

The Howey Political Report



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“QUOTE” OF THE WEEK

“I cannot get this job done without your help. And I commit to you tonight that I will do everything I can to get it done...”

- Gov. Frank O’Bannon, in his State of the State address on the deficit and tax restructuring.

Kittle emerging as GOP front-runner

Wins RSC straw poll 10-8 Tuesday

By **BRIAN A. HOWEY**, in *Indianapolis*

There’s been a distinct shift in momentum in the race for the Indiana Republican chairmanship favoring businessman Jim Kittle. He won a state committee straw poll, gathered the endorsements of the state’s largest county organizations and got an emphatic lift from former Gov. Robert D. Orr.

The 18 members of the Indiana Republican Central Committee conducted a straw poll during a Tuesday teleconference to discuss the looming Jan. 23 race for chairman. Several sources, including former Republican Chairman Rex Early, told *HPR* that Kittle had a 10-8 lead over 5th CD Chairman John Earnest.

On Tuesday night, Gov. Orr, a beacon of the GOP’s machine glory days, told *HPR* he was impressed with Kittle’s *Blueprint for 2002* plan, saying, “It’s the only time I know of where there’s been direction on where the party should go. I’m strong for the man. Kittle’s the right man for the time.”

After Kittle’s showing in the state committee straw poll, some Republicans began scrambling for an alternative other than Earnest, with State Rep. Mike Murphy’s name once again surfacing, this time as an anti-Kittle alternative. Early, who had been backing Earnest, told *HPR* Tuesday afternoon from Florida that while it looked like Kittle had the momentum, there were hints that “some of his support is as deep as cow piss on a flat rock.” But Early acknowledged that Earnest appeared to have lost his thrust, saying there was “enough doubt” about his ability to resurrect the party.

One party veteran observed, “This has gone from a

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NEW HOWEY POLITICAL REPORT FAX NUMBER: HPR's new fax number is 317-968-0487, effective today.

MEEKS SAYS O'BANNON DIDN'T FOCUS ON ECONOMIC DEVELOPMENT: Sen. Robert Meeks, R-LaGrange, said Gov. Frank O'Bannon's State of the State address Tuesday night was long on talk about education and short on economic development and the future of Indiana's workforce. "We need a broader picture," Meeks said (Niki Kelly, Fort Wayne Journal Gazette). "There are Hoosier jobs at stake. There are all kinds of things that are important besides education."

COCHRAN SAID O'BANNON EXPLAINED LOSS OF SURPLUS: New Albany's Rep. Bill Cochran, chairman of the House budget subcommittee, said the governor excelled at explaining what happened to the state's surplus. "That has been a big question in people's minds," said Cochran, a Democrat (Lesley Stedman, Louisville Courier-Journal). "He said the things that needed to be said tonight."

YOUNG PROUD: Senate Minority Leader Richard Young, D-Milltown, said the O'Bannon tax plans represent another step in the



Kittle, from page 1

pro-Earnest agenda to an anti-Kittle effort."

Outside the Republican Central Committee, Kittle clearly had momentum. On Monday, Vigo County Chairman David Lohr reversed his opposition to Kittle after reviewing the businessman's *Blueprint for 2002*.

"I asked each member to offer their opinion of the plan, telling the good points and any reservations they might have. To a person they believed it was an attempt to empower the county organizations," Lohr said in a statement after discussing Kittle's *Blueprint for 2002*. "There was a consensus that Mr. Kittle would be able to accomplish this deed."

In the Dec. 14 HPR Daily Wire, Lohr said, "Jim Kittle cannot be allowed to take over the party. Kittle would just use the party for his candidates and leave the county organizations out in the cold."

On Tuesday, powerful Allen County Chairman Steve Shine announced his committee's support for Kittle that included influential financier Dick Free-land and state committeewoman Barb Krishner. "Jim Kittle has presented a plan

and vision for the IRSC that will ensure Republican successes," Shine said. "Jim's *Blueprint for 2002* addresses the issues and needs necessary for a premier political organization."

Kittle met with 17 of the 18 committee members, and picked up the enthusiastic support of 6th CD Chairwoman Jean Ann Harcourt, along with at least 30 county chairs, including Roger Chiabai of Lake County, John Keeler of Marion County, Matthew Lentsch of St Joseph County, Bettye Lou Jerrel of Vanderburgh County, Dan Pool of Montgomery County, Larry Hopkind of Hamilton County, and Kevin Sulc of Madison County.

