



### Health, energy costs putting locals on property tax edge

*Cities, schools under the gun; legislators may pay price*

By BRIAN A. HOWEY in Middlebury, Ind.

The fool's errand in Indiana politics is the notion that closures of tiny BMV branches impacting a miniscule portion of the population will be the driving issue in the 2006 elections.

This past Tuesday, much of the Statehouse press corps was focused on BMV outcry. But the real action that will have a huge impact on next year's elections began playing out at the local level this past week.

Across the Hoosier prairie, cities, towns, counties and school corporations began hashing out 2006 budgets that will be finalized by late September, and there the real issues are beginning to surface above the denial in considerable detail.

As HPR stated last spring, the political "crisis" isn't Social Security or BMV closures. It will be health care, energy, and property taxes from a "pass the buck" state biennial budget, with the overall backdrop being the war in Iraq. With four incumbent House and Senate Republicans already



Mayors Steve Luecke of South Bend, Graham Richard of Fort Wayne and Bart Peterson of Indianapolis will be on the front lines of property tax battles. Also photoed is former Evansville Mayor Russell Lloyd. (HPR Photo)

facing primary challenges from local officials, the stage is set for more angst and anger from citizens that could fuel additional challenges.

Mark Miller, finance director for the Tippecanoe School Corporation in Lafayette, summed it up Wednesday night, quoted in the Lafayette Journal & Courier as saying, "The state said 'You go back locally and you raise the tax rate.' And you'll hear that a couple more times tonight." TSC announced a 3 cent increase in its tax



**"The state said 'You go back locally and you raise the tax rate.' And you'll hear that a couple more times tonight."**

— Mark Miller, finance director for Tippecanoe School Corporation, to the *Lafayette Journal & Courier*

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

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Subscriptions:  
\$350 annually HPR via e-mail;  
\$550 annually HPR & HPR Daily Wire.  
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rate.

Wednesday's *HPR Daily Wire* is indicative of the pressures that will come to bear on the Indiana House Republican majority. East Allen Schools in Fort Wayne, Johnson County and the LaPorte City Council all were grappling with budget dilemmas fueled by skyrocketing health insurance costs.

**For East Allen Schools, health insurance** claims now average about \$930,000 a month, \$160,000 more a month than a year ago, according to business manager Ron Emrick (*Fort Wayne Journal Gazette*). Also included in the budget are several areas that likely will cause taxes to increase for property owners in East Allen. Legislation adopted by the General Assembly this year gave school districts the option of increasing property taxes to pay for textbooks, transportation, utilities and insurance. EACS plans to take advantage of those opportunities. Emrick said he doesn't know yet what the tax rate will be next year, but it will likely go up.

The Johnson County commissioners are dealing with a \$1.9 million health insurance bill.

And at a LaPorte City Council meeting, Mayor Leigh Morris said there's an estimated 74 percent increase in health insurance from 2001 to 2006 and the city is still an estimated \$160,000 over budget for 2006 (*LaPorte Herald-Argus*). "No one likes what we are doing. No one is happy with this budget. It's not what we wanted to present to you," Morris told the employees, mostly firefighters and police officers. "But we've been dealt a deck of cards we have to play with, and the cards don't give us the revenue we need to operate the city the way we would like."

If you're an incumbent legislator, the mere mention of cushy health care benefits for life and a lucrative \$4 to \$1 match in pension payments is enough to produce a May 2006 nightmare and potential upset.

**Adding fuel to that fire are, literally, gasoline** prices that are 40 percent higher than they were a year ago. Oil prices raced above \$65 a barrel early Thursday as tightening U.S. gasoline supplies added to anxiety over refinery snags and stability of crude supplies in the Middle East and North Sea (*Reuters*). U.S. light sweet crude for September delivery was down 37 cents to \$64.53, after touching a record-high of \$65.30 a barrel in premarket electronic trade. Prices first touched \$65 a barrel on Wednesday, before settling at \$64.90, a bumpy 2.9 percent rise, and the contract's highest settlement on record.

"Gasoline inventories are down against last year. We have enough stocks for the winter but not for the summer. Therefore for the time being, prices should be at very expensive levels," said Tetsu Emori at Mitsui Bussan Futures.

## Peterson set for HPR Forum

Indianapolis Mayor Bart Peterson has agreed to appear at the HPR Forum - *Building a 21st Century Indiana* - on Oct. 4th at the downtown Hilton Hotel.

Peterson will participate in a panel discussion exploring local government consolidation efforts. Also committed to that panel is Fort Wayne Mayor Graham Richard.

Indiana Supreme Court Chief Justice Randall Shepard will be the HOPR Forum's keynoter, and Gov. Mitch Daniels will speak on his administration's reform efforts.

