the folder.

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SERIES:
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FRC ID:
3370

OA Num.:
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FOIA ID and Segment:
2014-0564-F

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U.S. Securities and Exchange Commission

Speech by SEC Chairman: 2005 CFA Institute Annual Conference

by

William H. Donaldson

Chairman
U.S. Securities and Exchange Commission

Philadelphia, Pennsylvania
May 8, 2005

Thanks, Jeff, for that generous introduction, and for inviting me to join you tonight. I am honored to be hosted by the CFA Institute and to have this opportunity to discuss some of the issues facing the analyst profession.

I know the evolution of this institute has a long history. Contrary to what some might think, I was not present at its creation way back in 1925. But soon after my partners and I at Donaldson, Lufkin & Jenrette opened our firm, in 1959, we decided to pursue the coursework associated with becoming a CFA, because we recognized the value in seeking to turn the occupation of security analysis from a trade into a profession. And since then I have seen you grow into a highly-respected and multi-faceted organization, serving thousands of investment professionals throughout the United States and the world. I applaud your dedication to education and excellence, and to advancing thought leadership on the critical issues facing the investment community. Your motto -- "setting the global standard for investment professionals" – truly defines a laudable goal.

As you all know, the past few years have been extremely busy for the SEC. I could certainly give a speech this evening that touches on all the different issues we've tackled, ranging from the Sarbanes-Oxley mandates and corporate governance, to mutual funds, hedge fund advisers, and equity market structure, to name just a few. In a few minutes, I'd be happy to take your questions, or respond to your thoughts on any of these issues, but before I do I'd like to focus on a number of issues related to investment research and the analyst profession. Before going any further, let me issue the standard mandatory disclaimer that my remarks here are my own and do not necessarily represent the views of the Commission or its staff.

I take special pleasure in joining you here tonight, because I spent many years immersed in the world of investment research and analysis. At DLJ we placed a premium on producing in-depth, comprehensive research analyzing public companies. In particular, back in the early 1960s we saw that the emerging growth of mutual funds and increasing equity orientation of pension and other institutional funds was creating a new breed of professional investors. These investors were faced with escalating demands for performance and were inadequately served by so-called "research," which was then really only statistical reporting, designed for individual investors. Institutions at the time were crowded into a relatively small universe of household names, such as "the generals" – General Electric, General Foods, General Motors, and the like – which soon became the "nifty fifty" with PE valuations that far exceeded realistic prospects for growth. That left many other companies, who were leaders in their fields – such as Dun & Bradstreet, Diebold, A.C. Nielsen – or fledgling companies in new industries – such as Xerox – as wallflowers. The institutions did not have the courage to move away from the big names because they did not have the research base to truly understand the fundamental position or future of these smaller companies. My colleagues and I set out to analyze them in a comprehensive manner, akin to the work usually associated with the management consulting profession. We recognized that buy-side clients would reward us with commission business in exchange for sound, long-term in-depth investment analysis. The market seemed to recognize the value of the product we were offering, and happily we were able to make a living off of it.

Today, research and analysis remains as important as ever, though much has changed in the business over the past 45 years. As you know, when brokerage commissions were deregulated in 1975 a new set of pressures beset the business model of the sell-side analyst. As competition squeezed brokerage commissions ever tighter, and with the development of the efficient capital markets theories and a resulting emphasis on passive index funds, many sell-side firms began demanding that their analysts prove their worth in new ways. Over time, analysts responded to these pressures in ways that I believe had a fundamentally negative impact on their ability to think and write for the long term. Some analysts believed that in order to survive they needed to cast their lot with the investment bankers. Research became more like the statistical reporting that prevailed in the 1950s and '60s and earlier, and there was little or no analysis of what made a company tick. As standards slipped, it became easier to understand the old Wall Street maxim that "you start as an analyst but you end as an ambassador." The Wall Street Journal noted recently that at the height of the boom in 2000 – and just before the markets started to tumble – 95 percent of the stocks in the S&P 500 had no sell ratings at all, and not a single S&P 500 stock had more than one sell rating.

