



Daniels' legacy clips Bayh era

2010 election debacle and ensuing GOP super majorities prevent Democrat's return

By **BRIAN A. HOWEY**

INDIANAPOLIS – In the past generation, Indiana has seen two dynastic political juggernauts generated in Democrat Evan Bayh and Republican Mitch Daniels. In an era of two-party competitiveness at the gubernatorial level, both Bayh and Daniels revived their parties and control of the Statehouse second floor extended beyond their respective two terms in office.

What occurred last Friday was, essentially, the latter trumping the former in terms of political legacy.

After 20 years of Republican gubernatorial control, Bayh had revived the Indiana Democratic Party in 1986-88 while ushering in a 16-year dynasty, as well as control of the Indiana House for a good part of that period and half of the congressional delegation.

Daniels ended that dynasty in 2004 and



Then U.S. Sen. Evan Bayh greets Gov. Mitch Daniels after the latter's 2009 inauguration at the Indiana Statehouse as House Minority Leader B. Patrick Bauer and Senate President David Long look on.

Continued on page 3

Grasping the 'big stick'

By **BRIAN A. HOWEY**

INDIANAPOLIS – Here's a viewing assignment: A July 29 edition of the PBS Frontline series titled "Losing Iraq."

I ask you to view this because for the third time in the early years of a century, an American president has had to thrust military force, or the "big stick," into remnants of the Ottoman Empire to take on rogue armies and navies. President Jefferson found himself dealing with the Barbary pirates terrorizing American shipping in 1801. In 1904, it was President Theodore Roosevelt who reacted to Sherif Mulai Ahmed ibn-Muhammed er Raisuli, Lord



"You start with some gains this year and try and make some headway. This is a long-term strategy toward regaining majorities in 2020 before the next redistricting occurs."

- Indiana Democratic Chairman John Zody



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of the Rif, who kidnapped American citizens.

This brought Roosevelt's "speak softly and carry a big stick" response. Those two forays were the proverbial picnic compared to what we face today. When I watched "Losing Iraq," I was filled with anger at the Bush and Obama presidencies. We can't seem to get anything right in a fight we picked and then walked away.

Last week, Americans, war-weary and frightened after witnessing the beheadings of two American journalists, found a defiantly speaking President Obama vowing to use a "broad coalition" to destroy what he called "a group of killers." His target will be the "Islamic state" led by Abu Bakr al-Baghdadi, occupying parts of Syria and Iraq and threatening a region-wide caliphate. Obama becomes yet another American president drawn into a faraway conflict with little confidence that this opponent can be vanquished the way Jefferson and Roosevelt were able to prevail.

"In a region that has known so much bloodshed, these terrorists are unique in their brutality," Obama said. "They execute captured prisoners. They kill children. They enslave, rape and force women into marriage. They threatened a religious minority with genocide. In acts of barbarism, they took the lives of two American journalists, Jim Foley and Steven Sotloff."

The president said he would enlist support from Congress, to show the U.S. and the world that "we are united." There is to be a "broad coalition" of European and Middle Eastern allies.

The problem we face, and is vividly captured in the aforementioned "Frontline" episode is that modern

American leadership and a polarized citizenry plunge into places we don't fully understand. We don't appropriately prepare. And for these sins of ignorance and omission, we pay with the blood of our sons and daughters.

The ISIS threat, set partly in a vicious Syrian civil war where the



so-called "friends of our enemies" barely act like civilized humans, is one of these scenarios where mistakes and fool's errands of the past can be compounded into catastrophic levels.

Obama laid out a four-point plan that included a "systemic campaign of airstrikes;" hunting down ISIS (or ISIL) terrorists while saying that he "will not hesitate to take ISIL on in Syria;" drawing on counter terrorism forces to cut off the flow of fighters and funding; and providing humanitarian assistance to people

caught up in the genocidal terror.

"We will hunt down terrorists who threaten our country, wherever they are," Obama said. "This is a core principle of my presidency: If you threaten America, you will find no safe haven."

In today's Iraq and Syria, there are no safe havens, and the carnage occurring there threatens to metastasize into Lebanon, Jordan, Turkey and beyond. We don't know how long it will take. We can't be sure what "victory" looks like or if we'll even know it when it happens. For four months in 1999, the U.S. and NATO bombed Serbia in what had been the worst genocidal war since Cambodia and World War II, with few American casualties. We'll be lucky to have a similar outcome.

Obama attempted to make a distinction between the coming military action and the two wars that ensued after the Sept. 11 terror attacks 13 years ago. "I want the American people to understand how this effort will be different from the wars in Iraq and Afghanistan. It will not involve American combat troops fighting on foreign soil," Obama said, even with 1,600 U.S. advisers on the ground now.

The two wars cost more 5,000 American lives, 40,000 injured and more than \$2 trillion. A Washington Post-ABC News poll released on Tuesday revealed that 71 percent support airstrikes, up from 54 percent in August and 45 percent in June. And an NBC News/Wall Street Journal Poll released showed 61 percent back a confrontation with ISIS while fears of a domestic terror attack are soaring, with 47 percent saying they feel less safe than before Sept. 11, 2001.

Reaction from the Indiana Congressional delegation was united behind a president most had fought tooth and nail for more than five years. U.S. Rep. Luke Messer said, "I often disagree with the President's foreign policy decisions. But, we must come together as one nation, united in our resolve to defeat ISIS."

U.S. Sen. Dan Coats said of Obama's defining moment, "He has finally grasped the true nature of the threat that (the Islamic State in Iraq and Syria) poses, and his response to begin the process of taking down this so-called caliphate is welcome news."

My fear is, I'm not sure Obama, or any one of us, fully "grasps" anything. ❖

Post Bayh, from page 1

over the next five years, presided over a systemic dismantling of the Democratic power pillars. Long-time East Chicago mayor and Lake County Democratic Chairman Robert Pastrick was forced from office as then Attorney General Steve Carter invoked RICO statutes. The Lake County voter roles were dramatically culled by 70,000 by Secretary of State Todd Rokita, and Northern District Attorney Joseph Van Bokkelen relentlessly pursued corruption.

The Daniels era Republicans exploited unsound business practices against the Indiana State Teachers Association and reduced its economic electoral clout, and right-to-work legislation aimed at the powerful United Auto Workers political wing and other unions. Even there, Daniels had gained union endorsements. At the 2008 Jefferson-Jackson Dinner that featured Hillary Clinton and Barack Obama, the two union sponsors of the event had endorsed the incumbent Republican governor.

And then came 2010.

In the face of a growing national Republican wave, Sen. Bayh abruptly dropped his reelection bid just hours before filing deadline, creating what HPI has called the "Bayh dominoes" that resulted in congressional and

legislative losses in Southwestern Indiana and legacy Democratic river districts. At the same time, Gov. Daniels corrected what was his biggest political blunder by not putting more resources into winning the Indiana House in 2008.

Daniels would cruise to reelection with 58% of the vote. But lost in the crosswinds of Barack Obama capturing Indiana's 11 Electoral College votes was the fact that Daniels became the first modern governor not to pull in a House majority with him. The bug in the proverbial punch bowl was Speaker Pat Bauer.



In 2010, Daniels worked intricately with the House Republican Campaign Committee and Speaker Brian Bosma, recruited the Class of '10, and was joined by then U.S. Rep. Mike Pence, who barnstormed the state. The result that year was a 60-40 Republican House, something

Bauer couldn't fathom in the wee hours leading up to that debacle election.

