



Kernan, Daniels wage war over constituencies, ethics, debates

Isolated skirmishes, or trends in the making?

By BRIAN A. HOWEY in Indianapolis

The post-Labor Day sequence of the riveting Indiana gubernatorial campaign began with Gov. Joe Kernan and Republican challenger Mitch Daniels taking aim at each other's base. For Daniels, it was picking up the endorsement of Indianapolis businessman William Mays and it was significant because Mays publishes the Indianapolis Recorder, the city's African-American newspaper.



Republican Mitch Daniels talks with a supporter Tuesday at a GOP woman's luncheon in Indianapolis (HPR Photo)

Gov. Kernan responded by announcing he would consider allowing Hoosiers to import prescription drugs. This is a direct play for the vote of senior citizens who tend to be more conservative and a slap at Daniels, a former Eli Lilly executive who opposes the move. "Indiana has an opportunity to become a national model," Gov. Kernan said in proposing a Dec. 1 summit of the pharmaceutical industry, patient advocates, and insurance providers. "Not only are we creating the 'Hoosier Health Plan,' which will help the state's uninsured and small businesses, but we're also taking steps to make prescription drugs more affordable for our families." He said if a better plan couldn't be found by March 1, 2005, "I will support every effort to reduce the cost of prescription drugs for Hoosier families and seniors, including the reimportation of drugs from Canada and other countries."

It was part of his "Action Indiana" plan that included both the old and new: the precription drug proposal and full-day kindergarten. Daniels called it a "reaction plan" and told the Indiana Republican Women's Luncheon on Tuesday, "There's not anything new in it; nothing imaginative about it. They are out of ideas and ideals and they are out of time in 60 days," Daniels said.



"Someone compared me to Martha Stewart. I find that deeply offensive. My souffle is much better than hers."

— Mitch Daniels, responding to criticism by State Rep. Tiny Adams, D-Muncie, at a Labor Day rally

The Howey Political Report is published by NewsLink Inc. Founded in 1994, The Howey Political Report is an independent, non-partisan newsletter analyzing the political process in Indiana.

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Subscriptions:
\$350 annually HPR via e-mail;
\$550 annually HPR & HPR Daily Wire.
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Thrown into the mix was a meeting Daniels had with Indianapolis gays and lesbians, a traditional Democratic constituency, with the meeting subsequently outed by what appears to be Indiana Democrats. An e-mail was sent to reporters and conservative Republicans in an attempt to put a dent in Daniels' base. Campaign manager Bill Oesterle said the e-mail was "traced to the Democratic Party's ISP" and accused the party of "engaging in gay baiting."

Democratic spokesman Terry Burns parsed the controversy by saying it was not sent out by party or campaign staff. The incident got a reaction from Micah Clark of the American Families Association' of Indiana who deplored Daniels even meeting with gay people.

Ethic skirmishes

Other skirmishes included Daniels blasting Kernan over ethics issues, with Indiana Democrats responding with an assault over the IPALCO sale. "The sad parade of mistakes and misdeeds has continued all summer with no meaningful action," said Daniels on Tuesday. "A lax, embarrassing culture of quid and quo pervades this administration. If ever a state needed a fresh start, it is our state today." Last week, the Indianapolis Star reported the former director of the Indiana Web Academy defrauded the state of over \$350,000, while simultaneously receiving 47% pay increases. On Friday, a 158-page audit report of the Public Employees' Retirement Fund (PERF) concluded that poor recordkeeping and mismanagement make it impossible to determine the extent of stolen funds and identity theft during the time a convicted identity thief administered the fund.

"So-called investigations run by close cronies are no answer at all," said Daniels. "We need a full-time fraud fighter, armed with much stronger state laws penalizing abuse of the public trust."

Indiana Democratic Chairman Kip Tew responded with a press release accusing Daniels of participating in "Indiana's Enron." Tew explained, "Mr. Daniels claims he cares about Indiana workers and wants to create jobs for Hoosiers, but his actions say something different. "When Mr. Daniels had the opportunity to do the right thing for workers and their families, he instead voted to sell an Indiana-based company out of state, costing many workers and retirees their life savings and hundreds more their jobs."

The Tew release got scant play statewide.

The Mays endorsement

The Mays endorsement of Daniels did get decent media play in the Indianapolis market. "I'm convinced that we need positive change to ensure a bright future for our state. I believe that, as governor, you will lead that change," Mays

Indiana 2004 Governor

Governor 2004: Republican: Mitch Daniels. Democrat: Gov. Joe Kernan. Libertarian: Kenn Gividen. **1996 Results:** O'Bannon (D) 1,075,342, Goldsmith (R) 997,505, Dillon (L) 35,261. **2000 Results:** O'Bannon (D) 1,230,345, McIntosh (R) 906,492, Horning (L) 38,686. **2004 Forecast:** Daniels proposed today that Indiana join the



host of other states that offer professional sports license plates. Daniels would use the revenue from the sale of these plates to generate new economic development capital and help keep the Indianapolis Colts in Indiana.

"Here's yet another idea that's new to Indiana, but is already proven to work in other states." said Daniels. The sale of NFL plates in Florida has generated over \$11.5 million since 1998. Kernan campaign spokeswoman Tina Noel responded, "This is what Daniels calls a 'freight train of change'? While the governor is out today talking about lowering prescription drug costs for Hoosier families, his opponent is talking about novelty license plates." The two campaigns have agreed on only one debate - Sept. 28 in Franklin. Daniels' campaign said he didn't want to upstage U.S. Senate candidate Marvin Scott. **Status:** *Tossup.*

said Tuesday on the *Amos Brown Show*.

