



# Scramble to join the Hoosier Senate 9

Holcomb kicks off campaign today for rare open seat

By **BRIAN A. HOWEY**

INDIANAPOLIS – Since the dawn of the television era in Indiana politics, a mere nine white males have been U.S. senators out of the approximately 12 million people who called Indiana home during the period.

Those holding one seat included Sens. William Jenner (R), Vance Hartke (D), Dick Lugar (R), and now Joe Donnelly (D). On the other, there have been Sens. Homer Capehart (R), Birch Bayh (D), Dan Quayle (R), Dan Coats (R), Evan Bayh (D), and then Coats once more.



In more than 60 years, there were three “open seats” at the beginning of the cycle when the incumbent did not run, with Jenner in 1958, Coats in 1998 and Evan Bayh in 2010. In Bayh’s



U.S. Sen. Dan Coats conducts business on the phone on Capitol Hill. (New York Times photo).

case, Coats returned to the public spectrum to win back the seat he gave up a decade earlier. In only one instance,

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## Coats history rhymes

By **MARK SOUDER**

FORT WAYNE – The esteemed philosopher of baseball, Yogi Berra, once said: “It’s like déjà vu, all over again.”

In 1998, U.S. Sen. Dan Coats surprised Indiana and the nation by deciding not to run for reelection. It resulted in a three-way Senate primary with a candidate backed by most Republican leadership, Peter Rusthoven, one backed by the social conservatives/pre-Tea Party faction, John Price, and an elected official with an independent base, Paul Helmke. Evan Bayh cruised to Democrat victory in the fall campaign.



**“Faith, freedom and family used to mean something in Indiana. Now, according to the cultural and media elite, if you espouse such positions you are considered old fashioned. This needs to be confronted in this campaign.”**

*- State Sen. Mike Delph*



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My friend Congressman John Shadegg always used to quote someone who said, "History may not repeat itself, but often it rhymes." Bayh may or may not run; 2016 is not 1998 since the Republicans have moved to the right and the Democrats to the left. It is a Presidential election year. Money matters even more.

**There are fewer** pesky news reporters asking tough questions, which means candidates spin more than ever. Open town meetings where citizens can vent and fight with each other disappeared with the Democrats' health care town halls. Those rowdy meetings met video on cell phones, a political nightmare. Ask Baron Hill. We may see the video again, over and over. It's a different world with fewer real media people and millions armed with video power.

Before discussing the potential successors to Dan Coats, some of whom were out in the field organizing before Coats announced his political funeral, let me discuss my friend Dan. For many years of my life he was one of my closest friends. I sold him furniture. We plotted his first congressional primary upset together. I worked for him for a decade in his Fort Wayne office, the House and the Senate. I know and understand him, to the degree possible, more than anyone else except maybe his wife Marsha and Curt Smith.

**Dan Coats is** the most decent man I have ever known in politics. I know many men and women in government whom I greatly respect. It is common to trash politicians, but as a whole, many are extraordinary people who are not only skilled at what they do but good people. Dan, along with our mutual friend Congressman Frank Wolf, was exceptional. He is not perfect. No one is. But he took his job seriously and is genuine.

One time my good friend Tom Coburn asked me to come to his office. He wanted to discuss a problem I had. He said: "Mark, you think too much. Too often you do 'on the one hand, but on the other hand.' You need to be more decisive." I said it

was a fair point but that my advice as a Christian brother to him was that sometimes he needed to do more "on the one hand but on the other." He laughed and said the point was well-taken. The person most likely to think this story is really funny is Dan. Compared to Dan, I am America's most decisive person. Kinder people would call Dan "reflective," a rather rare trait among politicians.

Dan also cared about people. All politicians are forced to be self-centered or lose. But in the political world, Dan was an extraordinarily caring person, kind at the core in private as well as in public. Kindness oozes from his eyes, his mannerisms, and his face. Bluffing has never been his skill.

**He is also a** determined man. When Dan decided to run for the Senate again in 2010, Frank Wolf asked me whether being a senator and an ambassador had changed Dan so much (both posts transform any person to a degree) that he wouldn't be able to adjust to the rowdy populist politics of 2010 Republican primaries. I replied with a story I learned from Marsha.

At Wheaton College when he attended, the top sport was soccer. Dan wanted to impress Marsha so decided to try out for soccer which he had not played. Suddenly learning how to dribble, pass, and do headers for a championship squad was not to be. He decided to become a goalie. He bloodied himself diving for balls and learning how to do it from scratch. The star goalie got hurt. Dan stepped in. Wheaton remained a national power. As Denny Hastert, House Speaker and fellow Wheaton grad, told me, "Dan was a really good soccer player."

I told Frank Wolf that if Dan worked incredibly hard like he did in soccer and in pulling off his upset in 1976 for Congress, he would win. If he acts like a senator or ambassador, he will lose. One day Mike Boisvenue, a long-time aide of Dan's, called me from the road saying that Dan was frustrated about a meeting he had

with six or eight kids after several hours' drive, and they pestered him about some obscure amendment vote he had taken 20 years before, what I knew was this: Dan would win the nomination and election. People know Dan Coats is nice and intelligent, hiding an inner drive.

**It is unclear who the** candidate to succeed him will be. Eric Holcomb as former state chairman with ties to the current big three of Indiana Republican politics (Coats, Pence, Daniels) had an early tip-off of what was to come. He is a formidable candidate. He could, however, be Rusthoven with more dollars behind him.

Congressman Marlin Stutzman, my successor, is clearly the choice of the Tea Party/social conservatives. He also could get Club For Growth, headed by Hoosier David McIntosh, or Koch brothers support. A different sort of money. Marlin has been underestimated. He could be a more electable John Price.

There is no Paul Helmke, moderate and willing to be called that anymore in the Republican Party. But Paul

represented elected experience, someone who had to win the middle, not just the Republican conservatives (though Paul, at times, forgot the base, as on guns). Two potential candidates with statewide victories are Attorney General Greg Zoeller, arguably the most popular politician in Indiana right now, and Congressman Todd Rokita, former Indiana secretary of state.

Evan Bayh, the only candidate with his own private bank of federally eligible funds, is claiming that he won't run. Baron Hill, who ran a very hard race against Coats in 1990, is the probable Democrat candidate. Joe Hogsett, who came much closer to defeating Coats in 1992 than commonly realized, may soon be mayor of Indianapolis.

Yogi Berra might be right. ❖

**Souder is a former Republican congressman from Fort Wayne.**

## Senate, from page 1

Lugar in 2012, was a sitting senator defeated in a primary. In three cases, Capehart in 1962 to Birch Bayh, Hartke in 1976 to Lugar, and Birch Bayh in 1980 to Quayle, were incumbents defeated in general elections.

In all three open seats, there were overwhelming favorites seeking Senate seats in mid-term elections with Evansville Mayor Hartke riding a Democratic wave in 1958 with 57.5% of the vote after Jenner retired to Bedford, popular Gov. Bayh's ascension in 1998 with 63.7% over Fort Wayne Mayor Paul Helmke, and Coats' return in 2010 with 54.7% over U.S. Rep. Brad Ellsworth and Libertarian Rebecca Sink-Burris.

And throughout this period, there was either a Bayh or a Lugar in the Senate for 50 years (1963-2013). Of these nine men, only Jenner and Capehart returned from Washington to live in Indiana immediately after leaving office. The others either stayed in Washington or retired in Arizona (Quayle). There was only one female nominee, Democrat Jill Long in 1986 who polled 38.5% against Quayle, and only one minority, African-American Republican Marvin Scott, who polled 37% against Sen. Evan Bayh in 2004.

Facing Hoosier voters in a campaign at kicks off at noon today at the downtown Indianapolis Westin with Eric Holcomb's entry is an extraordinary event poised for 2016:

An open Senate seat in a presidential election year with no clear favorite.

Sen. Coats' announcement Tuesday that he was riding off into the sunset comes just four years after Richard Mourdock defeated Lugar in the Republican primary, setting off a \$50 million showdown that Donnelly won in November. Of the money spent, more than \$30 million poured in from special interest groups outside the state. While many observers believe that Mourdock's comments



Four of the nine Indiana U.S. Senators in the television age are together for Sen. Joe Donnelly's 2013 swearing in, including Sens. Dick Lugar, Evan Bayh and Birch Bayh.

on rape in late October propelled Donnelly into office, Howe Politics polling in September and October of that year had Donnelly leading.