The stakes were profound in 2010, as legislative Republicans could draw the maps that would guarantee legislative control for much of the coming decade, forge sprawling education and right-to-work reforms, but most importantly, set the stage for the two super majority chambers in 2012. And that, ultimately, prevented the re-

turn of Evan Bayh into gubernatorial politics in 2014.

Bayh explained to HPI last Friday afternoon, "My decision was really a governing one, not a political one. If I was going to run for an office as important as governor, it was because I would have

a substantial, positive agenda I thought I had a reasonable prospect of getting done if people put their confidence in me.

"If you'll recall, back then in my first two years as governor the House was split 50/50. The next four years my political party had a 52/48 majority. And then the last two years it was still close but the other party had a majority. So there was still the possibility of reaching out and convincing enough people that you could reach a consensus. Today, the gap between the parties is so large, and even though it may be reduced some, realistically it's probably going to be fairly wide for some time.

"You combine that with the fact that in our state, somewhat uniquely among states, the governor's veto can be overridden by a simple majority, and I just concluded that my ability to deliver on a big, positive agenda for the state was going to be fairly limited."

Reminded that he had historic coattails, particularly in the Indiana House, the former governor responded, "If it goes from 69 (Republican Indiana House seats) to 67 or 65, you know what I'm saying: The gap is just so substantial."

A Democratic revival, Bayh said, "Has to be an evolutionary process."

Gregg, McDermott eye GOP relationships

Indiana Democratic Chairman John Zody understands the arduous task at hand. "You start with some gains this year and try to make some headway," he told HPI on Tuesday. "We want to chip away at the super majorities. In 2016, we're going to do our best to elect a Democrat governor, attorney general and senator. This is a long-term strategy toward regaining majorities in 2020 before the next redistricting occurs."

Hammond Mayor Thomas McDermott Jr. believes a Democrat can defeat Gov. Pence, but said the ultimate answer would be an independent redistricting commission. "The thing Indiana needs to do is look at redistricting and make it nonpartisan," McDermott said. "The Republicans did and we've done it in the past, gerrymandering these districts. It allows people to be more extreme."

Is the Democratic Party capable of making serious inroads? "I don't think it's likely," said McDermott, who noted that he grew up in a Republican family. "If elected



governor, I would have to work with heavy Republican majorities."

Former House Speaker and 2012 gubernatorial nominee John Gregg acknowledged that cutting into GOP majorities "will take time. You recruit good candidates and you

chip away at it. You've got to recruit and you've got to have a good message." Gregg noted that of his six years as speaker, he worked with a split 50/50 House for two years and had 52/48 majorities for the rest of the time. "Throughout my entire legislative career I've worked with Republicans. Hoosiers expect that. I've got good relationships with Speaker Bosma and Sen. Long."

Gregg told HPI he plans to make a final decision on whether to seek a rematch with Gov. Pence after the November elections. He has been crisscrossing the state stumping for legislative and 2015 mayoral candidates and working the Jefferson/Jackson dinner circuit. McDermott said he faces a "big decision" on whether to forego a 2015 reelection bid. "This decision is tougher on me because I have something to give up," McDermott said.

Other Democrats have told HPI they believe former congressman Baron Hill is also mulling his 2016 options.

Obama ticket drag

The problem facing Democrats this year is that President Obama's numbers are in the tank and were as the cycle began. The prospects of cutting into the Republican super majorities are dim.

This kept many potential legislative and congressional candidates out of races. The 2016 cycle, particularly if the Republicans retake the U.S. Senate, will be more promising.

Former Indiana Democratic Chairman Robin Winston explained, "There are 150 people in the General Assembly and 6.4 million in the state. You have to take the message out to the people in the state. You have to build issues that matter at the kitchen table. Yes, it's hard to govern, but it's not hard to talk about free textbooks, pre-K, and decent wages for people. I have always believed you take the issues outside the limestone."

Winston cited Gov. Bayh's radio ad campaign in the early 1990s advocating a hospital tax and Gov. Frank O'Bannon using education forums around the state to stoke up support.

"No. 2, we have to define our focus. If I were a House or congressional candidate, it's not bad to have Evan Bayh, Judy O'Bannon and Lee Hamilton come to my district. You go back to your base. We always have a ten-

dency to run away from our successful past. Evan Bayh has a reservoir of good will around the state, as does Mrs. O'Bannon."

Third, Winston said, is to "set attainable goals." He explained, "We should try to win the seats back that we lost, but win them back by cycle. It's doable, he said, noting that Supt. Glenda Ritz upset Republican Tony Bennett in 2012, and Sen. Joe Donnelly also won that year. "Glenda Ritz has one of the best grassroots organizations," Winston said. "This is objective and empirical. When I read the Republicans say our benches are thin, sometimes the benches are filled with people who don't know how to play."

Most Democrats HPI talked with after the Bayh decision see infrastructure in place with Sen. Donnelly, Supt. Ritz and Minority Leaders Scott Pelath in the House and Tim Lanane in the Senate.

"I wouldn't underestimate the willingness and ability of Joe Donnelly to play a major role in party building going forward," one former party official told HPI on background. "He's the 'happy warrior' for our party now and doesn't mind hitting the trail of JJ dinners and bean suppers around the state to help build the party. He's more involved than you can imagine behind the scenes in strategy and organizing. He's offered constant help the state party which then supplements both Senate and House caucuses as they do recruiting and support for legislative candidates."

This Democrat added, "Both McDermott and Gregg are capable of running credible statewide campaigns for governor and Evan's announcement may prompt Baron Hill to look at it as well."

For Indiana Democrats, 2014 will be seen as the dark year, at the bottom of a pit with resistant forces in place well beyond their control. The Evan Bayh era is now officially over. The best hope for the party is that the state's bicentennial year will offer a different set of circumstances. ❖

HPI 20th anniversary survey

INDIANAPOLIS – Howey Politics Indiana subscribers will receive an electronic survey on Thursday which will assist in the development of a 20th Anniversary Power 50 list. Look for it in your email inbox.

Subscribers will be asked to rate Indiana governors, U.S. Senators and congressional members, legislators, mayors, party chairs and lobbyists.

The list will be published on Oct. 16, and a 20th anniversary reception will take place from 5 to 8 p.m. Oct. 16 at the Antelope Club. ❖



Bayh discusses his decision, Dem revival, the middle class

By **BRIAN A. HOWEY**

NASHVILLE, Ind. – A couple of hours after former governor Evan Bayh announced he would take a pass on the 2016 gubernatorial race, he conducted this telephone interview with Howey Politics Indiana.

Bayh called his decision a "governing one, not a political one," said he had no plans to ever seek elective office again, and vowed to continue his public service by helping the coming Hillary Clinton presidential campaign, as well as work with academia, foundations and political organizations such as No Labels to improve the lives of Americans and the middle class.

Here is the interview:

HPI: How did you come to your decision to pass on a third term as governor?

Bayh: My decision was really a governing one, not a political one. If I was going to run for an office as important as governor, it was because I would have a substantial, positive agenda I thought I had a reasonable prospect of getting done if people put their confidence in me. Part of this involves somewhat of a walk down memory lane. First of all, the political atmosphere these days has



changed. It's changed in Washington for sure and some of that has affected the Statehouse, too, where things are just more polarized and more partisan than they were back in the day when I had the privilege of being governor. Sure we had our disputes. Sure there were differences, but I think there was more of a willingness to find common ground, to strike principled compromises than is the case today. So the general atmosphere has changed. That's No. 1.

