



HOWEY

Political Report

V 12, No 29 *Weekly Briefing on Indiana Politics*

Thursday, March 16, 2006

GOP's Finest Hour?

Walorski's world travels brought her to the precipice of change

By BRIAN A. HOWEY in Indianapolis

State Rep. Jackie Walorski's fate with history has taken her from Romania to knocking on 7,000 doors in and around Lakeville, Ind., and, finally, to the Indiana Statehouse where on Tuesday she etched her name in the annals of Hoosier history.

Her vote, the decisive 51st in the Indiana House, ended a six-month journey for Gov. Mitch Daniels' controversial highway plan, Major Moves. And like a sedan trying to out-race a tornado, the trip for Rep. Walorski was harrowing.

But it may well have provided Indiana Republicans with what might be considered their finest hour.

"I am the only Republican in St. Joseph County," she said of her status in the legislative delegation. "I could not look at that bill, and 130,000 jobs, and say after all the nasty political rhetoric and all the Democratic guns trained on me, that I could turn my back on that," Walorski told HPR in an exclusive interview this morning.

"I knocked on 7,000 doors during my campaign and they all said, 'We need change,'" Walorski said of her 2004 campaign.

She served in Eastern Europe as a missionary and worked with businesses there to establish American contacts. "I saw what was happening in the world economy. When I talked to Dick Mangus about running and asked him 'What's Indiana's plan?' he looked at me and laughed and said, 'There is no plan.'

"The global economy is racing along and Indiana is just standing," Walorski said.

She spent the good part of the last six weeks defending Major Moves and coaxing her St. Joseph and Elkhart county constituents into supporting the plan to lease the Indiana Toll Road for \$3.8 billion, setting off an unprecedented array of high-



State Rep. Jackie Walorski wavered, but in the end could not turn her back on Major Moves. (HPR Photo by Brian A. Howey)



"The questions goes through your mind, 'Am I walking into the racing freight train? Or am I going to be one of those career politicians who had no plan?'"

— State Rep. Jackie Walorski, to HPR

The Howey Political Report is published by NewsLink Inc. It was founded in 1994.

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Subscriptions:
\$350 annually HPR via e-mail;
\$550 annually HPR & HPR Daily Wire.
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Larry Borst analyzes the session	p. 6
Howey Column: Courage sprouts	p. 7
Bayh addresses Georgia Democrats	p. 8
Schoeff: Hoosiers and globalization	p. 9
Columnists: Gerard, Kiesling	p. 10
Ticker: Lugar on global warming	p. 13



way construction jobs. Her home atmosphere was in turmoil.

In the 2004 election, the first modern incumbent governor, Joe. Kernan, was defeated by Republican Mitch Daniels. The GOP took over the Indiana House. In one fell swoop, South Bend had lost a governor and a House speaker, an unprecedented loss of power.

Then came Gov. Daniels' "freight train of change." It's most conspicuous move was the conversion last year to Daylight saving time. Daniels then allowed individual counties to petition the U.S. Department of Transportation to determine whether they would be in the Central or Eastern time zone. This not only drove a wedge between St. Joseph and Elkhart counties, but also into Walorski's 60 percent Republican district, which extended across the county line. It bitterly split St. Joseph County, which wanted Central time, and Elkhart, which opted for Eastern, into a feud of fratricidal tenor.

Walorski voted against DST in 2005, but found controversy when she skipped a crucial committee meeting that sent the issue to the House floor. *South Bend Tribune* columnist Nancy Sulok observed, "Walorski is the state representative who wimped out of voting on the time issue when it potentially could have been killed in committee earlier this year. She said she had another committee hearing to attend that was crucial to Elkhart County, and she couldn't be in two places at once. Whether she could have gone to both was a point of contention. Walorski is trying to redeem herself now by saying she will file legislation to repeal daylight-saving time if federal officials put Elkhart and St. Joseph counties into different time zones." Some believe Walorski's no vote on DST shifted the burden to another freshman, State Rep. Troy Woodruff, who ultimately broke the tie and now faces a tough re-elect in a much tougher district.

If DST wasn't enough of a sticky wicket, the toll road lease was even more controversial. Many people along the Indiana Toll Road were swept up in the notion that a "foreign" company would be managing "their" superhighway.

In February, when the Dubai ports deal blew up in Washington, a wave of isolationist xenophobia swept the nation. In Indiana, it was fueled by House Minority Leader B. Patrick Bauer who conjured images of "Red China" and "foreigners."

"It's ironic, the foreign angle to this," Walorski said. "In my Democratic media market, the sentiment was anti-foreign. But I had been overseas for five years. I knew what it was going to take."

Walorski appeared to be a February convert to the plan. She stood with Gov. Daniels and Lt. Gov. Skillman at a Major Moves rally at the Statehouse. In Lakeville, she chose the union hall of the International Union of Operating Engineers Local 150 to conduct a town hall meeting with Skillman and INDOT Commissioner Tom Sharp.

South Bend Tribune reporter James Wensits observed: Walorski received little criticism and several rounds of applause as she, Skillman and Sharp explained and defended the Toll Road lease. After it was suggested by an audience member that politics may have played a role in her decision, Walorski said, "The elected officials are grown men, they're adults, they can do whatever they want to do." The town hall presentation sold Gary Hall, of Lakeville, on the Toll Road proposal. "At first I was against it," Hall said. "After listening to Jackie, now I'm in favor of it."



House Republican leaders Bill Friend, Randy Borrer, Jeff Espich and Speaker Brian Bosma. (HPR Photo)

Tuesday, March 14

Leading into the final week of the legislative session, several things inflamed the issue. The *Indianapolis Star* poll on March 4 found 60 percent opposed to Major Moves, with most citing the "foreign investor." *Star* Metro Editor Blair Clafin said on WTHR-TV that legislators should be getting "nervous" about the poll

What was amazing was that in the wake of that poll, only State Rep. David Wolkins defected, though his position seemed to torment him. Last Friday, Gov.

Daniels felt as if he was picking up support. Normally, politicians "run like rabbits," he said, when such polls surface. That wasn't happening. Daniels felt he was actually picking up support. State Sen. Earline Rogers, D-Gary, was signalling a willingness to become the second Democrat to vote aye.