With majority control for the Senate at stake in 2016 just two years after Republicans regained power, the



specter of a competitive Indiana Senate race, along with a presidential contest that could yield the first female nominee in history, Democratic front-runner Hillary Clinton, and a potential rematch between Gov. Mike Pence and Democrat John Gregg, voters here are in for an absolutely riveting and potentially unpredictable election sequence. In the 2012 gubernatorial race, Gregg lost to Pence, 49.6% to 46.4%

That Coats decided against a third term was not nearly as shocking as Evan Bayh's February bombshell in 2010. There had been stirrings in the Republican Party for the past month as the senior senator wavered. Several Indiana Capitol Hill sources were telling HPI that they had begun to assess a potential run, not so much in overt lining up support, but establishing benchmarks for campaign staffing, fundraising and potential opposition. Coats chief-of-staff Holcomb's behind-the-scenes maneuvering did not escape attention.

Coats said of his decision, "It has nothing to do with a terribly dysfunctional Senate. It is related to the fact that I had to face the reality of age. There is a seven in front of the next digit. After a campaign and six more years in the Senate, I would be four months shy of 80 years old. There is almost a responsibility to turn it over the responsibility to the next generation. I will also have the privilege of not having to go around the country raising money."

### Coats won't endorse

Coats told HPI that he will not make an endorsement for the Republican nomination, though he said he has been encouraging Holcomb "to seek elective office." Coats explained that Holcomb had thought "he might run in 2018 against Joe Donnelly," Coats said. "When I told him that I was leaning in this direction, he said he was going to talk this over with his wife. We have a good bench of people who have experience. I don't have any idea who might run. But I don't think it's right for me to make a



In the context of the 2016 U.S. Senate race, all eyes are on (from top, left) U.S. Rep. Marlin Stutzman (shown here with Sen. Coats in a 2010 primary debate), U.S. Reps. Todd Young, Jackie Walorski and Todd Rokita (second row), U.S. Rep. Susan Brooks and former GOP chairman Eric Holcomb (third row), and Democrats Evan Bayh, Baron Hill and Hammond Mayor Thomas McDermott Jr.

formal endorsement."

The "bench" that appears most likely to enter the Republican race beyond Holcomb appear to be U.S. Rep. Marlin Stutzman, State Sen. Jim Merritt of Indianapolis, and State Sen. Mike Delph of Carmel who began making contacts on Tuesday. Most insiders HPI talked with on Tuesday and Wednesday expect that group to enter, with at least one other member of the U.S. House delegation.

Multiple sources are telling HPI that Reps. Todd Young, Todd Rokita, Susan Brooks and Jackie Walorski are surveying the landscape and weighing bids. Most don't believe there will be a House delegation free-for-all some had predicted. In post 2014 FEC reports, Young raised \$2.15 million for the cycle (\$800,000 cash on hand), Walorski 2.09 million, Brooks 1.69 million (\$879,000 COH), Rokita \$1.56 million (\$1.1 million COH) and Stutzman \$1.37 million (\$506,000 COH).

Rokita and Zoeller have won statewide office twice, so they would enter any race with elevated name ID.

Others weighing bids at this writing include Indiana House Speaker Brian Bos-

ma, while others are urging Attorney General Greg Zoeller to weigh a bid. Bosma has been a prodigious fundraiser for more than a decade on behalf of House candidates across the state. He has his hands full until sine die on April 29. If he were to enter, that could completely change the dynamic of any primary race. Zoeller had been planning to seek a third term and is a popular statewide officeholder in GOP circles, willing to wage legal battles on behalf of some of the most coveted social issues coming out of the Indiana General Assembly.

Brooks, Young and Walorski probably have the luxury of taking a wait-and-see look at who emerges in the field before making a decision.

## Hill emerging for Democrats

On the Democratic side, former congressman Baron Hill appears to be the most likely candidate to run in a race that had been largely dormant until the Coats announcement. Hill had been positioning for a gubernatorial run and a contested primary against 2012 nominee John Gregg. But with an open seat, Hill said on his Facebook page Tuesday, "Since the news of Senator Coats' announcement this morning, I have had family and friends call and urge me to consider running for the U.S. Senate. I have enjoyed my time in public service in the legislature and Congress, and have always been a fighter for Hoosiers. Now, more than ever, with wages stagnating and the tools we associate with upward mobility, like the cost of college, spiraling out of reach for too many families, I feel once again the passion to serve and to fight for our future. Therefore, I will strongly consider a bid for the U.S. Senate, and will spend the next coming days in serious discussion with my wife and my daughters, and make a decision soon."

The only other Democrat to express interest has been Hammond Mayor Thomas McDermott Jr., who told Howey Politics earlier this month that he would run if no other Democrat stepped up. McDermott is seeking reelection and has a May primary opponent, though he is expected to easily prevail.

Gregg told HPI on Wednesday that "my focus is on the governor's race, and I've not made a decision yet."

There was considerable talk about Evan Bayh, even prior to the Coats announcement, when he told Politico Pro, "I have no interest at this point," with the present tense sparking some speculation that he was awaiting a Coats decision. But on Tuesday, a statement to The Hill via former Indiana Democratic chairman Dan Parker went like this: "He received several calls urging him to run for the United States Senate. He is not a candidate for United States Senate in 2016."

And it matched statements over the past six months he's made to Howey Politics Indiana, the Huffington Post and National Public Radio. In those interviews, Bayh begged off running again, but in the opaque "never say never" vein. "I have no plans to run for anything. Period," Bayh told HPI last September after he announced he would not run for governor. "End of paragraph. And I hope that by making that statement I can rule out a lot of the speculation." But there was that one tiny little sliver when he said that "what is actively on my mind is helping Hillary Clinton to run for president." For wistful Democrats wishing that happy days were here again, the one scenario would be Bill Clinton picking up the phone and saying something like, "Evan, Hillary thinks you should run for the Senate. It could help her win Indiana. And we need Indiana."

That would be akin to holding your breath until Indiana turns blue.

The FiveThirtyEight blog posited Bayh as the great Hoosier hope: "Bayh is likely the Democrats' best chance to take the seat, by a good margin. He's still very popular in Indiana. According to a Howey Politics Indiana survey from 2013, Bayh had a favorable rating of 60 percent. That matches a late 2010 American Viewpoint poll that pegged his favorable rating at 63 percent." And there's Bayh's \$9.9 million war chest that has sat mostly idle since his bombshell 2010 announcement that he was bugging out of a reelection bid just days before the filing deadline.

## Developments and speculation

Here are other developments, some speculative as things begin to sort themselves out:

- Holcomb was tweeting out word of a "special announcement" for noon today on Wednesday. Holcomb has a unique pedigree, having served as an aide to Coats, as Gov. Mitch Daniels' deputy chief of staff, Daniels' reelection campaign manager in 2008, and as state party chairman under both Govs. Daniels and Mike Pence, who asked him to stay on. Holcomb also had ties to former U.S. Rep. John Hostetler. Holcomb ran for the Indiana House in 2000, losing to Democrat State Rep. John Frenz 11,863 to 9,908. While Coats said he has encouraged Holcomb to seek public office, he also said that he would not endorse a GOP successor. Don't look for a Daniels endorsement either, as the Purdue president has vowed to be "politically celibate." Daniels does not have a history of overtly backing former associates. He did little to help



**U.S. Reps. Marlin Stutzman, Susan Brooks, Todd Young and Jackie Walorski are all weighing potential Senate bids.**

position Lt. Gov. Becky Skillman to succeed him in 2012, opting to pave the way for Pence to get the nomination (and out of a potential 2012 presidential race that he had been weighing).

- Rep. Young will take time to make his decision. He said in an email on Wednesday, "The news this week that Senator Coats will retire at the end of this term represents a huge loss for the state of Indiana. He came back to the Senate in 2010, the same year I was first elected. Since he made his announcement, I've received countless emails, voicemails, and text messages from Hoosiers like you encouraging me to run for that Senate seat. Your support has been overwhelming, and I can't thank you enough for the kind words over the past few days. Running for the U.S. Senate is a big decision, but it is something that Jenny and I are prayerfully considering and working through as a family. Because this is such a big decision, I'm not ready to decide anything today."

- Sen. Delph, who had been ostracized by the



Indiana Senate Majority Caucus, began making inquiries about a run. He won reelection in 2014 and could run without giving up his seat. A Delph candidacy has the potential of dividing up the Tea Party vote that Rep. Stutzman would feed on. Delph put out a statement Wednesday, saying, "Having a record of 3-0 against Democrats and having more than eight years of Congressional experience, more than nine years of Indiana State Senate experience, more than 12 years of military experience, holding a top secret security clearance since 1997, over 10 years of executive business experience, over 20 years of marriage, and raising five beautiful daughters here in Indiana, I want our Hoosier state to be even better over the next 25 years than it has been the last 50 years. Hoosier ingenuity and common sense can inform our national discussions. In less than 24 hours, I have heard from supporters and well wishers from across the state of Indiana encouraging me to consider running for the United States Senate. I am interested in considering this opportunity. I know there are many 'big names,' both Democrat and Republican, that are in the mix. But I have been an underdog before and have proven time and time again that I know how to win even against steep odds, all the while holding firm to my beliefs and value system. This campaign, if I chose to enter it, would be no different. Faith, freedom, and family used to mean something in America and in Indiana. Now, according to the cultural and media elite, if you espouse such positions you are considered old-fashioned and politically incorrect. This needs to be confronted in this campaign."