Part and parcel of this unrelenting optimism was a culture that perhaps even encouraged analysts to cut a number of professional corners. To cite just two of many examples, untested – and unreliable – valuation methods became *de rigueur*, and income statements took precedence over balance sheets. One research analyst captured the boom-years zeitgeist when he told a magazine reporter that there was nothing wrong with his helping to sell investment-banking services to corporate America: "What used to be a conflict," he said, "is now a synergy."

As the structures supporting the analyst profession changed, so did the information upon which it rested. Data which was once available to a privileged few, and was difficult to obtain, became available to anyone with an Internet connection. But this transparency, and "information proliferation," did not necessarily translate into better analysis. Indeed, there's probably more unreliable information – masquerading as "analysis"

– floating around today than ever before.

This is where all of you come in. As chartered investment research professionals, you are charged with producing unbiased research about the companies, or industries, you cover. And if you toil on the so-called buy side, you are increasingly called upon to develop in-house quality research that is needed to replace or augment the short-term focus of buy-side suppliers. In either role, you are functioning as the backbone of the investment industry, and the quality of your work is critical to determining the long-term cost of capital, and to measuring the vitality of our markets and our economy.

As you think about the roles you can play in the investment business, I recognize that for many of you this continues to be a time of uncertainty. In the aftermath of the dot-com bubble, and the Global Settlement, investment research remains in transition. A number of fundamental questions have yet to be answered: How can we ensure the continued development of a robust marketplace and compensation for comprehensive, high-quality research? What can be done to promote coverage of small- and mid-cap companies in promising sectors that are sometimes ignored? And, of particular interest to me, how can analysts reorient themselves to focus less on the earnings-per-share game and more on the long-term health of the companies they cover?

I'll return to this topic in a few moments. First, let me review where things stand with the Global Settlement, and also offer some thoughts about how its principles may apply to fixed-income research.

Implementation of Analyst Settlement

Turning to the Global Settlement, I don't think it's necessary to recite all that went wrong in the research-analyst community. And as bad as things were in recent years, I do believe investment research and analysis has begun to change for the better. The Global Settlement has helped to bring new and better practices to the analyst profession, as it requires the settling firms to undertake reforms that will insulate research analysts from investment banking pressure.

The Commission staff, as well as the other regulators who participated in the settlement, continue to make efforts to ensure that the settlement agreement is implemented efficiently and in an even-handed manner. The independent research portion of the settlement calls for independent consultants to procure independent research for the settling firms over a five-year period. These consultants are now in place and have completed the process of picking those independent research firms that will serve the settling firms' customers. As of last July, independent research was made available to the clients of the settling firms, while the consultants have worked to ensure that the research is conflict-free, high-quality, and useful for investors.

A different part of the settlement calls for the appointment of independent monitors to submit a report on the effectiveness of the settling firms' procedures for compliance with the terms of the settlement. These monitors, who will begin their review this month, will look at the separation of research and investment banking, analyst compensation, transparency of firm research and availability of independent research.

Fixed-income

Fixed-income research wasn't directly implicated in the scandals of the late 1990s, and is not covered by the terms of the Global Settlement. But there are still questions facing fixed-income research that are substantially the same as those that laid the groundwork for the Global Settlement. For example, is it the case that fixed-income analysts are any less susceptible to pressure from their colleagues in investment banking, from the debt syndicate desk, or from corporate clients themselves? Industry participants, including issuers and customers, should continue to be proactive in self-examining and addressing conflicts as they arise: How are you managing the pressure created when an issuer threatens to retaliate against the analyst or the firm? What about the pressure created when an institutional investor threatens to withdraw business from the firm if the analyst downgrades a portfolio security?

To the extent that bond analysts have been able to resist the pressure to hype favored banking clients, has it been because of the counterweight provided by the institutional nature of the buy-side customer base? If so, what will happen as the character of that customer base begins to shade more into baby-boomer retiree retail?