Legislators went home for the weekend where many of them got an earful. The urban myth bandied about the Statehouse on Monday was that some Northern Indiana legislators were being shunned at church. One Northern Indiana GOP chairman told HPR on Monday he thought there could be more "defections," but backed off on Tuesday morning.

But by then, Walorski had begun to waver.

"There was a furious level of negative attack ads," Walorski said. "When you're the target, you see the guns blazing. The question goes through your mind, 'Am I walking into the racing freight train?'"

"Or am I going to be one of those career politicians



who had no plan?"

Republican leaders spent much of the day trying to convince Walorski to vote for the measure. GOP leaders tried to strike a deal to have State Rep. David Wolkins, R-Winona Lake, vote for the bill, as he had done on third reading in February. Wolkins remained steadfast in opposing the bill, even though he called it a "tremendous opportunity."

During the final floor debate, Wolkin admitted, "They did not sell it. That's what bothers me. I still think it's a good program. All along I said this is a great thing for the state of Indiana. I have not been able to convince people in my district. But I'm sure having second thoughts after what I've heard tonight."

That placed the pressure squarely on Walorski, who finally relented before the final debates.

John Okeson, Gov. Daniels' legislative director, downplayed the moment of "critical mass" with Walorski, Wolkins and others. "It's a series of conversations; always an evolution," Okeson said.

"The pivotal moments are always evolving. We were always thinking two and three steps ahead."

Okeson said it would be "inaccurate to portray the focus only on" Walorski and Wolkins. "We had a lot of conversations with a lot of legislators. Certainly the public spotlight turned to those two" at the end. "It would be unfair to others who knew what they were going to do, often at political risk."

Speaker Bosma spent much of Tuesday morning talking with Walorski. "I contacted people in Elkhart County that I knew, just to talk with them and tell them this wasn't a situation where we were twisting her arm," Bosma said. He acknowledged how tough it is for a freshman to be faced with attack radio ads "and other misguided information" aimed at voters.

It was about 4 p.m. on Tuesday when Walorski regathered her strength and told Bosma she would be the 51st vote. "She said she was resolved to move forward," Bosma said.

Walorski explained, "I had been pretty secure in going out there and selling it for six weeks. It's a huge risk, but if I'm not willing to take a risk, we'll never get where we need to be."

She said she pulled out a pad of notes she made during her 2004 campaign. "There were three main points: jobs, maintaining fiscal integrity, and economic development," Walorski said. "It took me awhile to get there. At some point, I realized that this truly is going to help. There's no reason we can't lead. I came here to change things. I am not going to back off."

Bosma was asked on Wednesday if he thought Walorski was vulnerable since she is facing a challenge from former Mishawaka Mayor Bob Kovach. "She did what she thought was right, not necessarily what her constituents may believe is right," Bosma said. "Do I think Jackie Walorski will be back here? Yes I do. Ninety-nine percent of the time she reflects their conservative, religious beliefs. And yes they will have to deal with a major investment in their area when \$40 million comes into their community. I think once they see these things happening, Jackie will be back here after November."

The postscript on Walorski from HPR is that a "no" vote after she had appeared at the rallies with the governor could have left her just as vulnerable as a vacillator.



Gov. Daniels (right) with key legislators like Sen. Bob Meeks and Glenn Howard (left), one of two Democrats to support Major Moves. (HPR Photo)

Trusting key leaders

Legislative liaison John Okeson said the key element was "trusting the instincts of Borror, Bosma, Meeks and Garton and what it would take for Major Moves to move it

along each step of the process."

It would have been easy to come unglued when Sen. Meeks made significant alterations in the House version. Indiana Republican Chairman J. Murray Clark acknowledged to HPR that he would have preferred the Senate concurring with the House version. But, the former senator said, "That's not the way the Senate works."

At different points, Meeks wondered if a compromise could be reached. Sen. Luke Kenley openly talked of a special session, something Gov. Daniels tamped down with subtlety.

And there was friction between Bosma and Garton, mostly over the legislator health care for life issue that the governor managed to steer clear of. The House/Senate tensions went as late as mid-day Tuesday, when the two had to figure out the voting sequence (the Senate wanted the House to go first.) "We did discuss the voting sequence," Bosma said of his meeting with Garton. "I was happy to vote first."



In Daniels' first legislative session in 2005, his team was sometimes at odds, out-of-sync and occasionally angered at Bosma and Garton. That didn't happen this time. "The governor very much looked to those guys as the process unfolded," Okeson said. "Sometimes you didn't know what was coming next, but they proved to be very astute."

Tuesday's House debate

It took about five hours after Walorski's decision to support Major Moves and the final debate and vote with Democrats appearing to stall, fueling rumors that they might walk.

On the House floor, Minority Leader B. Patrick Bauer called it "a bad deal" and pleaded with the House, "Don't do it. Tonight, we give you another chance not to do it." Bauer said, "We are about to make the toll road a cash cow." He complained that none of the other bids were revealed.

"You can't fool the people," Bauer said, citing the inclusion of an absolute clause. "What are you absolving your governor of? What did he do wrong? It was conceived in sin."

State Rep. Chet Dobis decried Brian Howey's Sunday column, "*The people don't always get it right*," and called the bill a "Trojan Horse."

"The Trojan Horse is at the gate," Dobis said before challenging people listening to the Internet feed, saying, "Tell them how you feel."

An emotional State Rep. Randy Borrer, R-Fort Wayne and the House sponsor, finished the debate by "apologizing" to the 900 foreign firms which employ 130,000 Hoosiers. "I apologize for some of the discussion that has taken place on the House floor. It'd like to apologize to Toyota. Tonight, we will be announcing to the world that Indiana has changed. We are bold. We are creating jobs."

Bosma pressed for passage, telling the House, "It's not about roads, it's about families. We really need the jobs in Indiana. It is utilizing the asset. It's not about a road, it's about leadership. They will say just about anything to make it go away."

Bosma told House members they could either be "thermometers" or "thermostats."

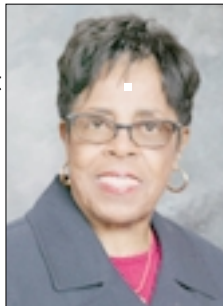
Shortly after, the House voted 51-48 for Major Moves. That in tandem with the property tax relief bill that passed the House 95-1, giving House Republicans some additional cover, Speaker Bosma called it the "boldest" session in history. The tax relief, he said, was the "unexpected highlight."

