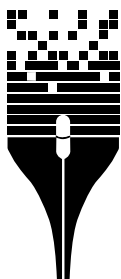


# The Howey Political Report



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**Brian A. Howey, publisher**

**Mark Schoeff Jr., Washington writer**

**Jack E. Howey, editor**

The Howey Political Report      Office: 317-254-1533  
PO Box 40265                      Fax: 317-254-0535  
Indianapolis, IN 46240-0265      Mobile: 317-506-0883

**brianhowey@howeypolitics.com**  
**www.howeypolitics.com**

Washington office: 202-775-3242;  
Business office: 317-254-0535.

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## “QUOTE” OF THE WEEK

“I’m not going to be casting votes to make anybody in the hallway happy. I’ll do what’s right to try and get this state fixed.”

- Brent Steele, the new Republican nominee in SD44, to the *Louisville Courier-Journal*

## Kernan, Daniels and the glass half ...

*Site Selection* magazine data contested

By **BRIAN A. HOWEY** in Indianapolis

It’s almost certain that in your living room, your doctor’s office, or on your dining room table you won’t find a copy of *Site Selection* magazine. Until this March, most Hoosiers had never heard of the publication.

But since it ranked Indiana No. 1 for its competitive business climate for 2003, it has become a centerpiece of Gov. Joe Kernan’s re-election campaign, mentioned in two Kernan TV ads. At the party convention on June 12, Lt. Gov. Kathy Davis said in her acceptance speech, “Joe Kernan decides and takes action. We make the right changes and we get results. Indiana has just earned the No. 1 ranking from *Site Selection* magazine. We’re recognized as the best state for business investment based on our economic climate, our outstanding system of higher education, and our low cost of doing business.”

In the March 2004 edition, *Site Selection* listed 102 new manufacturing facilities in Indiana for 2003, and 401 total facilities that expanded to create at least 50 new jobs or \$1 million in investment.

Those numbers were generated from two lists, one submitted by the Indiana Department of Commerce that detailed 50 “state-assisted projects,” and one from the Indiana Chamber of Commerce, which had sent a list of 700, of which 241 occurred in 2003. “The combined lists total of 291 is well short of the 401 figure cited by *Site Selection*,” said Daniels campaign manager Bill Oesterle.

The 102 new manufacturing projects were better than the 98 in New York, 51 in Texas, 22 in California, 39 in Florida, 68 in Michigan, 80 in Illinois, and 75 in Ohio.

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*HPR Forum Will Feature Dr. Larry Sabato  
on Oct. 1 at the Downtown Marriott*

# TICKER

## T A P E

**KERRY UP 3 POINTS IN RASMUSSEN TRACKING:** A Rasmussen Reports poll (6/23) of 1,500 likely voters nationwide, conducted over June 10-22, (+/- 3%) using an automated polling system, shows 47% would vote for John Kerry; 44% would vote for George Bush; 4% would vote for another candidate; 5% were not sure.

**KERRY COMING TO INDIANAPOLIS ON JULY 6:** Democratic presidential candidate John Kerry is scheduled to be in Indianapolis July 6 to address the worldwide convention of the African Methodist Episcopal Church, say church officials (Indianapolis Star). Kerry plans a morning appearance at the Indiana Convention Center, where about 30,000 church members will attend the event, which runs from June 30 to July 7, officials said Wednesday. "He's reaching out and trying to touch all the constituents in the nation," said Bishop Philip R. Cousin, who will become the senior bishop of the AME Church at the convention. "There's nothing wrong with appealing to faith-based groups and denominations." Kerry campaign officials wouldn't confirm the trip. Democrats Jimmy Carter, Bill Clinton and Al Gore addressed the AME Church during their presidential campaigns.

*Continued on page 3*

"It's absolutely inconceivable that Indiana, with a tenth of the population of some of those states, would out-perform them," Oesterle said. "There has been no change in business activity. There was no change in the business climate. There was a change in how the Chamber counted. It turns out they just counted differently."

*Site Selection* failed to return phone calls and e-mails to answer HPR's questions about its data base and criteria for its list.

### Shared database

Cindy Monnier, director of the Chamber's Business Research Center, provided *HPR* with the Chamber list, but when asked about how *Site Selection* came up with its final numbers, she referred *HPR* to Dennis Paramore of the Department of Commerce.

But in a May 11 e-mail to the Chamber staff, Monnier explained, "Indiana's rank in *Site Selection* magazine's Governor's Cup was around 30th in 1999, before I began to share our library's New Plants & Expansions database with them." Monnier also said, "I started giving Commerce our data about three years ago because I realized that they were only submitting those projects where the state had given financial support, about 30 (in 1999). Hundreds of other projects were not being submitted because no one was collecting it. This data was just what we had in our New Plants & Expansions database here. They accepted my offer to contribute and it has raised Indiana up into the top 10 ranking each year since."

When Paramore was contacted, he referred *HPR* to an article written by Dept. of Commerce Director Tim Monger that was published in *Indiana Business Magazine*. Of the No. 1 ranking, Monger explained, "It reflects the fact that in recent years we have taken significant steps to strengthen our business climate. Hoosiers should be proud because these actions were the result of bipartisan unity. Together, members from both parties in

the legislature, along with a diverse group of people from business, universities, education, labor unions and statewide associations, as well as the governor and lieutenant governor, took bold steps that have made Indiana stand out among its peers."