Brown asked if the endorsement came after Kernan's campaign skipped the Indiana Black Expo and was keeping a lower profile. "There isn't any question about that," Mays responded, saying Daniels had been in the black community "more frequently" and that Kernan could have "sent a representative. So sure, that's part of the situation."

The endorsement was significant enough for the Kernan campaign to issue a statement. "Bill Mays has supported numerous Republicans over the years, so his endorsement of our opponent today comes as no surprise," said Kernan campaign manager Bernie Toon. The Kernan campaign promised there would be a response to the endorsement at 3 p.m. today on the *Amos Brown Show*.

HPR has learned that Mays had planned to start a "Democrats for Daniels" committee, but was apparently talked out of that by power attorney Lacy Johnson.

The Mays endorsement, in and of itself, probably won't have much impact on the African-American vote. But Daniels told the Republican Women, "Bill Mays isn't the only Democrat who will be associated with us. There will be many more."

So the danger for the Kernan campaign is if the Mays endorsement isn't isolated, but signals a trend. ❖



HPR tracking 17 House races, including 5 tossups

By BRIAN A. HOWEY

PAOLI, Ind. - HPR is currently tracking 17 Indiana House races which could be competitive between now and the Nov. 2 election. Of those seats, 10 are leaning toward the Democrats, which have a 51-49 edge, five are considered tossups and two are leaning Republican.

Of the tossups, only two -- HD31 being vacated by State Rep. Dean Young, and HD26 where State Rep. Sue Scholer serves -- are open seats. HD31 features a showdown between Marion Council President Tim Harris, an ally of Mayor Wayne Seybold, and Blackford County Councilman Larry Hiles. In HD26, Tippecanoe County Councilwoman Connie Basham is facing community activist Joe Micon, a Democrat.

There are three other open seats HPR is tracking. One, HD21, is being vacated by State Rep. Richard Mangus and Republican Jackie Walorski is expected to keep it in the GOP column. In HD46, former State Rep. Vern Tincher may have the inside track on regaining his seat being vacated by embattled Republican Rep. Brooks LaPlante. The last open seat is HD77 being vacated by Democratic State Rep. Brian Hasler. Evansville Councilman Phil Hoy is fighting to keep it in the Democratic column.

There are some familiar seats that have been on the HPR tossup column for many election cycles: HD86 in Indianapolis where State Rep. David Orentlicher is trying to overcome a property tax rebellion, HD56 where State Rep. Phil Pflum is battling cancer and Republican Ed Yanos, and HD45, the former district of House Speaker John Gregg, Al Chowning is trying to stave off Elvis impersonator Bruce Borders. Of the five tossups, three are Democratic and two are Republican.

HPR is also watching the Ohio and Wabash river corridors, where conventional wisdom would have Democratic State Reps. Markt Lytle, John Frenz, and David Crooks winning new terms. But these areas are becoming more Republican at the county and presidential level and some Republicans believe there will be inevitable surprise pickoffs. Republicans are also pressing State Rep. Ron Liggett in East Central Indiana. Democrats appear to be girding for a battle there.

We're watching HD19 in Lake County, where Democrat Rep. Bob Kuzman has been navigating the Lake County tax crisis. Two seats on the list -- HD7 held by Rep. Tom Kromkowski, and HD44 by Republican Andy Thomas -- are there due to the tsunami factor: if they are in play in seven weeks, a wave could be forming.

See the complete Horse Race capsules on Pages 5 through 7. ❖



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7:30 a.m. Registration

8 a.m. Opening Remarks by Brian A. Howey and Dan Seitz, BoseTreacy.

8:15: a.m. 2004 Election Overview

Dr. Larry Sabato, University of Virginia
Brian A. Howey, HPR
Mark Schoeff Jr., HPR
Vince Robinson, Fort Wayne Ink
Jeff Lewis, TeleResearch
Moderator: Dan Seitz

9:15 a.m. Indiana House Election Overview

State Rep. Ed Mahern, D-Indianapolis
State Rep. Luke Messer, R-Shelbyville
Paul Mannweiler, BoseTreacy
Andy Miller, BoseTreacy
Moderator: Brian A. Howey

10:15 a.m. Power Realignment in the Indiana Senate

Sen. J. Murray Clark, R-Indianapolis
Sen. Robert Meeks, R-LaGrange
Sen. Jeff Drozda, R-Westfield
Brad Hiller, BoseTreacy
Moderator: Patricia McGuffey, BoseTreacy

11:15 a.m. Remarks by Gov. Joe Kernan

Noon: Luncheon

12:30 p.m. Dr. Larry Sabato Keynote

1:15 p.m. Remarks by Mitch Daniels

2 p.m. The Case for Government Reform

Brian A. Howey, HPR
State Sen. David Long, R-Fort Wayne
Lawrence Township Assessor Paul Ricketts
Indianapolis Deputy Mayor Mike O'Connor



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Indiana 2004 Congressional

Congressional District 1: Republican: Mark Leyva. Democrat: U.S. Rep. Pete Visclosky. **Geography:** Lake, Porter, Newton, Jasper, Benton counties. **Media Market:** Chicago. **People:** 87/13% urban/rural; median income \$44,087; Poverty 10%; Race: 69.8% white, 18.2% black; 10% Hispanic; blue/white collar 31/53%; **2000 Presidential:** Gore 56%, Bush 42%; Cook Partisan Voting Index: D +7, **2002 Results:** Visclosky 90,443 (67%), Leyva (R) 41,909 (31%). **2002 Money:** Visclosky \$755,668, Leyva \$11,956. **2004 Outlook:** Visclosky is the Democratic star in Northwest Indiana. He shines brightly and honestly and should be a role model for his party in the Region. His efforts to restore the Indiana lakeshore after a century of heavy industry is a gift that will transcend generations. He will easily win re-election. **Status:** *Safe Visclosky*