"No. 2, if you'll recall, back in my first two years as governor the House was split 50/50. The next four years my political party had a 52/48 majority. And then the last two years it was close, the other party had a majority, but it was still close. So there was still the possibility to reaching out and convincing enough people you could reach a consensus. Today, the gap between the parties is so large, and even though you may be right that it may be reduced some, realistically it's probably going to be fairly wide for some time. You combine that with the fact that in our state, somewhat uniquely among states the governor's veto can be overridden by a simple majority, I just concluded that my ability to deliver on a big, positive agenda for the state was going to be fairly limited; I didn't want to be a figurehead governor. I didn't want to just have the

title. It was what I could get done. And given the changed atmosphere, given the huge disparities in the legislature, which didn't exist before when I was governor, and given the fact that our state doesn't give the leverage to force people to try to work things through, I didn't just want to run for my ego or because I wanted the title."

HPI: The prospects for the Democratic party are extremely challenging. How does the party get back to contention? Or is Indiana facing the prospect of essentially being a one-party state?

Bayh: Things do change. Demographics change. They tend the change over a period of time, not right away. The consequences of a lop-sided election before a redistricting year last for quite some time. Unfortunately, 2010 was a bad year for the Democratic Party nationally. We lost North Carolina, Pennsylvania, Michigan, Wisconsin, Iowa, Ohio, I mean it was just across the country. Indiana was not immune from that. In all these states, you see the maps have been drawn in ways that really benefit the party that did well that year, the Republican Party. Can it change? Sure. But as you know, if it goes from 69 (Republican Indiana House seats) to 67 or 65, you know what I'm saying, 60-40, the gap is just so substantial, and then the polarization exists more today than in a previous time. It has to be an evolutionary process. "Hamlet" is my favorite play, and I've prided myself being decisive. I've thought about this (governor candidacy) after sending my boys off to school. Many people have asked me to think about it. I wanted to make (this decision) to allow others to focus on important races coming up and then the mayors' races in 2015 can provide a foundation for the Democratic Party moving forward, particularly in the state capital. Fifty percent of all Hoosiers get Indianapolis television, so if all across Central Indiana every night, they see a successful, dynamic mayor who happens to be a Democrat, then they start concluding, 'Well, these Democrats can grow the economy, they really do know what they're doing with education, combating crime and so forth. We can trust them with some other things, too.' So I think these mayors' races can really be, in Indianapolis, the big first step in trying to make the two-party system competitive again in our state.

HPI: Ok . . .

Bayh: Because the whole redistricting thing doesn't affect the mayors' races.

HPI: If you had been on the ballot in 2016, that might have helped a presidential candidate like Hillary Clin-



ton, who did well in 2008. Did that enter in to your decision? And what will you be doing on her behalf in 2016?

Bayh: Let me answer the second one first. Anything they ask me to do, I will. I did call the former president to inform him of my decision. He said he understood entirely, given the limited use of the veto by the governor of Indiana. So I offered to help them any way I could. That's up to them. They are two people I respect greatly and have known for a long time. Whether it's politically or governing, I would be willing to help any way they see fit. But that's entirely up to them. If she does run, I would be delighted to be very active on her behalf here at home. And, Brian, who knows? If I had been on the ballot, maybe that would have helped. But then you tend to get focused completely on your own race and those dynamics. Since that won't be the case,

I am keyed up to really focus on helping her and trying to make our state competitive, and if she's successful, along with Joe Donnelly and others, to make sure our interests are secured within the White House."

HPI: Have you ruled out a return to the U.S. Senate?

Bayh: (laughs)

HPI: I think I know the answer, but I had to ask.

Bayh: Thank you for asking. I was thinking about this the other day. I'm 58, I'll be 59 in December and I don't know how many elections there are between now and the average life expectancy for a male, but there are probably dozens of more elections. I have no plans to run for anything. Period. End of paragraph. And I hope that by making that statement I can rule out a lot of the speculation. I can't predict the future with all of its combinations, twists and turns. No. 2, if I make a flat out statement . . . I guess another way to answer your question is if I don't say to you under no circumstances will I run for any other office in the remainder of my life . . .

HPI: (laughs)

Bayh: Well then, that's speculation, 'Oh, he may do this or he may do that.' It's just not on my mind. This was a fairly emotion decision for me. But I made it on the basis of governing because at the end of the day that's what it has to be all about. I have shared with you, what is actively on my mind is helping Hillary Clinton to run for president.

HPI: You've said several times this summer you envision a role of public service. Obviously if Hillary is elected, there will be some speculation about a cabinet post. But what, outside of elective office, would fit that criteria?

Bayh: Several ways. I spent a fair amount of time this week trying to help the CIA and the United States

Senate resolve a matter of some difficulty involving CIA employees and what they may have done with computers being used by the Senate. So I was back on Capitol Hill yesterday for one of the few times since I retired, meeting with senators on the Intelligence Committee to get their perspective on what should be done. I am the chairman of the Accountability Board that was asked to review what the five CIA employees did, when they did it, and recommend what disciplinary action would be appropriate. I've also been asked to make systemic recommendations to the agency to narrow their actions with the Senate so that this sort of thing doesn't happen again.

That's pretty important, given the challenges we're facing with ISIL, and Iran's nuclear program, and what's going on in Syria and all the other things. To have the CIA and the Senate spending so much time wrangling with each other is just not productive when the country faces serious threats. Last year and early this year, former Gov. Haley Barbour of Mississippi and I were asked to head up a study committee by the Miller Center, a prominent think-tank at the University of Virginia, with a report on what we could do at the national and state level to help medium-sized manufacturers grow and create jobs. We did that on a bipartisan basis. It was kind of a nice walk down memory lane for me. I had not had the chance to work with him before, so that was great. There are ways, either serving with the government itself with academia, with foundations and charities, those are ways I would love to give back. Susan feels the same way.

HPI: A couple of more questions. The middle class is getting hammered these days. We've seen per-capita income fall by 13 percent in Indiana over the past decade at a time when we've seen an array of corporate and business tax cuts. Is that an opening for Democrats to regain some competitiveness?

Bayh: Absolutely. That is the big, central challenge of our time, which is how do we grow the economy, No. 1, and and No. 2, try to create an economic system in our country that allows the fruits of that system to be enjoyed everyone who's willing to work hard and play by the rules, particularly the middle class which has been hammered over the last decade. I gave a speech in Northwest Indiana to the One Region group, about 600 people from all three of those counties, Democrats, Republicans, business and labor trying to figure out how to work together to grow the region, and part of this involves trying to figure out what the economy of the future is going to look like. What will actually create good paying jobs and a more innovative economy? What can we do to improve the quality of public education to make sure that every child, particularly those from more challenged economic families, can get a high school diploma and a college education as well? Secondly, investments and re-

search development, and infrastructure will really allow us to become globally competitive. The last two things I will say because you were really focusing on this, two statistics I would recommend to you.

HPI: OK.

Bayh: Corporate profits are at an all-time high. In the past, that has meant more hiring. Some of that has taken place. But when you combine the unemployment rate with the rate of under-employment – people who would like to work more but aren't, the people working part-time jobs and folks who have dropped out of the labor market altogether – it's still pretty anemic. It's not happening. Now why is there a disconnect between all-time high corporate profitability, and still a high rate of under- and unemployment? No. 2, this really gets to the heart of what you're saying. Productivity growth rates have historically been the driver of standard of living, particularly for the middle class. The more we can produce in a given period of time, the better off we're going to be. Productivity growth rates have hung in there pretty well since the (2008) panic. But that has not translated. One of the things we have to focus on like a laser is that the working man and woman are more productive than ever before. But wages aren't going up. Why? If we can answer that question and make sure that American workers are working harder, faster, smarter, better than ever before, or they are more productive and share in the fruits of that productivity, not just the folks at the top, the working men and women, therein lies the path to a stronger middle class. That is what we need to focus on as a party, and that is what the country needs to focus on as well.

