



# As Washington bickers, Hoosiers freeze

## Obama warns of 'catastrophe' as stimulus plan stalls

By **BRIAN A. HOWEY**

INDIANAPOLIS - Want to build a new hotel at a minor league baseball complex in downtown Fort Wayne? No credit available. Buy a recreational vehicle? Credit frozen.

While Washington dickers over the stimulus bill President Obama says is essential to ward off a financial "catastrophe", the banking system is on life support and continues to sap the Indiana economy and jobs, throwing more and more Hoosiers into the cold.

Jayco in Middlebury and Keystone RV in Elkhart laid off 600 more workers this past week. The Elkhart Truth reported that the layoffs in Elkhart and LaGrange counties, where the jobless rate is 15 percent, "brought renewed attention to the crippling effect of the frozen credit markets."

The Fort Wayne Journal Gazette reported on



Then candidate Barack Obama outside an abandoned Chicago steel mill in a TV ad during the Indiana presidential primary.

Wednesday that a new Marriott Hotel at its downtown Harrison Square project is stalled. Deno Yiankes, White Lodging president and chief executive officer for investments and development, said banks are hoarding cash. "We're not looking for the perfect loan, we're looking for a loan," Yiankes said. An Associated Press analysis earlier in the week explained that banks say they are caught in a

frustrating Catch-22: How can they make more loans when creditworthy borrowers are scarce, their balance sheets are saddled with bad debt and regulators are hounding them to horde cash. "We want to lend, but the regulators

**See Page 3**

## What stimulus could do

By **DAVE KITCHELL**

LOGANSPORT - Imagine being one of 50 winners of a most unusual, yet probable national lottery – a federal stimulus package for states.

As Congress hammers out the final details of a package spiraling in the direction of \$1 trillion, the pork barrel projects are being shed for the sake of programs and line items guaranteed to put people to work. What could be the beauty of this bill, and I use that word loosely given the cost to taxpayers, is the flexibility. If governors and/or legislatures really have the final say in how to spend their share of a federal



"It was the last state we deliberated on and the state we wanted the most was Indiana."

- David Plouffe on the Obama campaign selecting 18 battleground states last summer

(See page 7 for full story)



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stimulus package, it could go a long way to moving the economy forward, as in fast forward. If it's just going to be bankrolled, forget it.

I don't know what Indiana's governor and legislature would do if they got the chance to spend, say, a billion dollars from the federal government. But if they did ask, here's what my laundry list would look like:

**1.** Give rebates for companies purchasing Indiana steel. It's a big ticket item for Indiana, and the pay is ginormous. A little sales tax on steel goes a long way in a state economy.

**2.** Fund school consolidation costs. It's one thing to say it will help Indiana. It's another thing to put your money where your mouth is and actually encourage small schools and urban schools with declining enrollments to merge. Long-term savings of operational costs would be huge to taxpayers.

**3.** Buyouts for state employees. Older employees could free up more jobs in Indiana simply by qualifying for the same retirement rules affecting teachers. If you're 55 and have 30 years of service to the state, you can retire. That would free up thousands of jobs.

**4.** Offer one free night of lodging in Indiana. For out-of-state residents, this would be a huge tourism boost. Day trips to Indiana from surrounding states, even if they are just to visit family or friends, would inject money into local economies and the state would reap more tax revenue.

**5.** Give scholarships to the unemployed. For everyone who has lost a job or been laid off in the past 18 months, going to school is a good option. It allows adults to retool themselves for other jobs until the economy warms up and it gives the unemployed a chance to add to their skill sets.

**6.** Develop incentives for e-commerce. Start-up companies have little overhead if they are Internet based. Offering incentives for legitimate Internet businesses would help

small business and rural development objectives.

**7.** Green up the environment. Indiana has been a leader in alternative fuel production, but the Indianapolis Star's recent coverage of mercury levels in Indiana streams points to the need to reduce power plant emissions. Giving utilities low-interest or zero-interest loans, or just plain grants to install scrubbers and other equipment that reduces emissions would improve our overall health.

**8.** Encourage the purchase of Indiana-made vehicles. Giving government entities a \$2,000 rebate for a Subaru made in Lafayette or a Honda made in Greensburg for instance would be an added boost to those economies, as well as the Chrysler plant in Kokomo. The credit could be \$500 for every individual.

**9.** Find the 10 best locally owned Indiana banks. Giving bankers closest to lenders the opportunity to invest in their communities in the next six months shouldn't be a problem for them.

**10.** Flip a house. For any Hoosier who buys a new home in the next six months, a \$1,000 check would be in the mail. For anyone who improves a house purchased in a tax sale, a \$500 check would be in hand. For anyone in the state's home ownership protection plan who wants to avoid foreclosure, a payment would be made on their mortgage, with a 67 percent payment made in a second month and a 33 percent payment made in the third month of participation in the program.

**11.** Fund Head Start teaching positions. Eliminating the backlog of children on waiting lists for this preschool program would allow some parents to go to work, employ many teachers who are out of work, and reduce remediation costs for schools.

There are probably plenty of ideas like these. Many of them should be vetted for impact and public scrutiny. Not all of mine – check that, maybe none of mine – would make



the cut. But I've made an attempt to start the dialogue of what we've got to do in the 19th state to move the economy forward without falling flat on our faces. With more than a quarter of a million Hoosiers out of a job, it's

incumbent on all of us to look at ways to make good things happen for Hoosiers as soon as possible. ❖

**Dave Kitchell is a veteran Indiana journalist who teaches journalism at Ball State.**

## Stimulus, from page 1

are flat-out telling us, 'Get your capital up.' Then there's Congress telling you to lend it all out," said Greg Melvin, a board member at FNB Corp., a Hermitage, Pa.-based bank that got \$100 million in bailout money. "Two arms of the government are saying exactly the opposite thing -- it's ridiculous."