Monger's article takes issue with Oesterle's assessment that there has been "no change in business activity" in the only state to restructure its taxes in recent years.

Monger explained, "From our historic tax restructuring – which, among other things, eliminated the gross receipts tax and the inventory tax – to the unprecedented investments made through *Energize Indiana*, we have taken initiatives that will pay off for years to come. The outcomes speak for themselves. When Indiana stepped to the table, the private sector in turn invested nearly \$3 billion in 2003, compared to only \$900 million in 2002. Those investments were laid out in data that *Site Selection* used to determine its ranking of the states, data that included investments by new and expanding businesses of all sizes."

Monger also noted that last year Indiana reached a record \$16.4 billion in export sales, more than \$2 billion higher than the totals calculated in 2002. That puts Indiana at 12th in the nation for export sales and demonstrates the state's ability to compete globally.

Monger continued, "Some have expressed concern that the bulk of this investment came from existing Indiana companies. Yes, the state did pay attention to its 'existing customers,' and therefore strengthened our base in a way that earned us a first-place national ranking in a magazine read by 45,000 business executives, site consultants and economic developers worldwide. The qualified submissions to *Site Selection* included over 400 new and existing companies from life sciences, advanced manufacturing, 21st century logistics and technology. It should also be noted that the magazine selected only a few existing companies as examples.

Indiana's economic plan focuses on modernization as well as diversification of our state's economy."

### A marketing tool?

In the dog-eat-dog economic development warfare between the American states and various regions, it's hardly surprising that entities such as the Indiana Chamber and the Department of Commerce would seek to change the perception of Indiana as an economic rustbelt backwater.

Monger candidly acknowledges, "Others have classified this award as a mere marketing tool. Well, yes it is. And, we're marketing to 45,000 business executives, site consultants and economic developers worldwide, along with tens of thousands of others who will learn and read about this award. Does that diminish its significance and the bold steps Indiana took to earn the award? Hardly."

What's different about Indiana's No.1 ranking this year is that it has also become a political marketing tool for the Kernan campaign. That's what has gotten Oesterle's ire up. "There was no real audit of the data," Oesterle said. "*Site Selection* has not been willing to release its methodology." He said the Daniels campaign tried to subscribe to the magazine's database with the price going from \$200 to \$1,800 before it refused outright.

The Kernan campaign says Indiana Republicans are cherry picking the way they use the same data. "*Site Selection* magazine was good enough for Republicans when it had us near 50th in one of its other economic development rankings," said campaign spokeswoman Tina Noel. "The now defunct *Legacy of Neglect Web* site used a *Site Selection* ranking."

Noel continued, "This is a classic example of the Daniels campaign saying one thing, but doing another. They say they're positive -- that they're all about lifting Indiana up, and helping our compa-

nies grow and add jobs. But the minute something great happens to our state -- like being ranked No. 1 by a national magazine -- they tear it down. This ranking should be celebrated. It represents the hard work of Indiana's companies and their workers. And it's an honor that can be used to actually sell the state to potential companies, and yet the Daniels campaign insists on trying to poke holes in it and belittle what's been accomplished."

### Two ways to see things

Oesterle also complained that the two gubernatorial campaigns are being held to different standards. The *Indianapolis Star* criticized the Daniels campaign in a May 26 "Ad Watch" for a TV ad that said Indiana colleges were buying dorm furniture out of state.

Oesterle said the campaign never claimed that "all" of the furniture was being purchased outside the state. "But then Gov. Kernan is running ads saying that he has lowered property taxes for Hoosier families and cut taxes for businesses. Was it for *all* Hoosier families? Ask the people of Lake County about that. Did he cut taxes for *all* Hoosier businesses? These are sweeping statements that are being held to different standards."

The week after Daniels ordered the Indiana GOP to pull its *Legacy of Neglect* website, Indiana Democrats released an e-mail on Wednesday (*Mitch Daniels says he's "Aiming Higher," but what does that really mean for Hoosiers?*) referencing published reports on Daniels role at OMB and the "higher federal deficits, higher spending and higher tax burdens on Hoosiers."

What Hoosiers are witnessing is a classic "glass half empty/half full" debate about the performance of Gov. Kernan's administration and the case Daniels is making for change.

The way the often three-dimensional data is used ends up in one-dimensional 30 second perceptions. ❖

## TICKER T A P E

**NADER WON'T BE ON INDIANA BALLOT:** Hoosiers looking for another choice in this fall's presidential election won't see Ralph Nader's name in the voting booth, says the independent candidate's state coordinator (Post-Tribune). "We're not going to make the ballot in the state," said Dallas Stoner, 27, of Indianapolis. Stoner said Indiana's Nader committee only has about 9,000 signatures. Thirty-thousand signatures are needed to get Nader's name on Indiana ballots. Stoner said more than 6,000 other signatures were stolen from an Indianapolis headquarters. He said he did not report the theft to police, already frustrated by problems with authorities. Between the theft and stringent third-party signature laws, Stoner said he feels demoralized. He said he is thinking of moving to Canada after the elections. "We're not in America," said Stoner. "There's no change going on in this state."