HPI: What role do you see for No Labels, for which you did a TV ad for last year?

Bayh: Did you see that ad? Because if you did you may have been the only one.

HPI: I actually posted it on the HPI website.

Bayh: I'm flattered and honored. They are right in my wheelhouse. I wish I had kept a copy. A big part of my speech at the One Region the other day was what can we do to put some of this partisanship, divisiveness behind us and instead focus on the great things we have in common? This economic challenge we spoke about right here? That's what No Labels is attempting to accomplish. So I going to work in true coming weeks and months to try and generate more support for that effort to bring Democrats, Republicans, liberals and conservatives together because if that doesn't happen – Brian, this is the heart of my message – if we don't deal with this political dysfunction, we're not going to make the progress we need as a country. It's just not going to happen. So, yes, I am going to continue to be involved with No Labels. We need more reconciliation and less divisiveness in our politics. ❖



Tax experts, business groups study BPPTax

By **MATTHEW BUTLER**

INDIANAPOLIS – Tax experts and leading business organizations engaged Monday in the opening round of a review of Indiana taxation policy.

What remains at issue is the future of the business personal property tax (BPPT); some within the legislature and business community want to see it eliminated whereas others, mainly local government leaders from both parties and Democrats in the legislature, want it preserved or its revenues replaced.

State Sen. Brandt Hershman, one of the primary architects of the 2014 session's BPPT reforms, chairs the Commission on Business Personal Property and Business Taxation. Original proposals by Republican leadership and the governor, backed fully by the Indiana Chamber of Commerce, sought full elimination, but local government officials from across the state cried foul, arguing their already cash-strapped budgets would be devastated by the loss in revenue. The Indiana Association of Cities and Towns (IACT) and other groups lobbied hard to keep the BPPT or secure state-provided replacement revenue. A concession more than a compromise allowed for a local option elimination delayed until July 2015 and the current study commission.

Based on the commentary from key legislators and testimony Monday, it appears additional reforms to the BPPT could be in the offing this upcoming budgetary session. Potential revisions and cuts include a 'de minimis' exemption for small business personal property as well as exemptions for industrial machinery and equipment. A revision to the 30% valuation floor was also mentioned several times.

Senate Appropriations Chairman Luke Kenley hoped the panel would serve as a larger vehicle to streamline and improve the state's entire tax code, telling reporters Monday, "I think the focus needs to be on the overall tax system and im-

plication for all taxpayers. I don't think you can deal only with business personal property tax in this commission and really get your work done. I think we need to look at the whole system for all taxpayers."

Asked if he could foresee any need to alter the BPPT reforms and local option scheduled to begin in July 2015, Sen. Kenley told HPI he didn't think so, given the state's already very competitive tax climate. "I don't see a sense of urgency," he answered, "but that doesn't mean it won't happen." Speaking of last session's reforms, he remarked, "We need to give it a chance to work and see if it has some value."

Conversely, Sen. Hershman, who chairs the Senate Tax and Fiscal Policy Committee, appears to believe his commission could inform potential "targeted" reforms this upcoming budgetary session. As he phrased it, "One of the continuing considerations we have is whether the BPPT, particularly for manufacturers, is creating an anti-competitive situation and if so, how do we change the system so that we preserve revenue for cities and towns. I don't know what the outcome is going to be yet."

If the commission can come to a consensus, he doesn't think it will be difficult to pass "modest improvements" before July 2015. Offering an example to HPI, Sen. Hershman said, "I'm a proponent for the exemption on small businesses. It costs very little; the costs of compliance are very high. You saw from the testimony today it is one of the only areas in which we are an outlier."

A very large number of BPPT payers, roughly the bottom 100,000, paid only 0.3% of total collections (\$2.5 million). The committee was told the tax enforcement and



Senate Appropriations Chairman Luke Kenley and Senate Tax and Fiscal Policy Chairman Brandt Hershman have a discussion during the meeting of the blue ribbon panel on taxation. (HPI Photo by Matthew Butler)

compliance costs for government and business, respectively, were not worth the small amount of revenue generated. The primary drivers of BPPT revenue are larger businesses with net assessed values over \$50,000; these generated approximately \$715 million per year.

The majority of the commission's time Monday was devoted to examining analytical breakdowns and trends like the above figures. A common but implicit theme appeared to be how to assess whether business was paying more than its fair share of property taxes. Purdue agricultural economics Professor Larry DeBeor told the commission that in 2012 businesses accounted for 44.7% (\$10.65B) of total state taxes.

The individual homestead deduction was in the crosshairs of Indiana's leading business groups Monday. Along with variable constitutional property tax cuts, it was held up as an example of how the state's property tax code was skewed unfairly against business in their opinion. The Indiana Chamber's Bill Waltz stressed these points in his testimony. (The Chamber's president and CEO Kevin Brinegar sits on the panel but was not present Monday.) Citing figures from the Lincoln Institute on Land Policy and the Minnesota Center for Fiscal Excellence, Waltz said Indiana's ratio of commercial property taxes to homestead taxes was the seventh highest in the country at 2.83. The national average was 1.71.

Put another way, Waltz said business properties pay \$2.83 for every \$1 paid by homesteads. "Business subsidizes homeowners," argued Waltz.

Fred Nicely, of the Council on State Taxation, also focused on these areas, saying it was deleterious for Indiana's property tax "simplicity and consistency" in not having a 'de minimis' exclusion and that its assessments skewed in a manner that favored homeowners over business, citing industrial property has 2.8 times the effective property tax rate than residential property in Indianapolis.

Pat Kiely, president of the Indiana Manufacturers Association and also a member of the commission, echoed all of these complaints at length and added that his group hopes the state will exempt the industrial machinery and equipment tax, which, according to the Council on State Taxation, is the third highest in the nation.

Terre Haute Mayor Duke Bennett, who sits on the commission and will be the 2015 president of IACT, told HPI if the legislature wants to fully eliminate or further cut elements of the BPPT it must provide both replacement revenue and greater flexibility to localities, such as food and beverage taxes.

Because of his unique position, HPI asked Bennett if he knew of any localities interested in exercising the BPPT local option. "Not yet," he answered, "and we asked that question recently when a lot of the mayors got together, we tossed it around, and nobody has heard that yet." On that same question, Sen. Kenley replied, "I don't know what their position is on that. I think they've been pretty cautious about that because of their revenue picture."

"It shows how complex this is," Bennett told HPI after the all-day hearing. "How, if you move one piece, it can affect another piece." He hopes the commission will appreciate the drastic unexpected changes wrought by

TABLE 2a: BUSINESS SHARE OF STATE & LOCAL TAXES * - FY 2013

STATE	STATE TAX	LOCAL TAX	TOTAL
ARKANSAS	41.8%	42.4%	41.9%
ILLINOIS	42.8%	34.4%	39.4%
INDIANA	38.4%	48.1%	41.7%
IOWA	43.3%	48.8%	45.6%
KENTUCKY	43.4%	47.1%	44.4%
MICHIGAN	38.7%	43.4%	40.4%
MINNESOTA	40.8%	44.4%	41.8%
MISSOURI	36.7%	37.1%	36.9%
OHIO	37.5%	30.2%	34.2%
PENNSYLVANIA	52.1%	37.1%	46.1%
TENNESSEE	55.6%	46.0%	52.0%
WEST VIRGINIA	44.6%	80.5%	54.7%
WISCONSIN	38.2%	42.4%	39.8%

past reforms, namely property tax caps, before it moves forward with something equally substantial as BPPT elimination. "We are tight as we can be right now," he described local budgets.