**This comes as the U.S.** economy contracted by 3.8 percent (some had predicted it would be in the 5 percent range) and expectations are that more job losses are on the way. It has plunged a knife into Indiana revenues, which came up \$142 million short last month and has Gov. Mitch Daniels and legislators preparing for the worst.

However, the stimulus package - which could create an estimated 79,000 jobs in Indiana - is stalled on Capitol Hill. Last Sunday, Senate Minority Leader Mitch McConnell said the current plan might fail. "I think it may be time ... for the president to kind of get a hold of these Democrats in the Senate and the House, who have rather significant majorities, and shake them a little bit and say, 'Look, let's do this the right way,'" McConnell said. "I can't believe that the president isn't embarrassed about the products that have been produced so far."

That could happen tonight as Obama meets with Congressional Democrats at a West Virginia retreat.

**On Wednesday, President** Obama warned of a "catastrophe," saying, "No plan is perfect, and we should work to make it stronger. Let's not make the perfect the enemy of the essential. Let's show people all over our country who are looking for leadership in this difficult time that we are equal to the task. A failure to act, and act now, will turn crisis into a catastrophe and guarantee a longer recession, a less robust recovery, and a more uncertain future." This afternoon, he said, "We end up bickering when it is time to save the economy."

Obama took issue with Republicans like U.S. Rep. Mike Pence who have been picking apart the plan as a "litany of liberal" spending projects. "These criticisms echo the very same failed economic theories that led us into this crisis in the first place -- the notion that tax cuts alone will

solve all our problems, that we can ignore fundamental challenges like energy independence," Obama said. "I reject those theories -- and so did the American people when they went to the polls in November and voted resoundingly for change."

**The heat is likely to grow.** On Wednesday, eight Indiana mayors - including South Bend's Stephen Luecke and Evansville's Jonathan Weinzapfel - traveled to Washington to push for the stimulus package. Earlier this month, Elkhart Mayor Dick Moore went to Washington seeking stimulus funds. Moore carried with him a list of 18 "shovel ready" public works projects, totaling \$92.4 million and creating an estimated 2,300 jobs (Elkhart Truth).

Also pressuring Capitol Hill were Republican governors. "Time is of the essence ... we have to get the money out as quickly as we can," said Republican Vermont Gov. Jim Douglas during a meeting with President Obama in the Oval Office on Monday (CNN). "I think we need to find some common ground. We need to pass a bill that works." The Republican Minnesota Gov. Tim Pawlenty said Tuesday that while governors have virtually no say in what goes into the stimulus bill, adding that Obama's outreach to the nation's governors is a power play to speed things along. "What I think President Obama is trying to

do is show that it is a bipartisan effort or to indirectly pressure the Congress in that regard," Pawlenty said.

Gov. Daniels wouldn't say whether he supports the bailout in principle, but he has begun building a list for the \$5 billion likely to land here. "It is one-time money and should be used that way," Daniels said. "Jobs and speed must be the goal." But he also left open the door for a tax cut. To which House Speaker B. Patrick Bauer responded, "Tax cuts don't help the 266,000 people who don't have a job. We are in a crisis. We have to use what we have here in Indiana to stimulate Indiana jobs and take what we can get from Washington, D.C., and add more jobs."

**Bauer and Daniels agree** on one thing: the stimulus must be used on one-time only projects. But Senate Minority Leader Vi Simpson noted, "Everybody is grappling for just the right answer."

Everybody from Washington to Indianapolis. ❖



**President Obama and Treasury Secretary Geithner announcing limits on executives whose mismanaged companies receive TARP money. (White House Photo)**



## Sustainable energy in the City of Firsts

By **BRIAN A. HOWEY**

KOKOMO - If you've listened to leaders like Mitch Daniels and Barack Obama over the past five years, one constant theme has been to look at your world differently and not accept the status quo. I thought about this after going over the columns I've written since December - my doom and gloom period. It was necessary because of the gathering storm clouds that will translate into double digit jobless statistics. Now it's time to talk about what we can do to lift out of our current plight and forge a new America.

There have been airliners flying off of fuel made essentially from pond scum, or algae to be precise. There is enough fuel in a typical septic tank to power a generator and the home above. Or, thinking bigger, the human waste Hoosiers spend billions every year treating is an abundant energy source and in the next couple of decades might actually power our cities. The garbage in our landfills will do the same with some innovative thinking and the removal of governmental interference.

So it's worth coming to Kokomo and Indianapolis, where 100 years ago they saw their bicycle shops turn themselves into automobile factories. Folks peered out of their windows and saw Elwood Haynes' strange contraption motor down the streets of Kokomo sans horses. That's what Hoosiers need to be doing in the coming months and years. Think outside the box and create new opportunities, even out of the wastes of past generations. A closed Chrysler plant or the hollow Getrag factory near Tipton could be the key to sustaining our American dream.

Here in the city of firsts, Mayor Greg Goodnight unveiled a groundbreaking fuel program on Wednesday. It involves turning cooking grease from Kokomo restaurants into diesel fuel that will power the city fleet. We've

heard this story before, but mostly it was wonks and nerds collecting grease from McDonald's to power their VW mini buses. But this can be done on an industrial scale and create many, many jobs. "If we only produced 55 gallons of K-Fuel a day the city would save, at today's fuel prices, \$25,000 during the first 12 months of operation," said Goodnight as he unveiled the K-Fuel complex - really just a small room in a cavernous wastewater treatment facility and a machine the city bought for about \$27,000. "That is good for the city's budget and the city's taxpayers."

