



# Daniels' jobs motherlode

## Honda, Major Moves cap stunning week

By **BRIAN A. HOWEY**

INDIANAPOLIS - One of President Ronald Reagan's favorite quips was, "You ain't seen nothin' yet."

His one-time political director, Gov. Mitch Daniels, could have said the same thing on Wednesday and Thursday of this week, capping an unprecedented display of economic bravado by closing a 2,000 job Honda plant in Greensburg and then receiving a record \$3.9 billion for the consortium leasing the Indiana Toll Road.

Minutes after flying back from Lakeville, where Daniels, seven state legislators, mayors and county commissioners celebrated a federal OK to proceed on the U.S. 31 freeway, Daniels walked into the Indiana Finance Center - seven floors above the recalcitrant Indiana Democratic Party - to put the capstone on one of the most extraordinary financial fetes of any state in the union.

"We will quadruple the amount of new road building," Daniels told the gathering of legislators, business and



Gov. Daniels enters the Indiana Finance Center as Tom O'Donnell of the Indiana Building Trades Council applauds. Indiana received \$3.9 billion for its leasing of the Indiana Toll Road, capping an incredible two days for Hoosiers. (HPR Photo by Thomas A. Howey)

labor leaders and the news media. "Projects that might

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## Pence, Bush talk immigration

INDIANAPOLIS - A day after a Utah congressman easily won a tough primary campaign with the challenger using the fizzling immigration issue, U.S. Rep. Mike Pence made his first trip to the Oval Office to push his compromise plan with President Bush.

The scheduled 20-minute meeting stretched to almost an hour.

"I took it as a good sign that the administration was taking a serious look at our no-amnesty approach to immigration reform," Pence told the **Columbus Republic**.

"The President repeated his appreciation for my willingness to take the lead on this issue in the House. He seemed to be quite taken with the fact that a prominent House conservative would be willing to step forward with a workable solution."



"While the governor would like us to to believe that this is a great deal for all of Indiana, it's really not. Some communities may benefit, but not those in Northern Indiana."  
- State Sen. Karen Talian



Conservative House Republicans, including Pence, have said the President's plan, which includes a guest worker facet, amounts to amnesty, which they oppose.

"He didn't think that was amnesty and I said to the President of the United States, in the Oval Office, very respectfully, that I thought it was," Pence said.

White House spokesman Alex Conant said the approximately 40-minute meeting, which was at Bush's request, shows "that active conversations on immigration reform are very much under way. The President was in a listening mode" (**Indianapolis Star**).

"My definition of amnesty is if an illegal immigrant can get right with the law without leaving the country. I think it undermines the rule of law and the spirit of the law."

Pence said it is usually not good form to debate the President in the Oval Office, but he said the president realized that Pence's plan was closer to a majority opinion in Congress than the president's own.

Pence's plan, which is in draft form and has not been submitted as a bill for consideration, would set up private "Ellis Island" centers outside the U.S. border, where potential immigrants could undergo screening and apply for entry as guest workers. However, if they are already here illegally, they would have to leave the country before they could apply for the program.

Coupled with the immigration centers would be an easy-to-use system where employers could check the status of potential workers and a tougher stance against employers who hire illegal immigrants.

"If somebody shows up, fills out an application to work, has a Social Security card and other identifying materials — they have a business to run," Pence said. "I do think that clearly, the economy has spoken that we apparently need more workers in this country than we have." ❖



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## **Motherlode, from page 1**

never have occurred will now be built. We will set a new record this year and then nine consecutive years. We will see tens of thousands of construction jobs and uncoupled jobs beyond that."

Fresh off Wednesday's Honda announcement, Gov. Daniels explained, "It must have happened five times in answer to questions, the people of Honda said, 'Transportation and infrastructure.' It happened at Toyota. It happened at Cisco, at Dreyfus. Excellent transportation capitalizing on our God-given station at the crossroads of America was the key to economic success and a better life for our kids." Daniels called the Major Moves motherlode "beyond the dreams of anyone."

About 10 minutes prior to Gov.

Daniels arrival, OMB Director Chuck Schalliol noted the arrival of the final \$83 million. "Have you got it?" he asked Finance Director Ryan Kitchell.

"It's in the bank," Kitchell responded, igniting a round of applause.

Schalliol would say that if you physically stacked the \$3.9 billion in dollars bills, "It would be 900 times the height of the Sears Tower."

## **Three years ago ...**

Almost three years ago, Mitch Daniels stood outside Hinkle Fieldhouse and evoked the legend of the 1954 Milan basketball team. He would go on to campaign there, to revisit the small community starving for good jobs after he defeated Gov. Joe Kernan.

At his campaign kickoff,



Daniels said, "More than anything else, the new crew we will recruit to lead state government will be dedicated to reviving that promise. To reversing the exodus of our brightest young people. To renewing the compact that says to a young person, study hard, keep your nose clean, show up ready to work and there's a great life available to you here in Indiana. That promise has been steadily slipping away, taking good jobs and income with it, and that is unacceptable."

On Election Night 2004, Daniels returned to Hinkle, and in a teary-eyed moment, recalled a letter from two Marion women faced with layoffs. The women vowed to get a degree. "They knew they would find a way, as Hoosiers always do."

A few weeks after winning the governorship, Daniels asked retired executive Earl Goode to dinner and invited him into the administration. Goode said that at that dinner, Daniels roughly out-lined Major Moves.

On Wednesday, about 30 miles northwest of Milan, Daniels, who had rushed back from Asia, was on hand to announce a 2,000-job Honda plant at Greensburg. He declared that "Indiana's comeback" truly began that day. Honda executives credited Daniels with acting decisively as they considered alternatives. "From our first meeting we could tell from his tenor and tone that he really understood how business works," said Honda executive Larry Jutte. "Once we began to focus on Indiana, he really worked to maintain communications, and as a result he also maintained our trust and confidence."