**FOUR FIRED AT BMV:** The Indiana Bureau of Motor Vehicles disclosed Wednesday that it has fired four employees and two others have resigned from an Indianapolis license branch that is the target of an internal investigation into "gross mismanagement." The agency fired

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branch manager Anna Herron, team leader Paula Jenkins and customer service representatives Rasheeda Bigbee and Cheryl Bailey, who worked at the license branch at 4064 Meadows Parkway. Customer service representatives Cindy Guillaume and Tresa Ellis, who were suspended pending the outcome of the investigation, resigned. In April, the BMV announced that an internal audit discovered that money apparently had disappeared from the branch (Indianapolis Star).

**INDIANA POPULATION STABLE:** Indiana's largest cities and townships have held their ground in terms of size nationally since the 2000 Census, despite some turbulent economic times, census data released today shows (Evansville Courier & Press). The state's 20 largest cities and towns remained stable in the nationwide rankings, said Carol Rogers, associate director of the Indiana Business Research Center. "It's a positive that of our 20 largest cities and towns, none of them changed rank," said Rogers. "On the other hand, some of them did lose population." Indianapolis has gained more than 1,700 residents since 2000 and remains the 12th-largest city in the country, according to estimates released by the U.S. Census Bureau. Evansville

*continued on page 5*

## Oesterle surveys the Daniels-Kernan race

INDIANAPOLIS - Mitch Daniels campaign manager Bill Oesterle sat down with HPR on Tuesday and surveyed the field. HPR plans to conduct a similar interview with the Kernan campaign's Bernie Toon.

**HPR:** Could you respond to Bernie Toon's comments in the *Fort Wayne Journal Gazette* that the Daniels campaign has never responded to the debate, how you're going to pay for programs, and the clean campaign pledge?

**Oesterle:** I contacted their campaign last week. I left a message for Bernie, a detailed message, and I've heard no response. So that's flat inaccurate. It's a misrepresentation. Our response to the fair campaign pledge is we are now disclosing more about campaign finances than anyone in the history of gubernatorial elections in Indiana. Mitch recently reined in surrogates for messages he didn't think were consistent with his style. Mitch pledged in the primary the type of campaign he was going to run and the response is in his actions. They are consistent with a fair and clean campaign. That's going to continue to be the case. He's leading by example. As for proposals, we're happy to provide details on costs.

**HPR:** The Kernan campaign is saying that the abatement proposal Daniels made last winter did not contain costs, and they say it will cost the state \$1.2 billion. Do you agree with that?

**Oesterle:** No. That's grossly overstated. There are two things about that. Their use of the word "cost" is a misnomer. They've grossly overstated what that number would be and they failed to include the benefits side which vastly outweighs any costs..

**HPR:** What would the benefits side of the equation be?

**Oesterle:** We think it would impact the collection of property taxes to the tune

of \$300 million. They're saying it would be \$1.2 billion. We believe that over a 10-year period, that would result in over \$2 billion in economic benefits and additional tax revenue for the state. From a cash flow standpoint, you get a bunch of that activity in year one. You get jobs, you get new income taxes, you get additional properties and additional investments. That's for new activity.

**HPR:** Have you seen the opposition research that was distributed at the Democratic convention?

**Oesterle:** No, I haven't seen that.

**HPR:** Put that into perspective, since Gov. Kernan labeled the *Legacy of Neglect* "trash."

**Oesterle:** They desperately want to portray Mitch as negative. They started before he announced his candidacy that he would be negative. It just doesn't ring true with the voters who are watching his

actions. His commercials have set a positive, optimistic tone for the campaign. Our primary campaign was run on a positive tone. The appointment of Kip Tew as state chairman - they've put the pit bull of the Democratic Party in that role. That's indicative of the direction they may take this campaign.

**HPR:** The *Legacy of Neglect* was basically a compilation of published newspaper articles on the O'Bannon-Kernan administrations. What do you believe is fair game in addressing the public policy record of the administrations over the past eight years and how it is displayed in a political environment?

**Oesterle:** We are now at a point in the campaign where the description of the Kernan record or the depiction of the condition of the state is going to be in Mitch's voice. The Kernan campaign was quick to point out, 'Well, the *Legacy of Neglect* was out there for seven months.' There was also a brochure that was to be distributed at our convention that we stopped.

# HPR

## INTERVIEW

We had to pull it out of 3,000 bags the delegates were going to get. It was produced without our knowledge. We stopped it. We said that this is not consistent with how Mitch will deliver his messages. We don't think it is appropriate. Before it got into anyone's hands, we pulled it out. Kernan had a chance to do that with the talking points. He's done none of that in his campaign. Mitch is going to work very hard for civility in this campaign.

**HPR:** Where do you think the line should be drawn for a legitimate public policy debate and making the contrasts? Published reports?

**Oesterle:** That's pretty much our criteria. If you've got third party validation, this is about *I knows it when I sees it* kind of thing. It's one thing to criticize their actions; it's another to criticize their motivations. Mitch has made it pretty clear that's a line he is not going to cross.

**HPR:** Will the Daniels campaign press Gov. Kernan on his role within the O'Bannon administration, where his seat was at the table?

**Oesterle:** Yes, certainly. Mitch has already addressed that throughout the course of this campaign. The voters have to be able to decide, based on the governor's job performance as lieutenant governor and as chief economic development officer, did he do a good job or did he not? It's like a company performance review that goes to whether a person keeps a job. It's not personal.