■ One bit of speculation had Stutzman preparing for a Senate bid, with wife Christy seeking the 3rd CD nomination. Christy Stutzman is viewed as an ambitious spouse, who had angled for a Republican National Committee post in 2012 that ultimately went to Marsha Coats. In this scenario, if Rep. Stutzman lost the Senate primary and Mrs. Stutzman won the 3rd CD primary, she could step aside and allow her husband to return to the seat via caucus. Other 3rd CD sources tell HPI that State Sen. Jim Banks would likely seek the 3rd CD nomination if Stutzman pursues the Senate race. Another name floating around in the 3rd CD context is Tea Party leader Monica Boyer, who led efforts to defeat Sen. Lugar in the 2012 Senate primary.

■ Will history beckon Reps. Brooks and Walorski, who shattered the Republican glass ceiling by winning congressional seats in 2012? With Hoosiers never having had a competitive female Senate candidate, that could produce additional incentives to run. With Hillary Clinton the expected Democratic presidential nominee who won the 2008 Indiana presidential primary, Republicans in the U.S. and Indiana will face the prospect of losing independent and even Republican women who will vote for a female presidential nominee. A female Senate nominee following the all female statewide ticket of 2014 could be under consideration. ❖

## Coats is a nice guy leaving a nasty business

By JACK COLWELL

SOUTH BEND – Sen. Dan Coats, a nice guy in an increasingly nasty business, will step away from that business on his own terms. He is positioned now to do some important business for the nation before he leaves.

The Indiana Republican announced Tuesday that he will not seek re-election in 2016.

Coats would have faced Tea Party opposition in the Republican primary election and, if he fared better than former Sen. Dick Lugar did against a Tea Party favorite in the 2012 GOP primary, he would have faced a determined Democratic challenge in the fall.

That would have meant all-out fundraising and campaigning, and cautious political evaluation of every vote cast and word spoken in the Senate, for the remaining two years of his term.

Now, as Coats said, he won't have to concentrate on campaigning but can "focus all of my time and energy on the major challenges that Hoosiers sent me to Washington to address."

Without having to protect against a primary challenger accusing him of "surrender" for reaching across the aisle in compromise, Coats could become a key figure in finding agreements to break Washington stalemate on key issues. His refrain from heated rhetoric would enable him to talk to both sides.

Coats has been frustrated with lack of agreement on issues of immigration, the deficit and long-range funding of programs such as Social Security.

Coats once told me of how at a dinner with several other Republican senators and President Obama, he "poured out my heart and soul" in a plea for a bipartisan deficit-reduction agreement.

**He said he lamented the** lack of trust and increasing nastiness in politics and in the news media that have made compromise to solve any problem almost impossible.

With Coats not running, there is likely to be a crowded field of contenders for the Republican Senate nomination.

And there was immediate speculation that former Sen. Evan Bayh might have interest now in seeking the Democratic nomination and a return to the Senate. Republican prospects include several members of Congress, especially Rep. Marlin Stutzman, who finished sec-



ond to Coats in a five-candidate race for the nomination in 2010.

Also mentioned in early speculation are Reps. Jackie Walorski, Todd Young, Todd Rokita and Susan Brooks. Any of them would have to give up possible re-election to the House in entering the Senate primary. All certainly would not do that, but there is no political harm in at least being mentioned for what is considered higher office.

**Also a possibility for** the Republican nomination is Eric Holcomb, Coats' in-state chief of staff and a former Republican state chairman who was a key figure in the election and administration of former Gov. Mitch Daniels. He would be regarded as the "establishment" candidate.

Bayh could be a possibility for the Democratic nomination — the nomination would be his for the asking — but he would have to convince Hoosier voters in the fall

election that he really wanted to go back to the chamber where he said he didn't want to serve anymore.

Bayh is mentioned because he still has millions in campaign funds and remains well known as a former governor and senator.

**Coats stepped away** from seeking re-election in his first service in the Senate in 1998, and Bayh won the seat. Bayh then made a startling last-minute decision not to seek re-election in 2010, and Coats won the seat.

Bayh toyed with running for governor again but decided against that. If he also decides not to try for a Senate comeback, a top prospect for the Democratic nomination would be former Rep. Baron Hill. Hill has been considering a race for either governor or the Senate. ❖

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

## McDermott back in the spotlight

By RICH JAMES

MERRILLVILLE — Once again, Hammond Mayor Thomas McDermott Jr. is in the limelight of state Democratic politics.

And, in Lake Station, Mayor Keith Soderquist caught a bit of a break when his trial on public corruption charges was moved from a week before the May primary to late in the summer.



When Republican U.S. Sen. Dan Coats announced this week that he won't seek reelection next year, names on both sides of the aisle were thrust to the front. Republicans likely would not have challenged Coats, and Democrats would have had little chance to beat the man who replaced former Vice President Dan Quayle in the Senate.

And so, McDermott, who had his eye on running for governor until it became clear that the party likely would back John Gregg for another run, may shift his attention to seeking the Senate seat. After all, McDermott's first love other than being mayor, is to replace U.S. Rep. Peter Visclosky. But McDermott couldn't beat Visclosky and the veteran congressman isn't talking about retirement.

**Two Democratic names** that immediately surfaced upon Coats' announcement were former U.S. Reps. Baron Hill and Brad Ellsworth, both Blue Dogs from

southern Indiana. The two former congressmen have plenty in common. Hill spent three terms in the House and Ellsworth was elected twice. And each lost Senate races to Coats. Hill walked the length of Indiana in 1990 and jumped into Lake Michigan off the beaches of Gary to end his campaign. Twenty years later, Ellsworth lost badly to Coats in an effort to save the seat given up by Democrat Evan Bayh.

When Bayh departed, Hoosier Democrats were left without fresh young faces on the way up. There are those who think McDermott is one of the guys to fill the void. Not only is he mayor of Lake County's largest city, but he has a youthful look and passion about politics. And, it may be time for Indiana Democrats to give more serious consideration to Lake County, which supplies huge Democratic pluralities come election time.

**Back in Lake Station**, Mayor Soderquist is pleased that he won't have to go on trial just before the primary. The trial of Soderquist, his wife, Deborah, and his stepdaughter, Miranda Brakley, was continued this week from April 27 to Aug. 31. Soderquist is charged with improperly using money from his campaign fund and the city's food pantry.

The indictment of the popular mayor drew three Democratic opponents, Robert Gutzmer and Ray Osterlander as well as Christopher Anderson, who stepped down as city judge to run for mayor. Soderquist is hoping the crowded field will help him win the nomination. Former Gary Mayor Scott King is representing Soderquist, who is seeking a third term. Assistant U.S. Attorney Philip Benson objected to the continuance. ❖

**Rich James has been writing about state and local government and politics for more than 30 years. He is a columnist for The Times of Northwest Indiana.**

# Rokita, Stutzman work to keep GOP unified

By MARK SCHOEFF JR.

WASHINGTON – In the opening weeks of the new Congress, House conservatives have split their party's caucus on crucial votes. On March 25, Hoosier Reps. Todd Rokita, R-4th CD, and Marlin Stutzman, R-3rd CD, worked to keep the GOP together to pass a budget blueprint.

The House approved a budget resolution, 228-199, that sets spending limits for appropriations bills and provides policy parameters to authorizing committees.



The measure doesn't have the force of law, but it does set a tone for GOP governance on Capitol Hill. Its passage also demonstrates that the party can at least govern itself – no mean feat following a vote last month on a homeland-security funding bill in which Rokita, Stutzman and most House GOP opposed party

leadership.

"This is a day I expect to be a unifying day and a good day for Republicans," Rokita prior to the final budget vote.

Stutzman, a member of the House budget panel, also was on board.

"We have to pass a budget," Stutzman said.

As vice chairman of the House Budget Committee, Rokita bridged the gap between so-called deficit hawks, who wanted to pay for defense spending increases, and defense hawks, who didn't want to offset it.

Rokita calls himself a deficit hawk, but he crafted an amendment that would add about \$20 billion to anti-terrorism and military foreign operations spending without paying for the increase.