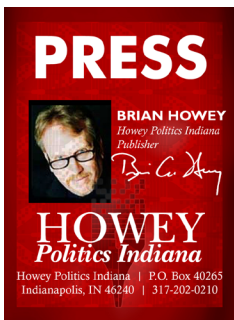
Of course, the city is planning on making more than 55 gallons a day. Paul Munoz, Kokomo's bio-fuels manager, detailed how waste cooking oil is processed into bio-diesel. The Kokomo Tribune reported it this way: mix a cup and a half of caustic soda and 11 gallons of methanol with 55 gallons of used cooking oil, put it through a processor, and the result is a big batch of biodiesel fuel.

Mix that batch with regular diesel fuel at an 80 percent diesel/20 percent biodiesel ratio, and the cost of fueling the city of Kokomo's truck fleet begins to drop.

"The city will collect used cooking oil from participating restaurants, businesses, and a residential collection program. At this time, we are collecting about 1,500 gallons of used cooking oil from 12 participating businesses each month; and anticipate the collection of about 300 gallons from our residents in the first couple of months of operation," Munoz explained. These amounts will increase over time, as businesses partner with the city, and as our production and collection methods improve." Eventually, it will supply about 20 percent of the diesel needs of the city fleet.

Munoz added, "This program will help reduce the amount of fats and oils that

disrupt our wastewater system, and will reduce the amount of money the city spends on sewer maintenance. Nearly 50 percent of the maintenance and repair costs on sewer and lift stations is caused by the buildup of fats, oils, and grease that enter into our sewer and treatment facility." How much that saves the city is not currently quantitative.



**Kokomo bio-fuels manager Paul Munoz holding vials of K-Fuel made from local restaurant cooking oil. (Kokomo Tribune photo)**



Kokomo's sustainability manager, David Galvin, has watched similar programs in California and found researchers in Bowling Green, Ky., who, with relatively simple processes, can literally de-water biomass. That material can then be transformed into various forms of energy. "We can't wait for stimulus money," Galvin said. "We have to act now. Kokomo's Renewable Energy Partnership is designed to find ways to convert our city's waste into forms of renewable energy products. We can save taxpayers' money, create alternative streams of revenue, improve our city's image, and be more competitive for the jobs of the 21st Century."

**Kokomo is a city** that with companies like Chrysler, Haynes and Delphi is home to hundreds of engineers who are literally waiting to see if the Detroit 3 survive. Whether the automakers make it through the next two years or not, there are these engineers, thousands of square feet of manufacturing and clean research areas. People like Goodnight envision a sustainability manufacturing future for Kokomo. "We call the initiative Kokomo's Renewable Energy Partnership, and is about sustainable development," said Goodnight, who presides over a city with 8,500 employees directly tied to the Detroit 3. "We are taking our first steps toward a local economy that is more diverse, competitive, and rooted in sustainable practices. We want to be a hub of the renewable energy industry."



**And this is just the beginning.** Algae - or "green crude" - has drawn the investment of people like Microsoft's Bill Gates into Sapphire Energy. Others are looking at kudzu, the weed that ate the South and is vining over Southern Indiana, as another source of bio fuel. There are growing solar and wind power sectors, though the current credit crisis in the American banking system is sapping the needed capital to bring more solar panels to homes at affordable prices.

Congress and the Indiana General Assembly ought to borrow a page from President Reagan, who in 1981 forged the tax cuts that brought existing technology to market in the form of cellphones and personal computers over the following decade. Today, legislators ought to be creating tax incentives for restaurants involved in programs like K-Fuel, as well as other renewable energy products.

This will be one way to find the next morning in America. ❖

## Daniels administration rolling with the punches

By **BRIAN A. HOWEY**

INDIANAPOLIS - Call it adaptation. Or rolling with the punches.

Pick your cliché, but that's what the Daniels administration has had to do as a deepening financial crisis has consumed the state. On nearly every front there is bad news or a political assault. For each punch from Wall Street to Mother Nature to House Democrats, there has been a stutter step and most often a counter.

Long lines at Workforce One offices in Elkhart or LaGrange? The administration responded by moving Department of Workforce Development computers into neighborhood churches and community libraries. Hiccups in the Family Social Services Administration's welfare "modernization"? Gov. Mitch Daniels at first tried to keep Republican Rep. Suzanne Crouch and Sen. Vaneta Becker from filing a bill to prevent the rollout coming to the more populous counties where the system might be swamped by double-digit unemployment almost certain to hit the state in the coming months.

**On Monday, FSSA Secretary Anne Murphy**, who took over from Mitch Roob in January, defended the new system, but she conceded Evansville needed more staff to handle the city's needs (Evansville Courier & Press). "Vanderburgh County probably has a legitimate concern," she said.

On Monday, INDOT Commissioner Karl Browning was seeking to ward off State Rep. Teri Austin's bill that would divert Major Moves money away from state projects and into cities, counties in towns. Today, Browning is gone, transitioning to Michael Reed, executive director of the Indiana Utility Regulatory Commission, who will try and swat away Austin's attempt to raid the \$500 million Major Moves trust fund. While the Austin bill will be DOA in the Republican-dominated Senate, the Daniels administration will be forced to deal with the diversions at conference committee time, unless Washington stimulus money solves the problem.

**As one observer told HPI**, "The Daniels people are working through the metrics, taking the data and then managing. But it's coming in a crisis environment and the question is, will they get a black eye when opponents try to exploit?"