In recent months Daniels has announced 1,100 new jobs at the barge builder Jeffboat in Clark County and 1,000 new jobs at Subaru of Indiana Automotive Inc. in Lafayette, where Toyota will build its Camry, 750 Federal Express jobs in Indianapolis, and another 200 at Rolls-Royce. There have been 11 announcements of 500 or more jobs; dozens more of at least 250.

But Gov. Daniels declared that the biggest step of "Indiana's comeback" began Wednesday in Greensburg as Honda announced a new assembly plant that will go into production in 2008.

"In this part of Indiana, we have said for a long time that we are believers in the small towns of this state," said

## Battle for the House

### R31 D37

#### Likely Takeover (1)

Woodruff (Battles)

#### Tossups (6)

Buell (Barnes)  
 Borders (Bledsoe)  
 Heim (Dembowski)  
 Open (Budak: Dermody vs. Renner)  
 J. Smith (Herrell)  
 Saunders (Sadler)



#### Leans (12-R; 10-D)

Bosma (Fuldauer)	Orentlicher (Densborn)
Lehe (Sutton)	Hoy (A. Smith)
Harris (Hile)	Fry (Hiler)
David (Liggett)	Micon (Basham)
Lutz (Mengelt)	Austin (Metzger)
Dodge (Rauen)	Tincher (Dallas)
Stutzman (Rorick)	Denbo (Patton)
Open (Hoffman: Knollman vs. Lanning)	Crooks (Arnold)
Open (Messer: Eberhard vs. Lux)	Open (Stemler v Theobald)
Hinkle (Olds)	Bischoff (Ullrich)

**Bright (Cheatham)**  
**Walorski (Kovach)**

#### Likely (2-R; 1-D)

**Ayres (Graham)**  
**Ulmer (Puro)**  
**Klinker (Rhoda)**

#### Safe

**(31 Republican)** Gutwein, Wolkins, Ruppel, Friend, McClain, Thompson, Richardson, Turner, Buck, Torr, Whetstone, T. Brown, Thomas, Foley, Frizzell, Behning, Murphy, Noe, Pond, Borrer, Bell, Espich, Ripley, Crouch, Duncan, Koch, Open (Yount: M. Smith), Burton, Cherry, Leonard, Neese

**(37-Democrats)** Lawson, Harris, C. Brown, Bauer, Niezgodski, Dvorak, Plath, Cheney, Stevenson, Open (Aguilera: Reardon), Dobis, V. Smith, Kuzman, Bardon, Tyler, Reske, Kersey, Pflum, Welch, Pierce, Goodin, Robertson, Cochran, Oxley, Stilwell, OPen (B. GiaQuinta, P. GiaQuinta), Moses, Dickinson, Avery, VanHaaften, Day, Summers., Crawford, Mahern, Porter

**Movement:** State Rep. Billy Bright, who has a new Ohio River bridge and the Honda plant to talk about, and Rep. Jackie Walorski with U.S. 31, leave the "Tossup" zone. Three more seats - Ayres, Ullmer and Klinker - leave the "Safe" zone for the "Likely" category. That makes only 68 safe seats, down from 72 when we began this exercise in May. ❖



Daniels of the very places where his poll numbers sagged due to Daylight-saving time and the leasing of the Indiana Toll Road. "Just down the road from here is a town called Milan. It holds a special place in the hearts of every Hoosier. I talked a lot about it. I've been there many times. I've said that Milan stood for more than basketball. It stood for the Indiana ethic that ays a kid from anywhere, who works hard, plays by the rules, plays as a member of a team, can do anything. To everybody in Milan, in Sunman, in Osgood, in Cross Plains, Brookville, and everywhere in this fabulous region of our state, this day's for you."

Then, today, Indiana received the 11 wire transfers totalling \$3.8 billion as the completion of the Major Moves highway construction plan.

Together, these twin events represent an unprecedented economic motherlode. At Greensburg, the 2,000 jobs could reach 12,000 when all the accompanying suppliers and services reach maturity. Major Moves is predicted to create 130,000 jobs and set the table for the state's infrastructure to pursue advanced manufacturing, logistics and transportation, the very elements that seemed to come together at Greensburg. The one missing element was the one Hoosier Democrats had been repeatedly relying on to

win elections this November: xenophobia; those "foreigners" that were coming into the state.

### *Winning ways*

Honda officials talked of winning the Indianapolis 500 and the friendly, well-educated people of Greensburg.

"Honda's success in America has been based on our strong commitment to our



Commerce Secretary Mickey Mauer (left) and Gov. Daniels with Toyota officials in Japan earlier this month. (Photo courtesy of Gov. Daniels)

customers," said Koichi Kondo, president of American Honda Motor Co., Inc., and chief operating officer of Honda's North America Region operations. "We believe the great state of Indiana has what we need to continue this success -- an outstanding community of people, excellent transportation systems, and the necessary infrastructure to support industry. It is an ideal location in the Midwest both for our network of parts

suppliers and as a central location for all of our customers across the country."

### *The biggest blunder?*

The events of these two days this past week, plus the Asian trade mission that brought about another 300 jobs and pockets full of contacts, may well cap the biggest blunder in Democratic history.

Only two Democrats in the legislature voted for Major Moves. As the Honda plant became a reality, Democratic Party Executive Director Mike Edmondson would say, presumably with a straight face, that while Honda was "great news," the Daniels administration had "no strategy" for jobs creation.

Indiana Democratic Chairman Dan Parker said, "There is no question that this is great news for the state and for residents of Southeastern Indiana, and we're as ecstatic as anyone that Honda picked us. This announcement is a testament to the decades of hard work that have gone into building strong relationships with Japanese companies. Here's to hard-working Hoosiers, and here's to Honda!"