He said the move was necessary to get a budget resolution across the finish line – and ultimately through the Senate, where a final measure could pass under rules that allow a 51-vote majority instead of a 60-vote threshold.

**Moving the measure** with that lower bar is important, Rokita said, because it would set instructions for congressional committees on policies ranging from eliminating the health care reform law to streamlining the tax code – measures that he hopes make it to President Barack Obama's desk.

"I saw a need to have a budget process that produces a budget," Rokita said. "I saw that as a way to help lead the [Republican] conference forward."

The budget resolution balances the budget in about nine years, cuts \$5.5 trillion in spending over 10

years and outlines broad tax and entitlement reform. It was condemned by the White House, which said that the GOP priority was to "cut taxes for millionaires and billionaires and return our country to the same top-down economics that has failed the American people before."

The Committee for a Responsible Federal Budget criticized the Rokita compromise on defense spending.

**"If they can't pass** \$20 billion in spending cuts to offset [overseas military operations], it's hard to have confidence that they will follow through with the savings assumed in their budget plan that will require even more difficult choices," the group's president, Maya MacGuineas, said in a statement.

Stutzman was instrumental in crafting an alternative budget offered by the conservative Republican Study Committee. It would have balanced the budget in six years, cut \$7.1 trillion in spending over 10 years and would have paid for defense spending.

Even though it was defeated, 294-132, Stutzman said the RSC budget shows how to change the way business is done on Capitol Hill.

"We live within our means," Stutzman said. "We believe we need to start lowering the non-defense spending so that we can fund defense expenditures at the appropriate level to defend the nation."

Some of the RSC ideas, such as means testing Social Security and gradually raising the retirement age, could become part of the debate over future budgets, according to Stutzman.

"It cuts spending," Stutzman said. "That's one thing that Washington's not been doing. We have to have a different mindset, when it comes to these programs. If people don't need the assistance, they can forgo it."

Just as the budget resolution was being hammered out, Sen. Dan Coats announced his retirement. Rokita and Stutzman are considering running for the seat. Their work this week could help them make an argument for moving to the other side of Capitol Hill.

**Rokita could highlight** the successful passage of the budget and his work on rewriting the No Child Left Behind education policy to assert that he's ready for the Senate. Stutzman can point to the RSC budget as an example of his work on substance, which is a contrast from his reputation as a rabble rouser on the right.

"I enjoy policy. With my business and accounting background, I enjoy putting a budget together," said Stutzman, who runs his family's 3,000-acre Howe farm.

He rejects the rebel label.

"I don't think I've lobbed any bombs from the backbench," Stutzman said. "I've been open with leadership. I'm always trying to find a way to get a job done."

On the budget – and on their side of the aisle – Rokita and Stutzman found that path this week. ❖

**Schoeff is HPI's Washington correspondent.**



# Close races develop in Columbus, E. Chicago

By **BRIAN A. HOWEY**

INDIANAPOLIS – With the mayoral primaries a little over six weeks away, here is an update on various races across the state. We view several cities where upsets are possible, including Columbus Mayor Kristen Brown and East Chicago Mayor Anthony Copeland on our watch list.

**Anderson:** The six-person Democratic primary looks like it will come down to former mayor Kris Ockomon and former Madison County prosecutor Tom Broderick Jr., who also served several terms on the Madison County

Council. Broderick's father was also a long-time county assessor. Ockomon comes into this race with considerable baggage from his one term as mayor, the messy transition back to Republican Mayor Kevin Smith, and his array of legal problems that ended

up with an indictment, which he eventually beat. Ockomon has sparked controversy in this race by telling the Herald-Bulletin he will allow the firefighters' union to choose the fire chief if he is elected, though he will not extend that same courtesy to the Fraternal Order of Police. On the Republican side, Mayor Smith faces a challenge from Heather Prophet, whose mother is Madison County Treasurer Kelly Gaskill. Prophet is running with a faction of the GOP opposed to current party leadership. Smith appears to be in decent shape for reelection, and word on the street is that he is about to land a huge economic development plum from Japan, with a job level similar to the Nestle plant.

**Primary Horse Race Status:** Leans Broderick; Safe Smith.

**Bloomington:** Democrats face a three-way primary among John Hamilton, who challenged Mayor Mark Kruzan in 2011, City Council President Darryl Neher, and John Linnemeier. We see this as a race coming down between Hamilton and Neher, a senior lecturer at IU's Kelley School of Business, who has been endorsed by Kruzan. The winner will take on Republican John Turnbull, sports director for the Bloomington Parks & Recreation. Republicans have not fielded a candidate since 2007. **Primary Horse Race Status:** Democratic Tossup.

**Carmel:** Six-term Mayor Jim Brainard will face City Councilman Rick Sharp. Sharp has a chance but it will depend on who shows up at the polls and the turnout. In the last election only 12,500 voters turned out to the polls and Brainard got 65 %. Sharp only needs 60 more votes a precinct to get him 16% more than Brainard's challenger four years ago. **Primary Horse Race Status:** Safe Brain-

ard.

**Columbus:** First term Mayor Kristen Brown will seek to fend off Council President Jim Lienhoop. The two will debate in early April. Brown has had a controversial first term, clashing frequently with establishment Republicans on the council. In her campaign kickoff, the mayor said, "The sentiment is that we're on the right path of positive reform and tremendous progress. We've rejected politics as usual and the power of city government has been restored to the people." Some 500 people showed up for Brown's campaign kickoff in January. **Primary Horse Race Status:** Tossup.

**Elkhart:** Tim Neese might be the favorite given his name recognition, his years as a member of the Indiana House and, before that, on the city council. But he's got a strong Republican opponent in Dan Boecher, who headed Downtown Elkhart Inc., a private non-profit aimed at promoting and developing the area in and around the city center. Local sources describe Boecher as dynamic, ambitious and full of ideas about how to move the city along. Neese has more connections with the established leaders. But Boecher, who used to serve an economic development capacity at city hall, has years working with city officials, the city council in his varied capacities. He serves on the Elkhart housing authority board and has been involved in behind-the-scenes sort of studies and plans. Boecher certainly is no unknown, nor a dark horse. To compete with other communities and thrive, cities sometimes have to spend, and that's where Elkhart finds itself, says Mayor Dick Moore (Elkhart Truth). In offering the 2015 state of the city address on Wednesday, March 25 at the Lerner Theatre, he didn't specify areas where public spending could be needed to boost the city's fortunes. He didn't say that's necessarily the direction he's going. He just broached the subject. For Elkhart "to progressively improve over the next five to 10 years we will have to change our mindset and invest more than we ever have," he said in what was his eighth state of the city address. "That is not an easy thing to do as we are a very conservative-minded community. But the community next door will be doing it." **Primary Horse Race Status:** Leans Neese.

**East Chicago:** Mayor Anthony Copeland is the city's first African-American mayor, and he is facing a Democratic primary challenge from long-time City Clerk Mary Morris Leonard, who is also black. Local sources tell HPI that Copeland is getting a lot of pushback over some of his reforms, and their are remnants of the old Pastrick machine are supporting Leonard. This could be a close race. **Primary Horse Race Status:** Leans Copeland.

**Hammond:** Mayor Thomas McDermott Jr. is seeking a fourth term and should easily win the nomination, based on a stellar record in city hall and his popularity with the electorate. City Councilman Homero "Chico" Hinojosa is the challenger, but he had only \$7,500 in his campaign war chest and does not have campaign staff or



a headquarters. "I'm not taking things for granted, but I'm confident I will win this primary battle," McDermott told HPI on Tuesday. A victory by McDermott in the primary and again in the fall would set him up for a possible run for statewide office in 2016. Republican Umberto Prado will face the winner. **Primary Horse Race Status:** Safe McDermott.

**Fort Wayne:** Two-term Democratic Mayor Tom Henry is facing a primary challenge from Wayne Township Trustee Rick Stevenson (pictured) as well as from Tom Cook, David Roach and John Roberson. Stevenson was recently endorsed by the firefighters' union, but Henry should easily prevail in primary. Stevenson's mayoral campaign could face some challenges moving forward in light of controversial statements in which he compared Fort Wayne to Ferguson, Missouri (Fort Wayne Journal Gazette). Jon Bonar, president of the Fort Wayne Patrolmen's Benevolent Association, said the union – which represents rank and file officers – won't endorse Stevenson, noting that he'd vote for a can of peaches before the trustee.