I hope those of you in fixed-income research will turn your attention to questions such as these, and ask whether there is something to be learned from the history that gave rise to the Global Settlement.

The Challenge to Move Beyond Short-Termism

I'd like to turn to a more fundamental problem that, in my view, affects multiple aspects of America's corporations and securities markets. It is the tendency towards a short-term outlook shared by management, investors, and financial analysts. I realize that speaking out on the need for a longer-term approach to investment analysis is akin to speaking out in favor of baseball, hot dogs, and apple pie – it's something (almost) everyone supports, in an abstract way.

The backdrop to this phenomenon is the pressure that many analysts have felt to justify their existence on a quarterly – if not daily – basis. Many have believed, with some justification, that it is no longer good enough to tell your clients where the best investments are – particularly if those investments require the fortitude of bearing with a company through a few lean quarters while a solid management team sharpens its strategy and plans for the long-term. Over time the key question has changed from "what is the best investment?" to "where are the best short-term profit opportunities?" These are two different questions that more often than not will yield different answers.

Over time, analysts have become obsessed with the question of whether a company meets its quarterly EPS numbers, and not with whether a company is built to last. And because of the considerable clout of the sell-side analyst, this shift from long-term-thinking to short-term results has echoed through to company managements and to professional investors.

The focus on short-term results has, I believe, had a counter-productive influence on companies, on investors and on analysts themselves.

For companies, the short-term outlook has given rise to the disturbing syndrome of trying to force earnings into an artificial model of uninterrupted quarter-to-quarter growth. One study found that from 1999-2004, nearly half of the companies in the Dow Jones Industrial Average always met consensus earnings estimates, or beat them by a penny. "Making the numbers" often results in unsound corporate strategies, which pay no regard to the cost of postponed investment. Such a goal is often achieved only by bending accounting standards.

Highlighting the breadth of the problem is the finding contained in a National Bureau of Economic Research working paper. The authors surveyed 401 financial executives and 78% said they would sacrifice an initiative they expected would create economic value if it would affect their ability to realize smooth earnings.

I recognize that analysts are not wholly to blame for this short-term outlook. Indeed, a recent McKinsey paper points out that companies need to become more effective in identifying investors who will support a company's long-term outlook, and must also invest the time with research analysts to make the case for the company's future competitiveness.

The challenge for analysts, companies and investors is to turn this ship around. There are some encouraging signs, particularly at the company level. I believe that independent compensation committees are beginning to focus more on the long-term contributions that management makes and less on quarterly results. I think the coming requirement that companies expense their stock options will reinforce this trend. The Sarbanes-Oxley reforms, particularly the Section 404 internal controls requirement and the creation of the Public Company Accounting Oversight Board, should reduce the opportunities for quarterly profit manipulation designed to affect short-term results.

I hope that investors will begin to change, particularly when they see the value of an investment in a company that is managed for the long-term. But it will require the combined efforts of investment professionals and company management to lead the way.

I am also hopeful that analysts will choose to focus their talents on a company's fundamental value and its long-term prospects. A short-term outlook may yield short-term profits for your clients, but this outlook will present an incomplete – and likely distorted – picture of the companies you're covering. To state an obvious, but often-overlooked, fact – quarterly earnings do not reflect companies' long-term viability. Identifying the factors that will drive long-term growth – such as personnel, strategy, financial strength and flexibility, internal corporate governance, innovation, and customer service – may be more difficult to quantify, but they offer a more accurate and complete portrait of a company's future and, by the way, are critical criteria for determining executive compensation.

An interesting – and encouraging – illustration of what I'm talking about appeared in the New York Times on May 2nd. The article described how an

Internet retailer is pursuing a number of initiatives aimed at developing new areas of its business. While the initiatives have been blamed for the company's stock price falling, the CEO has stood his ground: "If we take care of customers," he said, "the stock will take care of itself in the long term."