U.S. Rep. Mike Pence told *HPR* Tuesday that while he had the "highest regard" for Earnest, said he is backing Kittle who as "a business leader will give Indiana Republicans a resounding advantage in leveling the playing field."

Kittle's *Blueprint for 2002* may be doing for him what the *Peterson Plan* did for Indianapolis Mayor Bart Peterson in 1999. Kittle's plan opens with the statement, "Unite all elements of party operations. We will reach our potential when we all work together."

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Taxes, from the view of Bischoff, Atterholt

By **BRIAN A. HOWEY**

INDIANAPOLIS - Perhaps the best way to gauge the impact of Gov. Frank O'Bannon's State of the State address was to hear what two legislators who will live or die by the plans had to say.

State Rep. Bob Bischoff, D-Lawrenceburg, said, "Boy, that was a soft sell. I guess that's just the way the governor is." Bischoff must defend a competitive southeastern Indiana district, one he won by 202 votes in 2000.

Then there was Rep. Jim Atterholt, R-Indianapolis, who won by nearly 6,000 votes in 2000, but now lives in a dramatically altered and competitive district stretching into the city's core.

"You want to be respectful, but I don't know how many hearts were changed," Atterholt observed. "The speech was a description of Indiana as a high tech state, but that is a very different Indiana than a lot of people know."

Bischoff and Atterholt may be in a damned if you do/damned if you don't mode. If the status quo remains, their opponents will target them as do-nothing followers at a time Indiana needs leadership. But if a plan passes that includes any kind of tax increase, they'll be targeted as big taxers and spenders.

O'Bannon tried to stoke up courage, noting his speech came on Dr. Martin Luther King's 73rd birthday. "He reminded us about the importance of having the courage and the vision to do the hard things today in order to have a better tomorrow," said O'Bannon, who was making his sixth State of the State.

O'Bannon did confront the "where did the surplus go" question, reminding Hoosiers that he and the legislature approved \$1 billion in tax cuts, \$200 million in road projects, \$160 million to universities, \$150 million to state parks and hospitals, and \$290 million into teacher pensions.

But O'Bannon pointed out the state

spends 55 percent of its budget on education and said of his deficit reducing cigarette and gaming taxes, "In a choice between those taxes and our schools, I will pick Indiana's children every time."

House Speaker John Gregg said O'Bannon was focused and "narrowly defined the problems and solutions." Senate President Pro Tem Bob Garton saw the O'Bannon and Kernan tax plans as raising \$300 million to \$500 million more than needed and said that Gov. Evan Bayh got out of the 1991 recession "without a tax increase." Garton called the 1982 and 1991 recessions bigger dilemmas. "These are tough times, but not exceptionally tough times," Garton said.

House Minority Leader Brian Bosma reiterated his stance that O'Bannon was taking a "knee-jerk approach" by raising taxes, adding, "There is no need in a recession to raise taxes."

So, what's the end game? Pat Kiely of the Indiana Manufacturer's Association has for two decades had scenarios for resolution each session. But this time, Kiely said, "I have no clue."

Gregg emphasized both plans need "bipartisan support to get out of this House." Asked if he couldn't deliver 50 Democratic votes, Gregg said, "I didn't say he couldn't get 50. But it has to be bipartisan out of this House."

From Atterholt's standpoint, representing neighborhoods such as Butler-Tarkington and Meridian-Kessler where older homes will be whacked with huge tax increases, is that he wishes the cigarette and gaming taxes were part of the Kernan tax restructuring plan. While O'Bannon's deficit reduction plan is in district trouble with House Republicans, Atterholt said, "There's a decent chance for restructuring to pass. I think there's a lot of room for compromise there."

We just don't know how we get there. ❖

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right direction, during trying times. "We have the right to be proud," Young said (Tim Starks, Evansville Courier & Press). "We have to make the choice whether we're going to move forward or slide backward." Rep. Brian Hasler, D-Evansville, thought it was O'Bannon's "best presentation yet" as governor. "I think it's because he really believes this is the right thing to do."

LIGGETT SAYS TAX REFORM WILL PASS HOUSE: State Rep. Ron Liggett, D-Redkey, supported the governor's tax restructuring plan, and predicted there was support to get it through the House. "Tax reform lies in the lap of Senate Republicans," Liggett said (Rick Yencer, Muncie Star Press).