The most problematic for Daniels was repeated TV and newspaper coverage of long lines of shivering Hoosiers waiting outside WorkOne offices in deep snow and sub-freezing (sometimes sub zero) temperatures. Last Thursday, DWD turned to faith groups, community organizations



and public libraries. The Elkhart Truth reported: The state agency announced a partnership Thursday with the Office of Faith-Based and Community Initiatives and the state library to provide training as well as computers to local groups interested in helping Hoosiers file for unemployment benefits. The DWD is touting the initiative as providing more locations for out-of-work state residents to file unemployment claims. "We'd be glad to. We'd be glad to help," said Leonard Cook, senior minister at the River of Life Church in Elkhart. "That's what our building is for. We're here to help the community." This initiative would train library workers across the state so they can answer questions and help the jobless maneuver the online system. However, the single training session the state has organized for interested groups will be held only in Indianapolis and not until the end of February.

On the FSSA front, the Crouch legislation would prevent FSSA from rolling its modernization program out to 33 remaining counties until a study committee reviews the process. "The (new) program is clearly not working where I live," Crouch told the House committee Monday (Corbin, Evansville Courier & Press). Among the complaints: the FSSA call center in Marion, Ind., loses clients' critical documents and causes long delays in enrolling clients for benefits, and the phone- and Web-based application systems are hard for the elderly and disabled to navigate.

**Testifying Monday on** the bill was Tim Flesch, president and chief executive of St. Mary's Health System in Evansville. He said that while the FSSA has made some strides in the system's effectiveness, the time it takes to enroll patients for Medicaid is still a major issue. "A month after the baby is born is a little late for prenatal care," Sen.

Becker said of the delays (Evansville Courier & Press).

**At INDOT, there were** rumors that Browning would depart, paving the way for a third commissioner in five years. He had clashed with legislators from both parties as he tried to deflect the Major Moves raids. On Wednesday, the administration sought to portray it as a voluntary transition. "Karl Browning has been spectacular in this job," Daniels said. "I did everything I could to keep him as long as I could. His legacy will live for generations through record-breaking road building that he has put in motion for Indiana."



**INDOT Commissioner Karl Browning resigned.** (Evansville Courier & Press Photo)

Browning had been defending the raids, telling a House committee at one point on the Austin bill, "I'm here talking about a bill that I can't imagine has any possibility of seeing the light of day. If it does have a possibility, I feel sorry for the rest of us in this state." It prompted House Speaker B. Patrick Bauer to complain that the INDOT chief had a "chip on his shoulder."

**Reed led state** and regional operations for GTE/Verizon over several decades. Early in his career he was the first quality director for GTE's largest subsidiary covering 13 states. He later directed annual expense and capital budgets of more than \$500 million as budget and finance director for GTE's Midwestern operation. Reed was staff operations director, directing the regional headquarters organization from 1985 to 1989 and as state general manager for Indiana, Kentucky and Texas for eight years. At the IURC, Reed has responsibility for all utility industry matters in electricity, water, sewer, natural gas, pipeline safety and consumer affairs. ❖

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## Plouffe: How Obama turned Indiana blue

By **BRIAN A. HOWEY**

GREENCASTLE - In the weeks that followed June 3 - that improbable day when Barack Obama secured the Democratic presidential nomination - his brain trust gathered to choose what would become the 18 battleground states heading into the fall. The goal was to spread the field. The locomotives on this track were the traditional must-win powerhouses: Florida, Ohio, Pennsylvania, Michigan. There was some unfamiliar territory - Colorado, Nevada - and finally the heart of Bush-Cheney Country: North Carolina, Virginia ... Indiana, a political caboose.

"It was probably the hardest decision we made," Plouffe said at DePauw University Monday night during the Ubben Lecture. "It was the last state we deliberated on and the state we wanted the most was Indiana." This decision made by Plouffe, chief strategist David Axelrod and Obama himself paved the way for two epic

presidential theaters. As improbable as it was for Obama to derail the Clinton dynasty and then become the first black man to win the White House - Plouffe initially gave him a 1 in 10 shot - even more so was winning Indiana on Nov. 4. We all know the phrases and cliches: on the board for the GOP at 6:01 p.m. Hadn't gone Democratic since LBJ in 1964. That Plouffe and Axelrod had even cued Indiana up for consideration brought them ridicule.

Barack Obama had lost by about 13,000 votes to Hillary Clinton in the May 6 primary. He had two forces beyond his control that shaped the events leading into the Indiana primary: Rev. Jeremiah Wright and Rush Limbaugh.

Rev. Wright, the candidate's fame-convulsed pastor, went into meltdown mode at the National Press Club in April, forcing Obama to hold a press conference the next day completely denouncing him. When HPI talked with Obama 90 minutes after the most emotional



David Plouffe, President Obama's campaign manager, gave lectures and answered student questions at DePauw University on Monday. Above, Obama played hoops at Riverview Elementary School in Elkhart two days before the Indiana primary. Plouffe would call the Getty photos some of the best of the campaign. (HPI Photo by Brian A. Howey)



press briefing of the campaign, he explained, "Well, when you run for president, one of the things you sign on to is the fact the American people want to know who you are and all aspects of you. Some of them get blown out of proportion. Some of them get magnified. You have to take it as it comes. I think I was very clear about today. My former pastor doesn't speak for me and doesn't reflect my views. It was sad to see what happened yesterday, yet I don't want that to be a distraction about what this campaign is about. The American people are struggling and they need help."

Rev. Wright had come at Obama in two waves. "That was a challenging period, no doubt," Plouffe said. "But I think the way President Obama dealt with that situation, for a lot of people, the way he dealt with it in Philadelphia (in March) they saw a president; someone who handled a difficult situation with honesty and integrity. There is a desire among the American people for leadership. There was a leader on the stage that day. He dealt with that issue very forthrightly."

Wright was a distraction, but conservative radio commentator Rush Limbaugh was the rogue as he urged "Dittoheads" to vote against Obama in the Democratic primary just to confuse things. Plouffe said at DePauw that Limbaugh cost Obama the Indiana primary.