Democrats opposed DST, and yet the 750 job Federal Express expansion at Indianapolis wouldn't have occurred in that logistics industry had Indiana remained out of step with the rest of the nation.

Coming through the pipeline will be everything from new runways at Gary, a potential South Shore expansion to Lowell and Valparaiso through the Northwest RDA, new beaches at Whiting, East Chicago and Portage, the Marquette lakefront plan that Daniels and U.S. Rep. Pete Visclosky are pushing, new Ohio River bridges at Madison and Jeffersonville, a U.S. 31 freeway, an accelerated Hoosier Heartland Corridor, the I-69 extension of Evansville,



Gov. Daniels signs a job expansion deal with Indiana Packers in Japan.



State Reps. Cleo Duncan and Eric Turner join Finance Director Ryan Kithcell and Earl Goode at the final final fund transfer. Above is OMB Director Chuck Schal-liol. (HPR Photos by Thomas A. Howey)

Porte. Toll Road counties such as Elkhart, LaGrange and Steuben will soon be receiving \$40 million checks as part of the Major Moves program.

And it is all happening without adding to one of the key millstones that have been articulated by everyone from Sen. Dick Lugar to the New York Times Magazine: additional public debt.

The political reality of all this activity is just beginning to be understood. Gov. Daniels' SurveyUSA numbers are up slightly, to a 40//54 percent fav/unfav, up from 38/57 percent in May and 35/61 percent in April. That is steady improvement after the controversial debates about DST and Major Moves. A year ago, Daniels stood at 45/45 percent.

### ***Bauer sees 'sorrow'***

Indiana House Democrat Leader B. Patrick Bauer reacted to the lease closing by saying, "For some reason, we are supposed to be delighted at today's decision to sell the Indiana Toll Road. I can see no reason why this announcement should be cause for anything but sorrow at this administration's decision to sell off a primary public asset. This is a perfect example of how short-term thinking is going to create long-term pain for the people of Indiana.

"For a one-time infusion of cash, we will be giving up possession of a state asset for at least the next 75 years. It is estimated that the foreign investors taking control of the toll road will see more than \$130 billion in profits

and millions of dollars of local street improvements that have already come to cities such as La-

over the course of this deal, while the state of Indiana will see somewhere between \$3 and \$4 billion. Is that a fair return on our investment?"

### ***Brighter days for Bright?***

While Rep. Walorski was with Gov. Daniels this morning, the most immediate political impact could come to HD69 and Rep. Billy Bright. Facing a challenge from former Democratic legislator Dave Cheatham, Bright appeared to be extremely vulnerable. When HPR began its House tracking (See page 3), Bright just about joined State Rep. Troy Woodruff in the "likely takeover" category.

Today, we move Rep. Bright and Walorski, who represents a 60 percent GOP district, from "tossup" into "Leans Republican."

Why? On the south end of Bright's district will come a new bridge over the Ohio River at Madison, something that had been talked about for over three decades. Bright told HPR last month that the bridge could trigger "\$100 million" in economic development.

Just to the north of Bright's district will be the new Honda plant where 2,000 jobs plus a multiplier of six will almost certainly spill into HD69. Throw in the two new bridges planned for Louisville and all of a sudden you have an incumbent with assets. HPR asked Sen. Robert Meeks whether his constituents in LaGrange County were coming around on Major Moves. "Some," he said, "not all.

He noted that the \$40 million check to LaGrange County will be cut on Sept. 15. "In time, they will see the advantages. But there will be some who will never change their minds. But many will understand when their kids don't have to move to New York or the west coast to find a decent job. I think they will understand the true ramifications." ❖



## Bayh begins 500 mile Iowa odyssey next week

By **MARK CURRY**

WASHINGTON - Next Thursday Evan Bayh will launch a 500-mile odyssey to convince Democratic voters in Iowa that his centrist brand will best represent their party in the next presidential election.

It will be the senator's second trip to the Hawkeye State in seven weeks and his fifth in the past 12 months. More are expected in anticipation of the state's Democratic caucuses in January 2008.

Since Jimmy Carter's initial caucus victory in 1976, Iowa has been a key state in the race for the Democratic nomination, according to Wikipedia, which notes "[t]he national and international media give Iowa (and New Hampshire) about half of all the attention accorded the national candidate selection process, which gives [Iowa's] voters enormous leverage."

### *Poor showing can mean disaster*

Of the past nine candidates to run for president under the Democratic banner, six were winners in Iowa, including incumbents Clinton (unopposed in 1996) and Carter (who defeated Ted Kennedy in 1980). Other than in 1992, when Iowa's own Tom Harkin won the state in a bid that was largely unchallenged, a poor showing in the caucuses has spelled disaster for aspiring campaigns. That same year Bill Clinton eventually secured his first nomination despite earning only three percent of the Iowa vote. In 1988, Michael Dukakis finished third with a respectable 22 percent and in 1972 George McGovern finished second with 23 percent.

If a recent poll conducted by the **Des Moines Register** is any indication, the senator has yet to connect with the state's voters. On June 11, the Register reported Bayh's supporters amounted to only 2 percent of Iowans who say they are likely to take part in the caucuses. John Edwards finished first at 30 percent, besting Hillary Clinton by four points. "None of these/other" notched 3 percent

and "Not sure" received 6 percent (see HPR Daily Wire, June 12).

Edwards' showing created a stir because Hillary is often mentioned as the party's leading presidential contender. But pundits were otherwise hesitant to give much weight to a survey so far ahead of the election. However, one aspect of the poll may inspire Bayh to step up his ap-



During a trip to Iowa last August, Sen. Evan Bayh delivered remarks at a press conference with Rep. Leonard Boswell (D-IA) and local government officials to promote local, state and federal efforts to combat methamphetamine abuse. (Bayh Flickr Photo)

pearances and work harder to deliver an evocative message - more than two-thirds (68 percent) of Iowa's probable Democratic voters indicated they were unsure about Bayh, the highest number of the nine potential candidates tested.