BROWN SAYS O'BANNON NEEDS TO CHANGE THE DEBATE: Rep. Tim Brown, R-Crawfordsville, wants O'Bannon to change the debate in order to engage Republicans (Shannon Lohrmann, Lafayette Journal and Courier). Rather than repeating the same threats of cutting education if his proposals aren't approved, Brown would like for lawmakers to talk to the administration about what sort of government spending and surplus the state would like to have. Even in tough economic times,

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O'Bannon is insisting on \$1 billion in reserves. Republicans think \$300 million is sufficient, which can be accomplished with all the proposed spending cuts and none of the tax increases. "I don't think he changed any minds, even on the Democrat side," said Sen. David Ford, R-Hartford City. "And I don't think he is making his case with the public."

LUGAR VOTES WITH BUSH 100 PERCENT; CARSON 26 PERCENT: President Bush couldn't have found a better ally last year than Sen. Richard Lugar. The Indiana Republican was one of only seven members of Congress who vote with Bush every time, according to an analysis by Congressional Quarterly magazine (Maurleen Groppe, Indianapolis Star). Indiana Sen. Evan Bayh, a moderate Democrat, supported Bush 69 percent of the time, barely above average for a Senate Democrat. Support from Indiana's House members ranged from 93 percent for Steve Buyer, a Monticello Republican, to 26 percent for Julia Carson, an Indianapolis Democrat.

ROEMER STILL BACKS BUSH TAX CUT: U.S. Rep. Tim Roemer said Monday that he has no regrets about voting for President Bush's \$1.3 trillion tax cut but that some of its long-range provisions may need to be

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Lugar, Bayh thrive in security culture following Sept. 11

By **MARK SCHOEFF JR.**

WASHINGTON -- Terrorist attacks on the World Trade Center and the Pentagon on Sept. 11 made an indelible impact on politics. Domestic and security policy are no longer compartmentalized; now many issues are framed in the context of the campaign against terrorism.

In this new environment, Indiana's senators have thrived -- one because the world has caught up with him, the other because he has nimbly inserted himself into the new agenda.

Republican Sen. Richard Lugar warned throughout the 1990s about the lurking danger of terrorism, a new threat filling the void left by the end of the Cold War. The Nunn-Lugar Cooperative Threat Reduction Act, an initiative that had quietly been achieving success in ridding former Soviet states of nuclear weapons and securing loose nuclear materials, has been embraced by the Bush administration in its fight against terrorism.

Democratic Sen. Evan Bayh came to Washington in 1999 with little security policy background after serving eight years as Indiana governor. But Bayh made his mark last fall by leading a Senate investigation into financial networks that fund terrorism, writing a bill that helped states prepare for bioterrorism attacks, and co-authoring legislation that would expand a national volunteer organization to provide a citizens' army for homeland defense.

Lugar and Bayh illustrate a dynamic that permeates Capitol Hill. Most members of Congress are claiming some kind of stake in the war on terrorism. "It doesn't matter whether you have a domestic policy focus or a foreign policy focus, there's something there for every senator," said Larry Sabato, a professor of political science at the University of Virginia.

Although there are exceptions, such as the education reform bill that President Bush recently signed into law and the Senate farm bill debate in December (areas in which Bayh and Lugar played major roles, respectively), much of the policy debate now includes a security dimension. "National security issues have come to dominate the public dialogue," Bayh said in a November conference call with Indiana reporters. "I think that's perfectly natural, given the fact that we

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were attacked and suffered the largest number of domestic casualties since the

Civil War. There will be a heightened emphasis on this for the foreseeable future."

A Hoosier who is playing a part in the war on terrorism from the Pentagon said that the terrorist attacks have changed the frame of reference in Washington. "The normal political rules of behavior have been thrown out the window for the time being," said Kevin Shaw Kellems, Lugar's former press secretary who is now a public affairs official at the Department of Defense. "Every decision on legislation and spending is being evaluated by how it could be perceived or misperceived as it relates to the war on terrorism."

Lugar Doctrine

For Lugar, it's his past work that is creating the foundation for his current leadership in the war on terrorism. In a Dec. 6 *Washington Post* op ed and a Dec. 11 speech at The Citadel, Indiana's senior senator outlined the Lugar doctrine. It consists of extending the Nunn-Lugar program to ensure that weapons of mass destruction do not fall

into the hands of terrorists. Enacted in 1991, the Nunn-Lugar program has resulted in separating 5,700 Russian nuclear warheads from their missiles and collecting and storing more than 30,000 tactical nuclear weapons.

Nunn-Lugar also has led to progress in reducing Russian chemical and biological weapons. In addition, it has created jobs for Russian scientists displaced by decreased defense spending in the aftermath of the Cold War. The scientists might otherwise turn to proliferation to provide for their families.