### *Primary loss & silver linings*

Yet there were plenty of silver linings. "There was a lot of belief that we were going to struggle on that day," Plouffe explained of May 6. "We would actually win North Carolina and most people predicted she would win Indiana by 8 or 10 points in the primary and maybe even more. The fact that we won North Carolina by 14 points and lost Indiana by a razor margin, that strengthened our candidacy and most people felt the primary was effectively over."

Obama had also called Hillary Clinton on her gas tax holiday as gasoline was nearing its \$4.19 a gallon apex. Actually, for the final 10 days prior to the primary, both Clinton and John McCain were assailing Obama on that issue. Obama would dismiss it as a "gimmick" at a Phillips 66 press conference on the southwest side of Indianapolis. "The fact that we opposed that repeal of the gas tax, that

helped us with voters because they want honest leadership," Plouffe said. "It resonated with voters. What seemed like a politically risky move at the time people saw it and said, 'That's not what we should be doing.' It put wind back in our sails at a very important moment. That period in Indiana was really strong campaigning. It went really, really well. I think the energy and gas tax debates reminded people what was different about Obama and helped us regain steam at a challenging time in the campaign."

### *The 'die was cast' in Indiana*

Plouffe said of May 6, "the die was cast at that moment." The atmosphere was ripe for what would be a spread-the-field offense. Plouffe explained, "One of the challenges when you looked at John Kerry four years ago, he really only had (primary) elections in Iowa and New Hampshire and South Carolina" prior to securing the nomination. And then to go build up campaigns in all these states is really really hard," Plouffe said. "For us, it wasn't turnkey, but it was a pretty accomplishable task. We were the nominee on June 3 and at the beginning of July we had fully formed campaigns in all 18 battleground states and we were much further ahead in organization than McCain was, which is surprising."

"As I mentioned when Brian and I were walking over here, that Indiana primary really did suggest to us that Indiana

could be competitive in the general election because we felt we could be very competitive with a high percentage of the independent vote and get double digits of the Republican vote," Plouffe said. "If you couple that with really strong Democratic turnout (the state had the lowest turnout in 2004 of any state), I believed that we could, potentially, pull out a narrow victory. It ended up being very, very close, obviously. It was a very rewarding victory and it speaks to Obama's appeal in all parts of the country and all demographic groups." The assumptions were correct. Obama would pull 13 percent of the Republican vote and win big with Hispanics, Catholics, independents and suburbanites, reversing significant Bush-Cheney trends.

### *McCain-Palin took Indiana for granted*

What astounded Plouffe, however, was that McCain and the Republicans never seemed concerned about



**Barack Obama's presser at Joe's Junction Phillips 66 station in Indianapolis helped change the dynamic in Indiana. (HPI Photo by Brian A. Howey)**





defending Indiana. They just couldn't believe it would go blue. But it wasn't just Indiana. McCain lives and headquartered his campaign in Virginia, yet didn't make a campaign appearance there until September. For Indiana, which would play host to 49 Obama visits - the final coming on Election Day - McCain wouldn't show up until Nov. 3 and his speech was about 16 minutes of one cliché strung after another as his supporters yelled, "Drill, baby, drill." Plouffe calls it "campaign malpractice," explaining, "This was the presidency. It was for all the marbles. You cannot leave anything to chance. If you think you could lose a state you should win, you need to commit."

How disorganized was the McCain-Palin campaign? When Alaska Gov. Sarah Palin made the ticket's first fall appearance in October at Verizon Center, a Kokomo software company owner, David McChesney, had been summoned by a friend and McCain campaign staffer to help with "security." McChesney, who was an undecided voter, and his teenage daughter showed up at Verizon and found chaos. His friend approached him once more: the Master of Ceremonies had bugged out. Would Dave the "Software Guy" be willing to emcee the event with 16,000 Palin fans? McChesney was stunned. And emcee he did.

### ***Kicking the tires***

It would be one of 150 Indiana presidential campaign events conducted by Barack and Michelle Obama, Joe Biden, Bill, Chelsea and Hillary Clinton, John and Cindy McCain and Gov. Palin, drawing more than half a million Hoosiers. More than a dozen campaign appearances would be made by the Obamas and Biden during the autumnal homestretch (compared to four appearances by McCain/Palin). For the first time in decades, Hoosiers could do what their counterparts in Iowa and New Hampshire take for granted: getting close and personal with a future president.

"Voters get ... to use an Obama phrase ... to kick the tires," Plouffe said. "It's hard to hide who you are in a two-year period. I do think there will be some reform of the primary calendar system. The first contest was right after Jan. 3, right after the holidays. There were too many contests on Feb. 5."

"What's interesting about the primary process is that people in both Indiana and North Carolina stayed in May and were really rewarded because this time they got a lot of attention," Plouffe explained. "You look at those states on Feb. 5 and it was just a blur." Most of the Super Tuesday states got only one Obama rally. Hoosiers saw Obama play basketball in Kokomo, New Castle, Elkhart and Marion. He drank a rare beer up in St. Joseph County and visited Nick's English Hut in Bloomington. There were

two huge Indianapolis rallies at the American Legion Mall, another at the Indiana State Fairgrounds.

Obama would mix it up, going through a series of basketball gyms in South Bend, Fort Wayne and Columbus - and Indiana has 19 of the 20 biggest prep arenas in the nation - and then opting for meeting with Mike and Cheryl Fisher in their Beech Grove home and a community meeting at Garfield Park in Indianapolis. In Elkhart, he roamed the neighborhoods south of the St. Joseph River on the city's east side, shaking hands with folks doing yard work and sinking treys at an outdoor hoops court at Riverview Elementary.