I have also been pleased to see some securities firms take decisive steps away from short-termism in their investment research. But there is much more to be done. Rather than focusing on asking company management whether they are "comfortable" with the First Call consensus estimate, why not deepen your inquiry as to their strategic plans? What do they see the company doing four years down the road, and what sorts of investments – and sideways movements or interruptions of interim earnings – will be necessary to get there?

This approach will, ultimately, better serve investors, and it will also gradually temper the pressures on some corporate executives to fudge the numbers. It would behoove us all to remember the words of W. Edwards Deming: "People with targets, and jobs dependent on meeting them, will probably meet the targets – even if they have to destroy the enterprise to do it."

Conclusion

Let me offer a final thought on the future of your profession. Investors of all sizes and orientations will always seek out value-adding opinions, and will thus continue to demand research that is timely, accessible, affordable, and, most important of all, accurate.

The best of you are expert at analyzing a company's business model, critiquing its strategy and explaining what it needs to do to win in a competitive marketplace. I have a modest proposal. I'd ask you to focus your considerable expertise on a question closer to home. There is a huge demand for high-quality investment research. There are literally millions of investors in this country who want to understand how to build a durable, long-term portfolio. Who among you can figure out ways to deliver this product – a product that the market clearly wants – and ways for you to profit from it? It's a real challenge, but I am confident that you are up to the task.

Thanks again to the CFA Institute for giving me an opportunity to speak on this important topic, and thank you all for listening. I'd be happy to take your questions.

http://www.sec.gov/news/speech/spch050805whd.htm

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Currin, John

From: Jordan, Elise
Sent: Wednesday, June 01, 2005 12:32 PM
To: Currin, John; Carson, Melissa M.
Subject: FW: SEC questions

These are the current stats, although I am getting new ones from him and will keep you posted.

-----Original Message-----
From: Jordan, Elise
Sent: Tuesday, May 31, 2005 2:33 PM
To: McArdle, Thomas M.
Subject: RE: SEC questions

In the past two years, the commission has brought about approximately 1200 civil actions.

Over the last two years, the enforcement staff has increased by 356 to a new number of 1,338.

In FY 2004, the commision authorized over 3.3 billion dollars in disgorgement and penalties. That compares to FY 2003 to 2 billion.

Total number of enforcement actions for FY 2004: 639 actions [679 in FY 2003, 598 in FY 2002]

-- Per deputy director of legislative affairs Peter Kiernan 202-942-0139, 202-942-0010

> -----Original Message-----
> **From:** McArdle, Thomas M.
> **Sent:** Tuesday, May 31, 2005 2:27 PM
> **To:** Jordan, Elise
> **Subject:** RE: SEC questions
>
> Can you give me the total number of enforcement actions for '04. I think that will be good enough.
>
> ---
>
> **From:** Jordan, Elise
> **Sent:** Tuesday, May 31, 2005 2:24 PM
> **To:** McArdle, Thomas M.
> **Cc:** Jordan, Elise
> **Subject:** RE: SEC questions
>
> The figures provided were for the most part by fiscal year. Donaldson arrived Feb. 18, 2003. He was here for part of fiscal 2003, all of fiscal year 2004, and all of 2005 so far.
>
> Comparing FY 2004 and FY 2003 -- enforcement actions in 2004 were down slightly from 2003. Financial disclosure was kind of the same thing. Enforcement actions are slightly down from FY 2003 to FY 2004. There is not a FY 2005 tally yet. The number can increase with more difficult cases.
>
> Total amount of civil penalties [total enforcement]: 1.1 billion in FY 2003 / 1.2 billion in FY 2004
>
> Better stats: In 2002, the SEC's largest civil penalty was 10 million dollars. In 2003, we had 20 cases where we got 10 million or more. In 2004, more than 40 cases the SEC got more than 10 million.
>
> Complaints being fielded which can be seen as a tally on how busy the agency is ... electronic tips not

counting "snail mail" Calendar year figures: 2003 -- 218,005; 2004 -- 310,995; 2005, projected to be 617,000 by year end

-- Per deputy director of legislative affairs Peter Kiernan 202-942-0139, 202-942-0010

-----Original Message-----
From: McArdle, Thomas M.
Sent: Tuesday, May 31, 2005 9:23 AM
To: Jordan, Elise
Subject: SEC questions

Elise,

Could you find out for me:

1) How many enforcement actions the SEC has filed for violations of federal securities laws under Bill Donaldson.