Once a target for budget reductions by the Bush administration, Nunn-Lugar funding for the Energy Department is slated for a \$1.04 billion request in the fiscal 2003 budget, an increase of more than \$250 million from the current fiscal year, according to the *New York Times*. The need for the Nunn-Lugar program was underscored by a Dec. 10 *Wall Street Journal* report of the arrest of six men who were trying to sell uranium near Moscow.

"Unfortunately, beyond Russia, there are no Nunn-Lugar-style programs aimed at nonproliferation," Lugar, a senior Republican on the Senate Foreign Relations Committee, wrote in the *Washington Post*. "Precise replication of the Nunn-Lugar program will not be possible everywhere. But a satisfactory level of accountability, transparency and safety must be established in every nation with a program for weapons of mass destruction. When nations resist such accountability, or when they make their territory available to terrorists who are seeking weapons of mass destruction, our nation must be prepared to use force, as well as all the diplomatic and economic tools at our disposal."

Bayh's trifecta

Bayh has not issued a doctrine, but he has woven a tapestry of activity that has covered several facets of the campaign against terrorism. As chairman of

the international trade and finance subcommittee of the Senate Banking Committee, he conducted a hearing in mid-November that delved into the Al Barakaat organization, a money-transferring operation, or "hawala," in Somalia that allegedly finances terrorism.

It was revealed that the Treasury Department knew of Barakaat's link to Osama bin Laden's Al Qaeda terrorist organization as far back as 1999 but did nothing to shut Barakaat down until after Sept. 11. Bayh also wrote an amendment to an antiterrorism bill that would require hawalas to register and report suspicious activities.

Bayh wrote a bill last fall that would provide states with a block grant of at least \$5 million to help them prevent and respond to biological and chemical terrorist attacks.

The bill was included in an antiterrorism measure that passed the Senate in late December. "As a former governor, Bayh is in a good position to hone in on the domestic side of the war on terrorism," said Sabato.

Indiana's junior senator also teamed up with Republican Sen. John McCain to write the Call to Service Act of 2001. The bill would expand the AmeriCorps volunteer service program from the current 50,000 participants to more than five times that size by 2009. Half the new positions would be dedicated to homeland defense.

AmeriCorps, targeted at young adults, offers education grants to each person completing a year of service. "If we give the American people a chance to serve, we will improve homeland security, strengthen our communities, and create a common civic experience never before known in America," Bayh said in a statement introducing the bill. "The mood of the country has changed in significant ways. Our challenge is to sustain this outpouring of patriotism, and make it pro-

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reconsidered because of the return of red-ink federal budgets. "I agreed with about 80 percent of it," the South Bend Democrat said of the tax cut package (Jack Colwell, South Bend Tribune). With surplus projections failing to materialize and the Bush administration turning to deficit budgeting, Roemer said, he would favor another look at some provisions he didn't like to begin with, such as elimination of the estate tax even for billionaires. Roemer said there should have been estate tax reform, not outright repeal, and cuts for the highest-bracket taxpayers should have been less.

YOVICH REPLACES DAVID-OFF AS DEMOCRATIC SPOKESMAN: Daniel Yovich, a former reporter for the Times of Northwest Indiana, has become spokesman for the Indiana Democratic Party. He replaces Doug Davidoff, who has opened Davidoff Public Relations Inc. at the ISTA Building in Indianapolis.

GILROY PUSHES ELECTION BILL: Members of the Senate Elections Committee heard debate on several election-related bills Monday. They forwarded two Senate bills to the floor but did not vote on Senate Bill 403, which has the most effect (Niki Kelly, Fort

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Wayne Journal Gazette). SB 403, the result of Indiana's bipartisan election task force, would: Allow unrestricted absentee voting for anyone 29 days before the election; Provide greater voting access for out-of-state military personnel, such as the ability to fax their ballots. It also would require the county election board to notify the voter when that voter's absentee ballot was received; allow for provisional ballots, in which a person whose eligibility has been contested could cast a vote for state and federal offices; allow 16- and 17-year-old children to work as poll clerks and election sheriffs. The teens would be required to have a 3.0 grade-point average and permission from their parents and their school. "This bill has a minimal fiscal impact. We did that last year," said Secretary of State Sue Anne Gilroy.