**HPR:** Have you studied Evan Bayh's 1988 campaign and how he took on the eight years of Orr-Mutz?

**Oesterle:** I was working on Bob Orr's staff and my roommate was a speech writer for John Mutz.

**HPR:** Bayh attacked the Orr-Mutz record on the Suburu plant in Lafayette, the license branches, and came out with the no new tax pledge a year after the A-Plus education tax increases. Fair game?

**Oesterle:** Bayh had to make the case for change. His entire campaign was "It's time for a change." In order to do that is you have to state the status quo and

say why it's not effective. That is a legitimate role of any candidate.

**HPR:** Did Evan Bayh cross the line in his race against Mutz?

**Oesterle:** I've gone back and looked at things he did. But I can't think of any examples where we've said, "Bayh did this and we're not going to do that."

**HPR:** Bart Peterson said in 1999 that dynasties usually don't go down quietly; that they often screech to a halt.

**Oesterle:** The press is saying it's going to be dirty and negative. There's no way that has to be the case. Campaigns are about contrast and stimulating the debate. Campaigns can deteriorate, but Mitch's intent is to keep that from happening.

**HPR:** What debate format would you prefer?

**Oesterle:** The Kernan campaign proposed three. That sounds good to us. We'd like to have them out and about the state. Mitch would prefer something that isn't sound-bite oriented.

**HPR:** Give an overview of your campaign and where you expect to be on Labor Day.

**Oesterle:** We got a lot of momentum out of the primary, the selection of Becky Skillman and Pat Miller. The convention went very well. His speech was very well received. People seem to be energized. On any one of those things, something could have gone wrong. And Mitch's reception on the road: we thought we'd hit a lull, but it's gotten more energetic. That all feels real good to us.

**HPR:** It's my perception this race is within the margin of error. Agree?

**Oesterle:** Yeah. There's been five polls other people have done ... and four of them were within the margin of error.

**HPR:** Does that surprise you?

**Oesterle:** Yes, but it's a pleasant surprise. Running as a challenger, keeping an incumbent under 50 percent and within the margin of error ... that's all you want. That's right where you want to be, under 50 percent and within the margin of error.

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## TICKER T A P E

took the biggest hit, losing nearly 3,300 residents between 2000 and 2003. But Rogers said many of them may have moved to nearby unincorporated towns or suburbs, following a growing trend of suburban sprawl. Fort Wayne, South Bend and Kokomo also saw slight declines in population, according to the estimates. Rogers attributed some of the heavier losses, in places such as Evansville and Hammond - which lost nearly 2,300 residents - to job cuts. In fact, Indiana's population as a whole grew to an estimated 6,195,643 in 2003, up 0.63 percent from 2000 estimates. "We have not lost rank since Census 2000, so that's good," Rogers said. "Relatively speaking, things remained pretty stable." Rogers emphasized that the new data were not official and can be challenged by the cities. "For a lot of these cities and towns that are losing population, they'll be heartened by the fact that tax money is based on the census, not estimates," Rogers said. Towns near Indianapolis saw the most significant gains, including Fishers (up 9,200 residents), Carmel (4,500) and Noblesville (4,000).

**STEEL INDUSTRY EXPECTS TO HIRE:** Fortified with new respect on Wall Street that translates into cash, the stronger steel companies

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# TICKER T A P E

will soon be on the prowl for new companies to buy both nationally and internationally (Post-Tribune). That likely will create a second wave of consolidations, financial analysts predicted Wednesday at the 19th annual Steel Success Strategies conference in New York this week. While the consolidations most likely will cause some layoffs, representatives of two companies with locations in Northwest Indiana said the job market should be opening up here for the first time in decades. "I expect to start hiring in the next couple of years. We're looking into a hiring program for engineers," said Rodney Mott, CEO of International Steel Group, which has locations in Burns Harbor and East Chicago. Dave Allen, spokesman for Ispat Inland in East Chicago, also said the company would look to add qualified employees in the next few years after a number of lean hiring years. He said the mill did not hire a single person from 1981 to 1999, but now with a large chunk of its work force getting close to retirement, it needs to replenish its force.

**INDIANA POLLUTANTS UP 7 PERCENT:** The volume of pollution released by Indiana industries increased almost 7 percent in 2002, although emissions of cancer-causing toxins declined

## 2004 Racing Form

**TREND LINE:** Let's talk about the 2007 elections. The roots of the next Indianapolis mayoral race could be in the 2004 governor's race. Marion County Republicans are convinced the City-County Council vote to take \$300,000 out of Prosecutor Carl Brizzi's budget and put it in the public defender's budget is a political payback for Brizzi's BMV and FSSA investigations. "Gov. Kernan and Mayor Peterson are trying to intimidate Carl Brizzi," Republican Chairman Mike Murphy told *HPR* on Tuesday. What appears to be setting up is a Brizzi challenge to Peterson in 2007.