2) How many enforcement actions related to mutual fund abuse the SEC has filed under Donaldson, and how much it has obtained in penalties.

Thanks.

Tom McArdle
Speechwriting
Ph: 202-456-3546
Fax: 202-456-5709

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Speech	Nomination of SEC Chairman	3	06/02/2005	P5; P6/b6;

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The Hill

April 14, 1999 Wednesday

SECTION: HILL PROFILE; Pg. 37

LENGTH: 1373 words

HEADLINE: Rep. **Chris Cox;**
Congress, White House await his explosive report on Chinese nuclear espionage

BYLINE: By **Betsy Rothstein**

BODY:
He looks a little like a hip Mister Rogers, but Rep. **Chris Cox** (R-Calif.) lives in a very scary neighborhood.

For the past 10 months, the 48-year-old lawmaker has been at the center of an explosive investigation that is certain to affect U.S.-China relations. His role as chair of a select committee to probe the Clinton administration's export of space technology to China has set him on a mission he calls "one of the most worthwhile efforts" of his career.

The Select Committee on U.S. National Security and Military/Commercial Concerns with the People's Republic of China had an almost-unlimited budget but only six months to complete the job.

And now the secret Cox report -- encompassing five volumes, 700 pages, 38 recommendations, 700 hours of interviews and depositions of 150 individuals and 22 hearings -- has languished for an additional three months waiting for declassification.

At the moment, the report sits locked in a secure, alarmed, windowless, compartmentalized room in the Longworth House Office Building, guarded by an armed CIA agent. Cox said he expects it to be declassified any day now.

"We received extraordinary cooperation from several different parts of the administration," Cox said. "But at the same time we were not pleased with the response, or lack of it, from other parts of the administration. At this point I don't want to pick a fight. I want to get my report declassified."

On a matter of such explosive political potential, Cox has nurtured a bipartisanship that has given his panel a credibility that previous investigations of Chinese influence on the Clinton administration have not had.

After The New York Times reported last month Cox's finding that alleged Chinese spies stole nuclear secrets to improve Beijing's neutron bomb, his Republican colleagues showed much less concern about picking a fight with the administration. Instead, Cox carefully weighs his every word. He focuses more on the seriousness of what he has found than on scoring political points.

Cox said he is "deeply disturbed" by what the committee found. "We were investigating the transfer of technology following the crashes of U.S. satellites," he said. "Rather quickly we were spread into a widespread problem of [Chinese] espionage."

Cox learned of the espionage while immersed in secrecy and security measures. His staff had the highest level of clearance, allowing access to secure compartmentalized information.

The tight schedule demanded grueling hours. "For some folks, it was 6 a.m. to midnight six to seven days a week," said Brent Bahler, the Cox panel spokesman. "At the tail end, it was almost 24 hours a day."

Though The Times has given details from the report, Cox insists no leaks came from his committee.

"Every member of our committee and every member of our staff signed a secrecy oath," said Cox, explaining that committee staffers are required to log all press contacts and CIA monitors all comings-and-goings from the committee's locked safe.

"We have been punctilious in protecting the secrecy of the report," he said. "I assure you the members of our committee were selected for their discretion."

Cox's personality is an odd combination of laid-back and low-key on the one hand and completely organized on the other.

Every pen on his desk is properly placed, and sparse papers spread neatly across its clean, wooden sheen. Books are arranged tidily on bookshelves. Files are neatly categorized. A piece of stationery that he snatched from a Kuwaiti palace after the Gulf War is kept in perfect condition. The office's royal-blue carpet is immaculately vacuumed.

"If you need me to straighten up anything, let me know," Cox cracked to a photographer.

Cox has long hidden his non-serious side from the public. It took him years, he explained, before he could respond to a straight question without cracking a joke.