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**[jackhowey@howeypolitics.com](mailto:jackhowey@howeypolitics.com).**

The problem here for Republicans - both legislative and congressional - is that the Bush-Cheney leadership is an unprecedented grip on power from the same sector of the economy: energy. Or, more significantly, big oil. Never before in the history of the presidency has a president and vice president come from the same economic sector. With gas costing \$2.50 a gallon, compared to \$1.80 a year ago, Hoosier motorists are facing \$40 to \$75 fillups and city, county and school transportation budgets are being blown.

The emergence of China and India as energy guzzling economic powerhouses, and instability from Venezuela to Saudi Arabia and the hurricane-racked Gulf of Mexico, has created the second of the three-pronged fork sticking the posteriors of city and county council members in places like Indiana.

**The answers they face are cutting** services or raising tax rates. Anderson announced it was laying off 12 cops this week; Lafayette is pink slipping four employees.

LaPorte Council Member Timothy Stabosz said the city can no longer be saddled with such a huge economic burden in covering much of the employees' premiums. "It's painful that we have to talk about it. The council has to face the reality. We've got to freeze those costs," he said (*LaPorte Herald-Argus*).

Where's the pain threshold? Some legislators will have 10 months to figure out that answer. ❖



## With Stig and Pastrick gone, a new era in Region politics

By BRIAN A. HOWEY

WHITING, Ind. - For many Hoosiers, the "Region" is an area of the state at the western end of the Indiana Toll Road or the northern terminus of Interstate 65 ... a gritty swath of steel mills, smokestacks, commuter train lines, fuel refineries and massive power towers.

But below the Interstate decks are things the uninformed would not expect: emerald golf courses atop former slag heaps; modern marinas; and the quaint neighborhoods of Whiting.

It is critical piece of the Indiana puzzle. As the Region thrives, as it did in the 1940s and '50s when it was a crucial cog in the arsenal of democracy, so does Indiana. And when it falters, as it did with the oil crises



of the 1970s with the first dramatic restructuring of the steel industry, Indiana pays a huge price. The record tax increase Gov. Robert Orr had to order up in December 1982 came about, in part, because of the loss of tax revenue when the mills began downsizing and laying off mill workers.

Over the past year, the changes in the Northwest Indiana Region have taken on a particularly acute human dimension. Late last year, after the Indiana Supreme Court ordered a new mayoral election in East Chicago due to rampant vote fraud, George Pabey went on to end the four-decade long career of Mayor Robert A. Pastrick.

Four months later, when Lake County Democratic Chairman Stephen Stiglich twice couldn't muster a quorum for re-election to that post, he was replaced by Commissioner Rudy Clay of Gary - the first chairman who didn't list an East Chicago address since the 1970s; the first African-American to hold the powerful post.

**Last month, Stiglich died of congestive heart failure.** And, thus, ends one of the most fascinating political rivalries in Indiana history. As was Frazier to Ali, so was Stiglich to Pastrick. They were both bitter rivals and sometime allies. Their 1999 mayoral primary race inspired Chris Sautter's fascinating documentary, *"The King of Steeltown"* and a cascading array of indictments, prison terms and fugitive flight from America.

There were other external pressures that doomed the Pastrick-Stiglich grip on power. In 2004, I described it as "the systematic emasculation of the Lake County Democratic

machine, its impact every bit as dramatic as Evan Bayh's assault on the Indiana GOP machine in 1986-88."

**There was District Attorney Joseph Van Bokkelen** executing his "zero tolerance" of public corruption. There was Attorney General Steve Carter, a Crown Point native, who invoked RICO statutes against Pastrick, alleging that East Chicago city government was essentially a criminal enterprise. Attorney General Carter teamed with Democratic Lake County Prosecutor Bernard Carter to crack down on voter fraud with a new list of charges coming just hours after Stiglich's death. There was Secretary of State Todd Rokita, a Munster native, who orchestrated a voter file purge that resulted in 70,000 of 340,000 Lake County voter registration validation forms coming back as "undeliverable mail." And there was Gov. Mitch Daniels, who beginning as a candidate took aim on the political and economic front. His message has been that Lake County will always have problems attracting good jobs until its corrupt government is rectified.

In the wake of the Pastrick-Stiglich fall from power, a good portion of the vacuum appears to have been filled by the new Republican governor, which qualifies for the "Who'd a thunk it" file.

He chose the Chicago-Gary Airport to sign the first "regional government" legislation that paved the way for a new Indianapolis Colts stadium and convention center, as well as the Northwest Regional Development Authority.

**"We are all in this together," Gov. Daniels said.** "When Northwest Indiana is fully flourishing, it's going to be good for the entire state." Gov. Daniels says this, not only in the Region, but I've heard him tell it to folks from Rockville to Greenfield.