### *Connecting with voters*

To succeed in Iowa, the senator will have to identify and understand what motivates the state's persuadable voters.

According to the Pew Research Center, "Democratic registered voters in Iowa and New Hampshire...are much less racially and ethnically diverse than the party as a whole, and may be slightly less conservative. But they are similar to Democrats nationally in terms of labor union affiliation, religion, age, and education."



Veteran Iowa political reporter Ed Tibbetts offered another perspective. "Ever since the 2004 presidential election, the 'values voter' has been much coveted," he wrote in a Quad-City Times article published prior to the state's June 6 primary. In the report on one of the most hotly contested congressional seats in the nation, Iowa's 1st CD, Tibbett said he expects values voters to be critical in this year's midterms.

During his three-day, eight-city tour next week, Sen. Bayh will have an opportunity to appeal to 1st CD voters at a stop in the Quad Cities. On July 7, he is slated to boost the campaign of Democratic hopeful Bruce Braley, who is battling the GOP's Mike Whalen for the seat vacated by U.S. Rep. Jim Nussle, the Republican now running for governor.

## *Iowa, Indiana share values*

The last time Bayh was in Iowa -- only seven weeks ago -- he assured a crowd of Polk County Democrats that he shared their values.

"I love coming back to Iowa," Bayh said at a fundraiser. "It's so much like my home state. You've got the same values, the same dreams, the same kind of economy. I just feel right at home."

Bayh often refers to faith when giving public speeches. At the Georgia state Jefferson-Jackson Dinner in March (see HPR, March 16) he said Democrats "need to remind [voters] that we share their values, the great American values, of hope and opportunity and patriotism and faith. We take a second place to no one when it comes to that kind of thing, and in fact, we have more in common with people of faith than they've been led to believe."

Indiana's former governor, an Episcopalian, was even more forthright as featured speaker at the national conference of the American Israel Public Affairs Committee in Washington, D.C., in March (see HPR, March 9).

"I believe, deep in my heart, that the United States and Israel are exceptional nations, and, have been placed upon this earth to achieve humanity's highest aspirations. And if we do not tire, if we do not cease, if we carry on with our labors through thick and thin, it is my deepest conviction that one day we will know the blessing of a benevolent God, known by many names in many faiths and many traditions."

## *Supported flag amendment*

Earlier this week Sen. Bayh voted in support of Senate legislation which called for a constitutional amendment banning desecration of the American flag. The proposal was defeated when it fell one vote short of the necessary 67 required to advance. Of the 16 Democrats who supported the amendment, Bayh was the only one currently considered a presidential contender. The five Democratic senators thought to be in competition with Bayh were opposed.

"This is an important issue, and I understand how people have differences of opinion on it," he said. "I support giving the flag special protection because it is the symbol of our country and out of respect for the sacrifice of our servicemen and women."

In other legislative news from the past week, the senator's office noted:

- The Senate passed a Defense Authorization bill that included an amendment authored by Bayh;

• Bayh joined 25 colleagues in a letter urging the Senate to "secure \$8 million to triple the number of E85 pumps available at gas stations nationwide";

• The senator also joined an effort supported by 57 senators to urge "the Bush administration to defend U.S. access to foreign agriculture markets during World Trade Organization (WTO) negotiations";

• He co-sponsored two bills to provide greater identity theft protection for veterans and active duty military personnel; and,

• Democratic Sens. Patrick Leahy (VT) and Ted Kennedy (MA) have signed on in support of Bayh's hallmark energy legislation, the Vehicle and Fuel Choices for American Security Act, bringing the number of co-sponsors to 28.

## *Marshall to join Bayh*

Sen. Bayh will announce today that Thurgood Marshall Jr. will become a senior adviser to Bayh's All America PAC. Marshall was cabinet secretary for President Clinton and a legislative affairs director for ex-Vice President Al Gore. He is the son of the U.S. Supreme Court justice.



**BAYH IN IOWA**

**JULY 6**

- Des Moines, event to honor Democratic State House & Senate Campaign Committees.
- Dallas County, event to honor Selden Spencer, 4th CD candidate.

**JULY 7**

- Clinton, event to honor State Sen. Roger Stewart & Rep. Polly Bukta.
- Scott County, event to honor Bruce Braley, 1st CD candidate.

**JULY 8**

- Muscatine, event to honor State Rep. Nathan Reichert.
- Burlington, event to honor State Sen. Tom Courtney.
- Iowa City, event to honor Dave Loeb sack, 2nd CD candidate.
- Cedar Rapids, event to honor Democratic State House Challengers



## Pressing the Speaker

By **BRIAN A. HOWEY**

INDIANAPOLIS - For the third time in three years, we ask the question: Can a legislative titan -- this time House Speaker Brian Bosma -- be defeated by a mostly unknown upstart?

That is the question surrounding Susan Fuldauer, the chairwoman of the Marion County Board of Zoning Appeals who has long been a labor and education activist.

Since 1986, four legislative leaders have been upset at the polls: House Speakers J. Roberts Daily (1986 general), Michael K. Phillips (1994 general), Senate Finance Chairman Larry Borst (2004 primary) and Senate President Pro Tempore Robert Garton (2006 primary). All represented safely drawn districts designed to prevent upsets.

The Borst and Garton losses occurred in isolated primaries where specific issues brought out voter ire. In 1994, Speaker Phillips was caught up in the Republican wave, but also had to fend off a TV expose involving a convention that he spent more time golfing than learning.

Dailey was defeated largely by the lottery issue, though he would later acknowledge that he ticked off many of his constituents.

The Fuldauer campaign released a summary of a June poll that showed Speaker Bosma with a 53 percent approval rating, low for a 20-year incumbent. It also suggested that he is vulnerable on education funding issues.