"It was a long campaign," Plouffe said, seeming to sigh. He spent much of the first year in Iowa, with few big rallies

until just prior to the caucuses when he brought Oprah in. Then came the mad dash to New Hampshire, then Super Tuesday on Feb. 2 - or the "blur" as Plouffe remembers. After upsetting Clinton in Iowa, Obama lost to her in New Hampshire five days later. Plouffe said that despite

that stinging defeat, Obama was calm. "Wow, this campaign is going to go on for awhile," Obama told Plouffe. The freshman senator pondered further, telling his campaign manager, "This is good. We'll be better for it. We don't want to be a comet in the sky."

In hindsight, one of the campaign's biggest mistakes was not



**Sarah Palin prayed prior to her appearance at Verizon Wireless Music Center and the photographer ended up emceeing the event. (HPI Photo by J. David McChesney)**



**Obama at Garfield Park in Indianapolis at a small town hall. (HPI Photo by A. Walker Shaw)**



making Texas a priority over Ohio, which Plouffe says prolonged the campaign another month, while making Indiana and North Carolina extremely relevant.

### ***The message never changed***

While Plouffe said the basic Obama message never changed from his campaign kickoff in Springfield, Ill., on a frigid Feb. 10, 2007, to his victory speech at Grant Park in Chicago on Nov. 4, the campaign mixed up the Illinois senator's venues. "Part of it is the nature of wanting to try new things," Plouffe said. "And there was a little less strategy involved than you might think. Particularly when we were going to be spending a lot of time in Indiana. You can't have four rallies a day. We were going to be here for a couple of weeks, so in the primary, we came out, and did some town hall meetings. I think we went into a couple of homes and had discussions about issues. We had a diversity of events. We had to make sure that voters understood how connected he was to peoples' lives. He really understood what people were going through and that he would go to the White House and be their advocate."

As for the message, Plouffe said, "We didn't have meetings every week wondering what our new message was. He often said that people will accept our message and him or they wouldn't and he wouldn't win. That was a core part of our campaign. We just didn't have a lot of debates about what our message was."

Woven throughout was an integrated message coming from a brain trust that kept headquarters in Chicago, rather than DC. In Chicago there weren't reporters and rumor mongers stalking staff. The Obama campaign shared sensitive information with volunteers they trusted, again drawing the ridicule from the conventional wisdom crowd. The campaign adapted to a news environment that departed from news cycles to "rolling coverage."

While the campaign spent millions of dollars in Indiana on traditional media like TV, radio and newspaper (print ads being a departure from the recent past) - they also harnessed technology beyond a basic website to reach Hoosiers and the entire nation. They created an iPhone application and spread the message on YouTube. They created profiles on MySpace, Facebook and other social net-

working sites. Their opt-in text database marketed Obama directly to untold masses. They followed an estimated 130,000 on Twitter and collected an estimated 10 million e-mails. They used the web to dispel Obama-inspired urban myths. Most importantly, they mobilized an online community -- from college students to grandmas -- to take action off-line: volunteer, open your pocketbook, and get out to vote.

"You've got people sharing information: did you see this on YouTube? Or did you see this e-mail?" Plouffe said. "That was growing every day, person to person. We

tried our best to navigate that and share a lot of our e-mail with their circles. People get their information in a lot of different ways. It's not at a set time every day. It's not when the morning newspaper comes or the nightly news and that's it. It's all day long. We've got websites and blogs, we've got YouTube. We have a lot of young people - and not just young people - who won't read a list of talking points, but they'll look at video."

"You've got to be cognizant of that," Plouffe continued. "It's a challenging media environment and you have to be even more disciplined on what you're trying to get across because people's attention is so fragmented. So someone knocking on a door, making a call, sending an e-mail, sending Sen. Obama's speeches and television ads, all

needed to be connected. Because otherwise you're not being as effective as you can be with each individual effort. One of the challenges in the campaign was just hitting on all cylinders getting across the same message. It took a lot of work but on more days than not, we did."

And in this one improbable presidential campaign, with a candidate who literally came out of nowhere, upset dynasties, turned out young people and got more votes than any Democrat since LBJ, the odds stood on their ears. Indiana became a battleground state and it changed presidential politics forever. ❖



**The Obamas during the campaign kickoff in Springfield in February 2007 and in victory on Nov. 4 at Grant Park. The candidate's message never changed inbetween. (HPI Photos by Brian A. Howey and Ryan Nees)**

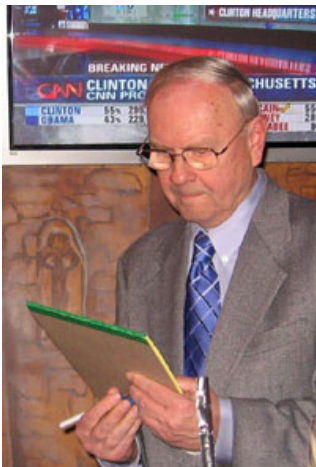


## Partisan politics still grips Washington

By JACK COLWELL

SOUTH BEND - After all the contentious partisan wrangling during the Bush administration, divisiveness that helped bring on the present woes, you might think there would be more bipartisanship now in Washington amid financial crisis.

If you think that, the House vote on the stimulus package to stave off another Great Depression shows you are wrong. Every House Republican voted to kill the stimulus package, even after President Obama accepted some Republican changes and went personally to plead with them, extending a hand. They didn't shake his hand; they bit it.



Why?

Partisan politics. And not just on the Republican side.

Many of the Republicans, knowing that a stimulus package is needed now, voted to kill it only because they also knew that they couldn't. They

knew there was a large enough Democratic majority in the House to pass the bill. There was, even as a few Democrats played their own brand of politics, voting "no" to try to fool conservative constituents into thinking they really are Republicans.