Rogers' drama in the Senate

While the vote in the Senate -- 31-19 -- was not close, there was drama surrounding the second Democratic

vote, that of State Sen. Earline Rogers, D-Gary.

She resigned her Senate leadership position after voting for Major Moves on Tuesday. "It has not been a pleasant experience and it never is when you are at odds with colleagues and friends," Rogers told the *Post-Tribune*. Senate Minority Leader Richard Young, D-Milltown, explained, "Sen. Rogers recently informed me of her decision to resign from the Senate Democrat's leadership team, and after a great deal of discussion with her over the last several days, today I finally accepted her resignation. Sen. Rogers is an extraordinary leader and her decision is a reflection of that. She strongly believes that members of the leadership team should reflect the views of its members. And while our caucus has always respected the individual views of our members and has never forced members to vote in lock step, because of recent events Sen. Rogers felt she could no longer continue her role as assistant minority leader."



Sen. Rogers

Rogers said she decided to resign from leadership last week after realizing she would be voting for the bill and knowing that her position did not reflect the caucus leadership. Without her vote at the end, Rogers said she thought the money, cut from the RDA in the Senate version of the bill, would flow to other counties where sponsors were trying to shore-up votes. "If there wasn't someone there at the end, it might mean we wouldn't have gotten those dollars back and it was too important," Rogers told the *Post-Tribune*.

"When we start handing out the deserved accolades for courage, I think Earline ought to come up at the top of that list," Daniels said.

Daniels freight train rolls

Gov. Mitch Daniels emerged from the session saying that "Indiana will lead America in transportation. Indiana will lead America in telecommunications."

"I happen to believe that people who tell the truth, speak plainly and have the courage of their convictions tend to prevail," Daniels said. "It is no news when a politician does something that is temporarily popular. What ought to get people's attention is when people do something that they obviously think is right because it does bring criticism. You saw a lot of that in this session."

Daniels called the session "unprecedented."

"I just firmly believe that doing the right thing and delivering is ultimately the best politics. I saw a lot of political courage."

As for Bauer's "conceived in sin" remark, Daniels laughed and said, "Well, I am a sinner, as are we all. That's a new one. When you've been called as many names as I



have, you lose track.”

As for his timetable, Daniels said that would be worked out in the coming weeks. He said that INDOT “has a new and terrible problem ... me. I will be all over them to do things in a new, effective and faster way.

“Change is difficult. Sometimes you can tell in advance when change is going to be contentious when they disturb a very deeply invested special interest. Others can surprise you. I don’t think of roads and jobs and hope for our economic future is partisan at all. It became that and that took me much by surprise.”

In a letter to legislators, Gov. Daniels said, "Public life presents few, if any opportunities to take one decisive action that changes the future in a measurable way, and improves the lives of thousands. Your vote for the Major Moves Roads and Jobs plan was, undeniably, one of those rare events. In his *Profiles in Courage*, recounting moments of legislative heroism when people summoned the bravery to do what they knew to be right, at risk of criticism or even defeat, John Kennedy wrote: The true democracy, living and growing and inspiring, puts its faith in the people... faith that the people will not condemn those whose devotion to principle leads them to unpopular courses, but will reward courage, respect honor and ultimately recognize right. Years later his brother Robert said progress requires change, and 'change has its enemies.' On the [Chamber] floor, you proved yourself a friend of change, and of progress, and a person of true courage."

Bosma called it the “boldest session” in Indiana history. “We projected this would be the most progressive and boldest short session and I can honestly say that it happened. It may have even surpassed the session of last year,” Bosma said.

“We will put 130,000 Hoosier families to work over the next decade. That is a record investment in infrastructure.”

Bauer: We listen to the people

When Rep. Bauer met with the press Wednesday morning, he looked tired and subdued. None of the fire he displayed on the House floor the night before was present. But he outlined the themes for the coming fall campaign.

“The Governor and Republicans don’t listen,” Bauer insisted. “When the history of this session is written, I think that most will remember that the people in charge of state government rejected the wishes of their constituents by turning a major asset over to a foreign investor.

“In every possible way – public meetings, opinion surveys and letters, phone calls and e-mails to their lawmakers – the people of Indiana spoke loudly and clearly on Major Moves: they didn’t like it and they didn’t want it,” said Bauer, who held his caucus together to the end. “Yet this unpopular program is about to become state law. It will be very interesting to see how the supporters of Major Moves explain themselves to their constituents in the months to come.”

The finest hour?

The harrowing escape of Major Moves isn’t really that uncommon. Unigov’s passage in 1970 came in the face of significant public opposition and barely scraped through.

Hoosier Republicans have had many wonderful moments. The 40,000 “Hoosiers and Suckers” (folks from Illinois) who packed the Wigwam in Chicago and helped Abraham Lincoln win a come-from-behind victory over William Seward in 1860 would be one. The torchlit parades down Indianapolis’ Delaware Street in the summer and fall of 1888 helped bring the presidency to the last Hoosier, Benjamin Harrison.

There was Homer Capehart’s “Cornfield Conference” in 1938 that helped restore the moribund GOP after more than a decade of scandal and corruption. There was Wendell Wilkie’s 1940 presidential nomination and his historically photographed parade through Elwood. In 1970, Keith Bulen and Richard Lugar pushed through the revolutionary Unigov. Sen. Lugar would

later initiate the unprecedented destruction of former enemy’s weapon stockpiles (Lugar-Nunn Act). Doc Bowen’s property tax reforms of 1973 and Gov. Bob Orr’s A-Plus education reforms in 1987 would rank high.

Major Moves could rank high once history weighs in. It could still be a bumpy ride. Republicans could very well lose the House this fall if public opinion doesn’t catch up. HPR sees this as a probable “two-cycle” sequence with the loss of the House followed by a recoup (and re-elect of the Governor) in 2008 once the scale of the opportunity sinks in.