Fuldauer is an engaging, energetic Democrat who has been working neighborhoods door-to-door for weeks. Like Greg Walker in his upset of Garton, she travels in a campaign themed vehicle - in this case a school bus.

"He pushed through a budget with less than a 1 percent increase for education," she said, noting that Lawrence Township schools are the second largest employer in her district. Reminded that Gov. Daniels said the state had to put its economic house in order before making bigger funding increases, Fuldauer replied, "There were other ways the budget could have been balanced. It could have happened over three or four years."

She complained that state and federal mandates don't come with the proper funding. "No Child Left Behind is an unfunded mandate," she said. "Remediation funding has been cut in half."

While she won't specifically criticize Bosma for having his kids in private schools, she is resistant to the notion of allocating public funding to unproven charter schools. "I think he's out of touch with public education," she said.

She also criticized Bosma for a lack of job creation, even though the speaker was instrumental in the economic development packages that passed in 2005 and this year. Reminded that Lawrence has benefited from several new company expansions, she replied, "Those are \$9 an hour jobs. Can you feed your family on \$9 an hour? We don't have a lot of high wage employers."

Is Speaker Bosma vulnerable? Tim Jeffers of the House Democratic campaign, isn't convinced. "We'll be keeping an eye on it," Jeffers said. Repeated efforts to reach Mike Gentry of the House Republicans were unsuccessful.

Fuldauer said that she is "not banking" on a potential anti-incumbency wave or the controversial perks that doomed Phillips, Garton and Borst. But, Fuldauer says, "People can't stand the arrogance of leadership. For a 20-year veteran, his numbers are very low. Many people don't trust him." ❖



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**House District 88:** Republican: House Speaker Brian Bosma. Democrat: Susan Fuldauer. **2004 Results:** Bosma 23,289, Gordon (L) 2,132. **2006 Forecast:** We're



not convinced that Bosma is in serious trouble. Then again, Sen. Garton didn't appear to be vulnerable in early tracking in his race. The key question here is how deep will an anti-Republican, anti-incumbency wave go? If it reaches Speaker Bosma, then a lot of other Republicans will also go down. Bosma tried to inoculate himself on the health care for life issue, though not the \$4 to \$1 pension perk. He steered his caucus to help pass Major Moves and DST, both of which could become assets, given the events of this historic week. Beyond his control is the Iraq War, which we believe could be the potential overwhelming catalyst in this election cycle. When you talk with Fuldauer, you find a very credible candidate with, in the right circumstances, leadership potential that is sadly lacking in the Democratic legislative caucuses. We're all eyes and ears on this one. **Status:** LEANS BOSMA. ❖





### **Mark Kiesling, Times of Northwest**

**Indiana** - You hate to say it, but you know this was the kind of thing that could only happen here. The automotive convoy crisscrossing the nation to celebrate the 50th anniversary of the creation of the interstate marked its arrival in the south suburbs and Northwest Indiana on Monday by bypassing our interstate. Throughout the rest of the country, the transportation officials who are participating in this extravaganza have traveled by interstate from San Francisco en route to Washington, D.C., essentially reversing the route taken by Dwight D. Eisenhower in a 1919 cross-country military caravan. Back when Eisenhower was a five-star general, he got a good chance to view Germany up close and personal and was impressed by the Autobahn, the highway system built during peacetime that was really a preparation for war, creating an ability to quickly move large numbers of vehicles from one end of the Reich to the other. On June 29, 1956, as president, Eisenhower signed into existence the Federal Highway Act, which created the modern interstate system. Of all the places in the U.S., it took the Calumet area to throw the dignitaries into detour, forcing them off the road outside Tinley Park. They got onto U.S. 30, the old Lincoln Highway, which was once the nation's premier east-west route. Once into Indiana, they hooked up with U.S. 41 at the so-called "Crossroads Of The Nation" in Schererville, then went north and got back onto the interstate at Indianapolis Boulevard. ❖

### **Gary Gerard, Warsaw Times-Union**

- For all those who are disappointed in W – count me as one of those – you can at least make yourself feel better secure in the knowledge that John Kerry would have been much worse. The guy seems to have completely lost control of his mental faculties. Although, that assumes he had control of them to begin with and I don't think I would take that bet. This week in the U.S. Senate, he came up with an amendment that would have required virtually all of the 127,000 U.S. troops in Iraq to be withdrawn by July 1 of next year. Now, I'm not going to debate the merits of the amendment. (The Senate defeated it 86-13, by the way.) You may or may not think that's a good idea and I certainly think there is a principled argument on both sides of the issue of withdrawing troops from Iraq. What I don't get is how John Kerry has become the Democratic point man for troop withdrawal. He got himself on the radio with Don Imus. Imus asked whether telling the Iraqis that all our troops would be home by a certain date might not be kind of dumb because they could just wait us out and then start wrecking havoc. That was a fair question. Here's the answer: "On the contrary. What it does is provide the only opportunity for success. 'Stay the course' is not a plan. And

what this administration wants is to have a fake debate, as usual. They're – you hear the drum beat on every television show from every commentator, 'cut and run, cut and run, cut and run, cut and run.' That's their phrase. They found their three words. They love to do that. And they're going to try to make the elections in November a choice between 'cut and run' and 'stay the course'. That's not the choice. My plan is not 'cut and run.' Their plan is 'lie and die.' And that's what they are doing. They lie to America, what's happening on the ground. They lie about why we're there. They lie about what's happening. And our plan is very simple. It's redeploy to win the war on terror. Change to succeed. You have a better chance of success if the Iraqis are given notice that they've got to begin to take over and stand up for themselves. It's very simple. Iraqis have to fight for Iraq."