Congressional District 2: Republican: U.S. Rep. Chris Chocola. Democrat: 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 Forecast:** By all accounts, Chocola has a heavy money advantage and President Bush can be expected to comfortably carry this district. It would be a shocking upset if Chocola loses. **Status:** *LIKELY CHOCOLA*



Congressional District 3: Republican: U.S. Rep. Mark Souder. Democrat: Maria Parra. **Geography:** Fort Wayne, Goshen; Kosciusko, Whitley, LaGrange, Steuben, DeKalb and parts of Elkhart and Allen counties. **Media Market:** South Bend-Elkhart, Fort Wayne. **People:** Urban/rural 65/35%; median income \$44,013; Race: 87% white, 6% black, 4.5% Hispanic; Blue/white collar: 36/52% **2000 Presidential:** Bush 66%, Gore 33%. Cook Partisan Voting Index: R+17. **2002 results:** Souder 92,566 (63%), Rigdon 50,509 (34%). **2004 Outlook:** Parra is personable and a fresh face, but Souder has one of the best political minds we've ever encountered and will easily win re-election. **Status:** *Safe Souder*

Congressional District 4: Republican: U.S. Rep. Steve Buyer. Democrat: David Sanders. **Geography:** Tippecanoe, Clinton, Boone, Montgomery, Hendricks, Morgan, Lawrence and parts of Marion, Johnson, Monroe, Fountain and White counties. **Media Market:** Lafayette, Indianapolis, Terre Haute, Evansville, Louisville. **People:** urban/rural 68/32%; median income \$435,947; Poverty 8%; Race 93% white, 1.3% black, 2.6% Hispanic; blue/white collar 29/56%; **2000 Presidential:** Bush 66%, Gore 31%; **Cook Partisan Voting Index:** R+18; **2002 Results:** Buyer 112,760 (71%); Abbott 41,314 (26%). **2002 Money:** Buyer \$924,869, Abbott \$21,634. **2004 Outlook:** Buyer appears to be busier helping the Bush-Cheney team work military-related issues than working his own campaign. The most fascinating question about Buyer is if the Pentagon had allowed him to report for active duty in March 2003, would the Abu Graib prison scandal have happened? **Status:** *Safe Buyer*

Congressional District 5: Republican: U.S. Rep. Dan Burton. Democrat: Katherine Fox Carr. **Geography:** Indianapolis, Kokomo, Marion, Shelbyville; Wabash, Huntington, Howard, Grant, Tipton, Hamilton, Hancock and parts of Marion, Johnson and Shelby counties. **Media Market:** Indianapolis, Fort Wayne, Lafayette. **People:** urban/rural 75/25; median income \$52,800; poverty 5.2%; race: 92% white, 2.6% black, 1.6% Hispanic; blue/white collar 25/63%. **2000 Presidential:** Bush 69%, Gore 30%. Cook Partisan Voting Index: R+20. **2002 Results:** Burton 129,442 (72%), Carr 45,283 (25%). **2002 Money:** Burton \$844,159, Carr \$25,551. **2004 Outlook:** This is one of the most Republican districts in the nation and Burton will cruise to another term. **Status:** *Safe Burton*



U.S. Rep. Dan Burton

Congressional District 6: Republican: U.S. Rep. Mike Pence. Democrat: Melina Ann Fox. **Geography:** Anderson, Muncie, Richmond; Wells, Adams, Blackford, Jay, Madison, Delaware, Randolph, Henry, Wayne, Rush, Fayette, Union, Decatur, Franklin, and parts of Bartholomew, Shelby, Johnson and Allen counties. **Media Market:** Indianapolis, Fort Wayne, Dayton, Cincinnati. **People:** urban/rural 59/40%; median income \$39,002; poverty 9.7%; race: 93% white, 3.8% black, 1.3% Hispanic; blue/white collar 35/49%; **2000 Presidential:** Bush 58%, Gore 40%; Cook Partisan Voting



Index: R+10; **2002 results:** Pence 118,436 (64%), Fox 63,871. **2002 Money:** Pence \$1.2m, Fox \$342,987. **2004 Outlook:** Fox has retooled her campaign, bringing Tony Hinrichs on board to manage, but Pence is such a savvy politician with a huge money lead that it's hard to see how Fox can get into this race in the next eight weeks. Not that Pence didn't give Democrats plenty of fodder over such issues as the Iraq war and the Israeli security fence. Pence is also on the record as saying the war on terror can be won, which puts him in contrast with President Bush. Which brings us to the most interesting question surrounding Pence. He has been openly alarmed about the deficits and has sparred with the White House on everything from Medicare and the budget to Middle Eastern diplomacy to whether there were enough conservative speakers at the Republican National Convention. You can expect a scenario from a re-elected Pence of butting heads with the White House, should Bush win a second term. And it's the 2006 elections, the second mid-term in a Republican presidency, that worries conservatives such as Pence. That's when, they fear, they'll lose the House for the first time since 1994. **Status:** *SAFE PENCE*