While Democrats lament the “sale” of the toll road asset, we see it more along the lines of the 1981 Reagan tax cuts, which showered existing technology (PCs, cell phones, faxes, etc.) with capital and created almost two decades of unprecedented growth. If INDOT can avoid the highway scandals that befell Republican Gov. George N. Craig when the first interstates were built ... perhaps a future case can be made that this was their “finest hour.” ❖



Gov. Daniels enjoys a laugh at last Friday’s presser. (HPR Photo)



Sen. Borst analyzes the session

Publisher's Note: *HPR* asked former Senate Finance Chairman Borst to lend his analysis to the just completed session of the Indiana General Assembly.

By LARRY BORST

Over the years, I have been continually amazed as to how much is legislatively accomplished in the "Short Sessions." Going in, not much is ever expected, but this short session of 2006 successfully addressed a host of problems that needed to be solved.

During the first week in January the Republicans seemed to have three agendas. The Governors, the House Republicans and the Senate Republicans. Each of these entities kept working together, maintained contact with each other, compromised when they had to, and when the session was over each can now say that a large portion of their stated goals were met.

The Governor agreed to many non-fatal changes in Major Moves and can claim victory. He also had successes from his broader pre-legislative agenda including the passage of Single Sales Factor for corporate taxes, deregulation of the Telecom industry, \$50 million increased funding for the School Distribution Formula, \$136.5 million payout to reverse previous delays in funding of local government and universities, large boosts for Alternate Fuel Production in the state.

Rep. Espich and the House Republicans wanted "instant" property tax relief. They got it. Thanks to the most surprising event of the whole session, being that the Governor agreed to relinquish \$100 million of his well guard-



BORST

ed general fund surplus.

Sen. Kenley was looking further down the road for the answers to slowing down the rate of property tax escalations. He was able to insert in HB 1001 several provisions that will help in the future. Sen. Kenley was bound and determined to also plug some of the tax loopholes affecting corporations. By doing so, the loss of revenue to the general fund from the enactment of the Single Sales Factor will not be so great. He also gained the assurance of the Rep. Espich that they both will address long term solutions for the containment of rising property taxes.

Speaker Bosma has now taken on two of the most explosive issues that have come before the General Assembly during these last two years. It is a testament to his personality and ability that he has been able to keep his caucus together both times.

Sen. Meeks, shepherding HB 1008, deftly dealt with a fractious Republican majority in the Senate. He and Sen. Miller convinced the administration that there are other routes for Northern I-69 and so saved Major Moves in the Senate.

The revamped Fireworks Sales law may turn out to be the most popular legislation of the session. The "average guy" will appreciate this legislation. Rep. Burton's "In God We Trust" license plate may also be a winner.

Four billion dollars of new roads, property tax relief, no new taxes, one can now legally shoot fireworks in the backyard, no special session, Democrats think they have gained political style points, Republicans think they have gained political style points, bungee jumpers now can feel a sense of relief knowing that their take off points are inspected ---- what is there not to like ---- this just completed session has to be considered as being a worthwhile session of the Indiana General Assembly.

Dirt will now fly all over the state of Indiana and the Governor will now have seven months to convince the public of the worthiness of Major Moves. ❖

HPR website updated

The *Howey Political Report's* website located at www.howeypolitics.com debuts this week in enhanced form.

The site features five new commentators - Jennifer Wagner, Cameron Carter, Joshua Claybourn, David Galvin and Kyle Cox - joining Brian Howey and spanning the Hoosier political spectrum.

There is a scrolling ticker with the day's political headlines. There are links to leading blogs, campaign websites and the political parties. And subscribers can now order single editions or pay annual subscriptions on line. "We are now the

hub of Indiana politics," said HPR Publisher Brian A. Howey.

"I wanted the website to be a portal into the key areas of Indiana politics. You can get there from our site." Howey believes that once HPR's opt-in marketing program takes hold, the monthly web hits will increase dramatically.

"This creates new advertising options for companies wanting to reach the Hoosier political community," Howey said.

Beginning next week, HPR's advertising rate sheet will be available for those wishing to reach HPR's extremely influential subscribers, as well as the masses who will be turning the www.howeypolitics.com to keep fully informed. ❖



Courage begins to sprout

By BRIAN A. HOWEY

INDIANAPOLIS -The Indiana I've had to write about all too often this past decade has been one bleeding manufacturing jobs, personal income, college graduates, and corporate headquarters. It has been buffeted by waves of crack, meth and heroin, which has been filling our jails with lost souls, little hope and distressed budgets.

It gets old and depressing to convey such news.

Here's an Indiana that I hope to be writing about in the near future. One with a growing network of safe, super highways that extend out to all our population centers. One where young entrepreneurs will want to stay, instead of migrating to the coasts. They can start a company in an apartment or pole barn near an interstate highway, and in a decade or so, grow big enough to employ hundreds of workers at good salaries, and, perhaps, even rent a corporate suite at the new Lucas Oil Stadium.



Brian Howey
Column

Some of those workers will go to their jobs in the bigger cities, and in the evening drive to their homes in the nearby farmlands and small towns, and still have access to broadband internet. The cars they drive will get somewhere between 50 and 100 mpg and run on ethanol or biodiesel grown in Indiana fields, or gasified coal from our mines. Their homes will be taxed in a fair system consistent throughout the state. They will raise sons and daughters who aspire to be engineers or agronomists or technicians who will be prepared to compete with the growing legions of Chinese and Indians doing the same thing.

Yes, that is the New Indiana I want to write about.

And, you know, that's where I think this is all going.

I don't want to preach about the same things I've been writing about over the past couple of months, with Republicans and Democrats at each others throats. The 2006 Indiana General Assembly is over. The decisions have been made. When you look at the fruits of their labor, you will begin to see more of the potential in paragraphs four and five, than in the opening two sentences.

There are ethanol plants sprouting up all over Indiana. There are more on the way. Indiana is poised to take a lead role in the production of alternative fuels at a time when the Middle Eastern petro states are becoming less stable and less humane.

With the telecom reform bill, the prospects of broadband internet coming to places like Crothersville or Ladoga or

Sullivan increases exponentially. As Fort Wayne Mayor Graham Richard, who is in the process of blanketing his city and connecting his schools with broadband, explained, "If a municipality is 10 years behind, you will find that businesses are not locating, not growing there, and kids ... young people, not coming back. Fiber optics is the very best way to leverage jobs."