NO-CALL AMENDMENT DEAD: A bill sponsored by Sen. Joseph Harrison, R-Attica, that would have added to the exemptions for businesses on the state's new no-call list, has been withdrawn at the request of Attorney General Steve Carter (Shannon Lohrmann, Lafayette Journal and Courier). Carter said he would like for the bill to be in effect for several months before evaluating its impact and possible revisions. "I

Indiana 2002 Racing Form

Governor 2004: Republican: David McIntosh, Sen. Murray Clark, Sen. Luke Kenley, Randall Tobias, Paul Helmke, Eric Miller. **Democrat:** Lt. Gov. Joe Kernan. **1996 Results:** O'Bannon (D) 1,075,342, Goldsmith (R) 997,505, Dillon (L) 35,261. **2000 Results:** O'Bannon (D) 1,230,345, McIntosh (R) 906,492, Horning (L) 38,686. **2004 Forecast:** Last week we outlined Paul Helmke's status with regards to the 3rd CD race and secretary of state. In the former, Helmke would face a ferocious campaigner in U.S. Rep. Mark Souder. In the latter, it would be a backwater office he really wouldn't want. Unless Mitch Daniels gets into this race -- which wouldn't happen until late 2003 at the earliest-- there is no front runner. It is going to be extremely hard for State Sens. Luke Kenley and Murray Clark to navigate the troubled waters of the Senate with its Jurassic leadership returning and maddeningly complex tax issues. McIntosh has yet to repair the damage from his 2000 campaign. Tobias does not appear to be an active participant. As HPR reported, that leaves Eric Miller to make real hay in the vacuum. While that will hearten the right wing of the GOP, a front-running Miller candidacy is scary to party moderates. That's where Helmke could position himself as a logical bookend to Miller. If Helmke were to establish a professional and aggressive campaign apparatus, he could point to his 12 years at the helm of Fort Wayne as exactly what Indiana needs: a pragmatist who polled well with women and minorities, kept tax levels and debt low, improved streets and services, was scandal-free, and repositioned the state's second largest city into an economic hub for the northeastern part of the state. Helmke could make the case that this is no time for an idealogue to occupy the governor's office; that it instead needs smart management, a person willing to make tough decisions and a candidate who can appeal to moderates, females and independent voters. Like McIntosh, Helmke would have to work hard early in a gubernatorial candidacy to allay some residual taint from his 1998 Senate race, where Sen. Bayh won with 63 percent and Helmke barely qualified for the ballot in one congressional district. Helmke has three options: He can challenger Souder, wait until Souder retires, or seize the day and attempt to do what he does best: preside as an executive in a government that really needs one. **Status:** *Leans D.*

HORSE RACE

Congressional District 2: Republican: Chris Chocola. **Democrat:** Jill Long Thompson, Mark Meissner, State Sen. William Alexa, Kathy Cekanski Farrand. **Geography:** South Bend, Michigan City, Mishawaka, Elkhart, Kokomo, Plymouth, Logansport; LaPorte, St. Joseph, Starke, Marshall, Pulaski, Fulton, Cass, Carroll and parts of Howard, Porter, Elkhart and White counties. **Media Market:** South Bend-Elkhart, Indianapolis, Lafayette, Chicago. **2000 Result:** Roemer (D) 107,076, Chocola (R) 98,367. **2002 Forecast:** Fox News Channel's *Special Report* with Brit Hume previewed the 2002 congressional elections with Michael Barone, senior writer, *U.S. News and World Report*. He previewed three of the most competitive races in 2002, which included the new Second District in Indiana. The following is a partial excerpt from the show: "Republicans are going after several different seats. One example is Indiana 2, where Democrat Tim Roemer, one of the New Democrats on many issues in the House of Representatives, decided to retire. The Republicans are running Chris Chocola, their candidate in 2000 who came pretty close. This is still a seat that Bush carried over Gore in the last election, so the terrain looks a little favorable to the Republicans." **Status:** *Leans JLT.*