Congressional District 7: Republican: Andy Horning. Democrat: U.S. Rep. Julia Carson. **Geography:** Indianapolis. **Media Market:** Indianapolis. **People:** Urban 99.7%; median income \$36,522; poverty 13.5%; race white 63, black 29.4%, Hispanic 4.4%, Asian 1.3%; blue/white collar 26/58%; **2000 Presidential:** Gore 55%, Bush 43%; Cook Partisan Voting Index: D+6. **2002 Results:** Carson 77,478 (53%), McVey 64,379 (44%). **2002 Money:** Carson \$1.099m, McVey \$1.15m. **2004 Forecast:**

After Brose McVey lost what many thought would be a close race in 2002, the Republicans at the state and national levels essentially wrote this district off. The Carson machine is too dynamic to overcome. Everyone seemed to get the message but Andy Horning. The former Libertarian became a Republican two years ago and couldn't resist participating in yet another election cycle (he's run for governor, mayor and twice for Congress since 2000). When a candidate does that, it reduces credibility. Even with Carson not participating in debates and her health status questionable, Horning is getting very little traction. Here is a man who does not choose



Horning

his battles wisely. **Status:** *SAFE CARSON*

Congressional District 8: Republican: U.S. Rep. John Hostettler. Democrat: Jon Jennings. Green Party: Clark Gabriel Field. **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.



Jennings



Hostettler

2002 Results: Hostettler 98,952 (51%), Hartke 88,763 (46%), **2004 Forecast:** This will be the most fascinating Congressional race of this cycle. Jennings is well-financed and conducting a seasoned, well-executed campaign. Hostettler is not raising much money and is relying on his grassroots network to once again carry the day. But this race could turn on what's not publicly being mentioned: his August gun conviction and his vote against the Iraq war. Given the status of our affairs in Iraq, in many districts that might look like an insurance policy for re-election this year. But this is the bloody 8th, where folks love guns and Bushes. The Congressman has been at odds, in strange, strange ways, with both. If Jennings can exploit the soft economy, he might be able to pull off the upset, though we never underestimate Hostettler's grassroots operation. **Status:** *Tossup.*

Congressional District 9: Republican: Mike Sodrel. Democrat: U.S. Rep. Baron Hill. **Media Market:** Evansville, Indianapolis, Louisville, Dayton, Cincinnati. **People:** urban/rural 52/48%, median income \$39,011; race white 94%, 2.3% black, 1.5% Hispanic; blue/white collar: 34/50%; **2000 Presidential:** Bush 56%, Gore 42%; Cook Partisan Voting Index: R+8. **2002 Results:** Hill 96,654 (51%), Sodrel 87,169 (46%). **2002 Money:** Hill \$1.144m, Sodrel \$1.62m. **2004 Forecast:** Rarely do rematches work in Indiana, as John Brademas and Mike Pence will tell you. Sodrel is working against that historic standard, figuring that President Bush's popularity in this district might be enough to make up that 6 percent difference. But Hill is a resilient campaigner and we think he's in pretty good shape. **Status:** *Leans Hill* ❖

Indiana 2004 Legislative

House District 7: Republican: South Bend School



Trustee Joanna Blacketor. Democrat: State Rep. Tom Kromkowski. **2002 Results:** Kromkowski 10,846. **2004 Forecast:** Blacketor is a very credible opponent and Kromkowski has had well publicized health problems, but we believe he will return. **Status:** *Likely D*



Joanna Blacketor (right) with state Auditor Connie Nass.

House District 19: Republican: Ron Cooper. Democrat: State Rep. Bob Kuzman. **2002 Results:** Kuzman 7,620, Roth (R) 6,355. **2004 Forecast:** Kuzman appears to be withstanding the swirling tax controversies and his Democratic colleagues in Merrillville (Chet Dobis) and Linda Lawson (Hammond) withstood severe primary challenges. Even with the township folks breathing angrily down his neck, we believe he stands a good chance of returning. **Status:** *LEANS D*

House District 21: Republican: Jackie Walorski. Democrat: Carl Kaser. **2002 Results:** Mangus 10,722. **2004 Forecast:** This is a 62 percent Republican seat. The race to replace retiring Rep. Richard Mangus is now between

Republican Jackie Walorski and Democrat Carl Kaser. This should be a Republican keeper. **Status:** *SAFE R*

House District 26: Republican: Tippecanoe County Councilwoman Connie Basham. Democrat: Joe Micon. **Geography:** Lafayette, West Lafayette, Tippecanoe County. **2002 Results:** Scholer 5,630, Micon 4,731. **2004 Forecast:** Here's another decent Democratic pickup prospect in a 62 percent Republican district. It tends to be more Republican in presidential years. Micon is a community leader who lost narrowly in 2002. Basham has a constituency and can be expected to activate the county's strong Right to Life organization, which Scholer could not count on. **Status:** *Tossup.*

House District 30: Republican: John Smith. Democrat: State Rep. Ron Herrell. **2002 Results:** Herrell (D) 9,017, Rudolph (R) 6,966, Fridholm (L) 379. **2004 Forecast:** Herrell increased his plurality by more than 2,000 votes from 2000 to 2002 and he looks to be in better shape to stave off the challenge from Smith, a Kokomo businessman. **Status:** *LEANS D.*

House District 31: Republican: Marion City Council President Tim Harris. Democrat: Blackford County Commissioner Larry Hile. **2002 Results:** Rep. Dean Young 9,046, Raju (D) 3,909. **2004 Forecast:** Democrats are increasingly confident that Hile can pick up this seat. Harris brings in a Marion power base. State Rep. Ed Mahern characterizes it as potential "the closest race." It's a 53 percent Republican seat and Bush carried with 56 percent in 2000. Retiring Dean Young is working actively for Harris: *TOSSUP.*