Gov. Mitch Daniels explained Wednesday morning, "From a jobs standpoint, this is a historic day. I'm not certain there is any precedent for it. We are about to become the leader in America in transportation, the leader in America in telecommunications."

How did we get there?

House Speaker Brian Bosma observed after the session ended, "Henry Ford once said that the job of a leader is to set realistic expectations and the second is to say thank you. I want to say thank you to the leaders gathered here today. They said, 'We will address the issues that face our state today.' Some said, 'we will address those issues despite the fact that it may result in our not coming back here to serve in the future.' That's courage. That's leadership. That's vision, which is precisely what our state needs today."

It's ironic Bosma mentioned Ford, a company joined by General Motors, Delphi, Chrysler and Dana which have closed plants or teetered toward bankruptcy in old Indiana.

In New Indiana, two figures stood out at the Statehouse. One is State Rep. Jackie Walorski, the Lakeville Republican who cast what some believe was the deciding vote on Major Moves. Her constituents were against the bill, and she faces a tough race in the fall against former Mishawaka Mayor Bob Kovach.

People may be angry with her today. But in the coming months, St. Joseph, Elkhart and the other toll road counties are going to be receiving a \$40 million check. As time passes and the roads get built and the new companies come, Walorski's yes vote will evolve into a different perspective. Who knows, they may even name a bridge or a connector road after her.

Then there's State Sen. Earlene Rogers, the Gary Democrat. She said weeks ago of Major Moves, "This is the kind of bill that I thought should be bipartisan."

It wasn't. She was one of only two Democrats to vote aye.

After doing so, she resigned her leadership position in the Senate.

"When we talk about courage, can we start with Earlene Rogers," Gov. Daniels observed.

For those ready to move the dirt, drive the graders, plant the fiber optics, harvest the grain to be converted to energy ... perhaps she won't be the last. ❖



Evan Bayh: One brick at a time

By MARK CURRY

The Howey Political Report

WASHINGTON - "One brick at a time" is how blogger and enthusiastic "Bayh Partisan" Bill Earl described Evan Bayh's progress this week on the road to the White House.

"He's not making a lot of noise," Earl wrote in a column to motivate supporters. "But he is doing all the right things."

In fact, the Hoosier senator was preaching to the choir on Monday night when he urged Georgia Democrats to reach out "to independents and reasonable Republicans." Much as he has throughout the past several weeks, Bayh touted his success at the polls in red-state Indiana during the 2004 election.

"On the same day that Bush was carrying Indiana by 21 percent, I was privileged to be re-elected by 24 percent," he told the crowd of about 1,250 who attended the state's Jefferson-Jackson dinner. "Forty-five percent of the people in our state split their ticket, and we didn't do that by selling out and becoming Republicans, we did that by reaching out and convincing them that we had what it took to lead the state of Indiana forward to better times, and we can do that in Georgia, too, we can do that for this country, too."

Several newspapers picked up on the story. "Republicans aren't invincible, Bayh says," was the headline in the *Indianapolis Star*. The senator believes "the party needs to focus on national security and family values if they want to beat Republicans in November," read an Associated Press article distributed nationally. The *Atlanta Journal-Constitution* noted "the \$200-a-plate event raised more than \$700,000."

The success in Atlanta came amid word that Bayh has been invited to keynote the Michigan J-J fete in Detroit April 8, and follows on the heels of a well-received speech at the American Israel Public Affairs Committee in Washington.

Taking Care Of Business

A bevy of Sen. Bayh's legislative proposals also garnered attention from various quarters.

- LIHEAP (March 7) - The Senate passed legislation co-sponsored by Bayh to provide \$1 billion for the Low Income Home Energy Assistance Program.

- Media Violence & Children (March 9) - A committee approved bipartisan legislation he co-sponsored to fund research into the impact of television, video games and other media on children's development.

- Earmarks Letter (March 9) - Several news outlets reported on a bipartisan letter signed by Bayh and others urging President Bush to reduce earmarks.

- START Act (March 13) - Sen. Bayh introduced legislation that he said "would significantly reduce an estimated \$17 billion in capital gains tax that currently goes unpaid each year." (Financial Times).

- Funeral Protests (March 15) - Bayh announced plans to introduce legislation to protect military families from protesters who picket and disrupt the funerals of fallen American soldiers.

Not bad for a week's work, but disappointing in terms of immediate media gratification. Any potency in Bayh's message to Georgia Democrats was diluted when the media responded to Sen. Russ Feingold's (D-Wisc.) resolution Monday to censure President Bush for secretly ordering warrantless wiretaps on suspected terrorists, including some Americans.

Few newspapers noted Bayh doesn't favor the resolution. According to the *Journal-Constitution*, Bayh explained, "We do need to do things a little differently to get all the al-Qaida communications they need to get." The *Star* reported that "Bayh said it's not clear whether the law requiring court approval before surveillance was broken, and he instead favors revisiting and possibly updating the law."

It's Hard Out Here For A Pip

The cover story in Sunday's *New York Times Magazine* was a 9,000 word article exploring the presidential ambitions of Virginia Democrat Mark Warner. Reporter Matt Bai described Warner as "the popular centrist governor of a Southern state — just like the last two Democrats to actually win the White House, Jimmy Carter and Bill Clinton."

Bai said Warner is a popular choice with the anti-Hillary crowd. "The Democratic field now emerging...is looking a lot like Gladys Knight and the Pips — and you can guess who gets to be Gladys," Bai wrote. "The party's insiders, expecting Clinton to be a virtually unstoppable force, seem to be falling in line behind her, which means there will be only so much additional money and organization left over for those who would challenge her."

Several observers have predicted Bayh and Warner stand the best chance of averting a Clinton coronation.

"A Warner-Bayh or Bayh-Warner ticket could be well nigh unbeatable," Larry J. Sabato, director of the University of Virginia's Center for Politics, wrote in January, but, he added, "Republicans need not worry: The Virginia-Indiana pairing makes so much political sense that the Democrats will never actually do it." ❖

Mark Curry, based in Washington, D.C., is covering the Bayh presidential campaign for HPR. Watch for his weekly reports





Hoosier political figures grapple with globalization

Constituents guided by leaders' approaches

By MARK SCHOEFF JR.