Congressional District 4: Republican: U.S. Rep. Steve Buyer, U.S. Rep. Brian Kerns, State Sen. Mike Young. **Democrat:** Open. **Geography:** Tippecanoe, Clinton, Boone, Montgomery, Hendricks, Morgan, Lawrence and parts of Marion, Johnson, Monroe, Fountain and White counties. **Media Market:** Lafayette, Indianapolis, Terre Haute, Evansville, Louisville. **2000 Results: Old 5th CD:** Buyer (R) 132,035, Goodnight (D) 81,423; **Old 7th CD:** Kerns 131,562, Graf (D) 65,174.. **2002 Forecast:** Kerns made his candidacy official Saturday. Kerns, flanked by his wife and children, was not quoted in the *Journal and Courier* story. *Roll Call* will be featuring this race and the peculiar Kerns candidacy in its Thursday edi-

tions. While Kerns appears to be spending a great deal of time traveling abroad to places such as Italy, Russia and most recently Mexico, sources tell HPR that former Congressman John Myers is making a number of appearances for his son-in-law. Sources also said Buyer may have a several hundred thousand dollar fundraising lead when FEC reports become public. Young raised eyebrows in the Indiana Senate on Tuesday when he scuttled a beer baron bill. Young voted against amendments that would have cleaned up the bill, then voted against the bill because it wasn't cleaned up **Status: Leans Buyer.**

Congressional District 6: Republican: U.S. Rep. Mike Pence. **Democrat:**

Melina Ann Fox. **Geography:** Anderson, Muncie, Richmond; Wells, Adams, Blackford, Jay, Madison, Delaware, Randolph, Henry, Wayne, Rush, Fayette, Union, Decatur, Franklin, and parts of Bartholomew, Shelby, Johnson and Allen counties. **Media Market:** Indianapolis, Fort Wayne, Dayton, Cincinnati. **2000 results:** Pence (R) 106,023, Rock (D) 80,885, Frazier (I) 19,070. **2002 Forecast:** Indianapolis Mayor Bart Peterson appeared at a Carmel fundraiser for Fox. Pence hosted town hall meetings in Anderson, Muncie and Richmond and appeared on Greg Garrison's Network Indiana radio show. **Status: Leans R.**

Congressional District 7: Republican: Brose McVey. **Democrat:** U.S. Rep.

Julia Carson. **Geography:** Indianapolis. **Media Market:** Indianapolis. **2000 Results:** Carson (D) 91,300, Scott (R) 61,818, Ali (L) 2,513. **2002 Forecast:** *Congressional Quarterly* reports that Carson voted with President Bush only 26 percent of the time. That's a factoid that plays right into the campaign theme of McVey, who is casting this election as a contrast not between the left and right, but between the left and center. McVey will be pointing out that even Sen. Evan Bayh voted 63 percent with Bush. **Status: Leans Carson.**

Congressional District 8: Republican: U.S. Rep. John Hostettler. **Democrat:**

Bryan Hartke. **Geography:** Evansville, Terre Haute, Greencastle; Posey, Vanderburgh, Warrick, Gibson, Pike, Martin, Daviess, Knox, Sullivan, Greene, Owen, Clay, Vigo, Vermillion, Parke, Putnam, Warren and part of Fountain counties. **Media Market:** Evansville, Terre Haute, Indianapolis. Lafayette. **1994 results:** Hostettler (R) 93,529, McCloskey (D) 84,857. **1996 Results:** Hostettler (R) 109,582, Weinzapfel (D) 106,134, Hager (L) 3,799. **1998 Results:** Hostettler (R) 92,227, Riecken (D) 81,381, Hager (L) 3,395. **2000 Results:** Hostettler 116,860, Perry (D) 100,461. **2002 Forecast:** Hostettler kicked off his fifth campaign with an 18-county tour this week. HPR believes Hostettler is in his strongest position ever. His party's president is popular, district Democrats are tepid about the Hartke candidacy and no other credible candidate seems to be lining up. Unless something dramatic happens, it is hard to see this race returning to what it was from September 1994 through November 2001 - a "Tossup." **Status: Likely Hostettler.**

Congressional District 9: Republican: Mike Sodrel, Jeff Ellington. **Democrat:**

U.S. Rep. Baron Hill. **Geography:** Bloomington, Columbus, Lawrenceburg, Rising Sun, New Albany Jeffersonville, Madison, Nashville; Spencer, DuBois, Orange, Crawford, Perry, Harrison, Washington, Jackson, Brown, Jennings, Scott, Floyd, Clark, Jefferson, Switzerland, Ripley, Ohio, and parts of Dearborn and Monroe counties. **Media Market:** Evansville, Indianapolis, Louisville, Dayton, Cincinnati. **1994 results:** Hamilton 91,459 (D), Leising (R) 84,315. **1996 Results:** Hamilton (D) 128,885, Leising (R) 97,747, Feeney (L) 2,315. **1998 Results:** Hill (D) 92,477, Leising (R) 87,278, Feeney (L) 2,397. **2000 Results:** Hill 125,978, Bailey (R) 101,790, Chambers (L) 4,634. **2002 Forecast:** Sodrel gets significant coverage in Tuesday's Dale Moss column in the Louisville Courier-Journal (See Columnists, page 8). Moss reported that if Sodrel is at Hill's heels, the national Democrats will be at Hill's side. Hill's camp is optimistic. "Most people in the 9th District think he's been a pretty effective congressman," said Scott Downes, Hill's spokesman. Moss reported, "It is Hill's seat to lose. Sodrel already knows enough about politics to know that. He's far too complex, however, to seem simply the alternative. Sodrel is different enough to merit more respect than a typical challenger." **Status: Leans D.**