About a month later, when he was pushing the stadium tax in Hamilton County (the Republican stronghold that now single-handedly crosses out Democratic gubernatorial pluralities in Lake County), Gov. Daniels told a retired East Chicago steelworker in the Noblesville audience that Van Bokkelen was "the greatest economic development tool in the Region."

Daniels had interesting allies from the Region in getting the RDA through: U.S. Rep. Pete Visclosky and State Rep. Chester Dobis, both Democrats from Merrillville. When the RDA finally passed, it was the Republican governor who was the catalytic engineer behind what could be the biggest package of bacon ever to hit the Region.

State Rep. Earlene Rogers, D-Gary, said, "The airport was on first, the railroads were on second, buses were on third and the governor came up to the plate and hit the home run."

Gary Mayor Scott King - no longer a Democrat - said,





"The biggest challenge we're going to have is making (this) tool work. We've been given an opportunity. No excuses. Make it work."

Now there is the Lake County Republican Chairman John Curley, trying to organize the state's third-largest pool of GOP voters, calling for a county convention on Oct. 8 to build up a precinct organization that is driven by wit and flesh-press-

ing, not concrete.

The winds of change now flowing across the political landscape of the Region aren't coming off the Lake Michigan coast. The political ramifications, while speculative today, are a potential sea-change from the days when Pastrick and Stiglich called the shots.



## Bayh, Souder targeting Chinese trade practices

By MARK SCHOEFF JR.

WASHINGTON--Concern about China's growing economic clout has produced strange political bedfellows in the Indiana congressional delegation while local Hoosier development officials seek to strengthen the state's ties to Asia.

Rep. Mark Souder (R-3rd CD) and Democratic Sen. Evan Bayh are advocating similar bills that would enable the United States to place countervailing duties on Chinese products that are illegally subsidized by the country's government.

The House version was approved 255-168 in late July just before the body passed the Central America Free Trade Agreement by two votes.

Bayh is continuing to build support for the Senate version of the bill. Souder said that the anti-subsidy legislation had been rattling around the House for a couple years but that Bayh's support has given the issue new momentum.

"Bayh had the clout to move it to the next level in the Senate," said Souder. "Because he's been very aggressive on the China issue, this bill may become law and have more teeth in it."

Like many of their Capitol Hill colleagues, Bayh and Souder are frustrated by what they say are China's unfair trade practices, including maintaining an artificially low currency. The U.S. has a \$162 billion trade deficit with China.

GOP Rep. Mike Sodrel (9th CD) blames China for the loss of manufacturing jobs in southeast Indiana.

In the spring, Bayh put a hold on then-Rep. Rob Portman, whom President Bush had tapped to be U.S. Trade Representative. He lifted his block on the nomination after getting a pledge from Portman to visit Indiana manufacturers who are hurt by Chinese subsidies. Meg Keck, Bayh's spokeswoman, said that Bayh is trying to schedule a time for Portman's trip.

### **Hoosier Development Officials Visit Asia**

While Souder and Bayh were raising red flags about

## *PoliticsNH.com, James Pindell to joining HPR's Bayh coverage*

MANCHESTER, N.H. - *The Howey Political Report* has entered into a news sharing arrangement with *PoliticsNH.com* in its coverage of the presidential campaign of U.S. Sen. Evan Bayh.

James W. Pindell is the Managing Editor and Political Reporter for *PoliticsNH.com*, New Hampshire's Online Political Network and will file reports.

Before relocating to New Hampshire, he was a reporter and statehouse bureau chief for the *Dominion Post* in Morgantown, W.Va. He was a staff writer for the *Des Moines Register*, where he covered the 2000 Iowa presidential caucuses, working for David Yepsen. He was also a staff writer for the *Indianapolis Star* and *American Outlook* magazine.

James received his B.A. from Drake University and his M.S. from the Columbia University Graduate School of Journalism. He is a native of New Castle, Ind. ❖



Pindell

China, Hoosier economic development officials visited Japan and Taiwan last week as part of a 78-member delegation led by Gov. Mitch Daniels.

The trade mission helped business and community leaders develop relationships that might lead to Asian direct investment down the road.

The trip gave Gary Nielander, executive director of the Steuben County Economic Development Corp., a chance to visit the headquarters of Tokairiko, which owns a Toyota parts supplier in Ashley. "It shows Tokairiko that we're serious about partnering with them and helping them expand," he



said.

In Japan, William Wylam, corporate director-technology at Remy International in Anderson, had a chance to promote his company's work on electrical systems for hybrid cars. While the delegation was there, Japan announced that it would raise North American production targets for the new vehicles. "We'll be interested in following up with contacts in that area," said Wylam.

Japan was Indiana's fifth-leading trade partner in the fourth quarter of 2003, a year in which the state ranked 12th in the nation in exports.