The Howey Political Report

WASHINGTON -- Hoosiers have had intimate encounters with the global economy over the last few weeks. Whether they fall in love with or reject this suitor may depend in part on the state's political leadership.

In Indianapolis and Washington, elected officials have been sending mixed signals about trade liberalization. Gov. Mitch Daniels has been a champion of engaging with the world, sometimes at his own political peril. Other Indiana political figures seem to be growing wary of trade liberalization.

Daniels has endured withering criticism over his Major Moves transportation proposal, the centerpiece of which involves leasing the Indiana Toll Road to a Spanish-Australian consortium for \$3.85 billion over the next 75 years to help fund major highway projects. Most of the opposition centered on misgivings about foreign control of the toll road.

Daniels barely squeaked out a win in the General Assembly for his plan. As the controversy raged over Major Moves, more welcome foreign investment found its way to Indiana. Last week, a French company, Louis Dreyfus, announced that it would build a \$135 million biodiesel plant in Claypool. Then Toyota announced that it would begin manufacturing Camry sedans at the Subaru plant in Lafayette, creating 1000 jobs.

Competing in the global economy is the best route to economic growth. Besides, in an interconnected world, it's difficult to sort out what company is from where.

The executive who runs the Spanish operating company taking over the toll road has Canadian citizenship, is married to an American and lives in Texas. The head of the Australian bank involved in the deal was born in Rhode Island and has a U.S. passport.

"What's foreign anymore anyway?" Daniels asked at a meeting with reporters in Washington during the National Governors Association conference in February. "Am I supposed to get on the phone to Toyota (and say) stop, don't bring those 1000 jobs to Lafayette?"

Although he can understand why people who have been hurt by globalization turn against foreign companies, Daniels shuns protectionism.

"It would be a really self-defeating attitude to adopt as

a state," he said. "I want to compete and win in the world, not run up the white flag and throw rocks at it."

Trade Concerns in Congressional Delegation

No one in the Indiana congressional delegation is suggesting that the United States withdraw from the world. But robust support for trade liberalization sometimes gives way to calls for "free and fair" trade.

Democratic Sen. Evan Bayh supported normalizing trade relations with China at the beginning of the decade. But he voted against the Central America Free Trade Agreement last summer, arguing that the pact undermined international labor standards.

As he promotes legislation to increase security scrutiny of foreign investments in the United States, Bayh stresses that he believes in the global market but that American safety must come first. "The desire for free trade has trumped everything else," he said.



Baron Hill

Former Democratic Rep. Baron Hill was one of the earliest proponents of strengthening trade ties with China when he was on Capitol Hill from 1999 through 2004. But now that he is running again for the seat he lost in the last election to GOP Rep. Mike Sodrel, he casts a wary eye on trade liberalization.

Worried about threats to labor and environmental standards, he said he would have voted against CAFTA.

"I believe in free and fair trade," he said in a December HPR interview. "The trade agreements that I voted for are not being enforced the way they ought to be enforced, and that bothers me."

When Sodrel voted for CAFTA, he emphasized the security benefits of supporting friendly countries in the region as a bulwark against Venezuelan President Hugo Chavez, who rattles his saber at the United States. On the economics of CAFTA, Sodrel argues that it was an even split*the U.S. sells as much to the region as it buys from it.

When it comes to the country with which the United States has the largest bilateral trade deficit*China*Sodrel has misgivings. His district has suffered many manufacturing job losses that he lays at the doorstep of the Asian power.

"China is going to do whatever is in China's best interest," he said last fall in an HPR interview. "We need fair trade. We have to create as level a playing field as we can."

Farmers and Globalization

Sodrel and Hill might have to address a touchy trade



issue during the fall campaign. As the United States pushes for a global trade agreement, it has offered to cut farm subsidies substantially.

Sodrel, who was recently appointed to the House Agricultural Committee, advocates a cautious approach. "When I was in business, I felt subsidies propped up inefficient competition," he said. "I don't want to do anything drastic or radical. But over time, I would like to see subsidies reduced. We need to make sure we give farmers an opportunity for adjustment."

Hill opposes cutting subsidies. "That's not realistic in

today's agricultural economy," he said. "We have to have these subsidies for family farms to stay afloat."

Hoosier farmers would forego some federal payments, if they received something tangible in return, according to a Hoosier farm leader. "They're willing to give up some price supports, if we can get real market access, particularly in the European Union and Japan," said Kent Yeager, director of government relations for the Indiana Farm Bureau.

The challenge for Hoosier politicians is to convince their constituents that there's something valuable to be gained --not just lost--from international trade. ❖



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Gary Gerard, *Warsaw Times-Union* - Right now, Indiana Governor Mitch Daniels' approval rating is in the dumper. That's because lots of people disagree with things he's done. The daylight-saving time issue was highly derisive. Basically, he angered just about half of Indiana with that one. On top of that, he got blamed for the division created by the Central/Eastern time zone debate. That angered more people, regardless of their take on DST. Then there was the closing of a dozen or so bureau of motor vehicles branches. That didn't make anybody real happy. More recently, Daniels raised the ire of 60 percent of Indiana residents – according to a recent *Indianapolis Star* poll – with his plan to lease the Indiana Toll Road. Lots of people are against that, even though the infusion of \$3.8 billion in cash would be a big boost economically because of all the resultant road construction. As for his approval, it's sitting at 37 percent, not too much different than W's. The thing that's kind of weird is that Daniels – whether you agree or disagree with him – has not been disingenuous. He's pretty much done exactly what he said he would do. And quickly. Maybe that's part of the problem. He's doing too much too fast. I think we Hoosiers tend to like to take things a little slower. Even with regard to the toll road issue, I think some people think it was just too much of a rush job. Let's sit back and take a look at this for awhile before we flip the switch on the deal. Having mentioned all that, let me get to the point of all this. I think you have to give Daniels and Lt. Gov. Becky Skillman proper credit when it comes to the issue of economic development in general, and specifically as it relates to biofuels. Their record there is quite impressive and it is a total win-win for our state. This week's announcement that Louis Dreyfus will build the world's largest biodiesel plant near Claypool was a real boost for our county and our state. Since the beginning of 2005, they have been able to attract five ethanol plants and three biodiesel plants. A total of 375 new jobs will be created, there will be \$600 million dollars of capital expenditures and more than \$80 million in taxes will be paid. And Skillman says there are 10 other projects in the hopper. So you see what's happening here. And, stating the obvious, what a great new market they are creating for Indiana's farmers. While you may not agree with all of Daniels' policies, you have to give him a pat on the back for this biofuels stuff. ❖