"It's something that the campaign can certainly survive, but it's better that he didn't have this problem to begin with," said Andy Downs, director of the Mike Downs Center for Indiana Politics at IPFW. "He's running against a better-funded individual, he's running against an incumbent who has better name recognition. This hurdle is one that he didn't need." Stevenson drew the ire of law enforcement representatives Saturday during a mayoral candidate forum at the Fort Wayne Urban League, where he compared Fort Wayne to Ferguson, the site of riots and protests after the police shooting of Michael Brown, an unarmed black 18-year-old. To make his point, Stevenson referred to the 2007 police shooting of Baudilio Lemus-Rodriguez in Fort Wayne. The comments can be viewed in a recording of the event posted on YouTube. Republican Councilman Mitch Harper is the expected nominee and has been conducting a door-to-door campaign and will have an Indy fundraiser in April. **Primary Horse Race Status:** Safe Henry; Safe Harper.

**Indianapolis:** Republican Chuck Brewer was slated by Marion County Republicans, and he faces wannabes Jocelyn-Tandy Adande, Terry Michael, a former Fall Creek Township trustee in Hamilton County who now lives on the far northside, firefighter Darrell Morris, and janitor Larry Shouse. Brewer should prevail in the primary with party support. **Primary Horse Race Status:** Likely Brewer.

**Kokomo:** Howard County Auditor Martha Lake faces Jack Dodd in the Republican primary, with the winner challenging two-term Kokomo Mayor Greg Goodnight. Dodd recently moved to Kokomo after living in Arizona for

seven years. **Primary Horse Race Status:** Likely Lake.

**LaPorte:** First term Republican Mayor Blair Milo is opposed in the Republican May primary by Councilman Roger Galloway (Maddux, NWI Times). Galloway said the mayor communicates too much on Facebook and was critical of her recent weekend trips promoting fitness to each county in the state, feeling it was adding even more distance between her and the citizens. "I'm a little old-style. I like to talk to people face to face, shake their hand," said Galloway, 65, a former platoon sergeant in the Army who served in the Vietnam War. Among his other top priorities are fixing more of the dilapidated streets and beefing up the fight against drugs by hiring more police officers and giving law enforcement rifles and other tools he believes they currently lack. Overall, though, Galloway said Milo has done a "good job" in areas like job creation and promoting the city. **Primary Horse Race Status:** Likely Milo.

**Richmond:** Republican Kyle Ingram is the first Indiana mayoral candidate to begin a TV ad campaign, purchasing more than 300 spots. So Ingram, who was recruited by a coalition of city businessmen, is beginning to pump up his name ID. He faces 69-year-old Dianna Pappin. On the Democratic side, radio personality Dave Snow is running as a protege of retiring Mayor Sally Hutton, and he faces Larry Scott and Monica Burns. **Primary Horse Race Status:** Leans Ingram; Leans Snow.

**South Bend:** First term Mayor Peter Buttigieg is facing a Democratic primary challenge from Councilman Henry Davis Jr. Davis was the center of a controversy in January 2014 when he posted an explicit photo on his Facebook page and again in June when a city resident filed a complaint against Davis over a message on his Twitter account about Republicans and abortion. **Primary Horse Race:** Safe Buttigieg.

**Terre Haute:** Vigo County Councilman Mark Bird is facing semi-retired businessman John Walters for the Democratic nomination and the right to challenge two-term Republican Mayor Duke Bennett. Bird should win easily. He has the superior name recognition and the support of the Democratic establishment. **Primary Horse Race Status:** Likely Bird. ❖

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# Health officials warn of ‘exploding’ HIV crisis

By MAUREEN HAYDEN  
CNHI Statehouse Bureau

INDIANAPOLIS – Health officials are warning of an explosion of HIV cases in Southeast Indiana and beyond as they identify more people who’ve been exposed to the virus that causes AIDS.

Deputy State Health Commissioner Jennifer Walthall said the number of cases could quickly move into the hundreds.



Many of those infected with HIV in Scott County had sexual contact or shared intravenous needles through drug use with multiple others -- up to 50 people, in some instances -- before learning they were

infected.

“There is potential for this to exponentially explode,” Walthall said at a Wednesday hearing at the Statehouse where health officials urged a needle exchange to slow the spread of the virus.

As of yesterday, 72 cases of HIV had been confirmed in Scott County since December, with a number of other cases identified but awaiting confirmation.

Among those infected are women who worked as prostitutes at truck stops along Interstate 65. One of those women reported having sex with up to 75 truckers between the time of her infection and her diagnosis, according to a local health official, Jeanni McCarty, who testified Wednesday. Walthall said the HIV outbreak, which she described as a “crisis” of a historic nature, should prompt an extraordinary response from the state, including implementation of a targeted, temporary needle exchange program in Scott County.

“We’re prepared to take decisive action,” she said during the hearing of the House Public Health Committee.

Walthall made clear that her boss, Gov. Mike Pence, strongly opposes such programs as a response to the rising problem of intravenous drug use in Indiana.

When pressed by legislators to explain Pence’s position, she said she “couldn’t speculate.”

But Walthall said the current crisis demands a “surgical strike” of resources for testing and treatment.

Health officials from Southeast Indiana are calling on lawmakers to go beyond an emergency order by Pence, expected Thursday, to allow a needle exchange in Scott County and send resources to the area.

“This will explode everywhere in Indiana,” said Dr. Shane Avery, a Scott County family physician who has patients who’ve been newly diagnosed with HIV. “It just started in Scott County.” ❖

## Pence to declare emergency

By ELIZABETH BEILMAN  
News & Tribune

SCOTTSBURG — In the throes of the biggest HIV outbreak in Indiana history, officials in Scott County have known for years that drug use is at the heart of the crisis.

“This is just a result of some of the struggles that we’re going through here,” Scott County Sheriff Dan McClain said Wednesday, adding his department will focus on stopping the flow of drugs from entering the county.

State and federal officials are taking action to stop the HIV outbreak — now called an epidemic — in its tracks. Gov. Mike Pence is signing an executive order

Thursday declaring a public health emergency in Scott County, where most of the outbreak is concentrated.

“This is not a Scott County problem. This is an Indiana problem,” Pence said after a meeting Wednesday at the Mid-America Science Park in Scottsburg with local and state officials.

The number of confirmed cases in southeastern Indiana has jumped to 72, with seven preliminary cases yet to be confirmed. Every case

of recent HIV infection is due to intravenous drug use — mostly from the prescription narcotic Opana.

But an overwhelming message local and state officials echoed Wednesday was that help is available.

“You are not alone in this problem, you’re not alone in finding a solution to this problem because this is just a manifestation of mental health problems, addiction and our inability to diagnose and treat infectious diseases such as HIV, Hepatitis C and the like,” Indiana State Health Commissioner Dr. Jerome Adams said. “And if we don’t get it solved down here in Scott County, it’s going to spread to the surrounding counties, it’s going to spread to the entire



Gov. Mike Pence, State Rep. Terry Goodin and Indiana Health Commissioner Jerome Adams at the press conference in Scottsburg Wednesday. (News&Tribune photo)



state.”

It’s an “expanding target,” Dr. Kevin Burke, Clark County public health officer, said.

Pam Pontones, Indiana state epidemiologist, said the health department is tracking 70 to 100 more contacts who could be potentially positive.

“We are hoping if we do the right things, right now, we will be able to disrupt the transmission of the disease so that we don’t have too many more positive cases,” Adams said.

Adams said that the state is also going to bring a mobile vital records unit to Scott County so that residents can obtain forms of identification to sign up for the Healthy

Indiana Plan. It is also issuing an education campaign called “You are not alone.”

“HIV is not the death sentence that it once was,” Adams said. “It’s not even close. You can live 25, 30, 50 years if you get into treatment.”

McClain said he’s grateful for the temporary relief Pence’s executive order will bring — Scott County’s resources are exhausted.

“We have become the local rehab mental health and treatment center as well as the correction center here because of some of the resources we’ve lost over the years for those things,” McClain said. ❖

## No end to the meth scourge in sight

By **MICHAEL HICKS**

MUNCIE – Using data from two other states, the results of a proposed prescription-only pseudoephedrine policy are clear.

Earlier this month, my colleagues Srikant Devaraj and Karthik Balajiand I published a study on the benefits and costs of eliminating over-the-counter cold medication (pseudoephedrine) in Indiana.

This is a policy issue because these medicines are used to cook meth, a scourge of communities across the country.

We are sympathetic to legislative efforts to keep these drugs off the street. Meth destroys many lives, and it has taken hold so quickly that there is a legitimate argument to experiment with any policy that will reduce its use. It is not unlike the

early lesson I learned as an infantry lieutenant. If you are caught in a close ambush by the enemy you might as well charge them directly as there’s no time to mull over other options.

**Fortunately, two other** states have already charged this enemy, so we have the makings of a natural experiment into the impact of making the ingredients for meth into being prescription only drugs. In 2006 Oregon prohibited over-the-counter purchases of meth ingredients, and Mississippi followed suit in 2010. Studies of the experience of both states have already been published, and the results are remarkably strong but discouraging. These laws had no impact on meth use in either state. In fact, the data on meth cases in both states is so clear that they could not have come to any other conclusions.