House District 33: Republican: Bill Davis. Democrat: State Rep. Ron Liggett. **2002 Results:** Liggett (D) 9,143, Thornburg (R) 6,895. **2004 Forecast:** This is the GOP's No. 1 House target. They believe Liggett, who has mixed it up with Randolph County government over courthouse renovations, is vulnerable. He was the Stonewall

04 Bush-Kerry *Election* Presidential Polls

Rasmussen Tracking, Sept. 7-9
Bush 47.5, Kerry 46.8

USA Today/Gallup Sept. 2-4, +/-
Bush 52, Kerry 45, Nader 4

Newsweek, Sept. 2-3, +/-
Bush 52, Kerry 41

TIME, Aug. 31-Sept. 2 +/-
Bush 51, Kerry 41

NBC/Wall Street Journal, Aug. 23-25 +/-3.5
Bush 47, Kerry 45, Nader 3

Zogby America, Aug. 30-Sept. 2, +/-3.2
Bush 46, Kerry 44

State Polls

Ohio Presidential Gallup, Sept. 4-7, +/-
Bush 52, Kerry 44

Missouri Presidential Gallup, Sept. 3-6, +/-
Bush 55, Kerry 41

Arizona Presidential, Arizona Republic, Sept. 3-5, +/-
Bush 54, Kerry 38 ❖



Democrats' man of the year. **Status: Leans D**



Mitch Daniels with State Rep. Andy Thomas on RV1. (HPR Photo)

House District 44: Republican: State Rep. Andy Thomas. Democrat: Eric A. Wolfe. **2002 Results:** Thomas (R) 8,997, Schimpf (D) 6,507. **2004 Forecast:** Thomas won a decisive landslide victory over the Chamber-endorsed Kenneth Eitel Jr. in the primary and we believe he will be re-elected by a comfortable margin. This is a 63-percent Bush district. The Chamber, ISTA and IMA have endorsed Thomas for this cycle. **Status: SAFE R.**

House District 45: Republican: Bruce Borders. Democrat: Rep. Allen Chowning. **2002 Results:** Chowning 9,627, Borders 9,337. **2004 Forecast:** Bush carried this district with 58 percent and Clerk of Courts Brian Bishop ran with 48 percent in 2000. This is a district where the gay marriage issue could have an impact. Chowning and Borders say they support the elimination of property taxes. Chowning said in Jasonville that Gov. Joe Kernan makes good decisions, is good for Indiana, and needs to stay in office. He said it's a thrill for "an old farm boy from Sullivan County" to go to Indianapolis and work with people like Kernan and his running mate Kathy Davis. "I like my job so much, I'm working real hard to keep it," he said. **Status: Tossup.**

House District 46: Republican: Jeff Lee. Democrat: Vern Tincher. **2002 Results:** LaPlante (R) 8,079, Tincher (D) 7,275. **2004 Forecast:** An open seat after embattled Rep. Brooks LaPlante opted out of the re-elect, Lee has some small claims court problems that the Democrats have exploited in push calls. Lee says the debts came after the 1997 death of his child, but the small claims suits with his school district have been an annual thing through this year. Tincher has lost two of the last three elections. While Bush ran with 60 percent in 2000, State Rep. Ed Mahern explained, "Tincher gets beat in off year low turnout elections which will not be the case this year." **Status: LEANS D.**

House District 56: Republican: Ed Yanos. Democrat: Rep. Phil Pflum. **2002 Results:** Pflum 6,511, Hamm (R) 6,096. **2004 Forecast:** Bush carried this district with 50.4 percent. This is a true 50/50 district. Yanos decisively defeated

Richard Hamm, loser of five HD56 elections. Pflum had an easy win over Eric Duncan in the Democratic primary, but Pflum's biggest opponent is his own health as he battles cancer, which is in remission. He appears to be recovering and is actively seeking re-election. **Status: TOSSUP.**

House District 62: Republican: Lawrence County Commissioner Janie Craig Chenault. Democrat: State Rep. Jerry Denbo. **2002 Results:** Denbo 10,009, Patton (R) 6,339. **2004 Forecast:** Chenault brings to the race credibility and a constituency, but it's hard to believe that voters will toss out Denbo after he delivered the biggest piece of bacon, the French Lick/West Baden casino, to this district in decades. A recent Democratic poll showed Denbo with a 20 percent lead and with 50 percent. **Status: LIKELY D.**

House District 63: Republican: Martin County Commissioner Paul McFeaters. Democrat: Rep. David Crooks. **2002 Results:** Crooks 10,984. **2004 Forecast:** Republicans plan to target Crooks in this Republican-leaning district. Bush won with 67 percent, but folks know how to split tickets and Crooks doesn't appear to be very worried. **Status: LEANS D.**

House District 64: Republican: Troy Woodruff. Democrat: State Rep. John Frenz. **2002 Results:** Frenz 10,516, Davis (R) 8,774. **2004 Forecast:** Woodruff is with the Vincennes Chamber and is a former aide to U.S. Rep. John Hostettler. He has talked about eliminating property taxes and has been pressing Frenz to debate. **Status: LEANS D.**