- Brian A. Howey ❖

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think it is clear that people don't want more exemptions added to the law," he said.

HOUSE REPUBLICANS FLOAT ECONOMIC DEVELOPMENT PACKAGE: Indiana House Republicans introduced legislation Thursday that they said would accelerate the state's economic recovery and create a strong business climate for years to come (Mike Smith, Associated Press). "We want to make Indiana the place to locate rather than vacate," said House Minority Leader Brian Bosma. House Republicans said they hoped their package of eight bills would spark serious debate over economic development this legislative session, even though all would need some Democratic support to pass the House. The Department of Commerce, overseen by Democratic Lt. Gov. Joe Kernan, said that it already is taking many steps suggested by House Republicans and that many of their proposals are revamped versions of old ideas. House Republicans said their package would create new tax credits for business investment and workforce training, exempt production inventory from property taxes, and negate sales taxes on high-technology equipment. It would remove a requirement that companies getting EDGE tax credits, which help Indiana compete in bidding

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wars with other states - seek at least one competing offer in another state before qualifying for the credits. The GOP package also would create a 50 percent tax credit for the costs associated with a business relocating to Indiana, and the costs associated with its investment in buildings, equipment and other fixed assets after it is located in the state.

GAS TAX INCREASE SOUGHT: At a time when Hoosiers are scavenging for pennies under the couch cushions, legislation filed last Thursday would increase the state's gas tax 10 cents a gallon by mid-2004 (Niki Kelly, Fort Wayne Journal Gazette). About half of the money raised would go to state transportation costs, with the rest being used for local road and street construction and maintenance. City and county officials statewide have been seeking more money from the legislature because their decreased budgets are making it hard to keep up with their infrastructure needs. "We must not let highway funding shortfalls jeopardize our safety and jobs," said Rep. Ron Liggett, D-Redkey, who is carrying the bill. "We must enact something to help our financially strapped local governments and the Indiana Department of Transportation." The bill would increase Indiana's 15-cent-a-gallon excise tax 2 cents in 2002; 4 cents in

COLUMNISTS ON INDIANA

Dale Moss, Louisville Courier-Journal - Mike Sodrel needs money to buy familiarity. He needs his Republican Party to rise above its historic 9th District haplessness. And, quite likely, Sodrel needs a blunder or two from incumbent Baron Hill. But Sodrel does not need to be elected to Congress to be successful, to feel challenged or to contribute. If we send Sodrel to Washington, D.C., it will be because he has reasons galore to stay home. Sodrel might win, in part, because he does not need to win. "It will be an interesting exercise," Sodrel said of his bid to unseat Hill, a two-term Democrat. Sodrel, of Floyd County, is 56 -- too old, he feels, to put off that long-mulled exercise any longer. He has handed to son Noah the management of his family's Jeffersonville-based trucking and motor-coach firms, Sodrel Truck Lines and the Free Enterprise System, respectively. That has freed him to introduce himself to fellow Republicans in the district. They will have met few like Sodrel, figures Greg Fitzloff, president of the Southern Indiana Chamber of Commerce, a group Sodrel has served as chairman. "I really do refer to him as a bit of a Renaissance man," Fitzloff said. "He's eclectic. He's got so many things he's interested in. And he's able to be good at all those things." ❖

Jack Colwell, South Bend Tribune-Sen. Evan Bayh, Indiana Democrat who played a key role in the successful bipartisan effort to pass a compromise version of the education bill, the president's No. 1 domestic priority, was singled out for praise by Bush at the Ohio ceremony. Bayh then traveled to LaSalle Elementary School in Mishawaka, where he returned the favor. "He's a nice man," Bayh said of Bush as he spoke to a class of Mishawaka first graders. And Bayh hailed what he called an historic effort to "make our schools the very best they can be."