These results shouldn’t surprise anyone. Drug interventions have a dismal history of effectiveness and the DEA reports that 90 percent of meth is imported from Mexico. If there were any real evidence that curbing over-the-counter sales of common drugs actually impacted meth use, their benefits would be large. Sadly, there is not, and that leaves only costs.

**To better understand** the costs associated with this law, we examined what would happen to sales tax collections, Medicaid expenditures, and costs associated with extra visits to physicians’ offices by families needing a prescription.

The tax costs to Indiana are pretty small. We estimated a loss of sales tax of up to \$1.3 million and higher Medicaid expenditures in the \$1.8 million range. The real costs are to households and businesses. Because obtaining these cold medicines would now require a visit to your doctor and pharmacy, the additional costs to households would range from \$16 million to \$61 million per year. These are conservative estimates that account for trips to the doctor and pharmacy, out-of-pocket expenses provider payments and higher drug prices for the prescription-only medicines. Businesses also lose out; with employees missing more work for doctor’s appointments, their costs range from just under \$10 million to over \$27 million each year.

**Fighting meth will** be costly, but banning over-the-counter sales of pseudoephedrine hasn’t helped in the places it has been tried. We should expect the same effect here, but at an annual cost of more than \$90 million. It is not all bad news though. Indiana participates in a national registry of these drugs that seems to be interrupting some supply. No matter what we do now, our meth troubles are far from over. ❖

**Michael J. Hicks, PhD, is the director of the Center for Business and Economic Research and the George and Frances Ball distinguished professor of economics in the Miller College of Business at Ball State University.**

# Pence to sign RF bill in private ceremony

INDIANAPOLIS - Gov. Mike Pence plans to sign controversial "religious freedom" legislation in a private ceremony Thursday (IndyStar). Spokeswoman Kara Brooks said a specific time has not been set. The ceremony will be closed to the press and the public, she said. The organizers of Gen Con, the city's largest convention, sent a letter to the governor Tuesday threatening to move the event elsewhere in future years if the bill becomes law. And the Disciples of Christ, a Christian denomination based in Indianapolis, said it would look to other cities for its annual convention if Pence signs the bill. Asked why the ceremony would be private, Brooks said there was "no particular reason. Some (bill signings) are public; some are private," she said. "Don't read into it any more or less."



Indianapolis Mayor Greg Ballard is raising concerns that the measure could hurt the city's lucrative convention business and tarnish the state's image as a welcoming place (IndyStar). "Indianapolis strives to be a welcoming place that attracts businesses, conventions, visitors and residents," Ballard said. "We are a diverse city, and I want everyone who visits and lives in Indy to feel comfortable."

**Ballard warns to convention impact**

## Star Trek hero warns Gov. Pence

George Takei has a message for Indiana Governor Mike Pence: If you sign a religious liberty bill that could justify anti-gay discrimination, I'll boycott your state, and I'll take gamers with me (Bloomberg News). "To the governor and to the legislators in Indiana who support this backward-looking and divisive bill, I say to you this: If it goes into effect, Indiana will be marked as a state where certain people are not welcome, and so we will not visit," the openly gay Star Trek actor, who often mobilizes his vast Internet following in favor of progressive causes, wrote Tuesday on Facebook. "And we will not attend events, including GenCon, the world's largest gaming convention, held in Indianapolis each year."

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## More research on baby boxes

In the woods. In the trash. On a police officer's porch. In a dumpster (Kelly, Fort Wayne Journal Gazette). At each of these places, babies have been illegally abandoned in Indiana despite having a safe haven law. Thirty-three in all – with 13 dying. But Fort Wayne Republican Rep. Casey Cox wants to change that with a bill allowing hospitals, fire stations, churches and some nonprofits to install and monitor newborn incubators for mothers in crisis to surrender babies anonymously. His effort took a hit Wednesday when a Senate committee put the brakes on the proposed "baby box" legislation. It passed the House earlier this session unanimously. But in the Senate, questions have arisen about whether there are too many unanswered questions to move forward so quickly.

## Sen. Rogers seeks school takeover changes

State Sen. Earline Rogers won tentative committee approval Wednesday for changes to a House-approved plan for state takeover of local school corporations that makes the process more cooperative and less confrontational (Carden, NWI Times). The Senate Education Committee unanimously adopted Rogers' proposed amendment to House Bill 1638, but postponed until next week a vote on whether to advance the revised legislation to the full Senate. Rogers' changes give local school officials and the Indiana Department of Education a greater role in helping the State Board of Education decide whether a district that repeatedly has earned an F should be taken over. "I think it goes a long way toward where we would like to go, which is that the local control supersedes everything, or at least there is involvement of the local people in terms of whatever you decide to do," Rogers said.

## Internet tax ban moves in House

Indiana took another step toward becoming the first state to prohibit taxes on Internet access after a bill that would implement a permanent ban unanimously passed the House Ways and Means Committee (IBJ). Senate Bill 80 might be largely meaningless. The federal Tax Freedom Act has put a moratorium on access taxes since 1998 and has been renewed several times since, most recently in December. But the the law is set to expire again on Oct. 1 and it's not clear whether Congress intends to extend the ban again. Rep. Eric Koch, R-Bedford, said he isn't sure what will be done on the national level. "What we're doing here is making sure that whatever the federal government does or doesn't do, here in Indiana we're not going to tax Internet access," Koch said. ❖



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# Military, infrastructure and our middle class

By **CRAIG DUNN**

KOKOMO – I'm an Ecclesiastes type a guy. You know, a time for every purpose under heaven.

Even though I am very concerned with the long-term threat to our nation arising from the effects of our massive growing federal debt, this just may not be the time to put that concern on the front burner. In my opinion, the task of governing the United States has always been about prioritizing threats and challenges and then developing programs, legislation and taxation and spending policies to address them. When your house is on fire, you don't spray the garden hose at the swimming pool!



There seem to be three significant fires burning at this time that need the immediate attention of the President and Congress. Of primary concern is the size, strength and technological advantage of our military. Second, the deplorable demise of the middle class and the virtually stagnant growth in personal incomes. Third, the crumbling state of infrastructure in our nation.

Before you start accusing me of being a RINO ready to print billions of dollars and throw them out the window, like a 2015 version of the 2009 Democrat stimulus package, please let me disabuse you of that notion. The \$800 billion stimulus package of Barack Obama left us with tons of red ink and very little to show for the expenditure. I believe that a plane flying at 10,000 feet and dumping the money out of its cargo hold would have achieved more beneficial and lasting results than President Obama's stimulus boondoggle. Oh sure, we created a lot of wealthy former owners of bankrupt solar panel companies, but neither the country nor the common working stiff has anything tangible to show for the massive federal program.

**My proposal for addressing** near-term priorities is fairly simple: We need to increase the force count of our military. We need to make critical investments in technology and weaponry to insure that our military stands head and shoulders above all potential rivals. This means more ships, more planes and drones that look like butterflies but can zip a cruise missile into an Iranian nuclear scientist's left ear if the need arises. More ships, planes and advanced weaponry mean more and better paying jobs all along the military procurement food chain.

I also believe that we need an infrastructure improvement program that addresses the sorry state of roads, bridges, tunnels, etcetera, across our great land. Franklin Roosevelt came under great criticism for his WPA

and CCC programs during the Great Depression but, by golly, you can't argue with the fact that much of what was built during that time is still in service today. Therein lies the problem. Much of our crumbling infrastructure dates back to the Great Depression. It's time to build new bridges, dams and roads. We became great by being a nation of builders. It's time to start building again.

Of course, more infrastructure work will mean more construction jobs, more manufacturing jobs and more engineering jobs. I don't want to wake up two years from now and discover that we've become a country of people checking their Apple watches, made in China, to see if it's time to get their next government entitlement check.

**For all the talk of green** shoots and an improving economy, many of us who work in finance and investments understand that much of the economic progress has not been shared across the socio-economic spectrum. The Great Recession ripped through America's middle class like Sherman through Georgia, laying waste to millions of good paying jobs. The sad fact is that the majority of these great middle class jobs will never be recovered. American business, fighting for its very survival, turned to technology and outsourcing to stanch the red ink. While business survived, much of the American middle class struggled to battle declining standards of living and were forced to come face to face with the new reality of Obamacare-induced part-time employment, significantly lower wages, and the despair brought on by dissipation of the American dream.