### **Matthew Tully, Indianapolis**

**Star** - Bart Peterson will run for governor in 2008. Or maybe he won't. Whether Indy's Teflon mayor will try to trade in City Hall for

the Statehouse two years from now is something even Peterson says he can't answer. "I'm consciously trying not to focus on that -- not even think about that -- so I can focus on the things we need to work on," he said. "There will come a day when it's time to think about" whether to run for governor. No worries, mayor. No need to think about it. Plenty of people are doing that for you. People such as Indiana Democratic Party Chairman Dan Parker. At this point, Peterson says he plans to run for a third term as mayor in 2007, and not for governor in 2008. But he won't rule anything fully in or out. He promises to have a final decision on his plans by early next year. So would he be a good candidate for governor? Come on. Could Elvis sing? With Peterson's political and business record, and his ability to raise wild amounts of cash, Democrats are thinking good thoughts about a "Bart for Guv" campaign. Party leaders say the November elections could affect Peterson's decision. They believe the elections will be a referendum of sorts on Republican Gov. Mitch Daniels. If Democrats win back the Indiana House on an anti-Daniels platform, the governor could start looking awfully vulnerable. The prevailing opinion among politicians is that Peterson must run for either mayor in '07 or governor in '08 -- not both. Peterson disagrees with the either-or theory, saying back-to-back races can be run if you are honest with voters. "You have to explain it," he said. "If you're going to run for one office, and then you're going to turn around and run for another the next year, you'd better be prepared to explain it." Friends of Peterson say he has not expressed an interest in running for governor, though they acknowledge that could change.

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## Cong generic: 52D, 39R

**TRENDLINE No. 1:** An ABC News/Washington Post poll of 1000 adults (+/- 3%), conducted over June 22-25, shows: 38% "approve of the way George W. Bush is handling his job as President"; 60% disapprove; 2% have no opinion. 37% "approve of the way Bush is handling the situation in Iraq"; 62% disapprove. 38% "approve of the way Bush is handling the economy"; 61% disapprove; 1% had no opinion. 41% "approve of the way Bush is handling the situation with Iran"; 57% disapprove; 2% had no opinion. 52% of registered voters "would vote for the Democratic candidate" in their "congressional district"; 39% would vote for the Republican candidate; 1% would vote for another candidate; 3% would vote for neither; 1% will not vote; 4% had no opinion. A CNN/Gallup Poll had Bush's fav/unfav at 37/60 percent.



## Congressional Races

**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:** The Joe Donnelly-Chris Chocola slugfest took off again Friday as the congressional candidates duked it out over such issues as the estate tax and who lives where (Wensits, **South Bend Tribune**). Donnelly complained at a Friday press conference that a new television attack ad by IN2 incumbent Rep. Chocola (R) "is distorting his position on the

estate tax. Donnelly also made a point of noting, "Unlike my opponent who lives in the Fort Wayne congressional district, I live in this district." A Chocola ad accuses Donnelly of supporting the "death tax" (as it terms the estate tax) and higher taxes on working-class families, which Donnelley claims distorts his record. Chocola's residence is just outside the IN2 district boundaries. Chocola expressed confidence Wednesday that a House-passed bill giving line-item veto power to the president will help curb unnecessary government spending. "This is going to be law," Chocola said of the "enhanced recision" measure that would give the president a limited power to excise pork-barrel projects from the federal budget. If it becomes law, the measure would replace a more stringent line-vetoing power held by President Clinton and later ruled unconstitutional by the Supreme Court. **Status:** TOSSUP

### **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:** The Republican committee has a 30-second ad featuring a mug shot of suspected child molester Matthew J. Long, who was accidentally released from the Vanderburgh County Jail on June 7 while Ellsworth, the sheriff, was in Washington, D.C., on campaign business. "Can you imagine a suspected child rapist being captured in Vanderburgh County, but then mistakenly released by Brad Ellsworth's Sheriff's Department?" an announcer says in the ad that began appearing Thursday. Ellsworth's ad, which showed up Friday afternoon, accuses Republican Rep. John Hostettler of distorting Ellsworth's record and cites a series of congressional votes against public safety that it says Hostettler has cast. It calls Ellsworth a "decorated hero" and says that in 1996, the Sons of the American Revolution gave then-Chief Deputy Ellsworth its "Officer of the Year" award. The start of ads more than four months before the general



election reflects the competitiveness of the race. Indiana 8th District Congressman John Hostettler can count the American Legion and the law schools of the Rev. Jerry Falwell's Liberty University and the University of South Dakota as enthusiastic supporters of his plan to cut off a source of funds for the American Civil Liberties Union (**Evansville Courier & Press**). Representatives of those institutions testified last week before the House Judiciary Committee in support of Hostettler's Public Expression of Religion Act (PERA). This is the fifth time Hostettler, R-Ind., has tried to get PERA enacted into law. If passed, it would change a rule on litigation over the separation of church and state. Now, if someone sues because a teacher leads a prayer at school, or because a courthouse has a Ten Commandments display, and they win, the jurisdiction has to pay the individual's lawyer fees. PERA would end that practice. That's why Fran Quigley, executive director of the American Civil Liberties Union in Indiana, said if it passes, PERA would block the constitutional protections of religious minorities. "Courts and Congress have found again and again that the Constitution doesn't mean much if people can't go to court," he said. "This would effectively shut the courthouse door." **Status:** TOSS-UP