## HORSE RACE

## Indiana 2004 Gubernatorial, Statewides

**Governor 2004: Republican:** Mitch Daniels. **Democrat:** Gov. Joe Kernan.

**Libertarian:** Kenn Gividen. **1996 Results:** O'Bannon (D) 1,075,342, Goldsmith (R) 997,505, Dillon (L) 35,261. **2000 Results:** O'Bannon (D) 1,230,345, McIntosh (R) 906,492, Horning (L) 38,686. **2004 Forecast:** Daniels announced two new proposals to raise ethical standards in state government and hold those accountable who act contrary to the public good. Monday in Fort Wayne, Daniels proposed the following policies: Forfeiture of Public Retirement Monies by Corrupt Officials - Public servants who steal from the government, defraud the public, or act in a manner that renders their public service dishonorable, will be subject to full or partial forfeiture of their public pension or retirement benefit. Daniels said Indiana law should also bar registered lobbyists from serving on non-advisory boards and commissions. "We must do everything possible to restore the public's trust in state government," said Daniels. "It's not just the performance standards in state government that we must raise; we must raise the ethical standards as well. Our state government has been tolerating a host of practices that are not permitted in other states." Daniels also announced Monday his campaign will release all donations on a weekly basis via an online database starting Monday. Candidates last turned in campaign finance reports April 15 and aren't scheduled to do so again until Oct. 15. Daniels thinks that leaves voters in the dark too long. "I was surprised how rarely contributions have to be disclosed at the state level," he said. "I'm not trying to be holier-than-thou. I'm just trying to have a standard of openness." Spokesman Marc Lotter said the new feature will just be a report detailing contributions. It will not include a running tally of how much money the campaign has on hand or what they have spent. Lotter did say Daniels has raised almost \$8 million to date. Daniels also said he is not pushing Democrat Gov. Joe Kernan to follow suit. "I'm not saying anyone else has to imitate it," he said. "I won't be critical if they don't. They're living up to the laws as we have them now." Gov. Joe Kernan is airing a new 30-second TV ad beginning last weekend (*HPR*). Kernan explains in the ad, "The economy has been very difficult, but we have set the stage for us to be able to be very successful at putting Hoosiers back to work and putting them to work at good jobs." An announcer then says, "Joe Kernan cut taxes for Indiana businesses to create jobs; changed state policy to give 2,400 Indiana companies greater opportunities to win state contracts; and now, Indiana has been recognized as one of the best states in the nation at competing for business investment and jobs." Last week, Kernan proposed three small-business initiatives. He said he is working with the Indiana Department of Commerce to create the Office of the Small Business Advocate. The staff would be charged with tracking ways to reduce unnecessary regulations on small businesses. They would also help small companies tap into loans and grants and tell them about health insurance options (*Evansville Courier & Press*). The office would be in addition to the Business Action Team Lt. Gov. Kathy Davis announced Monday that would help businesses navigate state regulations. Kernan also revealed that the commerce department

is working to develop a certificate program for worker training. Under the program, employees could earn certificates for learning new skills while the companies where they work could get a state payment of \$50-\$100 per worker who earns a training certificate. The program is scheduled to be ready this fall. And lastly, he heralded a web site, dubbed "Buy Indiana," that should be up and running in July that will list Indiana vendors so that companies can buy in-state. "Small businesses employ almost half of Indiana's work force," Kernan told a gathering of biotechnology executives (*Louisville Courier-Journal*). "Small businesses are at the front end of innovation and entrepreneurship." Daniels called the initiatives "trivial." He told the Evansville Courier & Press, "The governor was responsible for jobs for eight years in this state. All these problems have been visible and getting worse for all of the eight years. The folks who created this problem are probably not the folks to clean it up. We have very large problems and this administration shoots BBs over and over." Kernan and Indianapolis Mayor Bart Peterson joined the Indianapolis Airport Authority board and executives of AAR Corp. to announce that a portion of the Indianapolis Maintenance Center will be leased by the Indianapolis Airport Authority to AAR Aircraft Services, Inc. It could create 800 new jobs by 2009. "This is exciting news for all of Indiana," Gov. Kernan said. "We are thrilled that AAR has the vision to see the value of establishing a presence here at the Indianapolis International Airport. This world-class maintenance facility and a well-trained workforce right here in Central Indiana are assets to AAR's long-term business goals." **Status:** *Tossup.*

**Superintendent of Public Instruction: Republican:** Supt. Suellen Reed.

**Democrat:** Susan Williams. **2000 Results:** Reed (R) 1,181,678, McCullum (D) 814,658, Goldstein (L) 81,722. **2004 Forecast:** The *Terre Haute Tribune-Star* editorialized last Friday: Sometimes politicians can be far too clever - and far too sneaky - for their own good, let alone that of the voting public. That's certainly the case of a plan by Gov. Joe Kernan and Indianapolis City-County Councilwoman Susan Williams. It seems that Kernan and the Indiana Democratic Party are intent on having Williams, 59, run for state superintendent of public instruction. Not a bad choice, considering her background in education. She would oppose Republican Suellen Reed, who is seeking a fourth term. Now get this. Williams promises to resign if she wins. That feint would allow whoever takes the governor's race, Kernan or Mitch Daniels, to pick his own schools chief. Some in government think that's the way things should be, that the schools job should be appointed - not elected, as now required by Indiana law. Their argument: the closeness with which the governor and superintendent of instruction must work. Making the highest public schools office an appointed position - literally a political plum - seems a strange way to insulate the job from politics. We like having the voters make choices about who will run our schools. But that may not happen much longer anyway. In the 1980s, a bill to make the schools job an appointed position failed by only a vote or two in the state Senate. Some say a similar bill today would be approved. That may be so. And that's the way to make legitimate change - not with a win-and-then-resign scheme." **Status:** *Likely Reed.*