In several communities, Japan has a substantial economic presence. Columbus is home to 17 Japanese companies, including an operation that makes Toyota forklifts for the North American market and employs 700 people. Arvin-Sango, a joint venture that manufactures exhaust systems, has 700 workers at its Madison plant. Six Japanese companies or joint ventures in the Fort Wayne area account for between 1000 and 2000 jobs.

### Starting to Reach Out to China

The Hoosier delegation spent a day in Taiwan but didn't visit mainland China. Trip participants said that China is at an earlier stage of development than Japan. Despite its massive population, its economy is smaller than its neighbors. For the moment, China is seeking licensing agreements and technology partnerships with U.S. companies rather than building manufacturing facilities here.

Indiana communities want to plug into China as the economic behemoth comes of age. "What we want to do is get into the technology network in China the way we got into the manufacturing network in Japan," said Brooke Tuttle, president of the Columbus Economic Development Board.

Economic officials want to be prepared if China starts to invest in the United States on the Japanese scale. "It's best to start laying the foundation, and that was part of the reason for the trip to Taiwan," said Rob Young, president of the Fort Wayne-Allen County Economic Development Alliance.

Although frustration with China is boiling over on Capitol Hill, politics doesn't affect the efforts of Indiana communities to establish links to the country. "That rhetoric goes on at a high level and we're working at the company level," said Tuttle.

Still, China does not enjoy Japan's status as a U.S. ally, which clouds perceptions of the country. But at one time, Japan was widely criticized for its trade practices.

"Didn't we have that kind of discussion about Japan 25 years ago?" said David Terrell, executive director of the Madison-Jefferson County Economic Development Corp. "As

a source of foreign direct investment, (China) needs to be explored."

Most development is done case-by-case, and the political atmosphere is one aspect taken into account. But economic officers said they work well with the Hoosier congressional delegation.

"Whenever there's a question or need on our part, it's answered quickly and completely by either our elected officials or their staff," said Young. ❖

## Hillary, Guiliani Lead Poll; Bayh at 5 percent

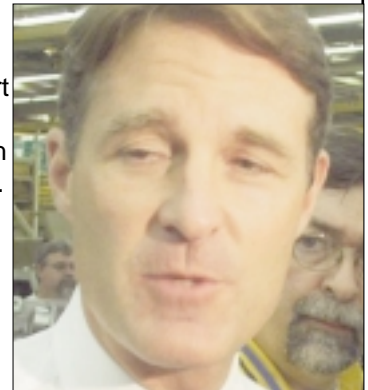
Senate Majority Leader Bill Frist is in the middle of the pack of prospective 2008 Republican presidential candidates, according to a USA Today-CNN-Gallup Poll released yesterday (*Tennessean*).

Among registered Republicans polled, Frist was fourth of nine potential candidates measured, with 9% of those surveyed saying they would be most likely to support him. Former New York Mayor Rudolph Giuliani was first, with 27%, followed by Arizona Sen. John McCain with 24%. Secretary of State Condoleezza Rice was third with 19%.

Among registered Democrats, New York Sen. Hillary Rodham Clinton led the field with 40%, more than twice the support for Massachusetts Sen. John Kerry.

**Sen. Evan Bayh trails the pack** in a new poll that tested support for eight possible Democratic presidential candidates (*Indianapolis Star*). Bayh was one of four potential candidates backed by 5 percent or fewer of respondents in the poll released Monday.

Bayh shouldn't be discouraged by the results, said Larry Sabato, director of the Center for Politics at the University of Virginia. "It's a perfectly good poll for measuring name ID," Sabato said. "But it has next to nothing to say about what will happen during the primaries and caucuses in 2008. John Kerry was a blip on the screen until January of 2004." ❖



Sen. Bayh



## Peterson, Hill, Ellsworth to assume big IDEA roles

By BRIAN A. HOWEY

FRENCH LICK -- The Conrads, O'Bannons and Kernans will still be here when the Indiana Democratic Editorial Association convenes for the 126th time, Aug. 25 - 27.

But for the first time in 16 years, there will be no Democratic incumbent governor presiding over the event. And it will be the party's potential future - Baron Hill, Brad Ellsworth and Bart Peterson - who will be leading the bill.

Hill and Ellsworth, the presumed Democratic nominees in the 9th and 8th Congressional Districts, will headline the IDEA's annual Saturday night dinner on Saturday, Aug. 27. Hill is planning a third rematch with U.S. Rep. Mike Sodrel, who defeated the Democrat by less than 1,500 votes in 2004. Ellsworth is the Vanderburgh County sheriff planning a challenge to U.S. Rep. John Hostettler.

Former congressman and 9/11 Commissioner Lee Hamilton will be honored with the Frank O'Bannon Public Service Award at an 8 a.m. breakfast on Saturday.

Later that same day, Indianapolis Mayor Bart Peterson will preside over the annual luncheon.