House District 69: Republican: Billy Bright. Democrat: State Rep. Markt Lytle. **2002 Results:** Lytle 9,777, Newell 7,678. **2004 Forecast:** Bright told HPR that he believes Lytle is primed for an upset. He noted that his Jennings County roots and his North Vernon business profile will help. Plus, he said, Lytle hasn't been challenged like he will be this year. And, Bright noted, President Bush can be expected to carry the district with 59 percent of the vote. **Status: LEANS D.**

House District 77: Democrat: David Hennig. Democrats: State Rep. Phil Hoy. Independent: Rev. Bill Garrett. **2002 Results:** Hasler (D) 10,437. **2004 Outlook:** This is an open seat following State Rep. Brian Hasler's retirement. Former Evansville Councilman Hoy is seeking his first term and faces David Hennig, an investment banker, and Garrett, an independent candidate, who Democrats are concerned about shaving off some of their vote. This one should be watched closely. **2004 Outlook: Status: LEANS D.**

House District 86: Republican: Mort Large. Democrat: State Rep. David Orentlicher. Independent: Sam Goldstein. **2002 Results:** Orentlicher 9,909, Atterholt (R) 9,872. **2004 Forecast:** Large has knocked on 11,000 doors; Orentlicher has been even more energetic. Democrats are confident they can keep this seat. **Status: Tossup** ❖



Intelligence reform dominates Capitol Hill

By MARK SCHOEFF JR.
The Howey Political Report

WASHINGTON--When Congress came back into session on Tuesday, intelligence reform shot to the top of the agenda. Building on momentum generated over the summer by the report of the national commission investigating the Sept. 11, 2001, terrorist attacks, legislation was introduced in the Senate to implement the panel's 41 recommendations.

But Capitol Hill may take smaller bites rather than try to digest the whole bill before recess in October. Republican Rep. Mark Souder (3rd CD), a member of the House Homeland Security Committee, said that the commission's ideas for strengthening border and transportation security and increasing U.S. funding for Afghanistan and Pakistan are more likely to pass Congress quickly than profound changes like creating a national director of intelligence.

"We ought to move what we can, get as much of it in place (as possible)," Souder said in an HPR interview. For instance, Souder advocates reforming identification procedures so that potential terrorists cannot assume multiple names.

"The biggest single thing we have not dealt with in terms of substance is the ID system," he said. "The guts of this is down in those details. None of them grab the public's attention as much because they're the details, but they're important details."

Banging Bureaucratic Heads

Souder is wary of broad brush strokes like installing a national intelligence director. "Is this realistic to put another layer of bureaucracy on top of our intelligence agencies," he said. The Coast Guard, customs and border control functions haven't yet meshed within the Department of Homeland Security, he said. "That's nothing compared to the Pentagon and CIA going together, not to mention the FBI." He cited the drug czar as a Cabinet-level position created to direct a major operation that in reality influences rather than controls the agencies under its aegis.

Although implementing the Sept. 11 commission recommendations will require banging bureaucratic heads together, it must be done by October, according to Democratic Sen. Evan Bayh, who introduced the commission bill with Sens. John McCain (R - Ariz.), Joseph Lieberman (D - Conn.) and Arlen Specter (R - Pa.).

"It's an aggressive timeframe, but the challenge facing the country demands it," Bayh said in an HPR interview. "Regrettably, we live in a world where a terrorist strike could



U.S. Sen. Bayh has called for an aggressive time frame in adopting reforms. (HPR Photo)

occur any day. We need to move as quickly as we can consistent with getting it right, and we should be able to accomplish both."

In the month since the Sept. 11 commission released its report, some critics have cautioned against trying to make major changes to the U.S. intelligence system too quickly because the results likely will last for generations. "It's been three years since the tragedy," said Bayh, a member of the Senate Intelligence and Armed Services committees. "That seems like a long timeline to me."

He predicts that the Senate will be more willing to pass the commission bill in its entirety, rather than breaking it into smaller pieces, which could happen in the House. "Half a loaf is better than none, but we shouldn't have to settle for that," he said. "I hope this isn't death by committee, where they consult every little fiefdom before they decide what to do politically."

Souder said that he, too, opposes delay. "If we don't try to move fast, it may never move," he said. "You can refine a bill that isn't perfect and continue to work through the details. But I don't necessarily favor (a bill) with a terrorism director unless I'm sure it is real."

Catastrophic Terrorism

Even as debate in Washington focuses on the Sept. 11 commission legislation, events elsewhere in the world are demonstrating the dangers of terrorism. Last week, Chechen separatists took over a middle school in Beslan, Russia, killing 330 people, including more than 150 children. After the crisis, Russian President Vladimir Putin ordered the military to increase security at nuclear weapons sites.

In a statement on Wednesday, Sen. Richard Lugar, chairman of the Senate Foreign Relations Committee, said, "While Washington is consumed over debates on intelligence



reform, here is an issue that needs no debate. We know where these dangerous materials are. We know that terrorists have the motivation and wherewithal to steal them. No more intelligence gathering is needed. We need to act." Lugar and former Sen. Sam Nunn wrote legislation 13 years ago designed to secure and destroy weapons of mass destruction in Russia. "There are still several biological and chemical weapons labs that we have not been able to secure," said Lugar.

Political Traction Slips

Although terrorism is an urgent threat, the Sept. 11 commission report isn't prominent in Hoosier congressional races, coming in well behind the economy and cultural issues. The commission included two Hoosiers, former U.S.

Reps. Lee Hamilton and Tim Roemer.