## Indiana 2004 Congressional

**Congressional District 2: Republican:** U.S. Rep. Chris Chocola. **Democrat:** Joe Donnelly. **Geography:** South Bend, Michigan City, Mishawaka, Elkhart, Kokomo, Plymouth, Logansport; LaPorte, St. Joseph, Starke, Marshall, Pulaski, Fulton, Cass, Carroll and parts of Howard, Porter, Elkhart and White counties. **Media Market:** South Bend-Elkhart, Indianapolis, Lafayette, Chicago. **People:** Urban/rural 73/27%; median income \$40,381; Poverty 9.5%; Race 84% white, 8% black; 5 Hispanic; Blue/white collar: 34/50%. **2000 Presidential:** Bush 53%, Gore 44%; **Cook Partisan Voting Index:** R+5; **2002 Result:** Chocola 95,081 (50%), Long Thompson 86,253 (46%); **2004 Forecast:** Donnelly is concentrating on raising money that could determine whether he has a real chance to upset Chocola (Jack Colwell, *South Bend Tribune*). Mike Marshall, Donnelly's campaign manager, says the DCCC wants Donnelly to hit the \$400,000 plateau in fund-raising by the June 30 close of the next campaign finance reporting period. The DCCC can help Donnelly with all-out targeting

## TICKER T A P E

for the fifth year in a row, according to a federal inventory released Wednesday (*Indianapolis Star*). The state ranked sixth in the nation with more than 221 million pounds of pollutants released into the air, land and water, compared with 207 million pounds in 2001, when the state ranked seventh, according to the U.S. Environmental Protection Agency's Toxics Release Inventory.

**SUPREME COURT HEARS LAKE COUNTY TAX CASE:** Indiana Supreme Court justices wrestled with whether the independent reassessment of Lake County was constitutional, as they heard oral arguments on the lawsuit brought by the Miller residents (*Post-Tribune*). As is customary, the justices took no action from the bench, but Chief Justice Randall T. Shepard promised to act promptly to resolve whether the lawsuit can continue, or whether homeowners will have to go back to square one and appeal before the Indiana Tax Court. The justices are caught between two of their own decisions — their 1998 ruling in the St. John case that declared the old assessment system unconstitutional and the South Bend Kimsey case prohibiting special legislation. Their 1998 ruling eventually led Tax Court Judge Thomas Fisher to set a

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statewide deadline to have a new assessment system in place for taxes due in 2003. Hoping to stay out of Tax Court and delay future bills with the new assessment figures, the Miller Citizens Corp. argued the 2002 law that allowed the independent reassessment of Lake County was special legislation, which was deemed illegal by the high court in the 2003 Kimsey decision. "It sounds like the statute does contradict Kimsey, but the legislature didn't know it at the time," said Justice Frank Sullivan, speaking to Toby Jerrells, the deputy attorney general arguing the case for the government.

**HAMMOND COUNCILMEN REIMBURSE CITY:** Two City Council members have reimbursed taxpayers for a portion of their trip to San Antonio, Tex., this year, a trip on which they spent more than \$3,700 to attend a seminar called "Guarding the Public Checkbook." Councilmen Alfonso Salinas, D-2nd, and Homero "Chico" Hinojosa, D-6th, each submitted checks for \$106 to the Controller's Office on Friday, after being informed The Times of Northwest Indiana would run an article about the trip Sunday. The amount represents the cost of the councilmen's April 25 stay at the Adam's Mark Hotel, where they had traveled for a National League of Cities seminar on good government practices. Their attendance at the seminar, which

from the national level, as it seems poised to do, or pull back in support and concentrate resources elsewhere if Donnelly doesn't appear to be getting within striking distance. Reaching or topping that goal is so important, and not just to please the DCCC, that Marshall has come up with a series of June 30 "taking back the House parties." At 100 sites around the district, hosts of the parties will seek to raise \$1,000 each, thus collecting at least \$100,000 in a single night in order to top the goal. **Status:** *Leans Chocola.*

**Congressional District 8: Republican:** U.S. Rep. John Hostettler. **Democrat:** Jon Jennings. **Green Party:** Clark Gabriel Field. **Geography:** Evansville, Terre Haute, Greencastle; Posey, Vanderburgh, Warrick, Gibson, Pike, Martin, Daviess, Knox, Sullivan, Greene, Owen, Clay, Vigo, Vermillion, Parke, Putnam, Warren and part of Fountain counties. **Media Market:** Evansville, Terre Haute, Indianapolis. Lafayette. **People:** Urban/rural 58/42%; median income \$36,732; poverty 10.7%; race white 93.7%, black 3.7%, Hispanic .9%; blue/white collar: 32/52%. **2000 Presidential:** Bush 56%, Gore 42%; **Cook Partisan Voting Index:** R+8. **2002 Results:** Hostettler 98,952 (51%), Hartke 88,763 (46%), **2004 Forecast:** Hostettler had some tough talk about the U.S. Supreme Court and federal courts with regard to abortion and marriage laws. (*Linton Daily Citizen*). Hostettler said he feels the landmark Roe v. Wade decision that allowed abortions could be overturned very easily by the Congress with passage of a bill now being considered in the House. "There is a bill that has been introduced by Rep. Duncan Hunter of California and it refers to the 14th amendment which gives Congress the authority to determine rights. Not only at a federal level, but at a state level. The 14th amendment was the basis for all of the civil rights acts that took place in the 1870s until today. So what the bill does is reaffirms the 14th amendment which says no state shall deprive a person of life, liberty or due process of law. It defines a person and life at conception. That bill would grant a civil right to pre-born human person." Hostettler said. "I think that is good legislation and I am co-sponsoring it. It would effectively overturn Roe v. Wade without a constitutional amendment. We don't need a constitutional amendment to overturn Roe v. Wade." Jennings expressed his disappointment late yesterday after House Republicans shamelessly attached a rider to a vital Defense Department appropriations bill that increased the national debt ceiling to nearly \$700 billion. "The irresponsible tax cuts given to millionaires and multi-national corporations have already turned a budget surplus into the largest budget deficit in our nations history." **Status:** *Tossup.* ❖