This is a shift from the normal fare over the past generation when Lt. Govs. O'Bannon and Joe Kernan hosted the noon event.

Peterson, should he decide to pursue it, is considered by many Democrats to be the leading 2008 challenger to Gov. Mitch Daniels. Going into 2005, many expected Peterson to be content in seeking a third term in 2007 and skip a 2008 challenge to Daniels. He was widely seen as a potential U.S. Senate candidate, particularly if Sen. Evan Bayh receives a White House job promotion. Former Lt. Gov. Kathy Davis, Evansville Mayor Jonathan Weinzapfel, and State Sen. Vi Simpson would be seen as possible 2008 gubernatorial contenders.

But Gov. Daniels wrested control of the Colts stadium

construction from Peterson (and, thus, much of the bonding contracts that are now flowing to Republican-friendly law firms), and the GOP-controlled legislature gutted Peterson's Indy Works consolidation plans.

Many Democrats are now openly talking about a Peterson challenge. The opening stage would be his proxy role in the 2006 race between Marion County Prosecutor Carl Brizzi and Peterson protege Deputy Mayor Melina Kennedy. Others believe the Brizzi-Kennedy race could be a precursor to a potential Brizzi challenge to Peterson in 2007.

**In all these scenarios,** Peterson is the biggest Hoosier Democrat this side of Evan Bayh.

The danger Peterson faces in a 2008 gubernatorial challenge would come if he is the incumbent mayor. Police scandals in 1974 and 1996 played a role in scuttling bids by Mayors Dick Lugar and Stephen Goldsmith in U.S. Senate and gubernatorial races.

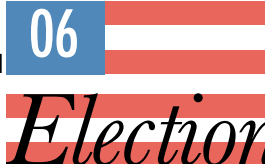
Peterson and Sen. Simpson are close and would be inclined to close ranks behind whoever would decide to challenge Gov. Daniels.

With Hill and Ellsworth heading the Saturday night bill, the party is signalling its intention on challenging U.S. Reps. Sodrel and Hostettler in 2006.

Former Gov. Joe Kernan is expected to attend the event. House Democratic Leader B. Patrick Bauer and Sen. Simpson (with the young Democrats) are hosting hospitality suites.

Reservations can be made by contacting the French Lick Springs Resort at 1-800-457-4042 and request one of the following IDEA weekend packages. You may also purchase a room only. A

block of rooms has been reserved until Aug. 19th. Please make sure to tell reservations that you are with the IDEA and/or the Indiana Democratic Party group when reserving your room or package. PACKAGE A includes Friday and Saturday lodging, 9th District Bar-B-Q, Saturday Mayor Peterson Lunch, Saturday Congressional Dinner. \$325 for a single, \$196 per person for a double. PACKAGE B includes Friday and Saturday lodging, Saturday Mayor Peterson Lunch, Saturday Congressional Dinner. \$310 for a single, \$181 per person for a double. ❖



Former congressman Baron Hill (left) will be one of two featured speakers at the IDEA convention Saturday Aug. 27. Hill is shown here at a 2004 campaign rally with Columbus Mayor Fred Armstrong. (HPR Photo)





## Indiana 2006 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 Result:** Chocola 140,496 (54%) Donnelly (D) 115,513 (45%) **2006 Forecast:** Chocola is taking on those who condemn the treatment of detainees by American soldiers at Guantanamo Bay with a bit more gusto after visiting the embattled base last week. "If members of the House or Senate have issues with (Guantanamo), I'd tell them they should go. Seeing is believing," Chocola told the *Michigan City News-Dispatch*. "I don't think any critics, except (Massachusetts Senator Ted) Kennedy have been there." Chocola, R-Bristol, and five other members of Congress traveled to the U.S. Naval base in Cuba last week to get a firsthand look at how detainees are treated by American soldiers. Several complaints have come to light about alleged abuse at the prison, which holds "enemy combatants" captured in Afghanistan during the war on terror. Chocola said Wednesday he toured the facility and ate lunch with several sailors, soldiers and Marines, and saw what he called "very professional procedures" and "no evidence of abuse." "Detainees were treated with dignity and respect," he said. "They were treated in a very humanitarian way." Chocola voted for CAFTA, the Central American Free Trade Agreement, as it survived just barely in a 217-215 vote in the House (Jack Colwell, *South Bend Tribune*). If the Bristol Republican had instead voted "no," a 216-216 tie would have killed the trade bill signed into law last week by President Bush. Well, maybe. With the president personally lobbying for the agreement and House Republican leaders putting on pressure for support, some reluctant House member somewhere likely would have switched to provide a decisive "yes."