Congressman Tim Roemer, D-South Bend, another key legislative negotiator, joined in celebrating the education bill success later in a Washington ceremony. Said Roemer: "Following months of extensive negotiations, Republicans and Democrats in Congress and the administration managed to avoid the tired, partisan politics of the past and craft the most significant reform of our nation's education system in a generation. The education bill demonstrates that when there is a will on both sides of the aisle to cooperate, bipartisan, common-sense solutions are possible." ❖

Sylvia Smith, Fort Wayne Journal Gazette - Are we watching the fade-out of the religious conservatives from partisan politics? Karl Rove, President Bush's closest adviser, told a conservative think tank recently that religious conservatives appear to be heading back to the sidelines of politics. "We may be returning to a point in America where fundamentalists and evangelicals and Pentecostals remain true to their beliefs, which are that politics is corrupt," Rove said. In fact, Rove said, the Bush campaign didn't do enough in the 2000 race to persuade religious conservatives to vote. He reached his conclusion by looking at polling statistics. Rove said there are 19 million religious conservatives, but only 15 million of them cast ballots. Based on those statistics, Rove concluded that the Bush team failed to rally the full support of religious conservatives. After all, the 2000 election was the most religion-focused in modern politics. Three of the four presidential and vice presidential candidates made their religious beliefs and roots a major part of their campaign rhetoric. If the religious right wasn't drawn to the polls in November 2000, they're not likely to vote any time soon. ❖

Kittle, from page 2

Kittle said he will "consolidate resources,...collaborate with counties and candidates to develop a cohesive statewide election plan." In a section titled "Empower County Organizations and Energize Our Base," Kittle advocates investing 100 percent of the personal license plate funds to the county parties in 2002. Kittle also vowed to raise \$500,000 for the four statewides, \$500,000 for key legislative races, "protect our current Congressional seats" and "target at least one Congressional candidate." He said the GOP should "develop the most accurate voter name lists."

Kittle bolstered his fundraising abilities by releasing a Dec. 20 letter from U.S. Sen. Bill Frist, R-Tenn., thanking him for raising \$400,000 in one night for the National Republican Senatorial Committee.

Kittle quoted President Lincoln in

the Blueprint's conclusion: "Things may come to those who wait, but only the things left by those who hustle."

Lohr said that Kittle addressed concerns over whether the party's social conservatives would have influence. "Based on my conversations with Mr. Kittle and Curt Smith, I have no doubt that the conservative Republicans will have a seat at the table and will play an essential role."

While Kittle appeared to have momentum, Early, who was to head back to Indiana from Florida this afternoon, cautioned against anyone thinking the race was over. If someone such as Murphy were to enter "he'd have some second ballot support," Early said. "It appears to be a one-vote lead, but how do you really know? They'll switch back and forth."

For Kittle, who said he began at "0-18," he's heartened by the swing thus far.



Senators, from page 5

ductive and rewarding as possible for our citizens."

Broder Kudos

Lugar's and Bayh's efforts have drawn praise from *Washington Post* political columnist David Broder, who has written three columns on Nunn-Lugar and one on the McCain-Bayh bill. On Nunn-Lugar: "The program was launched in 1991 by Sen. Richard Lugar, the Indiana Republican, and then-Sen. Sam Nunn, the Georgia Democrat, who between them

know almost everything worth knowing about America's national security." On McCain-Bayh: "The great feat of statesmanship is to turn catastrophe into opportunity. That is what John McCain and Evan Bayh hope to do, by converting the surge of patriotic energy unleashed by the terrorist attacks of (September) into a greatly expanded program of national service by young Americans."

But the advent of the campaign against terrorism doesn't mean that strictly domestic issues will be ignored. "We're going to have to learn to handle these agendas on parallel tracks," said Bayh. ❖

TICKER

T A P E

2003 and 4 cents in 2004. Rep. B. Patrick Bauer, D-South Bend, heads the fiscal-minded House Ways and Means Committee and was pessimistic about the 10-cent increase. "I don't know if you can add another tax to the list this session," he said.

DANIELS SAYS BUDGET SURPLUS WAS NEVER REALLY ALL THERE: Administration officials, who last year sold the tax cut on the basis of a 10-year estimate that turned out to be far off the mark, now say such long-range forecasts should be viewed skeptically. "Thirty percent [of the projected surplus] turned out not to be there," said White House budget director Mitchell E. Daniels Jr. (Glenn Kessler, *Washington Post*). "Ten months from now it may be 30 percent larger, for all I know. You have to ask yourself whether you are really informing the process or not" by using 10-year projections. ❖

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