"Friends of long standing find it remarkable that anyone takes me seriously," Cox said. "I discovered sarcasm and irony don't work in politics. Ten percent are bound to take you seriously. After a while you can't say, 'That was a joke. I was kidding.'"

* * *

If Cox abruptly gets up during a meeting, he's not being rude. Unable to sit hunched over a desk for long stretches of time, he uses a stand-up desk, a reminder of the single-greatest trauma of his life.

It was August 1977. Cox was 25 years old. A St. Paul, Minn., native who had attended a military academy for high school, Cox was living in Honolulu working for the U.S. Court of Appeals.

One day, he and a friend went four-wheeling through the island of Molokai. Their destination: a rain forest.

Roads were non-existent. The ground was muddy. Their Jeep tipped over. His friend fell out and Cox wound up underneath with his knees pinned behind his ears in a fetal position.

Cox's left cheek pressed into the broken windshield as the back cab rested on his back. With shards of glass in his eyes, Cox prayed for unconsciousness. For 30 minutes, Cox used his body to dig a trench and pulled himself out of the wreckage. Once rescued, he learned that he was paralyzed from the waist down.

In the hospital, there was little he could do.

"I could be in three positions," Cox once described. "Flat on my back with no pillow, or on one side or the other. And when I was on my side, I was really on my side. Every six hours they would just rotate me, like a barbecued pig on a spit."

For one year, he wore a back brace, he learned to walk, to put on socks and reach for a book.

Eventually, he returned to work full-time at a law firm in Newport Beach, Calif. In 1986, he went to work as senior associate counsel to President Reagan.

"He was a workaholic," recalled Rep. Dana Rohrabacher (R-Calif.), who was a Reagan speechwriter. "I'd have to haul him out of his office half the time so he could have some fun."

Cox admits he worked hard: "I was unmarried and there was no reason for me not to put everything into the job. There were very long hours and long weeks and I knew it was temporary."

On Feb. 1, 1988, Cox resigned his post to run for Congress and has held his seat by a two-thirds victory margin ever since.

"Chris is very methodical and his friends are always after him to let loose and be a little more passionate and aggressive," said Rohrabacher. "He is so responsible that it takes a long time before the full weight of his influence is felt," Rohrabacher continued. "But I will have to say he has the patience for Job, but sometimes his friends don't have much patience for him."

Still, many in Congress look to Cox as the voice of reason.

"Cox is one of those people who thinks beyond the next step," said Rep. Jerry Weller (R-Ill.) "I've never seen him lose his temper. When he feels passionate, he grabs a bit and he burrows into it. He's a policy wonk."

Said Sen. Ron Wyden (D-Ore.): "He's extraordinarily intelligent and yet he doesn't want the other person to think he's arrogant. He's not the kind of guy who bursts into the room. . . . But because of his gracious manner and pragmatic bent he can get a lot done."

"I'm very high on **Chris Cox,**" said House National Security Chairman Floyd Spence (R-S.C.). "He's not a hot dog. He's not that much of an outgoing person. He's an intellect. He's persuasive."

Former Attorney General Ed Meese said Cox "is a strong conservative, but gets along. He demonstrates his leadership in a non-threatening way, particularly in a world with a lot of egos. I consider him one of the brightest stars of Congress."

Eight years ago Cox's life took a turn when he married a vice president of Continental Airlines. He and his wife, Rebecca, now have three children.

"It is an overwhelmingly happy thing to have a child -- having three kids is just beyond my hopes and expectations," said Cox. "Now I have many more reasons to live than the office."

At-a-glance

BORN:	(b)(6)
HOME:	Newport Beach.

EDUCATION:	University of Southern California; Harvard business and law degrees.
RELIGION:	Roman Catholic.
FAMILY:	Married to Rebecca, three children.
CAREER:	White House senior associate counsel, professor of tax law.

GRAPHIC: Picture, Rep. **Chris Cox** (R-Calif.) has avoided extreme partisanship. LAUREN V. BURKE

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