The chairman of the budget-approving House Ways and Means Committee joked -- sort of -- that highway appropriation requests of GOP representatives could be affected by their votes on CAFTA. Chocola wasn't pressured. He was firmly in support of the trade agreement. He explains his view of why this trade agreement was in such jeopardy: "The biggest fault with CAFTA is that it rhymes with NAFTA." Indeed, trade agreements have a bad image these days, with NAFTA, the North American Free Trade Agreement, denounced by critics, especially in organized labor, as costing jobs in this country. Chocola notes that some critics actually blame NAFTA for outsourcing of jobs to China and India, even though no known maps show either of those countries to be in North America. Chocola wasn't in Congress when NAFTA was approved with considerable bipartisan support at that time, including the backing of President Clinton. So, he doesn't want to revisit that past debate. He says new trade agreements should be evaluated on their own merits. And he regards free trade as too important for the nation's economy to have new efforts rejected because of dislike, right or wrong, for some past legislation. "CAFTA is good economically for Indiana," Chocola contends. He notes backing for it by both the Indiana Farm Bureau and the Indiana State Chamber of Commerce. Those organizations saw the agreement as meaning more Indiana exports to Central American nations and the Dominican Republic. Organized labor sees it instead as likely to result in job losses in this country, with businesses moving more work to other nations with cheaper labor and less concern for worker health and the environment. Joe Donnelly, who is likely again to be Chocola's Democratic opponent in the 2006 election, also has denounced CAFTA, linking it with NAFTA, and not just in terms of rhyme. Donnelly hit earlier at CAFTA as part of trade policy that would encourage the shift of jobs to other places with lower worker and environmental standards. **Status:** *Leans Chocola*

**Congressional District 8:** Republican: U.S. Rep.

John Hostettler. Democrat: Vanderburgh County Sheriff Brad Ellsworth. **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 Results:** Hostettler 145,576, Jennings (D) 121,522, Garvin



(Green) 5.680. **2006 Forecast:** When the House of Representatives approved the Central American Free Trade Agreement 217-215 early Thursday morning, 27 Republicans crossed party lines to oppose it (*Evansville Courier & Press*). Rep. John Hostettler was one of them. Hostettler also voted against free trade pacts with Australia, Singapore and Chile. All these agreements were negotiated by the administration and offered to Congress through what has been known as "fast-track approval," which means Congress can't tinker with the provisions. Hostettler said that is contrary to what the framers of the Constitution wanted. The representatives, who are closer to the voters, were to make trade treaties, he said. But Hostettler said even beyond that matter of principle, he thinks CAFTA is a bad deal for the United States. "Even given the fact that trade with these Central American countries is very beneficial to them, even with that, we are seeing a rise (in illegal immigration)," Hostettler said. Before NAFTA, he said, there were 1 million undocumented Mexican workers in the U.S. Now there are almost 6 million, plus their children. "NAFTA hasn't been the end all and be all to the Mexican economy," Hostettler said. "The grass seems to be greener north of the Rio Grande." **Status:** *Leans Hostettler*

## 2006 State Races

**House District 20:** Republican: State Rep. Mary Kay Budak, LaPorte School Trustee Tom Dermody. Democrat: Open. **2002 Results:** Budak 12,551, Gillon (L) 2,540. **2004 Results:** Budak 12,944, Spevak (D) 10,013, Schadowsky (L) 1,038. **2006 Forecast:** Faulkner Strategies announced Tuesday the signing of Dermody in his upcoming primary election challenge of State Rep. Mary Kay Budak for the District 20 seat. "Tom is an exciting candidate that we are really looking forward to working with," said Angela Faulkner, President of Faulkner Strategies. Based on a thorough assessment of the district, Faulkner Strategies will be providing strategic direction in the campaign aimed at Republican primary voters. In commenting on his race, Dermody said, "I am in to win and want professional direction for my effort. I

have the utmost respect for Mary Kay's long years of service but the people of this area are looking for new direction." Faulkner Strategies Consulting is a division of Target Strategies, LLC. Faulkner Strategies operates an extensive voter contact and consulting business from their headquarters in South Bend. **Primary Status:** *Tossup*

**House District 48:** Republican: State Rep. Timothy Neese, Elkhart County Council President John Letherman. Democrat: Open. **2002 Results:** Neese (R) 10,251, Carter (D) 5,248. **2004 Results:** Neese (R) 18,241. **2006 Forecast:** Faulkner Strategies announced Monday the signing of Neese. He is expecting a primary challenge from Elkhart real estate agent, John Letherman. "Tim is one of the most honest and sincere people I've ever met in this business. He truly is a servant of the people," said Angela Faulkner, President of Faulkner Strategies. Based on a thorough assessment of the district, Faulkner Strategies will be providing strategic direction in the campaign, which includes developing a targeted message aimed at Republican primary voters, designing an aggressive get-out-the-vote program and maximizing the effectiveness of the large army of volunteers already geared up to work for Neese. In commenting on his race, Neese said, "I don't take anything for granted. My supposed opponent hasn't quite gotten off the fence yet on his decision to run, but if he does decide to do it, I'll be ready. That's why I've retained Faulkner Strategies. I'm in this race to win." **Status:** *Leans R.*