## Indiana 2004 Legislative

**Senate District 44: Republican:** Brent Steele. **Democrat:** Open. **2000 Results:** Skillman (R) 33,125. **2004 Forecast:** Steele won the caucus over former Orange County auditor John Noblitt. (*Louisville Courier-Journal*). No Democrat filed to run before the primary in May but Democrats still can appoint someone to the ballot. A social and fiscal conservative, Steele said yesterday that he is most immediately interested in fixing the state's financial problems. Indiana currently faces a budget deficit of nearly \$1 billion. "We're at a critical time in our state's history." Steele said. "I don't mind spending money on a program, but if you're broke, you can't spend money on anything. You've got to prioritize." Steele said he's always wanted to run for the Senate and was planning a bid in 1992 when his father -- who had held the seat decades before -- was diagnosed with cancer. So he put that goal aside and served as Skillman's campaign manager. When she won, Steele said he thought he might never have another chance. "I knew she'd be elected as long as she wanted to serve," he said. After his father died, Steele ran for and won a seat in the Indiana House in 1994 and served eight years. During his first campaign, Steele pledged to support term limits. Although the legislation never passed, Steele said in 2002 that he still believed in them and so he opted not to run again. During his tenure in the House, he spearheaded an effort to allow judges and juries to punish a defendant with life in prison or the death penalty if they tortured or mutilated victims before killing them. He also drafted a law that requires insurance companies to pay for breast reconstructive surgery for women with breast cancer. "I'm not going to be casting votes to make anybody in the hallway happy." he said, referring to lobbyists. "I'll do what's right to try to get this state fixed." **General Status:** *SAFE STEELE* ❖



# COLUMNISTS ON INDIANA

**William Safire**, *New York Times* - "Panel Finds No Qaeda-Iraq Tie" went the Times headline. "Al Qaeda-Hussein Link Is Dismissed" front-paged the *Washington Post*. The AP led with the thrilling words "Bluntly contradicting the Bush Administration, the commission... ." This understandably caused my editorial-page colleagues to draw the conclusion that "there was never any evidence of a link between Iraq and Al Qaeda..." All wrong. The basis for the hoo-ha was not a judgment of the panel of commissioners appointed to investigate the 9/11 attacks. As reporters noted below the headlines, it was an interim report of the commission's runaway staff, headed by the ex-N.S.C. aide Philip Zelikow. After Vice President Dick Cheney's outraged objection, the staff's sweeping conclusion was soon disavowed by both commission chairman Tom Kean and vice chairman Lee Hamilton. "Were there contacts between Al Qaeda and Iraq?" Kean asked himself. "Yes . . . no question." Hamilton joined in: "The vice president is saying, I think, that there were connections . . . we don't disagree with that" — just "no credible evidence" of Iraqi cooperation in the 9/11 attack. The Zelikow report was seized upon by John Kerry because it fuzzed up the distinction between evidence of decade-long dealings between agents of Saddam and bin Laden (which panel members know to be true) and evidence of Iraqi cooperation in the 9/11 attacks (which, as Hamilton said yesterday, modifying his earlier "no credible evidence" judgment, was "not proven one way or the other.") But the staff had twisted the two strands together to cast doubt on both the Qaeda-Iraq ties and the specific attacks of 9/11: "There have been reports that contacts between Iraq and Al Qaeda also occurred after bin Laden had returned to Afghanistan, but they do not

appear to have resulted in a collaborative relationship." Kean and Hamilton have allowed themselves to be jerked around by a manipulative staff. ❖

**Michiko Kakutani**, *New York Times* - As his celebrated 1993 speech in Memphis to the Church of God in Christ demonstrated, former President Bill Clinton is capable of soaring eloquence and visionary thinking. But as those who heard his deadening speech nominating Michael Dukakis at the 1988 Democratic National Convention in Atlanta well know, he is also capable of numbing, self-conscious garrulity. Unfortunately for the reader, Mr. Clinton's much awaited new autobiography *My Life* more closely resembles the Atlanta speech, which was so long-winded and tedious that the crowd cheered when he finally reached the words "In closing . . ." The book, which weighs in at more than 950 pages, is sloppy, self-indulgent and often eye-crossingly dull — the sound of one man prattling away, not for the reader, but for himself and some distant recording angel of history. The nation's first baby-boomer president always seemed like an avatar of his generation, defined by the struggles of the 60's and Vietnam, comfortable in the use of touchy-feely language, and intent on demystifying his job. And yet the former president's account of his life, read in this post-9/11 day, feels strangely like an artifact from a distant, more innocent era. Lies about sex and real estate, partisan rancor over "character issues" (not over weapons of mass destruction or pre-emptive war), psychobabble mea culpas, and tabloid wrangles over stained dresses all seem like pressing matters from another galaxy, far, far away. ❖

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ran from April 22-24, represents 30 percent of all council travel expenses in 2004. Under the city travel policy, officials can be reimbursed for a hotel stay the night a seminar ends - but not the night after. That the city paid for it was a clerical error, according to the council's administrative staff.