Those of you who may scoff at my assertion that we are actually in a perilously weak economy only need to take a look at interest rates. The Federal Reserve launched a program of driving down long-term interest rates in an attempt to stimulate the economy. This program, commenced with the printing of \$600 billion new dollars to purchase mortgage-backed securities. Called Quantitative Easing, the program was to be brief and would end when the economy kick-started and took off on its own. By the end of June 2010, the Federal Reserve's balance sheet had ballooned to over \$2.1 trillion. The Fed called a halt to the program because they grasped onto a few "green shoots" of an improving economy.

In November 2010, faced with economic numbers that just didn't add up to an improved economy, the Fed launched Quantitative Easing Two. You know you have problems when you start numbering economic bailout programs! This continued purchasing of Treasury bonds continued at a monthly clip of \$40 billion until December 2012 when the Fed announced Quantitative Easing Three and increased the monthly printing of new money and bond purchases to \$85 billion per month. QE3 was finally halted in November 2014 after the Fed had rung up a balance sheet that had expanded to \$4.1 trillion. Ouch!

**Despite the assurances** of Federal Reserve Chairman Janet Yellen that the party was soon to be over, with rates beginning to rise, the fact is that interest rates



have remained stubbornly low. There are quite a few reasons for why rates may remain low. However, there is no arguing that if our economy was humming along, with real growth in personal incomes and upward pressure on inflation, the Fed would respond with increased interest rates. But the Federal Reserve has failed to budge on interest rates and the reason is very simple. The economy is just not healthy enough to allow rates to increase. Any rate increase at this juncture will immediately harm employment.

**Unemployment numbers** have already been skewed and distorted to put their best foot forward. People who have just given up on the job search aren't counted. People working two jobs are counted as two people working. People who have had their work hours reduced to part-time status for Obamacare purposes still count as

someone working. The cold, hard and ugly fact is that labor force participation is the lowest in 37 years. Plain fact; fewer people are working and that is bad news for our economic future.

It is high time that we address the three biggest threats to our national security. We must beef up our military, address the decline of the middle class and get our economy back on sound footing. Ronald Reagan knew that a strong military and a strong economy were key to long-term viability. Our leaders in Congress and in the administration must act sooner rather than later on these problems. Must we suffer the disaster to respond? ❖

**Dunn is chairman of the Howard County Republicans.**

## Economic expectations before the facts

By **MORTON MARCUS**

INDIANAPOLIS – Horatio Hammer, of the law firm, Hammer and Tongs, enjoys the routine spectacle of business and economic expectations before the fact and analysis after the fact.



"America is blessed," Horatio said in his deep baritone voice, "with many seemingly well-informed persons who make fools of themselves regularly predicting what will happen or explaining what has happened."

"That's a result of rational expectations by the media, employers, governments and the public," I responded testily. "It is expected those who finance or study business and government activities will have some reasoned anticipations about the future as well as plausible stories about the past."

"Anticipations are driving us wild," Horatio sang in an off-key imitation of Carly Simon. "Wall Street is filled with analysts who offer their anticipated quarterly figures for earnings by firms. Then, when a firm does not meet expectations, the price of its stock is expected to fall. If it doesn't fall, the analysts have stories to tell why the price rose."

**"That's a good system," I said.** "It provides information to prospective buyers and sellers in the market."

"Are those expectations worth more than expectations?" he asked. "Do you regularly see data on how often expectations exceed or fall short of actuality?"

"No, I don't," I admitted, "but I'd expect each analyst and each firm with analysts on the payroll will

monitor that performance carefully. I know the better economic forecasters study how much and in which direction (up or down) their forecasts miss the mark."

**"Miss the mark?" Horatio** smiled. "Which mark? Business and economic numbers are always being restated, revised and re-estimated. Yesterday's numbers are not those you will find tomorrow.

"And," he continued, "when numbers are subject to revision, days, weeks, months, even years from now, how can you trust what is forecast from yesterday's numbers? As for the stories told about the past: Well, those are about as reliable as Mother Goose."

"What would you have?" I snarled.

"Now, that you ask," he answered, "I'd hold back on all the forecasting. Stick with what is known. Don't go inventing fantasies about the future. Do a better job of explaining the past."

"That, sir," I replied with some formality, "is nonsense and you should know better."

Horatio harrumphed, but let me continue.

**"Of what value are better** stories about the past than to lead us to improved expectations about the future? We tell folk tales to give guidance about future behavior. It is better to build a brick house well than carelessly of straw or wood, if your residence is subject to strong winds. Don't fraternize with wolves in the forest. Don't steal from a giant without expectations of being pursued.

"The past is the only guide we have to the future. There is no way we can face the future without good stories about the past and we must always depend on the facts as we know them, even if we don't trust them fully."

Again, Horatio harrumphed, but did not pursue the topic. ❖

**Mr. Marcus is an economist, writer, and speaker who may be reached at [mortonjmarcus@yahoo.com](mailto:mortonjmarcus@yahoo.com).**

# Great democracies should not veer into doomsday scenarios

By LEE HAMILTON

BLOOMINGTON — Great democracies do not veer from one doomsday moment to the next, nor do they fund government on a week-to-week basis. Yet that is precisely the habit Congress has developed. It's embarrassing.

After Congress came a hair's breadth from shutting down the Department of Homeland Security a few weeks ago, members of the leadership tried to reassure the American people. "We're certainly not going to shut down the government or default on the national debt," Senate Majority Leader Mitch McConnell declared on CBS's "Face the Nation." Congress, he said, would not lurch from crisis to crisis. I wish I could be so confident. Because if you look at the year ahead, the congressional calendar is littered with opportunities to do just that.



Next month, unless Congress acts, doctors will see a steep cut in Medicare reimbursements. In May, the Highway Trust Fund runs out of money, meaning that infrastructure projects all across the country could grind to a halt. The following month, the federal Export-Import Bank's charter runs out. By the end of summer, Congress will need to raise the debt ceiling. Then it will have to find a way of funding the government for next year, deal with across-the-board spending cuts that are scheduled to take hold, and make it possible for the Treasury to continue to borrow money.

I don't know about you, but my bet is not on smooth sailing.

**This is a huge problem.** Great democracies do not veer from one doomsday moment to the next, nor do they fund government on a week-to-week basis. World superpowers do not risk their creditworthiness or threaten to strangle their own agencies or force them to plan repeatedly for shutdowns. Yet that is precisely the habit Congress has developed. It's embarrassing.

Why? Look at what happened with Homeland Security. The issue, essentially, was that members, unhappy with President Obama's plan to shield undocumented immigrants from deportation, tried to use the DHS funding measure to force him to back down. In other words, they tied two unrelated issues together. The solution ultimately lay in separating them, allowing a vote on each.

But during the weeks Congress spent arriving at

this commonsense approach, DHS had to get ready for roughly 30,000 employees to be furloughed, arrange to wind down administrative support functions, prepare law enforcement across the country for the loss of training funds, and ask crucial employees to be willing to work without pay — we're talking the border patrol, Coast Guard, screeners at airports, cargo inspectors, the people on the front lines.

**The impasse threatened** ongoing research and planning on making the country safer and grants to local communities to pay salaries for emergency personnel. At the very point when terrorism overseas was consuming the attention of our national security agencies, the department charged with protecting the nation at home had to be consumed with shuttering its operations.

Small wonder that much of the world thinks the United States is incapable of governing itself.

I know that the politics of Capitol Hill are difficult right now. But they've been troublesome for years, and legislating is about getting things done in a difficult environment. Congress is designed to be an institution where the dilemmas of the moment can be overcome by skillful legislators. We need a Congress that can address its problems before a crisis comes up.

What will it take to do so?

Part of the answer lies in dedication to Congress's job. Its members need to work at legislating every day, not just the three days in the middle of the week. Its leaders need to make clear their determination to move legislation through in an orderly fashion.

The so-called "Hastert Rule" that the Speaker of the House will not allow a vote on a bill unless he has a majority of his own party behind it, needs to be jettisoned for good, not just in extreme circumstances. Allowing a majority of the House and the Senate to work its will, whatever the partisan alignment, would do wonders.