State Rep. Greg Porter, one of two Democrats on the commission, felt the hearings were simply to "T-ball this up again to eliminate the BPPT."

Democratic Senate Leader Tim Lanane responded to a Standard & Poor's study released yesterday which found stagnant incomes and income inequality are threatening Indiana's revenues because of increased reliance on sales taxes, which is among the highest in the country. "I have argued that Indiana's tax policies have done little to improve the status of working, middle-class Hoosiers and this report has further validated our concerns," said Lanane. "Over the course of the last few legislative sessions, we have seen proposals that proponents say are intended to improve business in our state and create jobs. In fact, I would argue that these tax proposals further shift the burden onto middle class Hoosiers."

Rep. Porter sees potential BPPT cuts resulting in further "tax shifts" at the local level. ❖

2 ways to read the Ballard tea leaves

By **BRIAN A. HOWEY**

INDIANAPOLIS — As speculation grows on whether Indianapolis Mayor Greg Ballard will seek a third term, all eyes are on his administration. Last week, Chief of Staff Ryan Vaughn announced he was heading to Sports Corp. It prompted HPI's Daily Analysis to speculate that it might be a signal that Ballard will seek a third term. Many saw Vaughn as a potential successor to Ballard.

But when you pair that exit with Deputy Mayor Deron Kintner in August, with no destination named other than a return to the "private sector," others are reading those tea leaves as a sign Ballard won't run. And if Ballard doesn't run, a key Republican to keep an eye on will be former state senator, Republican chairman and lieutenant governor nominee Murray Clark.



On the Democratic side, Indianapolis's largest union, United Steelworkers Local 1999, announced support for a mayoral run by former U.S. Attorney Joe Hogsett. "We have given our full support to Joe Hogsett and we hope that he will continue his career of public service as our next mayor," said Chuck Jones, president of USW Local 1999. "Joe showed as a federal prosecutor that he is a fighter – and that's exactly what working families across Indianapolis need right now." USW Local 1999 represents more than 3,000 workers at facilities across central Indiana, including Carrier, Diamond Chain, Rexnord, RSR Quemetco, Sumco and Pepsico.

Currently Hogsett is exploring a candidacy, as is State Rep. Ed DeLaney, who is more active on the issues than Hogsett is at this point. HPI asked Hogsett's committee what his stance is on the tax hike proposal last week. There was no response.

DeLaney, meanwhile, took the Ballard administration to task over a recycling proposal. "The city has been sued in state court over a rushed agreement with Covanta that will set back recycling for years," DeLaney said. "The lawsuit is based on apparent violations of proper bidding procedures. The plaintiffs, which include buyers of recycled materials, raise two important questions. The first being, why do we want to reduce our recycling efforts by going backwards and mixing glass and cardboard with trash as we did in the past? And secondly, what was the rush? The mayor's rush has replaced a conversation with a lawsuit."

General Assembly

SD29: Dem mailers for Ford, IFI cite Delph

The Indiana Democratic Party has sent out two

direct mail pieces on behalf of J.D. Ford, who is challenging State Sen. Mike Delph. Advance Indiana reports The mailings claim that Delph's Twitter communications were "so bizarre and over the top," the Senate Republican leadership stripped him of his leadership position. On Thursday night, the Indiana Family Institute will honor Delph. IFI will present Delph with its Legislator of the Year award for his outstanding work to strengthen Hoosier families. The only prior recipient of the award, in 2011, was State Rep. Eric Turner. "We value and respect Sen. Delph's unswerving commitment to faith, family and freedom, the pillars of what makes Indiana such a special place to call home," said IFI President Curt Smith. Gov. Mike Pence will keynote the IFI's annual banquet at the Ritz in Carmel.
Horse Race Status: Likely Delph.

SD45: Zody protests GOP push poll

Indiana Democratic Party Chairman John Zody sent a letter to Senate President Pro Tempore David C. Long asking him "to immediately denounce the use of false information in polling conducted in State Senate District 45." Zody said official complaints were also lodged with the Jefferson County Election Board, Jefferson County prosecuting attorney and the Indiana Election Division. "It's increasingly common for campaigns to use comparative attacks. That's not the issue. The issue here is Senate Republicans, or their associates, are being patently dishonest," said Zody. "Julie Berry has never served on the Jefferson County Council and has never voted to raise taxes, period." Polling conducted in early September asked participants how the service of Democratic nominee Julie Berry as a member of the "Jefferson County Council that voted to increase taxes" influenced their likelihood of supporting Berry. Julie Berry has never been a member of the Jefferson County Council. "Hoosiers deserve better. Julie Berry has served her community with integrity and stands by her record," said Zody. "It's time Senate Republicans put an end to the deceptive, Washington-style campaign tactics and allow southern Indiana voters to choose their state senator on the merit of their record." The attached letter instructs Senate Majority Campaign Committee to terminate the use of any purposefully misleading information in polling conducted by the committee. Berry faces freshman Republican State Sen. Jim Smith.
Horse Race Status: Leans Smith.

Gauging U.S. Senate majority

The Washington Post's "Fix" Column is now projecting a 50% chance for a Republican takeover of the U.S. Senate. Chris Cillizza wrote on Tuesday, "The latest model is a huge change from a few months ago, when Republicans had a better than 80 percent chance of taking control." Much of this centers on the Kansas race where Sen. Pat Roberts, where a new PPP Poll shows independent Greg Morman leading 41-34%. The FiftyEight blog gives Republicans a 54.7% chance of winning a Senate majority. ❖

Obama's war on coal

By **CRAIG DUNN**

KOKOMO – Cecil E. Roberts, United Mineworkers of America international president, was immensely proud when he strode to the podium the day after the Kentucky presidential primary in 2008 and announced his union's endorsement of Barack H. Obama for president of the United States. Mr. Roberts stated, "Senator Obama shares the values of UMWA members and our families. He understands and will fight for the needs our members have today and the hopes our members have for a secure future for themselves and their families."



Not content to make merely one misguided statement, Roberts followed up with, "Senator Obama is from a coal state. Senator Obama will work to ensure the future of American coal and the jobs that go with it." Thus spoke Cecil E. Roberts for the 105,000 active and retired coal miners in the United States.

Oops! Fast forward to October, 2008, just before the election, Mr. Roberts could not have missed the video recording of an interview given in January to the San Francisco Chronicle where Barack Obama promised to bankrupt any new coal plants. "Holy blackouts Batman, you mean we endorsed a guy who hates us!" Mr. Roberts flubbed his dub and in the process killed his membership, cost them jobs, injured families and destroyed secured futures.

Here we are six years later and President Obama has launched a full-fledged war on the coal industry, its jobs, related jobs and the consumers who are dependent on coal as a relatively cheap and reliable source of energy. President Obama, your attempt to destroy the American coal industry is either outright treasonous or the zenith of your stupidity.

Caught smack in the middle of this presidential race to energy grid destruction are my fellow Hoosiers of the proud coal-producing, coal-energy-dependent and heavy-manufacturing state of Indiana. Govs. Mitch Daniels and Mike Pence along with exceptional legislative leadership provided by Speaker Brian Bosma and Senate Pro-Tem David Long have crafted an emerging economic juggernaut fueled by property tax caps, reduced corporate income taxes, a superb transportation system, pro-growth regulatory attitude and an empowered workforce. All of the wonderful advances that Indiana has made in economic development and job growth have now been jeopardized by Barack Obama and his run amok Environmental Protection Agency.