Republicans love their country just as much as Democrats do, and quite a few of them, probably a majority, would have voted for the package if they thought it was really going to be killed, with no alternative to counter rising joblessness.

**But they weren't about** to stop playing partisan politics at this stage just because the president was preaching bipartisanship. Some stimulus package will pass in compromise form in both the House and the Senate and will be signed into law by the president.

While Republicans in the Senate still have enough strength to filibuster a bill to death, they aren't going to kill a final hope for countering this severe economic downturn. They don't want to establish the GOP as the party of Hoover. Nor do they want to hurt their country.

Partisan wrangling aside, any of the proposed stimulus efforts would be better than no effort at all. No plan can bring a quick end to a recession sure to get worse

before it gets better. The best stimulus effort can only lessen the depths of recession and shorten its duration.

But before anything is passed, politics will be played, nasty and divisive. That's been the norm in Washington for at least the last 16 years.

**Nastiness breeds nastiness.** Many Republicans voting against the stimulus package were doing so more because of a desire to swat House Speaker Nancy Pelosi than to cripple Obama. They think she has been unfair to the minority, not permitting input on legislation. You know, the way Newt Gingrich and Tom "the Hammer" DeLay treated the Democratic minority. Presumably, in this never-ending game of retaliation, the next time Republicans have the majority, the speaker will treat a Democratic minority the way Republicans believe they are treated now by Pelosi, who still recalls treatment of Democrats by Gingrich and DeLay.

Some Democrats now grumble that Obama is selling out to the Republicans, spending more time trying to appease and woo them than he is to push through the type of Democratic legislation he promised in winning the presidency. Republicans may think the election returns showed that a majority of Americans think tax cuts can cure everything from deficits to the common cold, but that's not the prevailing feeling in the aftermath of the Bush tax cuts.

Some of Obama's most enthusiastic Democratic backers fear he showed weakness in extending a hand to Republicans in the House. If he had relied just on his own party and treated Republicans as outcasts, with a Bush-like smirk and a Rove-like political attack in their districts, he couldn't have done worse than get not a single Republican vote. But Obama wasn't going to the House Republican caucus just to let them make a fool of him when it came time to vote.

**Obama was speaking** more to the American public than to the partisan House Republicans. He was establishing a willingness to talk, to cooperate, to compromise, to seek bipartisanship. That's what a vast majority of Americans want. Although Obama, won not a single Republican vote in the House, it is dangerous for those House Republicans to think he hasn't won the admiration of a whole bunch of Republicans as well as Democrats outside Washington.

It appears that the only way Obama could win bipartisan cooperation in the House would be to start acting like Rod Blagojevich, who brought bipartisanship to the Illinois House. The vote there to impeach Blago was 117-1. ❖

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



**Gary Gerard, Warsaw Times-Union:** Comes now the stimulus package. A perfect time for O to put his foot down and demand lots of spending on infrastructure. But no. The bill passed in the House Wednesday includes \$30 billion for roads and bridges, \$9 billion for public transit and \$1 billion for inter-city rail. That's less than 5 percent of the \$825 billion package's total spending. (While we're on the subject of huge numbers, the Congressional Budget Office points out that after we pay the interest on the loans we're getting from foreign countries to fund the stimulus package, its cost balloons to \$1.2 trillion.) So I guess I was a little disappointed. I poked around in the stimulus package. It's quite massive, like, 647 pages. It's at : <http://www.docuticker.com/?p=24473> What I noticed is that there aren't really a lot of earmarks in there.

That's what we normally refer to as pork barrel spending. That's when a congressman - take ours for example, Third District U.S. House Representative Mark Souder - would add something like a \$2 million indoor skating rink for Warsaw onto the bill. There's really not much of that as far I can see. But there are a whole bunch of government programs that probably wouldn't pass if they were put to a straight up and down vote. There's \$3 billion for prevention and wellness programs, including \$335 million for sexually transmitted disease education and prevention; \$400 million for NASA scientists to conduct climate-change research; \$600 million for cars for government workers; \$150 million for renovation at the Smithsonian; \$10 million for bike and walking trails; \$650 million for "alternative energy technologies, energy efficiency enhancements and deferred maintenance at federal facilities"; \$600 million for grants for diesel emission reduction; \$800 million to clean up Superfund sites; \$200 million for plug-in car stations; \$1.5 billion for "green schools"; \$1 billion to the Community Oriented Policing Services hiring programs; \$2.7 billion in National Institutes of Health research grants; \$75 million for smoking cessation; \$5 billion for "Neighborhood Stabilization Programs". ❖

**Leslie Stedman Weidenbener, Louisville Courier-Journal:** House Democrats this week will take a second stab at creating a state stimulus package that they hope will complement the federal program and put Hoosiers to work now. Their first effort, introduced last month, had some real problems -- including at least one outright error -- but that didn't stop the House Roads and Transportation Committee from approving it anyway. The vote was on party lines, with Republicans voting no after Democrats rebuffed their attempts to fix and amend the bill. The approval sent the bill on to the Ways and Means Committee, which considers all legislation with any significant fiscal impact, a description that certainly applies to House

Bill 1656. That committee, also controlled by Democrats, is expected to rework the bill, something that appears sorely needed. As written now, the bill would shift nearly \$500 million over two years from the state transportation department's operating budget to local governments for road projects. It would also assign \$1.5 billion in revenue from the 2006 lease of the Indiana Toll Road -- called Major Moves -- for about two dozen currently unfunded highway, bridge and railroad projects listed in the bill. The proposal's author, Roads and Transportation Chairwoman Terri Austin, D-Anderson, said the goal is to put money in the hands of local governments, which she believes are ready to start building projects. But Gov. Mitch Daniels' administration complains the bill will decimate the Indiana Department of Transportation and essentially eliminate the money the state uses as a match for federal funds. But that's not the bill's only hitch. It also earmarks Major Moves money that is designated for other projects Austin picked. She points out the projects are on transportation department lists but haven't been allocated dollars. Transportation Secretary Karl Browning said the problem is that because those projects are unfunded, they have not been prepared for construction. None could be ready to go for three to five years, Browning told the roads committee in a contentious meeting. So essentially, the bill guts the very transportation program that already is putting Hoosiers to work, includes a mistake that would stop repaving and other maintenance work in most areas of the state, and provides money to projects that may or may not be ready for construction. ❖