**State Auditor:** Republican: Richard Mourdock, Marion County Clerk Doris Ann Sadler, Deputy Auditor Jeff Heinzmann. Democrat: Open. **2002 Results:** Nass (R) 824,358, Huston (D) 587,484, Parisi (L) 49,030. **2006 Forecast:** Heinzmann had a fundraiser attended by about 50 people last night, including Auditor Connie Nass. Peter Rusthoven spoke about the pending nomination of John G. Roberts to the U.S. Supreme Court. **Republican Convention Status:** *Likely Mourdock*



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## Leslie Stedman Weidenbener, *Louisville*

*Courier-Journal* - Gov. Mitch Daniels has become increasingly clear about where he stands on the issue of video-gambling machines like the Cherry Masters that are operated unlawfully in so many bars, social clubs and truck stops across Indiana. Legalizing and regulating them, he said recently, is his preferred choice. But during the campaign, Daniels' primary message was that the state shouldn't continue to let the machines operate illegally. Either the law prohibiting them should be enforced or it should be eliminated, he said. Daniels also said then that he generally opposed an expansion of gambling, which might seem to make the choice obvious: Enforce the law. But that's not the way Daniels -- as well as a number of legislators and retailers -- see it. Daniels said earlier this month that legalizing video-gambling machines would not mean an expansion of gambling. After all, he said, thousands of the machines (more than 10,000 by some estimates) operate illegally now in many -- if not most -- counties in Indiana. Making them legal would let the state -- likely the Hoosier Lottery -- regulate them, ensure fair payoffs and keep some of the profits. It also would mean that hundreds of Hoosier business owners no longer would have to operate in fear of losing their liquor licenses, paying fines or going to jail. In fact, Daniels said, legalizing the machines could reduce their numbers because they would be controlled. That could indeed be the case. But that doesn't mean there would be a reduction in the number of gamblers or the amount of money Hoosiers lose in the machines. ❖

## David Rutter, *Post-Tribune* - Stephen "Bob" Stiglich

is gone. The man passes; a man should be mourned. Even one who was far from perfect, as are we all. But a political boss is gone, too. The one who bought "pals" with knowing schmooziness and other currencies more tangible. Some of us do not mourn that character's exit. I always wondered who Bob Stiglich was when he wasn't a political boss. Just a grandpa, or a kindly friend, or a man of deep religious faith? I only knew one "Stig," the one I didn't admire that much. The last time I saw Stiglich in person, he made my eyebrows arch. He was sitting with editors in a chummy let's-all-be-pals meeting and promising, as a senior member of the County Election Board, to make local elections honest, as opposed to what they had been. Yes, sir, that's what we'll do. He was all piety and schmoozy affability. We were his buddies. We're all in this together, right, guys? This was Stiglich's perfect domain -- the back-slapping, chummy scrum of guys who run things. The ones who know "what's up." It was a chilling performance if you paid attention. ❖

## Stephanie Salter, *Terre Haute Tribune-Star* - Like

many print journalists, I am predisposed to mistrust and resent people from the TV end of the news media, especially those in the national television arena. People fawn all over them; they make 100 times the salary of newspaper reporters; they seem to do nothing more than show up and turn on the camera to get people to talk to them; and their hair is always absurdly perfect. I tried very hard to mistrust and resent Peter Jennings, but I gave up within six minutes of meeting him. So gracious. So witty. So curious. So self-deprecating. So breathtakingly gorgeous. Like millions of Americans and Canadians, I can't quite wrap my mind around the idea that Jennings' life on Earth is over. ❖

## Karen Francisco, *Fort Wayne Journal Gazette* - A

proposal completed last month to consolidate city and county government calls for an elected 15-member Metro Council to replace city and county councils and a mayor to oversee the countywide executive branch responsibilities of the current mayor and county commissioners. But before anyone gets too excited, too angry, too worked up -- that's a proposal for Evansville city government and Vanderburgh County government, approved July 12 by the Evansville-Vanderburgh Unification Study Committee. In spite of fevered interest as recently as a year ago, consolidation efforts in Fort Wayne and Allen County have not only failed to produce a proposal, they seem to have stalled somewhere near Grabill. Last December, Sen. David Long, who sponsored legislation in 2004 to allow local government restructuring, suggested that "everyone's taking a deep breath" before moving ahead. That deep breath came after rural Allen County residents showed up by the hundreds at a Grabill town meeting to protest Long's bill, which they perceived as a threat to their way of life. The Fort Wayne Republican withdrew his legislation, settling for another bill that established the Local Government Efficiency and Financing Study Commission. The hope was that the commission would oversee the efforts of charter government groups in Allen and Vanderburgh counties. Vanderburgh is about to begin a marketing campaign to push for General Assembly approval of a countywide referendum. Meanwhile, its Allen County counterpart is regrouping. The Charter Government Study Group continues to meet "infrequently," according to member Kirk Kimmish, who voices frustration about what he sees as lack of interest on the part of city and county officials and about decisions that threaten to make it more difficult. From an outsider's perspective, however, the consolidation push seemed to die when opposition boiled over. ❖