"I've never heard one person bring it up, but they want something done on homeland security," said Souder. "It's more generic than specific. They don't think of it in terms of the 9/11 commission." Bayh said, "This isn't a political issue, but people should know there is a real stake in holding their representative's feet to the fire. This is doing everything humanly possible to prevent another 9/11."

In a New York Times article on Sunday, Bayh advised Democratic presidential nominee John Kerry to concentrate on domestic issues. But how the Sept. 11 commission cuts in a national campaign is unclear. "I haven't really thought about this in that context," Bayh said. "This is a matter of life and death. Both the president and Sen. Kerry should embrace the changes that will protect this country." ❖

Andrew joins DC law firm

Sonnenschein Nath & Rosenthal LLP today announced Joseph J. Andrew has joined the firm as a partner in its Public Law & Policy Strategies Group resident in the Washington, D.C. office (*Inside Indiana Business*). A prominent corporate attorney and former national chairman of the Democratic National Committee, Andrew most recently was co-chair of the Government Affairs Practice at McDermott Will & Emery. Andrew has practiced corporate law for almost 20 years, focusing on mergers and acquisitions of technology and regulated companies. He has represented many Fortune 1000 companies in acquisitions, spin-offs, financings, and structuring capital market products to meet their needs. In addition, because of his political and governmental background, he advises companies on the larger policy and regulatory issues involved in each transaction. "Joe's unparalleled experience counseling companies around the globe on their corporate and governmental affairs strategies will be invaluable to our clients," said Elliott Portnoy,



Andrew

chair of Sonnenschein's Public Law & Policy Strategy Group. "Heads of corporations and public and private institutions, as well as the media, look to him as an authoritative voice on issues across the spectrum."

Pence targets IRS muzzle

Political pressure is building on a powerful House lawmaker to remove the so-called IRS "muzzle" that prevents religious leaders from endorsing political candidates from the pulpit. Frustrated that House Ways and Means Committee Chairman Bill Thomas (R-Calif.) essentially rejected House Speaker J. Dennis Hastert's (R-Ill.) request in June to change the tax code on this issue, 131 House lawmakers are pressing the Speaker to act before the 108th Congress adjourns. There were 31 Republicans who signed the letter to Hastert, which was spearheaded by Rep. Mike Pence (R-Ind.).

and the military, is looking at Evansville as a possible location for a new engineering facility (*Evansville Courier & Press*). Company representatives met with local officials recently to talk about the project. They said they intend to make a decision on a location for two engineering centers by the end of the month, according to Jerry Cain, dean of science and engineering at the University of Southern Indiana.

New study reignites autism, vaccine link

Just a few months after the nations' top medical adviser rejected a link between vaccines and autism, a mouse study has reignited the debate and raised new fears among parents considering vaccinations and flu shots for their kids (*Wall Street Journal*). For years, a cadre of parents and physicians have contended that thimerosal, an ethyl-mercury compound that has been one of the most widely used vaccine preservatives, is partly responsible for an apparent rise in autism in recent decades. But broad population studies haven't supported the claim. In May, a major report from the Institute of Medicine's Immunization Safety Review Committee, sought to put the debate to rest, rejecting a link between autism and vaccines. Among them is Congressman Dan Burton, an Indiana Republican,



Sikorsky looking at Evansville

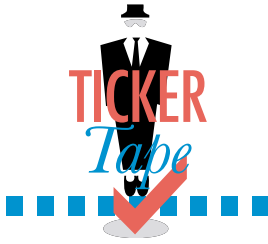
Sikorsky Aircraft Corp., a leading maker of helicopters for business



whose grandson developed autism five years ago after receiving shots containing thimerosal. Rep. Burton is chairman of the subcommittee that this week will hold hearings on the mouse study and other research. "We just need to get the mercury out of vaccinations," says Rep. Burton.

Suit filed to recover Coffee Creek funds

The Northwest Indiana Regional Council of Carpenters Pension Fund Trust is suing Lake Erie Land Co. and several other defendants to recover the money lost in the Coffee Creek land investment scandal (*Post-Tribune*). The pension fund beat a



Wednesday deadline set by the federal court to add names to a civil lawsuit brought last December against former union official Gerry Nannenga. The pension fund is seeking to recover at least half of the \$10 million it spent in 1999 to buy 55 acres at Morgan's Corner in the Coffee Creek development off Indiana 49 in Chesterton.

Among the new defendants in a 58-page amended complaint are Lake Erie Land Co., which is a division of NiSource, and the two pension fund board members, James Bohlen and Robert Novak, who voted for the deal along with Nannenga. NiSource spokeswoman Chris Falzone said the company had not seen the complaint, and it was company policy not to comment on pending lawsuits.

In the expanded complaint, the carpenters union filed suit against all of the principals charged in the federal criminal probe of Coffee Creek, including former Indiana Democratic Party chairman Peter Manous; Kevin Pastrick, son of the East Chicago mayor; and



Peter Manous

Pastrick's partner Carl Paul Ihle.

Burk wants ability to fire city workers

If Terre Haute city employees don't pay their property taxes or sewage utility bills, Mayor Kevin Burke wants the administration to have the authority to fire them. All 114 of them (*Terre Haute Tribune-Star*). According to records in the Comptroller's office, 16 city employees owe a combined \$4,019 in unpaid property taxes. Sewage billing records show that 98 employees owe a combined \$6,050 in unpaid sewage utility bills. The city already makes up-to-date payments on those two public fees a prerequisite of employment. Burke said he wants to extend that idea to those already on the payroll. "I have no problem expecting city employees to be held to a higher standard," Burke said.