The EPA's climate rules require states to reduce carbon dioxide emissions by 30 percent nationally. If more

reasonable heads do not prevail after the 2016 elections, four things are absolutely certain: Consumers will pay significantly more for electricity. As many as fifteen coal plants will permanently close. As many as 26,120 direct and indirect coal jobs will be lost. As many as 16,800 good-paying manufacturing jobs will be lost. You don't have to see a giant Stay Puff marshmallow man strolling down Meridian Street to know the form of your destructor. The giant sucking noise you hear will be consumer dollars being vacuumed out of wallets to pay skyrocketing energy costs, jobs flowing to China and India where no such emission laws exist and rolling power outages caused by seasonal energy shortages.

It seems that President Obama labors under three gross misconceptions. First, the President believes that global warming caused by carbon dioxide emissions actually exists at any threatening level. Al Gore, Madonna, Alec Baldwin and Rihanna may wax philosophically about it while they are being whisked by massive SUVs and private jets to their appearances, but the average intuitive guy on the street who lived through last year's winter just knows it isn't true. Second, the President believes that China and India, who have been exempted from the Kyoto Protocol, won't use their exemption to belch as much CO2 from their factories as possible in the quest to complete the destruction of American industry. Finally, President Obama believes that wind, solar and nuclear energy can offset the loss of coal-fired energy.

Wind and solar energy sounds terrific until you come to the realization on a stifling hot summer day or a bone-chilling, dark and dreary winter day that sometimes the wind doesn't blow or the sun shine. That's a shocker. Just what do you do when mamma wants the thermostat turned up in the middle of the blizzard? When Uncle Harry strips down to his Jockeys at little Betty's birthday party in July because the windmills just aren't turning? Who do you call before Grandma has a stroke? Besides the obvious problems with wind and solar, there are no remotely efficient ways to store excess power for later use. You can pile up coal or increase the flow of natural gas to meet peak demand but there is no way to stockpile wind or solar. Neither wind nor solar can be ramped up to meet peak demand.

Indiana citizens tend to laugh out loud when the subject of nuclear energy is brought up. Been there, done that, still have the t-shirt. As shareholders, utility customers and anti-nuclear energy activists who suffered through the pain of the Marble Hill and Northern Indiana Public Service Company nuclear plant financial meltdowns can tell you, "We ain't going down that long and lonesome highway again, pardner!"

Of course, natural gas could offer potential for a clean and plentiful energy source but President Obama and the "I hate former dinosaurs, trilobites and crinoids" crowd just won't let it happen. Coal is bad and natural gas is bad! Windmills pretty.

We stand on the precipice of an energy and eco-

conomic disaster of massive proportions. Our lives and livelihoods may be changed irretrievably by a federal agency that is running wild. Indiana has joined a lawsuit filed by 12 states against the implementation of these Draconian regulations. Let's hope that either we prevail in the lawsuit, Obama wakes up or our next president calls an

end to the war on coal and its destruction of our Indiana economy. ❖

Dunn is chairman of the Howard County Republican Party.

Without Bayh, GOP can do what it wants

By **MORTON MARCUS**

INDIANAPOLIS – Evan Bayh has made it official: He will not run for governor in 2016. His reason: He could not have the impact he would like to have since the General Assembly will be firmly in the hands of the Republicans. This is consistent with his longterm position as a figurehead rather than a leader of the Democratic Party.



In effect, Bayh has conceded political control to Indiana Republicans for the next decade. What an opportunity for Republicans! Now they can be true to themselves over the next few years. Now they can come out in support of toll roads for Indiana.

If you recall, Gov. Mitch Daniels had the courage to do what Democrat and Republican governors and legislators would not do; he found a way to increase tolls on the Indiana Toll Road. He leased the toll road to a private conglomerate with the understanding they would raise fees for driving that highway.

Daniels supported building a new "outer loop" or "commercial corridor" around Indianapolis that would be tolled. He entertained the idea of making I-69 from Indianapolis to Bloomington and Evansville a toll road. Further, he got the Iliana Expressway started; that road, if ever built, is likely to be a toll facility.

The troglodytes in the legislature cannot bear the thought of tolls, particularly where they make the most sense, in highly congested, well-traveled areas like I-69 from Fishers to Indianapolis and from Indianapolis to Bloomington. Instead, they fall back on the standard InDot solution, more lanes of concrete.

Indiana widens I-70 to a ridiculous extreme between I-465 and the Indianapolis Airport; the Borman (I-80/94) is now a wider raceway from I-90 west to the Illinois border; lanes are added to I-69 around Fort Wayne and to I-65 around Lebanon. There seems to be no end to

our appetite for added concrete.

No provision is made for tolls on U.S.31 as it is upgraded through Hamilton County. The widely acclaimed 31 bypass around Kokomo is not set up for tolls. There seems to be no thought given to how we finance serious maintenance, let alone snow removal and grass cutting, on these bloated byways.

The opportunity exists now, thanks to Evan Bayh, for Republicans who believe in beneficiary taxation to stand tall and vote for tolls to maintain our interstate quality highways. They have safe seats with little chance of Democrat incursions into their lairs of electoral security. They can vote for what they espouse, charging people who use superior public facilities for that privilege.

The few remaining Democrat office holders will bemoan tolls being unfair to the poor. Yet we do not hear them complaining about the state fair charging admission without regard to income. We do not hear about the Packers and the Colts putting high prices on seats paid for with heavy subsidies from taxpayers.

Tolls give us efficiency. They are environmentally sound and technologically feasible. What's not to like about them? ❖

Mr. Marcus is an economist, writer, and speaker who may be reached at mortonjmarcus@yahoo.com.

Howey on Chamber Fly-in panel

WASHINGTON - HPI Publisher Brian Howey will participate on an Indiana Chamber of Commerce panel during its annual Capitol Hill Fly-in on Thursday.

Howey will appear on a panel surveying the current political environment along with Rob Engstrom, U.S. Chamber of Commerce national political director; Mary Bono and Ted Bristol, FaegreBD's Washington office; and Chris Sautter, Democrat media consultant and columnist for Howey Politics Indiana

The panel will take place at 7:45 a.m. Thursday at the Hyatt Regency on Capitol Hill. ❖

OK, Mitch, when do we get our toll road back?

By **SHAW FRIEDMAN**

LaPORTE – Recent news that the Indiana Toll Road’s operators, Spain’s Cintra and Australia’s Macquarie Group Ltd., are threatening a bankruptcy filing and that various banks and hedge funds are lining up to protect their interests in bankruptcy court should have Hoosiers scratching their heads in wonderment.



Remember the unmistakable promises by our governor at the time, Mitch Daniels, who bragged that his sale (er, 75-year lease) of the toll road to a foreign consortium was the “best deal

since Manhattan was sold for beads” and that if the road went belly up, the state could simply take it back. Tell us, where in the fine print is it written that bondholders, banks and lienholders now have to take a back seat to the State of Indiana as we reclaim “our” toll road? Perhaps, you can spare a minute and give your friend, Attorney General Greg Zoeller, a call and let him know where in the agreement the state’s interests somehow trump those of the bondholders.

Let’s face facts: Mitch Daniels’ pledge at the time to win legislative votes for the toll road sale was about as reliable as his pledge when he was budget director under President Bush and confidently stated on the front pages of the New York Times that Iraq War costs would be “\$50-60 billion” tops. The outsized ego in our former governor, who had never served a day in uniform and never spent a moment in harm’s way, even had him claiming to Forbes Magazine on April 11, 2003, that the Iraq War would “be an affordable endeavor” and he had the unmitigated gall to tell the Washington Post on March 28, 2003, that Iraq “will not require sustained aid.”