Evansville Courier & Press - When this newspaper endorsed Mitch Daniels for governor two years ago, our decision turned on two key factors: Daniels was convincing in his promise to deliver leadership and change, and Indiana had been in a state of stagnation and decline for years. He was correct in profiling Indiana by its loss of jobs, lagging economy, deficit spending and failure to take economic advantage of its location at the crossroads of America. He

vowed to do what was within his power to change all that. He was selling himself as an agent of change, and Hoosier voters bought into it. Since then, Daniels has been busy trying to deliver. He was tough in returning the state to stable financial footing. He stumbled on the time issue, yet he succeeded in getting all of the state on daylight-saving time. His efforts at privatizing some state agencies and reducing the size of others has been less than well-received, but he continues to explore the possibilities. And now he has put the state in a position of reaping \$3.85 billion for highway and bridge construction, as a result of his yet-to-be approved initiative to privatize the Indiana Toll Road. For certain, he has delivered on his promise to promote change, yet many Hoosiers aren't taking all that well to the idea. The *Indianapolis Star* last Sunday reported that the governor's approval rating has dropped from 55 percent in 2005 shortly after his taking office to 37 percent in the most recent poll. According to the *Star* report, some Hoosiers feel he is moving too fast. Those poll number might cause some image-conscious politicians to back off, but Daniels seems to be everywhere these days. He's talking in television ads; he's appearing at town meetings and news conferences. He is out there, selling his Major Moves highway plan, as he sold himself to voters in 2004. Unfortunately, the highway proposal is another idea that hasn't enjoyed broad public support. But Daniels believes, as do we, that the plan would benefit Indiana by bringing new jobs and economic growth to the state. With a modernized highway system, he believes it will go a long way toward establishing Indiana as the crossroads of America. Folks, what we are seeing here is leadership, a quality not always evident in the governor's office in recent decades. Regardless of what the polls say, Daniels is taking responsibility for his ideas. ❖

Mark Kiesling, *Times of Northwest Indiana* - (Former Lake County Sheriff John) Buncich is a cop, but he's also a politician. Is (Sheriff Roy) Dominguez? He squandered a perfect political pandering moment when he named Marco Kuyachich, the deputy chief, as Martin's replacement. Kuyachich may have been the best person for the job period, but it remains true that he is the best white man for the job and that's not buying Dominguez any extra votes. Opportunistic? Sure. This is politics, not a game of beanbag. In what is shaping up to be a close race, an extra vote or two in each of the county's 554 precincts could be the margin of victory. Dominguez has no billboards, has had no fundraisers and is acting like those endorsements Buncich has piled up are no big deal. He says he is counting on the "people" -- that's you -- to have appreciated the job he has done over the past four years and carry him to victory. He's counting on you to remember he jumped aboard Pete Visclosky's Good Government Initiative while most county officeholders were still balking at the idea. ❖



Bush poll numbers at historic low

TRENDLINE NO. 1: An *NBC News/Wall Street Journal* poll of 1005 adults (+/- 3.1%), conducted over March 10-13, shows: 26% "think that things in the nation are generally headed in the right direction"; 62% "feel that things are off on the wrong track"; 9% said "mixed"; 3% were not sure. 37% approve of the job that George W. Bush is doing as President; 58% disapprove; 5% were not sure. 35% "approve of the job that George W. Bush is doing in handling the situation in Iraq"; 61% disapprove; 4% were not sure. 26% "feel that President Bush is facing a short term setback from which things are likely to get better for him"; 58% think he is "facing a longer-term setback from which things are unlikely to get better for him"; 11% think "he is not facing a setback at this time"; 5% are not sure. **Congressional Approval:** 33% "approve of the job that Congress is doing"; 53% disapprove; 14% were not sure. 37% prefer "a Congress controlled by Republicans"; 50% prefer "a Congress controlled by Democrats"; 13% were not sure.



TRENDLINE NO. 2: A *Pew Center for the People & The Press* poll of 1,405 adults taken March 8-12 shows: 33% said they "approve" of the way George W. Bush is handling his job as president; 57% said "disapprove"; 10% don't know. In a similar poll taken in February, 40% said they "approve" of Bush's job performance; 52% said "disapprove"; 8% don't know. 34% said they "approve" of the way Bush is handling "the economy"; 57% said "disapprove"; 9% don't know. 30% said they "approve" of the way Bush is handling "the situation in Iraq"; 65% said "disapprove"; 5% don't know. 42% said they "approve" of the way Bush is handling "terrorist threats"; 49% said "disapprove"; 9% don't know. 14% said they "approve" of a deal allowing "a company from the United Arab Emirates" to "run six shipping ports in the United States"; 73% said "disapprove"; 13% don't know.

2006 Congressional Races

Congressional District 2: Republican: U.S. Rep. Chris Chocola, Tony Zirkle. Democrat: Steve Frances, Joe Donnelly. **Geography:** South Bend, Michigan City, Mishawaka, Elkhart, Kokomo, Plymouth, Logansport; LaPorte, St. Joseph, Starke, Marshall, Pulaski, Fulton, Cass, Carroll and parts of Howard, Porter, Elkhart and White counties. **Media Market:** South Bend-Elkhart, Indianapolis, Lafayette,

Chicago. **People:** Urban/rural 73/27%; median income \$40,381; Poverty 9.5%; Race 84% white, 8% black; 5 Hispanic; Blue/white collar: 34/50%. **2000 Presidential:** Bush 53%, Gore 44%; Cook Partisan Voting Index: R+5; **2002 Result:** Chocola 95,081 (50%), Long Thompson 86,253 (46%); **2004 Result:** Chocola 140,496 (54%) Donnelly (D) 115,513 (45%) **2006 Forecast:** Chocola tells HPR the current environment "is certainly different than any other year." Of President Bush's plummet in the polls, Chocola said, "No one knows what the impact is going to be on races. We're just trying to do the right thing and prepare." **Status:** *Leans Chocola*

Congressional District 8: Republican: U.S. Rep. John Hostettler. Democrat: Vanderburgh County Sheriff Brad Ellsworth. **Geography:** Evansville, Terre Haute, Greencastle; Posey, Vanderburgh, Warrick, Gibson, Pike, Martin, Daviess, Knox, Sullivan, Greene, Owen, Clay, Vigo, Vermillion, Parke, Putnam, Warren and part of Fountain counties. **Media Market:** Evansville, Terre Haute, Indianapolis. Lafayette.