Four-day work week proposed in Madison County

Madison County Commissioner Paul Wilson provoked bold thinking Wednesday when he suggested shuttering the county courthouse every Friday to save nearly \$1 million in wages (*Ken de la Bastide, Anderson Herald-Bulletin*). But the idea of slashing county employees' pay by 20 percent for the rest of the year was coolly received by Madison County Council members. Councilman John Bostic Jr., D-3rd District, said employee wages are already in the 2004 budget. Any attempt

to close the courthouse one day a week would likely draw a lawsuit or two, he said. "My concern is that we stay at a five-day work week," said Bostic. "Don't hurt everyone, do a layoff."

Muncie makes big budget cuts

Money to pay health insurance claims at Muncie City Hall this year already has run out. However, Muncie City Council's finance committee chose Wednesday to cut nearly \$1-million in health insurance spending for 2005 because the proposed \$40-million budget was nearly \$3 million over the maximum amount of property taxes that can be raised (*Muncie Star Press*). "It does not make sense," said Linda Gregory, president of Association of Concerned Taxpayers. The finance committee recommended over \$3 million in cuts, including new police cars and fire trucks, along with health insurance spending that is expected to balloon to \$7 million this year. The full council will take a preliminary vote Monday on the budget with a public hearing at 6:15 p.m. in city hall auditorium.

Carson casts first vote in months

U.S. Rep. Julia Carson, who has missed about 40 percent of the House votes this year because of health problems, voted Wednesday for the first time in nearly three months (*Indianapolis Star*). On Tuesday, Carson, 66, missed two votes, the first taken since Congress returned from a recess. The Indianapolis Democrat voted Wednesday as the House deliberated an annual spending bill funding health and education programs. She said in July that she was under "intense doctor's care" because she wasn't feeling well and was taking longer to recover than expected. She said she was given new medication and a diet and exercise routine. ❖



Jack Colwell, South Bend Tribune - The Republican National Convention is over. Questions remain. **Q.** Who won the battle of the conventions? **A.** Probably the Republicans. But we had to wait on the weekend after the Democratic National Convention for polls to test the bounce from that event -- and we were to find there was very little. Now we await the consensus of all the polling of public opinion about the Republican Convention. It's public opinion, not pundit opinion, which counts. **Q.** Why do you think Republicans came out ahead? **A.** There were two far different strategies at work. John Kerry and the Democrats calculated that what they called a "positive" message would work best, enabling them to sway undecided voters. Kerry only mentioned the president by name once in his nomination acceptance speech, calling on him to join in a positive campaign. The Republican Convention featured all-out ridicule of Kerry as unfit to lead the nation. The Republican strategy, thanks in part to Kerry's lagging campaign effort after his convention, seems to have worked better. **Q.** Why? Don't voters say they don't like negative attacks and want positive campaigns? **A.** They say that. But what Democrats called positive came across to many voters as not specific enough, not strong enough. The Republican ridicule of Kerry served to energize the GOP base and offended mainly only folks who weren't going to vote for the president anyway. Republicans were willing to risk some harm in the middle ground because of the theory, well based, that the electorate already is polarized and there aren't many truly undecided voters in the middle. **Q.** Any other indication that Republicans seemed to be coming out ahead? **A.** Sure. Kerry, who has his own polling of how things are going, was worried enough to give a midnight speech himself at the close of the Republican Convention. He simply had to hit back in order to try to regain momentum. **Q.** How was President Bush's speech? A home run? **A.** Good. A little too long. It dragged at the start. But he hit the ball out of the park in the second half hour, mixing his criticism of Kerry with humor, defending his actions against terror and in Iraq, plus smiling



and showing some humility to enhance a "likable" image. **Q.** Who's going to win? **A.** I seldom make predictions. (Except something like when both candidates are named Bob and I predict Bob will win.) I'm certainly not going to predict the outcome of this presidential race, which could be as close as the last one. The debates will be important. And much more could happen before Nov. 2. ❖

Rich James, Post-Tribune - Indiana Attorney General Steve Carter is sitting in Indy these days looking like the Cheshire cat. He's getting "atta boys" from the good old boys as he strolls through state Republican headquarters. Yep, he thinks he has positioned himself for re-election and knocked the snot out of the Lake County Democrats. He's the quarterback all the girls want to date. The way Carter puts it, he is the driving force behind the effort to root out public corruption in Lake County. Call him Messiah. Call him a political opportunist as well. And, if nothing else, call him the great exaggerator. In a recent fund-raising appeal, Carter talked at length about the civil complaint his office filed in early August against East Chicago Mayor Robert Pastrick and 26 other individuals and companies, seeking to recoup money from the concrete scandal. Carter, at the time, denied that the timing of the civil complaint was tied to his own re-election and the election of other Republicans on the Nov. 2 ballot. He made that denial even though he asked — on the same day it was filed — that it be set aside until the federal criminal case against East Chicago concludes. He also talks about his role in the investigation of absentee-ballot fraud in East Chicago and Schererville. Then, days after denying any political complicity, Carter sent a letter to potential contributors, asking them to help him continue to "root out public corruption." Hey, Steve, the check is in the mail. Toward the end of his plea for money, Carter says: "It is likely that the legal issues surrounding the Lake County corruption investigations will play out over time, extending into the next term of office. It is important that I am re-elected to complete the job and see the effort through." To suggest that if he is not re-elected, that the corruption investigations will fall by the wayside is, well, poppycock. The FBI, Internal Revenue Service and U.S. attorney have things well in hand. ❖




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