These pledges from the man who would become our governor were as empty and deceptive as his pledges regarding the toll road when he claimed to the Michigan City News-Dispatch on March 13, 2006, that “even if they go under, we have our money and we’ll still own the toll road.” Daniels was equally unwavering when he bragged to Governing Magazine in January 2008 that if “the leasing consortium goes bankrupt, the toll road reverts back to the state’s control.”

Mitch, you used every trick in the book to ram through this massive giveaway of a prized state asset to private investors including promises that in the event of bankruptcy, control would revert to the state. Why, our governor even had Goldman Sachs, the Wall Street investment house that was at the center of much of the financial

crisis in 2008, paid \$20 million back in 2006 to advise the state on the transaction. Certainly you and your friends at Goldman Sachs should feel some obligation to point out where in the contract is there a reversion provision that is superior to the banks, lienholders and hedge funds that are now barking at the door wanting a piece of our toll road? Many told you at the time that rather than take a one-time upfront payment of \$3.8 billion that was quickly spent on roads and bridges, by gradually raising tolls and running the toll road efficiently as a public enterprise, this key transportation asset could have generated tens of billions for state coffers for decades to come. Yet the overwhelming ego and hubris that characterizes our former governor would brook no dissenting views.

When there were signs in 2009 that the Cintra-Macquarie group was in danger of defaulting on loans it took out to purchase the toll road, Daniels puffed up his chest and again bragged that he’d gotten the better end of the deal for the state and that the consortium’s financial problems were simply a sign that “they overpaid.”

Daniels ignored studies like those done by experts like Prof. John Gilmour, a transportation economist at William & Mary, who said the state lost billions in the deal by taking the one-time upfront payment when so much more in revenue could have been extracted by gradually raising tolls and running an efficient public enterprise that could have reaped tens of billions for the state (\$133 billion is one figure cited) over the 75-year term length.

While tolls have continued to rise in rather spectacular fashion, then shipped offshore, the road’s maintenance has suffered under foreign ownership and complaints are legion about dirty and outmoded rest stops, lines at automated tolling centers, and even the most basic operational functions like replacing the I-94 overpass in Lake County that has been out of service for a year, are simply being ignored.

Who are we supposed to call to lodge our complaints – the New York law firm of Millbank, Tweed, Hadley and McCloy that represents some of the hedge funds and banks? Who do I call there, Mitch, to complain about service?

Unfortunately, the joke’s on us. As the Times of Northwest Indiana made clear in an article on June 19, 2014, the empty promise that “if they default, the road comes back to us” was made early and often by Daniels as he pitched privatization to the Indiana General Assembly and the public in 2006.

Guess what, Mitch, they’re defaulting and going bankrupt. When do we go get our toll road back? Aren’t you the guy who’s going to tell the European banks, hedge funds and bondholders that their interests are secondary to those of the people of Indiana? You made this deal, now I humbly suggest you go to that bankruptcy court and get us our toll road back! ❖

Shaw R. Friedman has served as counsel for various northern Indiana governmental entities.

Pondering questions for the coming election

By JACK COLWELL

SOUTH BEND – Let’s ponder some questions about the upcoming election.

Q. There’s an election?

A. Yes, on Nov. 4, although many Americans don’t seem to care about it or even be aware of the races in which they could have a voice. This is especially true in Indiana, where a very low voter turnout is forecast.

Q. Why?

A. Well, voter turnout always is lower in mid-term elections, when the presidency isn’t at stake. Low interest in Indiana is compounded by lack of a race for governor or U.S. senator this year. The top statewide race is between Connie Lawson and Beth White.

Q. Who are Connie Lawson and Beth White?

A. They are candidates for Indiana secretary of state. Lawson, the Republican nominee, now holds the office. White, the Democratic nominee, is now Marion County clerk. The party carrying the secretary of state race in a county gets then to name election inspectors and to have its candidates listed first on the ballot in that county. But voters don’t get very excited about that. There also are statewide races for state treasurer and state auditor, also races on which voters seldom focus.

Q. Are there congressional races?

A. Really only one. That’s in Indiana’s 2nd Congressional District, Democratic challenger Joe Bock vs. Republican Congresswoman Jackie Walorski. The other eight races are regarded as noncompetitive, Republicans sure to win six and Democrats safe in two.

Q. So, will the turnout be better in the 2nd District?

A. Should be. Both candidates are on TV with 30-second ads that remind voters there is an election and seek to motivate potential supporters to get to the polls.

Q. Is there more interest in other states?

A. Yes, in neighboring Michigan, for example, where there are battles for governor and the U.S. Senate, with money sure to pour in for TV blitzes, including on South Bend channels that are watched by many viewers in Michigan.

Q. What’s the most important thing at stake?

A. Control of the Senate.

Q. How about the House?

A. Republicans will again have a House majority. Just about every analyst sees that. But there’s a question

of whether the Senate, now with a Democratic majority, will swing to Republican control.

Q. How many seats do Republicans need to pick up to win Senate control?

A. Six. They now have 45. A gain of six would give them 51 and control. A 50-50 split would mean Democrats retaining control because Vice President Joe Biden would break ties.

Q. Is it tough for Republicans to gain six seats?

A. There are many tough races, but Republicans have a good shot because some especially vulnerable Democratic incumbents are up this time. Real Clear Politics finds that of the 10 “tossup” races, Republicans are ahead in seven.

Q. How about that guy who picks all the states right in presidential elections. What does he say?

A. The guy is Nate Silver, whose amazingly accurate analysis was in the New York Times. He now works for ESPN, getting into sports forecasting as well. His latest survey, based on hundreds of polls plus historical and demographic information, calculates that Republicans have a 62.6 percent chance to gain Senate control.

Q. If that happened – Republicans controlling both Senate and House – would it really change things in Washington?

A. There still would be stalemate, with Congress doing little. Just as the Republican minority has blocked action by the Democratic majority in the Senate, Democrats would be able to block the GOP. Republicans wouldn’t come close to having the votes to oust the president through impeachment or override his vetoes. But it would be better for the president if he has the Senate still in friendly hands. And the election could signal a shift in the country’s direction on some key issues and set the tone for the 2016 presidential election.

Q. So, this election is important?

A. Yes, even in Indiana, especially in the 2nd District, and for local races. Also, results for those “lesser” state offices sometimes have significant consequences. ❖

Colwell has covered Indiana politics over five decades for the South Bend Tribune.



Doug Ross, NWI Times: What if (Evan Bayh) wants to be vice president? Bayh's One Region speech Wednesday focused on national, not state, issues. I thought he sounded like a good candidate for a cabinet post. But maybe he wouldn't mind being on the ticket himself. Isn't it ironic to think that Gov. Mike Pence, a Republican, could be trying to decide whether to run for president (or vice president) even as Bayh, a Democrat, might be trying to make a similar choice for his own political career? In 2008, when Bayh was still in the Senate, he was a strong supporter of Hillary Clinton in a hotly contested Democratic presidential primary fight. That summer, Bayh was a strong candidate for the vice presidential spot on the Democratic ticket as a fence-mending, centrist candidate. Obviously, Joe Biden was chosen instead. But now Hillary Clinton could be the Democratic nominee in 2016. Would that put Bayh back in the veepestakes? It's a pretty safe bet he'd love to be there. And if Pence becomes potential vice presidential material as well, which I consider a real possibility, that could set up an interesting bicentennial dynamic in Indiana politics. First, there would be a major battle for Indiana's electoral votes on the national level. Bayh and his wife, Susan, still own their home in Indianapolis and were staying there this weekend. His ties to Indiana remain strong. But there also would be down ticket implications for the governor's race. Having Bayh out of the running for governor opens up the Democratic race for Hammond Mayor Thomas McDermott Jr. — a good lieutenant governor candidate who has been getting name recognition among the party faithful statewide — and former House Speaker John Gregg, who was gaining quickly on Pence toward the end of the race. Pence's creation of a rival agency to the Indiana Department of Education has fired up teachers and parents against what they see as a Republican power play against the Democrat elected superintendent of public instruction.