**And perhaps most important,** the tactic of tying two unrelated issues together in order to force an opponent's hand needs to be rejected. The parade of make-or-break issues that Congress faces this year presents myriad opportunities for legislative mischief. If all we see before us is one government-shutdown threat after another, the remaining faith Americans hold in our chief lawmaking body could disappear altogether. And deservedly so. ❖

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**Tom LoBianco, IndyStar:** Last week was Sunshine Week, the week dedicated to getting more information out from the darkness and to the public, and here's how some Indiana politicians responded: House Republicans decided that state lawmakers are flatly exempted from public records laws, meaning their communications on public equipment, while earning a public salary, are likely to stay private as long as they like. And Gov. Mike Pence said he might release his calendar, maybe. His staff has denied a previous request, and previous Indiana governors have hidden behind a court ruling saying they are under no obligation to release their calendars. (Governors in many other states, including Massachusetts and Maryland, have regularly released calendars in response to public records requests.) It's not that Indiana pols are specially tone deaf in this area. The Obama White House eliminated a rule that made White House records public in the middle of Sunshine Week, although the practice effectively ended after a 2009 appeals court ruling. The House Republican stance on public records stuck out the most last week. A records request was made by a Washington environmental group seeking emails between House Utilities, Energy and Telecommunications Chairman Eric Koch and Duke Energy executives and other utility leaders fighting solar and renewable energy groups inside the Statehouse. The House Republicans' lawyer determined that those emails were not public because Indiana's public records law does not apply to legislators. Indiana's public access counselor then determined that, despite many years of assumptions inside the Statehouse, legislators were in fact covered by the law. ❖



**Doug Ross, NWI Times:** Indiana Superintendent of Public Instruction Glenda Ritz is a lot faster on her feet now than she was when she took office. That's good, because there's a lot of sparring over education policy in Indiana, and she's right in the middle of it. On Thursday, soon before Ritz was to testify before the U.S. Senate Appropriations Committee, the State Board of Education sent an email that seemed aimed at undercutting her testimony. The email included links to stories with Ritz's comments about the cost of standardized testing and State Board of Education actions. It's embarrassing for Indiana that arguably one of the state's most important responsibilities, educating its children, is subject to political pettiness instead of cooperation by all interested parties. Keep in mind, too, that when Ritz was seeking a No Child Left Behind waiver for Indiana, the state board sent its own letter to the U.S. Department of Education that seemed to undercut the state application sent by Ritz's agency. The feds approved the waiver anyway. It's all about control. Who's in charge of education in Indiana? Is it the federal government, with its No Child Left Behind Act? Is it the Indiana Legislature, which passed Public Law 221, the state's accountability law, prior to NCLB? Is it the State Board

of Education, which has now used that state law to close Dunbar-Pulaski School in Gary? Is it the superintendent of public instruction and her Department of Education, which handles implementation issues? Sadly, it's a mish-mash of all of the above. And their ability to work together isn't impressive. ❖

**Bob Kravitz, WTHR-TV:** What's next? Boycotts of Indiana, and Indianapolis in particular, when it comes to hosting sporting events (like the Final Four) and conventions? The "religious freedom bill" is this close to getting passed, and not only does it leave me queasy on a personal level, it makes me wonder if events and other conventions will look differently at one of the best sports/convention towns in the country. Jason Collins, the openly gay basketball player, tweeted this the other day: "@GovPenceIN, is it going to be legal for someone to discriminate against me and others when we come to the Final Four?" Um, yes, Jason, it will be. Once it's signed into law – and there's every reason to believe this controversial and wrong-headed law will make it to Pence's desk in short order – the answer is, yes, businesses will have the right to discriminate. The only thing that will be missing with be a Jim Crow-like "No LGBT Allowed" sign over businesses, even if it's implied. ❖

**Jon Webb, Evansville Courier & Press:** Mark Twain and Indiana have one thing in common. A love of bushy mustaches, you say? OK, two things. The other is an affinity for riverboats. But for Indiana, that antebellum romance could soon end. Legislation to allow land-based gambling has already passed the Indiana House and now waits in the appropriations committee of the Senate. Evansville's own Tropicana has been instrumental in the legislation's progress. Its side-by-side work with legislators restores faith that the checks and balances handed down by the Founding Fathers are still going strong: Write a bill and make sure the rich corporations are OK with it. But the fate of the bill could lie with Gov. Mike Pence. Unlike his feelings on teachers unions, public schools and totally awesome Silverados, Pence has played his thoughts on land-based gambling close to the chest. But since the governor loves Indiana business — he'd totally go to the dance with it, if only it would ask — it's doubtful he'd veto a bill that would help the state compete with burgeoning gaming enterprises in Illinois and Ohio. Which is good, because change is needed. Indiana's gambling laws are, as Shakespeare once put it, "stupid." In 1993, riverboat gambling was legalized in counties contiguous to Lake Michigan or the Ohio River. Lawmakers added a stipulation that land casinos could be built in counties that boast "a historic hotel district," meaning hotels built before 1930 or included on the National Register of Historic Places. The specific stipulations were meant to limit the number of casinos. ❖



## More RF fallout for conventions

INDIANAPOLIS — The Christian Church (Disciples of Christ) has sent a letter to Gov. Mike Pence threatening to cancel its 2017 convention in Indianapolis if he signs controversial legislation that could allow business owners to refuse services to same-sex couples (IndyStar). "Our perspective is that hate and bigotry wrapped in religious freedom is still hate and bigotry," Todd Adams, the associate general minister and vice president of the Indianapolis-based denomination, told The Indianapolis Star. Adams said the Disciples of Christ would instead seek a host city that is "hospitable and welcome to all of our attendees." The letter stated the church is inclusive of different races, ethnicities, ages, genders and sexual orientations. "As a Christian church," it read, "we are particularly sensitive to the values of the One we follow — one who sat at (the) table with people from all walks of life, and loved them all. Our church is diverse in point of view, but we share a value for an open Lord's Table." The Disciples of Christ has held its annual convention in Indianapolis three times since 1989. Adams expected up to 8,000 people to attend in 2017. The estimated economic impact would be about \$5.9 million, according to VisitIndy.

## Quayle to speak at DePauw on Tuesday

GREENCASTLE — The contest to fill the U.S. Senate seat now held by Dan Coats -- the same seat Dan Quayle gave up in 1989 when he became the 44th Vice President of the United States -- is likely to be one of the subjects Quayle addresses next Tuesday, March 31, at DePauw University. Quayle, a 1969 DePauw graduate, will return to his alma mater

as a guest of the Timothy and Sharon Ubben Lecture Series. The former vice president will discuss the state of the nation and the world, the road that brought him from DePauw to the top levels of government, and other topics in a moderated discussion with Jeffrey M. McCall '76, professor of communication. Presented by the Timothy and Sharon Ubben Lecture Series, the program will begin at 7:30 p.m. in Kresge Auditorium, located within the Green Center for the Performing Arts (605 S. College Avenue).



## Crane to hire 300 workers

CRANE — Indiana's Crane Naval Surface Warfare Center in South Central Indiana is looking to hire over more than 300 more workers for this upcoming fiscal year. The workers would be hired in nearly all areas of Cranes operations, from business management to scientists, engineers, chemists, and additional PHD positions. The company has been hiring with the state of the national budget to their attrition and resignations for the past several years, but this hiring authority came because of the company's technical expertise in the areas they work in with the Department of the Navy (Indiana Public Media). Director of Strategic Communications Brian Bailey says a majority of the openings are for new employees, and that the company is looking for people with a variety of education levels to fill the positions. "We're not looking to just hire graduates and degreed people, but also people who may have experience already within the technical areas that we support," he says.

## Obama OKs Tikrit airstrikes

BAGHDAD — American warplanes began airstrikes against Islamic State positions in Tikrit late Wednesday, finally joining a stalled offensive

to retake the Iraqi city as American officials sought to seize the initiative from Iran, which had taken a major role in directing the operation. The decision to directly aid the offensive was made by President Obama on Wednesday, American officials said, and represented a significant shift in the Iraqi campaign. For more than three weeks, the Americans had stayed on the sideline of the battle for Tikrit, wary of being in the position of aiding an essentially Iranian-led operation. Senior Iranian officials had been on the scene, and allied Shiite militias had made up the bulk of the force. Mr. Obama approved the airstrikes after a request from Prime Minister Haider al-Abadi on the condition that Iranian-backed Shiite militias move aside to allow a larger role for Iraqi government counterterrorism forces that have worked most closely with United States troops, American officials said. Qassim Suleimani, the commander of the Quds Force of Iran's Islamic Revolutionary Guards Corps who has been advising forces around Tikrit, was reported on Sunday to have left the area.

## Bergdahl faces desertion charge

WASHINGTON — Sgt. Bowe Bergdahl, the U.S. soldier who slipped away from his patrol base in Afghanistan in 2009 and was held in captivity for five years, has been charged with desertion and misbehaving before the enemy, Army officials said Wednesday, setting the stage for emotionally charged court proceedings in coming months (Washington Post). The charges were announced by the service at Fort Bragg, N.C., hours after the 28-year-old was handed a charge sheet, according to one of his attorneys. Bergdahl will next face a preliminary Article 32 hearing, which is frequently compared to a grand jury proceeding in civilian court. If convicted, he faces the possibility of life in prison.