People: Urban/rural 58/42%; median income \$36,732; poverty 10.7%; race white 93.7%, black 3.7%, Hispanic .9%; blue/white collar: 32/52%. **2000 Presidential:** Bush 56%, Gore 42%; Cook Partisan Voting Index: R+8. **2002 Results:** Hostettler 98,952 (51%), Hartke 88,763 (46%), **2004 Results:** Hostettler 145,576, Jennings (D) 121,522, Garvin (Green) 5,680. **2006 Forecast:** The day after Sen. Richard Lugar gave a speech about how to end our addiction to oil, Hostettler talked about the complaints he's had from constituents about high gas prices and the need to wean ourselves off imported oil and natural gas (Lee, *Evansville Courier & Press*). Hostettler gave the interview to his press secretary, Matthew Faraci, and the full recording is posted on his Web site. "We are consuming more fossil fuels all the time," Hostettler said, and our own increased demand, joined with more demand from China and India, will only mean "higher and higher prices" for gas and home heating down the road. Faraci read aloud from letters asking that Congress twist the arms of OPEC nations, regulate oil prices, and "make sure oil companies are operating in good faith, not sticking it to the American consumer." Hostettler said our only hope is for long-term solutions of using energy other than foreign oil. "Only if the American people have the will to allow Congress to change our perspective, to change policy with regard to this, only if the American people decide enough is enough, is this going to change," he said. **Status:** *TOSS-UP*



Brizzi, Treacy trade charges over IG, Hiller

INDIANAPOLIS - Marion County Democratic Chairman Ed Treacy is asking that Republican Marion County Prosecutor Carl Brizzi return \$350,000 that he claims was raised by Governor

Mitch Daniels for Brizzi's re-election campaign (*WIBC*). Treacy's demand stems from recent allegations of wrongdoing by the Inspector General, accused of offering a job on the parole board to a democratic candidate for Clay County Sheriff if that candidate dropped out of the race. Treacy accuses Brizzi of dropping the investigation after Daniels had given the \$350,000 to Brizzi's campaign. "We think that Carl needs to give the money back," Treacy says. "How can you take \$350,000 that the governor gives you and then seven days later say that you've had an honest investigation?" Other allegations included the offering of jobs on state boards to two democratic lawmakers by Daniels' Chief of Staff Harry Gonso. Had they accepted they would have had to resign from office. Brizzi says an investigation was done involving the Inspector General and investigators found no wrongdoing when the democratic candidate retracted his statements. As for the alleged pay-off, Brizzi says that Daniels only was present at Brizzi's fund-raiser where the \$350,000 was raised and Daniels never gave Brizzi the money. As for the state lawmakers allegedly being offered jobs Brizzi says there has been no investigation because no one has claimed any wrong doing. He says if of one of the lawmakers were to step forward he would conduct an investigation. Brizzi says Treacy made the accusations against him because of more corruption charges filed against a former



business partner of Treacy. "Yesterday we filed the second round of charges against Bradley Hiller, who is a top Republican aide, and who by the way worked with Ed Treacy," Brizzi says. Hiller is facing charges of forgery, theft, and corrupt business influence. .

Lugar calls global warming real, dangerous

WASHINGTON - If America doesn't end its addiction to oil, life here will be much more difficult, Sen. Richard Lugar told an audience at the Brookings Institution, a centrist Washington think tank (Lee, Evansville Courier & Press). He said without "revolutionary changes in energy policy," the chances are high that living standards will decline, we won't be able to reach our foreign policy goals, and we will be highly vulnerable to blackmail by countries with oil. The Republican senator said a conservative estimate of the money we spend on military operations to preserve our access to Middle Eastern oil is \$50 billion a year. Lugar, the chairman of the Foreign Relations committee, spent time in Monday's speech talking about what \$60 a barrel oil does around the globe. "In many oil rich nations, oil wealth has done little for the people, while ensuring less reform, less democracy, fewer free market activities and more enrichment of elites." He said even without the economic and political dangers, there's environmental catastrophe on the horizon if we don't change our lifestyles. Global warming "is real and is caused by man-made emissions of greenhouse gases, including carbon dioxide from fossil fuels," he said. "We can control many greenhouse gases with proactive, pro-growth solutions, not just draconian limitations on economic activities," he added.

IG Thomas files charges

INDIANAPOLIS - The Indiana

Office of Inspector General (OIG) announced today the filing of criminal charges, and a resulting arrest warrant for Tannette Kinnon, a state employee with the Gary Office of Family and Social Services Administration (FSSA) and the Department of Child Services (DCS). A two-count charging information in Lake County charges Kinnon with felony theft and official misconduct.

Highlights of the investigation include that Kinnon claimed to have traveled more than 110,000 miles in the past year transporting children. The investigation also shows more than \$30,000 in fraudulent mileage.

Porter County divided over Major Moves

PORTAGE - In Porter County, as in Indianapolis, official reaction to the passage of Major Moves legislation tended to split along party lines (Times of Northwest Indiana). County Councilman Bill Carmichael, a Republican, said the \$120 million set aside for the Regional Development Authority will bring jobs, construction and a boost to the Gary/Chicago International Airport. He added that the \$15.9 million the county will get for road construction is fair in light of the RDA money. And all this for an asset that he believes the state has managed poorly. "It doesn't really matter who owns (the Toll Road), it hasn't really done anything for the state of Indiana that I've seen," Carmichael said. Meanwhile, County Councilman Dan Whitten, a Democrat, said state officials have gone after the fast buck at the expense of long-term planning and what's good for Porter County. "It's 'Major Moving' our money out of Porter County to other parts of the world," he said, referring to the Spanish - Australian consortium that is leasing the Toll Road. ❖