## Indiana adds 26,000 jobs

INDIANAPOLIS - The Indiana Department of Workforce Development released revised June and preliminary July 2005 payroll employment figures for the state today. Indiana's seasonally adjusted job figures revealed a revised June total of 2,970,200 jobs, while July preliminary figures reported a total of 2,968,200 jobs. Ron Stiver, Commissioner for the Indiana Department of Workforce Development, stated, "Indiana has added 26,900 jobs over the past year, however we still remain approximately 46,500 jobs shy of our peak reached in May of 2000.



## Counties get time zone notice from DOT

WASHINGTON - The governor's office was advised today that the United States Department of Transportation (DOT) has released for publication in the Federal Register the expected notice outlining the process to be followed for counties who wish to petition DOT for a change from their current time zone boundaries. In addition to the Federal Register notice, DOT is sending the notice to local officials in the 77 counties affected by the legislation. Public officials will have until September 16, 2005 to submit a petition for a change in time zone to the DOT. Gov. Mitch Daniels has directed his Legislative Director, Jennifer Thuma to provide assistance to any counties seeking guidance on navigating the process provided by DOT. The notice is in response to requests made by Governor Daniels and the General Assembly to initiate proceedings to hold hearings on the location of the boundary between the Eastern and Central Time

Zones in Indiana, and follows a July 15 letter from U.S. Secretary of Transportation Norman Mineta to Gov. Daniels. The notice is attached and also can be accessed by logging on to the U.S. Department of Transportation's Web site: <http://dms.dot.gov>.

## Evansville soldiers to depart for Iraq

EVANSVILLE - Friday morning, shortly after 8 a.m., local Indiana Army National Guard troops will say goodbye for the last time before heading to Fort Dix, N.J., for pre-Iraq war training. Nearly all of the 155 Iraq-bound troops of the 163rd Field Artillery will be sent off from the Guard Armory on the Lloyd Expressway by a delegation of high-ranking military dignitaries and a crowd expected to number in the hundreds.

## United closes Fort Wayne Call center; 80 idled

FORT WAYNE - As part of its strategy to emerge from bankruptcy, United Airlines announced it will close a call center in Fort Wayne in May (*Fort Wayne Journal Gazette*). The call center, at 7030 Pointe Inverness Way, employs 80 hourly workers.

## Pastrick name stripped from East Chicago marina

EAST CHICAGO - The Robert A. Pastrick Marina no longer exists. While some 286 boats still anchor in the bay at Jeorse Park and boatwrights and mechanics still polish their craft in the adjacent dry dock facility, they're now at the East Chicago Marina (*Times of Northwest Indiana*). Directors of the city's Port Authority unanimously voted to change the marina's name last week. It's already official -- federal, state and local officials have been notified, and changes to highway signs pointing to the marina are in the works, Marina Director Richard Novak said

Wednesday. "All the cities around here have marinas which bear the name of their city," Novak said. "The board thought ours should, too."

## North Lake County tax rates declining

GARY - Some relief is in store for property owners who have suffered under some of Lake County's highest tax rates (*Times of Northwest Indiana*). Most Gary residents will enjoy a 6.2 percent decrease in their tax rates, which still soars at \$8.31 per \$100 assessed value. Hammond residents can expect a 3 percent rate decrease, Whiting residents a 1 percent drop, and East Chicago rates will go down by half a percent. East Chicago City Attorney Carmen Fernandez, said, "We are still working hard at bringing the rate down. Slowly but surely we will get where we need to be."

## Wolkins addresses eminent domain

INDIANAPOLIS - The Supreme Court specifically authorized states to impose restrictions on eminent domain, the government's authority to take property and compensate the owner (*Louisville Courier-Journal*). That was good news to Rep. Dave Wolkins, a Winona Lake Republican who is chairman of the committee. He has sponsored legislation the past two sessions to prevent local governments from taking private property from one owner and transferring it to another for development, such as a new industrial plant, a shopping mall or more expensive housing. But opposition, in part from local officials, stymied Wolkins' efforts, and lawmakers ultimately agreed to create the committee to study the issue. "We're going to look at all aspects of eminent domain," Wolkins said before a crowd of about 100 people yesterday.