**KERNAN SEEKS NCLB CHANGES:** Gov. Joe Kernan today urged members of Indiana's congressional delegation and U.S. Department of Education Secretary Rod Paige to make improvements to the federal No Child Left Behind Act to better reflect individual student and school progress. In the letter, which was sent to Paige, both of Indiana's U.S. Senators and the state's nine members of the U.S. House of Representatives, Kernan focused on three areas of concern, and cited measures included in Indiana's Public Law 221 as examples of ways to enhance NCLB. First, the governor asked that the definition of Adequate Yearly Progress be expanded so that equal weight is given to continuous improvement of students and schools. Currently, NCLB does not provide the flexibility for schools to measure improvement in student performance from one year to the next. In contrast, P.L. 221 measures continuous school improvement over time by using a rolling three-year average. It also allows for both improvement and performance to be used in determining a school's success.

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"Additionally, the focus on continuous improvement challenges all schools - including high performing schools - to ensure that all students improve each year," Kernan said. Second, the governor said that NCLB, for AYP purposes, fails to measure success based on each student's progress. Currently, NCLB compares student performance with that of students at that grade level in the previous year. Kernan points out that P.L. 221 called for comparing the performance of the same group of students from one year to the next. "I urge the Administration and Congress to allow states that can track each student's performance to adopt a value-added model for AYP focused on the progress of individual children," Kernan said. "NCLB's laudable goal of 'leaving no child behind' cannot be met when the same students are not followed over time." Last, the governor asks that additional flexibilities be considered to help ensure that the progress of students with disabilities is being measured fairly.

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# PERHAPS... WE WANDER

By Brian Howey

## War and not enough words

The true contrasting emotions of war in the 21st Century hit home this past week.

There was the photo -- a shocking photo -- of four U.S. soldiers lying dead in the dirt streets of Ramadi following a Monday morning ambush by Iraqi insurgents. Their bodies, stripped of helmets and flak vests, were sprawled out along a concrete barrier. Any Baby Boomer growing up in the '50s and '60s, as I did in the dunes of Michigan City, knew the poses all too well as we played out our imaginary battles with the Germans and the Japanese.

For the Greatest Generation, it might have reminded them of the January 1943 photo by *LIFE's* George Strock, who captured for eternity three Marines dead on the beach at Buna with their wrecked landing craft nearby. It was one of the first photos of dead Americans allowed to be released to the public by the War Department and it shocked the nation. *LIFE* commented when it ran the photo, "Words are never enough."

Gen. Douglas MacArthur was so moved that he ordered Gen. Robert Eichelberger into the fray, telling him, "Take Buna or don't come back alive." It took Eichelberger another month and 787 American lives to capture Buna.

**The Ramadi photo** came several months after a photographer took unauthorized photos of coffins in an air transport craft, coming home to Dover AFB. This past week the U.S. Senate upheld the coffin photo ban. "The Bush Administration's policy of barring news photographs of the flag-covered coffins of service members killed in Iraq won the backing of the Republican-controlled Senate on Monday, when lawmakers defeated a Democratic measure to instruct the Pentagon to allow pictures," the *New York Times* reported.

If the Ramadi photo was sad and sobering, the Indiana public policy commu-

nity received some good news this week when State Rep. Scott Reske did come home ... alive, unlike 20 other Hoosiers. Reske, a Marine reserve pilot, had spent 90 days on active duty and was stationed near terror-ridden Fallujah.

Reske told *Anderson Herald-Bulletin* reporter Ken de la Bastide, "We traveled everywhere in convoys, which was the time we were most vulnerable to attack. It was more dangerous than I expected. There were rocket and mortar attacks nightly in the area."

**Reske told of traveling** to meet with provincial governors. "They knew when we were traveling with a general," he said of the Iraqi insurgents. "There were times they tried to mortar the convoy the general was traveling in. One time I was observing a roadside patrol when a bomb placed alongside the road exploded. Another time we had just passed through an American checkpoint in Baghdad. About 15 minutes later we heard a big explosion. I could feel it in my chest, that's how big the blast was." Reske said they later learned that Izzedine Salim, president of the Iraqi Governing Council, had been killed in the May 17 attack.

Deputy Defense Secretary Paul Wolfowitz told Congress on Tuesday, "I'm not sure how having many more troops would have helped us to root out these elements of the old intelligence service. They are killers. Let's recognize that they are, instead of trying to figure out where we did something wrong to create them. We didn't."

All this reminded me of Reske's 2002 vote for tax restructuring when he noted with some humor the irony of legislative colleagues telling him it took "courage" to take the controversial stand.

I believe I speak for the Hoosier public policy family when I say we are relieved that Reske, a lawmaker who actually went to war, is home once again. ❖