**Sylvia Smith, Fort Wayne Journal Gazette:** The first bill President Obama signed into law helps chip away at workplace unfairness by expanding the time frame in which workers can sue for pay discrimination. The bill stems from a lawsuit filed when a Goodyear Tire & Rubber manager found out that for years she was paid less than her male counterparts. She won her case in 2003, but it was later thrown out because the lawsuit wasn't filed within six months of when the discrimination began. She was somehow supposed to intuit that her employers were cheating her. Since money is the Big Taboo in our society, it's not surprising that Lilly Ledbetter didn't find out about Goodyear's swindle right away. When she figured it out, she sued. But the law was interpreted as meaning Ledbetter had to sue within six months of her first paycheck. That's just silly, and Congress said so. Bravo to Congress passing the bill, and bravo to Obama for signing it. But phtttttttttt to Republicans who voted against the legislation -- among them all of Indiana's GOP members. None of them was thoughtful, sensible or compassionate in this case -- except in their regard for deceitful employers. ❖





## State revenues dive

INDIANAPOLIS - State revenues nose-dived in January, falling \$142 million below expectations and leaving the state with a deeper hole in its primary checking account that could approach \$400 million by the end of this fiscal year (Indianapolis Star). Indiana has \$1.3 billion in reserves, including \$390 million in its Rainy Day Fund. But Gov. Mitch Daniels insists he has no plans to tap that money, much to the chagrin of Democrats. Instead, Daniels has ordered the State Budget Agency to assemble options from state agencies to save additional money, on top of the \$763 million in cuts he ordered in December. State Budget Director Chris Ruhl said in a statement that possibilities include renegotiating some contracts and leases and shifting some unspent money into the general fund from other dedicated funds. "State revenues continue to get worse as the economy slides further into recession," said Ryan Kitchell, director of the state Office of Management and Budget.



## Kenley, Bauer react

INDIANAPOLIS - "There's absolutely a crisis in this state," said House Speaker B. Patrick Bauer, D-South Bend, who renewed his call for Daniels to dip into the state's Rainy Day Fund. "We want him to join us to create jobs in Indiana and use the available money in the bank to get those going" (Indianapolis Star). Sen. Luke Kenley, R-Noblesville, chairman of the Senate Appropriations Committee, called the new revenue numbers "terrible . . . even worse than I expected." Kenley said the cuts Daniels already has made, including freezing the pay of state employees, are "the one thing

that's probably going to save us from being a total disaster." Still, Kenley said, "there's no question" that these new numbers will force the state to look at all alternatives, including dipping into the Rainy Day Fund.

## Elkhart-Goshen top jobs loser in nation

ELKHART - Although other places in the United States posted higher unemployment, none topped the Elkhart-Goshen metropolitan area in the rate that jobs were lost during December (Elkhart Truth). On Wednesday, the U.S. Bureau of Labor Statistics released its measurement of unemployment figures from 168 metropolitan areas. From December 2007 to December 2008, the Elkhart-Goshen jobless rate skyrocketed 10.6 percentage points (with unemployment going from 4.7 percent to 15.3 percent) and put the Northern Indiana county in the No. 1 spot.

## County reforms pass Senate committee

INDIANAPOLIS - After about four hours of testimony, the Senate Local Government Committee voted 6-5 to approve a heavily amended Senate Bill 506. The only area lawmaker on the panel - Sen. Travis Holdman, R-Markle - voted yes (Kelly, Fort Wayne Journal Gazette). The bill, which now moves to the full Senate, would mandate a change to one of two new systems of county government: •A single elected county executive accompanied by a seven-member county council with legislative and fiscal powers. This system is similar to city structure with a mayor and city council. •A seven-member board of supervisors with executive, legislative and fiscal powers that would appoint a county manager to handle daily tasks. This system is similar to town governments with a town board and town manager. Under the bill, the three current county

commissioners this year would either choose between the two systems or allow residents to do so in a 2010 referendum. Counties would not be allowed to keep their existing structure. A majority of the senators on the committee also approved a special exemption for Lake County only.

## Indiana would get \$4B in House stimulus

INDIANAPOLIS - Indiana's superintendent of public instruction and board of education unleashed a slew of deregulations Wednesday in an effort to allow schools more flexibility (Fort Wayne Journal Gazette). But at least one state teachers union official said the moves won't affect how schools operate. Schools have had the authority to do much of what the state board approved - at the request of Tony Bennett, state superintendent of public instruction - since 1999, said Dan Clark, deputy director of the Indiana State Teachers Association. "It's a nice symbol, but it's really an empty gesture," Clark said. The board repealed a number of provisions, including a requirement that mandates high school students spend 250 minutes in a class each week to receive credit for the course and a requirement that students attend high school for seven semesters before graduating. But schools have been able to apply for waivers to cut through those requirements since Public Law 221 was passed in 1999, Clark said. "I think the truth of the matter is, it's pretty non-consequential," Clark said. Cam Savage, spokesman for the Indiana Department of Education, acknowledged many of these requirements could have previously been lifted with waivers. The purpose of Wednesday's vote was to get rid of the red tape school districts have to go through to achieve those things, he said.