**Congressional District 9:** Republican: U.S. Rep. Mike Sodrel. Democrat: Baron Hill. **Media Market:** Evansville (11%), Indianapolis (23%), Louisville (55%), Dayton, Cincinnati (10 percent). **People:** urban/rural 52/48%, median income \$39,011; race white 94%, 2.3% black, 1.5% Hispanic; blue/white collar: 34/50%; **2000 Presidential:** Bush 56%, Gore 42%; Cook Partisan Voting Index: R+8. **2004 Presidential:** Bush 59%, Kerry 40%. **2002 Results:** Hill 96,654 (51%), Sodrel 87,169 (46%). **2002 Money:** Hill \$1.144m, Sodrel \$1.62m. **2004 Results:** Sodrel 142,197, Hill 140,772, Cox (L) 4,541. **2006 Forecast:** Sodrel made the following statement on Honda Motor Co., Ltd.'s plan to build a \$550 million automotive manufacturing facility in Greensburg: "I would like to be one of the first to welcome Honda Motor Company to its new home in Southern Indiana," Sodrel said. "This plant means more than Honda hiring some of the most able and hardworking people in the world; it means another step forward for Hoosiers and the economic future of Southeastern Indiana. The economic benefits of this plant will be far reaching. Construction jobs, suppliers, and ancillary small businesses will all develop as a result of this new plant, employing Hoosiers at every turn." On immigration, Sodrel was not optimistic about a compromise. "Frankly, I don't think (the Senate bill) is acceptable to the House," said Sodrel (**Columbus Republic**). "I think we are too far apart. I am not at all confident that we are going to have a compromise bill. Speaker (Dennis) Hastert, (R-Ill.) announced that he was going out to do field hearings. We think the House's attitude toward the subject is more reflective of the citizens of the United States than

the Senate bill." Sodrel said House conservatives believe the Senate bill would open the door to 60 million more illegal immigrants, guaranteeing them Social Security benefits and other rewards for illegal behavior while requiring the United States to negotiate with Mexico over changes. "Immigration has to be both limited and legal," Sodrel said. "And the only way that we know to accomplish that is to be able to secure the border."

**Status:** TOSSUP.

## State, Legislative Races

**Senate District 11:** Republican: State Sen. Joe Zakas. Democrat: Pat McQuade. **2002 Results:** Zakas 24,716. **2006 Forecast:** McQuade called upon the state legislature to develop a program to provide comprehensive health care to all Hoosiers. "According to the U.S. Census, more than 9% of residents under the age of 65 in both St. Joseph and Elkhart counties are without health insurance," McQuade said. "This is quite simply unacceptable. We must work together to find a solution to this crisis and we must do it as soon as possible." McQuade, an advanced practice registered nurse, has dedicated her life to improving the emotional, physical and spiritual health of Michiana residents. She retired from Memorial Hospital in 2003, but continues to serve her community through her work with several non-profits and support groups. This spring McQuade became the parish nurse for First United Methodist Church South Bend to ensure that the poor and uninsured of all ages who visit the church's soup kitchen have a health care liason. "I have dedicated my life to serving others in diverse nursing roles throughout the Michiana health care community," McQuade said. "I have seen first-hand the devastating effects on families when they lose their health care insurance. Plus, many middle class families pay a larger percentage of health care out-of-pocket expenses. This lowers their take-home wages and forces individuals and families to make tough decisions when deciding between paying for health care or their mortgage," she added. Last month, the Indiana Senate Democrats called upon the Indiana Legislative Council to develop a bi-partisan solution to the state's growing health care crisis. Several other states are developing programs to help deal with the growing number of uninsured individuals. For example, Maine, Maryland, Massachusetts, Hawaii, Vermont and Tennessee have adopted some form of universal health care, while Oregon, New Mexico, California and Arizona are currently developing proposals. **Status:** LIKELY ZAKAS

**House District 4:** Republican: State Rep. Ralph Ayres. Democrat: Sylvia Graham. **2004 Results:** Ayres 19,656, Sieger (D) 8,581. **2006 Forecast:** Sylvia Graham filed documents announcing her candidacy. A resident of Valparaiso, Graham is best known for her professional fishing title. A registered nurse, Graham understands the need for more affordable health insurance coverage for



Hoosier families. Graham is married to Jack Graham who is a retired building tradesman. "I believe that the voters of House District 4 deserve a choice when it comes to who is representing them in Indianapolis. The governor needs to know that my fellow citizens have serious reservations about the direction he is taking this state, and I intend to carry that message." Graham will be elected to fill the ballot vacancy in a caucus of precinct committeepersons on Thursday in Portage. "This reminds me a lot of my experience in championship fishing, at election time, the voters can always throw the big fish back! Unfortunately, Ralph Ayres isn't getting the job done for us anymore and is nothing but a rubber stamp for Mitch Daniels," said Graham. "We used to be able to count on Ralph to work in a bipartisan way making sure to represent all the people of House District 4. I hope to be the same type of legislator that Ralph used to be." According to Graham, Major Moves and the selling of the Toll Road, funding for our classrooms, affordable health care, frustration with time changes around the state, and long term property tax relief are her priority issues. This is an interesting challenge, but at this point, we think Ayres returns. **Status:** LIKELY AYRES.

**House District 27:** Republican: Lafayette Councilman Jack Rhoda. Democrat: State Rep. Sheila Klinker. **2004 Results:** Klinker (D) 12,462, Crites (R) 6,374. **2006 Forecast:** Jack Rhoda, a Republican who has represented the city's 4th District for the last 10 1/2 years, said he plans to challenge Klinker, a Democrat who is in the midst of her 12th two-year term of representing Indiana House District 27. In another year, this kind of matchup would be a potential tossup. But with a tailwind at her back, it's hard to believe that Klinker would be in serious trouble even though she faces a very credible opponent. Having said that, Gov. Daniels has helped bring a lot of jobs to Tippecanoe County. We'll keep an eye on this one **Status:** LIKELY KLINKER.