❖

Lesley Weidenbener, Louisville Courier-Journal: One key politician in Indiana has revealed his plans for the 2016 election, while another continues to dodge the question. Democrat Evan Bayh announced that he would not run for governor in two years. Meanwhile, Republican Gov. Mike Pence said he would... well... actually, he didn't say anything about his plans for 2016. He hasn't formally said he'd seek a second term as governor. And when asked directly about running for president, Pence responded by saying he had a good time during his visit recently to Iowa. But for now, back to Bayh, who served two terms as governor before winning two terms representing Indiana in the U.S. Senate. Bayh — one of the state's most popular politicians — would have had the best shot by far of recapturing the governor's office for Democrats. The chance that a second stint as governor could go so well is unlikely. And whether that's why Bayh

decided to forgo a bid or not, it's probably the best way to preserve his political legacy. Pence, on the other hand, still seems intent on building his legacy — but the direction he wants to go remains uncertain. There seem to be two possibilities at the moment: Pence either is running for president or he wants people to believe he's considering a run for president. Media across the country are writing about Pence and whether he'll seek the GOP nomination in 2016. Consider that Pence spoke recently at the Defending the American Dream Summit in Dallas. Then he spent some time in Iowa — where presidential campaigns begin — speaking at a trade conference and then campaigning for that state's governor. And he's been dropping comments about foreign policy wherever he can. These are the types of things a candidate does when he's weighing a presidential bid. But Pence won't even really admit he's thinking about running for president. Not really. As close as he's come is a comment in The Washington Post earlier this year, when he said, "In the last few months, people have reached out. I'm listening." But last week, when asked point blank whether his talk about going to Iowa was a sign that he is indeed running for president, Pence dodged the question. He said — again — that there's no greater honor than serving as Indiana governor and that Hoosiers should know he's focused on that job. Maybe. But if Pence really wants Hoosiers to know where his focus is, he could just answer the question. ❖

Thomas Friedman, New York Times: There are three things in life that you should never do ambivalently: get married, buy a house or go to war. Alas, we're about to do No. 3. Should we? President Obama clearly took this decision to lead the coalition to degrade and destroy the Islamic State in Iraq and Syria, or ISIS, with deep ambivalence. How could he not? Our staying power is ambiguous, our enemy is barbarous, our regional allies are duplicitous, our European allies are feckless and the Iraqis and Syrians we're trying to help are fractious. There is not a straight shooter in the bunch. Other than that, it's just like D-Day. Meanwhile, back home, Obama knows that the members of his own party and the Republican Party who are urging him to bomb ISIS will be the first to run for the hills if we get stuck, fail or accidentally bomb a kindergarten class. O.K., but given this cast of characters, is there any way this Obama plan can end well? Only if we are extremely disciplined and tough-minded about how, when and for whom we use our power. ISIS loses if our moderate Arab-Muslim partners can unite and make this a civil war within Islam — a civil war in which America is the air force for the Sunnis and Shiites of decency versus those of barbarism. ISIS wins if it can make this America's war with Sunni Islam — a war where America is the Shiite/Alawite air force against Sunnis in Iraq and Syria. ❖



Dempsey eyes combat troops

WASHINGTON — Gen. Martin E. Dempsey, the chairman of the Joint Chiefs of Staff, told Congress on Tuesday that he would recommend deploying United States combat forces against Islamic extremists in specific operations if the current strategy of airstrikes was not successful, raising the possibility of the kind of escalation that President Obama has flatly ruled out (New York Times). General Dempsey said that the ground forces would likely be Special Operations commands who could call in airstrikes from the ground. In testimony before the Senate Armed Services Committee, he said that while he was confident in the ability of the coalition of American, European and Middle Eastern governments to stop the Islamic State, he could not completely close the door to eventually asking Mr. Obama to commit ground troops to fight the group, known as ISIS or ISIL. "My view at this point is that this coalition is the appropriate way forward. I believe that will prove true," he said. "But if it fails to be true, and if there are threats to the United States, then I of course would go back to the president and make a recommendation that may include the use of U.S. military ground forces."



BMV overcharged \$29M to consumers

INDIANAPOLIS — A newly revealed mistake at the Indiana Bureau of Motor Vehicles is expected to cost the state \$29 million in refunds, the agency announced Tuesday (IndyStar). About 180,000 Indiana motorists may be entitled to excise tax refunds due to their vehicles being improperly classified during registration, BMV officials said. A spokesman for the

agency said the size of the refunds would vary, but he could not provide a range. The mistake stretches back to 2004, BMV Commissioner Don Snemis said. Affected customers can expect to receive a letter within the next 30 days, he said. The mistake is only the latest multi-million dollar blunder at the agency. Last August, the BMV agreed as part of a class action lawsuit to refund \$30 million to drivers it overcharged for operator's licenses.

Mayor Buttigieg heading home

SOUTH BEND — South Bend Mayor Pete Buttigieg left Afghanistan Tuesday to begin the demobilization process before his final return to South Bend, the mayor's office and his parents, Joseph Buttigieg and Anne Montgomery, confirmed. About 8 a.m. South Bend time, the Democrat posted two photos of the interior of a plane packed with military personnel to Facebook along with a line from the song "General" by the band Dispatch: "You are young men, you must be living ... go now, you are forgiven."

Boeing, SpaceX on astronaut transport

CAPE CANAVERAL, Fla. — NASA is a giant step closer to launching Americans again from U.S. soil. (Associated Press). On Tuesday, the space agency announced it has picked Boeing and SpaceX to transport astronauts to the International Space Station in the next few years. NASA Administrator Charles Bolden named the winners at a late-afternoon news conference at Kennedy Space Center in Florida. The news had been eagerly anticipated for weeks. The deal will end NASA's expensive reliance on Russia. U.S. astronauts have been riding Russian rockets ever since NASA's

shuttles retired in 2011.

Council tables Ballard pre-K plan

INDIANAPOLIS — The Indianapolis City-County Council's finance committee voted to table funding for Mayor Greg Ballard's \$50 million preschool expansion plan and quickly adjourned a three-hour meeting Tuesday night as several people hoping to testify for the plan shouted at and jeered the public officials as they exited (Indianapolis Business Journal). Council Democrats, who have criticized the mayor's plan since he announced it in July, have objected to Ballard's plan to raise revenue to pay for the preschool program by eliminating the local homestead tax credit. After pushing preschool to the end of a lengthy agenda, which included public testimony on other topics, the committee voted without hearing from the public. It was a political setback for Ballard.

Pence backs 20 week abortion ban

INDIANAPOLIS — Gov. Mike Pence and a group of other possible Republican presidential contenders have thrown their support behind a federal ban on abortions after 20 weeks of pregnancy (Associated Press). Former Florida Gov. Jeb Bush, Louisiana Gov. Bobby Jindal, and U.S. Sen. Ted Cruz, R-Texas, and other possible Republican contenders wrote to U.S. Sen. Lindsey Graham, R-South Carolina, in support of his proposed ban, which is based on the disputed premise that a fetus can feel pain at that stage. "It is for these reason that I wholeheartedly support (the legislation) and join you in urging Senate leadership to allow a vote on this important piece of pro-life legislation," Pence wrote in the April 3, 2014 letter. The Christian Broadcasting Network reported on the letters Tuesday.