**House District 49:** Republican: State Rep. John Ulmer. Democrat: Mike Puro. **2004 Results:** Ullmer 17,592. **2006 Forecast:** Mike Puro, former director of the Indiana Toll Road under Govs. O'Bannon and Kernan, filed against Ullmer. A resident of Goshen, Puro served as mayor for 10 years. Puro is the former president of the Michiana Council of Governments and has served on the Governor's Task Force on Groundwater and Indiana Department of Commerce's Main Street Board. He was a trustee for the state's Deferred Compensation Board. "I'm looking forward to a serious discussion of issues important to folks in House District 49 including the frustration caused by time changes across the state. Additionally, Elkhart County citizens deserve an understanding of all the issues associated with the 75-year lease and privatization of the Indiana Toll Road. House District 49 needs a legislator that will listen to the people, not just the governor. My record in public service speaks for itself, and I am not afraid to disagree with the governor and do what's best for the people." In addition to Major Moves, Puro cited affordable health care, school funding, and long term property tax relief as important issues. Clearly, we must do something about the cost of health care in this state," said Puro. "When it comes to listening, I believe I have something to offer my fellow citizens in House District 49." Our take? This is an extremely Republican district and we think Ulmer would have been more vulnerable in the primary. Puro was for a long time the face of the Indiana Toll Road, so this creates an interesting dynamic. Under his direction, the Toll Road lagged in modern amenities and lost money. He has a political track record, and that can cut both ways. We think Ullmer probably returns, but a big Democratic wave could wash him out. The dynamic of this race could be a straight up or down referendum on Major Moves. After this week, it doesn't look as risky for the GOP. **Status:** LIKELY ULMER.

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## Gas protests take place across the state

WHITING - Samantha Pishkur on Wednesday held up a sign protesting the high cost of gas outside a Mobil station, pleased she lived close enough to walk to the rally (Times of Northwest Indiana). "I'm sick of paying \$3 a gallon for gas. Even with the BP refinery right here we should get a break, but apparently not," she said. Pishkur, along with about 15 other pickets, took part in a protest in front of Mobil and BP stations near the heavily traveled Indianapolis Boulevard and Calumet Avenue intersection. The rally, sponsored by MoveOn.org, was part of a National Day of Action that featured events in more than 300 locations across the country, according to local spokeswoman Dorothy Niblick. The rally wasn't just about money at the gas pump, Niblick said. The focus was on other issues, including cleaning up the environment and pushing the government to look at alternative fuels, she said. Information on the fliers took aim at the Republican Party and the oil industry as a whole. "Gas prices are off the chart because oil companies since 1990 have given more than \$190 million to members of Congress with 75 percent of the donations to Republicans," a MoveOn.org flier said. Fifteen people stood outside on the streets of Terre Haute in the storm Wednesday evening while trying to get their message across to passersby (**Terre Haute Tribune-Star**).



## Heroin trend comes to LaPorte County

MICHIGAN CITY - The authors of a study placing Porter County among the top 10 in the nation in heroin-related deaths have found signs that a similar trend may be emerging

in neighboring LaPorte County (**Times of Northwest Indiana**). Five young men have been arrested on heroin charges this year in the city of LaPorte, following only a limited number of arrests aside from a multi-jurisdictional task force sweep in Michigan City last year, according to a study released Wednesday by Roosevelt University in Chicago and its Institute for Metropolitan Affairs.

## Mrvan challenger has ties to scandal

GARY - A Republican caucus selected former Mercantile Bank chairman Christopher Morrow on Tuesday to run for state Legislature and turned the GUEA scandal into a political hot potato for the fall (**Times of Northwest Indiana**). Morrow will run against Sen. Frank Mrvan Jr., D-Hammond, who quickly attacked Morrow's selection Wednesday as gaffe that will set back the area's reputation. "Once again, Lake County will be under the shadow of suspicion," Mrvan said. Morrow was chairman of the board of the scandal-plagued Gary Urban Enterprise Association, during the administration of two former GUEA executives, Jojuana Meeks and Charmaine L. Pratchett.

## Honda will have impact miles away

LAFAYETTE - The distance between Lafayette and Greensburg is 115 miles. But that is close enough for local companies to perhaps generate some business with the \$550 million auto assembly plant Honda is bringing to Decatur County (**Lafayette Journal & Courier**). "Anytime a plant of that magnitude opens up it will have a big impact on the supplier base within a 500-mile radius," said John Sullivan, director of Purdue University's Center for Advanced Manufacturing in Discovery Park. "I think you'll see new suppliers moving in to support the plant. Lafayette is well within the radius with good interstate access." Cinda Kelley,

executive director of the Lafayette-West Lafayette Economic Development Corp., agrees that Honda's decision could create additional work for some local companies that would supply parts or services to the manufacturer. "What happens in every community has an impact on all tiered suppliers, down to the two- and three-man shops. The Japanese business model of outsourcing results in an even larger impact," she said. "Each supplier is dependent on other suppliers, so the impact has a ripple effect. It benefits the entire community. The announcement is good news for Muncie-based Keihin Aircon North America, which supplies heating and air conditioning systems for Honda vehicles (**Muncie Star Press**). "If we got the business -- and we don't have official word yet -- it would be very good for us," said Mike Mitsch, Keihin Aircon vice president.

## Canan supports annual Asian business trip

MUNCIE - Mayor Dan Canan said state and local officials should make at least annual trips to Asia to cultivate economic development contacts (**Muncie Star Press**). "I believe that it is important to continue to cultivate the relationships we have formed," Canan said. "An annual trip to Asia and Japan, at a minimum, should happen." Canan's e-mail comments to The Star Press came on Tuesday just before he boarded a plane -- along with Delaware County Commissioner Larry Crouch and Terry Murphy of the Muncie-Delaware County Chamber of Commerce -- carrying Gov. Mitch Daniels' 60-member Asian delegation home from a tour of Japan and South Korea. During the trip, local officials -- often working on a schedule set by consultant Larry Ingraham -- met with representatives of companies with Indiana connections like Keihin and Toyota. "I have felt the trip was very beneficial and can have long-term implications," Canan said.